

| Reporting and Self-Assessment Requirements | High-level summary of bank’s response (limited assurance required for responses to highlighted items) | Reference(s)/ Link(s) to bank’s full response/ relevant information |
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| <p>Principle 1: Alignment We align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional projects.</p> | | |
| <p>1.1 <i>Describe</i> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p> | <p>Center-invest Bank is the one of the leading private regional bank in southern Russia implementing the ESG banking business model in practice. The Bank is ranked in the Top 3 Largest Regional Banks by Assets and the Top 15 Most Profitable Banks in Russia.</p> <p>The Bank operates in 7 regions of the Russia, its branch network includes 111 offices. The total number of employees is 1588 people.</p> <p>The Bank occupies a leading position in lending to population, SMEs (11-th in Russia), modernizing enterprises, developing women's, youth, and social entrepreneurship, and also supports startups.</p> <p>In 2021, Center-invest Bank received 81% of its income from lending to the real sector of the economy and directed the income received: 25% - to the population (payment of interest on deposits), 29%- to partners and suppliers, 21% - to employees and the state, 25%- to shareholders (dividends and development).</p> <p>During 2021, the total loan portfolio of the bank increased by 8% and amounted to RUB 97.3 billion as of December 31, 2021.</p> <p>The Bank’s core business is retail lending which comprises 64% of loan portfolio. The Bank’s ESG retail lending focuses on traditional secured loans and mortgages.</p> <p>SME loans make up 33% of the total loan portfolio, with the core industries being agriculture (44%), Trade (22%), Industry (13), Transport and communication (6%), Construction (3%).</p> | <p>https://centrinvest.com/about/news/36561</p> <p>https://centrinvest.com/about/news/36536</p> <p>https://centrinvest.com/about/news/36481</p> <p>https://centrinvest.com/files/publications/Expectations%20of%20the%20European%20Central%20Bank%20and%20Center-invest%20Bank%E2%80%99s%20Experience.pdf</p> <p>https://www.raexpert.ru/rankingtable/bank/msb_2021_f/tab1/</p> |

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| | <p>Center-invest Bank strives to protect the environment, including through the efficient consumption of resources (electricity, paper, fuel, etc), makes great efforts to develop remote services and supports environmental activities.</p> <p>The Bank has been engaged in energy efficiency finance programme since 2005 and thus contributes to environmental protection in Russia by providing business and retail customers with loans to finance the introduction of modern energy saving technologies and measures.</p> <p>One of the main social goals and activities of the Bank is - promoting Financial literacy in the region. The Bank has founded 7 Financial Literacy Centres and Business Accelerator. Since the start in 2014, the centres have trained more than 1,100,000 people. Center-invest Bank is the main financial partner of regional government innovations in educational process.</p> | <p>https://centrinvest.com/about/news/36673</p> <p>https://centrinvest.com/about/news/36639</p> |
| <p>1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p> | <p>In 2021, Center-invest Bank approved a new strategy for 2022-2024 “ESG Digitalisation 2.0” focuses on the provision of financial and non-financial services for the population, the transformation of customers’ businesses, digitalisation and strengthened social responsibility in the interests of current and future generations. The new Strategy takes into account the UN Sustainable Development Goals, the Paris Climate Agreement, the priorities of Russian National Projects.</p> <p>The new Strategy contains quantitative and qualitative metrics for achieving the sustainable development goals and targets.</p> <p>In 2021, Center-invest Bank published its ESG balance sheet for 2021 in the Banker magazine includes its annual analysis of Russian banks. Center-invest Bank was the first bank in the world to produce an ESG balance sheet.</p> <p>The ESG balance sheet presented below shows very clearly how Center-invest Bank is transforming its customers’ funds through its loan portfolio to achieve the Sustainable Development Goals (SDGs) and Russia’s National Projects.</p> | <p>https://centrinvest.com/about/news/center-invest-banks-esg-digitalisation-strategy-results-and-prospects</p> <p>https://www.centrinvest.ru/files/about/reports/Strategy_2022-2024.pdf</p> <p>https://centrinvest.com/about/news/center-invest-bank-in-the-banker</p> <p>https://centrinvest.com/files/publications/esg-investments.pdf</p> |

