



KRUK Group Sustainability Activities Summary 2024

Based on the Director's report on the operations
of the KRUK Group and KRUK S.A. in 2024





Dear Stakeholders,

It is with great pleasure that I present this report summarising our actions and ambitions in the area of sustainable development for 2024. For many years, we have consistently pursued our mission of building an ethical and responsible business. In connection with the implementation of the Corporate Sustainability Reporting Directive (CSRD), we have, for the first time, prepared our sustainability report in accordance with the European Sustainability Reporting Standards (ESRS).

Reporting under these new and demanding standards represents a further step towards greater transparency and a meaningful milestone in fostering dialogue with our stakeholders. The full version of the KRUK Group's consolidated sustainability statement – an integral part of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024 – was published in March 2025. It contains detailed information and all required data that reflect the nature of our activities and their environmental, social, and governance impacts.

Given the scope and depth of the full report, we have also prepared this summary to highlight the key developments in sustainable development across the KRUK Group in 2024. This allows us to present our commitments in a more accessible format, focusing

on those areas where we have – and intend to have – a meaningful impact. We set out our business model and our approach to the responsible development of the debt management market, providing all stakeholders – especially our employees, clients, and business partners – with a clear view of our strategic direction.

The year 2024 was another period of strong performance and significant achievements for the KRUK Group, further consolidating our position in the European market. Net profit increased by 9% year on year to PLN 1.07 billion. Cash EBITDA reached PLN 2.37 billion, representing a 13% increase compared with 2023. We continued to successfully acquire and manage debt portfolios, with recoveries exceeding PLN 3.5 billion (up 15% year on year) and investments at PLN 2.8 billion. Our international expansion became increasingly visible, with 62% of investments and 59% of recoveries attributable to operations outside Poland. As at the end of 2024, the KRUK Group was the world's largest debt management company by market capitalisation, which exceeded PLN 8 billion.

Our success is driven above all by our people – a team distinguished by its unique competencies, commitment, and openness. They remain our most valuable asset. Accordingly, 2024 was another year in which we invested in employee development, well-being,

and workplace safety. These efforts are reflected in a low turnover rate of just 12%, one of the lowest in the financial sector. I am proud of the values-based and inclusive culture we continue to foster. The fact that women hold 58% of top management positions is a strong testament to this commitment.

Looking ahead, we are fully aware of the challenges and opportunities before us.

In January 2025, we announced a new business strategy for the years 2025–2029, setting out ambitious directions for future growth. A key next step in 2025 will be the planned update of our ESG strategy, to ensure it more effectively addresses the identified impacts, risks, and opportunities. The double materiality assessment conducted in 2024, as part of our CSRD-compliant reporting, provides a robust foundation for further embedding sustainability into our organisational DNA.

I firmly believe that the consistent implementation of our carefully developed strategy, combined with our responsible approach to debt management, will allow us to continue setting industry benchmarks and delivering long-term value to all our stakeholders.

The progress we have already made – our contribution to changing perceptions of the industry, our commitment to responsible client service, and our business achievements – demonstrate that we are setting unique, ethical standards for others to follow. We remain committed to continuous improvement in this regard.

I would like to extend my sincere thanks to our clients, investors, and business partners for their trust, cooperation, and constructive engagement, which enable us to advance the sustainable transformation of the debt management sector.

I invite you to read the report.

Yours faithfully,

Piotr Krupa
President of the Management Board,
Chief Executive Office, KRUK S.A.

Table of content

About the KRUK Group	4	Business conduct	62	Clients	97
1.1 Mission and Vision	6	5.1 Policies with respect to business conduct and corporate culture	63	8.1 Advancing positive impact on clients	106
1.2 Business model and value chain	7	5.2 Organisational culture and values	67	8.2 Preventing negative impact and mitigating risk	107
1.2.1 Stakeholder relations	11	5.3 Whistleblowing mechanisms and whistleblower protection	68	8.3 Client satisfaction survey results in 2024	109
1.3 Role of the KRUK Group in the financial system	16	5.4 Key training on business conduct and organisational culture	70		
1.3.1 Supporting indebted persons and the economic impact of debt collection	16	5.5 Responsible supplier engagement and prevention of payment backlogs	72	Environment	110
1.3.2 Responsible debt management	18	5.6 Zero-tolerance policy on corruption	73	9.1 Our environmental impacts and approach to environmental protection	110
1.3.3 Ethics at the KRUK Group	19	5.7 Responsible lobbying activities	73	9.2 Environmental actions	112
1.3.4 Digitalisation and client personal data protection	20	5.8 Responsible portfolio and client selection	74	9.3 GHG emissions – summary	115
1.4 Sponsorship and other social activities	21			9.4 EU Taxonomy	116
		Our employees	75		
Governance (GOV)	26	6.1 A great place to work	83	About this report	117
2.1 Management and supervisory bodies	26	6.2 Diversity	88	10.1 Glossary of key sustainability terms	118
		6.3 Employee education and development	90		
KRUK Group Strategy	36	6.4 Workplace safety and employee health	91		
Double materiality assessment	44	Affected communities	92		
4.1 Double materiality assessment results	46	7.1 Advancing positive impact on communities	95		
		7.2 Preventing negative impact	96		

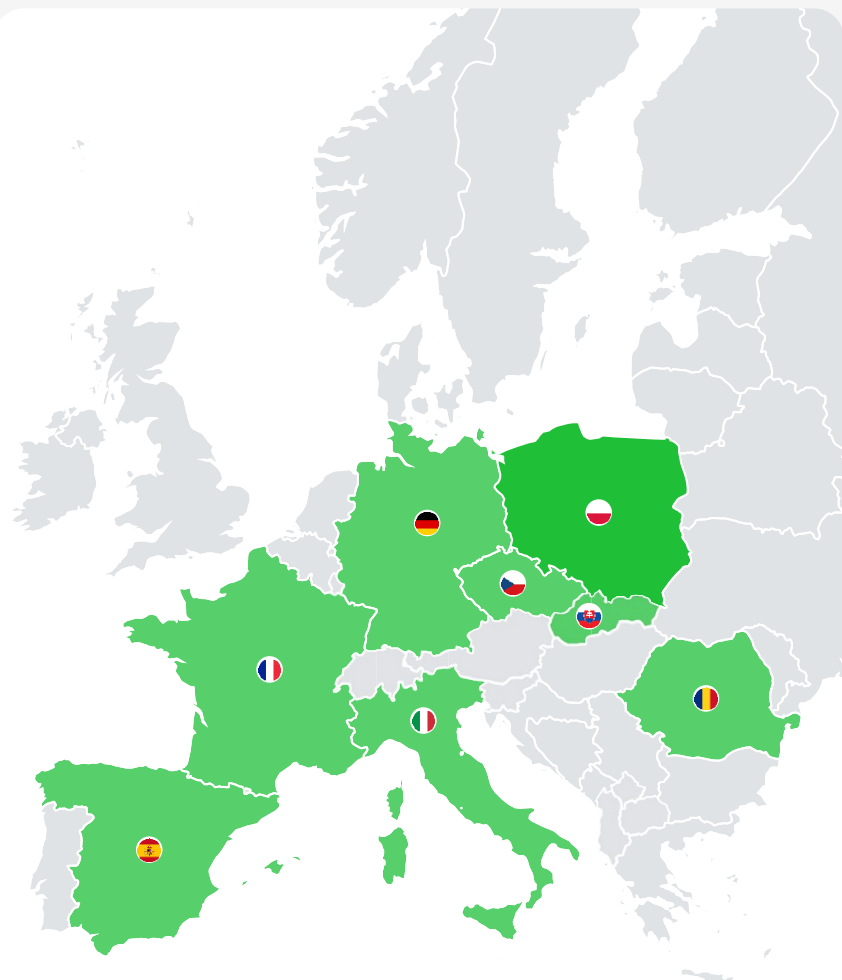
1 About the KRUK Group

[SBM-1] [SBM-2]

The KRUK Group is the world's largest debt collection company by market capitalisation, with over 26 years of experience in managing debt – both its own and third-party debt portfolios. We began as a small company based in Wrocław and, over more than a quarter of a century, have secured the position of undisputed industry leader in the debt collection sector in its home market and in România. Over time, KRUK has built a robust corporate group with a presence across Central and Eastern Europe. As the Group has grown, its activities have expanded to include the provision of consumer lending services through its subsidiaries.

KRUK operates in Poland, România, Italy, Spain, the Czech Republic, Slovakia, and Malta, and holds assets in Germany and Luxembourg. In 2024, the Group also entered the French market. Our core and most significant client group comprises individual consumers – indebted persons. Since 2011, KRUK S.A. shares have been listed on the Warsaw Stock Exchange.





PLN 11 billion (up 21% year on year)

Portfolio carrying amount

Credit ratings

Moody's: Ba1 S&P: BB-

Employee turnover at 12%

One of the lowest turnover rates in the financial sector

58% of senior managerial positions

at the KRUK Group held by women

Technological advances

We have set out on a digital transformation journey

PLN 8.1 billion

KRUK has reaffirmed its position as the world's largest debt collection company by market capitalisation

(as at 31 December 2024)

Commitment to international growth

62% of investments and 59% of recoveries were generated in markets outside Poland

Number one in the market for unsecured retail debt in Poland, România, Italy, and Spain



KRUK S.A. shares have been listed on the Warsaw Stock Exchange since 2011

New record achieved:
PLN 2.4 billion
(up 13% year on year)

Cash EBITDA



1.1 Mission and Vision



Urszula Okarma

Member of the Management Board, Chief Investment Officer, KRUK S.A.

Since its inception, the Group has aligned its business objectives with a responsible approach to clients and with an awareness of the impact it may have on various social groups – particularly those most vulnerable and at risk of financial exclusion. As a market leader in debt management, we take our role within the financial system very seriously. This commitment is reflected in the new Mission and Vision of our Group, announced by the Management Board of KRUK S.A. in November 2024. We have also resolved that the values which have guided us for many years will continue to support the implementation of this vision, which defines the very essence of our operations”.

Mission

We guide our clients toward a path out of debt. We operate ethically and effectively, while educating the public about responsible finances.

Vision

We are building a world of financial balance based on mutual trust, where promises and commitments are fully honoured.

The values that guide the KRUK Group are as follows:



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 things by their name.



Accountability

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



Simplicity

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

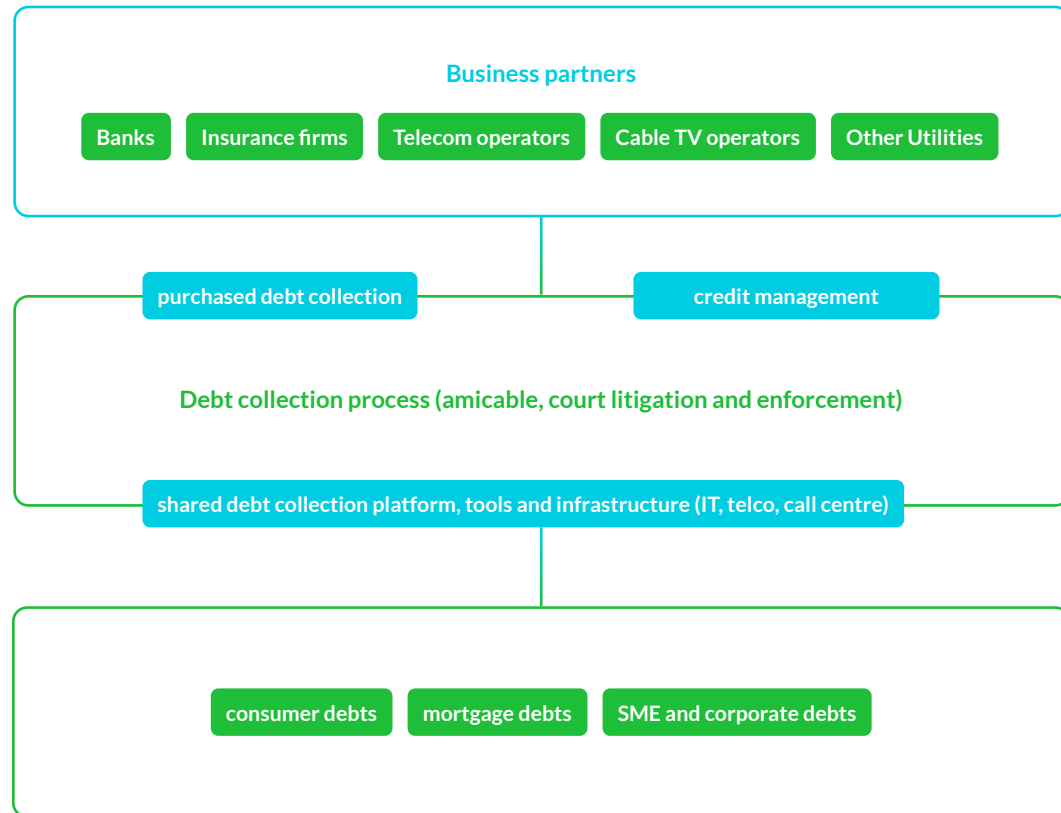


Development

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

The Mission, Vision, and Values of the KRUK Group form the foundation of the organisation’s business model.

KRUK's business model



1.2 Business model and value chain

As at the issue date of this Sustainability Statement, the KRUK Group comprised KRUK S.A., 21 subsidiaries linked by equity, and two entities under personal control.

The Group's principal business is the management of debt purchased for the Group's own account and management of debt for institutional clients (credit management services) across three segments:

- consumer debts (retail, unsecured),
- mortgage debts (retail, secured),
- corporate debts (mortgage-backed and non-mortgage-backed).

In 2024 alone, this line of business accounted for 91% of the Group's total revenue.

The KRUK Group also manages receivables of banks, loan brokers, insurers, leasing companies, consumer lending companies, landline and mobile telecommunications operators, cable TV operators, digital TV operators, and companies from the FMCG sector. Our business focus is on the bank market and unsecured retail debt, based on long-term relationships with key partners. The KRUK Group includes Wonga Sp. z o.o., a company operating on the open consumer loan market in Poland. We also offer loan products under the NOVUM Finance brand in Poland and under the RoCapital brand in România, primarily targeting clients who make regular repayments or have paid off their debts to the Group.

During the three months ended 30 September 2024, the Prokura NFW FIZ and Bison NFW FIZ funds merged. As of 3 July 2024, Bison was removed from the Register of Investment Funds.

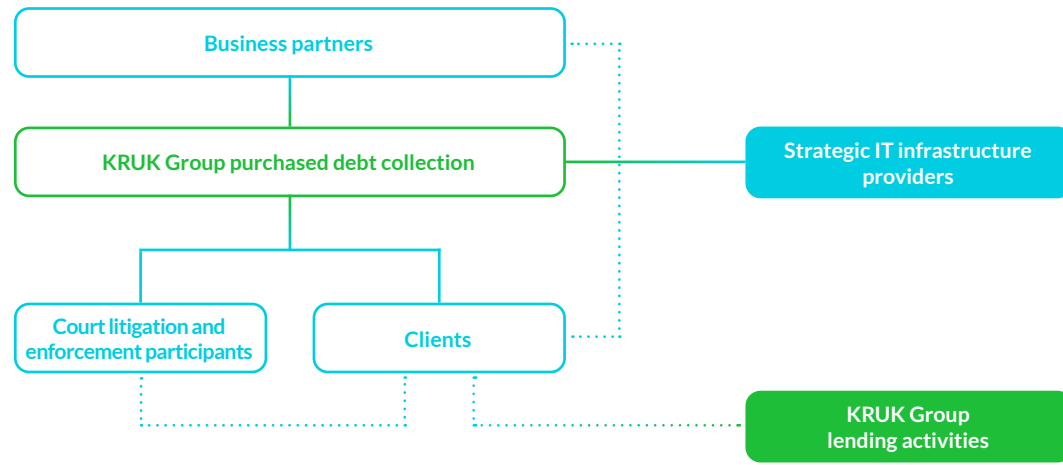
It is worth noting that the debt portfolios acquired by two KRUK Group entities based in Luxembourg are managed in Poland.

The **KRUK Group's upstream value chain** includes business partners such as banks, lending companies, insurers, leasing companies, landline and mobile telecommunications operators, and utility providers. The Group's operations are based on long-term relationships with key partners, primarily from the banking sector.

The downstream value chain comprises both individual and corporate clients (mainly SMEs). Debts are recovered either through amicable settlement process or through court and enforcement proceedings, in cooperation with bailiffs. The initiation of court proceedings does not exclude the possibility of amicable repayment (a hybrid process).

In addition to purchasing and recovering debt for its own account, the KRUK Group also provides credit management services. Clients who have repaid their obligations may be offered access to consumer loans designed to support the rebuilding of their credit history.

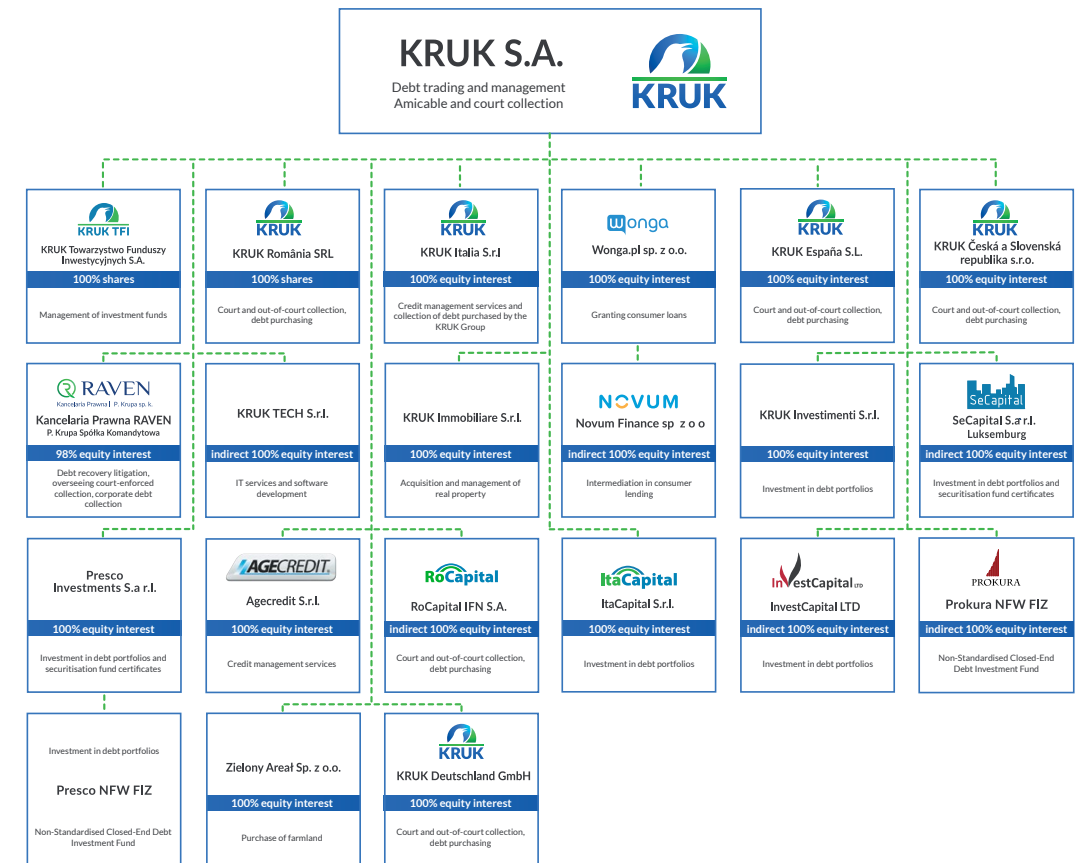
Value chain analysis



The Group's operations are supported by critical ICT infrastructure that ensures business continuity and safeguards data security across the entire value chain.

In each of the markets where we operate, debt collection services play a vital role in supporting the stability and liquidity of the financial system and are conducted in full compliance with applicable laws. In the jurisdictions where we operate, the purchase or management of debt portfolios may be subject to specific regulatory requirements.

Entities within the KRUK Group





What we do

The KRUK Group is primarily engaged in the purchase and management of own debt portfolios, credit management services, and consumer lending.

Debt collection process

The debt collection process consists of several stages, during which various operational tools are employed.

Amicable collection process

The aim of the amicable collection process is to recover debts in the shortest possible time through an agreement with the client, using the most effective tools for the specific category of debt.

The first step in the amicable approach is to reach the client, establish contact, and determine an optimal repayment plan, taking into account the client's financial capacity. This stage is typically followed by the signing of an instalment repayment agreement.

Communication with the client includes:

- telephone calls,
- chat channels, including chatbots and voicebots,
- letters, including email,
- online tools – via the e-KRUK online platform, where clients can sign agreements and repay debts,
- visits from field advisers, who contact clients when other methods are ineffective or at the client's request.

Court and enforcement proceedings

We handle all aspects of court and enforcement proceedings, from claim filing to enforcement by a bailiff/enforcement entity. We also actively participate in bankruptcy proceedings.

Our activities include:

- handling court proceedings to obtain an enforcement order, including, in Poland, ordinary, warrant-of-execution and separate proceedings, such as payment order, writ of payment, electronic proceedings by writ of payment, and simplified procedures,
- enforcement of debt claims in the course of insolvency and arrangement proceedings,
- handling the probate process, including in particular identification of the indebted person's heirs and initiating proceedings to secure enforcement order against the heirs,
- enforcement of secured debt and debt in the SME sector,
- active monitoring of court proceedings,
- active cooperation with authorities conducting enforcement proceedings – conducting enforcement monitoring.

Hybrid process

The initiation of court proceedings does not exclude the possibility of amicable repayment, as efforts to resolve the customer's debt through amicable means may continue in parallel with the legal process. At this stage, communication may take the form of telephone calls, written correspondence (including via the e-KRUK platform), or face-to-face interaction.

Specialised services

We also deliver advanced, modern processes for managing various categories of cases.

In credit management, we apply receivables monitoring focused on the early recovery of outstanding amounts and the restoration of regular payment behaviour.

At this stage, we contact the client through the Contact Centre, telephone calls, text messages, and personalised payment reminders.

For mortgage debts, we operate a dedicated process based on a tailored approach and dedicated solutions adapted to each case. This applies to high-value receivables secured by mortgage, with the objective of achieving voluntary property sales. Our advisors provide clients with support at every stage of the process.

Each case is analysed in terms of the client’s financial condition, as well as the quality of the collateral. We undertake actions aimed at restoring regular repayments, restructuring the loan, facilitating voluntary property sales on the open market, or, as a last resort, enforcement auction. Our mortgage debt management system ensures efficient debt collection.

Consumer loans

The KRUK Group provides cash loans in Poland (under the Wonga and NOVUM Finance brands) and România (under the RoCapital brand). The NOVUM and RoCapital products are primarily addressed to the Group’s top-performing clients – those who regularly repay or have repaid their debts managed by the Group. In contrast, the Wonga offering is targeted at clients in the open market, primarily through the online channel.

As a leader in debt management, we implement our strategic initiatives by leveraging financial, technological, human, and operational resources. We apply a comprehensive approach to acquiring, developing, and securing these inputs to effectively achieve our business objectives and long-term strategy.

For more details, please refer to subsection 3.1.1 ‘Business model and value chain’ of the KRUK Group’s Sustainability Statement.



Inputs:	Financial	Technological	Human	Operational and infrastructure
Approach:	The KRUK Group maintains a stable financial structure, regularly monitors its cash flows, and effectively manages its debt. We ensure financial transparency, fostering trust among investors and lenders.	We invest in modern technologies and digitalise our processes to increase efficiency and reduce operating costs. We collaborate with reputable technology providers and continuously monitor innovations that support the implementation of our strategy.	We are committed to employee development, providing a broad range of training programmes, fair wages, and safe working conditions, and fostering employee well-being and engagement. We promote diversity and inclusion in the workplace.	We regularly optimise operational processes to reduce costs and enhance efficiency. We partner with local suppliers and business partners, enabling flexible adaptation of infrastructure to market needs.

1.2.1 Stakeholder relations

The effective execution of the business model and the achievement of strategic objectives rely on engagement with various stakeholder groups, who play crucial role in our operations and success.

We maintain relationships with all key stakeholder groups, enabling effective operational management and the creation of value for all parties involved. We engage regularly with selected stakeholder groups across key areas of our business, viewing dialogue as a strategic priority and a cornerstone of mutual understanding in an ever-changing environment.

We understand their needs and the significance of these matters for our strategy and business model as follows:

Key principles of stakeholder engagement

1. **Stakeholder identification:** we identify key stakeholders based on their impact on our operations, their expectations, market analysis, and our internal experience.

2. **Communication channels include:**

i. regular meetings with key stakeholders,

ii. publication of annual reports, sustainability reports, and financial results presentations,

iii. digital communication platforms, including the e-KRUK platform, market research, social media, and corporate websites, to interact with clients and the broader community.

3. **Feedback mechanisms: we gather input and suggestions through:**

i. surveys among clients and employees to better understand their needs and expectations,

ii. enabling clients to submit grievances or complaints and ensuring prompt and effective complaints processing.

4. **Collaboration with industry organisations:** the Group actively participates in industry associations and organisations, facilitating the exchange of knowledge and best practices while contributing to the development of industry regulations.

5. **Corporate social responsibility programmes:** we engage in social initiatives in partnership with non-profit organisations. Educational programmes such as Day Without Debt help increase financial awareness among clients and local communities. We also support local initiatives through sponsorship and charitable contributions.

6. **Transparency:** The KRUK Group is committed to maintaining a high level of transparency in its operations, providing stakeholders with regular updates on its plans, performance, and strategic direction.
- Key objectives of stakeholder engagement
- | Building trust | Strategic alignment | Supporting sustainability | Enhancing service quality | Risk management | Strengthening business relationships | Driving innovation |
|--|--|--|--|--|---|--|
| Stakeholder engagement enhances trust in the organisation and reinforces its reputation as a responsible business partner. | Regular dialogue enables the alignment of our strategy with stakeholder needs. | Stakeholder engagement contributes to the achievement of ESG objectives, promotes financial literacy, and encourages community engagement. | Feedback collection contributes to service improvements and the implementation of necessary adjustments. | Early identification of potential risks strengthens operational stability. | Ongoing collaboration fosters the achievement of shared objectives. | The exchange of ideas and experiences supports the adoption of innovative solutions. |

Stakeholders	Stakeholder expectations	How this relates to strategy and business model
Business partners: banks, lending institutions, leasing and factoring companies, insurers and telecoms from which we purchase debt portfolios, manage them, or service debt portfolios on their behalf.	Ethical and flexible partnership, contract compliance, understanding of business needs	Building long-term relationships based on trust, transparency, ethical business practices, and tailoring offerings to partner needs
IT service providers: provide advanced IT systems for data management and debt collection processes.	Stable cooperation, timely payments, clear contract terms, openness to innovation	Long-term relationships, timely payments, transparent terms of business, and seeking innovative technological solutions
Bailiffs/enforcement entities	Transparent and efficient cooperation, access to complete information	Providing necessary documentation and information, legal compliance, and adherence to ethical enforcement practices
Clients (indebted persons): individuals whose creditor is an entity within the KRUK Group and/or whose debt is managed by a KRUK Group company	Flexible and fair solutions, ethical conduct, support in personal finance management	Flexible repayment plans, transparent communication, ethical debt collection practices, and financial education programmes
Entities financing KRUK Group's operations	Financial stability, timely servicing of credit obligations	Transparent and long-term relationships, financial transparency, operational stability, efficient debt management



Stakeholders	Stakeholder expectations	How this relates to strategy and business model
Investors and market analysts	Stable returns on investment, transparent reporting, regular communication	Regular communication, publication of financial reports, participation in meetings and conferences, implementation of a sustainable development strategy
Employees	Professional development opportunities, fair remuneration, a safe and inclusive work environment	Training and development programmes, competitive employment conditions, a positive work environment, promotion of diversity and inclusion
Industry organisations and associations	Active participation in consultations, engagement in industry initiatives, adherence to standards	Membership in industry associations, participation in conferences and workshops, compliance with ethical standards
Communities and social organisations	Support for financial education, social initiatives, engagement in local projects	Corporate social responsibility programmes, educational and charitable projects, financial education workshops and training
Affected communities: Individuals who, due to various forms of exclusion, discrimination, or challenges resulting from limited access to information or poor financial education, require additional support and financial education.	High ethical standards, support for financial education	Promoting responsible money management, preventing unethical debt collection practices, fostering trust and positive relationships

Stakeholders	Stakeholder expectations	How this relates to strategy and business model
Regulators and supervisory authorities	Legal compliance, ethical conduct, adherence to industry standards	Full compliance with legal regulations, audits and inspections, compliance culture, cooperation with financial supervision institutions
Media: play a key role in shaping the image of the KRUK Group and informing the public about its operations and achievements. They are also key partners in advancing financial education and increasing public awareness of the role of debt management companies in the economy.	Transparent and open communication, reliable information, prompt responses to enquiries	Active media relations, publication of reports and press releases, organisation of press conferences
Prospective employees	Attractive working conditions, professional development opportunities, job stability	Investments in employee development, training and professional development programmes, competitive employment conditions, and promotion of KRUK Group values
Competitors	Fair competition, innovative solutions, adherence to industry standards	Monitoring competitor activities, strategy adaptation, implementation of innovations, dialogue through industry associations

It is important to highlight our active involvement in industry associations and organisations – they represent the interests of their members, including the KRUK Group, at various levels of public administration and in relations with regulators. They set industry standards and contribute to building the reputation and trust in the financial sector, including the debt collection industry.

An important element of our corporate responsibility and financial education efforts is our collaboration with selected non-profit organisations.

Further information on stakeholder engagement is provided in section **10 of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024**, section **3.2 'INTERESTS AND VIEWS OF STAKEHOLDERS (SBM-2)'**. 📄

Industry organisations and associations:

KRUK S.A. is a member of the Association of Financial Companies in Poland, Employers of Poland, and the Polish Confederation of Private Employers Lewiatan.

In addition, KRUK Group companies are members of:

- Asociația De Management Al Creantelor Comerciale (KRUK România S.R.L.),
- Patronatul Creditului IFN (RoCapital IFN S.A.),
- Asociación Nacional de Entidades de Gestión de Cobro (KRUK España S.L.U.),
- Association of Credit and Collection Professionals - ACA International (KRUK Česká a Slovenská Republika s.r.o.),
- Asociácia slovenských inkasných spoločností (KRUK Česká a Slovenská Republika s.r.o.),
- Asociace inkasních agentur (KRUK Česká a Slovenská Republika s.r.o.),
- UNIREC (KRUK Italia s.r.l.)

Key social organisations with which the KRUK Group is affiliated include:

- 30% Club Poland – a business campaign aimed at increasing the representation of women on corporate boards. Piotr Krupa, President of the Management Board of KRUK S.A., has joined this initiative,
- TENT – supporting the integration of refugees into labour markets,
- United Nations Global Compact Poland,
- Red Empresarial por la Diversidad e Inclusión LGBTI – promoting LGBTQ+ inclusion in the Spanish labour market.



1.3. Role of the KRUK Group in the financial system



Tomasz Ignaczak
General Director, KRUK S.A.



We are fully aware that the scale of our operations in Poland and our ongoing international expansion allow us to exert a growing influence – in both business and social terms. Our efforts go beyond supporting our clients – indebted persons – by helping them identify potential pathways out of debt. With deep insight into the challenges faced by groups particularly vulnerable to financial exclusion, we have for many years conducted financial education initiatives targeting the wider public. Our aim is to raise economic awareness and promote the safe use of digital tools that can facilitate debt repayment.

In our communications, we also explain the role of professional debt management companies in the economy and highlight the importance of ethics in our work. As a leader in debt management, we are committed to promoting the highest quality standards as well as an ethical and tailored approach in our relationships with business partners and clients. The mission and vision adopted by the KRUK Group in 2024 reflect the values that underpin our activities. The initiatives that give effect to this vision are embedded in our ESG Strategy and contribute to the achievement of selected goals under the UN Agenda¹.

