



ESG REPORT  
2023



# Contents

Preamble by the Chairman of the Board of Directors	3
Preamble by Chairman of the Management Board	5
About Us	6
Competitive Positions	7
Key Events of 2023	8
About the Report	9
Basic Principles	10
ESG Bank	11
ESG Development	14
Development of the Bank's Human Capital	22
The bank team general profile	22
Care for employees	24
HR Development Department	25
Training and transfer of experience	25
Development of young specialists	26
Development of Corporate Culture	26
Digital Transformation of HR Processes	28
Environmental Issues as a Priority	29
Environmental risks management	29
Own Environmental Impact	31
Social Impact	34
Financial Literacy Development	36
Support of Education and Science	38
Development of Youth, Women and Social Entrepreneurship	47
Culture and Revival of Cultural Heritage	52
Help for the Elderly, for People with Disabilities and Families in Difficult Life Conditions	55

Governance	60
Principles of Corporate Governance	61
Management Bodies	61
General Meeting of Shareholders	61
Board of Directors	62
Committees of the Board of Directors	62
Management Board	64
Corporate Secretary	65
Internal Control and Risk Management	65
Corporate Ethics	65
Anti-Corruption Measures and Compliance	66
Responsibility for Products	67
Conclusion	68

## Preamble by the Chairman of the Board of Directors

V. V. Vysokov, Professor, Doctor of Economics

### Our Works Demand Changes

ESG has become a powerful trend, a mandatory reporting element for large companies and financial market participants.

In this case:

1. The composition of ESG indicators is still a matter of debate.
2. The positive impact of these indicators on financial performance has not been proven.
3. Deferral of ESG ratings for SMEs reduces the quality of ESG ratings of large companies in whose technological and logistic chains small businesses are involved.



In this context, Center-invest Bank's present report is structured according to the principle of prioritising ESG activities over the bank's operational and financial performance. The bank has done a lot of work to implement ESG principles in its own technological processes, procedures for lending to its clients, funding, ESG ratings of clients, projects, payments and settlements. Taking into account the already accumulated data, the report presents an analysis of the impact of ESG factors, allowing to assess their real efficiency and attractiveness for clients, shareholders and investors, to present tested methods of solving common problems of ESG promotion.

Center-invest Bank has been a pioneer in localising ESG principles in Russia and remains a leader in promoting these principles for SMEs and at the regional level.

Center-invest Bank's reports have received positive UNEP FI<sup>1</sup>, GABV<sup>2</sup> opinions, and the bank was rated [ACRA ESG-AA](#), level ESG-2 in the first quarter of 2024.

Center-invest Bank successfully overcomes any challenges in the face of continuous crises, remaining "up to date, in the forefront and on full alert". Over the previous two years, the bank's profit has grown 2 times (the growth rate for Russian banks was 1.4 times), the bank ranks 5th in Russia in terms of loans to SMEs and 11th in mortgage lending, participates in all state support projects, and is building up its base of ESG ratings for small businesses. Sustainable business model enables Center-invest regional bank to develop successfully and strengthen its competitiveness both on the local and global markets. The bank actively multiplies its experience of transformations among its clients, universities, general public, businesses and government bodies.

<sup>1</sup> United Nations Environment Programme Finance Initiative is a UN Environment finance initiative.

<sup>2</sup> Global Alliance for Banking on Values

ESG cannot be implemented without digital technology, digitalisation without ESG makes no sense. For many years, Center-invest Bank has been actively involved in shaping a creative digital environment, the remote economy and the training of IT specialists. The report presents digital solutions to assess the impact not only of ESG factors, but also of the Sustainable Development Goals and other taxonomies: green, social, technological and sovereign... The data presented allow us to compare the interrelationships of different approaches and their impact on financial performance.

In a challenging geopolitical environment, Center-invest Bank is proving that a sustainable, responsible, values-based business can and should be successful, and is motivating its customers and partners to follow the ESG path.

Like any long-term idea, ESG is about stability and the bottom line. In times of crises, volatility and market uncertainty, it helps to avoid losses and helps to keep the entire ecosystem running regardless of external factors. In calm times, it gives an opportunity to earn long-term profits and accumulate a safety margin before the next crises. This approach ends up being more effective over long time horizons.

## Preamble by Chairman of the Management Board

Lidia Simonova

### Honesty is our best asset

For the Bank employees and managers, honesty means disclosing information about objectives, risks, and practices to all stakeholders in a full, transparent, accurate, and timely manner.

The year 2023 may be characterized as a period of active adaptation of Russian enterprises to the changed economic situation. In a short period of time, Russian companies were forced to build competences in new areas, master advanced niches and technologies, and implement the import substitution policy at an accelerated pace.

Together with our clients, we developed and implemented risk mitigation measures, searched for new logistics chains and payment routes, and participated in transforming business models into more innovative ones in the context of the challenges of modern times.



Center-invest Bank has once again demonstrated in practice how effective ESG approaches work in any economic environment through affordable and transparent lending terms, fair deposit terms, and a client-centric approach, which not only helps to maintain sustainable growth rates but also addresses the global competitiveness of its clients in order to safeguard the sovereignty of Russia. Honesty is our best and most important asset. We work in such a way that you want to come back to us and recommend us to your partners, relatives, acquaintances, and colleagues.

The bank successfully implements an ESG-rating system for small businesses, implements energy efficiency and modernisation programmes unique to Russia, launches green products, assesses carbon footprints, and supports family entrepreneurship and environmentally friendly production.

Social and educational projects for veterans, schoolchildren and students have become part of our responsible brand and have been recognised both in the South of Russia and nationally.

In 2023, the Bank, together with the Financial Literacy Centre, implemented an educational project unique for Russia: ESG for All. A free interactive lecture course on the basics of ESG banking combines the best practices we have accumulated over 30 years in the field of sustainable banking, demonstrating how the principles of responsible business conduct are implemented and adapted to modern requirements and challenges.

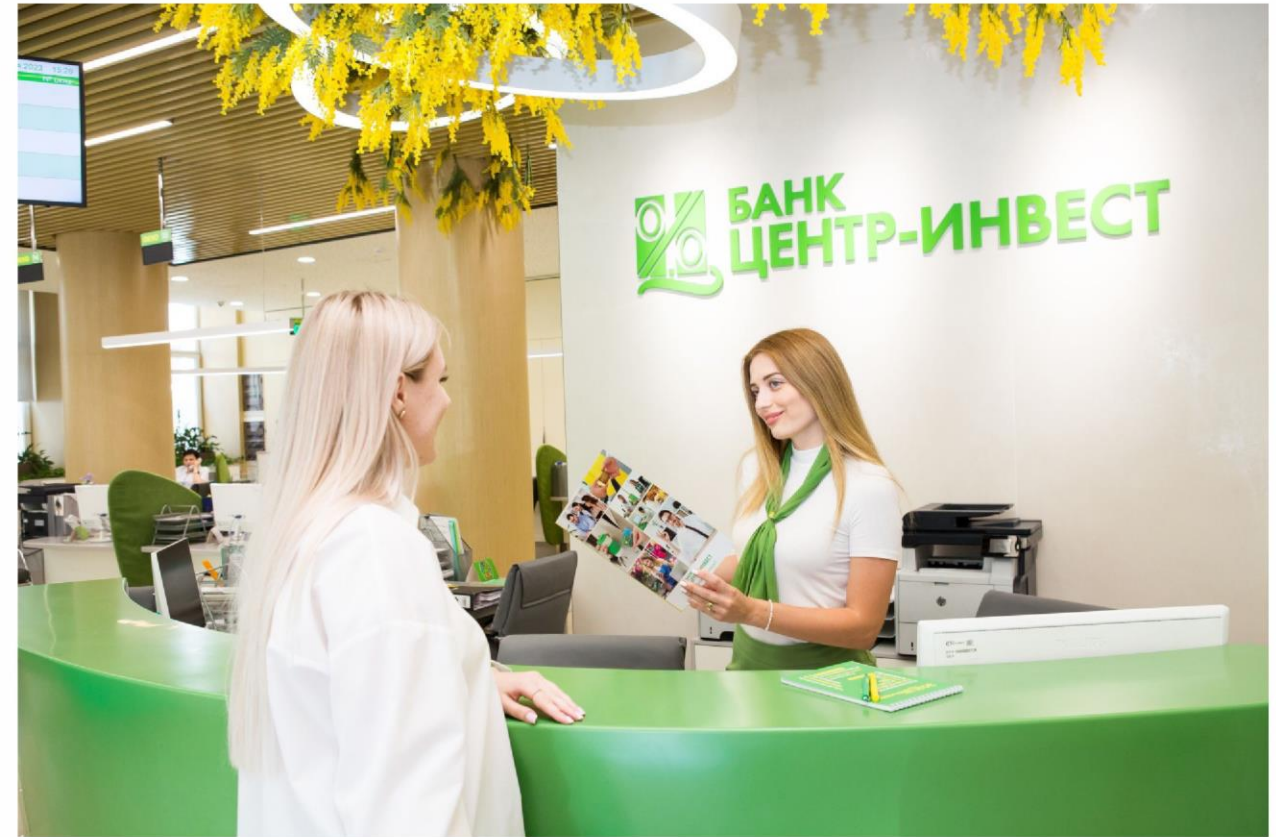
Center-invest Bank is a regional bank but with a global mentality, which is why we always set ourselves ambitious goals. Digitalisation of business processes, customer focus, maintaining global competitiveness and ESG development remain the foundation of each of our strategies. The rapidly changing world presents new challenges to ESG banking, digitalisation of innovations can only be realised through non-standard creative solutions, we are used to them and are always ready!



[Honest leadership of Center-invest Bank in mortgage products](#)

# About Us

Bank for Development



Center-invest Bank is a leading regional bank for corporate and private clients that holds leading positions on Russia's financial market. Its responsible business model, innovative approach and sustainable growth of financial performance allowed Center-invest Bank to introduce the best world practice of green investments and Social and Corporate Governance.

Today the network of the Bank branches consists of 98 offices in 7 regions of the Russian Federation: Rostov and Volgograd Regions, Krasnodar Territory, Stavropol Territory, Republic of Adygea, Nizhny Novgorod Region, and the city of Moscow. The bank team consists of 1,452 members.

The bank's core business is concentrated in the South of Russia, so despite having offices in Moscow and Nizhny Novgorod, we position ourselves first and foremost as a bank of the South of Russia responsible for the economic and socio-cultural development of our native region.

### Competitive Positions:

#### The bank in ratings and numbers

**Credit rating**  
**AKPA-A(ru)** (positive forecast)

**ESG rating**  
**AKPA** ESG-AA level 2

**Signer**  
**UNEP FINANCE INITIATIVE**  
**SUSTAINABLE BANKING PRINCIPLES**

**Global Alliance for Banking on Values**  
**GABV membership**

**Банк России**  
 Центральная Банк Российской Федерации

1 of 22 key credit institutions in the payment service market

5 Volume of SME lending  
 11 Volume of mortgage lending

46 Reliability rating of banks of Russia

01.01.2024

29 Loans to individuals  
 33 Loan portfolio  
 36 Issued bonds and promissory notes  
 37 Deposits of individuals  
 53 Net profit  
 56 Net assets

01.01.2024

29 the rating of Russia's largest banks on social media

01.01.2024

5 bank rating by clients based on the number and quality of reviews

## Key Events of 2023

- Presentation of the statistical collection [Rostov Region: Movement towards the Sustainable Development Goals: 2016–2022](#)
- Publication of the scientific and practical manual [Regional Bank in the Sovereign Economy by Vasily Vysokov, Chairman of the Board of Directors of the Bank, Professor, Doctor of Economics](#)
- An international competition [The Economics of Transformations with a prize fund of 3 million rubles was held](#)
- The bank introduced a methodology to [estimate the carbon footprint](#) of mortgage loans and agribusiness.
- Chairman of the Board of Directors, Professor, Doctor of Economics was awarded the “For Merit” medal of the Russian Union of Industrialists and Entrepreneurs.
- Center-invest Bank became a finalist in the first Green Eurasia international climate competition and won 2nd place in the Green Finance category.
- Center-invest Bank was among winners of the Leaders of Russian Business: Dynamics, Responsibility, Sustainability — 2022 All-Russian Contest organized by the Russian Union of Industrialists and Entrepreneurs in the following two nominations: Best Practice of Interaction Between Large Business and SMEs and Best Digitalization Project.
- The bank became a member of the Bank of Russia’s Digital Ruble Platform.

■ The bank [joined the Green Code of the Rostov Region](#)

■ Presentation of the large multimedia project [Citizen of Taganrog](#), a joint project of Center-invest Bank and The Nation magazine

■ ESG evaluation and cashback for current accounts have been implemented.

■ Chairman of the Board of Directors of Center-invest Bank, Professor and Doctor of Economics Vasily Vysokov was awarded the Badge of Honor of the All-Russian Public Organization “Russian Association of Statisticians” for contribution to the development of statistics.

■ The bank took part in the Legislative Work of the Region in Economics of Transformations strategic session of the Don Parliament.

■ The teams of Center-invest Bank came first and third in the hackathon held within the framework of the FINOPOLIS Forum.



# About the Report

## Implementation of ESG Banking

Center-invest Bank adheres to the principles of sustainable development from the day of its foundation, promoting economic development of the region and quality of life improvement for its residents.

This report comprises the results of the bank's activities in 2023 as part of the implementation of a business model based on ESG principles in accordance with the main version of the Global Reporting Initiative <sup>3</sup> Standard and the recommendations of the special Task Force on Climate-Related Financial Disclosures<sup>4</sup>, the taxonomy of Sustainable Development Goals and National Projects of Russia.



The bank takes into account IFRS S1 and S2 and partially discloses the information required by the standards within this ESG report, which is in accordance with section B45 of S1.

The S1 standard is aimed at disclosing information about our own environmental impact and meeting high standards of social and corporate responsibility. The bank pays increased attention to compliance with corporate standards, as well as adherence to high standards of social responsibility.

The bank's own impact on the environment is minimal, as the Bank uses state-of-the-art technologies, renewable energy sources in its operations, and utilises the format of separate waste collection. Information on the Bank's own consumption of resources is provided in the relevant section. Climate risks do not have a noticeable impact on the bank due to the specific nature of its business.

Under S2, the impact of ESG risks on the bank's customers was assessed. The bank's entire corporate loan portfolio is divided into several categories in terms of assessing the impact of climate risks, and an assessment of each type of risk on the financial performance of clients was carried out. In addition, detailed information on the Scopes 1-3 of the bank, customers and subsidiaries is provided as part of this report. Information on scenario analyses will be presented as part of the 2024 report.

In accordance with the policy of openness and transparency, the report describes the activities and results under its ESG Digitalization 2.0 Strategy 2022–2024 that contributed to the company's sustainability and reflect the progress in implementation of the best corporate and social responsibility practices at Center-invest Bank.

<sup>3</sup> Global Reporting Initiative, GRI.

<sup>4</sup> Task Force on Climate-related Financial Disclosures, TCFD.

# Basic Principles

## Responsible Business Practice

In the implementation of ESG business model, Center-invest Bank adheres to 6 principles that have become the basis of the corporate culture of Center-invest Bank, the focus of relations with customers and partners, and the mechanism for successful business even in times of crisis.

### 1. Voluntariness

The Center-invest Bank team voluntarily commits to working in line with ESG principles based on responsible business conduct, fair treatment of customers and partners, creating favourable social conditions for the development of the region and its residents, environmental protection and good corporate governance.

### 2. Global Vision

We share the provisions of international agreements and documents on sustainable development and consistently implement them in our practice, reflect the results of our activities on the basis of international recommendations; monitor and comply with international best practices; promote the development of international contacts of partner banks, entrepreneurs and young people.

### 3. Social Responsibility and Efficiency of the Bank

imply long-term sustainable profitability of the Bank, innovative development of technologies, operations and products to improve the living standards of the population and the competitiveness of customers.

### 4. Risk management in the context of transformations

ESG risk management involves balancing profitability, organic growth and risk, avoiding speculative operations and prioritising lending to the real sector, stimulating demand for credit products by increasing financial literacy among the population and providing free of charge business consulting.

### 5. Bank ecosystem development

The bank takes into account the long-term development of the main components of the Bank's ecosystem — economic, environmental, social and information — based on a rational combination of rates, proportions, modern methods and technologies.

### 6. Cultivation of Personnel

The bank provides continuous training of its employees in new areas in the banking business, forms a corporate culture based on creative atmosphere, responsibility, and confidence in success to achieve new results in sustainable development of the bank and our customers.



# ESG Bank

Center-invest Bank is an example of the successful implementation of ESG banking in Russia. In 2023, Vasily Vysokov, Chairman of Center-invest Bank's Board of Directors, Professor and Doctor of Economics, published a new book titled [Regional Bank in the Sovereign Economy](#), which is devoted to the role of regional banks in the Russian banking system and economic development of the regions.

Drawing on Center-invest Bank's experience, Professor Vysokov demonstrates that a regional bank can implement localisation of global best practices to achieve global goals, develop the regional financial infrastructure and address the challenges which the region's economy is facing.

"A regional bank is a special path of creative development of banking in conditions of excessive regulation, governmentalization and monopolization, driven by the search for responses to constant challenges in the face of continuous crises," pointed out Professor Vysokov.

The main objective of ESG banking for a regional bank is to develop sovereignty, including technological sovereignty, based on the creative search for new optimal solutions to build a planning horizon and the search for innovative tools to adapt to new challenges.