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| | Total investment in the SDGs was RUB299.3bn and in the National Projects it was RUB261.7bn. | |
| <p>Principle 2: Impact and Target Setting We are continuously increasing our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services.</p> | | |
| <p>2.1 Impact Analysis: <i>Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:</i></p> <p>a) <u>Scope</u>: The bank’s core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.</p> <p>b) <u>Scale of Exposure</u>: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.</p> <p>c) <u>Context & Relevance</u>: Your bank has taken into account the most relevant challenges and priorities related to sustainable development in the countries/regions in which it operates.</p> | <p><u>Context & Relevance</u>: Southern Russia, the region where the Bank operates, has a lot of important competitive advantages – favourable location and climate for the development of agribusiness, the region does not have an abundance of oil and gas; instead, it has diversified economy not only by sector, but also by enterprise size: 10% of all Russian SMEs are based in southern Russia; deep-rooted tradition of free trade and small business.</p> <p>The diversified structure of the bank's loan portfolio in the segment of legal entities with a predominance of the agro-industrial sector reflects the regional sectoral structure of the economy</p> <p>In 2021, the economy of southern Russia withstood a new wave of the COVID-19 crisis (“black swan”). Growth rates in 2021 recorded a surplus of indicators caused by a competitive advantage and demand for products in the Russian market for industrial and agricultural products.</p> <p>A wide range of agricultural products of southern Russia demonstrates an increase in volumes. However, climatic drought has affected a slight decline in vegetable and crop production, and cases of avian influenza in a number of poultry farms have reduced the production of poultry meat and eggs. Prices in the domestic market continue to grow, following the world market prices.</p> <p>The main challenges are the low level of personal income in southern Russia (60%–70% of the Russian average), relatively low competitiveness of the industrial enterprises, high investment risks, not increasing productivity of production factors (labour, land, capital, etc.), a low share of innovative activities, ecological problems.</p> <p>We believe that the most significant impact can be done in the field of working with agribusiness in the Rostov, Volgograd regions and Krasnodar area, promoting the sector to introduce the best “green” practice,</p> | <p>https://www.centrinvest.ru/files/about/reports/Strategy_2022-2024.pdf</p> |

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| <p>d) <u>Scale and intensity/salience of impact:</u> In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p> <p><i>Show that building on this analysis, the bank has</i></p> <ul style="list-style-type: none"> • Identified and disclosed its areas of most significant (potential) positive and negative impact • Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts | <p>developing technologically and environmentally, reducing CO2 emissions.</p> <p>As a responsible financial institution, we are aware of the possible ESG-risks from our activities.</p> | |
| <p>Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</p> | | |
| <p>We have undertaken our impact analysis and identified the significant impact of our activity. The Bank’s accumulated experience of impact shows new horizons for development.</p> | | |

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| <p>2.2 Target Setting</p> <p><i>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.</i></p> <p><i>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</i></p> <p><i>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other</i></p> | <p>Center-invest Bank fully supports and recognises the importance of the 17 SDGs, which are intended to address key environmental, economic and social challenges worldwide. While the bank aims to contribute to the implementation of all the SDGs, given the nature of its business and the region in which it operates, the following five goals are our priorities:</p> <p>SDG 2. Zero Hunger SDG 4. Quality Education SDG 8. Decent Work and Economic Growth SDG 11. Sustainable Cities and Communities SDG 17. Partnerships for the Goals.</p> <p>According to the identified areas of the most significant impact and in line with the SDGs, and national projects the Bank has set its most important targets:</p> <ol style="list-style-type: none"> 1. Making agribusiness “greener” and energy efficient in the region 2. Reducing the bank’s own carbon footprint | <p>https://www.centriinvest.ru/files/about/reports/annual/ESG_2019_Eng.pdf</p> <p>https://www.centriinvest.ru/files/about/reports/annual/Annual-report-2019.pdf</p> |
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| <p>dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p> | | |
| <p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p> | | |
| <p>Based on an analysis of all SDGs, the Bank has selected those where its business model and operational technologies perform the most effectively in terms of impact. As a result, we have already set some targets in the areas of the most significant impact.</p> | | |
| <p>2.3 Plans for Target Implementation and Monitoring</p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p> | <p>The Bank at the strategy level has a set of tasks related to minimizing negative and increasing positive impact.</p> <p>1. Making agribusiness "greener" and energy efficient in the region</p> <ul style="list-style-type: none"> ✓ To increase loan portfolio by 15% ✓ Quantitative Qualitative development of agribusiness: stimulating customers to use resources rationally, greening agriculture production by introducing innovations. ✓ To promote business activity with a high level of environmental impact (stimulating the creation of ECO farms, ECO products, etc. ...) ✓ To hold corporate events, webinars for customers devoted to responsible production and consumption ✓ to promote the energy- efficiency loans. | |