1.3.1. Supporting indebted persons and the economic impact of debt collection

The KRUK Group has helped millions of individuals resolve their debt issues, while also supporting numerous institutions and enterprises in improving their financial liquidity and strengthening financial management. Our ambition is to contribute to the development of a healthy financial ecosystem in which education and responsibility play a central role. The scale of our operations – grown for more than 26 years – generates outcomes that have a significant positive impact on maintaining liquidity in the financial system and supporting overall economic stability. As the market leader in debt management in Poland, we are an active member of the Association of Financial Companies in Poland (ZPF). According to the Association, the key contributions of debt collection companies include¹:

- clearing payment backlogs, enhancing financial liquidity, and reducing the level of bad debt provisions – thanks to organisations such as the KRUK Group, many enterprises are able to continue investing and are less exposed to insolvency risk,
- promoting payment discipline and contributing to market stability, benefiting all businesses operating within the economy,
- 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.

We have actively contributed to the transformation of Poland's financial sector following the country's systemic transition. Our experience, consistent business development, and stable management have enabled us to establish a position as one of the most experienced debt management companies in Europe.

For many years, we have pursued initiatives aimed at advancing and strengthening ethical standards in the debt management industry. Both independently and in cooperation with various stakeholders, we conduct educational activities to enhance public awareness of personal finance, as well as the role that debt collection plays in supporting sustainable economic growth, maintaining financial liquidity across the economy, and contributing to the broader sustainable development of society.

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

In collaboration with other entities operating in the financial sector – including through our active participation in industry organisations and associations – we work to develop harmonised standards of conduct for debt management companies and to promote consistent interpretation of applicable legal regulations.

As part of a working group coordinated by the Association of Financial Companies in Poland, the KRUK Group is also engaged in efforts to improve the public perception of the sector and to raise awareness of the important role that professional debt management companies play – not only in the economy, but also in society at large.

For more information on the financial education initiatives we carried out in 2024, please refer to **section 10 of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024, subsection 7 dedicated to affected communities.** 📄

The digitalisation of debt management processes and the promotion of innovation within the KRUK Group also constitute our contribution to the development of the industry.

Digital transformation is a core element of the KRUK Group's strategy for building competitive advantage. It enables us to create a modern work environment for employees across all markets while delivering a positive and seamless user experience – for example, through the e-KRUK platform.

Between 2019 and 2024, the KRUK Group established a strong operational advantage through the consistent implementation of its digital transformation and Lean methodology. A key milestone in this journey was the launch of the Discovery Programme at the end of 2022, which introduced a structured and integrated approach to technological and organisational changes across the Group.

The programme encompassed not only the digitalisation and automation of debt management processes but also the introduction of a new, Agile-based working model in multidisciplinary product teams. These initiatives enhanced the pace and efficiency of implementation while improving the experience of both clients and employees.

The rollout of e-KRUK 3.0 across the Group's core markets – Poland, România, Italy, and Spain – led to a marked increase in client self-service.



In 2024, the number of active platform users

rose by 24% year on year, and nearly half of all settlement agreements were concluded online.



In parallel, we expanded our analytical and technological capabilities across the Group. We introduced AI and no/low-code tools, conducted an external audit of analytics maturity, and developed a comprehensive Data Governance strategy.

By leveraging the combined impact of digital transformation and a culture of continuous improvement (Lean), the KRUK Group significantly scaled its operations and enhanced cost efficiency, enabling the servicing of a record number of cases.

For more information, please refer to **section 6 'Development directions of the KRUK Group' of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024.** 📄

1.3.2 Responsible debt management

As a company operating in the debt management industry and the non-bank consumer lending sector, the KRUK Group is subject to financial regulatory oversight in each of the markets in which it operates. The debt management sector supports sustainable economic growth and financial system stability – an area that requires responsible business conduct. Adherence to regulations on anti-money laundering, counter-terrorism financing, and international sanctions is critical. The Group companies have implemented appropriate procedures aligned with local legal frameworks and provide employees with mandatory training to help identify suspicious transactions, while ensuring active participation and awareness in these areas.

How we define responsible debt collection

Responsible debt collection means more than managing overdue receivables – it also involves preventing the broader economic and social consequences of indebtedness. Our objective is to deliver a transparent and balanced process that benefits all parties involved.

As a Group, we are committed to fulfilling our role as a trustworthy debt management company and to delivering value for our stakeholders, including shareholders, employees, and clients. At the same time, we seek to combat financial exclusion and provide indebted persons with opportunities to overcome financial difficulties.

The core principles that underpin our responsible business practices are as follows:

- The KRUK Group operates in accordance with its Code of Ethics, ZPF Principles of Good Practice, and recognised industry standards, ensuring a responsible approach to debt collection that respects human rights.
- We ensure our processes comply with both legal requirements and internal and external regulatory obligations. Our operations are guided by fairness, impartiality, and professionalism. Across the Group, we have implemented risk control mechanisms to address legal and reputational risks and perform detailed screening of our partners.
- We do not enter into business relationships with entities subject to international sanctions. We act in compliance with applicable laws and the guidance of supervisory authorities in the areas of competition and consumer protection.

- As the leading debt management company in Poland and România, and a business with a strong presence in Spain and Italy, we are fully aware of the impact our decisions have on people's lives.

Given the nature of our business, regulatory authorities – such as the Office of Competition and Consumer Protection (UOKiK) in Poland – may assess certain practices as potentially infringing collective consumer interests, constituting unfair market practices, or involving abusive contractual clauses. As a result, the Group could be required to pay fines, provide compensation to clients, or discontinue activities found to be in breach of the law. Accordingly, we place great importance on ensuring that all Group processes are compliant with applicable legislation, good practices, and relevant judicial and regulatory rulings.

Customer service and support

At the KRUK Group, we recognise that debt is not solely a financial matter – it is often a complex issue that affects many areas of life, including mental health, family relationships, and employment stability. For this reason, a core element of our business is supporting clients in regaining control of their finances and developing mechanisms to assist them in a difficult situation. Our approach is based on empathy, personalised approach, and the development of solutions tailored to specific needs.

To make the repayment process as seamless as possible, we provide clear and accurate information and offer a wide range of communication channels, both online and offline. While ultimate responsibility for repayment rests with clients, KRUK ensures they are fully informed of available solutions and the consequences of non-payment. Where necessary, legal proceedings are initiated following prior notice.

We support clients in overcoming financial hardship, considering repayment as a step toward long-term financial stability. Clients who repay on time can rebuild their financial credibility by establishing a positive payment history with credit reference agencies. Clients who have repaid their debt to KRUK but are unable to access financing from banks or traditional lenders may use products offered by NOVUM Finance, which grants loans while minimising the risk of over-indebtedness. Each client may hold only one active loan at a time.

Effective debt management requires a tailored approach and a transparent process. We train our employees in empathetic communication, monitor service quality, measure client satisfaction, and implement innovations such as the e-KRUK platform and voicebots.

A client-centred approach is the cornerstone of our operations. This commitment was reaffirmed by the **Customer Service Quality Star 2024** award, which KRUK S.A. received once again – remaining the only debt management company to be honoured with this distinction. It provides clear evidence that our efforts are delivering meaningful improvements in the client experience.

For more information on our client engagement practices, and on how we manage related risks and impacts, please refer to section **10 of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024, subsection 8 dedicated to our clients.** 📄

1.3.3 Ethics at the KRUK Group

A core principle of our organisational philosophy is fostering an environment built on open dialogue, transparency, and trust.

We place a strong emphasis on ethical conduct – both in our interactions with clients, business partners, and employees. Ethics is a foundational pillar of the KRUK Group's Mission, while the values of respect, cooperation, and accountability have long been embedded in our organisational culture.

In 2024, KRUK S.A. was once again awarded the Super Ethical Company title, joining an exclusive group of organisations that have received the Ethical Company distinction for at least three consecutive years. The award is presented by the editorial board of Puls Biznesu, under the expert patronage of PwC Poland.

More information on internal ethical regulations at the KRUK Group, as well as our ongoing efforts to uphold ethical standards, is provided in the section dedicated to governance and clients.



Psychology of debt

The KRUK Group applies the methodologies of behavioural economics, leveraging scientific insights into the psychological drivers behind clients' financial decisions and actions. By understanding the mechanisms behind financial behaviours, we are able to develop targeted solutions rather than relying on intuition. At the same time, KRUK promotes healthy financial habits and works to eliminate harmful patterns that may lead to debt, thereby supporting clients in making more informed decisions and offering a real opportunity for long-term financial stability.

1.3.4. Digitalisation and client personal data protection

As previously noted, digitalisation remains a key element of the KRUK Group's operating model, enhancing both process efficiency and the quality of client experience.

To improve accessibility and responsiveness, we are also expanding **smart support channels**, including chatbots, progressively implemented across our local markets.

A critical component of the Group's digital maturity is **personal data protection and information security**. We implement comprehensive data management procedures that comply with the requirements of the General Data Protection Regulation (GDPR) and internal procedures covering incident response, client requests, and cooperation with data processors.

The **Data Governance** strategy, developed in 2024, enables us to further strengthen control over data quality, accessibility, and security – both centrally and at the local level.

The KRUK Group is developing chatbot technology to optimise customer service and expedite issue resolution.

In 2023, a chatbot was launched by KRUK România, and in 2024, it was deployed in Poland and entered pilot testing in Italy. Chatbots reduce the workload of Contact Centre advisors, allowing them to focus on more complex client queries. In 2024, KRUK S.A. received an award for its Chatbot Emilia in the 'Best Supporting Technology' category at the Polish Contact Center Awards. The initiative is helping to raise service standards across the industry, enhance client satisfaction, and facilitate the repayment of financial obligations.

In 2024, client self-service increased by 67% year on year.

As at the end of 2024, 17% of KRUK clients were managing their debt independently, with the Group's strategic objective being to reach 30% by 2029. KRUK is also advancing automation and robotics, particularly to streamline document workflows. In 2024, approximately 3.5 million documents were processed entirely through automated systems.

The Group also continues to develop enterprise-grade **cybersecurity** capabilities, including endpoint detection and response (EDR) systems, data encryption, access management, and advanced threat monitoring. These initiatives are supported by an internal employee education programme focused on information security, and a structured approach to cyber risk management, including in supplier relationships.

The integrated approach allows the KRUK Group not only to offer innovative client-facing solutions but also to ensure a high standard of **security and transparency** in the processing of personal data.



1.4 Sponsorship and other social activities

Social responsibility

The KRUK Group consistently implements its sustainable development strategy, maintaining a strong commitment to clients, society, and the environment. The Group is actively involved in financial education, psychological support for indebted persons, and social initiatives that help individuals regain control over their finances.

Since 2014, we have partnered with the Psychological Assistance Centre to provide clients with free access to professional psychological support. **In 2024, 60 individuals benefitted from this assistance.** The Group also supports its employees through the Arm in Arm programme.

Financial education constitutes a core pillar of our activities. In collaboration with experts and foundations, we implement campaigns aimed at enhancing financial literacy and providing practical guidance to individuals facing debt-related challenges.

KRUK actively addresses the social consequences of indebtedness – such as social isolation and exclusion – by offering emotional, educational, and financial support. This approach strengthens trust in the brand and delivers a measurable contribution to improving overall quality of life for many people.



Cosmina Marinescu

General Director, KRUK România

Through the sponsorship of industry-specific and multi-sector conferences and events of both national and international significance, the KRUK Group actively contributes to the development of the debt management industry by sharing its business approach, values, social responsibility practices, and ethical standards in debt management. Our active involvement in these initiatives provides an opportunity to establish new business relationships. It is also a platform for experience-sharing, articulating needs, strengthening our market position, and building even greater brand recognition”.

Sponsorships

The KRUK Group operates in line with the Charitable Sponsorship Policy, which governs its social engagement activities across all countries where the Group conducts its operations. The Policy covers the following areas of support:

- events involving amateur physical activity which mainly 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,

- social initiatives that seek to strengthen the processes of civic development, equality and tolerance,
- community and educational projects aimed at protecting the natural environment, with a particular focus on minimising overconsumption related to excessive spending.

Our efforts to promote financial literacy go beyond sponsorship and charitable initiatives – they also encompass proprietary programmes developed by the KRUK Group. We are actively engaged in combating financial exclusion, with particular focus on groups most at risk. For more information, please refer to section 6 ‘**Affected communities**’.

Examples of financial education initiatives aligned with our Charitable Sponsorship Policy included the following:

- KRUK S.A. established a partnership with the Ogólnopolski Operator Oświaty foundation to deliver the project **Learning About Finances with OOO** during the 2024/25 academic year.
- The project provided substantial support for the **Day Without Debt** campaign – an initiative launched by KRUK S.A. in 2009.
- In 2024, **Day Without Debt** was also observed in România and Italy.
- KRUK România sponsored the **Summer Business University**, where students shared knowledge on financial and business education.
- KRUK S.A. supported the Finance Forum conference in partnership with Bankier.pl.
- KRUK România continued its collaboration on financial education through the Smart Loans programme.
- KRUK România was also a continuing sponsor of the **ResponsABIL** project, through which nearly 400 young people in România have acquired basic financial skills over the past six years. It also maintained support for the MERITO project, which focuses on improving teachers’ financial literacy.



In 2024, KRUK S.A. actively participated in the **1st Debt Management Forum hosted by the Lewiatan Confederation**, sharing perspectives and insights into the financial education needs of society. For several years now, KRUK has also been a member of the ***Debt Collection? Everything Clear!*** campaign, organised by the Association of Financial Companies in Poland to educate journalists and consumers about debt management, repayment strategies, and debt collection processes. In 2024, we participated in the Financial Institutions Congress organised by the Association of Financial Companies in Poland, where it joined the panel entitled '*Junior in the World of Modern Financial Services*', sharing expertise on financial education for both children and adults. It was one of several conferences where our representatives highlighted the importance of economic education across the financial sector.

In 2024, KRUK S.A. also supported the ***First Star of Independence*** initiative of the Fundacja Dobrych Inicjatyw foundation, which helps young people leaving educational and care institutions transition to independence. The company funded a scholarship and housing furnishings for one participant, and delivered financial education workshops to a group of beneficiaries.

These activities also support our positioning as a recognised expert and industry leader in debt management. In addition to the previously mentioned events, in 2024 KRUK S.A. served as a sponsor of:

- **European Economic Congress in Katowice,**
- **ZPF Legal Regulation Congress,**
- **ZPF Debt Management Congress,**
- **ZPF Congress of the Lending Sector in Poland,**
- **Best Employer Fest**, organised by **Cariere, Galla Cariere Magazine** in România.

The KRUK Group also supports initiatives from independent expert and analytical institutions that represent the interests of society and citizens and actively participate in public debates on economic and financial topics. KRUK S.A. supported the **Institute of Public Finance led by Professor Jerzy Hausner** in preparing the third edition of the report '*Poland's Economic Credibility Index*'. The report will include findings from research on several areas, including the rule of law, economic transaction security, financial system stability, workplace safety, and compliance with international obligations. The thematic scope of the report also reflects the important role played by professional debt management companies within the financial system. The findings of the report were presented at the 9th Open Eyes Economy Summit.

Fostering civil society supports a culture of financial responsibility. In 2024, KRUK S.A. supported the **Fundacja Campus Polska** foundation, which focuses on civic education and assisting socially excluded groups. The Campus Polska event attracted around 1,000 participants aged 18 to 35.

Education on responsibility for the world around us, and the promotion of justice and respect for human dignity, are core objectives of the **Fundacja Ogród Sprawiedliwych** foundation. In 2024, KRUK S.A. made a donation to support the foundation's statutory activities in celebration of its 10th anniversary. The donation reflects KRUK's commitment to promoting human rights and the values upheld within our organisation.

KRUK S.A. also supports mental health initiatives. In 2024, the company provided funding for the development of Fundacja BloomPro programmes **MotyLOVE – Empowering Teenagers** for youth and **Parent eMOTIONs** for adults, which included participation by employees of KRUK Group companies in Poland.

The company promotes physical activity and charitable involvement. In 2024, it sponsored the **Business Run** in Poland and **Run for Children** in Italy. Proceeds were used to support individuals at risk of social exclusion. The events also provided opportunities to promote physical well-being and foster team-building among KRUK employees in Poland and Italy.

We are committed to advancing an inclusive labour market. We supported the **H2H Summit**, dedicated to the employment of people with invisible disabilities, and the Fundacja Arterytorium foundation. KRUK Italia sponsored DEI events during **Pride Month** and supported the Fundacja LunaBlu foundation, which assists individuals on the autism spectrum and those with Down syndrome.

To promote gender equality, KRUK S.A. supported the **Women and Men** dialogues organised by the Fundacja Nowej Wspólnoty foundation, which addressed gender stereotypes, career paths, and budgetary issues.

KRUK S.A. also provided active assistance to flood victims. In Poland, the company contributed to the **Entrepreneurs for Flood Victims** initiative and made a financial donation to its organiser – the SiePomaga foundation – as well as to those affected by flooding in Głuchołazy. In Spain, KRUK supported flood victims through a donation to the Spanish Federation of Food Banks.

The company also sponsors cultural and media events, including **Polityka Passport Awards**, **Literary Heights Festival**, **Grand Press Photo**, and **Grand Press**, in support of high-quality journalism and open social dialogue. KRUK România also enabled Romanian artists to participate in an art exhibition in Venice, centred on the themes of migration and identity.

Awards and accolades in 2024

Our consistent commitment to ethical business practices, professionalism, and engagement has once again been recognised across a range of industry rankings and award programmes:

- The Association of Financial Companies in Poland (ZPF) honoured KRUK S.A. with its second title of ZPF Ambassador. The recognition was granted for information presented on the Company's website about its membership in the ZPF, adoption and application of the ZPF Principles of Good Practice by debt collection companies, and the option to lodge a complaint with the Ethics Committee and Ethics Ombudsman.
- ZPF Ethical Certificate was awarded to KRUK S.A. for another consecutive year in 2024.
- Grand prize in the Power of Attraction competition was received by KRUK for modern tools and technologies in human resources management.
- Based on the Diversity IN Check audit conducted by the Responsible Business Forum, the coordinator of the Diversity Charter in Poland, KRUK S.A. was again recognised in 2024 among the employers most advanced in diversity and inclusion management.
- Dream Employer award was granted to KRUK S.A. in recognition of its efforts in fostering a value-driven organisational culture and change management.
- KRUK S.A. was recognised among employers providing comprehensive and priority-based support for equal development opportunities in business in the Balance competition.
- KRUK S.A. was recognised in the ranking table of the 50 Best Employers by Wprost magazine for fostering an inclusive organisational culture grounded in gender equality, diversity, and inclusion. Additionally, KRUK S.A. was awarded the title of Best Employer in the Debt Management Industry 2024 by Wprost magazine.
- KRUK S.A. was again the only debt management company included among the recipients of the Customer Service Quality Star awards in 2024 for its outstanding customer service.
- KRUK S.A. was again ranked first in the Debt Collection Companies category in the TOP Brand 2024 awards programme and was named one of the 50 most media-savvy brands in Poland.





- Kruk S.A. won the Kotler Award 2024 in the Large Enterprise category as part of the first European edition of this prestigious global distinction for excellence in management and marketing. Kruk received the award for its modern approach to advertising, client relations with indebted persons, and financial education initiatives.
- Kruk S.A. received White ESG Leaf 2024 in the 13th edition of the ranking compiled by Polityka and Deloitte for implementing strong ESG management practices.
- The Kruk Group was awarded a WNP Award by WNP.pl and Nowy Przemysł magazine for 'Expansion in debt management'. The accolade underscored the Group's commitment to ethical standards and its efforts in promoting financial education.
- Kruk S.A. won a Polish Contact Center Award in the category 'Best Supporting Technology' for its voicebot Emilia, which enables the implementation of modern customer service solutions.
- In 2024, Kruk S.A. remained among the Super Ethical Companies in the Ethical Company competition organised by Puls Biznesu daily and PwC.
- Kruk S.A. ranked 9th in the Forbes List of 100 Largest Private Companies in Poland.
- In the 2023 Best Annual Report competition, organised in 2024 by the Institute of Accounting and Taxes, Kruk S.A. received second place in the 'Banks and Financial Institutions' category and earned a special distinction for the most significant progress in the corporate governance statement category within the same group.
- The Polish Association of Retail Investors awarded Kruk S.A. the title of Capital Market Hero in recognition of its exemplary retail investor relations. The company was also named the leader in investor relations by Parkiet magazine.
- Kancelaria Prawna RAVEN P. Krupa Sp. k. ranked first in the 'New Law' category of the Law Firm Ranking compiled by Rzeczpospolita daily.
- Kruk TFI S.A. was named a Forbes Diamonds 2024 winner.
- Novum Finance Sp. z o.o. won 8th place in the Great Place to Work 2024 ranking in the 'Small Enterprises' category.
- Cosmina Marinescu, General Director of Kruk România, received a Special Award from Cariere magazine for leadership excellence.
- iProspect & dentsu Poland won the prestigious IAB Mixx Award 2024 in the 'Performance Marketing' category for the 'Challenge accepted! How to increase sales during economic downturns?' campaign commissioned by Wonga.
- In December 2024, Wonga's legal team was nominated in the 'In-House Counsel – Banking Team' category of the Lexology European Awards 2025.
- Wonga received a distinction from credit reference agency Biuro Informacji Kredytowej (BIK) in the 'Cooperation and Trust' category.
- In March 2024, Wonga's and Kruk S.A.'s initiatives were mentioned in the prestigious 'Responsible Business in Poland 2023. Best Practice' report by the Responsible Business Forum.
- Agnieszka Szczepanik, Wonga's management board member, was recognised as a Rising Star in cashless.pl's ranking of Most Influential Women in the Payments Industry 2024.

2 Governance (GOV) GOV [1, 2, 5]

A modern approach to organisational management demands transparency, accountability, and strategic oversight – elements that are essential to building stakeholder trust and supporting sustainable, long-term growth.

2.1. Management and supervisory bodies

Within the KRUK Group, the management and supervisory bodies play a central role in shaping corporate policy, monitoring the achievement of strategic objectives, and ensuring compliance with legal requirements and ethical standards. Their effective operation not only supports the execution of the business strategy but also facilitates the integration of environmental, social, and governance (ESG) considerations into decision-making processes. This contributes directly to the organisation's value in the eyes of investors and its broader socio-economic environment. Each member of the management and supervisory bodies has the skills and experience necessary to discharge their duties and responsibilities effectively.

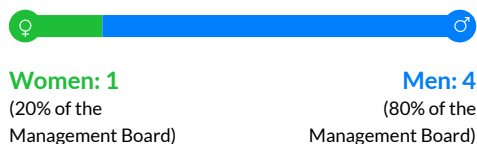
Management Board of KRUK S.A.

The procedure for appointing and removing Management Board members and their powers and responsibilities are set out in the Company's Articles of Association. Pursuant to Art. 8.1 and 8.2, the Management Board is composed of three to eight members, and their exact number is determined each time by the Supervisory Board upon request by the President of the Management Board.





In 2024 and as at the issue date of this report, the Company's Management Board comprised five members. The gender composition was as follows:



A detailed profile of the Management Board and its individual members is available on the corporate website at

en.kruk.eu/investor-relations/kruk-group/management

Management Board:



Piotr Krupa

President of the Management Board and Chief Executive Officer (CEO) of KRUK S.A., he is chiefly responsible for supervising the Strategy and Transformation Area, Internal Audit Area, Corporate Governance Area, and Director General.

He co-founded and since 2003 has been at the helm of KRUK S.A., a company listed on the Warsaw Stock Exchange since 2011 and currently ranking among Europe's top three debt management companies.



Adam Łodygowski

Member of the Management Board of KRUK S.A., serving as Chief Data & Technology Officer (CDTO). He oversees the IT Area, IT Infrastructure Area, Debt Portfolio Valuation Area, Statistical Methods Development Area, Cybersecurity Area, IT International Procurement Department, and Core System Tribe.



Piotr Kowalewski

Member of the Management Board of KRUK S.A., serving as Chief Operational Officer (COO). He oversees the Analytical Strategy Area, Customer Service Processes Area, Customer Service Platform Tribe, Insights and Behavioral Strategy Area, Digital Transformation Area, Brand Marketing & Communications Area, Data & Workflow Tribe, and Legal & Automation Tools Tribe.

He is responsible for areas related to managing purchased debt portfolios.



Urszula Okarma

Member of the Management Board of KRUK S.A., serving as Chief Investment Officer (CIO). She oversees the NPL Investment Strategy Area, Legal, Data Protection, Operational Risk and ESG Area, Compliance Area, and Human Resources Area.

She is responsible for the Group's product strategy, investment policy, legal support, Compliance, GDPR, operational risk management, and human resources.



Michał Ząsepa

Member of the Management Board of KRUK S.A., serving as Chief Financial Officer (COO). He oversees Controlling and Liquidity Management, Investor Relations and Development, Group Accounting and Taxation Area.

His remit encompasses finance, risk management, investor relations, financing, and M&A transactions.

For more information on the skills, expertise, and powers of the Management Board, please refer to subsection 8.3 'Governing bodies' of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024.



Supervisory Board of KRUK S.A.

Pursuant to Art. 11.1 and Art. 11.2 of the Company's Articles of Association, the Supervisory Board is composed of five or seven members. The number of members is defined each time by the General Meeting.

A detailed description of the composition and individual members of the Supervisory Board of KRUK S.A. is available on the corporate website at:

<https://en.kruk.eu/investor-relations/kruk-group/supervisory-board-and-committees>

In the 2024 financial year, the Supervisory Board of KRUK S.A. was composed of seven members, and its composition remained unchanged throughout the year. On 27 August 2024, a change occurred in the position of Chair of the Supervisory Board.

On 22 January 2025, the Company received a letter of resignation from Beata Stelmach, whereby she resigned from the position of Member of the Supervisory Board effective 29 January 2025. The Extraordinary General Meeting of KRUK S.A. held on 30 January 2025 passed Resolution No. 12/2025 to appoint Dominika Bettman as Member of the Supervisory Board.

Composition of the Supervisory Board, satisfaction of the independence criteria by the Supervisory Board Members, and their experience, expertise, and diversity as at 1 January 2024

Name and surname	Position on the Supervisory Board	Independent ¹	Finance/ Accounting ²	Accounting/ Financial Reporting ³	Industry expertise ⁴
Piotr Stępnia	Chair	⊗	✓	✓	✓
Krzysztof Kawalec	Deputy Chair	⊗	✓	✓	✓
Katarzyna Beuch	Member	✓	✓	✓	✓
Izabela Felczak-Poturnicka	Member	✓	✓	✓	✓
Ewa Radkowska-Świętoń	Member	✓	✓	✓	✓
Beata Stelmach	Member	✓	✓	✓	✓
Piotr Szczepiórkowski	Member	✓	✓	✓	✓

Gender representation on the governing body:



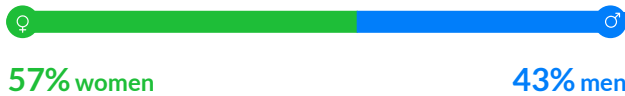
Independence criteria:



Composition of the Supervisory Board, satisfaction of the independence criteria by the Supervisory Board Members, and their experience, expertise, and diversity as at 31 December 2024

Name and surname	Position on the Supervisory Board	Independent ¹	Finance/ Accounting ²	Accounting/ Financial Reporting ³	Industry expertise ⁴
Ewa Radkowska-Świętoń	Chair	✓	✓	✓	✓
Krzysztof Kawalec	Deputy Chair	⊗	✓	✓	✓
Katarzyna Beuch	Member	✓	✓	✓	✓
Izabela Felczak-Poturnicka	Member	✓	✓	✓	✓
Beata Stelmach	Member	✓	✓	✓	✓
Piotr Stępnia	Member	⊗	✓	✓	✓
Piotr Szczepiórkowski	Member	✓	✓	✓	✓

Gender representation on the governing body:



Independence criteria:



1. Independence criteria in accordance with the Statutory Auditors Act
2. Experience in finance and accounting of listed companies
3. Knowledge and skills in accounting or financial auditing
4. Knowledge and skills specific to the industry

Supervisory Board members:



Ewa Radkowska-Świętoń

She is currently an independent member of the Supervisory Board and Chair of the Audit Committee at Ipopema Securities S.A., an independent member of the Supervisory Board and a member of the Audit Committee at Studenac Group S.A., a member of the Capital Market Benchmarks Supervisory Committee at GPW Benchmark S.A., and a member of the Risk Committee at KDPW_CCP S.A. She serves as President of the Association of Independent Supervisory Board Members, an expert at the Institute for Sustainable Development and Environment at Lazarski University, and a co-director of the post-graduate programme “Professional Supervisory Board” at Kozminski University. Since 2019, she has been an independent member of the Supervisory Board at KRUKE S.A., and as of 27 August 2024, she has served as Chair of the Supervisory Board. She is also a member of the Audit Committee and Chair of the Remuneration and Appointments Committee at KRUKE S.A.



Krzysztof Kawalec

On 1 July 2008, he became President of the Management Board. Since 2018, he has served as President of the Management Board of BFF Polska S.A., part of the BFF Banking Group, which is listed on Borsa Italiana. He is also Branch Director of BFF Bank SpA in Poland. He is a member of the Supervisory Boards of BFF Slovakia s.r.o. and BFF MedFinance s.r.o. operating in Slovakia and the Czech Republic. Since 2009, he has been involved in KRUKE S.A. and the KRUKE Group as a Member of the Supervisory Board of KRUKE S.A. and a Member of the Supervisory Board of KRUKE TFI S.A. Since 2022, he has also served as Deputy Chair of the Supervisory Board of KRUKE S.A.



Katarzyna Beuch

Since 2020, she has been Chief Financial Officer at Benefit Systems S.A., where she oversees controlling, group reporting (including consolidation, stock exchange reporting, and ESG taxonomy compliance), and the Shared Services Centre. She has authored publications on the application of International Financial Reporting Standards. She has served as independent supervisory board member at a range of companies, including as Chair of the Audit Committee at KRUKE S.A. (since 2013), as Chair of the Audit Committee at ATM Grupa S.A. (since 2020), and as member of the Audit Committee of WP Holding S.A. (since 2021).



Izabela Felczak-Poturnicka

She has 17 years' experience working on corporate supervisory boards of various companies, including names listed on the Warsaw Stock Exchange. She has served on the supervisory boards of PKN ORLEN S.A., Enea S.A., Polski Holding Nieruchomości S.A. (as Chair of the Supervisory Board), PZU Zdrowie S.A., Jastrzębska Spółka Węglowa S.A., ZEW Niedzica S.A., MERAZET S.A., Z.Ch. ZACHEM S.A., and MERITUM BANK ICB S.A. She was appointed to the Supervisory Board of KRUKE S.A. in 2022.



Beata Stelmach
until 29 January 2025

She was awarded with the Knight's Cross of the Order of Polonia Restituta in recognition of her outstanding diplomatic service and achievements in professional work and diplomatic activities for Poland. She is involved in various social outreach initiatives, including economic education of children. For many years, she has supported efforts to increase the activity and role of women in economic and social life. She was appointed a Member of the Supervisory Board of KRUK S.A. in 2022.


Detailed information on the educational background and experience of the members is available at

en.kruk.eu/investor-relations/kruk-group/supervisory-board-and-committees



Piotr Stępnik

Currently, he is a member of the Board of Directors of BFF Banking Group and Chair of the Supervisory Board of BFF Polska S.A., where he also sits on the Risk and Control Committee and the Appointment Committee. He also serves as Chair of the Supervisory Board and a member of the Audit Committee and the Nomination and Remuneration Committee at VRG S.A. and is a member of the Supervisory Board and the Nomination and Remuneration Committee at Grupa Kęty S.A. Since 2008, he has been a Member of the Supervisory Board at KRUK S.A., and from 2013 to 27 August 2024, he served as Chair of the Supervisory Board. He is also a member of the Company's Audit Committee. As part of his roles, he is involved in the activities of the Risk and Control Committee, providing ESG-related recommendations to the Board of Directors.

For more information on the skills, expertise, and powers of the Supervisory Board, please refer to subsection **8.3 'Governing bodies' of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024.** 



Piotr Szczepiórkowski

Currently, he serves on the Supervisory Boards of several WSE-listed companies, including FM Forte S.A., Decora S.A., and Octava S.A. Additionally, he is a member of the Supervisory Board and Chair of the Audit Committee at ZEW Kogeneracja S.A. and Ipopema TFI S.A. He was appointed to the Supervisory Board of KRUK S.A. in 2019 and now serves as an independent member of its Audit Committee and a member of its Remuneration and Appointments Committee.