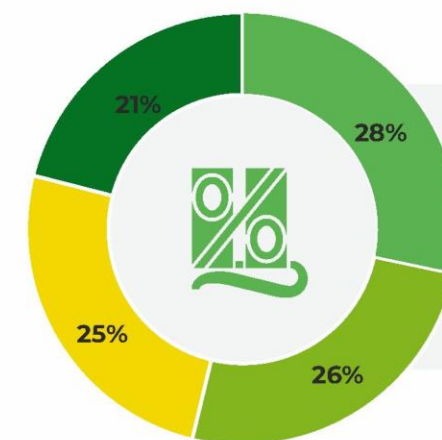
All of the bank's activities, from business financing and community happiness lending, are based on the principles and goals of sustainable development.

The business model of the Bank is focused on the social values:

- Real sector of economy;
- Interests of future generations.

In 2023, 83% of Center-invest Bank's revenues came from lending to the real sector of economy.

## Distribution of incomes:



- to the public (payment of interest on deposits and cards)
- to partners and suppliers
- to employees and the State
- to shareholders (dividends and development)

Our fair lending products are ESG in action. Customers come to Center-invest Bank for several reasons:

- fair terms
- best rate
- no marketing rates or other gimmicks
- we are responsible for everything we offer and ready to assist further.

### Average total cost of credit for mortgage loans in 2023

Across the Russian market: 12.77%

In Center-invest Bank: 8.51%

Center-invest Bank finances projects that meet the criteria of Decree of the Government of the Russian Federation No. 1587 of 21 September 2021 (revised on 30 December 2023) On Approval of the Criteria for Sustainable (Including Green) Development Projects in the Russian Federation and Requirements for the Verification System for Sustainable Development Financing Instruments in the Russian Federation.

The bank maintains records of loans issued for the implementation of projects according to the national taxonomy. Given the specifics of the bank's business, these are mainly investment loans for small and medium-sized businesses.

To date, more than RUB 3 bn has been allocated to SME projects that meet the criteria of Resolution No. 1587.

### Sustainable Development Projects Loan Portfolio<sup>5</sup>

01.01.2024  
RUB mln

GREEN PROJECTS

244.3

ADAPTATION PROJECTS

2740.6

SOCIAL PROJECTS

84.0

3068.9

### Green Projects in the Bank's Portfolio

— recycling of paper and plastic waste to obtain material products, including secondary raw materials, at solid waste accumulation sites, as well as recycling of class 1-4 waste to obtain heat energy used in production processes

— purchase of suburban and intercity passenger buses fuelled by compressed methane

— modernisation of irrigation infrastructure for efficient irrigation of agricultural land, as well as agricultural projects using no-till technology.

<sup>5</sup>Taxonomy according to Decree of the Government of the Russian Federation No. 1587 of 21 September 2021 (revised on 30 December 2023).

## Lifestyle of a Don Cossack as a Prototype of ESG Agenda

*Nikolay Yuzefov, a farmer from Rostov Region, does not use ESG abbreviation. But while working on the land, the hereditary Cossack intuitively came to understand modern technologies of sustainable development, on the basis of which today's advanced business is built.*



### Adaptation Projects in the Bank's Portfolio

— creation of infrastructure for storage and processing of agricultural products: elevators, automated vegetable and fruit storage facilities, energy-efficient workshops and equipment for processing and storage of aquaculture and marine products

— purchase of new agricultural machinery to reduce the carbon footprint by 20 per cent or more.

### Social projects in the Bank's portfolio

— creation and material and technical equipment of health care facilities to ensure accessibility of medical services in conditions of limited accessibility of state municipal medical centres

— construction and installation of sports halls in areas with a low number of sports facilities

— modernisation of tourist infrastructure facilities in the regions where the Bank operates (health resorts).

On an ongoing basis, we work to improve the level of financial literacy of businesses and grow a new generation of entrepreneurs: 8,661 people have been trained in the Bank's Accelerator.

*Our clients think that ESG is important because doing business responsibly allows for long-lasting partnerships. Social responsibility for our clients is stability and confidence in the future, confidence in our partners. Socially responsible business, in the opinion of our clients, is the refusal of immediate (speculative) profit in favour of long-term results, long-term mutually beneficial relationships that promote mutual growth and development, create a favourable business climate in the region and provide opportunities for creativity in any area of the economy to cope with constant challenges and crises.*

*Taking care of employees makes it possible to cultivate and retain personnel, which helps to reduce turnover, taking into account the problem of staff hunger, and ultimately reduces the cost of finding and training new employees. In addition, it makes it possible to preserve the principles of corporate culture, values, company spirit, as well as the accumulated expertise.*

*Taking care of the environment, using energy efficient technologies is an opportunity to reduce harm to the environment, optimise costs, which in the long run will contribute to both profit growth and the formation of a responsible approach in our children, so, according to our customers, it is very important to take care of nature today, so that our children can see a happy tomorrow.*

In 2023, Center-invest Bank joined the Declaration<sup>6</sup> on cooperation between large businesses and small and medium-sized enterprises prepared by the Ministry of Economic Development of the Russian Federation with the participation of the Russian Union of Industrialists and Entrepreneurs, OPORA Russia, the Russian Chamber of Commerce and Industry, and Business Russia, based on the best Russian and international cooperation practices.

## ESG Development

The bank consistently implements the steps toward the sustainable development:

- 2019** Consideration of SDG/NP in the lending process, the first green bonds in Russia
- 2020** Launch of Green Deposit, the second issue of green bonds
- 2021** Record of all payments in SDG system, the world's first ESG balance
- 2022** Introduction of ESG rating in lending, the Green Mortgage lending program
- 2023** Calculation of carbon footprint for mortgage and agricultural loans, launch of ESG assessment for current accounts

<sup>6</sup> <https://economv.gov.ru/material/file/H8d70d484f2f34c62538dalbea8b42f/deklaracija.pdf>  
<https://economv.gov.ru/material/file/47alae5a94f29elc47895544f466dd90/standart.pdf>

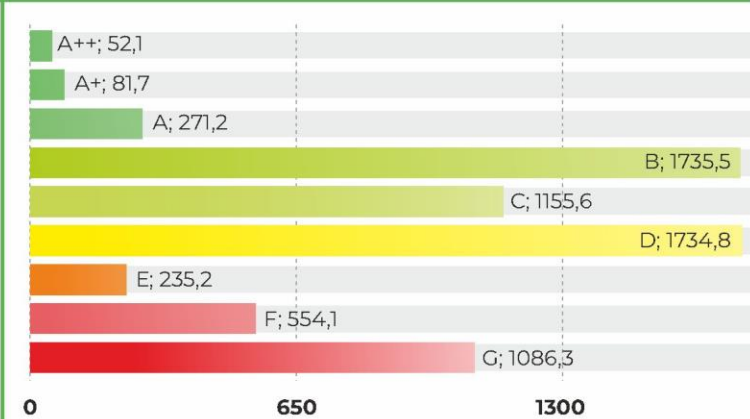
In 2023, the bank began to assess carbon footprint of all new mortgage loans and loans for branches of agriculture. Thus, 70% of all newly issued loans are assessed from the viewpoint of greenhouse gas emissions and impact on the environment. The carbon footprint calculation methodologies are based on the best international practices and the bank's 30-year experience of lending to clients in the South of Russia.

### Mortgage Carbon Footprint

Center-invest Bank began assessing its environmental impact long before ESG became a global trend. Today, the bank counts the carbon footprint of every mortgage issued and has no plans to rest on its achievements, carefully assessing the prospects for achieving carbon neutrality in the future.



### Energy efficiency (EE) class + construction year of apartment building, million rubles

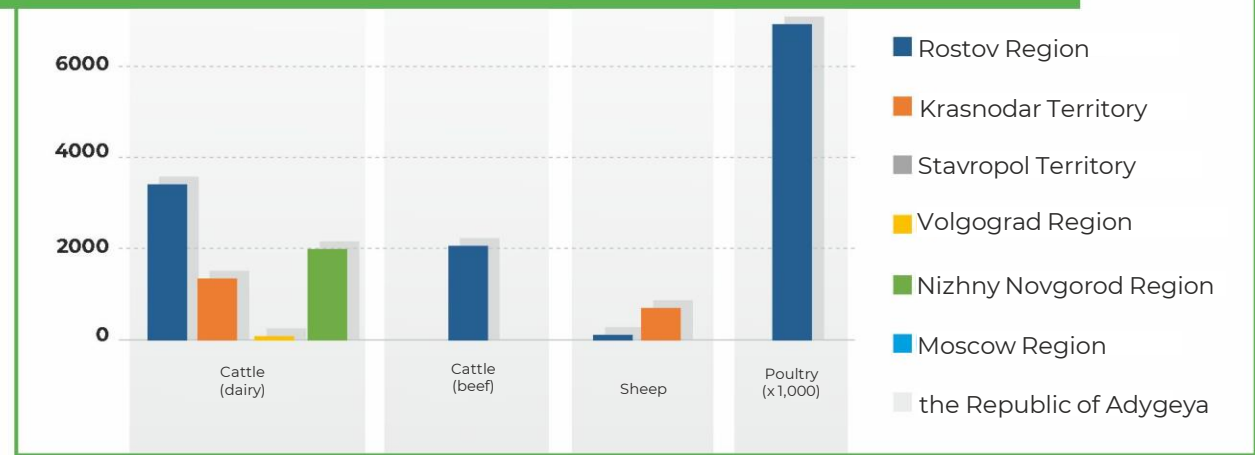


Carbon footprint of a mortgage represents projected consumption of all energy resources in regard to the apartment being purchased in an apartment building, such consumption reflecting the total specific annual intake of heat energy for heating, ventilation, hot water supply and general household needs of the apartment building.

To calculate this index, the bank uses parameters of an apartment building (energy efficiency class, year of construction, number of stories), parameters of the apartment being purchased (area) and the region of apartment purchase in order to understand how much energy needs to be spent on heating of such apartment, depending on severity of climate conditions (degree-days of the heating period).

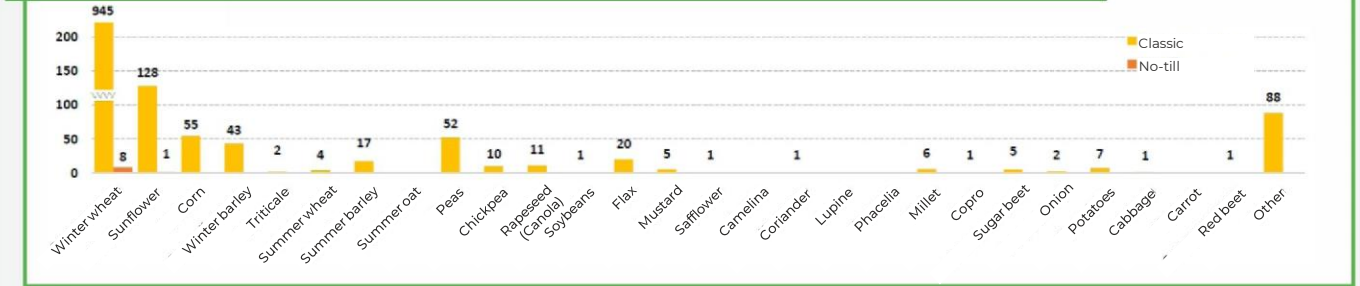
In 2023, the bank evaluated 2,240 mortgage loans for the amount of 6.9 bn rubles. The total carbon footprint assessment value constituted 5,432 tons of CO<sub>2</sub> equivalent (46.6 kg of CO<sub>2</sub>/mg/year), and the total amount of loans with such assessment constituted 12.2% of the bank's total mortgage loan volume.

### Distribution of animals by species and regions, units



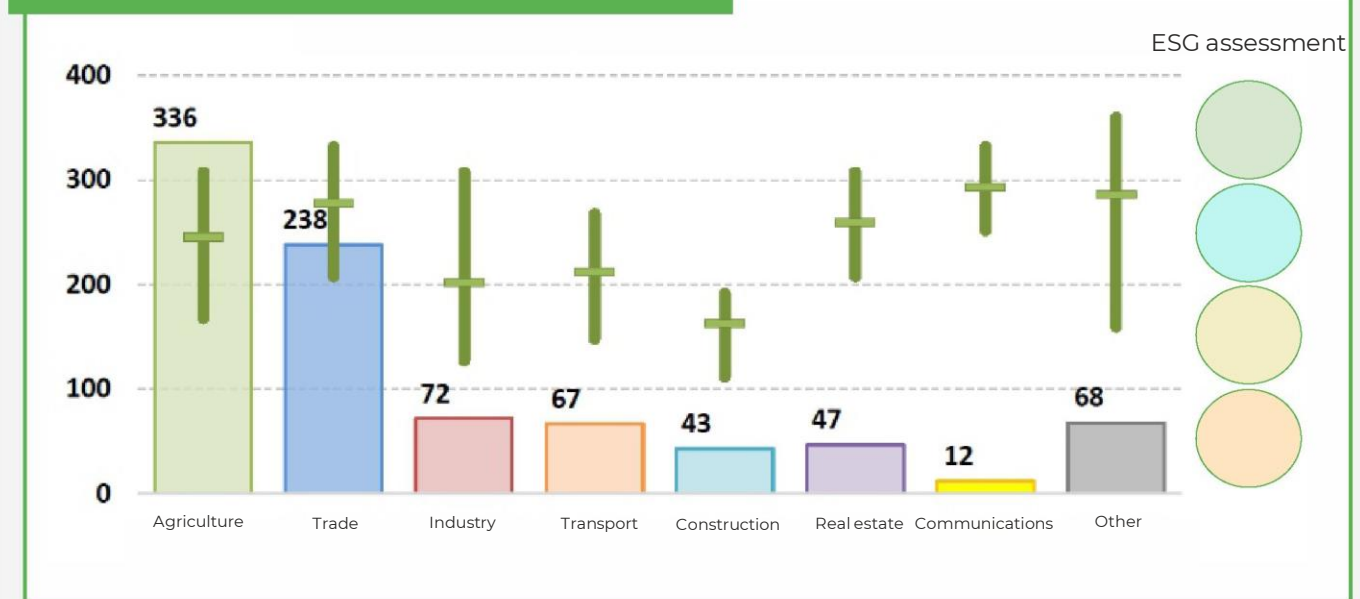
As from July 2023, the bank launched carbon footprint assessment for branches of agriculture, both crop growing and animal husbandry. As of the end of 2023, 860 loans for the total amount of 7.9 bn rubles have been assessed. The total area of assessed land plots amounted to 849 thousand hectares.

### Distribution of sown areas by type of crops and applied technology, thousand ha



In assessment of carbon footprint, the bank takes into account the types of crops being grown, volume of per-hectare growing costs for each crop, planted area, crop growing technology being used, number and breed of animals, volume of per-head costs for each animal type, and the region of business operation, which determines various additional fermentation factors, etc.

### Branches and assessment intervals



In 2023, the bank offered all its corporate and private entrepreneur clients having current accounts therewith to undergo an ESG assessment and establish their ESG development level. The methodology includes 4 assessment levels, from absolutely green to orange. As of the end of 2023, 883 clients of the bank, most of which work in the area of agriculture or trade, have undergone the ESG assessment.

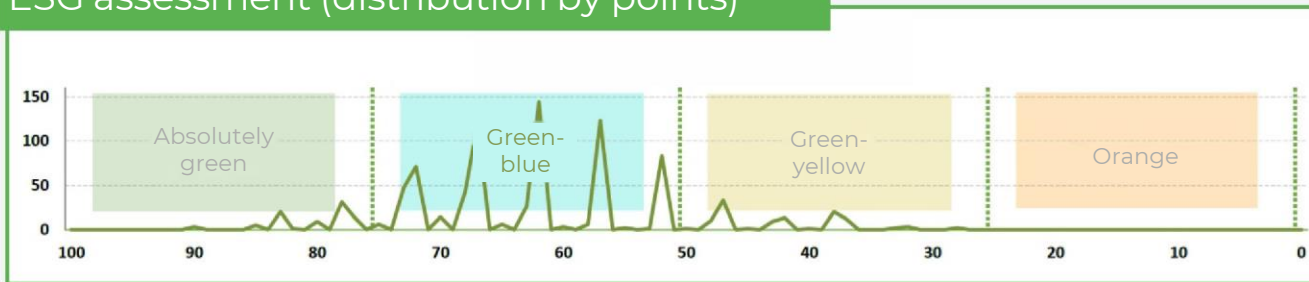
As a thank you for responsible business conduct, the bank offers its clients account maintenance cacheback, the amount of which depends on the level of ESG score: the higher the score, the bigger the cacheback. The assessment methodology includes 15 parameters that take into account various aspects of doing business, assessment of the level of environmental, social and corporate culture, industry risks and other factors.

The ESG banking model builds a sustainable ecosystem of client relationships and encourages all participants in this system to pursue more responsible and socially responsible policies within the organisation.

By the year-end 2023, 4,393 loans for the total amount of 31.1 bn rubles have undergone non-financial rating, which constitutes 80% of the entire corporate loan portfolio.

Customers with ESG-A/B/C rating levels receive gratitude certificates for the responsible conduct of business. Moreover, the borrowers may apply for overdraft with a discount depending on ESG rating level (the higher the level, the bigger the discount). This way the bank is shaping the loyalty system and encourages entrepreneurs to conduct their business with responsibility.

### ESG assessment (distribution by points)



Since 2022, the bank has been using a methodology to assess ESG risks of entrepreneur borrowers. ESG rating includes an assessment of the social parameters of doing business with clients.

An analysis of salary comparisons in the regions where the Bank operates has shown that the salaries of the Bank's clients in many industries are above the regional average, in particular construction, trade, education, and others.