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| | <p style="text-align: center;">2. Reducing the bank’s own carbon footprint</p> <ul style="list-style-type: none"> ✓ To introduce 40% use of renewable energy sources ✓ Development of electronic and remote services; ✓ Smooth transfer of customers to virtual and digital cards to reduce the amount of plastic produced in circulation; ✓ To hold corporate events, webinars for employers to follow the responsible consumption ✓ To develop a new Environmental and Social policy containing the statements of Carbon Neutral Strategy of Center-invest Bank <p>The Bank collects and processes a large amount of statistical information in the regions of its presence to assess its own impact, taking into account the Sustainable Development Goals and the Russia National Projects. We plan to develop internal practices for quantifying social and environmental impacts, taking into account the best world experience.</p> <p>In 2021, Center-invest Bank assisted and supported financially the presentation of the second issue of the statistical report "The Rostov Region – Progress Towards Achieving the Sustainable Development Goals: 2016-2020", prepared by the Rostov Region Department of the Federal State Statistics Service. Thanks to the Bank, the Rostov Region is the only region in Russia that has carried out a comprehensive analysis of the indicators of 17 Sustainable Development Goals in dynamics for 2016-2020. The results of the report once again confirmed the idea of the global competitive advantages of the Don Territory as a region of sustainable development.</p> | <p>https://centrinvest.com/about/news/36594</p> |
| <p>Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.</p> | | |
| <p>To achieve the set goals, the Bank monitors their achievement, develops technologies, organises regular reporting and communication with stakeholders, and localizes the best SDG practices. We have set measures and KPIs for our targets.</p> | | |