As at the end of 2024, the Group had no internal regulations in place regarding the presence of employee representatives in its governing bodies.



Dominika Bettman
as of 30 January 2025

An advocate for digital transformation and sustainable, responsible business practices, she also serves as a mentor to board members. She is the author of the books "Technologiczne Magnolie" and "Technologiczne Magnolie 2.0." A strong proponent of diversity and inclusive leadership, Ms. Bettman is actively engaged in initiatives that support the professional development of women, particularly in STEM fields. She will serve as General Manager of Microsoft Poland until the end of February 2025. Previously, she was the long-standing CEO and CFO at Siemens Sp. z o.o. She is a member of the Supervisory Board of Santander Bank Polska, President of the Council of the SGH Warsaw School of Economics, and a member of the programme boards for the European Economic Congress (EEC), the Open Eyes Economy Summit (OEES), and the European Forum for New Ideas (EFNI). She is a graduate of the Faculty of Foreign Trade at the SGH Warsaw School of Economics, and she completed the IESE Advanced Management Program in Barcelona..

Governing bodies and ESG

The Company’s governing bodies possess the competencies required for the effective management of ESG-related matters. Their expertise covers the legal framework applicable to the KRUK Group’s operations, compliance principles, risk management, and value chain impacts.

The Management Board and the Supervisory Board actively contribute to the development and monitoring of the ESG Strategy, drawing on their experience in change management and corporate strategy. The President of the Management Board of KRUK S.A. is a member of the Programme Advisory Council of the United Nations Global Compact Network Poland, and Supervisory Board member Ewa Radkowska-Świętoń is an expert at the Institute for Sustainable Development and Environment at Lazarski University. Their involvement reinforces the Company’s ESG agenda.

The Group works regularly with advisors and consulting firms specialising in ESG, assesses market best practices, and adjusts its strategy to reflect evolving regulatory requirements and stakeholder expectations.

We are committed to continuously enhancing the competencies of our executive and management teams, particularly in the areas of double materiality assessment and due diligence. This approach enables us to effectively identify and manage risks and to make informed, responsible business decisions.

The management of impacts, risks, and opportunities is an integral component of KRUK S.A.’s strategy, embedded in its Mission, Vision, and Values.

The organisational units responsible for managing sustainability-related impacts, opportunities, and risks across the KRUK Group include the following (the list below is not exhaustive, as most organisational units within KRUK S.A. contribute to the day-to-day management of these matters):



Area	Role in ESG management	Key responsibilities	Reporting line	Internal regulations
Legal, Data Protection, Operational Risk and ESG Area	Management of legal, data protection, operational, and ESG-related risks. Oversight of internal control systems. Coordination of ESG strategy and reporting.	<ul style="list-style-type: none">• Support for the Management Board in ESG strategy• Monitoring of ESG regulations and implementation across the Group• ESG risk management• Coordination of reporting under CSRD and the Taxonomy Regulation	Chief Investment Officer (CIO)	Organisational Rules, Risk Management System Policy, Internal Control System Policy

Compliance Area	Ensuring regulatory compliance, managing compliance risks, preventing corruption, AML, whistleblowing.	<ul style="list-style-type: none"> • Oversight of regulatory and ethical compliance • Compliance risk management • Anti-corruption and anti-money laundering efforts • Operation of the whistleblowing system 	Chief Investment Officer (CIO)	Compliance Risk Management Policy, Anti-Corruption Policy, Conflict of Interest Policy, Code of Ethics
Human Resources Area	Integration of ESG in HR policies, human capital development, remuneration policy oversight.	<ul style="list-style-type: none"> • Development of HR strategy • Implementation of diversity and inclusion policies • Design and oversight of remuneration policy • Cooperation with HR departments in foreign subsidiaries 	Chief Investment Officer (CIO)	Organisational Rules, Diversity and Inclusion Policy, Mediation Policy
Cybersecurity Area	Cybersecurity risk management, protection of systems and data.	<ul style="list-style-type: none"> • Implementation of cybersecurity strategy • Management of IT security standards • Employee awareness and training in cyber threats 	Chief Data & Technology Officer	Organisational Rules, Cybersecurity Policy
Internal Audit Area	Compliance verification, risk control, oversight of corporate governance.	<ul style="list-style-type: none"> • Conducting internal audits • Evaluation of the effectiveness of internal control systems • ESG risk monitoring and reporting 	Chief Executive Officer (CEO)	Organisational Rules, Internal Audit Charter



Risk and opportunity management

At the KRUK Group, responsibility for managing impacts, risks, and opportunities is embedded in the corporate mandate articulated in the Group's Mission, Vision, and Values, as well as in internal regulations defining the roles and responsibilities of governance bodies and designated functions. This integrated approach ensures robust mechanisms are in place to monitor performance across all dimensions.

In relation to the respective governing bodies of KRUK S.A., responsibilities for impacts, risks, and opportunities are structured as follows:

Role of the Management Board of KRUK S.A.

The Management Board of KRUK S.A. holds responsibility for **sustainability management** and the implementation of the **ESG Strategy** across the KRUK Group. It sets strategic directions and approves and enforces ESG-related policies.

Key responsibilities of the Management Board include:

- Identifying impacts, risks, and opportunities, including through double materiality assessments.
- Designing and implementing the non-financial risk management and internal control system.
- Monitoring risks and approving policies related to ESG and human resources management.
- Adjusting the organisational structure and advancing improvements in risk management.
- Delegating responsibilities to organisational units to ensure effective ESG governance.

The Management Board's activities are governed by the Articles of Association, the Rules of Procedure for the Management Board, the Risk Management Policy, and the Code of Ethics.

Role of the Supervisory Board of KRUK S.A.

The Supervisory Board assesses the effectiveness of the Management Board's implementation and management of sustainability-related matters, including impacts, risks, and opportunities. It monitors the implementation of the ESG Strategy and oversees activities undertaken in this area.

The Supervisory Board addresses ESG topics during its meetings and through the work of its Committees. The Audit Committee, which supports the Supervisory Board, assesses the effectiveness of internal control, risk management, and internal audit systems, and conducts their annual evaluation.

The Supervisory Board's activities are governed by the Rules of Procedure for the Supervisory Board, the Rules of Procedure for the Audit Committee, the Remuneration Policy, and the Risk Management System.

In 2024, the Management Board and Supervisory Board of KRUK S.A. regularly integrated sustainability considerations into their activities by reviewing material impacts, risks, and opportunities. Their assessment encompassed regulatory, market, and technological aspects, as well as matters related to ethical debt collection and data protection. The decision-making process also took into account the expectations of key stakeholders, including investors, employees, and clients.

The Management Board received ongoing ESG updates from key organisational units, and material issues were discussed both during ad hoc meetings and formal sessions. The Supervisory Board monitored the risk management system, HR strategy, cybersecurity, and the compliance function.


Sustainability and the remuneration system

Remuneration for the Management Board and the Supervisory Board is set in accordance with the Remuneration Policy approved by the General Meeting. In 2024, ESG criteria were not incorporated into the corporate system of rewards, with the incentive scheme being based solely on financial performance.

Risk management and internal control

The KRUK Group plans to formalise the management of ESG reporting risks and integrate them into the existing risk management system in 2025. In 2024, two key risks were identified: legal non-compliance and errors in data collection. These risks were mitigated through targeted training and support from external experts.



For more information on corporate governance and actions taken, please refer to section 2 'Governance (GOV)' of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024. 

3 KRUK Group Strategy [SBM-1]

As noted above, our Strategy is grounded in the ongoing assessment of the needs of key stakeholders and the continuous adaptation of our approach and business model to more effectively respond to those expectations. For more information on the business model and corporate structure of the Group, please refer to section 1 'About the KRUK Group' in this report.

In 2023, the Management Board of KRUK S.A. adopted the ESG Strategy for the KRUK Group, setting out its sustainability-related goals across four areas: Employees, Society, Environment, and Governance.

The KRUK Group's ESG Strategy will be revised in 2025 due to the need to adapt activities to the evolving business environment, better address the impacts, risks and opportunities identified during the 2024 double materiality assessment, and implement the Group's new business strategy.



KRUK Group's strategic commitments towards UN Sustainable Development Goals

Goals 2023–2025

- Maintain gender equality – at least 50% women
- Adjusted gender pay gap – 0% by 2025
- Employees with disabilities – 4% by 2025
- Proportion of women on management boards – at least 40%
- Turnover – 16% annually
- Diversity, equality and inclusion – dedicated programme



Goals 2023–2040

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



Goals 2023–2025

We act to increase financial and digital inclusion by promoting:

- Financial and digital literacy
- Behavioural change
- We want to support our employees' local engagement in matters important to their communities – Volunteering Programme



Goals 2023–2027

- Cybersecurity
- GDPR
- Compliance



Goals in the area of Employees



Target	Progress at year-end 2024
1) Gender equality	
At least 50% women in all positions, including managerial roles	Women accounted for 63% of KRUK Group's workforce, including 58% in managerial positions
2) Equal pay	
0% gender pay gap by 2025	The adjusted gender pay gap at the KRUK Group was 0.6%*
*Defined as the difference in total average remuneration (including base salary and variable pay such as bonuses and other cash incentives) between male and female employees, expressed as a percentage of the average total remuneration of male employees working at the same level, in the same job family, and in the same position. It is calculated as the weighted average of the pay gap in individual positions relative to the employment level in those positions.	
3) Employment of persons with disabilities	
At least 4% of employees with disabilities by 2025.	Employees with disabilities accounted for 2.2% of KRUK Group's workforce.
4) Proportion of women on management boards	
At least 40% women on boards.	Women held 42% of positions in the Management Board and Supervisory Board of KRUK S.A.



5) Employee turnover

Annual turnover not exceeding 16%.

Employee turnover rate was 12%.

6) Diversity, Equity and Inclusion Programme implementation

By the end of 2025, 100% of managers will be trained on diversity and inclusion. 90% of employees will consider the KRUK Group a diverse and inclusive workplace.

90% of employees have completed the training. In 2024, the KRUK Group conducted an employee engagement survey across the entire organisation. Diversity, equity, and inclusion (DEI) aspects received 92% positive feedback. The survey questions focused on supporting diversity and inclusion by the organisation, the extent to which employees feel accepted, and the efforts to prevent discrimination and unfair treatment.

Goals in the area of Society:



Target	Progress at year-end 2024
1. enhancing financial and digital inclusion by	In 2024, in pursuit of its goal to develop financial and digital competencies, the KRUK Group continued its educational efforts, sharing knowledge and promoting safe financial habits within society. As the initiator of the Day Without Debt campaign, the Group organised educational activities in Poland, România, and Italy, raising awareness about debt and promoting financial literacy. In Poland, KRUK S.A. partnered with the Ogólnopolski Operator Oświaty foundation on the project Learning About Finances with OOO, aimed at preschool and early primary school children.
2. supporting the development of financial and digital competencies,	
3. encouraging behavioural change,	
4. supporting employee engagement in matters relevant to local communities.	



As part of this initiative, a financial literacy survey was conducted among the youngest participants, highlighting the need for enhanced education on the mechanics of borrowing and repayment. Additionally, KRUK supported the Fundacja Dobrych Inicjatyw foundation's project First Star of Independence, which helps youth leaving care institutions transition to adulthood by offering financial literacy workshops and scholarships. This initiative was conducted exclusively in Poland. In România, KRUK supported the Smart Loans programme, where volunteers conducted webinars and meetings with high school students on money management. Additionally, KRUK participated in the ResponsABIL project, which teaches youth from the care system about personal finance management and provides career counselling. The KRUK Group also took part in initiatives, such as Finance Forum with Bankier.pl, Business Summer University in România, and collaboration with the Institute of Public Finance in preparing a report on Poland's economic credibility.

Goals in the area of Environment:



Target	Progress at year-end 2024
These goals are outlined in subsection 5 'Climate change (E1)', in section 10 of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024.	



Goals in the area of Governance:



Target	Progress at year-end 2024
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1) Compliance

Train at least 90% of employees in compliance by 2026 and maintain an employee engagement level of at least 70% within the existing compliance education programme.	92% of employees of KRUK S.A. completed training on the Conflict of Interest Management Policy, 91% of employees completed training on anti-corruption and gifts policies, 86% of employees completed training on the Everyday Compliance Programme, and 90% of employees completed training on the Code of Ethics.
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2) Cybersecurity

Train at least 90% of employees (new hires) in cybersecurity by 2025 and maintain an employee engagement level of at least 80% within the existing cybersecurity education programme.	98% of new hires completed cybersecurity training.
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3) Personal data protection

Supporting sustainable development in personal data protection, with a particular focus on client data, through the implementation of the GDPR Strategy, which is based on five pillars: 1. Strengthening the principles of privacy by design and privacy by default, especially in projects related to new technologies and digitalisation.	Activities carried out within each of the five pillars: 1. Under the first pillar, in 2024, the KRUK Group developed IT tools and conducted its first Privacy by Design training sessions.
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2. Engaging in dialogue with external industry organisations and supervisory authorities to promote high standards of compliance with personal data protection regulations and the rights and freedoms of data subjects.
 3. Promoting a culture of data privacy protection.
 4. Ensuring the effective implementation of the Privacy Protection Programme.
 5. Continuously improving the risk-based approach, particularly in managing the risk of non-compliance with personal data protection regulations, and the risk of violating data subjects' rights and freedoms.
2. The second pillar included contributions from the Group's representatives in Poland to the update of data protection standards as part of a team established at the Association of Financial Companies in Poland (ZPF). Additionally, KRUK S.A. employees actively participated in consultations on bills regulating personal data protection in the debt collection industry and attended a meeting of the ZPF GDPR Working Group with the President of the Personal Data Protection Office (UODO). In România, the Data Protection Officer of KRUK România was appointed as the leader of the working group on personal data protection within a debt collection companies association and represented its members at a meeting with the local data protection authority.
 3. Under the third pillar, in addition to conducting personal data protection training sessions across the KRUK Group, the Group also published bulletins and newsletters covering topics related to personal data protection.
 4. The fourth pillar included a significant update to the procedure for managing relationships with data processors, standardising the process across the entire KRUK Group, implementing the GDPR control plan, and managing personal data processing risk incidents.
 5. Under the fifth pillar, during the reporting year, the Group focused on introducing a new risk assessment tool to evaluate the risk of violations of data subjects' rights and freedoms, and strengthening procedures for process assessment and control, which enhances the Group's ability to monitor and manage this risk.





Below are the key initiatives to be implemented going forward, which will be reflected in the Group's ESG Strategy:

1. **strengthening employee education initiatives:** The KRUK Group is investing in the development of employee competencies. These efforts will continue with a focus on training in Agile, Lean, and change management. The goal is to enhance operational efficiency and improve team adaptability in a rapidly changing business environment.
2. **continuing ethical debt collection practices:** The KRUK Group will continue its commitment to ethical debt collection, ensuring that debt recovery processes are conducted with respect for the dignity and rights of debtors. The Group emphasises transparency and fairness in its relationships with clients. By upholding ethical standards and engaging with industry associations, the Group positions itself as a leader in responsible debt management, strengthening relationships with clients and enhancing brand reputation.
3. **enhancing cybersecurity:** in response to the rising threat of cyberattacks, the KRUK Group will intensify its cybersecurity efforts, introducing state-of-the-art technologies and procedures. As cybersecurity risks and potential regulatory non-compliance could result in serious financial, legal, and reputational impacts,

The Group will develop advanced systems for monitoring and detecting cyber threats, and raise employee awareness of cybersecurity.

4. **enhancing personal data protection:** The KRUK Group will continue to implement its personal data protection strategy. The Group manages a significant amount of personal data, so this area is considered crucial. The Group will continue regular training and awareness campaigns for employees, increase awareness of personal data protection and GDPR compliance, and foster a culture of data protection throughout the organisation.

4 Double materiality assessment [IRO-1] [IRO-2] [E1-IRO1] [SBM-3]

In 2024, we conducted our first double materiality assessment in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). This process enabled us to identify material impacts, risks, and opportunities. The assessment incorporated stakeholder input from Poland, România, Italy, Spain, the Czech Republic, and Slovakia.

What is the double materiality assessment?

The double materiality assessment provides a dual perspective:

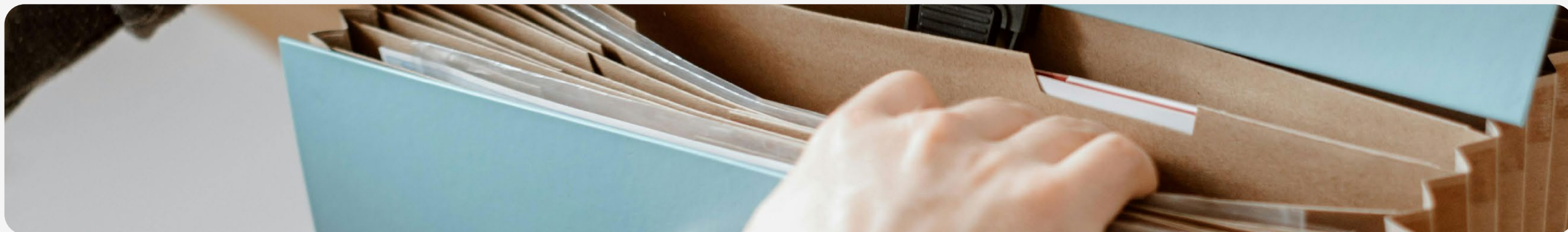
- how the Group's operations impact people and the environment, and
- how environmental, social and governance (ESG) matters may affect the Group's financial position.

This approach enables us to determine which topics are most relevant for both the KRUK Group and for our stakeholders. The double materiality assessment forms the foundation of our sustainability reporting and strategic planning. It facilitates stakeholder engagement, supports informed decision-making, strengthens the management of risks and opportunities, and provides essential data for long-term strategy development.

Further information on the CSRD and its implementation under national law is available on the website of the Polish Ministry of Finance.



³ odpowiedzialnybiznes.pl/hasla-encyklopedii/esrs-unijne-standardy-sprawozdawczosci-w-zakresie-zrownowazonego-rozwoju/?cn-reloaded=1
⁴ gov.pl/web/finanse/sprawozdawczosc-esg--nowe-przepisy-wdrazajace-csrd



What is the ESRS?

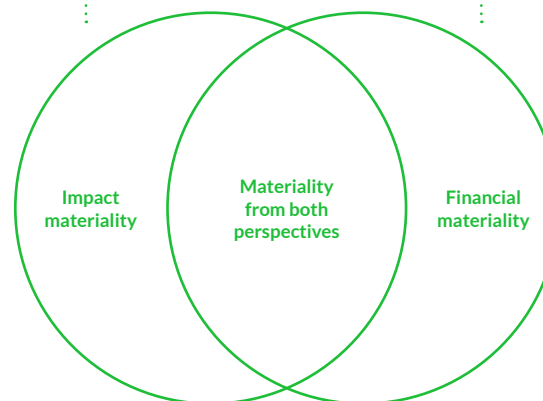
The European Sustainability Reporting Standards (ESRS) were developed by the European Financial Reporting Advisory Group (EFRAG), submitted to the European Commission, and issued through a Delegated Regulation on 22 December 2023. As a result, the ESRS apply directly in all EU Member States, without the need for national transposition. The Standards are available in all official EU languages, including Polish.

Why was the CSRD introduced?

The CSRD establishes harmonised reporting standards applicable across all EU Member States. These standards aim to improve the transparency and comparability of non-financial information disclosed by European companies.


Impact materiality

Refers to actual or potential impacts on people and the environment. This encompasses impacts directly caused by the Group through its own operations, products or services, as well as impacts that are otherwise directly linked to the Group's value chain.

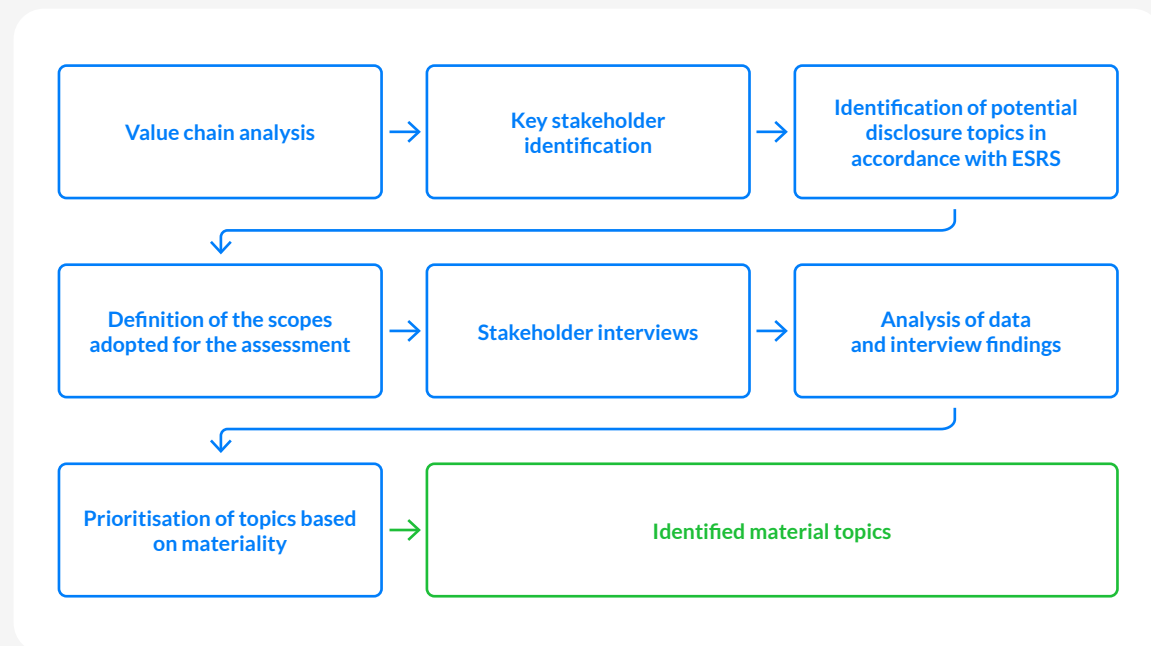


Financial materiality

Refers to actual and potential ESG-related risks and opportunities that may have a material impact on the Group's financial position and operating results.

For more information on the methodology and assumptions underlying the double materiality assessment, please refer to section 4.1 'Description of the process to identify and assess material impacts, risks and opportunities (IRO-1)' in section **10 of the Directors' Report on the operations of the KRUk Group and KRUk S.A. in 2024.** 

The diagram below illustrates the key stages of the process.



The following stakeholder representatives were invited to participate in the double materiality assessment:

- key suppliers,
- banks that were parties to the largest debt portfolio acquisition transactions executed with KRUk S.A. in 2024,

- bailiffs in Poland and România (independent enforcement authorities),
- institutional shareholders,
- major industry organisation,
- indebted persons who are clients of KRUk S.A.,
- Management Board of KRUk S.A.,
- largest employee groups within the organisation,
- HR area.

Additionally, an online survey was conducted among employees across the KRUk Group to gather insights on material sustainability matters.

Double materiality assessment and the specific nature of the KRUk Group's operations

As part of the double materiality assessment, we prioritised activities and business relationships that may give rise to heightened risk of adverse impacts, given our involvement in the recovery of purchased unsecured consumer debt. This applies to areas such as environmental impact, employee management, client interactions, cybersecurity, and regulatory changes across different EU regions. The geographical scope of the analysis focused on Poland, the Czech Republic, Slovakia, Germany, France, România, Italy, and Spain, due to market challenges specific to their labour markets, client sensitivities, and regulatory differences.

We considered impacts arising both from its operational activities and from its relationships with employees, clients, and other selected stakeholders, including suppliers, business partners, bailiffs, industry associations, and organisations it belongs to.

Dual materiality assessment and climate-related matters

As part of the double materiality assessment, the KRUk Group analysed its climate impact, along with potential climate-related risks and opportunities. The analysis focused primarily on two areas:

- Actions to mitigate climate impact,
- Energy efficiency of our offices and buildings.

A comprehensive GHG emissions analysis was conducted in line with the internationally recognised GHG Protocol, covering direct emissions (Scope 1), indirect emissions (Scope 2), and value chain emissions (Scope 3).

No material climate-related risks or opportunities were identified – either physical (such as extreme weather events) or transition-related (such as emissions regulations, or technological shifts). Nevertheless, we continue to monitor this area.

Integration of impact, risk and opportunity management into KRUk Group processes


The double materiality assessment confirmed that many ESG-related impacts and opportunities were already being addressed through existing management practices – though not always in a formalised manner. The assessment enabled more structured identification and classification of these impacts and opportunities. Certain risks, such as those related to data protection, cybersecurity, or employee matters, have long been integrated into the KRUk Group's risk management system. Others have been managed through internal policies and regulations but have not yet been incorporated into the formal risk framework.

In 2025, we plan to further embed ESG risk management into our overall governance system to strengthen responsiveness to evolving challenges and stakeholder expectations.

4.1 Double materiality assessment results

As part of its double materiality assessment, the KRUk Group reviewed all topics required under the ESRS. Topics that were determined to have no material impact on the Group's operations or its broader environment were assessed as non-material. These include:

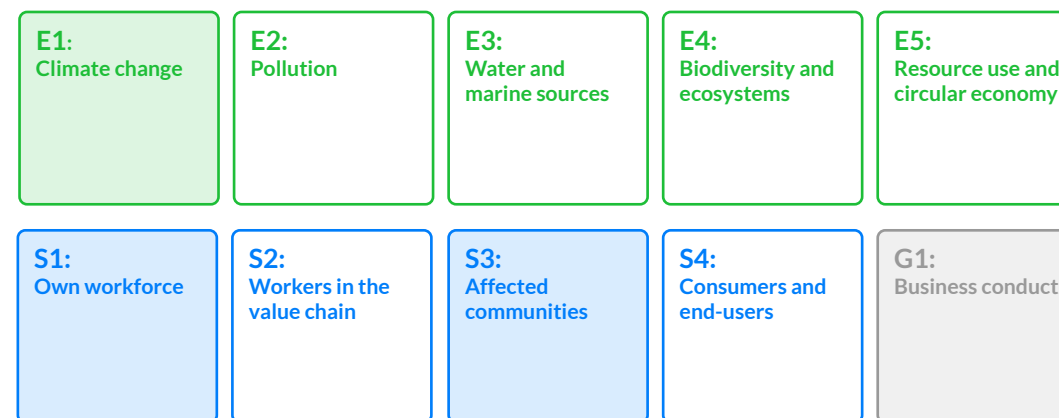
- Pollution (E2)
- Water and marine sources (E3)
- Biodiversity and ecosystems (E4)
- Circular economy (E5)
- Workers in the value chain (S2)

The rationale for this assessment is provided in subsection 4.3.1 'Explanation of the negative materiality assessment' in section 10 of the Directors' Report on the operations of the KRUk Group and KRUk S.A. in 2024. 

Following the double materiality assessment, the Group reports all required general disclosures (in accordance with ESRS 2), as well as topical disclosures across other relevant areas, including key Group-specific matters:

- employee engagement (S1)
- financial education for clients (S3)
- accessibility of communication tools (S4)
- responsible client and portfolio selection (G1).

Thematic ESRS standards



Impacts, risks and opportunities identified through the dual materiality assessment process

Topic	Sub-topic	Sub-sub-topic	Material matter	Type of impact (actual/potential)	Nature of impact (positive/negative)	Materiality of impact	Identified material impacts	Location of impact	Stakeholders	Identified material risks and opportunities	KRUK Group's responses and plans in relation to the impacts, risks and opportunities identified	Location of risk or opportunity
E1 – Climate change	Climate change mitigation		KRUK Group's corporate climate actions aimed at reducing its negative environmental impact and mitigating climate change.	Actual	Positive	External impact	<p>Environmental impact:</p> <ol style="list-style-type: none"> 1. Reducing greenhouse gas emissions: the KRUK Group's initiatives in this area, such as optimising energy consumption, transitioning to renewable energy sources, and minimising transport-related emissions, directly contribute to climate change mitigation. 2. Waste management and recycling: reducing waste generation and promoting recycling help minimise the environmental impact of the Group's operations. <p>Social impact:</p> <p>Environmental education: the Group's initiatives promote awareness of sustainable development among employees, clients, and business partners.</p> <p>Regulatory impact:</p> <p>Compliance with climate regulations: proactive measures to ensure compliance with environmental regulations support broader environmental protection efforts.</p>	Upstream value chain Own operations	Employees Investors and market analysts Business partners Regulators and supervisory authorities	No material risks or opportunities have been identified in relation to corporate climate action.	<p>The KRUK Group undertakes a range of initiatives aimed at reducing its environmental impact and combating climate change.</p> <p>We are lowering greenhouse gas emissions by optimizing energy consumption and implementing measures to reduce waste generation through process digitalization and reduced paper usage. We also promote waste segregation to minimize the negative impact of our operations on the natural environment.</p> <p>The organization runs educational campaigns targeted at employees to raise awareness about the principles of sustainable development and responsible environmental practices.</p>	N/A
E1 – Climate change	Energy		Energy efficiency of offices and buildings used by the KRUK Group: enhancing the energy efficiency of buildings used by KRUK Group employees on a daily basis.	Actual	Positive	External impact	<p>Environmental impact:</p> <ol style="list-style-type: none"> 1. Reducing greenhouse gas (GHG) emissions: improving energy efficiency lowers energy consumption, directly reducing CO₂ and other GHG emissions. This is a key component of the strategy aimed at achieving climate neutrality. 2. Reducing the use of natural resources: greater energy efficiency decreases reliance on fossil fuels, supporting the conservation of non-renewable resources. 3. Increased use of renewable energy: efficient energy management systems promote the adoption of renewable energy sources, reducing adverse environmental impacts. <p>Social impact:</p> <ol style="list-style-type: none"> 1. Improved air quality: lower energy consumption and the transition to more efficient technologies help reduce air pollutant emissions (sulfur oxides, nitrogen oxides, etc.), positively impacting public health. 2. Investments in energy efficiency contribute to greater public awareness of the importance of reducing energy consumption. <p>Regulatory impact:</p> <p>Energy efficiency plays a crucial role in achieving EU policy objectives, including the targets of the European Green Deal and commitments under the Paris Agreement.</p>	Upstream value chain Own operations	Employees Regulators and supervisory authorities Investors	No material risks or opportunities have been identified in relation to the energy efficiency of offices and buildings used by the KRUK Group.	<p>We consistently strive for sustainable development and minimizing our environmental impact.</p> <p>Some of the office spaces leased by the KRUK Group already meet high ecological standards and are equipped with energy-efficient technologies, contributing to a reduced carbon footprint and improved energy efficiency across the organization. We are also committed to educating employees on energy-saving practices.</p> <p>In 2025, the headquarters of KRUK S.A., Kancelaria Prawna RAVEN, KRUK TFI i Novum will move to a new office building. The facility holds a LEED v4 Platinum certification. It exemplifies eco-friendly solutions, with a strong focus on recyclable design, healthy materials, energy efficiency, and rainwater retention.</p>	N/A