### Distribution of ESG rating levels among bank clients as of 01 January 2024





In the small business sector, there are different groups; for each of them, special products are developed within the ESG banking system that take into account the specifics of ESG goals and lending risks. At the end of 2022, the Green Mortgage lending program has been launched which allows individuals and businesses to acquire real estate with energy efficiency class A or higher at lower rates.

Since 2022, the Bank offers Green Deposit to its clients. The main feature of this deposit is that the funds borrowed from depositors are used only for the projects allowing to reach certain UN Sustainable Development Goals.

### Special Lending Programmes

**Lending to female entrepreneurs** implements the principle of gender equality and takes into consideration the lower risk appetite of female entrepreneurs. In 2012, Center-invest Bank introduced a special programme to support women entrepreneurs that was used by **1,974 female customers** for a total of **5.3 RUB billion (as of 01 January 2024)**.

**Youth business** is called upon to implement the creative ideas of the next generation within the framework of existing rules and barriers to entrepreneurial activity. For this purpose, the bank conducts training for startup entrepreneurs, provides benefits for cash management services and lending to startups, organizes free consultations and mentoring based on its own Accelerator. As of 1 January 2024, **919 startup projects** were implemented for the total amount of **1.2 bn rubles**.

Social entrepreneurship in Russia is one of the crucial goals in the modern society. Center-invest Bank pays special attention to the development of social entrepreneurship in the South of Russia and since 2017 has been implementing a special loan programme called Social Responsibility. This loan programme is implemented with the aim of developing the business of social entrepreneurs in the fields of education, healthcare, culture and ecology.

The bank's team on Field Day, Volgograd

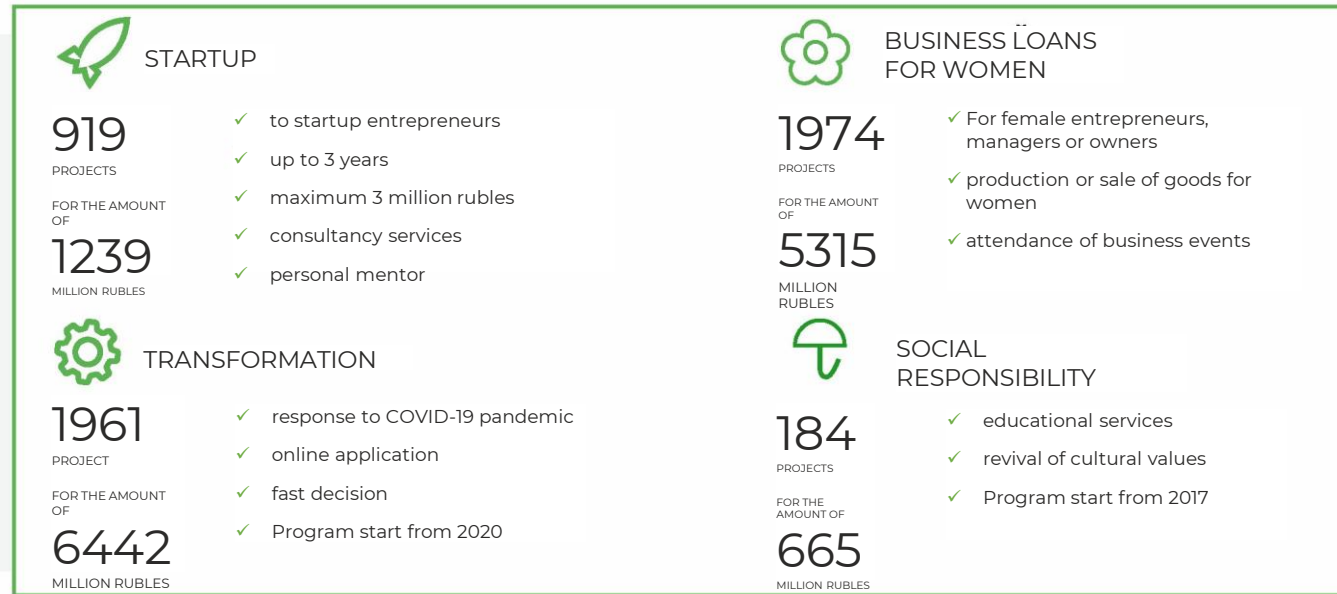


As of 01 January 2024, the bank has funded **184 projects** under this program for the amount of **665 million rubles**. The bank offers a preferential interest rate on a loan, as well as a media platform for cooperation of social initiatives in the regions.

At present, Center-invest Bank is the only bank in Russia that knows how to provide **lending for overhauls** and has been successfully doing it since 2009. By the end of 2023, the bank issued **254 loans to Homeowners' Communities** for the overhaul of apartment buildings for the total amount of **524 RUB million**. The borrowers do not incur any additional expenses. The main source of repayment of the loan are the mandatory monthly fees of housing owners for the overhaul of the building.

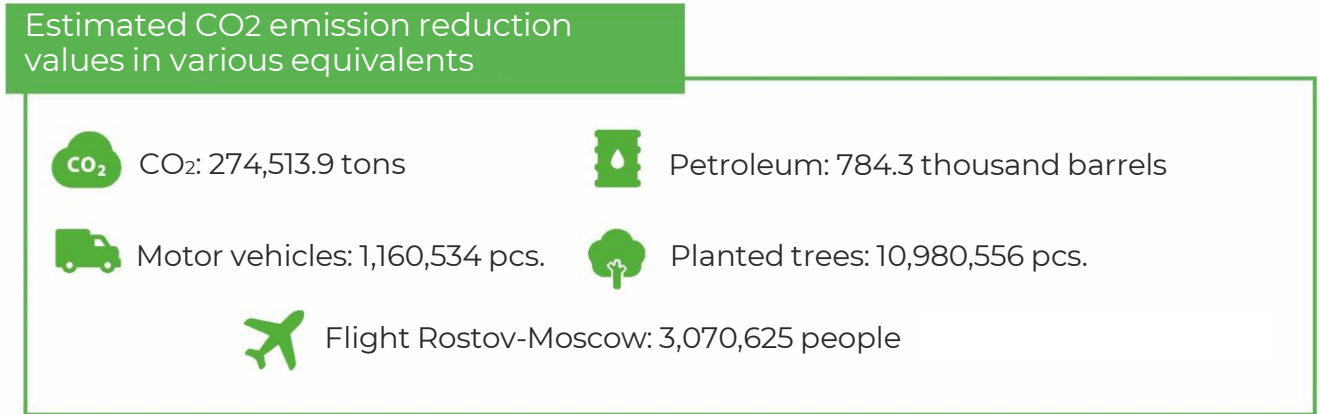
Residents pay an amount similar to contributions to the Overhaul Fund, and today they are resolving the issues of home improvement, without waiting for the necessary amount to be accumulated on the account of their apartment building.

The bank's customers from Rostov and Volgograd Regions, Krasnodar Territory, Stavropol Territory, Moscow and Nizhny Novgorod took the loans. The program is focused on installing metering systems (general house meters for heat, water and electricity), insulation and repair of walls and roofs, repair of pipelines, installation of energy-saving windows, modernization and repair of lighting systems, installation of various automation, and other measures aimed at improvement of energy efficiency of apartment buildings.



In spring 2020, the bank offered entrepreneurs the unique Business Transformation programme for them to adapt to the new economy. Using the total loan amount of 6.4 RUB billion, 1961 customers developed and launched online applications, created remote services, digitalized and optimized business processes, and found their places on the new markets thanks to using the programme which includes concessional financing, beneficial settlement and cash services, acquiring, and free-of-charge provision of the online cash register.

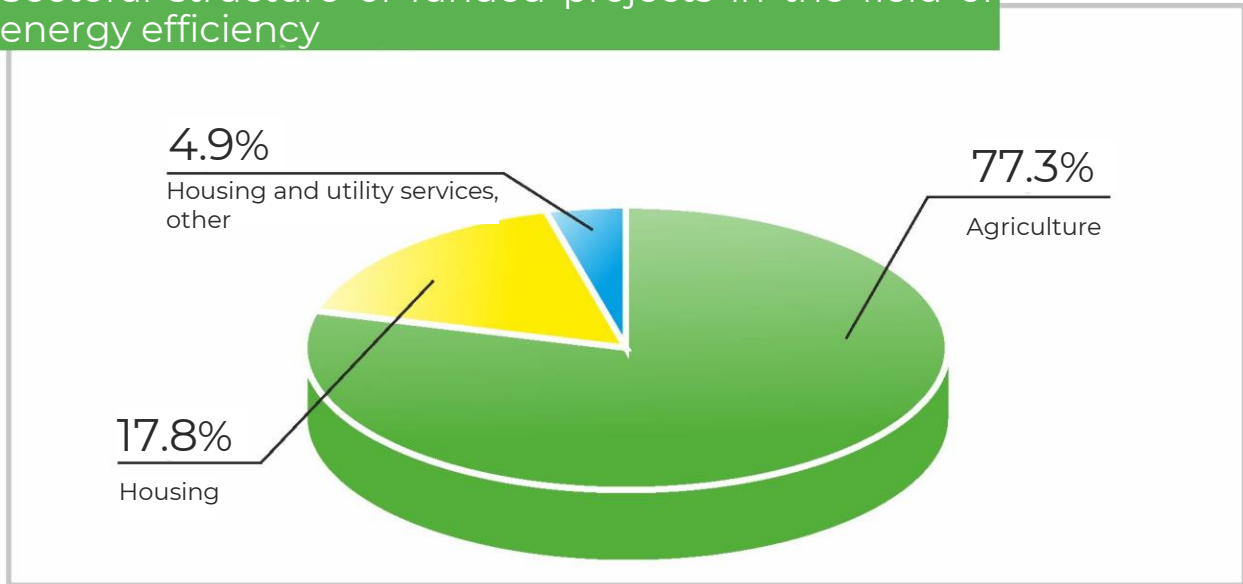
Energy efficient projects are a part of ESG. Center-invest Bank has been implementing an energy efficiency program since 2005, providing targeted loans to businesses and households to promote modern technologies and measures aimed at energy consumption reduction. Over this time, the bank has funded 24,440 projects for the amount of 23.2 bn rubles. The environmental effect of this work is equal to the annual reduction of CO2 emissions into the atmosphere by 274,514 tons.



The bank's work in the field of energy efficiency made it possible, by the end of 2023, to reduce CO2 emissions into the atmosphere in the amount of 14,000

Industry Branch	Number of projects (quantity)				Amount of projects (RUB mln)				Amount of financing (million rubles)				Share			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Agriculture (legal entities)	127	164	67	74	1157	1657	840	1174	1005	1425	711	1040	79.4%	82.5%	63.7%	77.3%
Industry, trade (legal entities)	2	3	7	0	7	27	79	0	12	23	69	0	0.9%	1.3%	6.2%	0.0%
Housing (individuals)	637	606	772	543	195	218	310	239	195	218	310	239	15.4%	12.6%	27.8%	17.8%
Housing and communal services, other (homeowners' communities)	20	32	11	27	53	62	59	130	53	62	26	66	4.2%	3.6%	2.3%	4.9%
<b>Total</b>	<b>786</b>	<b>805</b>	<b>857</b>	<b>644</b>	<b>1412</b>	<b>1964</b>	<b>1288</b>	<b>1543</b>	<b>1265</b>	<b>1728</b>	<b>1116</b>	<b>1345</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Sectoral structure of funded projects in the field of energy efficiency



In December 2021, Center-invest Bank approved the ESG Digitalization 2.0 Development Strategy 2022–2024. It continues the Strategy 2019–2021 and combines global UN Sustainable Development Goals 2030, the priorities of Russia’s National Projects 2024, and development goals under the Bank of Russia programs. This nexus makes the bank more competitive and enables it to present itself on the banking services market as a pilot project, a success story, and an example to follow.

As of 1 January 2024, Center-invest Bank’s investments in achieving global goals amounted to 508.9 bn rubles, the bank invested 450.9 bn rubles in national projects.

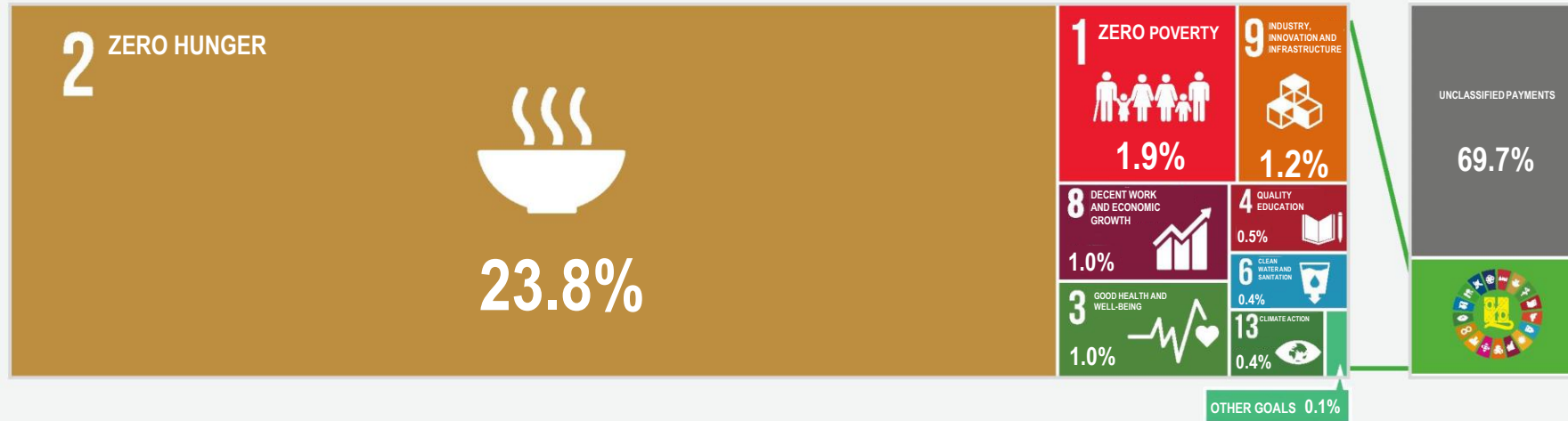
A report on all energy efficiency projects for 2023 showing energy savings (per unit) and CO<sub>2</sub> reduction (tons per year) [is given in the Appendix to the report.](#)

For each depositor, the bank provides information on its participation in funding of the SDGs and National projects. This distribution clearly shows how each depositor of the bank participates in the sustainable development of the region, the country, and the world.

## Distribution of a 100-ruble deposit of bank clients as of 01 January 2024:

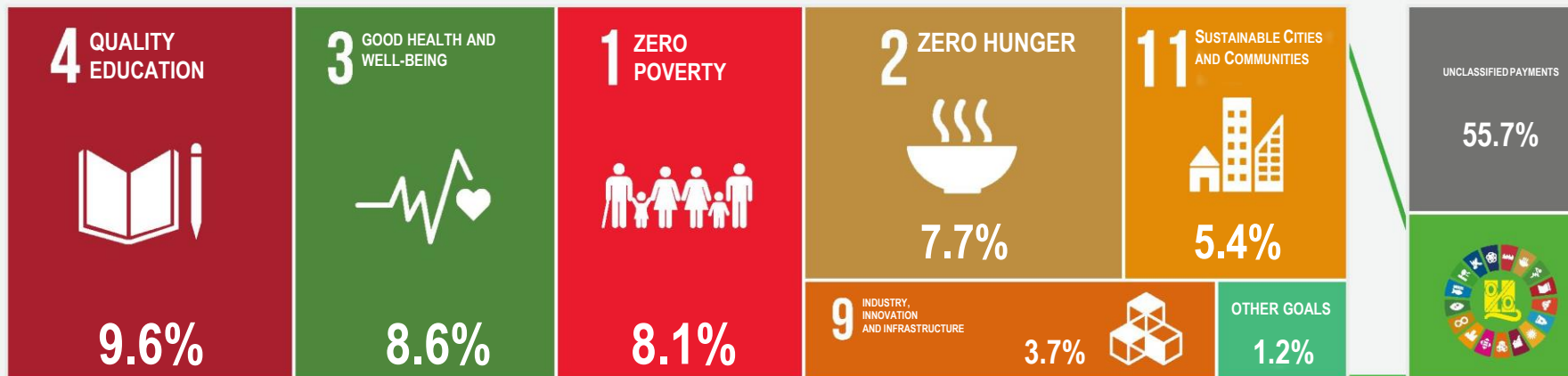


Distribution of payments of legal entities in accordance with the SDGs as of 01 January 2024



In 2021, the bank has developed a system for classifying customer payments in terms of compliance with the UN Sustainable Development Goals using Russian Standard Industrial Classification of Economic Activities (OKVED).