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| <p>2.4 Progress on Implementing Targets</p> <p><u>For each target separately:</u></p> <p><i>Show that your bank has implemented the actions it had previously defined to meet the set target.</i></p> <p>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p><i>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</i></p> | <p>Last year we presented our first PRB report. After that we received feedback and recommendations from UNEP FI expert to make changes in our targets, choose those that are more in compliance with requirements. Therefore, the targets we use in these report differ from the previous one and we can't show the progress of them but we can present our achievements in these fields.</p> <p>Improving agribusiness in the region The Bank has effectively managed the risks of agribusiness and financed the process of agri modernization.</p> <p>The Bank structures the loan portfolio according to the degree of environmental, social and project risk.</p> <p>Since 2005, the bank has been running a program to finance energy-efficient projects for the introduction of modern energy-saving technologies and measures. As of January 1, 2022, the bank have invested more than RUB 20.2 bn in 22,543 client energy efficiency projects.</p> <p>This work has helped by the end of 2021, to reduce CO2 emissions into the atmosphere in the amount of 245,000 tons per year.</p> <p>Reducing the bank's own carbon footprint Despite the steady growth of the business, the bank is constantly striving to reduce the consumption of energy and other resources.</p> <p>As part of the greening of business processes, the bank reduces the use of paper media in customer service by digitalizing interaction processes through the Client-Bank system. In 2021, Center-invest Bank continued to develop remote and remote products and services - the number of clients connected to remote services increased by 24% and amounted to 217.7 thousand people. 96% of all loan applications of individuals are processed online, the share of online loan applications of SME clients has increased to 26%.</p> <p>The environmental impact of such work in 2021 allowed saving 2,702 trees and saving 2,284 tons of gasoline</p> | |
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| | <p>To reduce its own carbon footprint Center-invest Bank installed solar panels on the roof of its head office. The electricity generated by the panels reduced electricity consumption from the network by 70kWh. The daily energy saving thanks to this new project is equivalent to the electricity used to operate seven ATMs or fifteen payment terminals for a 24-hour period.</p> <p>In 2021, Center-Invest Bank bought energy from renewable sources from the Solar Systems solar power plant located in the Stavropol Territory. The purchase of 1,271 MWh of energy allows the bank to reduce its environmental impact.</p> | |
| <p>Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets</p> | | |
| <p>Center-invest Bank’s performance in 2021 clearly demonstrates the effectiveness of the ESG banking model that underpins its operations in retail and SME lending and its efficient work in the interests of customers and shareholders. Joining the UNEP FI PRB has helped us to estimate our activity, and highlight the areas of significant impact and focus on targets related to these areas.</p> | | |
| <p>Principle 3: Clients and Customers We are working responsibly with our clients and our customers to encourage sustainable practices that create shared prosperity for current and future generations.</p> | | |
| <p>3.1 <i>Provide an overview</i> of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</p> | <p>Center-invest Bank applies the best international practice to improve its business performance:</p> <ul style="list-style-type: none"> ● transparent decision-making procedures; ● a clearly defined corporate culture and unambiguous rules of conduct; ● independent risk management and internal control; ● nurturing its employees; ● transparent and accessible reporting under national and international standards; ● a modern and constantly evolving IT system; ● highly responsive liquidity management procedures; ● innovative technology, operations and product development. <p>For Center-invest Bank, social responsibility and effectiveness also means increasing profits which:</p> <ul style="list-style-type: none"> ● are not immediate, but long-term; ● take into account risks and ensure safeguards; | <p>https://centrinvest.com/about/news/center-invest-bank-receives-the-status-of-an-it-company</p> <p>https://centrinvest.com/about/news/center-invest-bank-is-a-leader-for-digital-customer-service</p> |