S1 – Own workforce	Working conditions	Health and safety	Workplace safety and employee health: insufficient measures to ensure ergonomic workstations, compliance with occupational health and safety regulations, implementation of programmes promoting a healthy lifestyle, and provision of support for physical and mental well-being.	Potential	Negative	External and financial impacts	<p>Impact on employees and their families:</p> <ol style="list-style-type: none"> 1. Health and well-being: insufficient attention paid to ergonomics and workplace safety increases the risk of injuries, occupational illnesses, and health issues such as back pain and musculoskeletal disorders, which can diminish employees' quality of life and affect their family well-being. 2. Engagement and job satisfaction: a lack of a comfortable and safe work environment, failure to implement programmes promoting a healthy lifestyle, and insufficient support for physical and mental health may reduce job satisfaction, employee engagement, and loyalty. 3. Equity and inclusion: failure to adapt workspaces to accommodate employees with disabilities or older workers may limit workplace inclusion and social integration. 	<p>Upstream value chain</p> <p>Own operations</p>	<p>Employees</p> <p>Prospective employees</p> <p>Regulators and supervisory authorities</p> <p>Investors</p> <p>Entities financing KRUK Group's operations</p>	<p>Risks:</p> <p>Legal risks</p> <ol style="list-style-type: none"> 1. Financial penalties: non-compliance with OHS regulations may result in financial penalties imposed by supervisory authorities. 2. Lawsuits and compensation claims: workplace accidents due to inadequate safety measures may lead to employee claims, generating additional costs. <p>Operational risks</p> <ol style="list-style-type: none"> 1. Work-related injuries and ill health: employee injuries or health problems may result in absences or resignations, disrupting team stability and increasing workloads for remaining staff. 2. Higher operating costs: negligence may lead to increased insurance premiums, compensation costs, and additional costs of accident remediation. Additionally, inadequate workplace ergonomics and poor working conditions may contribute to higher absenteeism due to work-related injuries and ill health. <p>Risk related to employee morale:</p> <p>Reduced employee engagement: a lack of focus on workplace safety may lower employee morale and engagement, negatively affecting productivity and loyalty to the Group.</p> <p>Limited access to financing: insufficient attention to social matters may hinder access to financing, as investors increasingly prioritise this aspect in their decision-making.</p> <p>No material opportunities have been identified in relation to the workplace safety and employee health.</p>	<p>Employees are the greatest value of the KRUK Group, which is why their health and well-being are our top priority.</p> <p>We implement a wide range of initiatives aimed at improving workplace safety and employee health. These include providing ergonomic workstations, ensuring knowledge and compliance with health and safety regulations, and promoting healthy lifestyles. We also offer support for both physical and mental health. For remote workers, KRUK S.A. has prepared guidelines on occupational health and safety, office ergonomics, eye protection, and spine exercises. The hybrid work model has become the standard, which has expanded the scope of challenges related to ensuring employee comfort and well-being while performing their duties.</p>	Own operations
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S1 – Own workforce	Working conditions	Work-life balance	Employee well-being: supporting employee well-being through psychological assistance, healthcare, work-life balance initiatives, and additional benefits.	Actual	Positive	External and financial impacts	<p>Impact on employees and their families:</p> <ol style="list-style-type: none"> 1. Employee health and safety: good practices in creating a health-supportive work environment, promoting work-life balance, and offering additional benefits and health-focused programmes contribute positively to employee well-being, reducing absenteeism and improving morale. By implementing such initiatives, the KRUK Group not only improves the quality of life for its employees and their families but also lowers costs related to workplace accidents and occupational illnesses. 2. Positive work environment: by fostering a healthy workplace culture that promotes collaboration, respect, and inclusion, the KRUK Group enhances employee well-being, which can further strengthen engagement and loyalty towards the employer. <p>Impact on clients:</p> <p>Improved service quality: employee well-being, particularly mental health and overall well-being, has a direct positive effect on the level of client service.</p> <p>Regulatory and social impacts:</p> <p>Compliance with the requirements of the CSRD and ESRS standards introduces the obligation to report on social impacts in a structured manner, which includes adherence to regulations on labour rights and employee well-being. By ensuring compliance with these standards and progressively reporting on its social responsibility initiatives, KRUK promotes good practices within the financial sector.</p>	Own operations Downstream value chain	Employees Prospective employees Regulators and supervisory authorities Clients	<p>Risks: No material risks have been identified in relation to employee well-being.</p> <p>Opportunities:</p> <p>Increased productivity:</p> <ol style="list-style-type: none"> 1. Higher efficiency: healthy and satisfied employees perform their tasks more efficiently and productively. 2. Reduced absenteeism: improved employee health and well-being lead to fewer sick days and lower absenteeism. 3. Regular well-being and satisfaction surveys, along with personal and professional development programmes, enhance productivity and positively impact the organisation's financial performance. 4. Greater employee loyalty: employees who feel their health and well-being is a priority are more committed and engaged in their work. 5. Positive work environment: supporting employee well-being and work-life balance fosters a positive office environment, encouraging collaboration and communication, which in turn enhances employee efficiency. <p>Cost reduction:</p> <ol style="list-style-type: none"> 1. Lower healthcare costs: fewer health problems lead to reduced healthcare and rehabilitation costs. 2. Reduced employee turnover: employees who feel that the Group prioritises their well-being and health are less likely to leave, helping to lower recruitment and training costs. <p>Enhanced reputation and service quality:</p> <ol style="list-style-type: none"> 1. Stronger reputation: by prioritising employee well-being, the KRUK Group is recognised as a responsible and attractive employer. 2. Talent attraction: a positive work environment enhances the Group's ability to attract top talent. 	<p>The KRUK Group implements initiatives to enhance employee well-being by offering psychological support, healthcare services, and promoting work-life balance. We provide flexible working hours and the option to work remotely, allowing employees to better manage their time while maintaining a healthy balance. We also tailor our benefits system to meet diverse employee needs – our cafeteria system offers perks in various categories such as travel, culture, sports and recreation, lifestyle, shopping, ski passes, and more. Additionally, we offer benefits such as sports memberships and private medical care.</p> <p>We place great emphasis on creating a friendly work atmosphere, where employees address each other by first name, support one another, share experiences, and learn from each other. Thanks to a feedback-based culture, team members gain valuable insights into their strengths and areas for improvement. The KRUK Group promotes diversity and inclusion, ensuring that all employees feel accepted and valued, regardless of gender, age, nationality, sexual orientation, or other characteristics.</p>	Own operations
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S1 – Own workforce	Entity-specific disclosure	Entity-specific disclosure	Employee engagement: implementing initiatives to strengthen employee engagement.	Actual	Positive	External and financial impacts	<p>Impact on employees:</p> <ol style="list-style-type: none"> 1. A highly engaged workforce contributes to employees' overall well-being, positively influencing their family life. 2. Health and well-being: promoting employee engagement supports both mental and physical health, helping to reduce absenteeism. <p>Impact on clients</p> <p>Enhanced service quality: engaged employees drive the implementation of better, more responsible products and services for clients.</p>	Own operations Downstream value chain	Employees Prospective employees Clients	<p>Risks:</p> <p>No material risks have been identified in relation to employee engagement.</p> <p>Opportunities:</p> <p>Increased productivity:</p> <p>Engaged employees are more efficient, driving better financial performance – productivity translates into higher profits and improved operational efficiency.</p> <p>Cost reduction:</p> <p>Highly engaged employees are less likely to leave, helping to lower recruitment and training costs.</p> <p>Enhanced corporate image:</p> <ol style="list-style-type: none"> 1. Stronger reputation: as a company that prioritises employee engagement, KRUK is recognised as a responsible and attractive employer. 2. Talent attraction: good working conditions attract top talent seeking an employer that values their health and well-being. <p>Improved financial performance: employee engagement may contribute to better financial performance by enhancing the quality of client service.</p>	<p>We understand that high employee engagement leads to better performance, lower turnover, and greater loyalty.</p> <p>That's why the Group conducts employee satisfaction surveys, organizes team-building events, and ensures transparent internal communication. We also develop career paths, support employee initiatives, and foster a feedback culture. KRUK invests in training and skills development, enabling employees to pursue their professional ambitions within the organization. We strongly emphasize teamwork, which helps people get to know each other—and themselves—better. These efforts aim to create an inspiring and supportive work environment that fosters long-term engagement and loyalty.</p>	Own operations
S1 – Own workforce	Equal treatment and opportunities for all	Diversity	Inclusion and diversity (DEI): promoting diversity and inclusion, including gender equality initiatives and support for employees with disabilities.	Actual	Positive	External impact	<p>Impact on the labour market:</p> <p>By championing DEI, the KRUK Group can attract a more diverse and skilled workforce. Employees are increasingly drawn to employers that prioritise diversity and inclusion.</p> <p>Regulatory and social impacts:</p> <p>Compliance with CSRD standards and regulations requires organisations to report their social impact, including matters related to diversity and inclusion. By ensuring compliance and reporting in accordance with these standards, KRUK promotes social responsibility and best practices within the financial sector.</p>	Upstream value chain Own operations Downstream value chain	Employees Prospective employees Investors Regulators and supervisory authorities Entities financing KRUK Group's operations Clients	<p>No material risks or opportunities have been identified in relation to diversity, equity, and inclusion (DEI).</p>	<p>At KRUK Group, respect for diversity is one of our core values.</p> <p>We view diversity as a source of inspiration, a foundation for innovation, and a driver of efficiency. That's why KRUK Group companies are signatories of the Diversity Charter.</p> <p>KRUK Group implements numerous initiatives that promote gender equality and support people with disabilities. We run educational campaigns aimed at raising awareness about diversity and inclusion in the workplace. Every KRUK Group employee, including new hires, is required to complete mandatory online training on diversity, social equity, and inclusion.</p> <p>We monitor various dimensions of diversity in HR data and oversee employee-related activities to better understand organizational needs, market trends, and potential challenges. Additionally, KRUK Group engages in industry and international initiatives and collaborates with non-profit organizations that promote DEI (Diversity, Equity, and Inclusion) topics.</p>	N/A

S1 – Own workforce	Working conditions	Adequate wages	Fair wages: providing employees with adequate wages based on their qualifications, experience, and local market standards, along with transparent policies for salary increases and additional benefits.	Actual	Positive	External and financial impacts	<p>Impact on employees:</p> <ol style="list-style-type: none"> 1. Increased engagement and job satisfaction: fair wages enhance employee motivation and loyalty, contributing to the well-being of employees and their families. 2. Reducing inequality: transparent and fair wages help close pay gaps and promote social equality, particularly by ensuring equal pay for men and women in equivalent roles. 3. Boosting morale: fair wages foster a culture of trust and belonging, strengthening the sense of inclusion in the workplace. <p>Regulatory impact:</p> <ol style="list-style-type: none"> 1. Regulatory compliance: fair wages ensure adherence to legal requirements regarding minimum wages and equal treatment in employment. 2. Promoting good practices: By providing fair wages, the KRUK Group can help elevate industry standards and encourages other companies to adopt principles of pay equity. 	Own operations	<p>Employees</p> <p>Prospective employees</p> <p>Regulators and supervisory authorities</p> <p>Competitors</p>	<p>Risks:</p> <p>No material risks have been identified in relation to fair wages.</p> <p>Opportunities:</p> <p>Reputation of a responsible employer:</p> <p>Ensuring fair wages enhances the KRUK Group's reputation as a responsible and attractive employer.</p> <p>Competitiveness in the labour market:</p> <p>By offering fair and competitive wages, the Group strengthens its ability to attract top talent.</p> <p>Employee retention:</p> <p>Maintaining pay equity and adequate wages supports the long-term retention of experienced employees.</p> <p>Operating cost savings:</p> <ol style="list-style-type: none"> 1. Reduced absenteeism: satisfied employees are less likely to take time off, improving operational efficiency. 2. Lower recruitment costs: reduced employee turnover helps minimise costs related to hiring and onboarding new staff. <p>Mitigating operational risks:</p> <ol style="list-style-type: none"> 1. Increased productivity: motivated and loyal employees contribute to greater efficiency, supporting the delivery of business objectives. 2. Avoiding operational disruptions: fair treatment of employees helps prevent internal conflicts, strikes, and adverse actions by trade unions. 	<p>KRUK Group has taken a number of actions in response to identified impacts, risks, and opportunities related to fair remuneration.</p> <p>We have introduced a transparent remuneration policy that ensures appropriate pay levels aligned with qualifications, experience, and local market standards. We also conduct regular market analyses to ensure the competitiveness of our salaries and benefits. A transparent system for awarding raises has also been implemented, supporting employee well-being and increasing engagement.</p>	Own operations
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S1 – Own workforce	Equal treatment and opportunities for all	Training and skills development	Employee education: upskilling and training employees to raise their knowledge of new technologies and procedures, including Agile, Lean, and change management.	Actual	Positive	External impact	<p>Impact on employees:</p> <ol style="list-style-type: none"> Skills development and adaptation to change: training in new technologies and procedures, such as Agile, Lean, and change management, enhances employees' skills, enabling them to perform their tasks more efficiently and adapt to a rapidly evolving work environment. Higher qualifications may ultimately enhance living standards for both employees and their families. <p>Impact on the industry:</p> <p>Expanding employees' competencies in innovative technologies and procedures helps raise operational standards across the debt management sector.</p> <p>A highly skilled workforce drives greater operational efficiency, strengthening the competitiveness of the economy in the region where the KRUK Group operates.</p>	Own operations Downstream value chain	Employees Prospective employees Clients	No material risks or opportunities have been identified in relation to employee education.	<p>In response to identified impacts in the area of employee education, KRUK Group has launched several initiatives.</p> <p>We have introduced training programs covering Agile, Lean, and change management to enhance operational efficiency and adaptability to dynamic changes driven by digital transformation. The Group continuously invests in developing employee competencies in using innovative tools, including no-code/low-code technologies and artificial intelligence (AI). Employees have access to a knowledge base with free educational resources. Our library of in-person and e-learning training courses is constantly expanding. We also offer co-financing or full funding for external training, including language courses.</p>	N/A
S3 – Affected communities	Entity-specific disclosure	Entity-specific disclosure	Financial literacy of affected (financially excluded) communities: educating affected communities on money management and the role of debt collection companies in the economy.	Actual	Positive	External and financial impacts	<p>Enhancing financial awareness:</p> <p>Financial education increases financial awareness among affected communities, positively impacting their ability to manage personal finances.</p> <p>Improving the industry's reputation:</p> <p>Proactive efforts to support communities may enhance the public perception of the debt collection industry.</p> <p>Impact on financial market development:</p> <p>Raising financial awareness contributes to the overall development of the financial market, potentially leading to greater stability and economic growth.</p>	Own operations Downstream value chain	Communities and social organisations Industry organisations and associations Affected communities Competitors Media	No material risks or opportunities have been identified in relation to the financial literacy of affected communities.	<p>We have taken a number of actions to address the consequences of insufficient financial literacy among financially excluded communities.</p> <p>KRUK Group develops and shares educational materials to help these communities understand debt mechanisms and how to manage them. We also partner with social organizations to support financial education in schools and among children. Regular research on the financial literacy of Poles helps us identify risk areas, such as lack of budgeting skills or awareness of the consequences of debt. The results of these studies are used to shape our educational strategies.</p> <p>We organize public awareness campaigns, such as Day without Debts – an initiative led by KRUK Group that is also celebrated in countries like Romania and Italy.</p> <p>We combine financial education with charitable and sponsorship activities, allowing us to reach diverse social groups and support them in gaining financial knowledge. KRUK Group's mission focuses on guiding clients out of debt, acting ethically, and educating society about responsible financial practices.</p> <p>This mission shapes our organizational culture, where financial education is a key component of the Group's overall activities.</p>	N/A

S3 – Affected communities	Communities' civil and political rights	Impacts on human rights defenders	Protection of indebted persons' rights: failure by the KRUK Group to ensure fair treatment of financially excluded communities, promote transparency in debt collection practices across the industry, uphold human dignity, and comply with legal regulations.	Actual	Negative	External and financial impacts	<p>Impact on affected communities:</p> <ol style="list-style-type: none"> 1. Lack of financial education and awareness increases the risk of a debt cycle among financially excluded groups. 2. The absence of educational programmes leaves more individuals vulnerable to fraud and unethical creditor practices. <p>Widening social inequalities:</p> <ol style="list-style-type: none"> 1. Unethical debt collection practices exacerbate psychological and financial stress on affected communities, making social reintegration more challenging. 2. Lack of support reinforces barriers stemming from limited access to financial information and education. <p>Impact on industry perception:</p> <p>Low debtor protection standards harm the public perception of the debt management industry, undermining efforts to promote sustainable social development.</p>	Own operations Downstream value chain	Communities and social organisations Industry organisations and associations Affected communities Competitors Media	<p>Risks:</p> <p>High implementation cost:</p> <p>Launching dedicated educational programmes, training initiatives, and lobbying efforts may require significant financial investment.</p> <p>Reputational risks:</p> <p>A lack of alignment between public commitments and actual practices – particularly in relation to vulnerable social groups – may lead to accusations of "greenwashing" or unethical debt collection practices.</p> <p>Revenue loss due to declining trust:</p> <p>Failure to ensure fair treatment of indebted persons within affected communities may reduce their willingness to engage with the KRUK Group in the future. This could negatively impact debt recovery rates and, in turn, affect revenue.</p> <p>Decline in brand value and reputation:</p> <p>A negative public perception, particularly any association of the KRUK Group with predatory debt collection practices, may diminish brand value and deter potential clients, investors, and business partners.</p> <p>No material opportunities have been identified in relation to the protection of indebted persons' rights.</p>	<p>We undertake educational initiatives aimed at increasing the knowledge and awareness of individuals from communities affected by financial exclusion. These efforts also include education about their rights as debtors and how to manage finances in a way that protects them from unethical practices or aggressive debt collection methods.</p> <p>We establish partnerships with social organizations and industry associations to jointly create educational programs for financially excluded individuals. One such initiative is Debt Collection? Clearly Explained, carried out in cooperation with the Polish Association of Financial Enterprises. Its goal is to educate journalists and consumers about the debt management industry, how to handle debt repayment, and to better understand the debt collection process. This collaboration also includes efforts to promote fair debt collection practices in the countries where KRUK Group operates.</p> <p>Engaging in dialogue with financially excluded groups helps raise awareness about the role of debt collection companies in the economy and about the rights and responsibilities of indebted individuals.</p>	Upstream value chain Own operations Downstream value chain
S4 – Consumers and end-users	Information-related impacts for consumers and/or end-users	Freedom of expression	Client voice: insufficient measures in place to gather feedback from KRUK Group clients on service quality and products offered.	Actual	Negative	External impact	<p>Impact on clients:</p> <ol style="list-style-type: none"> 1. Failure to gather client feedback limits the ability to adapt services to client needs. 2. Negative views may deter indebted persons from engaging with debt collection companies, deepening their financial struggles and increasing social isolation. <p>Impact on the industry:</p> <p>Poor client experience with the KRUK Group may undermine trust in the debt management sector, making it more challenging for the industry to support the financial stabilisation of indebted persons.</p> <p>Regulatory impact:</p> <p>Negative client experience may lead to increased regulatory oversight, stricter legal requirements, or the introduction of new customer service regulations.</p>	Own operations Downstream value chain	Employees Clients Bailiffs/debt collection entities Regulators and supervisory authorities Competitors	<p>No material risks or opportunities have been identified in relation to the client voice.</p>	<p>KRUK Group uses various methods to measure the satisfaction of indebted individuals to better understand their needs and expectations.</p> <p>We gather and manage customer feedback through regular surveys, Net Promoter Score (NPS) studies, and analysis of complaints and direct feedback.</p> <p>These efforts are supported by monitoring communication channels both offline and online. The Group tracks customer opinions shared via helplines, emails, online platforms, and social media. Dedicated teams analyze this feedback to identify areas for improvement in service and communication processes.</p> <p>Based on the collected data, we implement improvements in customer service processes, train employees, and optimize communication tools. These actions help build long-term relationships with customers and strengthen their trust in KRUK Group.</p> <p>To further improve our image and increase customer satisfaction, we introduce various initiatives. These include simplifying the process of signing settlements and activating recurring payments, which reduces decision-making effort and increases the number of activated recurring payments.</p> <p>We continuously improve the user interface of our online debt management tools (e-kruk platform), adapt the platform for mobile devices, implement automated reminders and autofill features, and regularly monitor the Customer Effort Score (CES) in key processes to ensure our actions reduce customer effort without negative consequences.</p>	N/A

S4 – Consumers and end-users	Social inclusion of consumers and/or end-users	Access to products and services	Accessibility of KRUK Group services and improvement of client experience by ensuring accessible and user-friendly interfaces.	Actual	Positive	External impact	<p>Impact on clients:</p> <ol style="list-style-type: none"> 1. Accessible and user-friendly interfaces make it easier for clients – particularly those with limited digital skills or facing financial hardship – to manage their financial obligations. 2. Intuitive online tools empower clients, enabling them to better manage their personal finances. 3. Seamless access to service platforms enhances financial awareness, reducing the risk of recurring debt and improving clients' personal situation. <p>Building trust in the industry:</p> <p>Transparent and accessible services foster a positive perception of the debt management industry.</p> <p>Impact on competitors</p> <p>Service accessibility and a strong focus on client experience may serve as a benchmark for other industry players, contributing to higher standards in debt management practices.</p>	<p>Upstream value chain</p> <p>Own operations</p> <p>Downstream value chain</p>	<p>IT service providers</p> <p>Clients</p> <p>Employees</p> <p>Competitors</p>	No material risks or opportunities have been identified in relation to the accessibility of KRUK Group services and enhancing client experience.	<p>To further enhance our image and increase customer satisfaction, we are undertaking a variety of initiatives in this area. We are introducing simplifications in the process of signing settlements and activating recurring payments, which reduces customers' decision-making effort and increases the number of activated recurring payments.</p> <p>The Group is continuously working on the interface design of online debt management tools for customers (e-kruk platform), adapting the platform for mobile devices, implementing automated reminders and auto-completion features, and regularly monitoring the Customer Effort Score (CES) in key processes to ensure that the company's actions reduce customer effort without negative consequences</p>	N/A
S4 – Consumers and end-users	Social inclusion of consumers and/or end-users	Non-discrimination	Ethical debt collection: lack of sufficient measures to eliminate unfair and unethical actions towards KRUK Group clients.	Actual	Negative	External and financial impacts	<p>Impact on clients:</p> <ol style="list-style-type: none"> 1. Protection of client rights: unethical debt collection practices may result in unfair treatment of indebted persons, violating their rights and dignity. 2. Increased stress and anxiety: unfair treatment heightens the emotional stress associated with debt collection, making the repayment process feel like coercion rather than support. 3. Increased risk of indebtedness: unethical debt collection practices and the absence of financial education initiatives make it harder for clients to manage their finances effectively, increasing the risk of future debt. <p>Social impact:</p> <p>Worsening financial exclusion: a lack of transparency and fair practices increases the risk of marginalisation for vulnerable social groups, such as those already facing financial exclusion.</p> <p>Impact on the debt management industry:</p> <ol style="list-style-type: none"> 1. Reputational damage to the industry: unethical practices harm the industry's image, reinforcing perceptions of debt collection as aggressive enforcement rather than a means of supporting individuals in financial distress. 2. Lowering of standards: by failing to apply ethical practices, the Group may contribute to lowering standards across the industry, promoting an irresponsible approach to debt management. <p>Impact on regulators and legislators:</p> <p>Increased regulatory pressure: unethical practices drive an increase in consumer complaints and regulatory interventions, raising the likelihood of stricter legal requirements for the sector.</p>	<p>Upstream value chain</p> <p>Own operations</p> <p>Downstream value chain</p>	<p>Business partners</p> <p>Entities financing KRUK Group's operations</p> <p>Regulators and supervisory authorities</p> <p>Employees</p> <p>Prospective employees</p> <p>Industry organisations and associations</p> <p>Communities and social organisations</p> <p>Bailiffs/enforcement entities</p> <p>Competitors</p> <p>Clients</p> <p>Media</p>	<p>Risks:</p> <p>Reputational risks:</p> <ol style="list-style-type: none"> 1. Negative media coverage: reports of unethical collection practices may attract negative media attention, particularly in the era of social media, damaging the KRUK Group's reputation. 2. Criticism from social organisations: consumer protection organisations may publicly criticise the Group's practices, further exacerbating reputational challenges. <p>Legal risks:</p> <ol style="list-style-type: none"> 1. Client claims: unethical practices may lead to legal claims from clients who feel mistreated, resulting in litigation costs and compensation payments. 2. Regulatory sanctions: violations of consumer protection laws or debtor rights regulations may result in significant financial penalties and restrictions on business operations in certain markets. 3. Increased regulatory pressure: incidents involving unethical debt collection may prompt regulators to introduce stricter industry regulations, leading to higher compliance and operating costs. <p>Financial risks:</p> <ol style="list-style-type: none"> 1. Loss of clients: unethical debt collection practices may discourage clients from engaging with the KRUK Group, reducing debt recovery rates. 2. Higher operating costs: managing grievances, complaints, disputes, and legal claims resulting from unethical practices generates additional administrative and legal costs. 3. Loss of investors: sustainability-focused investors may withdraw support if the Group is associated with unethical practices. 4. Limited access to financing: unethical debt collection practices hinder the Group's ability to secure financing from lenders that adhere to principles of social responsibility. <p>No material opportunities have been identified in relation to ethical debt collection.</p>	<p>The KRUK Group has undertaken a number of actions in response to identified impacts, risks, and opportunities in the area of ethical debt collection. These actions aim to strengthen responsible collection practices, minimize risks, and build trust among stakeholders.</p> <p>A key element is an effective Compliance process, which operates in all countries where the Group is active. This process includes ongoing reviews of both products and customer service and communication processes, the development and implementation of a Code of Ethics, and Compliance training for employees covering ethical conduct, consumer rights, and data protection principles. The existing Compliance process within the Group also focuses on building an organizational culture based on ethics and compliance. We emphasize transparency by informing customers about their rights and obligations, as well as available debt repayment options, which minimizes the risk of misinformation and builds trust in customer relationships. Regular customer satisfaction surveys help identify areas for improvement and enable quick responses to potential issues. Listening to customer feedback is an important part of verifying whether products and processes meet their needs and provides guidance for future development. The company also invests in employee development, particularly in knowledge of the Code of Ethics, Compliance principles, and communication skills.</p> <p>A Group-wide incident management system has been implemented, enabling the quick identification, registration, and resolution of unforeseen situations such as customer service errors, technical issues, or procedural inconsistencies.</p> <p>All these actions aim not only to minimize the risk of accusations of unethical debt collection but, above all, to strengthen the Group's image as a responsible organization that places the customer and their dignified treatment at the center of attention, with respect for the customer being one of its core values</p>	<p>Upstream value chain</p> <p>Own operations</p> <p>Downstream value chain</p>

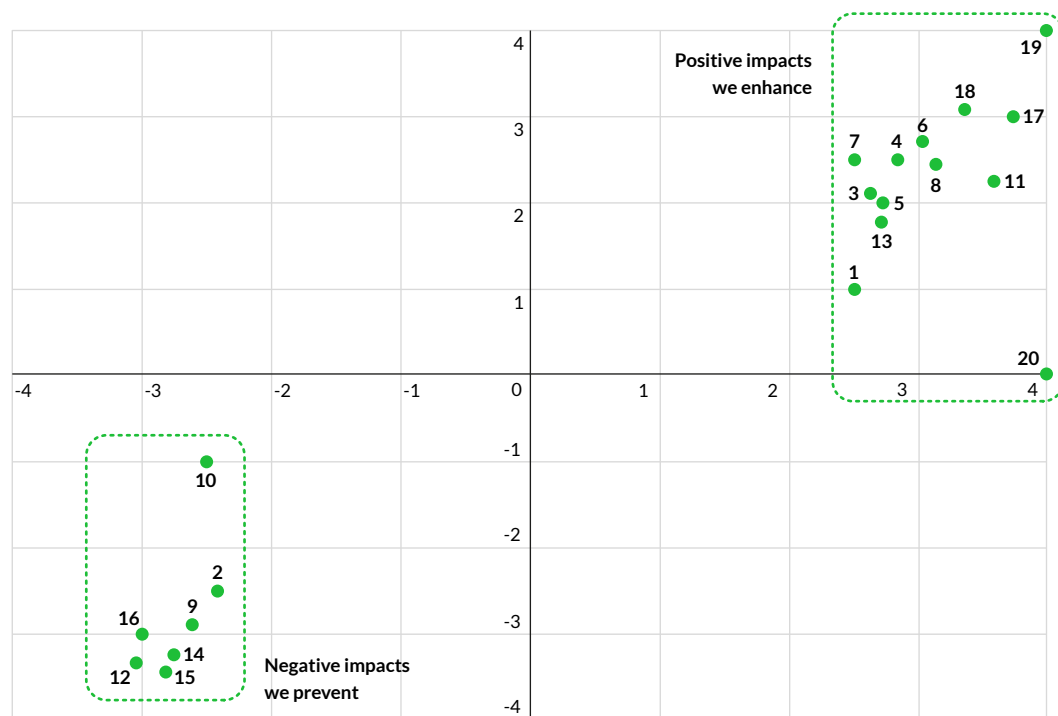
S4 – Consumers and end-users	Social inclusion of consumers and/or end-users	Access to products and services	Individual approach to vulnerable clients (experiencing financial or social hardship); adjusting debt collection practices and communication strategies to their specific circumstances while respecting their dignity and rights.	Actual	Positive	External impact	<p>Impact on vulnerable clients:</p> <ol style="list-style-type: none"> 1. Tailoring debt collection practices to the needs of clients in a difficult life situation (such as those trapped in a cycle of debt, seniors, or large families) enhances their ability to manage personal finances and provides a more effective pathway out of debt. 2. Providing effective support to vulnerable clients facilitates their reintegration into the financial system, helping to reduce social exclusion. <p>Impact on the industry:</p> <p>A compassionate approach to vulnerable clients enhances the reputation of the debt management sector as one that supports indebted individuals and may help establish new industry standards by promoting more client-centric and ethical debt collection practices.</p> <p>Strengthening relationships with regulators:</p> <p>Aligning operations with best practices in the protection of vulnerable consumers may reduce consumer complaints and strengthen regulators' trust in the industry.</p>	Own operations Downstream value chain	<p>Communities and social organisations</p> <p>Industry organisations and associations</p> <p>Clients</p> <p>Media</p> <p>Bailiffs/debt collection entities</p> <p>Regulators and supervisory authorities</p> <p>Competitors</p> <p>Media</p>	No material risks or opportunities have been identified in relation to the matter of individual approach to vulnerable clients (experiencing financial or social hardship).	<p>An individual approach to vulnerable customers—those in difficult financial or social situations—is a key element of the KRUK Group's strategy. The Group focuses on tailoring debt collection activities and communication to the specific life circumstances of these customers, taking into account their needs and respecting their dignity and rights.</p> <p>During the debt recovery process, customers are informed about the consequences of non-cooperation, but at the same time, the Group strives to facilitate debt repayment by understanding the customer's situation and communicating in a clear and comprehensible manner.</p> <p>In line with the Code of Ethics, KRUK Group customers can expect personalized service and advice on solutions that enable responsible debt resolution. The Group offers solutions tailored to the customer's situation, allowing debts to be repaid in convenient installments adjusted to their financial capabilities. Customer needs are regularly analyzed to identify new opportunities for cooperation and to ensure solutions are aligned with those needs.</p>	N/A
S4 – Consumers and end-users	Personal safety of consumers and/or end-users	Personal security	Cybersecurity: insufficient measures in place to ensure the security of systems, data, and IT infrastructure, including safeguards against unauthorised access, cyberattacks, data breaches, and malicious software.	Actual	Negative	External and financial impacts	<p>Impact on clients:</p> <p>A lack of robust personal data security measures for clients increases the risk of privacy breaches, data theft, and financial losses resulting from the unauthorised use of data in financial transactions.</p> <p>Impact on the industry:</p> <p>Ineffective cybersecurity management lowers overall security standards across the industry.</p>	Upstream value chain Own operations Downstream value chain	<p>Business partners</p> <p>IT service providers</p> <p>Employees</p> <p>Clients</p> <p>Regulators and supervisory authorities</p> <p>Media</p>	<p>Risks:</p> <p>Operational risks:</p> <ol style="list-style-type: none"> 1. Compromised IT system integrity: cyberattacks, malware (ransomware, etc.), or technical failures may disrupt IT systems, leading to operational downtime, delays in debt collection processes, and revenue loss. 2. Loss of critical business data: security breaches may result in the loss, damage, or theft of essential business data, including client information, transaction details, and analytical reports. Without adequate data backups or disaster recovery procedures, a cybersecurity incident may cause permanent data loss, operational disruptions, and significant recovery costs. 3. Operational downtime: a failure or unavailability of critical IT systems due to a DDoS attack, security vulnerabilities, or inadequate incident response procedures may disrupt KRUK Group's operations, affecting efficiency and its ability to meet obligations to clients and business partners. 4. Increased incident response costs: cybersecurity incidents necessitate costly system restoration, audits, corrective measures, and engagement with cybersecurity specialists, placing an additional financial burden on the Group. 5. Operational losses due to human error: employees may unintentionally facilitate cyberattacks by clicking on malicious links, opening fraudulent attachments, or failing to adhere to security protocols, leading to serious breaches and operational disruptions. 6. Outdated or insufficient security measures: failure to regularly update systems, reliance on outdated technologies, or inadequate IT infrastructure security increase vulnerability to cyberattacks and operational disruptions. 7. Ransomware attacks may force the Group to pay a ransom to regain access to encrypted data, resulting in significant financial losses. <p>Prevention costs:</p> <p>Minimising risks related to data breaches, leaks, or loss may require significant investments in advanced security technologies, employee training, internal audits, and the development of policies and procedures to strengthen KRUK Group's cybersecurity. These additional expenditures may place a strain on the operational budget.</p> <p>Third-party supplier risks:</p> <p>Reliance on third-party IT service providers may expose the KRUK Group to risk if they fail to uphold adequate security standards.</p> <p>Data exfiltration by employees:</p> <p>Unauthorised copying or transfer of data by employees may lead to security breaches, compromising operations and damaging the Group's reputation.</p> <p>Legal and regulatory compliance risks:</p> <p>Non-compliance with cybersecurity regulations may result in financial penalties, or legal action.</p> <p>Reputational risks:</p> <ol style="list-style-type: none"> 1. Cybersecurity incidents may attract negative media attention, eroding trust among stakeholders, clients, and investors. 2. Loss of business partner trust: Inadequate cybersecurity measures may erode business partners' trust in the KRUK Group, making them less inclined to collaborate. <p>Access to finance:</p> <p>A lack of robust cybersecurity measures may negatively impact investors' and lenders' decisions, potentially limiting access to capital and financing.</p> <p>Opportunities:</p> <p>No material opportunities have been identified in relation to cybersecurity.</p>	<p>In response to identified cybersecurity risks, the KRUK Group continuously undertakes actions to protect its systems, data, and IT infrastructure. The Group invests in modern security technologies such as advanced antivirus systems, firewalls, and intrusion detection and prevention systems.</p> <p>Regular cybersecurity training is conducted to raise employee awareness of threats and best practices in data protection. IT systems are continuously monitored to quickly identify and respond to potential threats. An IT incident management process has also been implemented.</p> <p>We collaborate with external cybersecurity experts to assess and improve existing safeguards and implement the latest technological solutions.</p> <p>We plan to implement AI Governance, which will also regulate data protection and security issues in AI systems.</p>	Upstream value chain Own operations Downstream value chain