Distribution of payments of individuals in accordance with the SDGs as of 01 January 2024



Payments of individuals are more closely (44.3%) linked to the SDGs, including:

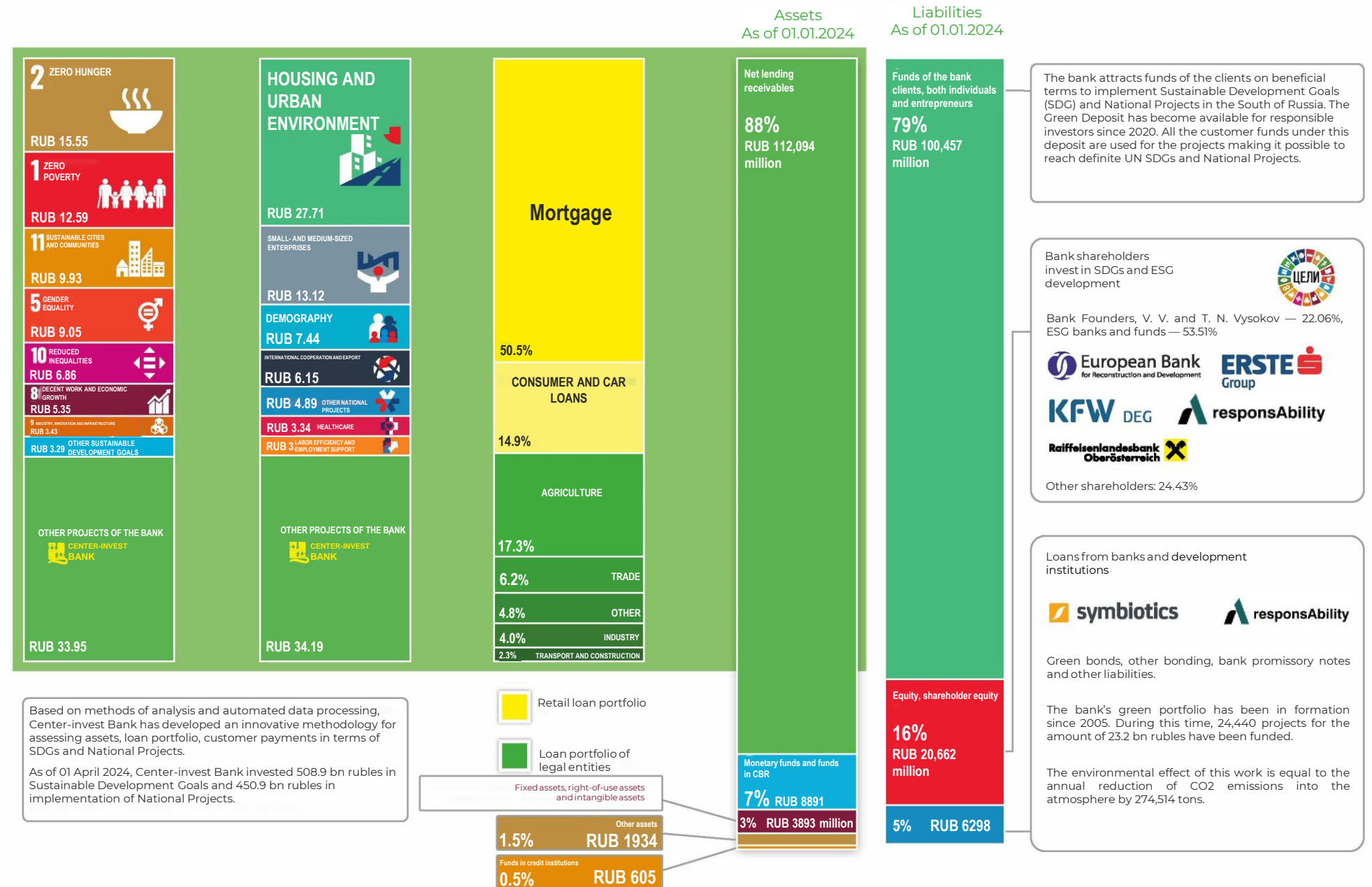
- SDG 4 (Quality Education), SDG 3 (Good Health and Education), SDG 1 (Zero Poverty): 8–10% of payments by individuals are used toward each of these SDGs;
- SDG 2 (Zero Hunger) and SDG 11 (Sustainable Cities and Communities) are in the range of 5–8%, and 3.7% of all the payments by individuals are allocated towards SDG 9 (Industry, Innovation and Infrastructure).

# ESG Balance Sheet

The bank's ESG balance sheet makes it possible to assess the effectiveness of the ESG business model in achieving the SDGs. Center-invest Bank multiplies the funds of shareholders (16% of liabilities) who have invested in the bank to implement the ESG principles, as well as the funds of clients (80% of liabilities), individuals and entrepreneurs of the South of Russia, in ESG projects, SDGs and National projects.

Thus, each ruble of investments of ESG shareholders is transformed into 5 rubles of investments for the SDGs and national projects. 88% of the bank's funds work in the real sector of economy in order to:

- improve the standard of living of the population through mortgages (51% of the loan portfolio), consumer and car loans (15%);
- develop the agroindustrial complex (17% of the loan portfolio), trade (6%), industry (4%), transport, construction, and other branches.



## Development of the Bank's Human Capital

The main priorities for the bank are to ensure compliance of all the actions performed in the field of work with personnel with the legislation of the Russian Federation, development and updating of relevant local regulations, development of knowledge, skills, and potential of employees and managers of the bank, improvement of the motivation system.

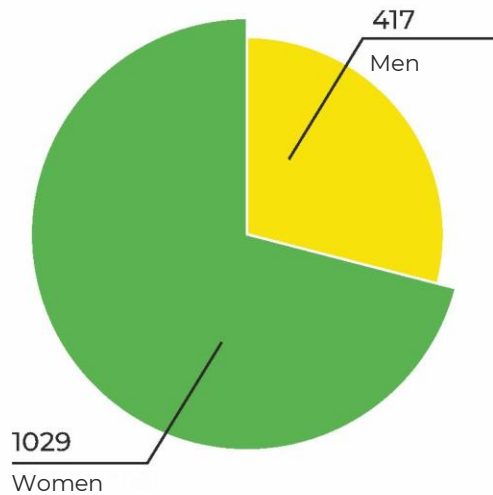
The reproduction of human capital, support, and talent development are important priorities in the implementation of ESG strategy. The bank provides ample opportunities for professional and career growth of its employees.

### The bank team general profile

#### Total headcount and number of hired employees

	Number of employees as of 31.12.2023	Number of employees as of 31.12.2022	Number of newly hired employees in 2023	Number of employees dismissed in 2023	Staff turnover in 2023
Total	1446	1546	103	203	15.6
<b>By gender</b>					
Men	417	438	36	57	4.4
Women	1029	1108	67	146	11.2
<b>By age groups</b>					
aged under 30	343	391	60	63	4.8
aged 30 to 50	895	947	39	109	8.4
aged over 50	208	208	4	31	2.4

### Bank staff by gender



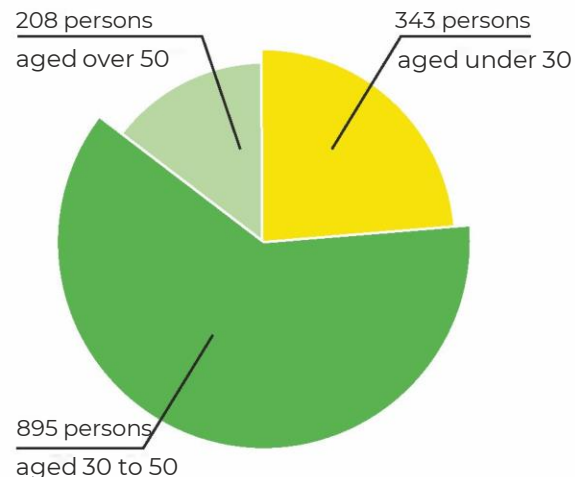
### Portrait of a Woman at Center-invest Bank

In December 2022, at a meeting of the Council for Strategic Development and National Projects, it was promised to prepare a "social profile of a woman who wants to give birth".

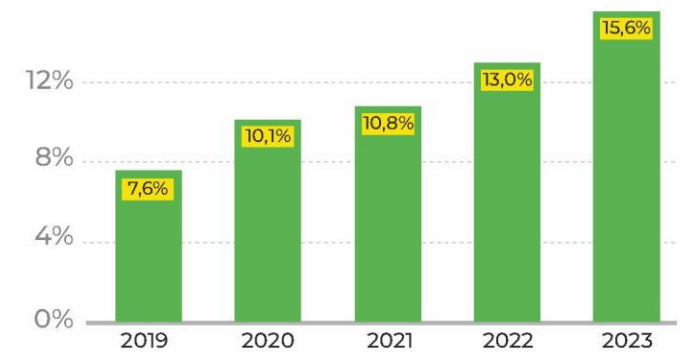


In line with the principle of "Give Assignment . Supervise . Do It Yourself", Center-invest Bank compiled this portrait on its own, using modern data processing techniques.

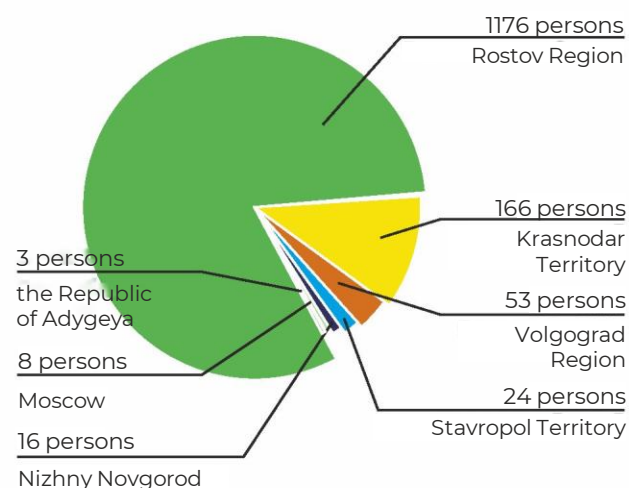
### Personnel composition of the bank by age criterion



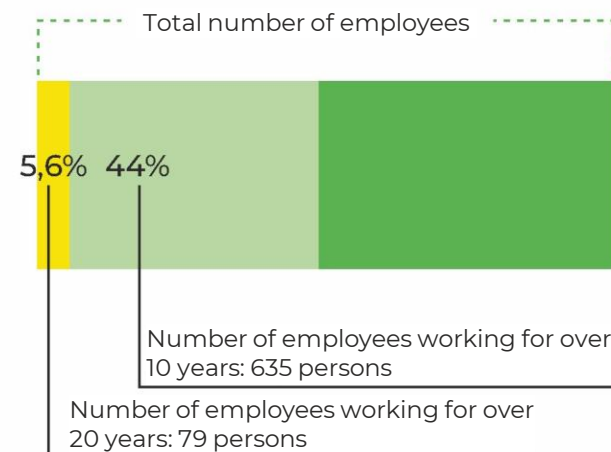
### Staff turnover, %



## Distribution of employees by regions as of 01.01.2024



## Employees with 10 and 20 years of job



Since 2012, the bank has honoured the tradition of giving annual awards to members of the 10-15-20-25 club, which expanded to include another gradation in 2023: 30 years. Bank employees who have worked for the corresponding number of years receive a letter of thanks and a commemorative badge. In 2023, 5 people were recognised for 30 years of service with a letter of thanks.



The bank's existing corporate conduct and corporate ethics standards comply with the requirements of the laws of the Russian Federation, fully protect the interests of employees and do not require the use of collective labor agreements.

Center-invest Bank pays great attention to the preparation of its personnel reserve in order to develop, promote, and retain employees with high potential, as well as to ensure efficient replacement of vacated or newly created management positions.

In accordance with Russian legislation, national traditions and established practice, all bank employees have equal rights, equal conditions, and equal opportunities for career growth.

Share of women among the bank employees: 71.2%.

Share of women among managers: 72.3%.

## Bank management personnel by gender, persons

Heads of structural subdivisions/offices	Rostov Region	Krasnodar Territory	Stavropol Territory	Volgograd Region	Nizhny Novgorod	Moscow
Women	16	12	1	3	2	0
Men	8	2	1	1	0	1

## Care for employees

The bank builds loyalty and increases the motivation of employees by providing a competitive level of remuneration, comprehensive social support, safe and comfortable working conditions, training, and realisation of the career potential of employees.

The bank makes every possible effort to preserve the life and health of employees and ensure their safety in the workplace.

There are no jobs in the bank that are associated with injuries or a high risk of morbidity, and there were no cases of workplace injuries in 2023.

For many years, the bank has been voluntarily providing medical insurance to employees at its own expense, implementing measures to prevent acute respiratory viral infections, including offering to voluntarily undergo the appropriate vaccination.

### Medical Insurance of Employees

	2020	2021	2022	2023
Number of insured employees	1601	1588	1546	1446
including women	1163	1136	1108	1029
Number of vaccinated employees	151	69	35	92
including women	94	31	19	44

An annual study of the level of employees' salaries is carried out, as a result of which the Board of Directors and the Management Board of the bank decide on the possibility of indexation. Most of the income of the bank employees is formed out of the fixed salary. The variable part is determined by management in such a way as to create flexible conditions for increasing motivation, but not to generate additional risks for the system.

The remuneration policy is regularly reviewed, changes are made as necessary and communicated to all employees.

KPIs take into account personal results and their impact on team performance, quantitative and qualitative parameters of customer satisfaction.

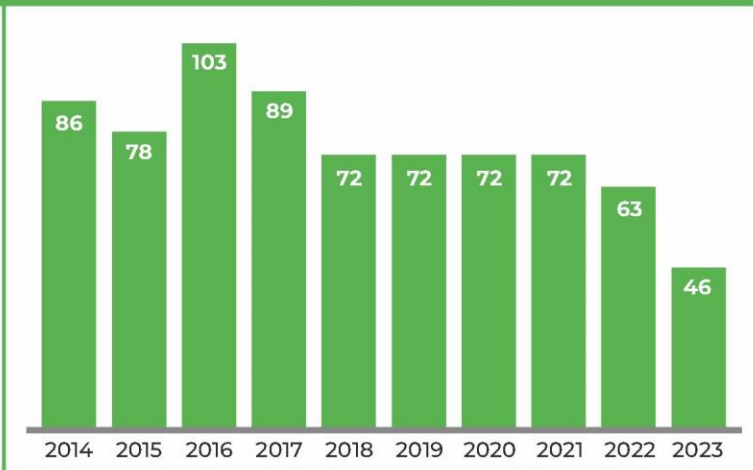
### Salary of the Bank's Employees, RUB

	Total	Krasnodar Territory	Volgograd Region	Rostov Region	Stavropol Territory	Nizhny Novgorod
Average monthly nominal accrued wages in the constituent entities of the Russian Federation in 2023, RUB	74,854	55,930	49,462	51,724	47,053	54,204
Average monthly salary by bank subdivisions in 2023, RUB	113,231	98,487	105,648	116,007	94,033	112,197
Men	142,326	123,346	145,205	143,374	125,515	99,413
Men under 30	101,008	99,088	0	101,423	91,362	0
Women	100,050	95,808	102,875	100,837	84,404	113,158
Women under 30	79,486	74,697	81,590	80,730	67,344	86,515

Care, attention, and respect for motherhood are reflected in the fact that the birth rate in the families of bank employees is 3.5 times higher than the average for the Russian Federation.



## Number of children born to the bank's employees, persons



In 2023, all the 46 employees exercised their right to maternity/paternity leave. All the employees who previously went on maternity leave continued to work in the bank in the same or similar positions.

## HR Development Department

In 2023, HR departments have been transformed. The HR Development Department has been established, which includes the Personnel Training Centre, Financial Literacy Centre, HR Department, HR-IT.

HR Development Department performs selection, adaptation, training and development of personnel, regularly performs the assessment of qualification and level of engagement, develops non-financial tools for increase of motivation, is responsible for the development of corporate culture and HR branding.

The consolidation of the HR potential allowed consolidating the entire HR cycle in one division, improving the consistency, speed and flexibility of interaction on HR issues, and increasing efficiency by strengthening the digital competences of the united team.

## Training and transfer of experience

Personnel training covers all the areas of business and categories of employees in order to maintain a high level of qualification and further develop professional competencies, and form a personnel reserve.



In 2023, over 160 employees passed the annual qualification control.

Over 1600 training courses and programmes were completed by the bank's employees.

Over 2023, 9 employees have been trained for managerial positions, from line to top managers, and 39 line employees were rotated with promotion to higher positions, change of location and functions.

Each employee is given the opportunity to choose their own learning path using the intrabank marketplace of training programmes.

HR Development Department continuously uses a mechanism for receiving feedback from employees on the training programmes and courses making it possible to ensure prompt improvement of the training process and strengthen the continuous education culture.

The bank continues to stimulate internal innovation: in 2023, 46 rational proposals were received from employees. The offers concern both the optimisation of processes within the bank and the improvements and introduction of new services for customers.

### Intrabank Innovations: Rational Proposals

46 proposals, of which:  
17 were approved;  
4 were implemented.



Each employee is aware of his/her right to address any question to any level of management and receive a full and comprehensive answer. This is not only a rule, but also a part of the culture of relationships in an ESG bank.

## Development of young specialists

In its HR policy, the bank continues to pursue a strategy of cultivating personnel, training students from local universities in order to attract them for internships.

The instruction course for interns and students undergoing practical training is organized at the Financial Literacy Centers (FLC) of the bank. In 2023, 998 people completed training at the FLC in the Banking course, of which 49 best young specialists became employees of the bank.

At onboarding, each young specialist gets access to the corporate Telegram channel, which enables him or her to quickly immerse in the atmosphere of the bank and get to know its team better.