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| | <ul style="list-style-type: none"> ● avoid conflict and do not infringe on the interests of other parties; ● ensure the development of public goods and services; ● promote the growth of social consciousness and effective social transformations. <p>The Environmental and Social Policy of Center-invest Bank is an essential element of the bank's decision making process regarding project financing and approval, and monitoring of project implementation.</p> <p>In its management of sustainable development, Center-invest Bank is guided by the following standards and principles:</p> <ul style="list-style-type: none"> ● the United Nations Sustainable Development Goals (SDGs); ● The Membership Standards and Code of the Global Alliance for Banking on Values; ● The Principles for Responsible Banking of the UN Environment Programme Finance Initiative (UNEP FI); ● the international standards of conduct and principles enshrined in the international standards for sustainable development, corporate social activities and environmental protection: ISO 26000, AA1000, ISO 14000; ● the GRI Standards on disclosure of non-financial information. <p>By using integrated reporting rather than just financial reporting, the bank has been able to assess the following in a new light:</p> <ul style="list-style-type: none"> ● the impact of the bank's income on the interests of all the stakeholders: the local population, employees, shareholders, customers and partners; ● the bank's development as a process of reproducing operational, financial, information, intellectual, human and social capital. | |
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| <p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.</p> | <p>Center-invest Bank provides information about each depositor's contribution to implementation of the SDGs and National Projects. As of January 1, 2022, for every 100 rubles deposited with the bank, 64.8 rubles goes towards the SDGs, and 63.1 rubles goes towards the Russia National Projects. This breakdown clearly shows how every Center-invest Bank depositor is contributing to the sustainable development of the region, the country, and the world.</p> <p>In 2020 Center-invest Bank introduced a new "Green" deposit account, the only one of its kind in Russia. The main difference between the Green deposit account and other deposit accounts is the purpose for which the funds are invested and the term, which is 17 months equal to 17 SDGs. All of the funds deposited in Green deposit accounts are to be used for projects that contribute towards the UN Sustainable Development Goals and Russia National Projects. At the end of the year, 3,834 deposits were issued in the amount of RUB1.7bn.</p> <p>In 2021, the Bank continued support business and the population in pandemic by a number of programs (business transformation - preferential financing for the transition to remote sales channels, promotion, etc.) and special mechanisms to support the population. Preferential loans made by Center-invest Bank under its own loan programmes and government-subsidised programmes have helped save over 5300 jobs in southern Russia.</p> <p>In the end of 2020, the Bank launched a special programme to support medical workers - opportunity to refinance a loan from another bank on preferential terms, as well as to receive a rate cut on existing loan agreements with Center-invest Bank to all doctors and nurses. Supporting medical workers at challenging time, offering them special terms, is part of the Bank's social responsibility. In 2021, the bank granted 1,231 loans for medicals for a total amount of more than RUB1 bn, which is 19.5% in terms of the number and 6.6% in terms of the amount of loans provided by the bank,</p> <p>In 2021 Center-invest Bank has improved its ESG rating system for small and medium-sized businesses. These ratings are fundamental when making decisions about a</p> | <p>https://www.centriinvest.ru/en/sustainability/</p> <p>https://centriinvest.com/about/news/36473</p> <p>https://centriinvest.com/about/news/one-billion-rubles-in-preferential-loans-for-medical-workers</p> <p>https://bosfera.ru/bo/esg-reyting-banka-eto-</p> |
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| | <p>customer's creditworthiness, together with traditional financial analysis. All borrowers are ranked in 7 ESG categories from A to G, depending on how they take into account environmental, social and management responsibility issues in the implementation of their activities. The ESG rating affects the interest rate on the loan — the higher the rating, the lower the rate for the customer.</p> <p>Center-invest Bank held a forum “Positive Future: Responsible Consumption and Production”. The event brought together sustainability specialists, eco-entrepreneurs, and residents of southern Russia who care about the future of the planet. Over 100 participants also joined the event from other areas of Russia, thanks to live streaming.</p> | <p>summa-esg-reytingov-klientov</p> <p>https://centrinvest.com/about/news/36538</p> |
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Principle 4: Stakeholders
We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

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| <p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p> | <p>Center-invest Bank actively participates in the programmes to develop ESG banking carried out by the State Duma of the Russian Federation, the Government of the Russian Federation, the Bank of Russia, the Ministry of Economic Development, Rosstatistics and Moscow Exchange. The Chairman of the Board of Directors of Center-invest Bank Dr. Vysokov chairs the ESG Banking Project Group of the Association of Russia.</p> <p>In 2021, the Presidium of the Council of the Association of Banks of Russia approved the “Practical recommendations of the banking community on the implementation of the principles of ESG-banking”, prepared by the ESG-Banking Project Group of the Association. The initiator of the document - Chairman of the Board of Directors of Center-invest Bank, Professor, Doctor Vysokov</p> <p>Center-invest Bank experts are participating in the discussion of criteria and metrics for financing ESG projects in the field of energy efficiency, responsible consumption, social entrepreneurship and sustainable agriculture.</p> <p>Center-invest is in dialogue with stakeholders, systematically discloses its own results of ESG risk management and practical cases on responsible</p> | <p>https://centrinvest.com/about/news/center-invest-bank-representative-joins-russian-state-dumas-sustainability-expert-council</p> <p>https://centrinvest.com/about/news/36593</p> <p>https://centrinvest.com/about/news/36675</p> |
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| | <p>financing, and also receives feedback to monitor progress in aspects of sustainable development.</p> <p>In 2021, Center-invest Bank announced a contest “Sustainable Development Goals and me” among students of Southern Russia to develop social, economic, environmental and infrastructure projects that meet the Sustainable Development Goals. The prize fund of the competition is 1,000,000 rubles. 550 applications were submitted by the youth of the South of Russia for the contest.</p> | |
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Principle 5: Governance & Culture
We will implement our commitment to these Principles through effective governance and well established culture of responsible banking.