S4 – Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy	Protection of clients' personal data: insufficient actions to ensure the effective protection of clients' personal data.	Actual	Negative	External and financial impacts	<p>Impact on clients:</p> <p>Inadequate protection of personal data exposes indebted persons to privacy breaches, identity theft, financial fraud, and other forms of misuse. Such incidents may also have serious emotional consequences for affected clients, leading to stress and anxiety.</p> <p>Reputational damage to the industry:</p> <p>A lack of effective client data protection or privacy violations may harm the perception of the debt management sector, reinforcing concerns that the industry fails to uphold proper data security standards. In the long term, this may erode stakeholder trust and negatively impact the operations of debt management companies.</p>	<p>Upstream value chain</p> <p>Own operations</p> <p>Downstream value chain</p>	<p>Business partners</p> <p>IT service providers</p> <p>Clients</p> <p>Employees</p> <p>Bailiffs/enforcement entities</p> <p>Regulators and supervisory authorities</p> <p>Competitors</p> <p>Media</p>	<p>Risks:</p> <p>Operational risks:</p> <ol style="list-style-type: none"> 1. Operational downtime: data security breaches may lead to operational downtime, impacting the Group's day-to-day operations and resulting in revenue losses. 2. Higher operating costs: managing the consequences of data breaches, including costs related to system restoration, crisis communication, and legal proceedings, may lead to higher operating costs. Ensuring compliance with data protection regulations and mitigating risks may require substantial investment in advanced security technologies, employee training, internal audits, and the development of data management policies and procedures. These additional expenditures may place a strain on the operational budget. 3. Risk of human error: improper data processing by employees, such as accidental disclosure of personal data, inaccurate data entry, or failure to comply with security procedures, may result in serious data protection violations and potential regulatory penalties. <p>Regulatory risks:</p> <ol style="list-style-type: none"> 1. Violations of data protection regulations, such as the GDPR, may result in financial penalties. 2. Regulatory orders to halt data processing: in cases of severe violations, regulatory authorities may require the suspension of data processing for certain operations or mandate the deletion of specific data, potentially disrupting the KRUK Group's business operations. <p>Legal risks related to litigation:</p> <ol style="list-style-type: none"> 1. Risk of civil lawsuits: individuals affected by data breaches may file compensation claims, leading to substantial financial and legal costs. Breaches of personal data security may result in lawsuits for violations of personal rights, further impacting the Group's financial and reputational standing. 2. Risk of criminal proceedings: in cases of serious data protection violations, the KRUK Group may face criminal proceedings, potentially leading to criminal sanctions. <p>Loss of trust due to inadequate personal data protection:</p> <p>Loss of trust among clients, business partners, employees, stakeholders, and shareholders may lead to a decline in KRUK Group's value.</p> <p>Reputational risks:</p> <ol style="list-style-type: none"> 1. Brand damage: non-compliance with data protection policies may undermine the Group's reputation as a responsible and trustworthy organisation. 2. Risk of public relations crises: insufficient personal data protection increases the risk of reputational crises caused by data breaches. <p>Opportunities:</p> <p>No material opportunities have been identified in relation to the protection of client personal data protection.</p>	<p>We understand that breaches of personal data protection can lead to significant financial penalties, loss of customer trust, and damage to the company's reputation. Therefore, managing these risks is one of the organization's priorities within its sustainability efforts.</p> <p>The Group complies with and monitors applicable legal regulations and regulatory guidelines, considering the scale and complexity of its operations. A formalized risk management system has been implemented, including risks related to personal data processing. Policies, tools, and procedures are in place, and the GDPR Strategy has become an integral part of the ESG Strategy.</p> <p>Regular training is conducted for both new and existing employees on personal data protection to ensure the highest level of awareness and best practices. The Group also plans to implement AI Governance to regulate privacy protection in AI systems.</p>	<p>Upstream value chain</p> <p>Own operations</p> <p>Downstream value chain</p>
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S4 – Consumers and end-users	Entity-specific disclosure	Entity-specific disclosure	Ensuring the operational continuity of client communication tools and systems: failure by the KRUK Group to ensure the uninterrupted, secure, and reliable availability of systems and communication tools for clients.	Actual	Negative	External and financial impacts	<p>Impact on clients:</p> <ol style="list-style-type: none"> Challenges in managing financial obligations: disruptions in communication system and tool availability may temporarily prevent KRUK Group clients from accessing debt management systems and communication channels, hindering their ability to make timely payments and potentially leading to increased debt and additional fees. Stress and anxiety: no access to systems may cause stress and uncertainty about the status of their financial obligations and their ability to meet payment deadlines. Exposure to legal risks: clients may face additional legal consequences due to delayed payments resulting from technical issues or the inability to communicate with the KRUK Group. 	Own operations Downstream value chain	<p>IT service providers</p> <p>Clients</p> <p>Regulators and supervisory authorities</p> <p>Competitors</p>	<p>Risks:</p> <p>Reputational damage:</p> <p>System availability issues may damage the Group's reputation, leading to negative perceptions among stakeholders and media.</p> <p>Legal and regulatory sanctions:</p> <p>Failure to meet business continuity obligations may result in financial penalties and regulatory sanctions.</p> <p>Financial losses:</p> <p>System downtime may result in direct financial losses, both due to lost revenue and costs associated with resolving the issues.</p> <p>Increased operational risk:</p> <p>The lack of reliable communication tools, reliance on third-party suppliers, human errors, natural disasters, insufficient system scalability, or delays in system updates and maintenance may cause IT system failures, disrupting debt management operations and leading to further operational challenges.</p> <p>Risk of loss of client trust:</p> <p>Disruptions in system and tool availability may frustrate clients, reduce their willingness to cooperate, and negatively impact KRUK Group's reputation.</p> <p>Opportunities:</p> <p>No material opportunities have been identified in relation to ensuring the operational continuity of client communication tools and systems.</p>	<p>In response to identified impacts and risks related to the lack of continuous, secure, and reliable availability of systems and communication tools for customers, the KRUK Group invests in modern technologies and systems that ensure high availability and reliability of services.</p> <p>Redundant systems and backup solutions are introduced to take over functions in the event of failures of main components, minimizing downtime risks and ensuring business continuity.</p> <p>Regular IT system testing and operational and IT incident management processes allow for quick identification and resolution of potential issues.</p> <p>Ongoing investments in IT infrastructure and systems ensure continuous customer access to the Contact Center, online debt repayment tools, and efficient handling of correspondence with indebted individuals</p>	<p>Upstream value chain</p> <p>Own operations</p> <p>Downstream value chain</p>
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G1 – Business conduct	Business conduct	Political engagement and lobbying activities	Lobbying for fair financial practices: the Group actively engages in initiatives that serve the interests of clients and investors, including providing opinions on and consulting regulatory frameworks, legislative proposals, and industry standards. These efforts promote transparency, ethical conduct, and fair principles in financial management, customer service, and debt recovery, and they help combat aggressive and unethical collection practices.	Potential	Positive	External and financial impacts	<p>Impact on clients and communities:</p> <ol style="list-style-type: none"> 1. The KRUK Group's lobbying for fair financial practices supports the development of regulations and industry standards that promote transparency and ethical treatment of financial market clients, reducing the risk of unfair practices and misconduct. 2. Advancing fair practices helps protect vulnerable individuals – such as those facing financial hardship – from unethical actions while facilitating their reintegration into the financial system. <p>Impact on the debt management industry:</p> <ol style="list-style-type: none"> 1. The KRUK Group's efforts to shape fair debt collection and debt management regulations contribute to the implementation of policies that eliminate aggressive and unethical collection practices or support efficient business operations. 2. Enhancing industry reputation: supporting positive regulatory changes strengthens the perception of the debt management sector as prioritising client support rather than merely enforcing payments. <p>Impact on regulators and legislators:</p> <p>By actively promoting fair practices and contributing to the development of debt collection regulations, the KRUK Group helps reduce the need for overly restrictive policies that could limit the operational flexibility of debt management companies, while also supporting the creation of regulations that align with market demands and client needs.</p>	Upstream value chain Own operations Downstream value chain	<p>Investors and market analysts</p> <p>Bailiffs/enforcement entities</p> <p>Industry organisations and associations</p> <p>Regulators and supervisory authorities</p> <p>Clients</p> <p>Communities and social organisations</p> <p>Affected communities</p> <p>Competitors</p>	<p>Risks: No material risks have been identified in relation to lobbying for fair financial practices.</p> <p>Opportunities:</p> <p>Building a competitive advantage:</p> <p>By promoting fair and transparent practices and actively contributing to the development of debt collection regulations, the Group strengthens its position as a leader in the debt management industry.</p> <p>Strengthening reputation:</p> <p>Advocating for ethical practices and contributing to the development of debt collection regulations reinforce the KRUK Group's reputation as a responsible and trustworthy partner, increasing confidence among clients, investors, and regulators.</p> <p>Fostering client loyalty:</p> <p>Promoting fair practices helps build long-term relationships with clients, enhancing their loyalty and willingness to cooperate in debt repayment.</p> <p>Strengthening relationships with regulators:</p> <p>Active engagement with regulatory authorities and legislators fosters stronger relationships with regulators, reinforcing confidence in the KRUK Group's operations and reducing the risk of adverse regulatory actions.</p> <p>Protection of the Group's interests</p> <p>Participation in legislative processes enables the KRUK Group to safeguard the interests of the debt collection industry, helping prevent the introduction of unfavourable regulations that could negatively impact the operations of our organisation.</p>	<p>We undertake a range of proactive actions aimed at influencing legislation, regulations, and industry standards to promote transparent, ethical, and fair principles in financial management, customer service, and debt collection.</p> <p>The Group engages in legislative processes and collaborates with various industry organizations to jointly develop and implement ethical standards and regulations that promote fair financial practices, combat aggressive and unethical collection practices, and support a dialogue- and cooperation-based approach with debtors.</p> <p>We regularly publish reports on our sustainability activities, demonstrating our commitment to responsible business and transparency</p>	N/A
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G1 – Business conduct	Business conduct	Corporate culture	Ethical business practices: the KRUK Group's commitment to integrity, transparency, and accountability, upholding the rights of business partners, suppliers, and investors while ensuring compliance with applicable laws and ethical standards.	Actual	Positive	External and financial impacts	<p>Building trust in business entities:</p> <p>Transparent and ethical business practices help foster trust in the corporate sector. Companies that uphold ethical business practices are seen as reliable partners willing to consider the interests of those they work with, particularly in long-term business relationships.</p> <p>Fostering a culture of responsible and ethical collaboration:</p> <p>The KRUK Group acts ethically and expects its stakeholders to uphold the same high standards.</p>	<p>Upstream value chain</p> <p>Own operations</p> <p>Downstream value chain</p>	<p>Investors and market analysts</p> <p>IT service providers</p> <p>Business partners</p> <p>Industry organisations and associations</p> <p>Entities financing KRUK Group's operations</p> <p>Regulators and supervisory authorities</p> <p>Clients</p> <p>Employees</p> <p>Prospective employees</p> <p>Communities and social organisations</p> <p>Bailiffs/enforcement entities</p>	<p>Risks:</p> <p>No material risks have been identified in relation to ethical business practices.</p> <p>Opportunities:</p> <p>Building a positive image:</p> <p>Adopting ethical business practices strengthens the Group's reputation as a responsible leader in the debt management industry.</p> <p>Attracting and retaining talent:</p> <ol style="list-style-type: none"> 1. Increasingly job seekers, especially younger generations (Millennials and Gen Z), prioritise ethical values when choosing an employer. The KRUK Group's commitment to high ethical standards attracts candidates who align with its mission and corporate culture. 2. Employee retention: Employees are more engaged and loyal to companies that reflect their values, leading to lower turnover and reduced recruitment costs. 3. Higher motivation and engagement: Employees who identify with the Group's values demonstrate higher levels of loyalty, and efficiency. <p>Strengthening business relationships:</p> <p>Ethically responsible companies are more attractive to service providers, investors, and business partners, potentially opening up new business opportunities.</p> <p>Strengthening relationships with regulators and society:</p> <ol style="list-style-type: none"> 1. A strong commitment to ethical standards and regulatory compliance fosters positive relationships with regulators, potentially enhancing trust and support for the Group's growth. 2. Reduced risk of financial penalties: By adhering to ethical standards, the Group reduces the risk of financial penalties arising from non-compliance with regulations such as anti-corruption laws. 3. Fewer legal disputes: ethical business practices help minimise legal disputes with business partners and service providers. <p>Impact on operating costs:</p> <p>Lower operating costs: avoiding unethical practices, such as corruption, conflicts of interest, and fraud, helps mitigate the financial consequences associated with such misconduct.</p>	<p>The KRUK Group implements a range of actions to promote ethical business practices and manage risks associated with their absence.</p> <p>Key elements include the operation of compliance systems and organizational units overseeing compliance. The procedures and adopted solutions ensure that activities comply with internal and external standards and ethics, enabling effective compliance risk management.</p> <p>A whistleblowing system, conflict of interest review process, and anti-corruption policy have been implemented across the Group.</p> <p>We choose business partners who share our ethical values and apply clear and fair cooperation terms. Our Mission, Vision, and Values include the principle of fully honoring commitments and promises.</p> <p>The KRUK Group's Code of Ethics outlines the principles and standards of responsible conduct that apply to all companies within the Group</p>	N/A
G1 – Business conduct	G1 – Business conduct	Entity-specific disclosure	Responsible portfolio and client selection: verifying transactions and partnerships with service providers, clients and business partners for compliance with applicable legal regulations, including sanctions lists.	Actual	Positive	External and financial impacts	<p>Strengthening legal compliance:</p> <p>A responsible approach to portfolio and client selection ensures compliance with sanctions regulations, supporting international efforts to combat terrorist financing, money laundering, and other illegal activities.</p> <p>Promoting integrity in the economy:</p> <p>Adhering to sanctions regulations and refraining from transactions with entities included in the Polish Financial Supervision Authority's Public Warnings List contribute to higher ethical and transparency standards in business operations, promoting responsible practices across the industry.</p>	<p>Upstream value chain</p> <p>Own operations</p> <p>Downstream value chain</p>	<p>Regulators and supervisory authorities</p> <p>Business partners</p> <p>Investors</p> <p>Clients</p> <p>IT service providers</p> <p>Entities financing KRUK Group's operations</p>	<p>Risks:</p> <p>No material risks have been identified in relation to lobbying for fair financial practices.</p> <p>Opportunities:</p> <p>Strengthening reputation:</p> <p>The KRUK Group can strengthen its reputation as a company that upholds the highest standards of regulatory compliance. Reinforcing its position as a trusted business partner and increasing confidence among clients and investors.</p> <p>Minimising legal and financial risks:</p> <p>A rigorous approach to verifying transactions and business partnerships helps mitigate the risk of financial penalties for engaging with sanctioned entities. This enhances operational stability and predictability.</p> <p>Expanding business partnerships:</p> <p>A strong commitment to regulatory compliance facilitates collaboration with financial institutions that require partners to adhere to global compliance standards.</p> <p>Access to finance:</p> <p>Compliance with sanctions regulations makes organisations more attractive to financial institutions, enhancing their ability to secure funding.</p>	<p>W swojej działalności Grupa KRUK przestrzega przepisów prawa oraz norm i regulacji zarówno zewnętrznych, jak i wewnętrznych. Spółki z Grupy wprowadziły rozwiązania kontrolujące ryzyko związane z klientami i transakcjami. Dokładają należytej staranności w celu identyfikacji podmiotów, z którymi nie podejmują współpracy, np. podmiotami z krajów o niejasnej sytuacji prawno-politycznej, podmiotami, z którymi współpraca może być obciążona ryzykiem utraty reputacji, czy podmiotami, których działalność może być sprzeczna z powszechnie obowiązującymi przepisami prawa lub są objęte sankcjami międzynarodowymi. Wprowadziliśmy wewnętrzne regulacje związane z zarządzaniem ryzykiem sankcyjnym, a żadna ze spółek z Grupy nie może nawiązywać lub kontynuować relacji gospodarczych z podmiotami objętymi sankcjami międzynarodowymi lub podmiotami z nimi powiązanymi.</p>	<p>Upstream value chain</p> <p>Own operations</p> <p>Downstream value chain</p>



- 1 – Energy efficiency in buildings
- 2 – Health and Safety
- 3 – Employee Well-being
- 4 – Employee Engagement
- 5 – Inclusion and Diversity
- 6 – Fair wage conditions
- 7 – Employee Education
- 8 – Adequate Financial Literacy
- 9 – Debtors' Rights Protection
- 10 – Customer Voice

- 11 – Accessible and Enhanced Customer Experience
- 12 – Ethical Debt Collection
- 13 – Vulnerable Customer Treatment
- 14 – Cybersecurity
- 15 – Data Protection
- 16 – Business Continuity
- 17 – Lobbying for fair financial practices
- 18 – Ethical Business Practices
- 19 – Responsible selection of clients and portfolios
- 20 – Corporate climate action

The identified impacts, risks, and opportunities arise primarily from the KRUK Group's own operations and its business model, which integrates effective debt recovery with social responsibility and ethical conduct. While certain processes are supported by external partners, these do not involve core debt collection activities. Their impact is limited, relating mainly to data processing and the environmental efficiency of office facilities.

We have not identified any ESG-related risks or opportunities that currently have a material financial effect on the Group's performance or that would require the revaluation of assets.

In the short term, we anticipate an increase in costs, particularly those associated with strengthening cyber-security. Over the longer term, we expect cost savings (from energy-efficient buildings) and revenue growth driven by improved client communication and the application of ethical business practices.

How we build organisational resilience

The KRUK Group enhances its organisational resilience through the following core measures:


- **Strong compliance culture** – rooted in ethics and adherence to the law, effectively mitigating reputational risk.
- **Systemic risk management** – encompassing personal data protection, cybersecurity, and regulatory compliance.
- **Investment in technology** – including automation, digitalisation, and user-friendly client solutions.
- **Values-driven workforce** – with recruitment processes focused on alignment with the organisation's cultural values.
- **Shared values** – such as respect, simplicity, and continuous development, fostering internal cohesion.
- **Industry engagement** – actively contributing to the regulatory landscape and promoting ethical debt collection practices both in Poland and internationally.

5 Business conduct G1 [1-6]

Key matters in responsible business conduct

The double materiality assessment carried out in 2024 identified three key matters in the area of business conduct:

1. **Lobbying for fair financial practices** – the Group actively engages in initiatives that serve the interests of clients and investors, including providing opinions on and consulting regulatory frameworks, legislative proposals, and industry standards. These efforts promote transparency, ethical conduct, and fair principles in financial management, customer service, and debt recovery, and they help combat aggressive and unethical debt collection practices.
2. **Ethical business practices** – understood as conducting business in compliance with legal requirements and ethical standards, in a fair, transparent and responsible manner, with due respect for stakeholder rights.
3. **Responsible portfolio and client selection** – including the verification of transaction and trade partner compliance with applicable laws, including sanctions lists.

For more information, please refer to subsection 10.1.1 'Material matters in business conduct' and, with respect to impacts and risks, subsection 10.3.3 'Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)' in section 10 of the **Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024**. 



**Tomasz Kurr**


General Director KRUK Italia



For us, responsible management is not merely a set of procedures, but a daily practice that informs business decisions aligned with our values. Internal regulations, control mechanisms, and transparent processes support the implementation of the KRUK Group's strategy in an ethical, lawful, and socially responsible manner. We believe that consistently acting in line with this philosophy strengthens our corporate culture and helps elevate standards across the entire industry.'

5.1. Policies with respect to business conduct and corporate culture

The actions we undertake to effectively manage the identified material impacts, risks, and opportunities related to business conduct and corporate culture are outlined in our policies and regulations, as set out in the table below.

These regulations are described in more detail in subsection 10.1.2 'Policies with respect to business conduct and corporate culture' in **section 10 of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024.** 

Policy/regulation	Matters covered	Gdzie obowiązuje/obowiązują?
Code of Ethics	A set of ethical principles and standards of conduct, covering data protection, fair competition, conflict of interest prevention, anti-corruption, and business relationships.	KRUK S.A, KRUK Italia, KRUK România, KRUK España , KRUK Česká a Slovenská republika, Wonga, Kancelaria Prawna RAVEN, NOVUM Finance, and InvestCapital
KRUK Group Anti-Corruption Policy	Describes the process for preventing corruption, outlining responsibilities, preventive actions, and whistleblowing procedures.	KRUK S.A, Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, KRUK Česká a Slovenská republika, and Wonga
Anti-Corruption Procedure	Identifies specific corruption risk scenarios and the response procedures.	Wonga
KRUK Group Human Rights Policy	Defines the Group's commitment to respecting human rights in its operations and stakeholder relations.	KRUK S.A, Kancelaria Prawna RAVEN, KRUK Italia, KRUK España, KRUK Česká a Slovenská republika, and Wonga
Personal Data Management Policy	Governs the secure and lawful processing of personal data.	KRUK S.A, Kancelaria Prawna RAVEN, KRUK TFI, KRUK Italia, KRUK România, KRUK España, KRUK Česká a Slovenská republika, KRUK Tech, RoCapital, and Biroul de Detec-tivi Particulari Corbul
Risk Management System Policy	Describes the principles and structure of non-financial risk management within the Group.	KRUK S.A, Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, and KRUK Česká a Slovenská republika
Legal Risk and Personal Data Processing Risk Management Policy	Defines the approach to assessing and controlling legal risks and risks related to personal data processing.	KRUK S.A., KRUK România, KRUK Italia, KRUK España, and KRUK Česká a Slovenská republika
KRUK Group Compliance Risk Management Policy	Specifies the compliance risk management approach, including principles and responsibilities in the compliance process.	KRUK S.A., KRUK România, KRUK Italia, KRUK España, and KRUK Česká a Slovenská republika

Internal Control System Policy	Describes the internal control structure to ensure compliance and operational efficiency.	KRUK S.A., KRUK România, KRUK Italia, KRUK España, and KRUK Česká a Slovenská republika
KRUK Group Conflict of Interest Management Policy	Governs the process for identifying and managing conflicts of interest. NOTE: At Wonga, conflict of interest issues are governed by the Anti-Corruption Procedure.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, and KRUK Česká a Slovenská republika
KRUK Group Gift Policy	Establishes the rules for offering and accepting gifts to promote ethical and responsible business practices.	KRUK S.A, Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, KRUK Česká a Slovenská republika, and Wonga
Internal Whistleblowing Procedure	Describes the procedure for reporting and handling misconduct and irregularities, including remedial actions.	KRUK S.A, Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, KRUK Česká a Slovenská republika, Wonga, and InvestCapital
Training Policy	Describes the approach to supporting employee competence and knowledge development, including on ethics and values.	KRUK S.A., Kancelaria Prawna RAVEN, NOVUM Finance , and KRUK TFI
Employee Development Procedure	Describes processes supporting professional development and ethical conduct among employees.	KRUK România
Trade Partner Screening Procedure	Describes the process for the assessment and classification of trade partners prior to engagement.	Wonga

Procurement Policy of KRUK Group Companies in Poland	Governs procurement processes and supplier selection based on quality and alignment with Group values.	KRUK S.A., Kancelaria Prawna RAVEN, NOVUM Finance , and KRUK TFI
Procurement and Cost Control Procedure	Establishes procedures for purchasing, order placement, supplier screening and approval, and cost verification.	KRUK España
Product and Service Procurement Procedure	Describes the supplier qualification process and outsourcing risk assessment.	KRUK România
Procurement Procedure (IT)	Establishes procurement rules, commercial terms, and supplier selection process.	KRUK Italia
Procurement Process for Goods and Services Policy	Governs procurement, employee responsibilities, and supplier classification	KRUK Česká a Slovenská republika
Procedure for Monitoring Changes in Legislation	Describes the process for monitoring legislative changes relevant to the Group's operations	KRUK S.A. and Kancelaria Prawna RAVEN
Procedure for Monitoring Regulatory Guidelines and Case Law	Describes the process for monitoring regulatory guidelines and court rulings.	KRUK S.A. and Kancelaria Prawna RAVEN
KRUK Group Procedure on Anti-Money Laundering, Counter-Terrorist Financing, and Sanctions Risk Management	Describes the principles for preventing money laundering and terrorist financing, as well as sanctions risk management.	KRUK S.A, KRUK TFI, Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, KRUK Česká a Slovenská republika, and InvestCapital

Excerpts from the KRUK Group's key policies, including the Code of Ethics, the Anti-Corruption Policy, the Human Rights Policy, the Conflict of Interest Policy, and the Gift Policy, are available to the public in Polish and English at:

- pl.kruk.eu/esg/polityki
- en.kruk.eu/esg/policies

The remaining internal regulations are made available to employees and associates via internal systems (intranet, shared folders) in the appropriate language versions. Document owners provide expert support regarding their application.

Although these regulations were not developed through direct consultation with stakeholders, their interests were duly taken into account, based on:

1. Applicable international and national regulations.
2. Guidelines from regulators, such as national consumer protection authorities and national data protection authorities.
3. Best market practices which KRUK Group companies commit to following by joining international organisations (United Nations Global Compact, among others).
4. Best market practices which KRUK Group companies commit to following by joining industry associations (Principles of Good Practice of the Association of Financial Companies in Poland (ZPF), among others).

The key stakeholders are employees, clients, business partners, investors, regulators, and industry organisations.

5.2. Organisational culture and values

At the KRUK Group, we foster an organisational culture grounded in the Mission, Vision and Values agreed and approved by the Management Board of KRUK S.A., as well as in the ethical principles set out in the Code of Ethics. These documents establish consistent standards for responsible conduct and decision-making across all Group companies.

Our values serve as the foundation of daily operations throughout the organisation.

The Mission, Vision and Values (described in detail in section 6.2 'Strategic plan 2025–2029' of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024), and the Code of Ethics are subject to regular reviews and updates. Awareness and understanding of these principles are promoted through

- training (as further outlined in this section),
- internal communications and video materials addressed to employees,
- example set by the management team,
- enforcement of rules and appropriate response to unethical conduct,
- KRUK_up competency model, implemented to support alignment of behaviours with the corporate values.

5.3. Whistleblowing mechanisms and whistleblower protection

The Kruk Group has implemented systems for identifying, reporting, and investigating violations of law, ethical principles, and internal regulations. These mechanisms are designed to ensure early detection of misconduct, provide protection to affected individuals, and prevent recurrence of similar incidents in the future.

Reports may be submitted by employees, associates, members of governing bodies, and business partners. Reports can be submitted (either openly or anonymously):

a. electronically, via the whistleblowing system available at the following links or email addresses:

- i. Kruk S.A. and Kancelaria Prawna RAVEN: <https://whistlekruksa.vco.ey.com/>
- ii. Kruk Italia: <https://it.kruk.eu/whistleblowing/>
- iii. Kruk España: <https://canaletico.es/es/kruk/>
- iv. Kruk Česká a Slovenská republika: <https://cz.kruk.eu/vnitrnioznamovaci-system/>
- v. Wonga: https://app.sygnanet.pl/wonga_pl/pl
- vi. InvestCapital: <https://investcapital.com.mt/en/pages/whistleblowing/>
- vii. Kruk TFI S.A.: <https://kruktfi.pl/zglosnaduzycie/>

viii. Kruk România: via email to [avertizor@kruk.com.ro/](mailto:avertizor@kruk.com.ro)

ix. NOVUM Finance: via the contact form available at www.pozyczkinovum.pl/

b. by sending a report in paper form via traditional mail to the address specified in the internal regulations.

Additional channels for reporting irregularities, violations, or misconduct include:

- Kruk S.A.: via email to whistleblowing.rn@kruksa.pl (for reports concerning the Management Board), or via email to wpm@kruksa.pl (for reports related to conflicts, bullying, harassment, sexual harassment, or discrimination and unequal treatment).
- InvestCapital: via email to whistleblowing@investcapital.com.mt
- Kruk România: via the website at <https://ro.kruk.eu/raportarea-abuzurilor>





Each report is handled with due diligence, in a confidential and impartial manner, using appropriate organisational and technical safeguards. The process is overseen by an independent compliance function and report review teams appointed on the basis of impartiality and competence. They assess the validity of reports and coordinate subsequent investigative measures.

The Group ensures protection for individuals who, in good faith, report violations, unlawful conduct, or breaches of internal regulations. The objective is to foster a secure, retaliation-free environment in which all individuals can report unethical conduct without fear of adverse consequences.

Retaliatory actions against whistleblowers are strictly prohibited. False accusations, dissemination of untrue information, or the expression of unfounded opinions may result in consequences as defined by applicable legislation, including labour law.

Remedial, control, or educational measures – such as regulatory amendments, training, internal audits, or disciplinary action – may be implemented in response to reported incidents.


These mechanisms are further reinforced by the Conflict of Interest Management Policy and the Anti-Corruption Policy, both of which mandate the reporting of incidents and require the inclusion of clauses notifying business partners of the Group's zero-tolerance stance on corruption.

For more information, please refer to subsection 10.1.4 'Mechanisms for identifying, reporting and investigating concerns about unlawful behaviour or behaviour in contradiction of the Code of Ethics or similar internal rules' and subsection 10.1.5 'Whistleblower protection' in section **10 of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024.** 📄

5.4 Key training on business conduct and organisational culture

At the KRUK Group, we place strong emphasis on the continuous development of our employees’ competencies – encompassing both technical expertise and behaviours that reinforce our organisational culture. Educational initiatives are conducted across all Group companies and are intended not only to enhance professional qualifications but also to promote the values that underpin the way we conduct our business. The training programmes reflect our commitment to sustainability, incorporating elements of regulatory compliance, business ethics, and the promotion of a workplace culture grounded in mutual respect and collaboration. Below we present selected key training activities carried out in 2024.