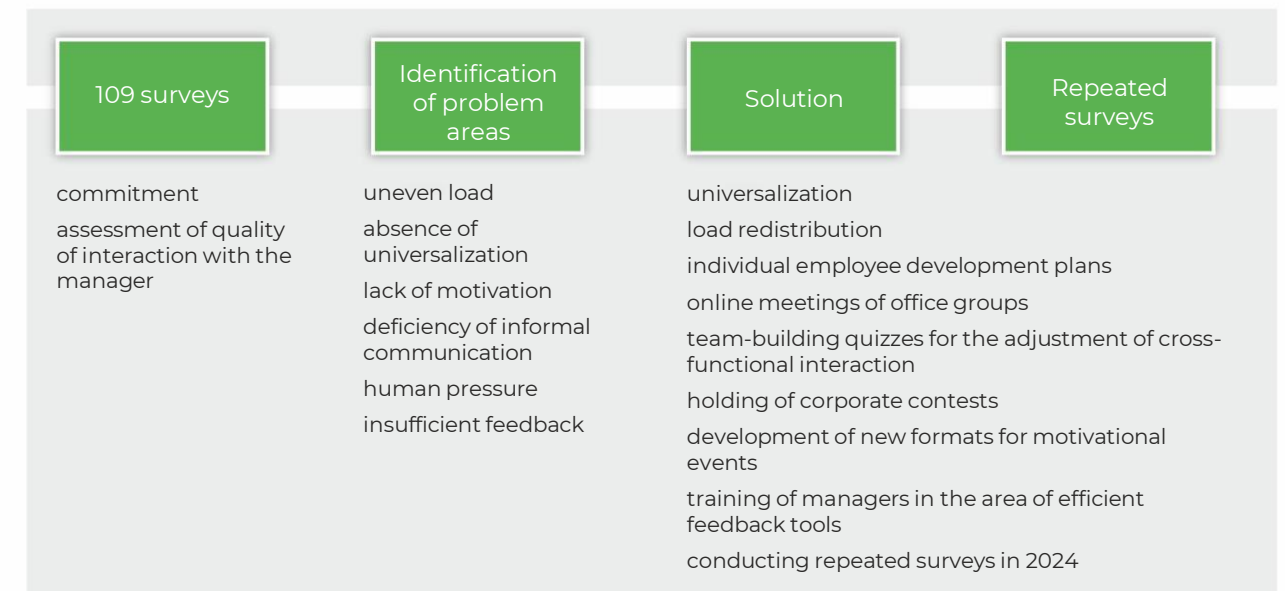
Experienced bank specialists with high qualifications take part in training processes and become mentors for young employees to develop professional skills and ensure

staff continuity. This practice also contributes to the prevention of burnout of experienced professionals by expanding the range of tasks and gaining additional recognition of their value from both young professionals and the bank's management.

## Development of Corporate Culture

The bank pays great attention to matters of personnel involvement and loyalty, actively uses employee surveys as an efficient tool to diagnose the necessary changes. Surveys help to promptly focus efforts on the current issues, keep the team strong, identify and retain talents, and contribute to the employee value recognition.

### Conducting Employee Surveys



Within the framework of corporate culture development, the bank continuously works on the feedback tools efficiency increase. The relevant trainings for managers and employees are held on a regular basis. The corporate channel contains a Feedback section where the instruction videos on giving feedback with participation of the bank's employees and managers are posted. Scripts for the videos are created on the basis of actual operating situations, which makes their perception easier and increases the employees' readiness to use feedback tools for development.

In 2023, new formats of corporate motivational events for employees were developed. 21 events in face-to-face and remote formats were held. Team building events contribute to the increase of cohesiveness, improvement of cross-functional communications, and ensure greater involvement and motivation.



Training master class for employees of the bank

In 2023, 5 corporate contests for employees were held with participation of 91 teams:

- One day out of business unit's life;
- Working in the rhythm of the dance;
- Center-invest Bank of the future in the children's eyes;
- Neurogymnastics at workplace;
- The autumn motives.



Corporate competitions contribute to team spirit strengthening, creating a positive atmosphere, developing employees' creative potential, creative thinking skills and generating non-typical ideas.

## Ingredients of Leadership in a World of Uncertainty

Sustaining leadership in the face of uncertainty is the talent and courage to see the unobvious, to do the improbable, to achieve the impossible with other leaders. And to do that, you need to get on the trajectory of an invincible team that introduces new things before competitors have mastered its previous ideas.



In 2023, the bank continued active development of family format for its corporate events. Guided tours for children of bank employees are arranged on a regular basis, which increases loyalty and motivation of personnel.

The children have the opportunity to see where their parents work, to get bright impressions and memorable gifts. The employees develop sense of belonging, the feeling of correct choice of their workplace: a company that supports family values and cares for its employees.



Bank Tours for Children

Moreover, the guided tours are used for strengthening of relations with and loyalty of the current clients and partners. Tours for school and university students provide an excellent opportunity for career guidance and getting familiar with the advanced banking technologies.

## Digital Transformation of HR Processes

The bank actively uses an intra-corporate Telegram channel as a tool for developing internal communications. It is a venue for conveying key values of the bank, informal communication between employees from different business units and offices, holding of corporate contests, improvement of onboarding and adaptation of new employees.

In 2023, implementation of the Mirapolis innovative digital HCM environment for employees and managers was continued. Mirapolis software vendor is a leader in Russian solutions for digital transformation of HR processes.

2023: 972 active users of Mirapolis platform

The platform assists in managing employees' training and development throughout the entire work time cycle, connects the processes of development, career pathing and succession, and ensures the digitalization of internal communications.

In 2023, training management and personnel competency evaluation modules in accordance with the 360 method have been implemented.

The 360 evaluation method allows you to identify the strengths of employees and compare your own self-assessment of the competence matrix with the evaluation of your supervisors and colleagues. The tool makes it possible to identify growth points of employees and employee teams, select the optimum development programs, has a positive effect on involvement and motivation of personnel.

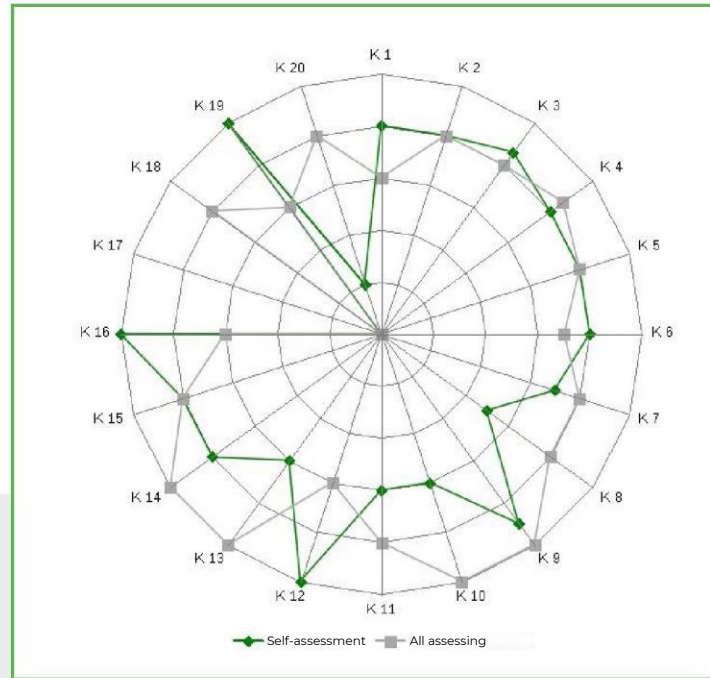
# Environmental

## Environmental Issues as a Priority

### Environmental risks management

The ESG risk management procedure is described in the Bank's Environmental and Social Policy and provides for an evaluation for all corporate loans by assigning an ESG rating. In addition, for large-scale Category A projects, there is an Environmental and Social Due Diligence Report Form.

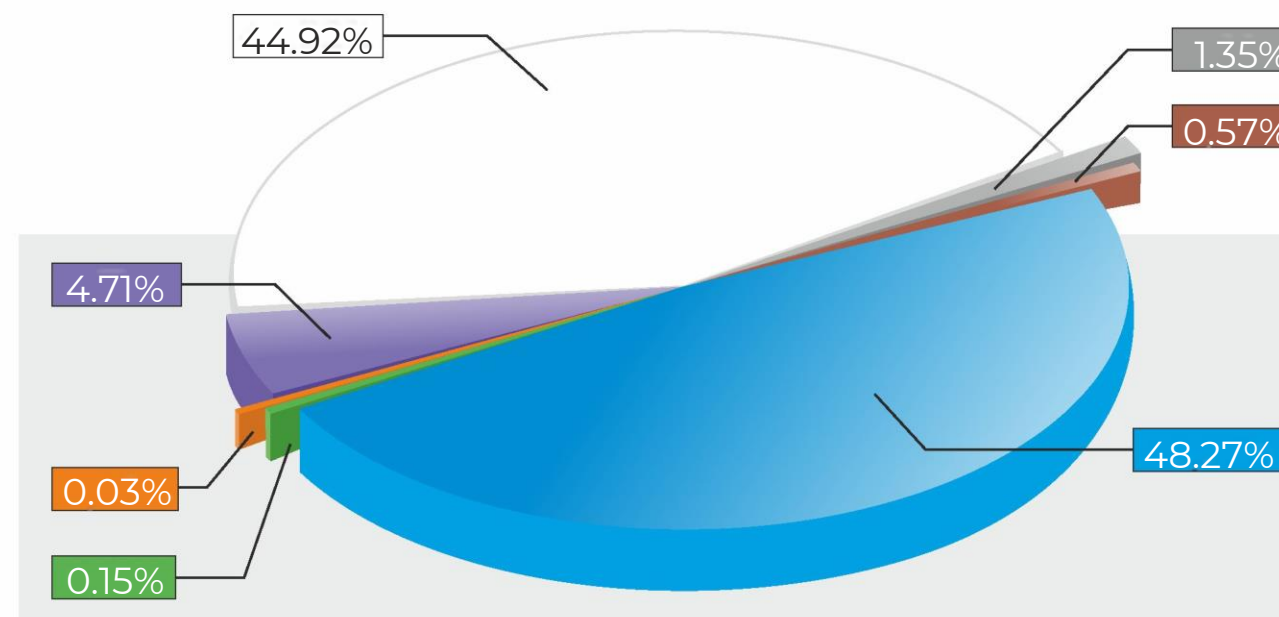
Determination of the industry level of ESG risks takes place within the ESG rating procedure, as industry risks have the maximum factor weight when determining the level of ESG risks of lending. The Environmental and Social Policy defines an Environmental and Social Exclusion List, which prohibits the Bank from directly or indirectly financing the projects specified therein.



The Mirapolis platform features personal accounts for employees and managers. An employee personal account enables personnel to independently register for training, undergo training programs, testing, evaluation and to view the results. A gallery of events and viewing of the bank newsfeed are also available.

Center-invest Bank identifies and assesses climate risks, dividing them into physical and transient risks. The bank has developed a methodology for classifying types of business, dividing them into seven main categories:

- 1 industries causing harm to the environment (including the Exclusion list)/a typical example: asbestos.
- 2 industries exposed to transient climate risks/typical example: hydrocarbons.
- 3 industries exposed to physical climate risks (drought/flood/...)/typical example: agriculture.
- 4 industries contributing to the improvement of the environment/typical example: renewable energy.
- 5 industries that have a negative impact on society (including the Exclusion list)/typical example: tobacco.
- 6 industries that have a positive impact on society/typical example: education.
- 7 industries not included in categories 1–6.



The bank assesses transient risks as insignificant due to their insignificant volume (0.57% of the corporate portfolio). Thus, the risks of changes in national and international regulation are not significant for the bank.

Physical risks mainly relate to the agricultural sector and are considered from the perspective of accumulated statistics, technologies used and risk diversification by regions of the bank's presence, taking into account the concentration of risk volume per borrower. Specialists of the Credit Risk and Monitoring Department regularly assess these risks for various time horizons.

## Own Environmental Impact

The objective of Center-invest Bank as entity working in accordance with the ESG principles is to measure and assess its impact on the environment and to strive for achieving carbon neutrality.

Despite the steady growth of the business, the bank is constantly striving to reduce the consumption of energy and other resources.

### Metering of consumed bank resources

		2020	2021	2022	2023
Paper (tons)	tons	92	104	85	58
Gas (cubic meters)	cubic meters	320	315	318	359
	GJ	10,870.00	10,690.84	10,807.39	12,134.43
Energy resources (kWh)	kWh	4,161,634	3,988,916	4,622,221	4,495,135
	GJ	14,981.90	14,360.09	16,640.00	16,182.36
Gasoline (tons)	tons	83	84	74	72
	GJ	2662.10	2694.22	2373.48	2254.05
Waste (tons per year)	tons	204	199	380	829
Environment protection costs (RUB thousand)	RUB thousand	50	446	536	505
Collection and treatment of waste water (thousand rubles)	RUB thousand	221	233	398	493
Removal of waste (RUB thousand)	RUB thousand	302	581	2483	2255

In toe <sup>7</sup>	2020	2021	2022	2023
Gas (toe)	369.3	363.5	367.0	365.1
Electricity (toe)	1432.1	931.7	1023.9	1052.2
Gasoline (toe)	123.7	125.2	110.3	107.3
Total (toe)	1925.1	1420.3	1501.2	1524.6

In tonnes CO <sub>2</sub> equivalent <sup>8</sup>	2020	2021	2022	2023
Gas (tonnes CO <sub>2</sub> equivalent)	592.0	582.7	588.3	585.3
Electricity (tonnes CO <sub>2</sub> equivalent)	2295.7	1493.5	1641.4	1686.7
Gasoline (tonnes CO <sub>2</sub> equivalent)	198.2	200.6	176.7	172.0
Total (tonnes CO <sub>2</sub> equivalent)	3085.9	2276.8	2406.4	2443.9

<sup>7</sup> toe: tonne of oil equivalent. The conversion was carried out in accordance with Order of the Ministry of Economic Development of Russia No. 425 of 15.07.2020 using the calculator on the website <https://ion-ing.ru/energoaudit/kalkulyator-perevod-v-t-u-t>.

<sup>8</sup> A factor of 1.603 was used to convert toe to tonnes CO<sub>2</sub> eq.

## Center-invest Bank greenhouse gas emissions by Scopes 1, 2 and 3, tonnes CO<sub>2</sub> eq.

Scope	Source of emissions/category	2023
Scope 1	Emissions from stationary fuel combustion: own boiler houses (thousand m <sup>3</sup> )	316
	Gasoline related to direct bank activities (tonnes)	72
Scope 2	Emissions from heat consumption: own facilities (Gcal)	89
	Electricity consumption emissions: own facilities (kW*h)	4,600,845
	including renewable resources (kWh)	2,352,000
Scope 3	Emissions associated with heat consumption at leased facilities (Gcal)	161
	Emissions associated with electricity consumption at leased facilities (kWh)	805,394
	Emissions associated with waste generated from operations (tonnes)	1566
	Emissions associated with the provision of mortgage loans (tonnes CO <sub>2</sub> eq.) <sup>9</sup>	5432
	Emissions associated with the provision of crop growing loans (tonnes CO <sub>2</sub> eq.) <sup>10</sup>	1,552,851
	Emissions associated with the provision of animal husbandry loans (tonnes CO <sub>2</sub> eq.) <sup>10</sup>	235,650

<sup>9</sup> As of 01.01.2024, 12.2% of the bank's mortgage loan portfolio for 6.9 billion rubles has been assessed.

<sup>10</sup> As of 01.01.2024, 41.5% of the bank's agriculture loan portfolio for 7.9 billion rubles has been assessed.

Scope	In toe <sup>11</sup>	2023
Scope 1	Gas: own boiler houses (toe)	365.1
	Gasoline: internal operations (toe)	107.3
Scope 2	Heat: own facilities (toe)	12.7
	Electricity: own facilities (toe)	774.7
Scope 3	Heat: leased facilities (toe)	23.0
	Electricity: leased facilities (toe)	277.5

Scope	In tonnes CO <sub>2</sub> equivalent <sup>12</sup>	2023
Scope 1	Gas: own boiler houses (tonnes CO <sub>2</sub> equivalent)	585.3
	Gasoline: internal operations (tonnes CO <sub>2</sub> equivalent)	172.0
Scope 2	Heat: own facilities (tonnes CO <sub>2</sub> equivalent)	20.4
	Electricity: own facilities (tonnes CO <sub>2</sub> equivalent)	1241.9
Scope 3	Heat: leased facilities (tonnes CO <sub>2</sub> equivalent)	36.9
	Electricity: leased facilities (tonnes CO <sub>2</sub> equivalent)	444.8
	Waste (tonnes CO <sub>2</sub> equivalent) <sup>13</sup>	2035.8
	Emissions associated with the provision of mortgage loans (tonnes CO <sub>2</sub> eq.)	5432.0
	Emissions associated with the provision of crop growing loans (tonnes CO <sub>2</sub> eq.)	1,552,851.0
	Emissions associated with the provision of animal husbandry loans (tonnes CO <sub>2</sub> eq.)	235,650.0
Total (tonnes CO <sub>2</sub> equivalent)		1,798,470.0

<sup>11</sup> The conversion was carried out in accordance with Order of the Ministry of Economic Development of Russia No. 425 of 15.07.2020 using the calculator on the website <https://ion-ing.ru/energoaudit/kalkulyator-perevod-v-t-u-t>.

<sup>12</sup> A factor of 1.603 was used to convert toe to tonnes CO<sub>2</sub> eq.

<sup>13</sup> A factor of 1.3 was used to convert SMW to tonnes CO<sub>2</sub> eq.



