



Funding Circle Code of Conduct



A guide for Circlers



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Overview: Code of Conduct

Funding Circle is dedicated to implementing and maintaining the highest standards of behaviour, ethics and integrity among its workforce of Circlers, and to creating a culture where adherence to these standards is recognised and rewarded. This Code of Conduct ("Code") outlines these standards. It supports our mission and complements our values against which each Circler's performance is appraised and provides guidance as to what conduct we should expect of each other and how we should interact with others. Our conduct will determine whether people want to do business with us or work with us. Respect for investors, borrowers, stakeholders and each other are foundational to our success.

Cleaning up this code, together with formal policies and procedure specific to each team within Funding Circle, sets out the minimum behavioural standards required of all Circlers. All policies and standards can be found within Funding Circle's HRIS system (Hibob) Documents section, which can be accessed via Okta. It is each Circler's responsibility to be aware of and understand this Code and the policies which apply to them. Failure to follow the Code can result in disciplinary action, including termination of employment or other relationship with Funding Circle.

We want Circlers to speak up if they see something wrong or experience behaviours that are not in line with this Code. We do not allow retaliation against any Circler who reports or participates in an investigation of any breach of this Code or our policies. If you have a question or concern or are unsure whether your conduct or the conduct of other Circlers complies with this Code, you can contact your manager or someone in the People Team, Legal or Compliance.

In the UK we are required to comply with the FCA's individual Conduct Rules and for reference, these have been noted below. We ask that you familiarise yourself with the Conduct Rule Breach Standard. These have also been integrated within our values to ensure that we all help each other to maintain the highest standards of behaviour.

1. Act with integrity
2. Act with due skill, care and diligence
3. Be open and co-operative with regulators
4. Treat customers fairly
5. Observe proper standards of market conduct



Conduct risk is considered when setting corporate strategy and direction. **Conduct risk is the risk that Funding Circle's activities could impact the delivery of fair Customer outcomes and/or internal or external market integrity.** Conduct risk derives from both regulated and unregulated financial services activities and examples include inaccurate or misleading marketing or sales communications; inappropriate collections activities; failure to manage conflicts of interest; or failure to manage confidential, sensitive or insider information. Our leaders are accountable, responsible and are challenged to ensure that the areas for which they are responsible are controlled effectively.

As a business, we recognise our role in connecting SMEs and the real economy with investors providing thousands of small business owners with access to finance. We are here to serve customers, who in turn provide a very real and tangible positive impact on society. Their success is our success, and by focusing on delivering products with a superior experience and customer service, we will have a long term positive impact.

We also know that our success over the long term relies upon our broader role in society. As a business, we are committed to growing sustainably, managing our environmental impact, making responsible decisions and choices, and supporting societal progress.

Our mission

Core belief:

People are made to do more

Purpose:

Help small business win

Mission

Build the place where small businesses
get the funding they need to win

Circler promise:

Build the incredible

Values:

- ✓ Be open
- ✓ Live the adventure
- ✓ Make it happen
- ✓ Obsess over the customer
- ✓ Stand together
- ✓ Think smart



Our Values

Think smart.

Find a better way; challenge assumptions, seek insights, and make informed decisions.

- **CHALLENGE** – Think about the best way to do something vs. the way it's been done before. Seek out continuous improvement.
- **INSIGHT** – Seek insights internally and externally that inspire innovation. Use data to measure your impact.
- **DECISION-MAKING** – Spot opportunities and share recommendations. Gather different perspectives to make informed decisions.

Circlers are encouraged to **challenge assumptions**, to seek insights and **make informed decisions**. Everyone has a voice, so be ambitious.

Just because something has been done a certain way for a long period of time, doesn't mean it can't be changed or can't be improved. In order to succeed we need to keep evolving.

It is also critically important that Circlers **act professionally, competently and with due skill, care and diligence**. Central to this is understanding the **Global Conduct and Compliance Risk Management Policy** and complying with applicable laws and regulations. We take compliance and risk management seriously. A culture of compliance and good conduct is embedded in everything we do.