Training title	Description	Companies covered	Completion rate (2024)
Straightforward About the Process – Training on Debt Acquisition and Management	Introduction to the process of debt acquisition and portfolio management.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK TFI, NOVUM Finance	100%
Mission, Vision, and Values	Introduction to corporate values and the Lean organisational culture.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK TFI, NOVUM Finance	100%
Code of Ethics	Ethics, data protection, conflict of interest prevention, anti-corruption, and business relationships	KRUK S.A., Kancelaria Prawna RAVEN, NOVUM Finance	91%
Anti-Corruption	Principles and procedures for reporting corruption incidents	KRUK S.A., Kancelaria Prawna RAVEN, NOVUM Finance, and KRUK TFI S.A. / KRUK România (voluntary)	92% / 25.7%
Gifts and Hospitality Culture	Framework for ethical offering and accepting of gifts.	KRUK S.A., Kancelaria Prawna RAVEN, NOVUM Finance, and KRUK TFI S.A. / KRUK România (voluntary)	92% / 25.7%
Managing Conflicts of Interest	Identification, prevention and mitigation of conflicts of interest	KRUK S.A., Kancelaria Prawna RAVEN, NOVUM Finance, KRUK TFI	92%
Everyday Compliance	Promoting a culture of compliance	KRUK S.A. / KRUK România	88% / 89%

For more information, please refer to section 10.1.6 'Training on business conduct and organisational culture' in **in section 10 of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024.** 

Criminal Prevention Model	Corporate criminal liability framework in Spain	KRUK España	98%
Corporate Compliance	Ethics, conflict of interest, whistleblowing, harassment prevention	KRUK España	90%
NPL Market	Securitisation processes, market structure and client profiles	KRUK Italia	100%
General Compliance	Compliance framework, internal policies, AML, sanctions	KRUK Italia	100%
Criminal Compliance	Criminal and civil law, whistleblowing mechanisms	KRUK Italia	100%
Introduction, Fundamentals, Regulations, Code of Ethics, GDPR, and Code of Conduct	Regulatory compliance, ethical standards, GDPR, and whistleblowing	Agecredit	100%



5.5 Responsible supplier engagement and prevention of payment backlogs

The KRUK Group conducts its procurement processes in accordance with transparent, standardised internal procedures that integrate ethical, social, and environmental criteria into supplier engagement. Specifically, in KRUK S.A., Kancelaria Prawna RAVEN, NOVUM Finance, and KRUK TFI S.A., the supplier qualification process encompasses an assessment of financial standing, competencies, service quality, potential conflicts of interest, and compliance with the Late Payment Act. Suppliers are required to adhere to ethical and anti-corruption standards, confirmed through the signing of anti-corruption clauses and, where applicable, sanctions clauses.

Additionally, in the case of KRUK S.A., if the estimated contract value exceeds PLN 100,000, the prospective supplier is required to complete an ESG questionnaire. Its objective is to verify whether the company is managed in accordance with sustainable development principles. The questionnaire facilitates the assessment of areas such as the company's approach to human rights, occupational health and safety, anti-discrimination policies, availability of whistleblowing mechanisms, carbon footprint, alignment with the EU Taxonomy, and ethical culture (for example, whether it has a code of ethics in place).

In 2025, KRUK plans to extend the use of the ESG questionnaire to other operational companies involved in managing purchased debt portfolios, KRUK România, KRUK Italia, and KRUK España.


At Wonga, supplier qualification is governed by a separate procedure which categorises contractors into one of three risk groups (green, orange, and red). Further verification depends on the assigned risk category, and decisions regarding business cooperation are based on the assessment conducted by the compliance unit and – where high risk is identified – are subject to approval by the Management Board

Timely payments

Formal procedures governing payment processing have been implemented in the following companies: KRUK S.A., Kancelaria Prawna RAVEN, KRUK TFI, NOVUM Finance, Prokura, Presco NS FIZ, KRUK ITALIA, KRUK România, Corbul, KRUK Tech, InvestCapital, KRUK Investimenti, and Itacapital. These procedures ensure that payments are made in a timely, accurate manner and in compliance with the supporting documentation. Some companies, including KRUK S.A., KRUK România, KRUK Italia, KRUK España, and Kancelaria Prawna RAVEN, monitor the On-Time Invoice Payments KPI.

Data analysis indicates that in 2024, 95% of invoices were paid, on average, 12 days before their contractual due date. Remaining payments – where justified (for example due to delayed invoice receipt) – were settled within 12 days of the contractual due date.

No legal proceedings related to late payments to suppliers were recorded during the reporting period.

For more information, please refer to subsection 10.2 'Supplier relationship management and payment practices (G1-2, G1-6)' in section **10 of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024.** 

5.6 Zero-tolerance policy on corruption

The KRUK Group adheres to a zero-tolerance policy on corruption, operationalised through a comprehensive system of internal regulations and preventive measures applied consistently across the organisation.

Key components of this system include:

- Anti-Corruption Policy – applicable to all of the aforementioned companies and forming an integral part of the compliance system. It obliges all employees, associates, and members of management boards to refrain from any conduct that could be construed as corrupt behaviour.

- Compliance area – an independent unit responsible for monitoring compliance, maintaining an incident register, and recommending preventive actions. Its structural separation ensures impartiality in the assessment process.
- Whistleblowing mechanisms – including an anonymous whistleblowing system (see section 5.3).
- Transparent procedures for verifying costs, gifts, and trade partner relationships – covering the Conflicts of Interest Management Policy and the Gift Policy.
- Mandatory anti-corruption clauses – incorporated into contracts with business partners across all Group companies


Education and communication

In 2024, the Group conducted e-learning courses on anti-corruption and the gift policy, targeting members of governing bodies and employees of selected companies (KRUK S.A., RAVEN, NOVUMFinance, and KRUK TFI). The course duration was 45 minutes and completion was required within 30 days of the employment start date or course activation. Additional training programmes in this area are listed in section 5.4 above.

Furthermore, the Group leveraged various opportunities to share with employees updates on its anti-corruption commitments, along with relevant research and publications. In 2024, this included:

- In February – KRUK S.A. celebrated No Bribery Day
- In December – materials were distributed via internal channels (excluding Wonga) as part of International Anti-Corruption Day.
- On an ongoing basis – summaries of policies and key principles of conduct were made available to employees.

No incidents of corruption or bribery were identified in the KRUK Group in the reporting year, and no legal proceedings related to bribery were recorded.

For more information, please refer to subsection 10.3 'Prevention and detection of corruption and bribery (G1-3, G1-4)' in section **10 of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024.** 

5.7 Responsible lobbying activities

While the KRUK Group does not engage in political activity, it actively contributes to shaping a fair and ethical regulatory environment for the financial sector. The Group's lobbying efforts are strictly substantive in nature and aimed at protecting the interests of clients and investors.

Key principles and governance framework:

- The Management Board of KRUK S.A. is responsible for oversight of lobbying activities.
- The Group's activities focus on reviewing and providing input on legislation and industry

standards that may affect transparency and ethical conduct in debt management.

- These lobbying efforts are conducted through collaboration with such organisations as Association of Financial Companies in Poland, the Lewiatan Confederation, and Employers of Poland.

Scope and limitations:

The Group does not fund political parties, provide donations or other benefits for political purposes, and is not registered in the EU Transparency Register or any equivalent national registers – confirming that the Group companies are not engaged in political activities.

Examples of actions undertaken in 2024

In the reporting period, KRUK S.A. reviewed and provided expert opinions on the following legislative proposals:

1. **Bill on credit servicers and credit purchasers** – if implemented in its original form, the legislation could have negatively affected KRUK S.A.'s business model. While the proposed regulation was intended to strengthen market integrity by introducing new organisational and capital requirements, it also included provisions that would have imposed additional costs, such as expanded reporting obligations and shortened response times for client-related actions. Ultimately, due to both subject-matter and

entity-specific exemptions, the legislation did not apply to the activities of KRUK S.A. carried out under Article 192 of the Investment Funds Act, nor to its debt servicing operations conducted on behalf of banks.

2. **Draft amendment to the Accounting Act and the legislation on statutory auditors and public oversight** – KRUK S.A. noted the absence of clear provisions concerning the method, procedure, and scope of the required consultations with employee representatives, as mandated by Directive (EU) 2022/2464 (CSRD).
3. **Draft amendment to the Public Offering Act and legislation on gender equality** – according to KRUK S.A., the proposed changes did not fully align with the objectives of Directive (EU) 2022/2381 on improving gender representation on the boards of listed companies.

For more information, please refer to subsection 10.4 'Political influence and lobbying activities (G1-5)' in section **10 of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024.** 📄

5.8 Responsible portfolio and client selection

In 2024, as part of the double materiality assessment, responsible portfolio and client selection was identified as a key area with a material positive impact on the Group's sustainable business conduct. This responsibility is primarily demonstrated through the verification of transaction compliance

and engagement with business partners and clients in accordance with applicable legislation – particularly with respect to international sanctions and anti-money laundering and counter-terrorist financing (AML/CFT) regulations.

Scope of implemented actions:

- **AML/CFT procedures** procedures have been implemented at KRUK S.A., KRUK TFI, Kancelaria Prawna RAVEN, KRUK România, KRUK Italia, KRUK Česká a Slovenská republika and InvestCapital, in compliance with relevant national legislation
- **Group companies, excluding KRUK España and InvestCapital, conduct risk assessments related to cooperation with clients and trade partners,** , taking into account:
 - i. sanctions list screening,
 - ii. reputational due diligence,
 - iii. compliance with legal requirements, including consumer protection and applicable sanctions regimes.

The outcome of the verification may result in a decision not to enter into a relationship or to notify the relevant administrative authorities of a match with sanctions lists. Contracts with trade partners include clauses requiring adherence to international sanctions, thereby affirming both parties' commitment to compliance with legal requirements.



Example of good practice:

In 2024, KRUK S.A. developed an AML and sanctions risk map, which incorporates control mechanisms and enables daily monitoring of client verification outcomes.

Outcomes and relevance:

Responsible partner selection mitigates legal and reputational risks, reinforces ethical business conduct, enhances stakeholder confidence, and fosters long-term cooperation with financial institutions while facilitating access to funding.

The process is continuous and subject to continuous improvement.

For more information, please refer to subsection 10.5 'Responsible portfolio and client selection' in section **10 of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024.** 📄

6 Our employees S1 [1-16]

At the KRUK Group, we firmly believe that our employees are the heart and driving force of our organisation. It is through their expertise, commitment, and diversity that we are able to successfully pursue our mission and achieve our strategic objectives.

As of 31 December 2024, our team comprised:

3,537

employees engaged under
employment contracts

261

associates engaged under
other types of contracts.

Within the KRUK Group, our employees and associates are organised into three main categories:

- **Direct customer service** (Field Advisers, Contact Centre staff) – professionals who engage daily with clients to discuss debt repayment solutions, fostering respectful relationships and ensuring the effective and ethical debt recovery.
- **Process and project support specialists** (including HR, Compliance, IT, Logistics, Administration, and other departments) – they work to ensure operational continuity, regulatory compliance, and the ongoing development of the KRUK Group's business operations.



- **Managerial and executive staff** – leaders who guide teams, define strategic directions, and implement solutions that enhance organisational efficiency. They are instrumental in shaping the development of the Group and its workforce.

Below, we present key information on the Group's employment structure, human resources policy, the impact of its operations on employees, and development programmes and social dialogue within the organisation.

KRUK Group employment structure (as at 31 December 2024)

Country	Number of employees	Number of non-employees
Poland	1868	209
România	598	27
Italy	510	15
Spain	475	5
Malta	16	3
Czech Republic	69	1
Slovakia	1	0
Luxembourg	0	1
TOTAL	3537	261



Alina Giurgea

General Director, KRUK España

As a values-driven organisation founded on responsibility, cooperation, and development, we place particular emphasis on fostering a stable, inclusive, and supportive working environment. Through a transparent human resources management policy, targeted competence development, and a strong focus on employee well-being, we not only attract but also retain talented individuals who contribute collectively to the implementation of our business strategy. In 2024, we undertook a series of initiatives aimed at strengthening employee engagement and satisfaction. We invested in the development of managerial competencies, introduced new programmes supporting work-life balance, and expanded our diversity and inclusion initiatives. Employee surveys confirm a high level of job satisfaction within the KRUK Group, underscoring the effectiveness of the measures we have implemented.'

Employees are at the centre of our operations. Recognising the critical role of teams across all Group companies, we prioritise cultivating a working environment that promotes engagement and operational excellence.

For further information on the relationship between our own workforce and our business model and strategy, please refer to subsection 7.1 'Own workforce (S1 SBM-3)' in section 10 of the **Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024.** 📄

Management of key workforce-related matters

The double materiality assessment identified areas of particular relevance to our own workforce and the Group.

Material workforce-related matters	Description of impact	Actions taken
Employee well-being	We are strongly committed to ensuring the well-being of our staff, recognising how it can directly benefit their professional and personal development.	<ul style="list-style-type: none"> • Flexible working hours • Access to medical and psychological care • Insurance and cafeteria benefits package • Promotion of work-life balance (flexible hours, remote work) • Well-being and team-building programmes
Employee engagement (entity-specific disclosure)	We are committed to sustaining high levels of employee engagement. Strong engagement levels contribute to employees' overall well-being and have a positive influence on their family life.	<ul style="list-style-type: none"> • Flexible working hours • Access to medical and psychological care • Insurance and cafeteria benefits package • Promotion of work-life balance (flexible hours, remote work) • Well-being and team-building programmes
Diversity and inclusion (DEI)	Respect for diversity is a core value of the Group. We view diversity as a source of inspiration, innovation, and operational effectiveness. We actively promote diversity and inclusion, including initiatives to advance gender equality and support employees with disabilities.	<ul style="list-style-type: none"> • DEI policy and diversity monitoring • Training programmes and awareness campaigns • Partnerships with organisations supporting people with disabilities • Transparent and inclusive recruitment processes



Employee education

We are committed to fostering the development of employee skills in areas such as new technologies and methodologies, including Agile, Lean, and change management. We strongly believe that this helps employees to effectively perform their duties and adapt to a rapidly evolving work environment. Improved professional qualifications contribute to enhanced living standards for employees and their families.

- In-person and online training (Agile, Lean, new technologies)
- Co-financing of external training
- Competency needs assessments
- Development of educational platforms

Fair wages

We offer remuneration aligned with qualifications, experience, and prevailing market standards.

Fair wages support employee well-being and foster a culture of trust and belonging, strengthening the sense of inclusion in the workplace.


- Transparent remuneration and promotion policies
- Market benchmarking and salary analysis
- Elimination of pay gaps
- Principles of equal treatment

Workplace safety and employee health

A safe working environment – whether remote, hybrid, or on-site – is fundamental to employee well-being. We ensure ergonomic working conditions, implement health-promotion initiatives, and provide support for both physical and mental health.

- Occupational health and safety training and ergonomic standards
- Remote work standards
- Incident monitoring and preventive measures
- Psychological and physical health support
- Programmes promoting healthy lifestyles

We have not identified any material impacts on employees resulting from the environmental transition within our operations. We actively implement measures aimed at reducing our impact on the natural environment.

For more information on this topic and on identified risks and opportunities, please refer to subsections 7.1.1 and 7.1.2 in section 10 of the **of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024.** 

Material matters related to the impact on our own workforce are managed within the internal regulatory system. A summary of the documents and respective regulatory frameworks governing each of these matters is provided below.

Policy/regulation	Workforce-related matters covered	Scope of application
Code of Ethics	Promotes a positive impact by fostering ethical behaviour and professional standards, thereby mitigating risks related to unethical conduct.	KRUK S.A, KRUK Italia, KRUK România, KRUK España, KRUK Česká a Slovenská republika, Wonga, Kancelaria Prawna RAVEN, NOVUM Finance, and InvestCapital
Conflict of Interest Management Policy	Enhances operational transparency and fosters trust by mitigating negative impacts resulting from potential conflicts of interest.	KRUK S.A, Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, KRUK Česká a Slovenská republika, and Wonga
KRUK Group Human Rights Policy	Directly addresses the Group's impact on the human rights of employees, aiming to eliminate adverse impacts and promote respect for fundamental rights.	KRUK S.A, Kancelaria Prawna RAVEN, KRUK Italia, KRUK España, KRUK Česká a Slovenská republika, and Wonga
KRUK Group Anti-Corruption Policy	Reduces negative impacts associated with corruption by promoting transparency and integrity in all business activities.	KRUK S.A, Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, KRUK Česká a Slovenská republika, and Wonga
KRUK Group Gift Policy	Promotes transparency and prevents situations that may result in negative impacts arising from the offering or acceptance of improper advantages or benefits.	KRUK S.A, Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, KRUK Česká a Slovenská republika, and Wonga
Internal Whistleblowing Procedure	Facilitates the identification of, and response to, potential negative impacts stemming from inappropriate practices.	KRUK S.A, Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, KRUK Česká a Slovenská republika, Wonga, and InvestCapital




KRUK Group Mediation Policy	Governs the impact of workplace conflicts by supporting constructive resolution and fostering improved interpersonal relations.	KRUK S.A. and Kancelaria Prawna RAVEN. A separate Mediation Policy is in effect at Invest Capital.
Anti-Bullying Policy	Aims to prevent workplace bullying and other forms of psychological abuse. Fosters a respectful and dignified working environment.	Wonga
Policy on the Prevention and Combating of Gender-Based Bullying and Harassment	Provides protection against unequal treatment, bullying, harassment, and discrimination on the basis of gender. Sets out procedures for employee protection and internal investigations.	KRUK România, KRUK Tech, RoCapital, and Biroul de Detectivi Particulari Corbul
Anti-Bullying Policy	Directly addresses the potential impact of discriminatory and abusive behaviour, aiming to ensure a safe working environment.	KRUK España
Diversity and Inclusion Policy	Drives a positive impact by cultivating an inclusive and equitable workplace culture.	KRUK S.A, Kancelaria Prawna RAVEN, NOVUM Finance, KRUK TFI, KRUK Italia, KRUK România, RoCapital, KRUK España, Agecredit, KRUKTech, Biroul de Detectivi Particulari Corbul, KRUK Česká a Slovenská republika, Wonga, and InvestCapital
Equity Policy	Promotes fair and equal treatment of employees, reducing the risk of adverse impacts arising from inequality.	Wonga
Training Policy	Supports the development of employee competencies and knowledge, reinforces ethical values, and contributes to the achievement of the business strategy.	KRUK S.A., Kancelaria Prawna RAVEN, NOVUM Finance, and KRUK TFI



Employee Development Procedure	Defines development initiatives to enhance employee skills in alignment with the Group's strategic objectives, while promoting ethical standards and a responsible organisational culture.	KRUK România
Personal Data Management Policy	Establishes the principles for the protection and processing of personal data, including the allocation of responsibilities for ensuring data security.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK TFI, KRUK Italia, KRUK România, KRUK España, KRUK Česká a Slovenská republika, KRUK Tech, RoCapital, and Biroul de Detectivi Particulari Corbul
Legal Risk and Personal Data Processing Risk Management Policy	Defines the rules for identifying, managing, and reporting legal risks and risks associated with the processing of personal data.	KRUK S.A., KRUK România, KRUK Italia, KRUK España, and KRUK Česká a Slovenská republika
KRUK Group Compliance Risk Management Policy	Governs the management of compliance risk and supports the development of a culture of compliance and accountability across the Group.	KRUK S.A., KRUK România, KRUK Italia, KRUK España, and KRUK Česká a Slovenská republika
Internal Control System Policy	Defines the principles and responsibilities related to internal control to ensure operational efficiency and compliance with applicable regulations.	KRUK S.A., KRUK România, KRUK Italia, KRUK España, and KRUK Česká a Slovenská republika
Workplace regulations	Define the organisation of work, employee rights and obligations, and alignment with labour law requirements (Work Rules, Codes of Conduct, etc).	KRUK S.A., Kancelaria Prawna RAVEN, KRUK TFI, NOVUM Finance, Wonga, KRUK Italia, AgeCredit, KRUK España, KRUK Česká a Slovenská republika, KRUK Technologies, Biroul de Detectivi Particulari Corbul, and RoCapital
Remuneration regulations	Define the rules governing employee remuneration, ensuring transparency, legal compliance, and support for the organisation's development objectives.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK TFI, NOVUM Finance, Wonga, and KRUK España (in the other companies, these matters are governed by applicable workplace regulations)

Health and safety regulations	Establish the standards for ensuring safe and ergonomic working conditions in accordance with applicable occupational health and safety legislation.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK TFI, NOVUM Finance, KRUK España, KRUK Česká a Slovenská republika, KRUK Italia, and InvestCapital (in România these are aligned with national legislation)
Remote work regulations	Define the principles governing remote work, with due consideration for safety, ergonomic requirements, and compliance with applicable legal standards.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK TFI, NOVUM Finance, Wonga, KRUK Italia, KRUK España, KRUK Česká a Slovenská republika, and InvestCapital (in România, governed by internal work rules)
Rules of the Company Social Benefits Fund at KRUK S.A.	Establish the rules for accessing social benefits, the allocation of funds, and the scope of social activities provided under the Social Benefits Fund.	KRUK S.A.


Further details on the Group's approach to managing impacts, risks, and opportunities in relation to its own workforce are provided in subsection 7.2 'Impact, risk and opportunity management policies related to own workforce (S-1)' in section **10 of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024.** 

The policies in place at the KRUK Group are available from:

en.kruk.eu/esg/policies

Respect for human rights

The KRUK Group ensures equal opportunities and respectful treatment for all employees, regardless of personal characteristics. These initiatives are fully aligned with international human rights standards (including the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights, and the Ten Principles of the UN Global Compact), as well as applicable local and international regulations (including the ILO Declaration and the OECD Guidelines). These commitments are embedded in internal policies and procedures – such as the Human Rights Policy, Code of Ethics, and Diversity and Inclusion Policy – and are supported by monitoring mechanisms, including training programmes and the whistleblowing system.

For further information, refer to subsection 7.2.1 in section 10 of the **Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024**. 

6.1 A great place to work

Material topics: Employee well-being

Employee engagement (entity-specific disclosure)

Fair wages

At the KRUK Group, we work in teams that are diverse in terms of gender, nationality, and individual needs. This diversity is one of our core strengths, enabling us to draw on a wide range of perspectives

KRUK Group strategic workforce-related objectives and progress achieved in 2024

2025 objective	Target	Progress achieved in 2024
Proportion of women in all positions	≥ 50%	✓ 64% overall ✓ 58% in management positions
Proportion of women on management boards	≥ 40%	✓ 42%
Gender pay gap	0%	✗ 0.6%*
Employment of persons with disabilities	≥ 4%	✗ 2.2%
Employee turnover	≤ 16% per year	✓ 12%

*Adjusted pay gap defined as the difference in total average remuneration (including base salary and variable pay such as bonuses and other cash incentives) between male and female employees, expressed as a percentage of the average total remuneration of male employees working at the same level, in the same job family, and in the same position. It is calculated as the weighted average of the pay gap in individual positions relative to the employment level in those positions.

and develop innovative solutions. Accordingly, we are committed to ensuring that every employee feels accepted, has equal opportunities for development, and receives support tailored to their specific needs. We invest in diversity and inclusion training, monitor key equity indicators, and participate in initiatives that support persons with disabilities and groups at risk of exclusion. Our objective is to cultivate a working environment in which every individual is empowered to realise their full potential.

The KRUK Group aims to provide a supportive working environment that promotes employment stability and job satisfaction. This mindset is rooted in open dialogue with employees and our commitment to upholding their right to express their views freely, and our responsiveness to evolving needs and challenges.

In 2024, we conducted an employee engagement survey in Group companies operating in Poland (excluding Wonga.pl), România, Spain, Italy, and Malta.

The survey results indicated that employees highly rate the organisational culture, managerial support, work-life balance, and open communication. Identified areas for improvement included opportunities for professional development and greater transparency in remuneration policy. Nonetheless, even in these three areas, employee ratings remained strong – averaging approximately 70%, which, according to the survey methodology, is considered a very good result.

92%

Participation rate



89%

Employee engagement rate



The employee survey will be conducted on a recurring basis to enable ongoing monitoring of engagement levels and to tailor our actions to the evolving needs of the workforce. In the past year, we undertook a wide range of initiatives to further strengthen a supportive working environment across the KRUK Group. Examples include:

Employee well-being

- Expansion of psychological support programmes across all countries of operation, as part of an enhanced employee benefits offering
- Educational campaigns on mental and physical health
- Option to reduce working hours by two hours for preventive health screenings and participation in the Two Hours for the Family initiative

Implementation of the new KRUK's Way of Working (K-WoW) model

- Integration of Lean and Agile methodologies to enhance flexibility and innovation
- Strengthening of cross-functional collaboration through multidisciplinary teams

Working conditions

- Adaptation of offices and workstations in line with ergonomic standards, including the provision of height-adjustable furniture and appropriate lighting
- Introduction of new health and safety regulations for remote work

Employee engagement

- Organisation of team-building events and mentoring programmes
- Transparent communication on promotion policies and career development pathways

The KRUK Group recognises that being a great place to work requires fairness and pay equity. We conduct regular salary reviews to ensure that remuneration remains both competitive and equitable, and we actively address gender pay disparities in equivalent roles.

Our communication approach is based on transparency and multi-channel accessibility – ranging from team meetings and digital tools (such as Microsoft Teams and the intranet), to external initiatives, including employer branding campaigns on social media.

In 2024, we implemented a series of initiatives aimed at strengthening our DEI culture, the details of which are presented later in this section.



Employee benefits

We firmly believe that employee satisfaction, well-being, and access to development opportunities are fundamental to organisational effectiveness. Promoting work-life balance, ensuring access to healthcare, and supporting continuous skills development are integral to the KRUK Group's structured approach to cultivating a supportive and high-quality working environment.

All Group companies offer a range of benefits tailored to local labour market conditions. An overview of the benefits is provided below:

Company	Benefits	
KRUK S.A., Kancelaria Prawna RAVEN, NOVUM Finance, and KRUK TFI	<ul style="list-style-type: none"> • Private medical care (including family coverage) • Cafeteria system with holiday bonuses • Co-financing of MultiSport fitness membership cards • Group life insurance • Professional development training • Language learning • Incentive scheme (warrants) 	<ul style="list-style-type: none"> • Company car/car allowance • Company Social Benefits Fund • Health promotion initiatives (such as two hours for preventive screenings, mobile mammography units) • Two Hours for the Family/Loved Ones initiative • Team-building events • Psychological support
Wonga	<ul style="list-style-type: none"> • Private medical care (including family coverage) • Co-financing of MultiSport fitness membership cards • Professional development training • Company Social Benefits Fund 	<ul style="list-style-type: none"> • Health promotion initiatives • Two Hours for the Family/Loved Ones initiative • Team-building events
KRUK Česká a Slovenská republika	<ul style="list-style-type: none"> • Cafeteria benefits • Pension insurance • Meal allowance (vouchers) 	<ul style="list-style-type: none"> • Two Hours for the Family/Loved Ones initiative • Professional development training • Team-building events
InvestCapital	<ul style="list-style-type: none"> • Flexible cafeteria system • Health insurance • Life insurance 	<ul style="list-style-type: none"> • Team-building events • Two Hours for the Family/Loved Ones initiative • Professional development training



KRUK România, RoCapital,
KRUK Tech, BDP Corbul

- Health insurance
- Training and development programmes
- Language learning
- Meal subsidies
- Holiday vouchers
- Company car/car allowance

- Benefits cards
- Team-building events
- Two Hours for the Family/Loved Ones initiative
- Health Days (focused on sport, nutrition, stress management)
- Financial support in case of illness
- Psychological support

KRUK Italia

- Cafeteria benefits system
- Meal subsidies
- Full salary during maternity leave
- Company car/car allowance
- Psychological support

- Health and well-being programmes
- Two Hours for the Family/Loved Ones initiative
- Professional development training
- Team-building events

KRUK España

- Private medical care
- Flexible payment solution (Cobee card)
- Company car/car allowance
- Health and fitness initiatives

- Psychological support
- Two Hours for the Family/Loved Ones initiative
- Professional development training
- Team-building events

Collective bargaining agreements and employee representation

In 2024, a total of 985 employees of the KRUK Group were covered by at least one collective bargaining agreement. The agreements are in effect in Spain (KRUK España) and Italy (KRUK Italia and AgeCredit).

In Poland, the trade union organisation NSZZ Solidarność operates at KRUK S.A. and has 27 members. In accordance with applicable legislation, it represents the collective interests of all employees of the company.

Social dialogue is conducted through the Employee Forum (KRUK S.A.) and Employee Representatives (Wonga), who are engaged in consultations regarding organisational changes, employment, and working conditions.

In Italy, 47 employees were represented by four trade union delegates (UILTUCS, UGL, FILCAMS, FISASCAT), in line with the provisions of the local Statuto dei Lavoratori.

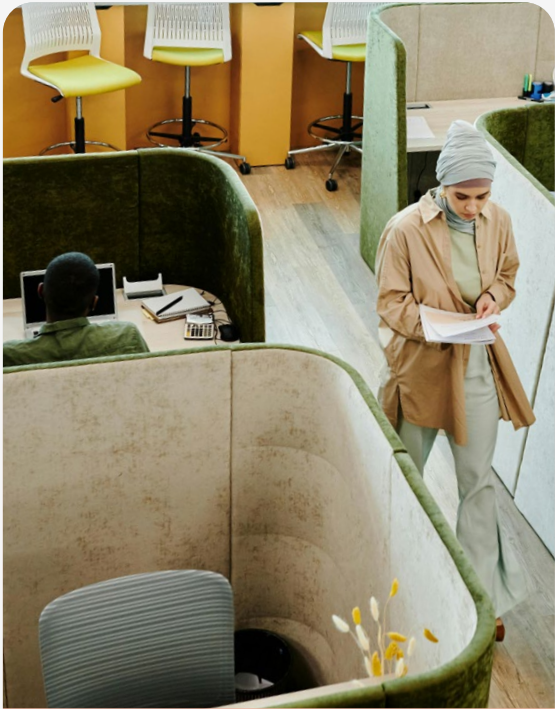


Metric	Value
Employees covered by collective bargaining agreements (number, % of total)	985 (28%)
Employees with employee representation (number, %)	1488 (42%)
Countries with collective bargaining agreements	Italy, Spain
Countries with employee representation	Poland, Italy

6.2 Diversity

Material topic: Diversity and Inclusion (DEI)

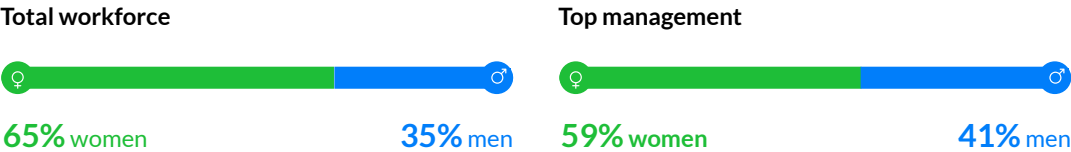
Operating across multiple European markets, we place strong emphasis on fostering a diverse and inclusive working environment. In 2024, employees of the KRUK Group represented more than 30 nationalities. In the past year, we conducted an assessment of our workforce structure with respect to gender equality and age diversity, and introduced a policy to ensure equal opportunities in recruitment and promotion.



In 2024, employees of the KRUK Group represented more than 30 nationalities.



Workforce by gender as at 31 December 2024



Workforce by age group as at 31 December 2024



Percentage of persons with disabilities among employees:

	Number
Men	20
Women	56
Total percentage	2,2%



Last year, our efforts to strengthen an inclusive working environment – free from prejudice and inequality – included the following initiatives:

Diversity and inclusion (DEI)

- International “Rainbow Roundtable” workshops on the inclusion of LGBTQ+ individuals
- Manager’s guide on preventing the exclusion of LGBTQ+ individuals, accompanied by diversity management training
- Celebration of European Diversity Month and Pride Month through webinars and awareness campaigns
- Disability Pride Month initiatives, including a guide on the rights of persons with disabilities
- Local Disability Ambassadors appointed in each country of operation
- Update of the Diversity and Inclusion Policy applicable in Poland (KRUKE S.A., Kancelaria Prawna RAVEN, KRUKE TFI, NOVUM Finance), the Czech Republic and Slovakia (KRUKE Česká a Slovenská republika), România (KRUKE România, RoCapital IFN, KRUKE TECH, BDP Corbul), Italy (KRUKE Italia, AGE CREDIT), and Malta (InvestCapital). The Policy was also adopted by Wonga
- Ongoing monitoring and analysis of data on gender representation, access to promotions, pay equity, parental leave, employment of persons with disabilities, and age diversity
- The Group promotes gender equality, including through initiatives encouraging fathers to take parental leave and by ensuring equal pay for women and men with comparable qualifications.