## Greenhouse gas emissions of related group companies by Scopes 1, 2 and 3, tonnes CO<sub>2</sub> eq.

Scope	Source of emissions/category	2023
Scope 1	Emissions from stationary fuel combustion: own boiler houses (thousand m <sup>3</sup> )	47,786
	including block gas piston power plant (thousand m <sup>3</sup> )	438
	Gasoline related to direct Teploenergo activities (tonnes)	25
	Diesel related to direct Teploenergo activities (tonnes)	7
Scope 2	Electricity consumption emissions: own facilities (kW*h)	4,199,802
Scope 3	Emissions associated with waste generated from operations (tonnes)	72

Scope	In toe <sup>14</sup>	2023
Scope 1	Gas: own boiler houses (toe)	55,144.7
	including block gas piston power plant (toe)	505.3
	Gasoline: internal operations (toe)	37.3
	Diesel: internal operations (toe)	10.2
Scope 2	Electricity: own facilities (toe)	1446.8

Scope	In tonnes CO <sub>2</sub> equivalent <sup>15</sup>	2023
Scope 1	Gas: own boiler houses (tonnes CO <sub>2</sub> equivalent)	88,397.0
	including block gas piston power plant (tonnes CO <sub>2</sub> equivalent)	810.0
	Gasoline: internal operations (tonnes CO <sub>2</sub> equivalent)	59.7
	Diesel: internal operations (tonnes CO <sub>2</sub> equivalent)	16.3
Scope 2	Electricity: own facilities (tonnes CO <sub>2</sub> equivalent)	2319.3
Scope 3	Waste (tonnes CO <sub>2</sub> equivalent) <sup>16</sup>	93.3
Total (tonnes CO <sub>2</sub> equivalent)		91,695.5

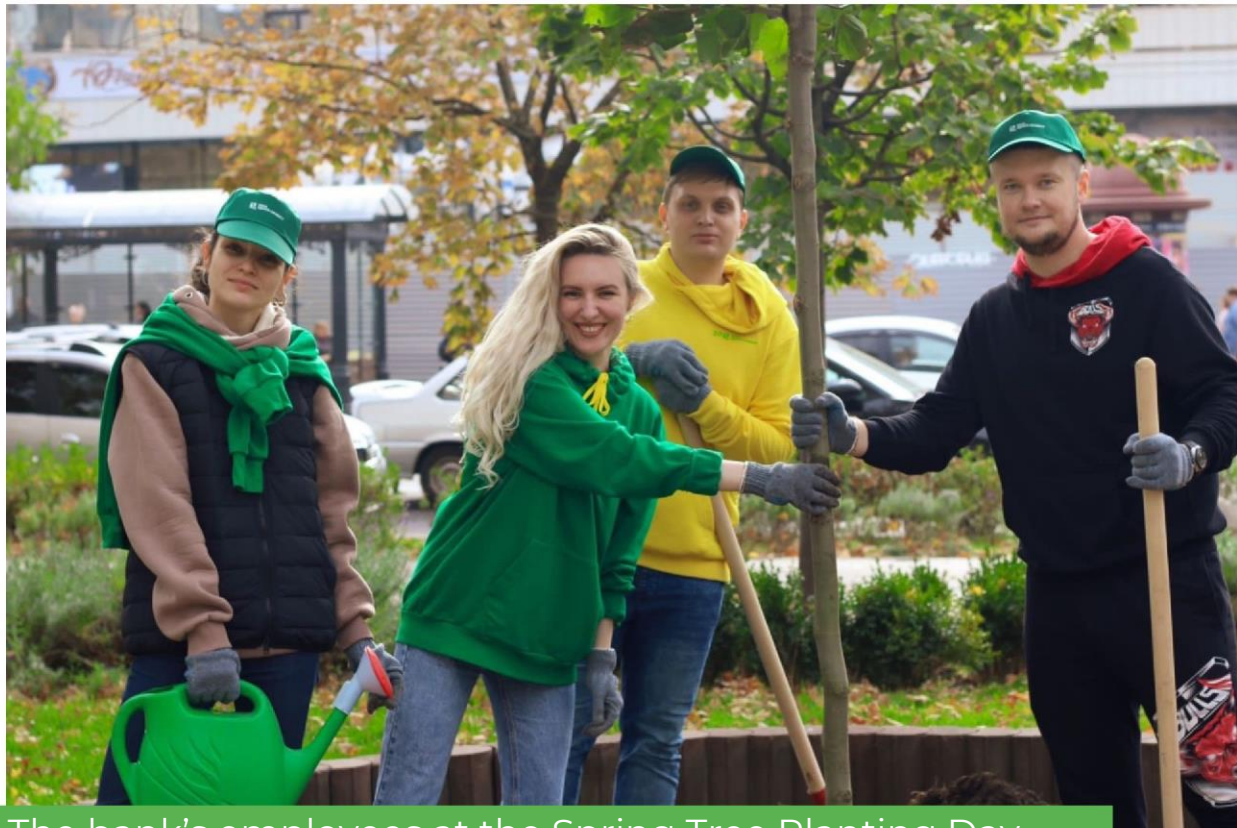
<sup>14</sup> The conversion was carried out in accordance with Order of the Ministry of Economic Development of Russia No. 425 of 15.07.2020 using the calculator on the website <https://ion-ing.ru/energoaudit/kalkulyator-perevod-v-t-u-t>.

<sup>15</sup> A factor of 1.603 was used to convert toe to tonnes CO<sub>2</sub> eq.

<sup>16</sup> A factor of 1.3 was used to convert SMW to tonnes CO<sub>2</sub> eq.

# Social Impact on Society

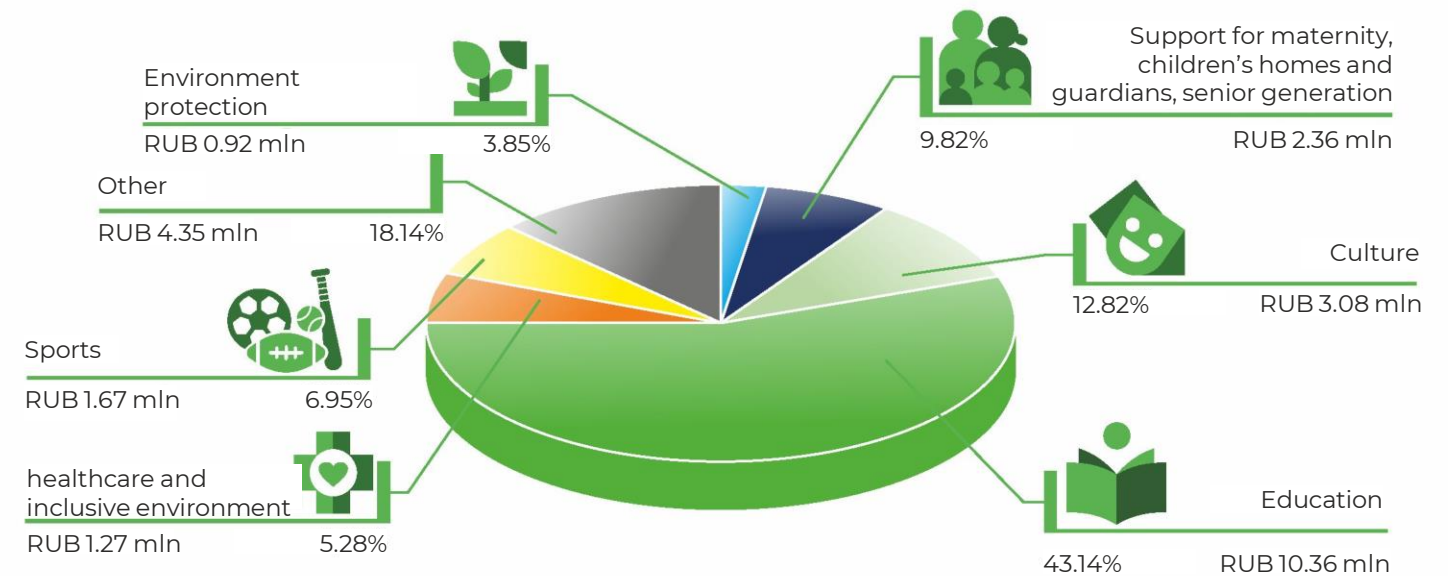
All the projects of Center-invest Bank in the field of corporate social responsibility reflect a responsible attitude to the social development of the regions of operations, increasing the level of education, culture, financial literacy of the population, and the development of entrepreneurship.



The bank's employees at the Spring Tree Planting Day

As part of its carbon reduction strategy, the bank is actively reducing its own carbon footprint. In 2023, the bank purchased 2,300 MW of energy generated from the solar power plant, equivalent to 50 per cent of the bank's total electricity consumption in 2022.

Taking into account the 52 MW generated by its own solar panels on the roof of its head office, the bank is more than halfway to achieving its own carbon neutrality in 2023.



All the bank subdivisions of the bank support constructive interaction with local administrations and the public in solving socio-economic and environmental problems, cooperate with non-profit organizations and expert communities at the regional level.

In 2023, Center-invest Bank organised and took part in the Legislative Work of the Region in Economics of Transformations strategic session of the Don Parliament. The strategy session was attended by deputies of all factions of the Don Parliament of the 7th convocation. Vasily Vysokov, Chairman of the Board of Directors, Professor, Doctor of Economics presented Economics of Transformations lecture based on the bank's experience to the deputies.



The deputies, together with the bank's employees, identified the most effective and useful ways of transforming the most important sectors for the region:

economy, budget, small and medium-sized enterprises, culture and education, health care, as well as housing and utilities, roads and transport, and presented their ideas.

### We appreciate working in our region

Vasily Vysokov, Chairman of Center-invest Bank's Board of Directors, Professor and Doctor of Economics, reveals the secret of sustainability of one of the few remaining independent regional financial institutions in Russia and explains why sovereign ESG banking does not raise rates in the crisis.



## Financial Literacy Development

Center-invest Bank is actively involved in the development of a financial culture in Russia. The bank specialists participate in the expert work of the Financial Literacy Development Association, and Professor Vasily Vysokov, Chairman of the Board of Directors of Center-invest Bank, is a member of the Supervisory Board and participates in strategic decision making.

As part of this Federal project, the bank provides financial and organizational support to private and public initiatives in the field of financial education of the Russian population, and also promotes the development of a volunteer movement in the field of financial literacy.

In 2021, Center-invest became the first bank in Russia to be voluntarily accredited for its financial education programmes by the Financial Literacy Development Association.

Since 2014, the bank has been implementing the project — [Financial Literacy Centre](#) (FLC), the main goal of which is to provide access to free advice and financial knowledge for residents of southern Russia.

For 9 years, the project has been developed in four regions: Rostov and Volgograd Regions, Krasnodar and Stavropol Territories. Remote communication channels provide equal access to the Centre's materials for everyone, regardless of location.

The bank's main partners in this project were the region's largest universities, Southern Federal University and Kuban State Technological University.

The captivating presentation of the material, real-life examples, and professionalism of the FLC lecturers are highly appreciated by visitors of the centers: school and university students, working population and elderly people. For each category, a unique programme has been developed that best meets its interests and needs.



Educational master-class for students of the academy of Krasnodar FC

Since 2016, Center-invest Bank has been a partner of the All-Russian Financial Literacy Week and annually delivers a series of lectures and online broadcasts dedicated to financial education and economic security.

Since 2019, experts from the Financial Literacy Center actively participate in the Bank of Russia's project "Online Financial Literacy Lessons". The goal of the Online Financial Literacy Lessons all-Russian project is to promote responsible financial conduct of school students, brief them on current financial products and services, and alert them to risks.

The Bank of Russia has expressed its gratitude to employees of Center-invest Bank for their expert participation in the online financial literacy marathon.

During the participation period, the bank employees have conducted more than 285 online lessons for more than 15 thousand people.



Awarding the winners of FinGramota on Volga festival

In 2023, Center-invest Bank was a partner of the Big Challenges science and technology programme event. During three weeks, almost 400 schoolchildren from 70 regions of Russia worked on projects in 13 areas under the guidance of experts.

A team of five high school students and representatives of the Bank of Russia's Fintech Hub, with the technological support from Center-invest Bank, created Fint AI assistant which provides an opportunity to learn financial technology and improve financial literacy for everyone.

Besides, the Financial Literacy Centers are engaged in implementation of Center-invest Bank's [acceleration program](#) created for successful startup of new entrepreneurs and growth of existing businesses.

Center-invest Bank implements acceleration programmes in six domains:

- for beginning and active entrepreneurs;
- for self-employed;
- for teachers;
- for marketplace players;
- for DSTU engineering degrees;
- for Foreign Economic Activities specialists.

The courses are taught by more than 150 professionals and experts from different regions. The entrepreneurs who have completed this course increase their proceeds by an average of 20%. More than 8200 people have been trained already.

Over the past nine years, the Financial Literacy Centre's experts and volunteers:

- trained more than 2,147,000 attendees;
- arranged 6000 events;
- provided advice to 160,000 people on personal finance management;
- trained 5200 financial literacy volunteers for replication of the lessons throughout Russia and beyond.
- helped 913 startups to start their businesses.

### Performance of Financial Literacy Centres (cumulative total)

	2021	2022	2023
Total students of the Center	1,144,488	1,808,594	2,147,570
Number of students who completed the training course:	5693	7941	9742
Entrepreneurs in the Accelerator invited to the bank for preferential servicing	270	590	819
Students having completed the course in banking	3257	4280	5278
Number of consultations	125,453	139,714	160,783
Participants of seminars and webinars	1,013,424	1,660,939	1,977,045
Events held, including:	4853	5458	6021
Lectures delivered by bank employees	1966	2235	2343
Lectures and seminars delivered by partners of the Center	1577	1714	1853
External events	1310	1509	1825

In 2023, Center-invest Bank joined the Multifunctional Center — Public Reception Offices of Authorities and Organizations project to expand the availability of advisory services to the public. As part of the project based on the Financial Literacy Center, residents of the Rostov region will be able to receive online consultations from state authorities together with finance consulting. The bank was the first commercial organization to join the project.

Learn about the bank's experience in ESG projects in the new training programme: [ESG for All](#). As part of the interactive programme, animated video lectures delivered by the experts of Center-invest Bank, cases and test assignments on the topic of ESG will help in putting the gained knowledge into practice.

In the 2023 catalogue of best regional financial literacy practices published by the Rostov Region's Ministry of Finance, Center-invest Bank's projects were recognised as best practice in financial education.

### Support of Education and Science

Rendering support to talented youth is one of the areas of social and educational activities of Center-invest Bank. The bank's projects are aimed at increasing the importance of quality education in modern society, and at the introduction and development of economic knowledge among school and university students.

The year 2023 was declared the Year of Matvey Ivanovich Platov, the Ataman of the Don Cossacks, in the Rostov region. To honour this significant date,

Vasily Vysokov, Chairman of Center-invest Bank's Board of Directors, Professor and Doctor of Economics, gave masterclasses on Cossack Management in the Economics of Transformations at Rostov State University of Economics, South Russian Institute of Management and Don State Technical University.



The participants of the master classes learnt how modern management systems use the traditions and experience of the Don Cossacks.

#### Cossacks' Lava of Investments

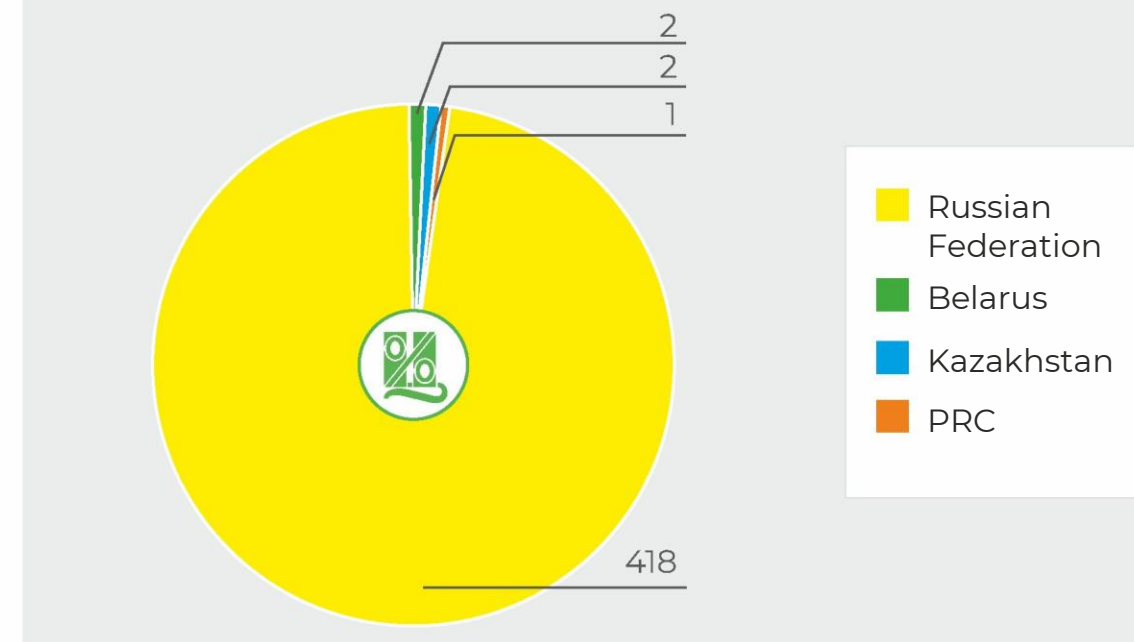
Living in a constantly hostile environment, the Cossacks have developed rules and approaches that are relevant to investment decision-making in the economy of transformation.