We have policies, standards and procedures in place that are a key component for how we do business and which help us to manage and mitigate risks. The risk policy framework establishes clear governance, management and accountability parameters. It also ensures that we comply with legal and regulatory requirements that apply to us locally and globally. Compliance with these requirements is of critical importance; it ensures we do the right thing by customers and colleagues.

By following our policies, our global approach to risk management is consistent and will keep us and our customers safe and secure. It will also ensure that we can continue to protect our integrity and reputation. The key policies and standards we have in place include:



- Anti-bribery and corruption;
- Anti-money laundering and counter-terrorist financing;
- Complaints;
- Conflicts of interest;
- Conduct risk management;
- Sanctions; and
- Whistleblowing.

The policies and standards describe in more detail the rules that all Circlers are expected to follow.

Make it happen.

Take small steps fast and deliver; be ambitious, take accountability, see it through with grit.

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- **INITIATIVE** – Be a self-starter. Dream big and take action inch by inch to achieve goals.
 - **ACCOUNTABILITY** – Own the role and take action to fulfill responsibilities. Admit faults and make fixes.
 - **GRIT** – Persevere to see things through to the end and fulfill commitments. Overcome barriers with ownership and grit.

Circlers are encouraged to be **courageous and innovative** in their work.

To remain innovative in a constantly changing environment requires **discipline**. Circlers must take **ownership** of their work. This means taking small steps fast and committing to delivering against goals and targets, and to **meeting and exceeding expectations**.

Circlers must take pride in their work, learn from their mistakes, and persevere in the face of challenges.



Be open.

Build trust through transparency and integrity; be honest, seek feedback, and communicate clearly.

- **INTEGRITY** – Build trust by being authentic and respectful. Engage in open and honest conversations
- **FEEDBACK** – Seek out feedback from customers and fellow Circlers. Always share feedback that comes from positive intent.
- **COMMUNICATION** – Communicate clearly and concisely. Use appropriate channels to ensure your audience understands.

We strive to act **fairly, ethically and openly** in all we do. Circlers know that treating everybody with respect and honesty builds trust.

We want all Circlers to “speak up” if they see any wrongdoing. Our **Whistleblowing Policy** sets out the details of how to report illegal or unethical activities and the legal protections around this. But we want to foster an environment where Circlers are encouraged and feel safe to raise any issues of concern, poor practices and behaviours without fear of repercussion, retaliation or victimisation- not just those that are “qualified disclosures” under the Whistleblowing Policy.

We strive to be **transparent** with, and accountable to, our customers at all times. It means being honest and open with our customers and putting them at the heart of our business.

A **conflict of interest** may arise in any situation where there are competing interests or loyalties. All Circlers should avoid any action which could cause them to pursue a personal benefit at the expense of Funding Circle or its customers. Where conflicts of interest can't be avoided, we must ensure that they are appropriately identified and managed. Our **Global Conflicts Policy** gives more detail on conflicts of interest and how these should be managed.

We are committed to a supportive work environment, where employees have the opportunity to reach their full potential. Circlers are expected to do everything they can to create a workplace culture that is free of harassment, intimidation, bias and unlawful discrimination.



Stand together.

We win and lose as one team; celebrate diversity, listen actively, and support each other.

- **INCLUSION** – Treat everyone equitably and with respect. Invite others to contribute and celebrate diverse thoughts.
- **ACTIVE LISTENING** – Keep an open mind to others' lived experiences. Learn and grow as an ally.
- **TEAMWORK** – Collaborate effectively within and across teams. Actively seek out ways to develop yourself and others.

We work as a team. We listen, understand and support each other, and win or lose as one.

Funding Circle expects all Circlers to act with the highest standards of conduct and integrity, and in a manner which promotes an inclusive culture for all. We expect Circlers to be guided by our values, apply sound judgement, and act within the law. Our Conduct Risk Management Framework supports and enables a robust management culture, covering the fundamental principle of Treating Customers Fairly, dealing with conflicts of interest, risk culture and good corporate governance, market conduct and market integrity.

As employees at Funding Circle we are all personally accountable for what we do every day. Standing Together means that all Circlers are accountable for conduct risk management to the extent relevant to their role. Effective conduct risk management is implemented and practiced at all levels and in every region where we operate. In the UK, all employees are subject to the FCA's individual Conduct Rules set out above and incorporated into the general conduct principles below. These five rules apply as part of the Senior Managers and Certification Regime (SMCR). Failure to comply could result in disciplinary action, both from Funding Circle and from the FCA.

