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## Code of Ethics

**Microfinance Organization**  
**Miso Euro Credit JSC**

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## 1. Introduction

Eurocredit is an international, european model company, a microfinance organization that belongs to Zuk Group and has been operating on the Georgian market since 2011. Zuk Group owns businesses in countries such as USA, Romania, Ukraine, Georgia and many others.

Eurocredit is one of the first companies that introduced auto loans to the Georgian market. Today Eurocredit has 16 branches in different cities of Georgia - Tbilisi, Batumi, Kutaisi, Rustavi, Gori, Zestafoni, Telavi, Khashuri, Poti, Akhaltsikhe and Zugdidi.

Our team consists of more than 130 professionals who are distinguished by their expert knowledge and extensive experience. A free environment has been created in Eurocredit, which leads to the loyalty and goodwill of employees.

Ethical practice has underpinned this commitment since the company's inception and is achieved with the support of investors dedicated to encouraging responsible business and sustainable society.

Our Code of Ethics outlines the key principles that underpin our business activity. It forms a crucial part of our Corporate Governance Policy and acts as a key tenet of our broader Environmental, Social and Governance Framework. The principles outlined here apply to all of our co-workers and are aligned with our corporate values. They apply to all our co-workers and are aligned with our corporate values, governing our conduct and setting standards by which our internal and external stakeholders can judge us. These principles set the standards for our conduct and are made concrete through several mechanisms. They are implemented alongside a body of internal policy including our Labour Agreement, Whistle-blower Policy, Information Transfer policy and Data protection policy.

## 2. Company's Mission

The company's mission is:

- to create an innovative, reliable and constantly evolving environment focused on customers and employees- by offering the best services in the microfinance sector.
- Actively mitigate the environmental impact of our activity while organizing, promoting and supporting projects that combat climate change.
- Keep our clients at the center of our work and offer sustainable, responsible financial products and high-quality service.

### 3. Company's Vision

EuroCredit's vision is to become the leading regional customer-centric, people-oriented and data-driven financial inclusion organization. We are committed to reaching clients with minimal access to traditional financial services, empowering micro and small entrepreneurs to build prosperous and sustainable businesses capable of contributing to the advancement of Georgia's economy. Our vision is to be the catalyst for inclusive financial empowerment, transforming lives through accessible and responsible microfinance solutions.

This vision emphasizes the organization's commitment to:

- **Inclusivity:** Ensuring access to financial services for all, especially underserved communities.
- **Empowerment:** Enabling individuals to improve their lives and livelihoods through financial independence.
- **Responsibility:** Conducting operations ethically and sustainably, with a focus on positive social impact.

### 4. Values

Values for a microfinance organization are crucial as they guide behaviors, decisions, and relationships within the company.

Here are some core values:

- **Responsibility:** We embrace responsibility as the cornerstone of our commitment to ethical microfinance practices. We hold ourselves accountable to our clients, stakeholders, and the communities we serve, ensuring transparency and fairness in all interactions;
- **Reliability:** at Eurocredit, we strive to be a reliable partner in the journey towards financial inclusion and empowerment. We are committed to delivering consistent, high-quality services and products to our clients and stakeholders; fulfilling our promises and obligations in a timely and trustworthy manner.
- **Teamwork:** we believe in collaboration-working together across departments, region, and disciplines to achieve common goals and deliver superior outcomes for our clients and stakeholders; valuing and respecting diverse perspectives, ideas and contributions of team members.
- **Innovation:** We are committed to encouraging creative thinking and problem-solving to develop novel solutions that address the evolving needs of our clients and communities;

harnessing technology and digital solutions to enhance accessibility efficiency, and scalability of our services.

- **Transparency:** We strive to provide comprehensive and understandable information regarding our products, processes and financial performance, enabling informed decision-making, also establish mechanisms for receiving and addressing feedback from clients and stakeholders, promoting continuous improvement and responsiveness.

## 5. Code Of Ethics

### 5.1 Legality

EuroCredit emphasizes rigorous adherence to legal standards as the baseline for ethical conduct. Our colleagues are expected to operate within the bounds of applicable national and international laws that govern their respective roles. Beyond mere compliance, EuroCredit is committed to measuring and reporting our progress in achieving social impact and mitigating environmental harm.