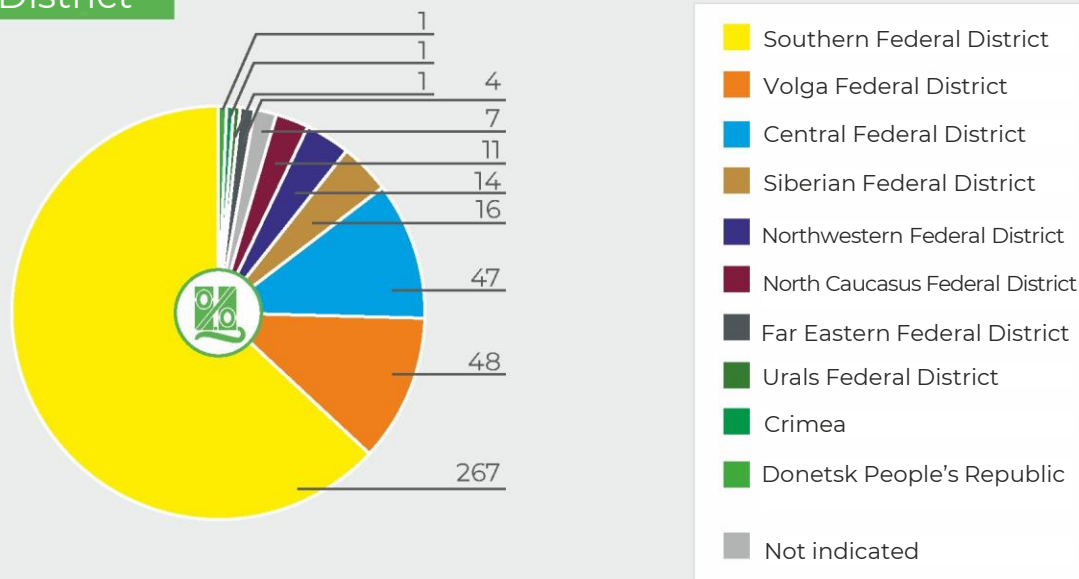
The Bank held **The Economics of Transformations new international student contest** focusing on social, economic, environmental and infrastructure projects. In total, the contest received 423 applications from 95 universities. The prize fund of the contest amounted to 3 million rubles. Applications were submitted in 149 different areas focused on the economy transformation.

During the competition period, more than 60,000 people were reached via social media and 333 publications were posted on news channels. The official Economy of Transformations website was visited by more than 9000 people.

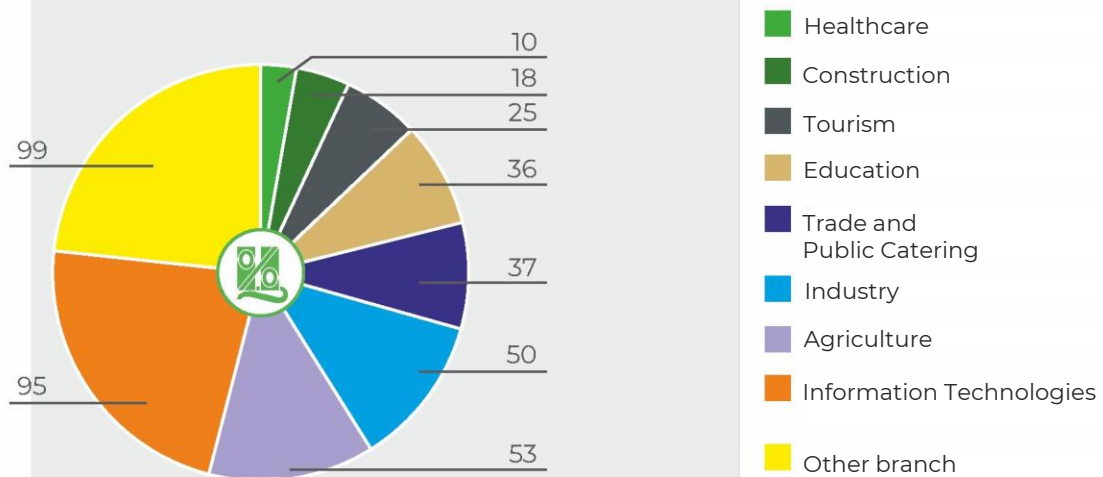
#### Country



## District

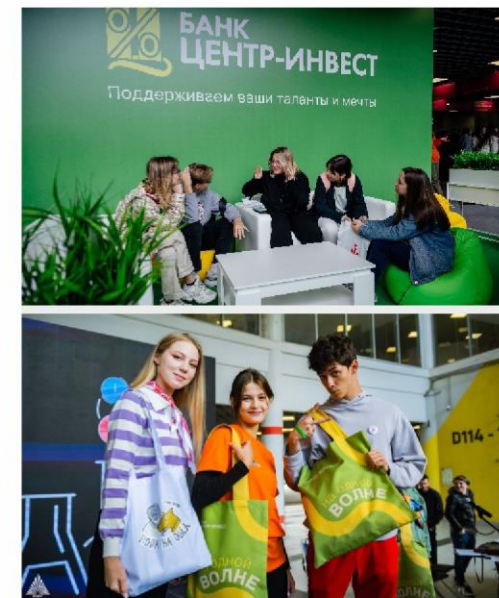


## Project categories



For more than 10 years, the Bank has been supporting the **South of Russia Science Festival**. The main goal of the festival is to present the advanced projects and developments of leading universities that determine the technological leadership and competitiveness of our country, to show not only the wonderful world of science, but also the professional future that young people can build for themselves.

In 2023, the festival was held under the slogan **Russian Science: Past, Present, Future**. The festival participants had a busy exhibition and business agenda: round tables, science and education lectures, master classes, trainings and contests. The bank presented an interactive programme on economics, finance and entrepreneurship at the festival, which was attended by more than 5,000 people.



The Bank at the Science Festival



Together with the Education and Science of the Southern Federal District Endowment Fund, the bank organised Smart Scholarship annual student competition.

In 2007, the shareholders and customers of Center-invest Bank created the first endowment fund in Russia, Education and Science of the Southern Federal District. This is the largest endowment fund in the South of Russia, a real and effective financial instrument for targeted support of education and science in the South of Russia.

The Contest Committee evaluates the students' business ideas, financial literacy level, ability to apply their knowledge in business and willingness to implement their own projects that are in line with the Sustainable Development Goals.

Over 21 years of the contest's existence, more than 35,000 people participated in it and more than 6,000 students were awarded with the scholarship.

In 2023, more than 5 thousand applicants from 22 leading universities of Rostov Region, Krasnodar and Stavropol Territories, Volgograd, Astrakhan, Nizhny Novgorod and the Republic of Adygea presented their progress and business projects to the Contest Committee. More than 2 thousand students submitted information on their business projects.

In the end, the jury selected 250 works from the best students, who received personal scholarships from

Center-invest Bank and the "Education and Science of the Southern Federal District" Endowment Fund. The scholarship amount was 50,000 rubles for each finalist of the contest.



In 2023, Center-invest Bank and the Education and Science of the Southern Federal District Endowment Fund established the Smart Scholarship contest winners club, and held its first meeting.

The idea to create the club came into being after holding of a survey among winners of the Smart Scholarship contest. 80% of respondents pointed out that the Smart Scholarship contest enabled them to obtain necessary financial support for development of their business idea, achieve the set goals, and gain confidence in their strengths and abilities.

For more than a third of respondents, participation in the competition helped them to gain motivation for career growth and development of professional competences.

29% of survey participants continue to study at universities and are students, 39% work in organisations under an employment contract, and 20% of respondents are already heads of departments or have their own business.

More than 10% of respondents said they were in a spousal relationship with Smart Scholarship contestants, and 72% of respondents would like to become a contest ambassador.



Center-invest Bank has traditionally acted as a General Partner for the 7th Activate your ECOlogic Science Festival of DSTU. The Science Festival is designed to strengthen the link between science, business and education, raise the prestige of the professions of scientist and teacher, and draw attention to volunteer activities and corporate social responsibility.



Together with the South Russian Institute of Management of the Russian Academy of National Economy and Public Administration, Center-invest Bank organised the Stazherium: Develop Talent in Power competition. The project is aimed at developing a client-oriented approach to receiving state and municipal services.

The bank acted as a partner of the Laboratory School of Scientific Leaders, which brought together students from South Russian universities. This is the first platform in the South of Russia for the development of universal skills and competences in the field of scientific research. The project gathered more than 70 students from leading universities: members of student scientific circles and societies, chairmen of scientific councils of faculties. The educational programme consisted of interactive lectures and trainings in online and offline formats.

Center-invest Bank and Russian Innopolis University (Kazan) specialising in IT signed an agreement on long-term technological cooperation to address the challenges of digital transformation. The agreement provides for cooperation in the development and implementation of training activities and programmes, organisation and fulfillment of research and development work in the field of digitalisation of the regional economy.



With the support of the Rostov Region Government, the Ministry of General and Vocational Education and Center-invest Bank, the regional Professionals Championship was held.



The championship was held on the basis of colleges and technical schools of the region in the main competences of working professions and in the IT sphere. More than 700 schoolchildren, students, teachers and managers of educational organisations, specialists and managers of enterprises of the real sector of the economy visited the competition grounds.

Yury Bogdanov, Director for Innovations at Center-invest Bank, took part in the Junior PayTech Forum conference and was a member of the jury.



Junior PayTech Forum is an annual student conference led by the Bank of Russia since 2021. The theme of the 2023 conference is Financial Technologies and New Payment Services. More than 250 payment service ideas were developed, and the 20 best projects were selected for presentation at the conference.



With the support of Center-invest Bank, the Rostov State University of Economics hosted the interregional innovation competition Best Young Teacher of the South of Russia 2023.

The innovation competition for young teachers from leading universities in the South of Russia has been organised since 2003. This time the competition received over 100 applications from teachers from 14 regions and 22 universities of Russia. In the finals, young professionals presented their TED talks, demonstrating their pedagogical skills and application of innovative technologies in education.

Center-invest Bank supported the Best IT Teacher of the Don award established by the IT Education Development Fund. The main aim of the project is to recognise and reward high quality teachers who have made a significant contribution to building effective relationships between education and industry. Students, alumni and leading companies in the IT industry participated in the selection of teachers. The deserved professional award was given to 23 teachers from 8 educational institutions of the Rostov region.

The aim of the competition is to identify children with extraordinary statistical abilities and to shape statistical thinking in the younger generation.

In 2023, the team of School No. 17 of Novocherkassk successfully passed the regional stage and in the finals became a prize-winner of the first degree of Trend All-Russian School Competition in the nomination Learning to Collect Statistical Data.

The bank supported and participated in a number of hackathons and forums:

- Cyber School Hackathon among school and college students. 55 teams took part in this IT contest. Ten teams worked on the case from Center-invest Bank. In 48 hours, they needed to develop a website about internships in the IT department of the bank with the opportunity to learn about all areas, get information about the stages of selection for internships and how to prepare for the interview. A key evaluation criterion was the site's UX and its functionality.

- XIII Forum of software developers Hackathon Autumn 2023, which was attended by 145 teams, 800 students from more than 45 educational institutions of Rostov region and Russia. Center-invest Bank offered two cases to solve: Banking Mobile Application for Children and Application for Selection of Interns and Trainees, designed to automate the receipt of applications for internships and traineeships for the HR department.

The Ministry of Digital Development, Information Technology and Communications of Rostov Region expressed its gratitude to Center-invest Bank for its contribution to the region's IT development and its systematic support of events for young IT specialists.



Center-invest Bank sponsored and participated in the awards ceremony for the finalists of the regional stage of the Trend All-Russian Statistics School Competition for the 2022/2023 academic year. The competition is organised by Russian Association of Statisticians all-Russian public organisation with the support of the Federal State Statistics Service.



- **The Cyber Garden hackathon.** Center-invest Bank was a financial partner of the event and presented two cases to be solved. 70 teams from different cities of Russia took part in this IT contest. The contest was held in two age categories: Cyber Garden (developers and students over 18 years of age) and Cyber Garden School (students of schools, lyceums and vocational colleges under 18 years of age). The Cyber Garden School teams worked on an innovative online service for school community uniting students, teachers and parents, and participants of Cyber Garden were developing a neural network using algorithms for anonymization of client data, which makes it possible to automate data transfer by the bank to third party auditors.

- **FICHA All-Russian Forum of IT Technologies** Center-invest Bank presented two cases for the hackathon participants. To solve the first case, the teams developed a platform that allows customers to make payments for various services, create wallets in digital currency, and issue virtual cards.

The second case was aimed at increasing the tourist attractiveness of the city. The hackathon participants developed a prototype of a mobile application for visitors and residents of the city, which includes ready routes for walking, a list of attractions, venues, and events recommended for visiting, as well as hotels and restaurants in the city.



- **Regional team championship of schoolchildren in programming.** The event was organised by Stupeni Uspeha regional centre for identifying and supporting gifted children together with the North Caucasus branch of MTUCI and the Institute of Computer Science and Information Security of SFU. Teams of schoolchildren from Rostov Oblast, the Republics of North Ossetia-Alania and Karachay-Cherkessia took part in the championship.

For several hours, the teams solved complex algorithmic and mathematical problems.

- **First Southern Information Technology Forum.** The forum brought together promising IT companies, regional educational institutions and young IT professionals. Experts of Center-invest Bank shared their experiences and discussed the prospects for developing digital competencies.

- **FINOPOLIS.365 youth programme hackathon.** FINOPOLIS is the leading venue for discussions and innovations in financial technologies. Traditionally, the Forum includes a youth program and a hackathon to attract young professionals to the financial technology industry and hone their professional skills.

In 2023 the hackathon was held in several stages, starting with acceptance of applications and holding of online hackathon, then came offline competitions in the regional case-study championships that took place in Samara and Innopolis, the satellite city of Kazan, as well as presentation of the operating service prototype at the finals in Moscow within the framework of the FINOPOLIS Forum. 481 teams from 143 cities of Russia took part in the contest. The projects were assessed by Chairperson of the Central Bank Elvira Nabiullina, First Deputy Chairperson of the Central Bank Olga Skorobogatova, Chairman of the Board of NSPC Vladimir Komlev, and by representatives of financial institutes.

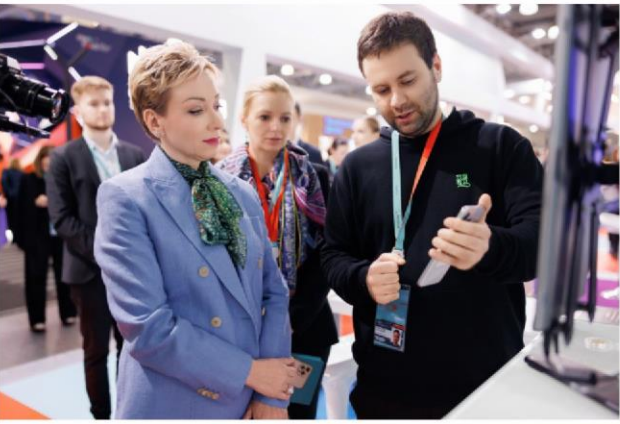
- **ESG hackathon.** The hackathon was initiated by the ESG expert evaluation centre of RECs of the South of Russia, with Center-invest Bank as the centre's key partner. The main objectives of the hackathon are to develop participants' creative thinking and experience of interdisciplinary teamwork on project solutions in the field of sustainable development. 8 teams took part in the case contest. Students were given real-world tasks related to updating ESG risks and developing proposals for ESG strategy directions and priorities for the business. The bank's experts were part of the jury and awarded the winning team.



Center-invest Bank provided cases for the hackathon, held workshops and participated in mentoring the project implementation based on the curriculum of the Bank's own Accelerator. Two teams, mentored by the bank's experts, came 1st and 3rd in the final hackathon held at the forum.

Yury Bogdanov, Director for Innovation at Center-invest Bank, on the training of IT specialists and fintech education:

*“How Center-invest Bank has found one of its core competencies in training IT specialists and supporting start-ups, shapes the fintech environment and opens its IT school.”*



## Development of Youth, Women and Social Entrepreneurship

For over 30 years, Center-invest Bank has been working to train a new generation of entrepreneurs, contributing to the social and economic development of the regions and improving the quality of life of local communities.

The Accelerator of the bank helps clients at all the stages of business development, starting with the development of a strategy and business plan. More than 8200 startups, social business projects of youth and women entrepreneurship have already been implemented by the Accelerator graduates and received funding under the preferential loan programs of Center-invest Bank.

In 2023, Center-invest Bank became a strategic partner of the Constellation of South acceleration programme of Rostov State University of Economics.

Center-invest Bank has developed the Economics of Transformations track for the Constellation of South accelerator, based on implementation of its own acceleration programmes and experience of work with beginner entrepreneurs.

The bank supported the regional stage of the All-Russian Case Championship for Schoolchildren in Economics and Entrepreneurship in Volgograd and was a member of the regional organising committee and jury.

The championship was organised by Volgograd State University with the support of the Ministry of Economic Development of the Russian Federation and the National Research University Higher School of Economics.

The case championship promotes the development of universal skills for any profession, interest in entrepreneurship and ideas for creating their own business.

In Krasnodar, the bank supported **PROFI DETY project**. The project prepares unique educational programmes on entrepreneurship for children. During half a year, children from Krasnodar and Korenovsk under the guidance of experienced mentors improved their financial literacy, acquired knowledge of entrepreneurship, developed their business projects. The winner received a grant from the bank to implement the business idea.

In 2023, Center-invest Bank took part in the **Movement of the First rally** in Krasnodar. The regional branch of the All-Russian public movement of children and youth Movement of the First together with the Ministry of Education, Science and Youth Policy and the Centre for Youth Initiatives were the organisers of the rally.

The aim of the rally was to shape the values of children and young people by involving them in economic projects and developing their entrepreneurial skills. 700 people took part in the rally.

As part of the programme, Center-invest Bank specialists told participants about entrepreneurial and tax education for all projects, the stages of starting their own business, played financial games and invited them to free training at the Financial Literacy Centre.