Everyone is required to comply with the Conduct Risk Management Framework and other applicable risk policies and standards. Our conduct principles are:

1. We conduct ourselves honestly and professionally. We maintain high ethical standards. We recognise that the way we behave and work reflects on Funding Circle, and our interactions with customers, third parties, regulators and stakeholders.



2. We comply with all legal and regulatory requirements as well as Funding Circle policies, standards and procedures. We report any suspicion of fraud or other form of unacceptable or illegal practice that comes to our attention.
3. We take personal responsibility and accountability for proactively identifying, assessing, managing and reporting risks within our team and across Funding Circle.
4. We do not use our position, influence or authority for personal gain.
5. We only offer customers products or services consistent with their specific needs and only once they understand them. In particular:
 - we do not sell products or services with the sole aim of generating commissions or income and without regard to the interests of the customer; and
 - we do not offer incentives to certain customers to the detriment of others.
6. We act in the best interests of borrowers and investors.
7. We deal with regulators in an open and cooperative way, and disclose to the appropriate regulator anything relating to the firm of which the regulator would reasonably expect notice.
8. We observe proper standards of market conduct and we put in place measures to prevent market abuse.
9. We protect customers' data.
10. We put in place measures to prevent financial crime.

Matters Requiring Disclosure / Employee Handbook

Our company employee handbook sets out expectations and required standards for general conduct at Funding Circle. Further, all Circlers are required to inform their line manager or other appropriate contact of the following circumstances:

- Any conflict of interest or outside business interest
- Police arrest or caution, conviction for a criminal offence, judgement or court offenses
- Changes in legal right to work status



Managing our Risk: The Enterprise Risk Management Framework (ERMF)

The Enterprise Risk Management Framework (ERMF) governs the way in which we identify and manage risks to our business. All Circlers are required to play their part in actively managing risks to our business, and need to be familiar with risk management policies relevant to their role, know how to escalate actual or potential risk issues, and have a role-appropriate level of awareness of the risk management process as defined by the ERMF.

Live the adventure.

Champion our culture; show curiosity, embrace change, and bring your passion every day.

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- **CURIOSITY**– Keep learning, take on challenges, try new things, feed your curiosity through developing and problem solving.
 - **ADAPTABILITY**– Adapt to new situations with a willingness to flex and learn. Look for better ways to do things. Find opportunity in change.
 - **CULTURE CHAMPION** – Get involved in shaping our culture. Be advocates for each other. Invest time in sharing knowledge and experiences with others.

We **bring our passion to work** every day, and **have fun**.

We commit to meeting our obligations as a regulated financial services provider. We are committed to providing high quality support for our customers. We address their concerns, promptly resolve their complaints and work to improve customers' experience.

Each and every person at Funding Circle must be passionate about doing the right thing for customers through understanding, adhering to, and practising the principles of the Code.

We want to **make a difference**. We want to build the place where small businesses get the funding they need to win.

We can't set out all possible examples of expected conduct but we expect all Circlers to think about "doing the right thing" at all times and to be guided by the letter and the spirit of the Code. If you aren't sure what the right thing to do is in any circumstance, please ask your manager or someone in the People Team, Legal or Compliance.



Obsess over the customer.

Start with the customer; work hard to serve them, create great experiences, and build a trusting partnership.

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- **CUSTOMER FOCUS** – Keep the customer at the heart of everything we do. Seek to understand our customer needs to provide a great service.
 - **DELIVERY** – Recognise customer constraints and opportunities for a better FC experience. Implement impactful changes.
 - **PARTNERSHIP** – Build a trusting partnership with customers to support them in their time of need

We believe in the **continuous improvement** of our services and our customers' experience. We also believe in the continuous improvement of our people. We have developed and committed to a strong learning culture to help Circlers learn and develop in their roles, and beyond.

We **treat customers fairly and with respect** by putting them first and providing a superior level of service to them. Our individual company goals are put in place to achieve our primary long-term goal: to become the first choice for small business finance. To achieve this we must build long-term, trusting relationships with borrowers.