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| <p>5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p> | <p>Center-invest Bank has an Anti-Corruption and Anti-Fraud Policy, which must be adhered to by all employees of the bank and its subsidiaries, irrespective of their position and job functions. All existing employees have been informed of the Policy and it is mandatory for all new employees to be informed of the Policy also. The Board of Directors and Executive Board lead by example, with a zero-tolerance approach to any instances of corruption and fraud.</p> <p>Our Information Policy (2007) guarantees and provides access to non-privileged information and effectively protects trade secrets and insider information.</p> <p>The Risk Management Policy (2019) ensures transparent and effective risk management. It is based on modern risk assessment methods using a wide range of risk assessment and data analysis tools and expert analysis.</p> <p>The Internal Control Policy (2014) sets out a full range of measures to ensure compliance with not only regulatory requirements but also best international practice.</p> <p>Center-invest Bank refrains from operations that would have a negative impact on local communities. In a timely manner, the bank communicates its anti-corruption policy and procedures to local communities and informs them of the impact of external risks. In accordance with Russian legislation, the bank informs</p> | <p>https://www.e-disclosure.ru/portal/files.aspx?id=3018&type=1</p> |
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| | <p>law enforcement agencies of any incidents of corruption and breaches of the law.</p> <p>Chairman of the Board of Directors of Center-Invest Bank, Head of the ESG-Banking Project Group of the Association of Russian Banks, Professor, Doctor of Economics Vasily Vysokov became a laureate of the All-Russian award of financiers «Reputation» for his contribution to sustainable development.</p> | <p>https://centrinvest.com/about/news/36676</p> |
| <p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p> | <p>The reproduction of human capital continues to be one of the important priorities in the implementation of the ESG strategy. We value each employee’s contribution to the bank’s growth and development. The Bank’s activities to foster a culture of responsible banking:</p> <ul style="list-style-type: none"> ● Willingness of the bank’s management and Board of Directors to communicate with every employee. ● Communication with employees via email newsletters and social media and at internal company events. ● Training and upskilling employees at the Employee Training Centre. ● Organising cultural, sporting and volunteering corporate events. ● Regular surveys to ascertain employee engagement and whether there is a positive atmosphere in teams. ● Bonus payments to the heads of departments take into account the results of the implementation of ESG principles in their work. ● Organization of lectures on responsible financing and bank tours for children of employers and customers. <p>In 2021, a system for conducting employee surveys was introduced. Conducting surveys and implementing changes based on the data received allows the staff to be heard, gives an understanding that their opinion is important for the employer, increases loyalty to the company, and has a positive effect on the HR brand.</p> | |

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| | <p>Corporate volunteering is one of the most important components of Center-invest Bank’s corporate culture.</p> <p>Our corporate volunteering initiatives mainly involve helping vulnerable groups of the population, and activities relating to education, environmental protection and social welfare.</p> <p>We aim to continue promoting a culture of volunteering and to establish a large, sustainable corporate volunteering system. In 2021, 26% of our employees were involved in volunteering. We hope to increase this percentage, with an emphasis on the branch network, and also to attract external volunteers from among our customers and partners.</p> | |
| <p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> a) target-setting and actions to achieve targets set b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected. | <p>ESG development is the key part of the Bank’s strategy. The Chairman of the Board of Directors Prof. Vysokov is actively implementing an ESG banking approach in decision-making not only at the meetings of the Board of Directors of Center-invest Bank, but also at the national level as a leader of ESG project group of the Association of Russian banks. The Board of Directors supports this direction of Bank’s development approving the Bank’s strategy, business-plans, internal documents and regulations and reporting.</p> <p>The Bank’s <i>CEO Ms Simonova</i> passionately supports the principles of ESG banking in decisions of the Executive Board, organization of work on the implementation of business plans, assessment of the work of divisions.</p> <p>The Executive Board is assigned responsibility for compliance with the principles and approaches specified in the policies, ensuring that the policies are communicated to all bank employees and for compliance with the policies. All of the Bank’s credit committees are also guided by the policies.</p> <p>Mr Smirnov - CFO of Center-invest Bank - is in charge of coordination of the processes used for the adoption of the environmental procedures at Center-invest Bank, serves as an Environmental secretary of the Bank.</p> <p>Center-invest Bank has had corporate governance rules and procedures since 2004, including codes of corporate</p> | |