We take compliance seriously, with every employee at EuroCredit sharing this responsibility. It is imperative that each team member familiarizes themselves with the laws and regulations pertinent to their division or role. Any uncertainties regarding legal matters should be promptly escalated to their line manager or the Compliance Division.

Our commitment to lawful and ethical conduct is bolstered by internal policies and procedures aligned with international best practices. This commitment extends across all operations, including subsidiaries, ensuring consistency in our approach.

Central to our ethical standards is the implementation of robust systems to safeguard against financial crimes. Team members are expected to rigorously follow 'Know Your Customer' procedures and promptly report any suspicious activities.

At EuroCredit, upholding these principles ensures not only compliance but also fosters a culture of integrity and responsibility in every aspect of our operations.

## 5.2 Responsibility

Consumer protection is at the heart of our approach at EuroCredit. We fully endorse the Client Protection Principles outlined by the SMART Campaign<sup>1</sup> and integrate them into our business operations with the following guiding principles:

- **Enhancing Financial Inclusion:** We strive to expand access to financial products, particularly for those underserved by traditional banking services in Georgia. Concurrently, we prioritize efforts to enhance financial literacy across communities.
- **Stringent Lending Standards:** We apply rigorous lending criteria and maintain an exclusion list for all borrowers, emphasizing thorough evaluations of financial stability.
- **Ethical Sales Practices:** We prohibit the advocacy or mis-selling of unnecessary financial products to meet sales targets, ensuring that all recommendations are in the best interest of our clients.
- **Transparent Transactions:** Transparency is non-negotiable in all our dealings. We provide customers with clear, easy-to-understand contracts that detail all terms and conditions. Additionally, we maintain accessible channels for customer complaints and feedback.
- **Commitment to Social and Environmental Responsibility:** We actively support environmental and social initiatives, fostering partnerships with organizations dedicated to sustainable poverty alleviation.
- **Continuous Improvement:** We continually assess, update, and enhance our services to meet the evolving needs of our clients effectively.

At EuroCredit, these principles underscore our commitment to ethical conduct, ensuring that our operations not only comply with regulatory requirements but also prioritize the well-being and empowerment of our clients and communities.

## 5.3 Transparency

Transparency is essential for progress. At EuroCredit, we uphold this principle across all aspects of our operations, striving to achieve maximum openness and clarity in everything we do.

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<sup>1</sup> SMART Campaign Client Protection Principles are available at <https://www.smartcampaign.org/about/smart-microfinanceand-the-client-protection-principles>

## 5.4 Sustainability

Ensuring sustainability without compromising future generations is paramount to our mission. We prioritize two core elements that guide all our efforts:

- **Customer Economic Well-being:** We meticulously tailor our product offerings to safeguard the financial stability of our customers, considering their unique circumstances.
- **Climate Action Leadership:** We are dedicated to leading the charge against climate change and setting high environmental standards in Georgia:
- **Integration of Environmental Factors:** Environmental considerations are integral to every business decision we make.
- **Environmental Criteria in Lending:** We apply stringent environmental criteria, as outlined in our exclusion list, to all lending practices.
- **Green Financing Initiative:** We promote access to green products through our dedicated green financing initiative.
- **Setting and Monitoring Objectives:** Regularly establishing and monitoring environmental objectives to gauge our progress.
- **Employee Engagement:** We train and engage our team on environmental targets and ensure effective implementation of our sustainability policy.
- **Resource Conservation:** We actively minimize the consumption of finite resources like water, paper, and fuel across all operations.
- **Compliance and Engagement:** We adhere to all relevant environmental legislation and standards, fostering compliance and proactive engagement.
- **Accessible Feedback Channels:** We maintain clear and accessible channels for feedback, enabling our team to raise suggestions, grievances, and complaints anonymously and without fear of reprisal.
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## 5.5 Anti-discrimination

The cohesion and strength of our internal community are fundamental to achieving our mission. We are committed to cultivating a unified, healthy, and effective team aligned with our organizational values:

- **Inclusive Recruitment:** We maintain a fair and professional recruitment process that aligns with our diversity policy, ensuring equal opportunity for all candidates.
- **Zero Tolerance Policy:** Discrimination and harassment are strictly prohibited at every level of our organization.

- **Employee Development:** We prioritize training, development, and growth opportunities to nurture our team's skills and capabilities.
- **Rights and Freedoms:** We uphold the rights of our employees to freedom of association, expression, and collective bargaining.
- **Social Impact Reporting:** We regularly report on our social impact measurements and take proactive measures to address any identified issues.
- **Sustainability Engagement:** We actively engage and train our employees on our sustainability and social impact goals to maximize our positive contributions and support environmental initiatives.