Integrity is a hallmark of our culture and business. We earn the trust of our colleagues and customers by ensuring everything we do is reliable, consistent and performed with the highest level of integrity. By following the high standards set out in this Code of Conduct, each of us protects, maintains and enhances Funding Circle's reputation.



Diversity, Equity and Inclusion Statement

We're here to build the incredible at Funding Circle. We know we can only achieve this through an inclusive culture where Circlers of all backgrounds feel confident in bringing their whole selves to work, where they can contribute their ideas, have opportunities to be successful, and their talents nurtured. Through empowering our people we are not only building something incredible for our customers, but an incredible place to work too.

We live by our company values and cherish our diversity; be that culture, gender, race or ethnicity, sexual orientation, gender identity and expression, disability, marital status, age, nationality, religion, of thought, belief, experience or expression. We Stand Together, as one.

Equal Opportunities Statement

At Funding Circle, we know that diversity and difference are key strengths. We ensure Circlers of all backgrounds are treated equally, and continually focus on creating an environment that welcomes, supports and provides equal opportunities to everyone, irrespective of culture, gender, race or ethnicity, gender identity and expression, disability, marital status, age, nationality, pregnancy or maternity, religion or belief, sex or sexual orientation.

This policy applies to promotion, training, placement, transfer, dismissal as well as remuneration, grievance and disciplinary procedures and decisions. This policy also applies to recruitment of persons from outside the workplace and the treatment of contract workers.

Funding Circle has no tolerance for any form of discrimination. Circlers should be aware that in certain circumstances, should they be guilty of discrimination, they may be personally legally liable for their actions.

Our policy for the employment of disabled persons is to provide equal opportunities with other Circlers to develop skills and secure roles relevant for them and their career ambitions. This includes making reasonable adjustments to the workplace to support this. Our recruitment process ensures all applications, including those from disabled persons, are treated equally and fairly.



Directory and Whistleblowing

If you have any questions about, or concerning items in, this Code, please contact any of the **People, Legal or Compliance Team**.

If you believe that there has been a breach of this Code and do not feel able to speak to your manager or a member of the people, legal or compliance teams, you can notify the relevant Whistleblowing Officer in writing, by e-mail, or by phone (with the latter providing the option of anonymity).

Referenced Policies

All policies referenced in the Code of Conduct can be found on Funding Circle's HR system, HiBob.

Modern Slavery Statement

As required by the Modern Slavery Act 2015, this statement describes the approach of and steps taken by Funding Circle Ltd and its UK-based affiliates during the financial year ending on 31 December 2022 in relation to the detection and prevention of slavery and human trafficking in our own business and supply chain.

Modern Slavery Statement

We have a zero tolerance approach to modern slavery and human trafficking and we are committed to ensuring that our business operates in a socially responsible way. We are committed to playing our part in helping the world to improve practices designed to combat slavery and human trafficking.

Our Culture

We are dedicated to implementing and maintaining the highest standards of behaviour, ethics and integrity among our workforce. We have created a culture where adherence to these standards is recognised and rewarded. Our Code of Conduct establishes these standards and addresses subjects such as integrity, conflicts of interest and non-discrimination. Employees are trained annually on our Code of Conduct rules.

We conduct our business at all times in accordance with certain guiding principles which represent the high standards that we set ourselves and exemplify the ethos and values which we seek to inculcate in all of our employees. These include “Being Open” (where we recognise the importance of transparency, treating people well and honestly) and “Think Smart” (where we encourage the asking of questions and positive challenge). We assess employee performance against these principles.

Our Employees

We employ people from a diverse range of backgrounds who all share, and subscribe to, the ambitions and values of our business. All our employees undertake a learning and development programme which includes ongoing training in relation to:

- the regulatory environment in which we conduct our business; and
- the policies, practices and professional standards we adopt.

Where applicable to an employee’s role, financial crime training and procurement training is provided which addresses specifically (among other things) the issues of modern slavery and human trafficking.

The maintenance of exemplary professional and ethical standards is extremely important to us and the way in which we conduct our business, and employees are aware of the possibility of sanction in the event of contraventions of, or non-compliance with, them. Our People Team is trained to deal with concerns raised by or about our employees lawfully, promptly and confidentially.