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| | <p>conduct and ethics, and policies for specific areas of the business.</p> <p>Center-invest Bank’s ethical values, which are shared by its executive board, employees, customers and partners, are reflected in its codes and policies. These values are part of the bank’s corporate culture.</p> <p>In carrying out its activities, the bank pays special attention to the respect and protection of human rights at all times, and it strives to ensure that human rights are observed in all the geographical areas where it operates.</p> <p>The Bank’s employees traditionally come from a wide range of ethnic and religious backgrounds. Inclusion and diversity are part of the bank’s corporate culture. The Bank Secretary for ESG Issues is available to assist or advise any employee on matters relating to discrimination, harassment or unethical conduct.</p> <p>Training on human rights is provided as part of the process of familiarising new employees with the bank’s codes and policies. The bank’s employees comply with applicable Russian legislation in all aspects, including human rights protection.</p> <p>All customers are being checked for compliance with the Russian legislation. The bank refrains from working with customers who violate human rights. The criteria in the bank’s Environmental and Social Policy are applied when assessing all loan applications. Social risks are considered, including observance of human rights, which is also mandatory under the bank’s funding agreements with its international partners.</p> <p>The Bank monitors and examines any complaints in compliance with applicable law. The Bank guarantees that any information received from customers will be kept confidential, unless otherwise required by law.</p> | |
| <p>Please provide your bank’s conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p> | | |
| <p>We have progressed substantially in fulfilling this requirement. The Bank has a strong governance structure for ensuring that the Principles are implemented effectively, including managing significant impacts, setting and monitoring targets. The Executive Board reports quarterly to the Board of Directors on progress made to achieve targets and general implementation of the Principles.</p> | | |
| <p>Principle 6: Transparency & Accountability</p> | | |

| <p>We periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society’s goals.</p> | | |
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| <p>6.1. Progress on Implementing the Principles for Responsible Banking</p> <p><i>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</i></p> <p><i>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</i></p> <p><i>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and</i></p> | <p>The ratings agency Expert RA published an analytical review and the first ESG transparency rating of Russian companies. Center-invest Bank ranks 5th among Russian financial institutions.</p> <p>Center-invest Bank is one of the leaders of the sustainable development agenda in Russia. We were one of the first Russian Signatories of the Principles for Responsible Banking.</p> <p>The Bank actively cooperates with the national and international institutions on ESG-issues.</p> <p>We expect significant progress in achieving ESG-goals and implementing the Principles for Responsible Banking due to implementing the new Strategy “ESG digitalization 2.0”</p> <p>In 2021, Center-invest Bank released a new scientific and practical manual "Agile digitalization of ESG Banking". The author is Vasily Vysokov, Doctor of Economics, Professor, Chairman of the Board of Directors of Center-invest Bank, Head of the ESG Banking Project Group of the Association of Russian Banks. This theoretical and practical handbook captures the interplay between the two main development trends in the banking sector: the transition to digital banking, and a business model based on environmental, social and governance (ESG) principles.</p> | <p>https://centrinvest.com/about/news/center-invest-bank-in-top-5-for-esg-transparency</p> <p>https://centrinvest.com/files/publications/AGILE_DIGITALISATION_OF_ESG_BANKING.pdf</p> <p>https://centrinvest.com/about/news/esg-center-invest-bank-in-the-capital-of-the-european-union</p> <p>https://centrinvest.com/about/news/esg-banking-at-center-invest-bank-made-in-russia</p> |



**PRINCIPLES FOR
RESPONSIBLE
BANKING**

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| <p>has made progress on its implementation of these Principles.</p> | | |
| <p>Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking</p> | | |
| <p>The Bank has made good progress of implementing the Principles. Using regional SDG statistical data, the Bank align its Business strategy to reflect the impact goals and objectives, including the achievement of the SDGs and National projects and Paris Climate Agreement.</p> | | |