## 5.6 Confidentiality

Confidentiality stands as a cornerstone of trust and security within organizational frameworks across diverse industries. It embodies a commitment to protecting sensitive information, ensuring privacy, and upholding ethical standards in all interactions. At EuroCredit every colleague has a responsibility to ensure they are acting in compliance with EuroCredit's internal policies on information transfer and data security.

## 5.7 Conflict of Interests

At EuroCredit, maintaining our colleagues' trust as advisors to our customers is paramount. Preventing conflicts of interest plays a crucial role in upholding this trust, and all EuroCredit employees are expected to adhere to the guidelines outlined in our Employment Agreement, which includes the following:

- **Transparency in Responsibilities:** Employees are expected to be transparent about their roles and responsibilities, avoiding any business relationships or personal interests that could influence their decision-making process.
- **Avoiding Conflicts of Interest:** Employees must refrain from engaging in activities or making decisions where there is a clear conflict of interest, whether involving external clients or within EuroCredit itself.



- **Non-Involvement in Hiring Decisions:** Employees should not participate in decisions related to the hiring of family members or relatives. They should also avoid entering into personal relationships that could compromise professional integrity, especially with clients.

In the event of any conflict of interest, The Board of Directors must be informed, and it is mandatory to report such conflicts to the company's Supervisory Board at least twice a year.

## 5.8 Governance

We prioritize balancing the interests of people, planet, and profit in all our business decisions.

**Commitment to Global Compact:** We actively support and promote the United Nations Global Compact, including the Women's Empowerment Principles and the Sustainable Development Goals.

**Human Rights Protection:** We uphold and protect human rights in accordance with the principles outlined in the United Nations Declaration of Human Rights, as part of our commitment to the Global Compact.

**Non-Discrimination Policy:** We do not tolerate discrimination based on race, skin color, sex, gender identity, language, religion, political beliefs, health status, marital status, sexual orientation, national or social origin, social status, ethnicity, indigenous status, disability, or any other irrelevant characteristics, at any level of our organization.

**Comprehensive Reporting:** Annually, we monitor and report on our social, environmental, and financial performance. Our reporting is comprehensive, fair, accurate, timely, and complies with applicable legislation, international guidelines, and standards.

**Monitoring and Reporting:** We regularly monitor, review, and report on our corporate governance performance in our annual reports to ensure transparency and accountability.

## 6 . The Principles in Practice

- At EuroCredit, accountability is essential, and while we have rigorous procedures in place, we acknowledge that mistakes can occur. Our Whistle-blower Policy underscores the importance of identifying, reporting, and addressing such incidents to uphold the ethical culture outlined in our Code of Ethics.

Our internal policy outlines clear procedures for employees who suspect mistakes, irregularities, or misconduct. They are encouraged to discuss these openly with their immediate supervisor or the next level of authority, where feasible. However, we recognize that in some situations, this may not be

possible. In such cases, our anonymous grievance mechanism enables employees to report incidents directly to senior management.

This procedure includes robust safeguards to protect anonymity and ensure that follow-up actions are promptly implemented. At EuroCredit, fostering a culture of accountability and transparency is integral to maintaining trust and upholding our ethical standards.

- At EuroCredit, we prioritize maintaining diverse and accessible complaint channels. If clients believe our code of ethics has been violated, they have multiple avenues to submit complaints. These can be directed to individuals other than their primary contact, and we offer free complaint submission through various channels including phone, email, website chat, and social media. Additionally, clients can submit oral or written complaints via designated boxes at our branches and offices. These channels accept complaints related to both our operations and third parties.

Loan officers provide clients with orientation on these complaint channels before loan disbursement, and all loan-related documentation clearly outlines these options. We collect and evaluate client complaints, reporting monthly to our management team, the Supervisory Board, and relevant regulatory authorities, such as the National Bank of Georgia.

## **7. Final Provisions**

- Management retains the authority to make decisions regarding individual matters that may not align strictly with the established ethical framework.
- This Framework shall become effective upon approval by the Supervisory Board;
- Compliance Manager is responsible for reviewing the document every two years to consider potential changes.
- Any changes in the Framework shall come into force with the appropriate decision of the Supervisory Board.