Our Policies, Processes and Procedures

We are committed to act with integrity in all of our business activities and to comply with all applicable laws and regulations to which we are subject. Our relevant policies include those relating to:

- anti-money laundering and counter-terrorist financing;
- conflicts of interest;
- anti-bribery and corruption;
- whistleblowing;
- the protection of data and data confidentiality; and
- procurement.

In addition, we have developed standards, processes and procedures including:

- the monitoring and review of the effectiveness of our internal policies and their implementation;
- ongoing supplier risk/impact assessments and due diligence on proposed and existing service providers to mitigate the risk of slavery and human trafficking occurring in our supply chains;
- those to support an inclusive, open and tolerant workplace environment; and
- those relating to the raising of concerns or poor practice by our employees and those with whom we deal.

These policies, processes and procedures are regularly reviewed to ensure they are fit for purpose and, where relevant, compliant with the latest modern slavery guidelines.

In 2022 we added modern slavery into our customer KYC standards, with the aim to identify red flags when on boarding customers (borrowers) in the course of KYC checks and AML / fraud reviews. We also maintain a list of high risk Standard Industrial Classification (SIC) codes which would flag a borrower linked to an industry more susceptible to modern slavery risks.

We also reviewed our financial crime risk assessment process to now include a standalone modern slavery assessment, which reviews applicable controls and risks and will be refreshed annually.

Our Supply Chain

Our Group Procurement & Supplier Management Policy outlines key procurement principles and responsibilities and associated policies and procedures, including basic ethics of procurement. Parties involved in the procurement process are required to adhere to ethics, including on Human Rights and Modern Slavery. We apply The Chartered Institute of Purchasing and Supply (United Kingdom & Central Europe) [CIPS Code of Conduct](#), and The Institute of Supply Management (United States of America) Principles & Standards of Ethical Supply Management Conduct.

Our supply chain service partners principally involve suppliers of technology, data, office and facilities supplies, and professional advisory firms, amongst others. We undertake detailed due diligence on proposed suppliers to ensure that they are a suitable organisation with which to do business, which includes:

- Assessing the selection, management and geographical location of their employees;
- The selection and management of their sub-contractors and their supply chain
- Their commitment to corporate social responsibility.

We are committed to acting ethically in all our business relationships and implementing and enforcing effective systems and controls which make it clear that we do not tolerate slavery and/or human trafficking within our supply chains and would seek to terminate any relationship with a supplier where evidence of the same occurred.

Given the nature of our business, we do not consider that we operate in a sector where modern slavery and human trafficking are particularly prevalent or of high risk, however a small proportion of our service providers have business operations within geographical locations that do represent an elevated risk, and as part of our procurement process we ask suppliers for their Modern Slavery Statement where applicable. We utilise a supplier assurance programme that is designed to provide reasonable assurance that our supply chain services partners comply with, and are aligned to, our values and our commitment to ensure that there is no slavery or human trafficking arising in our supply chains or in any part of our business and are assessed on this basis during the procurement process. In 2021, we introduced a formal Supplier Relationship Management tool (Gatekeeper), which features risk specific modules to document supplier risk in a centralised place. This allows us to monitor and re-assess supplier risk on an annual basis to ensure Funding Circle is upholding the highest standard possible. A Supplier Risk Forum meets quarterly to ensure that our risks are correctly prioritised and our actions are targeted to address these risks for maximum impact. In 2022 we updated our procurement process to ensure that any suppliers who do not provide a Modern Slavery statement are flagged to the Global Head of Enterprise Risk and Financial Crime Compliance.

In January 2022 Funding Circle Holdings plc joined the UN Global Compact to formalise our alignment with its Ten Principles on human rights, labour, the environment and anti-corruption. Our initial Communication on Progress report will be published by June 2023. We look forward to continue integrating the UNGC principles into practices around modern slavery and human trafficking, and leveraging this framework to help guide our efforts in the future.

We have not, to date, had any reportable incidents of non-compliance with our Statement since first published.

A handwritten signature in dark ink, appearing to read "LJ", positioned above a dotted line.

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Lisa Jacobs, CEO

24 April, 2023