Remuneration is one area where we intend to intensify our efforts. Our 2024 analysis identified a gender pay gap of 20.8%. At the same time, the ratio of the highest paid individual to the median annual total remuneration for all employees stood at 33.3.

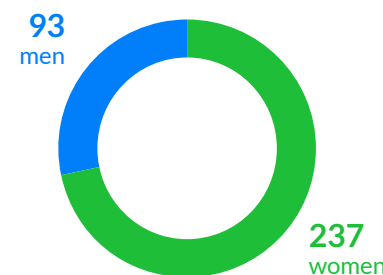
Equal opportunities and support for parents

At the KRUKE Group, we are committed to supporting employees in balancing their professional responsibilities with family life. In 2024, a total of 926 employees – representing 26% of all eligible employees – took family-related leave. This included 698 women and 228 men, reflecting the growing uptake of entitlements by fathers, in line with the principle of shared parental responsibility.

Family-related leave encompassed various forms of support – from maternity and paternity leave to caregiving for children and dependent persons within the household. The Group aligns its leave policies with local legal requirements in each country of operation, ensuring the availability of appropriate solutions in Poland, România, Spain, Italy, and the Czech Republic.

Supporting employees in balancing professional and family responsibilities is an integral component of our diversity and inclusion policy and a key mechanism for advancing gender equality – both at home and in the workplace.

Number of people who took family-related leave



Employees who took family-related leave, by gender:



6.3 Employee education and development

Material topic: Employee education

In 2024, the KRUK Group significantly increased its investment in employee upskilling. Training initiatives covered both soft skills and role-specific technical competencies. In addition, an individual career counselling programme was launched, and access to digital learning resources in an e-learning format was further expanded.

Competency model and development programmes

In 2024, we continued to develop the KRUK_up competency model, focusing on core behavioural and leadership skills, including goal orientation, problem-solving, courage, and key managerial competencies, such as goal-setting and team engagement. To support this, we delivered nine webinars in multiple languages, and all content was made available to employees in the form of interactive e-books, recordings, and self-directed learning tools.

In parallel, we expanded a portfolio of targeted development programmes tailored to various experience levels:

- **Managerial Debuts** – for first-time leaders,
- **Trainer Academy** – expert knowledge sharing initiative,
- **Leadership Programmes** – for management teams,

- **SuCCess Academy** – for Contact Centre professionals, Center,
- **Field Adviser Training** – with a focus on communication and occupational safety.

Development programmes across Group companies

Employee development initiatives were also implemented at the local level:

- **KRUK România:** The *Joi e despre NOI* programme (Thursdays for Us) delivered regular microlearning sessions focused on self-awareness, psychological resilience, and innovation. Additionally, advanced training programmes were introduced in Agile, Six Sigma, and leadership, including workshops for senior and middle management.
- **KRUK Italia:** Italia Efforts centred on strengthening the feedback culture through a pilot implementation of the Insights Discovery tool, along with training courses in communication, leadership, and public speaking.
- **KRUK España:** Investments were made in developing strategic thinking, time management, and interpersonal communication skills.
- **KRUK Česká a Slovenská republika:** Workshops were held on stress management, motivation, and leadership.



Anna Mirek
Group Head of HR Area

‘At the KRUK Group, we believe that investing in employee development is the most effective way to build a sustainable future for the organisation and for each of us individually. That is why we are committed to creating an environment in which every employee, regardless of role or location, has equal access to knowledge, training, and development opportunities. We foster a culture of continuous learning, knowledge sharing, and mutual support. Our educational programmes are designed not only to enhance professional skills, but also to strengthen an open, engaged, and inclusive organisational culture. We believe that a strong organisation is one in which individuals feel valued, have opportunities to grow, and can make a meaningful impact.’

E-learning and specialist training

In 2024, KRUK’s educational offering was further expanded to include courses in legal compliance, cybersecurity, ethics, and ESG. The Group enhanced its e-learning platforms by providing access to multilingual training resources, and continued to co-finance external training and language courses (including through the Enterprise Skills Initiative).

With regard to training and development metrics, the Group applied the transitional provisions for phased-in sustainability disclosures (ESRS 1 Appendix C List of Phased-In Disclosure Requirements) and has fully omitted these disclosures in its consolidated sustainability statement. This was due to existing limitations in data collection processes, which are currently being addressed as part of an ongoing improvement initiative.

6.4. Workplace safety and employee health

Material topic:

Workplace safety and employee health

In 2024, the KRUK Group continued to strengthen its efforts to ensure a safe and health-supportive working environment across all its locations. These efforts comprised preventive, educational, and well-being initiatives, addressing both physical and mental health, and applied consistently across all work formats – on-site, hybrid, and remote.

Systematic approach and regulatory framework

100% of KRUK Group employees were covered by an occupational health and safety (OHS) management system, aligned with legal requirements or recognised industry standards and guidelines.

Guidelines for safe remote work were introduced, including recommendations on ergonomics, eye protection, and spinal health – particularly relevant in the context of hybrid working models.

Internal OHS regulations were updated across all countries of operation. Local post-incident response procedures were implemented, and mandatory training was delivered to new and existing employees.

Health and safety metrics as at 31 December 2024.

Health and safety metrics	Number or %
Number of work-related accidents	46
Rate of work-related accidents	8%
Number of cases of work-related ill-health	1
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	776
Number of fatalities as a result of work-related injuries and work-related ill health	0


Key initiatives undertaken in 2024:

- **Office space audits** in Poland, Italy, Spain, and România to identify architectural barriers and enhance accessibility, including for persons with disabilities.
- **Dedicated safety training** for Field Advisers and Contact Centre employees, tailored to the specific nature of their roles.
- **Educational campaigns** and webinars on mental health, stress management, preventive health-care, and workplace ergonomics
- **Monitoring and analysis of workplace incidents**, enabling the swift implementation of remedial and preventive actions.
- **Digitalisation of OHS processes** – for example, the introduction of a digital platform for managing OHS documentation in România reduced paper consumption by more than 3,500 pages annually.

At the KRUK Group, safeguarding employee health and safety extends beyond regulatory compliance. Equally important is the systematic monitoring of effectiveness and rapid response to any irregularities. Clearly defined procedures are in place for reporting incidents, covering not only work-related accidents but also cases involving discrimination, workplace bullying, or other breaches of ethical standards. Each report is assessed, and where necessary, remedial and preventive measures are implemented in line with internal policies, including whistleblowing and

mediation procedures.

The effectiveness of OHS initiatives is regularly evaluated using a comprehensive suite of tools, including periodic employee engagement surveys incorporating safety and workplace comfort themes, continuous tracking of incident volume and typology, analysis of compliance with mandatory OHS training requirements, regular reviews and updates of safety policies and procedural documentation. This structured approach enables the Group to continuously enhance working conditions and elevate safety standards across all its locations.

All disclosures related to own workforce are described in accordance with the ESRS in subsection 7 'Own workforce (S1)' in section **10 of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024.** 

7 Affected communities S3 [1-4]

As outlined in our Mission and Vision, public education and the promotion of financial stability are core elements of our strategy. We focus on communities vulnerable to financial hardship resulting from various forms of exclusion, discrimination, or challenges such as limited access to information and low financial literacy. The vulnerable groups include individuals trapped in a debt cycle, low-income households, persons facing significant life challenges, large families, seniors, children and young people in institutional care, and individuals affected by learned helplessness. We believe that by educating and supporting these social groups, we contribute to building a better world – both locally and globally.

Where do we focus our efforts? On supporting these groups through financial education, raising awareness of the rights of individuals in debt, and promoting ethical and professional debt recovery as an essential component of the economic system.





Material matter	Description of impact	Actions taken
Financial education and access to economic knowledge	We provide financial education to communities at risk of financial exclusion by helping them understand the principles of budget management and the functioning of the debt recovery market – thereby enhancing the reputation of the sector.	<ul style="list-style-type: none"> • We publish educational and advisory materials on our websites • We engage in partnerships with social organisations • We combine educational initiatives with charitable and sponsorship activities
Insufficient protection of the rights of indebted persons	We ensure the fair treatment of financially excluded communities, promote transparency in debt collection practices across the industry, uphold human dignity, and comply with legal requirements—both in relation to affected communities and other stakeholders.	<ul style="list-style-type: none"> • We partner with industry associations to promote ethical debt collection practices • We conduct educational campaigns to raise financial awareness and promote responsible money management.

Impact, risk and opportunity management policies related to affected communities

While the KRUK Group has not adopted a single comprehensive policy specifically dedicated to affected communities, it has implemented a range of regulatory documents that collectively address key matters in this area. These policies form the framework for managing impacts and risks related to affected communities and are applied across key Group entities engaged in operational debt collection activities. The table below outlines the relevant documents and the scope of their application:



Policy/regulation	Community-related matters covered	Scope of application
Code of Ethics	Emphasises the importance of counteracting financial exclusion, promotes ethical debt collection practices, and reinforces accountability for social impact, particularly through educational and community engagement initiatives.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK România, KRUK Italia, KRUK España, KRUK Česká a Slovenská republika, NOVUM Finance, and InvestCapital
KRUK Group Human Rights Policy	Outlines the approach to respecting human rights, including those of persons at risk of financial exclusion, such as seniors, large families, indebted persons, and youth from institutional care. The Policy aligns with international standards (UN, OECD, UNGC).	KRUK S.A., Kancelaria Prawna RAVEN, KRUK Italia, KRUK España, KRUK Česká a Slovenská republika, and Wonga (implementation planned for KRUK România in 2025)
KRUK Group Charitable Sponsorship and Social Engagement Policy	Outlines the approach to supporting social initiatives, local projects, and charitable activities aimed at counteracting exclusion and strengthening community development and civic engagement.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK România, KRUK Italia, KRUK España, and KRUK Česká a Slovenská republika

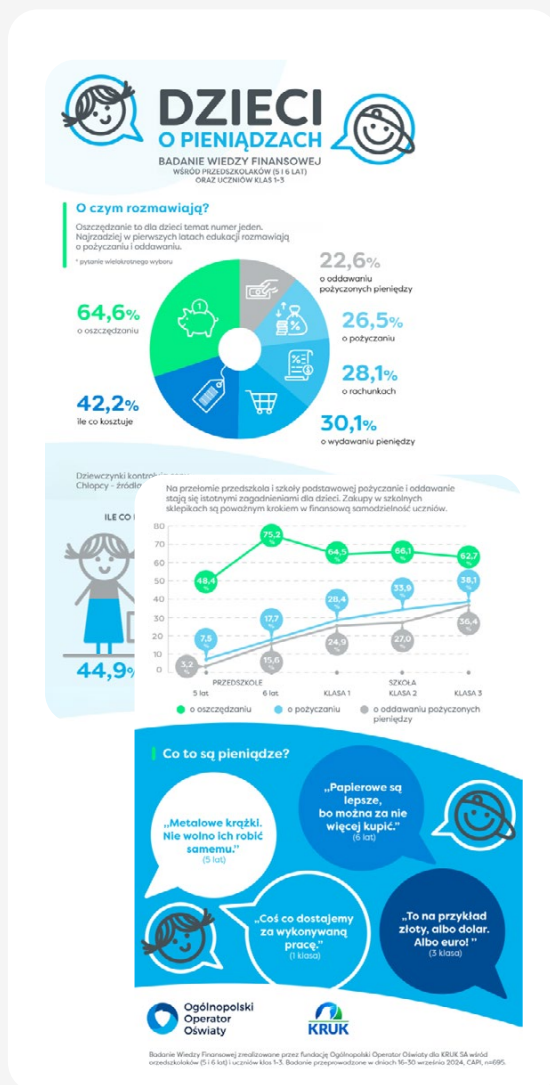
7.1 Advancing positive impact on communities

Financial education and access to economic knowledge

The KRUK Group considers financial education a fundamental tool for preventing debt cycles and fostering long-term economic stability among affected communities. Our actions are designed to engage a wide range of age groups and social segments and are implemented both directly and in collaboration with social partners.

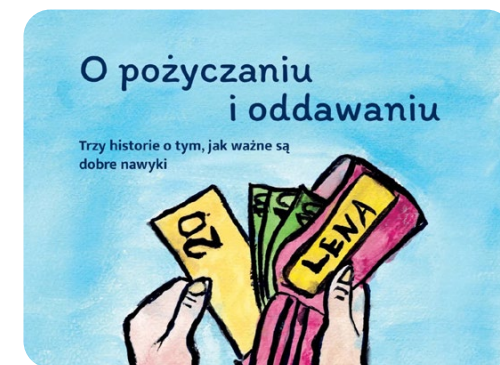
Key initiatives in 2024 included:

- **Educational projects for children and youth in Poland**, including cooperation with the Fundacja Ogólnopolski Operator Oświaty foundation on the Learning About Finances with OOO project. Aimed at preschool and early primary school children, the initiative began with a qualitative study on the financial literacy of young learners. The findings identified key educational needs, leading to the implementation of follow-up activities, such as the co-creation of an educational booklet (e-book) with children on borrowing and repayment, and the use of Photon AI educational robots to teach practical skills such as budgeting and shopping planning. Notably, these activities engaged not only the pupils but also their parents. The programme will be delivered throughout the 2024/2025 school year.



- **Financial education initiatives in România**, carried out in collaboration with Junior Achievement România and MERITO, targeted both students and teachers. The Smart Loans programme, running for eight consecutive years, reached 1,600 participants in 2024. MERITO also supports the development of teachers who promote financial literacy.
- **The Day Without Debt**, public education campaign, organised annually in Poland (since 2009), România (since 2011), and, as of 2024, in Italy. The campaign includes social research on topics such as self-assessed financial knowledge, attitudes toward debt, and household financial resilience. The results inform the development of media content and are shared through partnerships with selected media outlets to amplify discussions on financial education, indebtedness, and the role of the debt collection sector. These efforts are supported by expert commentary from KRUK representatives and legal advice provided in public forums. The campaign aims not only to enhance financial literacy but also to reduce the stigma associated with indebtedness.
- **Kapitalni.org educational platform**, operated by KRUK S.A. and Wonga, offers content focused on budget management, interactive tools, quizzes, and educational trails. The platform is designed to build financial and digital competencies, particularly among users with limited financial knowledge.

- **Cooperation with non-governmental organisations**, such as the partnership with the Fundacja Dobrych Inicjatyw foundation. KRUK S.A. supported the First Star of Independence campaign, with proceeds allocated to scholarships for young adults leaving foster care. Additional funds raised by the foundation were used to furnish housing for the programme's beneficiaries. Beyond material support, the initiative also included workshops, including financial education sessions, aimed at fostering independence.



All initiatives are informed by identified social needs, supported by research findings (including reports by the Association of Financial Companies in Poland (ZPF) and the Fundacja Dobrych Inicjatyw foundation), public opinion monitoring, and ongoing dialogue with non-profit organisations.

7.2 Preventing negative impact

Insufficient protection of the rights of indebted persons

The double materiality assessment identified the insufficient protection of the rights of indebted persons, including a lack of transparency and ethical debt collection practices, as a material matter. In response, we have implemented a comprehensive and multi-dimensional mitigation strategy. Key measures include:

- **Active collaboration with industry organisations**, such as the Association of Financial Companies in Poland (ZPF), AMCC in România, UNIREC in Italy, and ANGEKO in Spain. We contribute to the development of codes of good practice, promote ethical standards, participate in legislative consultations, and support the elevation of industry standards.
- **ZPF Ethics Committee**: KRUK S.A. plays a prominent role in the ZPF Ethics Committee, with a company representative appointed as Chair in 2024. The Committee investigates reports of unethical practices, conducts member audits, and supports continuous improvement in industry conduct.
- **Educational initiatives**: The KRUK Group implements a range of financial education initiatives, including the annual *Day Without Debt* campaign and the Kapitalni.org platform. Notably, the *Debt Collection? Everything Clear!* campaign, developed in partnership with ZPF, aims to educate the public about the debt collection process and promote responsible and ethical conduct within the industry.



The campaign delivers practical information, dispels harmful stereotypes, and advocates for fair, transparent practices

- **Social research on public attitudes toward indebtedness**, which identifies priority areas for financial education. The research offers insights into societal approaches to household budget management, the financial condition of households, and perceptions of the industry's role within the broader economic system. The findings inform our efforts to promote positive financial behaviours and habits, and to design initiatives that support responsible borrowing. Moreover, they serve as a catalyst for dialogue about indebtedness, helping to challenge

stereotypes and misconceptions surrounding professional debt collection, and to break the stigma often associated with the topic of debt.

- **Collaboration with NGOs and social foundations**, enabling the Group to gather first-hand insights into the challenges faced by affected communities and to design educational and remedial initiatives that address their needs.

These efforts are supported by the internal policies referenced above and are underpinned by the ethical standards promoted through the Group's organisational culture.

Monitoring effectiveness and future outlook

The effectiveness of our measures is assessed on an ongoing and multi-faceted basis. The KRUK Group employs the following tools:

- analysis of social research findings on indebtedness,
- evaluation of educational projects (participant numbers, engagement levels, etc.),
- media monitoring,
- review of legislative developments and engagement with market regulators.

For more information on our actions related to affected communities, please refer to subsection 8 'Affected communities (S3)' in section 110 of the **Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024**. 📄

The increase in public trust in debt collection companies in Poland

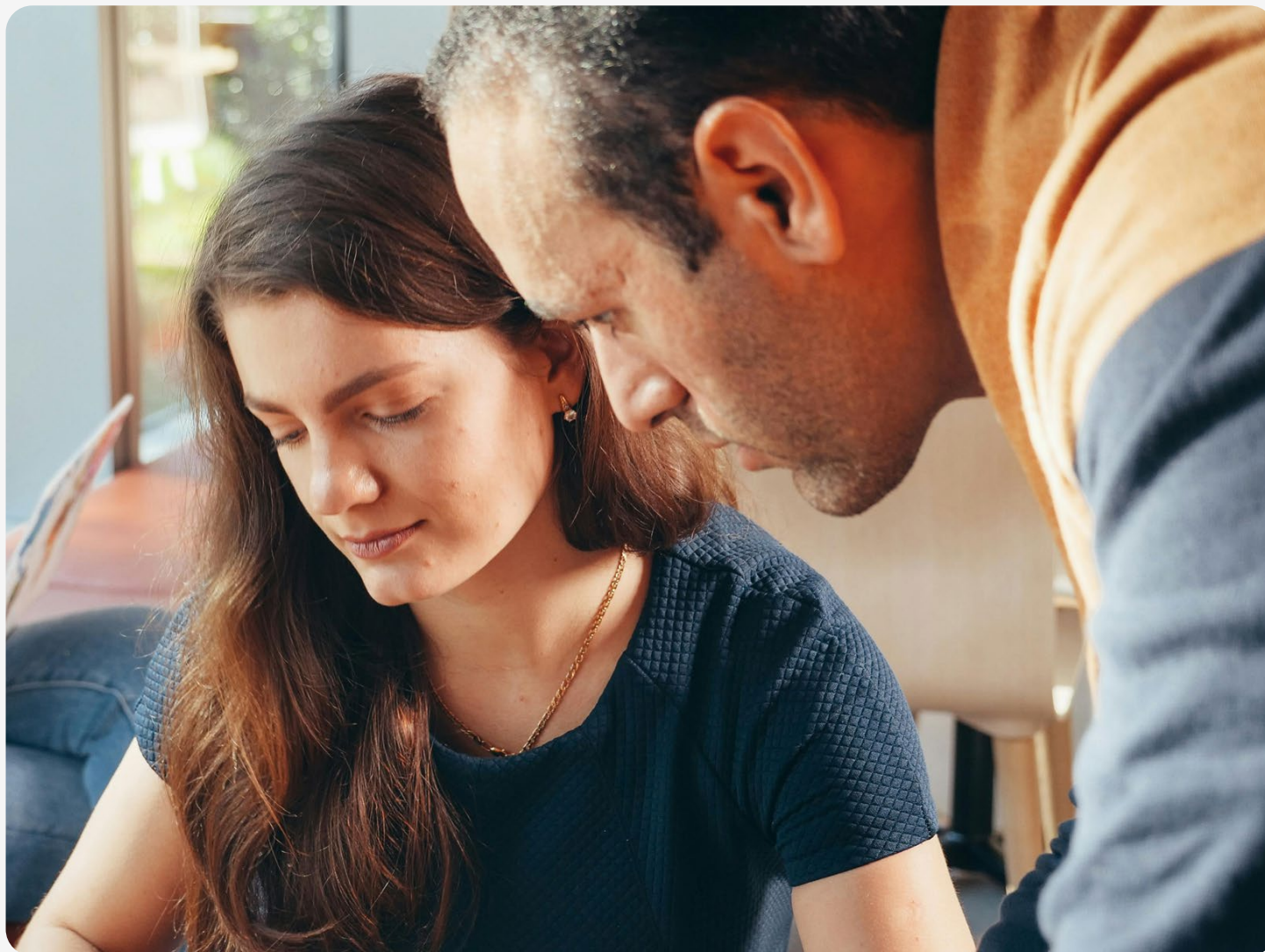
– from 36% in 2022 to 43% in 2024 – and the high level of acceptance for debt collection operations in România (65%) confirm the tangible impact of our efforts in shaping a positive public image of the industry and deepening understanding of its role in the financial ecosystem

8 Clients S4 [1-4]

As a company operating in the debt management market and providing financial services to individuals, the KRUK Group has a direct material impact on its clients – indebted persons with whom it engages through amicable, court, and enforcement proceedings. Many of these individuals are experiencing financial hardship or life difficulties and belong to high-risk segments commonly referred to as vulnerable clients.

Vulnerable clients – those experiencing financial or social hardship – constitute a distinct segment within the Group's client base. They are identified as individuals who may be exposed to elevated levels of risk. This includes individuals experiencing a lowered mood, clients impacted by macroeconomic and social events, those requiring discretion and tailored approaches, and clients who need support through modern self-service tools or are at risk of digital or economic exclusion. Such individuals require empathy and tailored debt collection practices that address their specific needs, support their money management skills, facilitate an effective exit from indebtedness, reduce social exclusion, and mitigate the adverse impacts associated with indebtedness, including its impact on overall well-being – particularly mental health – during the process of overcoming a debt cycle.

As part of the Group's double materiality assessment, six key matters were identified in relation to our impact on consumers and end-users.



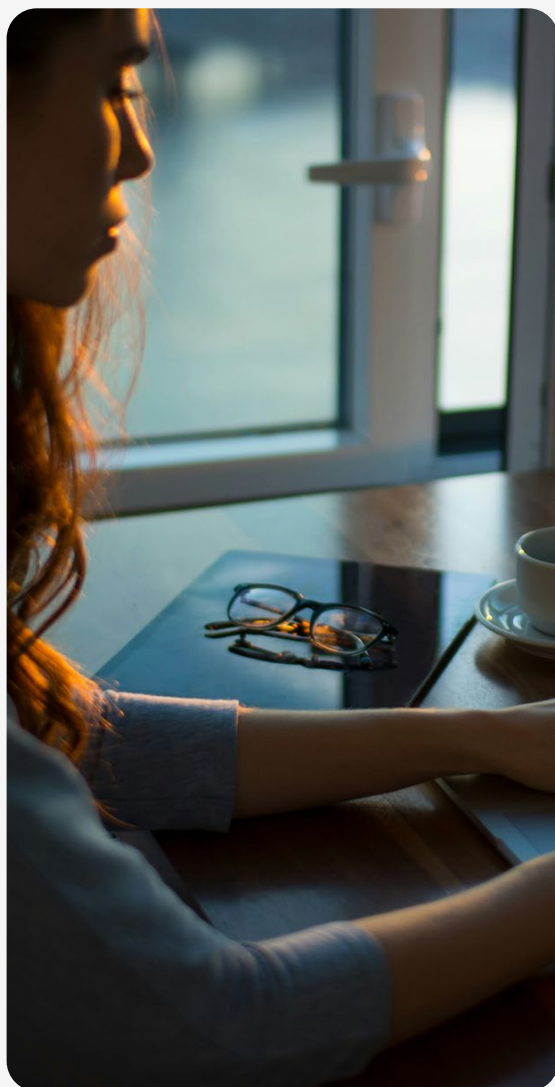

Piotr Kowalewski

Member of the Management Board, Chief Operating Officer, KRUK S.A.

Our daily experience confirms that a responsible approach to clients begins with understanding their situation – not only financial, but also emotional. This is why, at the KRUK Group, we prioritise not only compliance and ethical conduct, but also the active development of tools that give clients a genuine sense of control over their circumstances.’

The table below presents these matters, their characteristics, and the actions undertaken by the Group to mitigate risks, maximise opportunities, and ensure a responsible approach to client relations.

Material client and end-user-related matters	Description of impact	Actions taken
Individual approach to vulnerable clients	We tailor our debt collection practices and client communications to the needs of individuals facing difficult life circumstances (vulnerable clients), with full respect for their dignity and rights.	<ul style="list-style-type: none"> • Tailored debt collection strategies aligned with clients’ situation and repayment capacity • Dedicated procedures for reviewing non-complaint submissions from vulnerable clients • Support for clients with limited digital proficiency • Poland: access to free psychological support for KRUK clients, available upon request through cooperation with the Psychological Assistance Centre • Financial education initiatives for clients • Soft and technical skills training for advisers to enhance their ability to understand and support client needs, with particular emphasis on vulnerable clients • Commitment to transparent and clear communication
Client voice	We continuously gather and analyse client feedback, enabling us to enhance the quality of our services and product offering.	<ul style="list-style-type: none"> • Established structures for monitoring client feedback and responding to submissions (Poland, România, Italy) • Brand perception analysis through Net Promoter Score (NPS) tracking • Client sentiment management and satisfaction surveys • Actions based on positive client experiences to strengthen relationships



Service accessibility and user-friendly interface (UX)

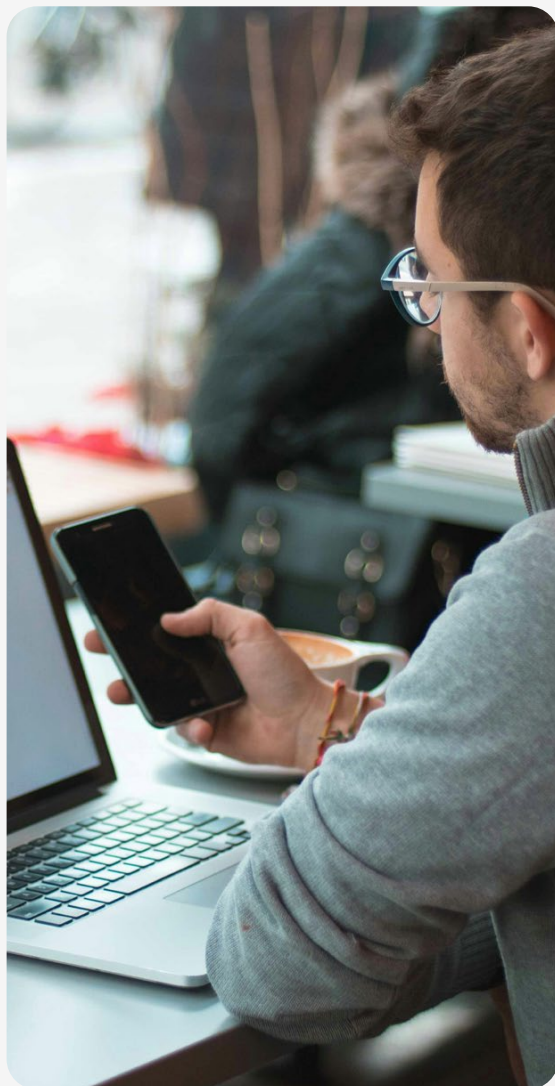
We are committed to providing clients with access to intuitive online tools that enhance autonomy and engagement. Particular attention is given to adapting these tools to the needs of various client segments, including digitally excluded individuals and seniors.

- Ongoing implementation of user-friendly features on the e-KRUK platform
- Deployment of the e-KRUK platform in a new market – Spain – in 2024
- Process enhancements facilitating agreement execution and payment activation
- Test for KRUK programme integrating client feedback into solution development
- Expansion of chatbot capabilities
- Guidance materials and dedicated support for digitally excluded clients

Ethical debt collection

Ethical debt collection constitutes a fundamental pillar of the KRUK Group's operations. We are committed to ensuring that all debt collection processes are carried out with integrity and in full compliance with client rights.

- Adoption of industry codes of conduct across all markets in which the Group operates
- Implementation of a Group-wide framework for compliance risk and incident management
- Compliance assurance procedures, including oversight of client communications
- Monitoring of legislative and regulatory developments
- Submission to procedures of the Association of Financial Companies in Poland's Ethics Committee
- Implementation of feedback mechanisms (e.g. complaints, surveys)
- Voluntary participation in external assessments of KRUK's ethical conduct, including recognition in free-of-charge initiatives such as the Ethical Company competition organised by Puls Biznesu and PwC, and the ZPF ethics audit.



Cybersecurity

The nature of our day-to-day operations involves constant engagement with client data. Accordingly, we prioritise the security of our IT infrastructure to protect against cyber threats, data loss, and breaches of confidentiality.

- Deployment of an integrated cybersecurity risk management system
- Ongoing investment in advanced technologies to enhance system resilience
- Continuous upskilling of employees in cybersecurity awareness and threat prevention
- Efficient IT incident response procedures
- Cyber incident response planning

Client data protection


We are actively engaged in safeguarding personal data and bear full responsibility for its secure processing. Our objective is to minimise the risk of unauthorised access, use, or disclosure.

- Appointment of a Data Protection Officer (DPO) in each Group company
- Execution of the GDPR Strategy, ensuring compliant, stable operations that uphold the rights of data subjects
- Targeted training programmes for employees on data protection obligations
- Comprehensive framework for managing personal data processing risks
- Streamlined processes for managing data protection incidents and breaches

Ensuring the operational continuity of client communication tools and systems

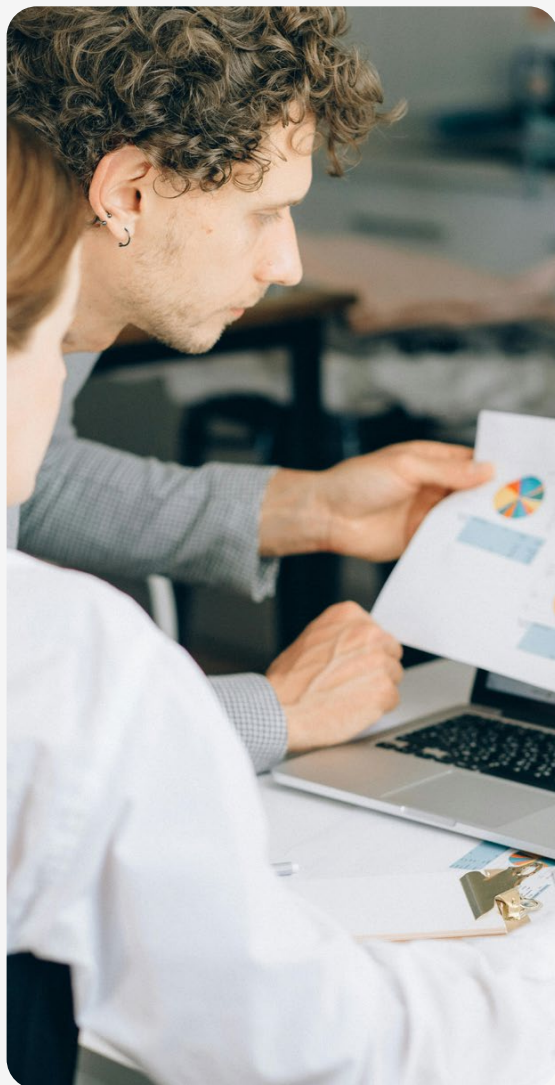
We implement measures to ensure the uninterrupted, secure, and reliable availability of our systems and digital communication channels, enhancing the quality of the client experience.

- Implementation of business continuity and disaster recovery plans under the Group's operational risk management framework
- Operational incident management procedures and transparent client communications

For more information on the management of identified risks and opportunities related to consumers and end-users, please refer to subsection 9.1 'Clients (S4 SBM-3)' in section **10 of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024.** 

As in the case of workforce-related matters and affected communities, the actions undertaken by the KRUK Group to effectively manage the identified material impacts, risks, and opportunities related to clients are outlined in the policies and regulations applicable within the Group, as indicated below.

Policy/regulation	Client-related matters covered	Scope of application
Code of Ethics	Establishes a framework for promoting ethical conduct and operational standards, including ethical debt collection, tailored approach to vulnerable clients, personal data protection, and equal access to services.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, and KRUK Česká a Slovenská republika
KRUK Group Anti-Corruption Policy	Defines measures and mechanisms to prevent corruption in client relations, supporting integrity and transparency throughout the debt collection process.	KRUK S.A., KRUK Italia, KRUK România, KRUK España, and KRUK Česká a Slovenská republika
KRUK Group Human Rights Policy	Reinforces respect for human rights in client relations, with a focus on vulnerable clients, promoting a tailored approach and personal data protection.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK Italia, KRUK España, and KRUK Česká a Slovenská republika
Group Cloud Security Standard	Specifies security requirements for cloud environments used within the KRUK Group, particularly concerning the protection of client data, cybersecurity, and system continuity.	KRUK S.A.
Information Security Policy	Sets out the principles for safeguarding client personal data and IT infrastructure, ensuring the confidentiality, integrity, and availability of information.	KRUK S.A., KRUK România, and KRUK España
Privacy Policy	Defines the rules governing the processing of client personal data, ensuring transparency and compliance with applicable data protection regulations.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, and KRUK Česká a Slovenská republika



Personal Data Management Policy	Establishes standards for the processing of client personal data, ensuring legal compliance and the protection of data subject rights.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, and KRUK Česká a Slovenská republika
Business Continuity Management Policy	Ensures the uninterrupted operation of communication tools and systems that are critical to clients.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, and KRUK Česká a Slovenská republika
Risk Management System Policy	Defines the organisational structure and responsibilities for identifying and managing client-related risks, including those associated with cybersecurity, ethical debt collection, and business continuity.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, and KRUK Česká a Slovenská republika
Legal Risk and Personal Data Processing Risk Management Policy	Provides for effective management of legal and data processing risks associated with clients, with a focus on compliance and information security requirements.	KRUK S.A., KRUK România, KRUK Italia, KRUK España, and KRUK Česká a Slovenská republika
Compliance Risk Management Policy	Promotes a culture of compliance with legal and ethical standards, particularly in areas material to clients, including ethical debt collection and data protection.	KRUK S.A., KRUK România, KRUK Italia, KRUK España, and KRUK Česká a Slovenská republika
Internal Control System Policy	Establishes the internal control framework, including controls related to the quality of client service and compliance with applicable regulations.	KRUK S.A., KRUK România, KRUK Italia, KRUK España, and KRUK Česká a Slovenská republika



Procedure: Opinion Issuance Standard	Defines the principles for assessing the impact of new products and changes on clients, with a focus on the needs of vulnerable groups	KRUK S.A., Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, and KRUK España
Incident Management Procedure	Establishes procedures for managing incidents that may affect clients, particularly in relation to personal data protection and the availability of critical systems	KRUK S.A., Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, and KRUK Česká a Slovenská republika
Procedure for Managing Relationships with Entities Entrusted with Data Processing	Establishes standards and requirements for service providers entrusted with processing client data.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, and KRUK Česká a Slovenská republika
Procedure for Managing Personal Data Breaches	Establishes procedures for responding to personal data breaches involving clients, including mitigation measures.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, and KRUK Česká a Slovenská republika
Procedure for Registration and Handling of GDPR Requests	Defines the process for identifying and responding to client requests concerning their rights under the GDPR.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, and KRUK Česká a Slovenská republika
Procedures and manuals on personal data protection	Provide detailed procedures for processing client data in compliance with applicable regulations, minimising legal and operational risks.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, and KRUK Česká a Slovenská republika



Procedure for Monitoring Regulatory Guidelines and Case Law	Governs the identification and implementation of interpretative developments affecting client service, including the treatment of vulnerable clients.	KRUK S.A. and Kancelaria Prawna RAVEN
Procedure for Monitoring Changes in Legislation	Ensures the identification and assessment of regulatory changes impacting clients and personal data protection standards.	KRUK S.A. and Kancelaria Prawna RAVEN
Procedure for Handling Exceptional Situations	Establishes procedures for frontline staff when supporting clients experiencing personal or social hardship.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, and KRUK Česká a Slovenská republika
Complaints Handling Manual	Describes the process for managing and resolving client complaints, with a focus on the needs of vulnerable clients and data protection obligations.	KRUK S.A., Kancelaria Prawna RAVEN, KRUK Italia, KRUK România, KRUK España, and KRUK Česká a Slovenská republika
Procedure for Handling Client and Institutional Requests	Governs the handling of individual client needs outside the formal complaints process, including those of vulnerable client groups.	KRUK S.A., KRUK Italia, KRUK România, KRUK España, KRUK Česká a Slovenská republika

Industry codes and market self-regulation supplementing the regulatory framework

In addition to the internal policies, manuals, and procedures outlined above, KRUK Group companies adhere to external codes of ethics and industry standards issued by organisations representing the debt management sector in their respective local markets. Membership in these organisations and compliance with their codes are integral to the Group's framework for managing client-related impacts, particularly in the areas of ethical debt collection, respect for human rights, standards of engagement with indebted persons, and the professionalisation of operational practices.

These principles are embedded directly into day-to-day operations and are aligned with the internal policies and procedures applicable across the KRUK Group.

Group company	Organisation/code	Year of accession
KRUK S.A. (Poland)	Association of Financial Companies in Poland (ZPF), Principles of Good Practice in Debt Collection	2004
KRUK Česká a Slovenská republika (Czech Republic)	Asociace inkasních agentur (AIA), Code of Ethics	2014
KRUK Česká a Slovenská republika (Slovakia)	Asociácia slovenských inkasných spoločností (ASINS), Code of Ethics	2015
KRUK España	Asociación Nacional de Entidades de Gestión de Cobro (ANGECO), Code of Ethics and Conduct	2022
KRUK Italia	Unione Nazionale Imprese a Tutela del Credito (UNIREC), Code of Conduct	2017
KRUK România	Asociația de Management al Creanțelor Comerciale (AMCC), Code of Conduct	2009



8.1 Advancing positive impact on clients

Individual approach to vulnerable clients

Service accessibility and user-friendly interface (UX)

At the KRUK Group, we continue to develop initiatives that support client autonomy, enhance their understanding of their financial situation, and reinforce their sense of control over the repayment process.

Building positive experiences and enhancing accessibility

The KRUK Group constantly expands its digital tools to provide clients with convenient, independent, and secure access to debt collection services.

Through continuous improvement and the expansion of platform features, the **e-KRUK** platform enables clients to:

- review outstanding balances,
- make online instalment payments (via Blik, PayPal, or Paymef),
- sign settlement agreements electronically,
- monitor repayment progress and participate in loyalty programmes.

The implementation of the **User-Centered Design (UCD)** methodology enables us to create intuitive and accessible solutions. Development is led by a dedicated UX team at KRUK S.A., working in close coordination with local markets. The system is

currently operational in Poland, România, Italy, and, as of 2024, also in Spain

An important component in increasing system accessibility and usability is the **Test for KRUK** programme. Through this initiative, clients are invited to test new e-KRUK features and participate in process audits. The feedback collected is used to improve digital tools and better tailor services to user expectations.

The rollout of **chatbots** marks a further step towards accessibility and automation. These systems handle frequently asked client questions and support quick issue resolution. Our chatbots are currently in use in:

- **KRUK România** (since 2023),
- **KRUK S.A.** (since 2024, recipient of the Polish Contact Center Awards),
- undergoing pilot testing at **KRUK Italia**.

In 2024, KRUK S.A. received an award for its Chatbot Emilia in the “Best Supporting Technology” category at the Polish Contact Center Awards, the most prestigious competition in Poland’s contact centre and customer service industry, organised by the Polish Marketing Association SMB.

Understanding the needs of vulnerable clients

At the KRUK Group, we recognise that life circumstances vary significantly. Therefore, we take particular care in designing solutions **for vulnerable clients** – individuals experiencing financial, social, or

health-related hardship. Our approach is grounded in flexibility and empathy.

At KRUK, debt collection does not conclude with a payment demand – on the contrary, it may serve as the starting point for a personalised dialogue. We provide clients with meaningful opportunities to tailor repayment terms to their individual situation, including:

- the ability to select a payment date aligned with their personal financial cycle,
- solutions such as instalment arrangements or partial debt forgiveness,
- in the event of sudden life disruptions, such as job loss or health issues, modification of agreed terms or temporary suspension of collection.

The Group also responds to broader societal challenges. In the face of crises, such as the COVID-19 pandemic or natural disasters, it has enabled affected clients to revise repayment conditions or temporarily suspend payments.

For clients submitting requests or enquiries outside the scope of formal complaints, the Group has introduced a dedicated resolution pathway. Each case is assessed individually and comprehensively, with due consideration given to the client’s personal circumstances. This approach facilitates responses aligned with the specific needs of each client.

We are committed to promoting digital inclusion for individuals with limited technological proficiency:

- advisers are trained to assist clients with navigating the e-KRUK platform and other digital solutions,
- instructional materials (video and written) are provided to guide users through basic actions such as account registration and chatbot usage,
- during in-person visits, **Field Advisers** assist clients directly with accessing and using the platform.

Dzięki temu nawet osoby, które nie korzystają na co dzień z internetu, mogą bezpiecznie i wygodnie zarządzać swoim zadłużeniem.

These initiatives ensure that even clients with limited digital literacy can manage their obligations securely and with ease.

However, debt is not solely a financial issue – it often carries emotional burdens such as fear, shame, and, in some cases, depression. The KRUK Group was one of the first in the industry to **provide free, professional psychological support to clients experiencing emotional distress**. Through our partnership with the Psychological Assistance Centre, indebted persons have access to external specialists who provide support in addressing the psychological challenges associated with debt.



8.2 Preventing negative impact and mitigating risk

Ethical debt collection

Cybersecurity

Data protection

Client voice

Ensuring the operational continuity of client communication tools and systems

Clients have a voice

KRUK S.A., KRUK România, and KRUK Italia have established dedicated **organisational units responsible for monitoring and managing client voice**. These units are tasked with monitoring client feedback and responding to client concerns, ensuring information continuity in incorporating client voice into the design of new processes and services, providing measurement and research results to relevant departments, and providing clients with information on products and services.

Ongoing client satisfaction monitoring is conducted in KRUK S.A., KRUK România, and KRUK Italia, both internally and in collaboration with external research agencies. Clients are encouraged to assess their satisfaction and provide feedback on their experience with the KRUK Group.

Low satisfaction scores and client requests for contact are actively monitored. In the event of negative feedback, corrective measures are undertaken, including follow-up contact, subject to the client's consent. Feedback is communicated to the relevant departments and may result in process enhancements, targeted training, or remedial actions.

Where recurring issues are identified, the client voice team conducts in-depth root cause analyses.

In addition, we monitor the **Net Promoter Score (NPS)** through external research to gauge the likelihood of clients recommending the KRUK brand to others.

The **complaint and request handling process** across the KRUK Group serves as a key mechanism for understanding client expectations and evaluating service quality. Analysis of recurring complaints enables the identification of areas for improvement. Moreover, by comparing complaint volumes before and after the implementation of corrective measures, we are able to assess the effectiveness of those measures and support continuous improvement to the benefit of our clients.

Building relationships through positive client experiences

Over the past year, we implemented a range of initiatives based on positive client feedback, aimed at strengthening relationships and promoting responsible debt repayment:

- **Repayment in Your Hands campaign** – a multi-channel initiative led by KRUK S.A., based on positive experiences identified through client satisfaction surveys. Promoted via social media and digital advertising, it focused on empowering clients and reinforcing confidence and trust in the company.
- **Your Story with KRUK competition** – an initiative encouraging clients to share their personal debt repayment stories and experiences with KRUK. The submissions confirmed that service quality is a key factor influencing clients' decisions to repay outstanding debts.
- **The Road to Becoming Debt-Free – My Story competition** – over 200 KRUK clients shared personal accounts of their journey out of debt. The collected feedback provides valuable insights and will help shape the Group's long-term communications strategy.

Compliance system

The KRUK Group actively works to combat financial exclusion and provides indebted persons with solutions that support their financial recovery.

Its operations are guided by good practices developed by national industry associations, which set clear standards for responsible debt collection that respect human rights. At the same time, the KRUK Group establishes its own operational standards and processes to support ethical debt collection practices, ensuring full compliance with both external and internal laws, regulations, and ethical guidelines, and building its interactions with clients on the principles of respect, fairness, impartiality, and professionalism to guarantee that all decisions are made ethically.

We monitor developments in legislation and consumer protection regulations,

to ensure our practices remain compliant with legal requirements and uphold high ethical standards across all Group companies.

Each engagement with a KRUK client is grounded in ethical and transparent treatment. This includes embedding compliance into the design of debt collection processes and fostering strong client relationships. All communications and marketing materials directed at clients are submitted to the Compliance Area for opinion prior to publication. When issuing an opinion, Compliance employees consider regulatory requirements (including decisions issued by

regulators that are relevant to KRUK Group companies), market and ethical standards (ensuring alignment with local industry codes and with values and principles set out in the KRUK Group Code of Ethics), and compliance with applicable laws. Employees responsible for developing marketing communications apply established plain language standards during the design phase to ensure that clients receive accurate, non-misleading information, and that the content does not create a false impression that terms, conditions, or products are more favourable than they really are. This ensures that clients receive reliable and transparent information.

Clients may submit complaints and other requests through multiple communication channels, report irregularities, and receive responses tailored to their individual cases. The Group's request handling system reinforces fairness, transparency, and a client-centric approach. Each reported incident that may involve unethical conduct is subject to review, as are all valid complaints arising from the actions of KRUK Group companies. If non-compliant or unethical practices are confirmed, a remedial action plan is developed with the participation of the Compliance function and relevant operational units. The Group's complaint and incident management processes not only enable responses to individual cases but also facilitate the identification of systemic issues and support the ongoing improvement of processes and client experience.

As a member of the Association of Financial Companies in Poland (ZPF), KRUK S.A. is subject to the procedures of the ZPF Ethics Committee and annual ethical audits. The Ethics Committee is empowered to investigate complaints and impose sanctions for breaches of the Principles of Good Practice, providing an additional mechanism for oversight of the Group's responsible debt collection activities

Employee education and development

Client relationships require our employees to demonstrate a high level of interpersonal and communication skills. We invest in their professional development through mandatory training in empathetic communication, ethical standards for client interaction, and effective engagement with individuals experiencing emotional distress. The training is delivered through workshops and e-learning courses, ensuring that teams are well-equipped to respond appropriately in challenging situations. An essential element in improving service quality is certification in plain language usage, which enables clients to better understand their rights, obligations, and the solutions available to them.

For more information, please refer to section 6 'Our employees'.

Cybersecurity and personal data protection

Client data protection and IT security represent core pillars of responsible management within the KRUK Group. In this area, we have implemented a GDPR Strategy (ensuring compliance with the General Data Protection Regulation) grounded in the principles of privacy by design, employee education, systematic risk assessment, and a privacy protection programme. Each Group company engaged in debt collection operations has appointed a Data Protection Officer (DPO), responsible for advisory, oversight, and educational functions, supporting legal compliance and organisational awareness.

To ensure the uninterrupted delivery of critical digital services, such as e-KRUK, payment systems, and self-service tools, we have deployed Disaster Recovery Center (DRC) systems that enable rapid restoration of service in the event of a technological incident. In parallel, IT and operational teams participate in incident management training, which not only accelerates response times but also minimises the potential impact of security breaches.

8.3 Client satisfaction survey results in 2024

Throughout 2024, the KRUK Group regularly monitored client satisfaction across a variety of communication channels. Key metrics:

98%

of KRUK S.A. clients were satisfied or very satisfied with the service provided by Field Advisers.

94%

of KRUK S.A. clients positively rated their interaction with a Contact Centre adviser.

89%

of KRUK România clients were satisfied with their interaction with a field or telephone adviser.

82%

of KRUK S.A. clients were satisfied or very satisfied with their interaction with the virtual adviser (voice bot).

90%

of KRUK România clients positively rated their voice bot experience.

86%

of KRUK S.A. clients rated the online debt repayment agreement process as easy or very easy.

65%


of KRUK România clients rated the process positively.

88%

of KRUK Italia clients rated the process as easy or very easy.

The results form part of the Group's broader framework for managing and enhancing the quality of the client experience and are used to support the continuous optimisation of service processes and digital communication channels.



For a full description of the Group's activities related to client relations, please refer to subsection 9.1 'Clients (S4 SBM-3) in section 10 of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024. 

9 Environment E1 [1-6]

Environmental matters play a crucial role in the KRUK Group's strategy, reflecting our commitment to responsible and long-term business conduct.

9.1 Our environmental impacts and approach to environmental protection

As part of the 2024 double materiality assessment, we reviewed the key environmental topics relevant to the KRUK Group. As a result, two climate-related matters were identified as material:

1. Climate change mitigation – the Group's environmental impact linked to GHG emissions arising from electricity consumption and company fleet operations.
2. Energy efficiency – material from both an environmental perspective (emissions) and a financial perspective (operating costs).

In response, the Group has taken targeted actions to reduce its climate impact, including:

- purchase of renewable energy,
- process digitalisation,
- educational activities,
- initiation of preparations for the development of a climate transition plan.

Although the double materiality assessment did not identify any material climate-related risks or opportunities, we conducted a scenario-based resilience analysis of our strategy and business model in relation to climate change.





Emilia Szkudlarz

ESG Department Manager

Although the financial debt collection sector is not typically classified as high-emission, we recognise that our operational decisions and value chain collaboration contribute to environmental impacts. At the KRUK Group, we regard this as a responsibility to act – hence our commitment to renewable energy, digitalisation, and the promotion of environmentally conscious behaviours.’

The analysis was based on the **RCP 2.6** climate scenario (Representative Concentration Pathway), which assumes a global temperature rise limited to 1.5–2°C and a significant reduction in GHG emissions by 2100. The time horizons were adjusted to reflect the climate-specific context:

- **short-term:** 2021–2040,
- **medium-term:** 2041–2060,
- **long-term:** 2081–2100.

Analysis findings

Under the RCP 2.6 scenario, **physical risks** were assessed as **low** – for example, a moderate temperature rise of approximately **0.4°C** and limited impact from changes in precipitation and wind on the Group’s operations. A projected decline in the number of frost days may lead to reduced heating demand, whereas the number of days exceeding 35°C is expected to rise by 33–36% by 2100, potentially increasing the need for cooling. The projected median sea level rise (up to 0.4 metres by 2100) is not expected to materially affect the Group’s assets.

With respect to transition risks, we identified several potential moderate impacts, including:

- increased energy costs due to the transition to renewable energy,
- the need to modernise buildings, and
- expansion of a low-emission vehicle fleet.

The Group’s operational model is deemed resilient under the analysed scenario. The projected developments are expected to **further drive improvements in energy efficiency and technological transformation**. No significant disruptions to business continuity are anticipated.



The scenario analysis

used various Representative Concentration Pathways to assess potential climate-related trends, risks, and their impact on the business environment. This approach included an assessment of environmental factors (rising temperatures, decreased precipitation, changes in wind intensity, sea level rise, etc.), social factors (the need to support environmental education, etc.), technological factors (demand for electric vehicles, innovations in renewable energy, etc.), market factors (increasing demand for renewable energy, etc.), and political factors (regulatory changes supporting decarbonisation).

Environmental policies

In support of climate mitigation and adaptation efforts, the KRUK Group has adopted an Environmental Policy applicable across its key companies KRUK S.A., KRUK Italia, KRUK România, KRUK España, and KRUK Česká a Slovenská republika.

The Policy aims to integrate environmental management into business processes, minimise the Group’s environmental impact, and foster responsible behaviour among employees and partners. It applies to both the Group’s own operations and its upstream and downstream value chain.

The Policy was developed with reference to key international and European frameworks, including:

- **United Nations Sustainable Development Goals (SDGs)** The Environmental Policy supports the SDGs, particularly:
 - Goal 13: Climate Action – through emissions reduction and climate adaptation measures,
 - Goal 12: Responsible Consumption and Production – through optimised resource use.
- **European Green Deal** The Policy incorporates the priorities of the European Green Deal, such as climate neutrality, energy efficiency, and sustainable finance, by aligning operational processes and practices with EU policy directives.

● GHG Protocol

The Group's approach to measuring and evaluating its climate impact is guided by the GHG Protocol, enabling accurate GHG emissions reporting and effective planning of decarbonisation measures.

By aligning with the above standards, the KRUK Group ensures that its Environmental Policy is not only compliant with applicable legislation, but also **responsive to the expectations of international stakeholders and investors in the field of sustainable development.**

GHG emission reduction targets

Reducing climate impact remains one of the KRUK Group's top priorities and forms a core component of its response to stakeholder expectations. As part of the ESG Strategy adopted in 2023, the Group has committed to reducing CO₂ emissions by 70% by 2040, relative to the 2021 baseline.

The table below outlines the projected target values for 2040 and the actual Scope 1 and 2 GHG emissions reported for 2024 (location-based method):



GHG emissions scope	Emissions intensity	Target emissions (2040)	Actual emissions (2024)
Scope 1	0.000000781	1583.4	2358
Scope 2 (location-based)	0.000000458	928.2	1305

9.2 Environmental actions

In 2024, the KRUK Group continued its climate change adaptation efforts while actively promoting sustainable practices, raising employee awareness about pro-environmental initiatives and implementing education campaigns to inform the public about the consequences of excessive consumption and how behavioural changes can benefit both the environment and personal finances. In Poland, Earth Overshoot Day served as one such opportunity for outreach.



The key actions taken are outlined in the table below:

Action	Rok realizacji	Osiągnięta redukcja emisji CO ₂ w tonach w 2024 roku	Spodziewana redukcja emisji CO ₂ w tonach	Obszar działań
In Spain, the company's fleet was expanded to include two electric and five hybrid vehicles.	2024	11	11	Spain
Additionally, as part of KRUK's climate-related initiatives, each KRUK România employee received a tree as a gift. A total of 600 trees were planted in România, with an expected carbon offset of 6,000–12,000 kg CO ₂ e annually.	2024	0	3.6/year	România
KRUK România introduced electronic signatures in its HR and OHS departments in 2024 to reduce paper use and lower carbon emissions. Currently, approximately 90% of documents are signed electronically. As a result, paper consumption has decreased by 7,800 sheets per year in HR and 700 sheets per year in OHS training. The initiative has also reduced fuel consumption by eliminating the need for courier services to transport documents.				
In 2024, a document processing platform was implemented in the OHS area, reducing paper use by approximately 3,500 sheets per year. The HR department continues to use a document processing platform, saving around 7,800 sheets per year.	2024	0.0712	Reduction target achieved	România
Summary: Total sheets saved: 7800 Paper weight: 35.1 kg Emission factor: 1.4 kg CO ₂ e/kg Total CO ₂ emissions: 0.04914 tCO ₂ e				

In 2024, KRUK Italia ordered 80 hybrid vehicles, scheduled for delivery in 2025. Additionally, a charging station for electric vehicles was installed, enabling staff members to charge battery-powered and hybrid cars during work hours, encouraging daily usage and helping reduce carbon emissions.

Energy consumption

Energy consumption management is a key component of the KRUK Group’s environmental impact. For more data, please refer to subsection **5.6 Energy consumption and mix (E1-5)’ in section 10 of the Directors’ Report on the operations of the KRUK Group and KRUK S.A. in 2024.**

In 2024, total energy consumption from the Group’s own operations amounted to **2,491.23 MWh**, , with the majority – **2,173.99 MWh** – attributable to electricity and heating from renewable sources.

By sourcing electricity backed by guarantees of origin, the KRUK Group has significantly reduced energy-related emissions across its operations in Poland, România, and Spain. It is important to note that the Group does not currently generate its own energy. All optimisation efforts are therefore focused on supplier selection, improving operational efficiency, and minimising energy losses across office premises and equipment.

As part of its transition to renewable energy sources, KRUK S.A. has finalised the purchase of certificates of origin, ensuring that the electricity used at its offices in Wrocław, Szczawno-Zdrój, and Piła originates from renewable sources.

In România, contracts have been signed for the purchase of guarantees of origin for electricity, ensuring that KRUK România’s offices are fully powered by renewable energy. KRUK España also uses renewable energy. This marks another step towards decarbonising the Group’s operations.

2024

1,279.77

Reduction target achieved

Poland, România, Spain

87%

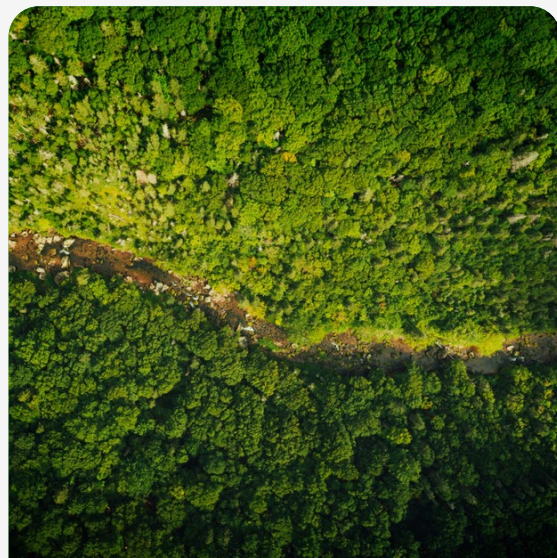
of total operational energy consumption is derived from renewable sources



9.3 GHG emissions – summary

The KRUUK Group maintains a comprehensive record of GHG emissions in accordance with international **GHG Protocol**. In 2024, the Group for the first time estimated emissions across the entire value chain (Scope 3), employing both **both spend-based and activity-based methodologies**.

Key data (2024)



47 136 tCO₂e

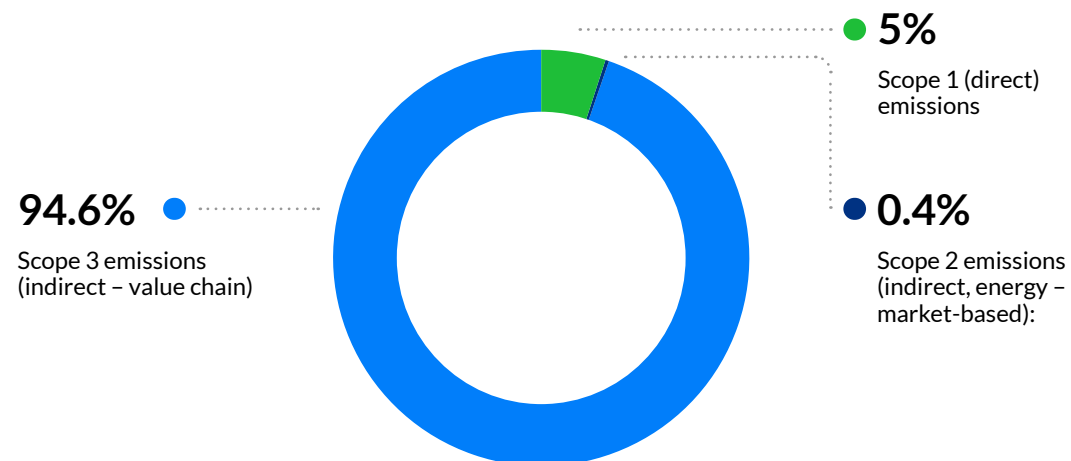
Total (market-based)
carbon footprint

2 358 tCO₂e
scope 1 emissions (direct)

188 tCO₂e
scope 2 emissions
(indirect, energy – market-based)

44 591 tCO₂e
scope 3 emissions
(indirect – value chain)

GHG emissions



Main sources of Scope 3 emissions [tCO₂e]





The 2024 emissions data indicate that Scope 3 emissions account for the majority of the Group's total carbon footprint – exceeding 94% – and encompass emissions associated with purchased goods and services, capital goods, and business travel.

This distribution highlights the critical importance of responsible supply chain management and proactive collaboration with external partners to enable effective decarbonisation.


The 2024 emissions analysis provides a benchmark for revising the Group's environmental targets in 2025.

9.4 EU Taxonomy

In 2024, the KRUK Group continued the alignment with the requirements of the **EU Taxonomy Regulation (Regulation (EU) 2020/852)**, a cornerstone of the European Union's sustainable finance agenda. The objective of the Taxonomy is to classify economic activities based on their environmental impact, provided they contribute to at least one of the six environmental objectives defined by the EU and do not cause significant harm to any of the others (the 'Do No Significant Harm' or DNSH principle).

In its 2024 consolidated sustainability statement, the KRUK Group disclosed **the proportion of Taxonomy-aligned revenue (turnover), capital expenditure (CapEx), and operating expenditure (OpEx)**. In accordance with regulatory obligations, the Group focused on identifying and reporting Taxonomy-aligned activities in the mandated areas, applying consistent technical screening criteria and the methodology outlined in the European Commission's implementing acts.

Given the nature of the Group's business model – focused on financial services not directly associated with GHG emissions or intensive resource use – the proportion of Taxonomy-aligned activities remains limited. Nevertheless, the Group continues to pursue initiatives that support **the energy transition and sustainable development**, including through enhancing energy efficiency within its infrastructure and embedding ESG management practices throughout the value chain.

For detailed quantitative and qualitative data related to the EU Taxonomy, including the allocation of relevant disclosures to the Group's activities, please refer to subsection 6 'EU Taxonomy' in section **10 of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024.** 

10 About this report

This report provides an overview of the KRUK Group's sustainability efforts in 2024. It is based on the consolidated sustainability statement of the KRUK Group for 2024, which has been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The statement forms an integral part of the Directors' Report on the operations of the KRUK Group and KRUK S.A. in 2024.

The full sustainability statement includes comprehensive, audited non-financial data and information regarding the KRUK Group's environmental, social, and governance (ESG) impacts, risks, opportunities, and related actions. It has been prepared in line with applicable laws, including the Accounting Act and relevant delegated regulations of the European Commission.

Stakeholders seeking a structured, ESRS-compliant overview of the Group's sustainability disclosures are encouraged to read the full **consolidated sustainability statement of the KRUK Group**, which serves as the official and detailed source of the Group's non-financial reporting in line with ESRS obligations.





Julia Krupa-Ignaczak

Group Head of Legal, Data Protection,
Operational Risk and ESG Area



The non-financial reporting process – particularly under the new standards – has served not only as a regulatory obligation, but also as an opportunity to gain deeper insight into our actual impacts and stakeholder expectations. The double materiality assessment has provided the foundation for strategic sustainability management – it enhances our ability to identify impacts, risks, and opportunities, assess their timeframes, and plan adaptation measures across the KRUK Group. This marks the starting point for the continued professionalisation of sustainability governance and the effective integration of ESG factors into everyday business decision-making throughout the KRUK Group.

10.1 Glossary of key sustainability terms

Term	Definicja
Compliance	Compliance of the Group's operations with applicable laws, internal regulations, and ethical standards.
ESG (Environmental, Social, Governance)	An acronym denoting the three core pillars of corporate responsibility in sustainable development: Environment (E), Social (S), and Governance (G).
ESRS (European Sustainability Reporting Standards)	EU sustainability reporting standards applicable to entities reporting under the Corporate Sustainability Reporting Directive (CSRD).
Diversity and Inclusion	Initiatives designed to manage diverse talent and foster a workplace where all individuals, regardless of identity, have equal opportunities and can fully participate in the life of the organisation.
Stakeholders	Groups who can affect or be affected by the Group's operations, including its clients, employees, and investors.
Due diligence	A structured process aimed at ensuring compliance with applicable legislation, internal regulations, and standards, including ethical standards, to support responsible business conduct and a robust compliance culture across the organisation.
Double Materiality Assessment	A process used to determine which sustainability topics are material from the perspective of how the organisation impacts the environment and society and from the perspective of how environmental and social factors impact the organisation's financial position.
ESG Strategy	A long-term sustainability action plan for the KRUK Group, covering the years 2023–2040.
Carbon footprint	A measure of GHG emissions associated with the Group's activities, encompassing Scope 1, Scope 2, and ultimately Scope 3 emissions.
EU Taxonomy	A classification system that defines which economic activities are considered environmentally sustainable under EU law.
Whistleblowing	A secure and anonymous mechanism for reporting misconduct, legal violations, and breaches of ethical standards.

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