#### Center-invest Bank supported Business SPOsobnosti project

aimed at identifying entrepreneurial potential among active young people — students of secondary vocational education institutions (SPO) in the region, as well as teaching the basics of business and further comprehensive assistance to the development of youth entrepreneurial projects.



The project is implemented by Youth Entrepreneurship Support Centre non-profit organisation with the support of the Presidential Grants Fund, the Ministry of General and Vocational Education of the Rostov Region, and the Rostov Region Youth Policy Committee.

The project held field selection events in 10 cities of the Rostov region to identify young people's entrepreneurial talents. Interactive lectures and master classes on the basics of creating and running one's own business were organised, as well as a specially designed business game Ya SPOsoben! (I am capable!) aimed at acquiring skills of team building, goal setting, generation of business ideas and non-standard solutions. More than 1100 students from 41 secondary vocational education institutions of the Rostov region took part in the project.



In Rostov-on-Don, the bank supported the [Rostov Business Youth Forum 2023](#), organised by the Youth Affairs Department of the Rostov-on-Don Administration and the Youth Entrepreneurship Support Centre.

The forum included lectures, masterclasses and practical classes on various topics related to entrepreneurship. The event brought together over 300 participants who discussed topical issues of business and career development and shared their experience and knowledge. The forum allowed participants to find new partners and investors, as well as get inspiration and motivation to realise their projects.

The bank took part in the [Young Entrepreneurs and the EAEU: Towards Each Other](#) session of Eurasian Congress in Sochi. During the session, Alexander Dolganov, Ph.D. in Economics, Deputy Chairman of Center-invest Bank's Management Board, Alexander Dolganov, Doctor of Economics, Deputy Chairman of Center-invest Bank's Management Board, told about the prospects of youth entrepreneurship development in EAEU, and the role of the EADB international development institute, national institutes, as well as business associations, in creation of favorable conditions for implementation of youth business projects with integration potential.

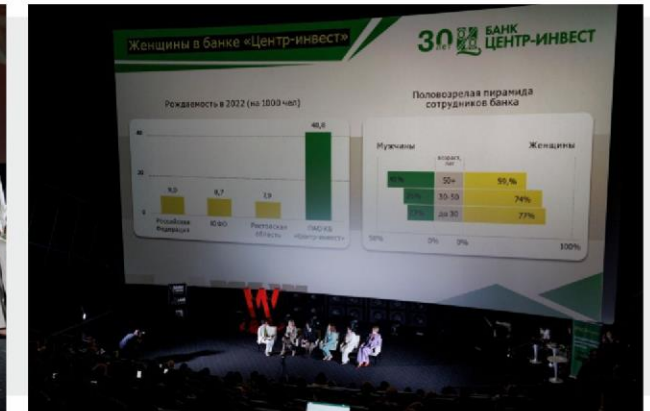
The bank implements Business Loan for Women special programme in all regions where it operates and helps women entrepreneurs to effectively develop their businesses. The programme includes a reduced interest rate on loans, mentoring and consultancy. A distinctive feature of the programme is the absence of defaults throughout its existence: women entrepreneurs conservatively assess risks and implement their business ideas prudently and thoughtfully.

The bank brings together women entrepreneurs in its Women's Club to meet, support and solve social problems. In 2023, the bank organised a number of events to build community, share business experience and address social challenges.

The bank became a partner of the [third women's motivational business forum](#). Center-invest Bank became a partner of the event. Lidia Simonova, Chairperson of the Management Board of Center-invest Bank, was a speaker at the panel discussion Women's Corporate Influence and shared her experience of the bank's gender policy, which enables female employees to effectively combine both productive work and motherhood.

The forum brought together over 350 successful and influential women in business, politics, sport and the arts to learn, share ideas and inspirational experiences.

Success stories and networking at the forum allowed the women to see new horizons of cooperation and inspired them to create new joint projects.



With the support of Center-invest Bank, an educational media project entitled **The Soft Power of Beautiful People**, dedicated to women's leadership, was launched in Krasnodar. The first event of the project, the creative meeting KaffeeKlatsch, brought together women leaders of the Krasnodar Region.

### The Soft Power of Beautiful People media project

The heroines of the project — the bank's female clients — have learnt to see opportunities and development points for business in today's difficult world of anti-Russian sanctions. They are decisive and strong character businesswomen who are responsible for teams and sober business development, make quick and correct decisions, and are responsible for every word. At the same time, our heroines are beautiful, sympathetic, caring women who are revitalising Russia today.



The special guest of the meeting was Maria Afonina, ambassador of women's leadership, vice-rector of the Management Workshop Senezh of Russia — Land of Opportunity Autonomous Nonprofit Organisation, member of the Board of the Eurasian Women's Forum, author of the project of the educational programme Woman Leader.

She gave a masterclass for women in which she shared tools explaining how, using soft power, you can move forward, inspire others, and be a successful manager.

The bank acted as a partner of the **2nd annual forum About Women's Way in Business**. The event was hosted by the Eurasian Women's Forum Council and supported by the Public Chamber of the Krasnodar Region.

The forum brought together more than 300 people: representatives of government and development institutions, the banking sector and regional committees for the development of women's entrepreneurship.

Center-invest Bank is a practical example of equal opportunities for career development, healthy competition and the absence of “glass ceiling” gender stereotypes. The bank has four women on its seven-member Board of Directors and three women on the Management Board. Women make up more than 70% of the bank's management and staff.



Center-invest Bank was a general partner of the **Successful Me** project organized by the Women's Entrepreneurship Development Committee of OPORA Russia in Stavropol Territory.

The project is aimed at developing women's businesses and includes training strategy sessions, networking and information support. Center-invest Bank supports the event for the fourth year in a row. Over this time, more than 250 businesswomen started active development of their enterprises within the framework of the project.

The final part of the project was the opening of the photo exhibition Alley of Success in Stavropol to support women's leadership and popularise local brands. The opening ceremony was attended by representatives of the media, business community and public authorities of the region.

Yulia Skudnova, Director of Center-invest Bank's Stavropol branch, was awarded a letter of thanks from the Governor of the Stavropol Territory for her contribution to the development of small and medium-sized enterprises in the region.



Center-invest Bank held a **traditional women's business breakfast in Rostov-on-Don**.

The event brought together talented and enterprising women to discuss social and economic issues.

At the business breakfast, participants shared their successes over the past year, talked about their goals and plans, and found new partners to further develop their businesses.



To popularize and replicate successful examples in the field of social entrepreneurship, since 2015, Center-invest Bank, together with the Russian Union of Journalists and the Public Chamber of the Rostov Region, has been holding **a journalists contest** for the prize named after Vladislav Vyacheslavovich Smirnov Award for the mass media.

For eight years, journalists from 66 regions of Russia have sent more than 1300 creative works to the contest committee. This year's contest received 153 entries, from which the jury selected 13 winners. Journalists from federal, regional and municipal media took part in the contest.

Vladislav Smirnov (1939–2014) was a resident of Rostov, Doctor of Philology, Professor, publicist, journalist, local history expert, author of scientific, publicistic and artistic works, Rostov-on-Don passionary and famous local history expert.

The winners' publications were devoted to the topics of IT-tourism and ecotourism, social entrepreneurship to save books and a charitable auto workshop, construction of a temple, a company for employment and socialisation of the blind, Don's unique productions, import substitution and city improvement.



The grand opening of the exhibition was held in a multi-format: discussion, performances, lectures. The event was attended by representatives of legislative and executive authorities, mass media, cultural figures and entrepreneurs.

Center-invest Bank donated 100 Citizen of Rostov-on-Don books to school libraries in Rostov-on-Don to help people get to know and study their native land.

## Culture and Revival of Cultural Heritage

A gallery of portraits of famous Rostov residents was opened in the Centre of True Values of the Don capital. They are all heroes of the Citizen of Rostov-on-Don project, created by EuroMedia Publishing House with the support of Center-invest Bank.

**Citizen of Rostov-on-Don** is a book that brings together 30 stories about the amazing people whose names are inextricably linked with the city: someone was born here, and someone became a Rostov citizen at a conscious age.

But each left a bright trace in the fate of Rostov-on-Don and glorified the city in Russia and the world.

Among the persons of the project's publications are mayor Andrei Baikov and merchant Nikolai Paramonov, writers Alexander Solzhenitsyn and Petronius Gaius Amatuni, actors Alexander Kaidanovsky and Anna Samokhina, athletes Viktor Ponedelnik and Ivan Udodov, psychoanalyst Sabina Spielrein and the creator of Elle magazine Helen Gordon-Lazareff.



In 2023, in honour of Taganrog's 325th anniversary, Center-invest Bank and EuroMedia Publishing House made a gift to the city and released a multimedia project called **Citizen of Taganrog** : a collection of the life stories of 25 natives and residents of the city who have made it famous.

The presentation of the project took place in Taganrog at the Alferaki Palace, a branch of Taganrog State Literary and Historical and Architectural Museum-Reserve. One of the heroes of the project, David Rigert, Olympic champion, six-time world champion, nine-time European champion, who set 63 (!) world records, made a welcoming speech at the presentation.



With the bank's support, the Second Jazz Spring in Publichka festival was launched at the Don Public Library in March. The festival presented a wide programme of concerts, creative meetings and exhibitions for jazz lovers. Special Moscow guest of the festival: great-grandson of Valentin Parnakh musician Alexander Maksimovich Parnakh.



For the 10th consecutive year, Center-invest Bank acts as a financial partner of the 20th Melpomene Theatre Festival aimed at preservation and development of the Don Region's theater traditions, finding the best creative works in different genres and types of theater art, strengthening of the unified cultural space.

The festival brings together the Rostov Region's theatres with the best productions from the previous season; a professional jury selects the best productions and roles; and Center-invest Bank provides comprehensive funding for schoolchildren and students to visit historical exhibitions and educational lectures at museums and galleries in the South of Russia, contributing to the region's economic and cultural development.



In 2023, Center-invest Bank and the Rostov Museum of Local Lore celebrated the 20th anniversary of their cooperation with a mini-performance entitled *Artists' Monologues: A Step into the Unknown* in the museum's courtyard.

The mini-performance was staged by Dmitry Tsupko, a theatre director from Rostov, based on a play by Sergey Medvedev. For one evening, the façade of the museum was transformed into an improvised stage where the characters of the performance, famous artists, shared their stories with the audience.

“Museums should not be interactive but proactive, so that the audience feels that it is part of the world in which the events of the museum exhibition take place, responsible for the events of the past in order to create a better future. We are pleased that our joint programme continues to be of interest to the young people of Rostov-on-Don and that our Don museums are striving to meet the interests of the public by offering new forms for presenting information and competing effectively for attention,” commented Vasily Vysokov, Chairman of the Board of Directors of Center-invest Bank, Professor and Doctor of Economics.



Center-invest Bank restored the history of its head office building with the unveiling of information signs on the bank's façade. The first sign commemorates the history of the building, which is 150 years old.

With the QR code on the building it is possible to learn not only about its history but also about its founder merchant Nikolay Tokarev, his entrepreneurial and charitable activity in Rostov-on-Don.



The second sign features a historical map of the city with street names from the 19th century, when the building was constructed.

*- It is remarkable and symbolic that the history of the bank building is connected with the fate of an outstanding businessman and patron of the arts who made significant investments in the economic and social development of the region. Center-invest Bank continues the traditions of Don entrepreneurship, patronage of the arts and philanthropy.*

*We are confident that our bank will now become a starting point for getting to know the city and the rich history of sustainable entrepreneurship in the Don, comments Lidia Simonova, Chairperson of the Board.*

## Help for the Elderly, for People with Disabilities and Families in Difficult Life Conditions

The bank, together with the Mayak lecture hall in Rostov, continues the Mayak for Joy charity project. These are engaging quizzes and live broadcasts of lectures prepared specifically for the wards of the Old Age in Joy Foundation from all over Russia. The bank fully shares the main idea of the joint project: to be a responsive, responsible generation that cares about the older people and senior generation in general.

On Senior Citizens' Day, Krasnodar hosted the regional stage of the **Second All-Russian Financial Literacy Championship among retired people**. Center-invest Bank acted as a partner of the event and its employees were among the championship jury members and awarded the winners. The championship is called to help the Russians of older generation in learning to counter scams, competently manage revenues and invest safely.

At the Financial Literacy Centre, the bank holds inclusive events. The bank regularly holds training seminars at the Financial Literacy Centre for people with disabilities to introduce them to the basics of financial literacy.



Specialists of the Financial Literacy Center of Center-invest Bank, together with the Financial Literacy Development Association and other partners, developed a special course for training volunteers to work with physically challenged people and people with disabilities.

After completion of the course, volunteers convey the basic economic concepts, including, inter alia, how to set financial goals, what bank card types exist and how to use them, to people with different types of impairments.



Since 2019, the bank, together with the Krasnodar Regional Branch of the All-Russian Public Organisation of Disabled People All-Russian Society of the Deaf and the public organisation Youth Movement of the Deaf of Kuban, has been implementing an inclusive project **Financial Literacy in Russian Sign Language**. It is a unique inclusive project for children, youth and retired people to improve the level of financial literacy in sign language. Lectures on financial literacy are conducted by a bank employee who speaks Russian sign language.

A financial literacy course for children living in orphanages has become an important area of the bank's corporate responsibility aimed at protection of vulnerable social groups.



### Financial Literacy Class at Rostov Help Centre No. 7

Together with the Southern Regional Branch of the Central Bank and the Krasnodar Region's Ministry of Labour and Social Development, the Bank participates in a career guidance programme for children from social rehabilitation centres and boarding schools in the Krasnodar Region. This programme includes visits to various companies in the region in order to broaden your horizons in the diversity of vocational training and includes lectures on modern banking, the activities of banking employees, financial security and banking products.



Center-invest Bank received the Krasnodar Region Public Chamber's Public Recognition Award for its active socially significant activities and special contribution to increasing civic engagement.

Ministry of General and Vocational Education of the Rostov Region expressed its gratitude to Center-invest Bank for regular provision of help to orphans and abandoned children.

For more than 5 years, in cooperation with the Volgograd Planetarium, the bank has been conducting field trips for students of the Volgograd Regional Social Rehabilitation Centre for Minors.

During the field trips, children learn to recognise guiding lights, star routes and discover what treasures the night sky, shining with myriads of stars, holds.

With the bank's support, around 1600 orphans of Rostov Region fostered by the large guardian (custodian) families receive sets of stationery and writing instruments for school studies at the beginning of every year.

Since 2018, the bank regularly provides financial support to Nadezhda children's basketball club joining over 50 boys and girls with impaired hearing. This is the only children's basketball club working with deaf and acoustically challenged children and teenagers in the South of Russia.

Center-invest Bank continued the implementation of the [Kind Theater socio-educational project](#). Over six years, the bank has been buying season tickets to the Rostov State Musical Theater for children from large families, inclusive classes, orphanages and wards of charitable foundations for children with developmental disabilities.



The goal of the project is to introduce the children to theater culture and bring them the joy of fairy tale performances. Over seven years, more than 2500 kids participated in the project.

In 2023, the bank was a financial partner of the **Kindness Award in memory of Fedor Takhtamyshev**, the man who served as an example of positive attitude to life, overcoming of obstacles and barriers for many of the Rostov-on-Don residents. Fedor Takhtamyshev was an active citizen, laureate of the MIR Prize, expert of the Accessible Environment project in Rostov-on-Don, student of law faculty at the Southern Federal University, and the city's most positive wheelchair user.

The award is aimed at developing civil society and fostering a culture of charity and volunteering in the Rostov region. Center-invest Bank has supported one of the nominations of the Kind News Prize awarded to journalists, editorial offices of printed, radio, TV and Internet media, bloggers and social network groups for reports and articles telling about the community initiatives and projects, positive changes of infrastructure in the Rostov Region.

## Sports, Healthy Lifestyle and Environmental Education

Sport and healthy lifestyle is one of the corporate social responsibility areas of Center-invest Bank. The bank actively cooperates with local communities and participates in the development of healthy and environmentally friendly lifestyle in all regions of presence.

As a tradition, each year Center-invest Bank takes part in the **Tree Planting Day** city festival in Rostov-on-Don. The first tree planting festival was held in the city in 1910 at the initiative of the city's Gardeners Society.

The tradition was renewed exactly 100 years thereafter, in 2010, and since then there are spring and autumn Tree Planting Days held in Rostov, and Center-invest Bank traditionally partners with the event and plants trees on the city streets.

In 2023, bank employees planted maple trees in Pokrovsky Square in spring and autumn.

Center-invest Bank actively implements the principles of sustainable development and encourages initiatives to protect the environment.

Center-invest Bank's media project, the ESG magazine **Green Vector**, won the National Banking Award 2023, a professional award recognising the success of companies operating in the Russian financial market. The award was organized by the Association of Russian Banks and the National Banking Journal.

The main topic of the Green Vector magazine is environmentally friendly and conscious lifestyle. Based on simple examples and tips, the magazine helps you form healthy habits and become more involved in the eco-movement. The magazine's digital channels have grown to 18,600 regular subscribers in its 1st year of existence.

Center-invest Bank supports sporting events and matches in Rostov-on-Don, and actively cooperates with the Rostov-on-Don handball club and Chaika football club.

As part of the sale of fan cards for the Rostov-Don handball club and the Chaika football club, the number of cards issued in 2023 reached 3000. The projects were implemented jointly with the Mir payment system. Loyalty programs have been developed and implemented for cardholders that include cashback, bonuses, discounts for daily financial transactions with the card.

For the accumulated bonus points, the customers can purchase the merchandise of their favorite club, a ticket to the podium for special guests, and also have the opportunity to meet with their favorite team before games, attend private events (practice sessions, tours of the club's home base, etc.).

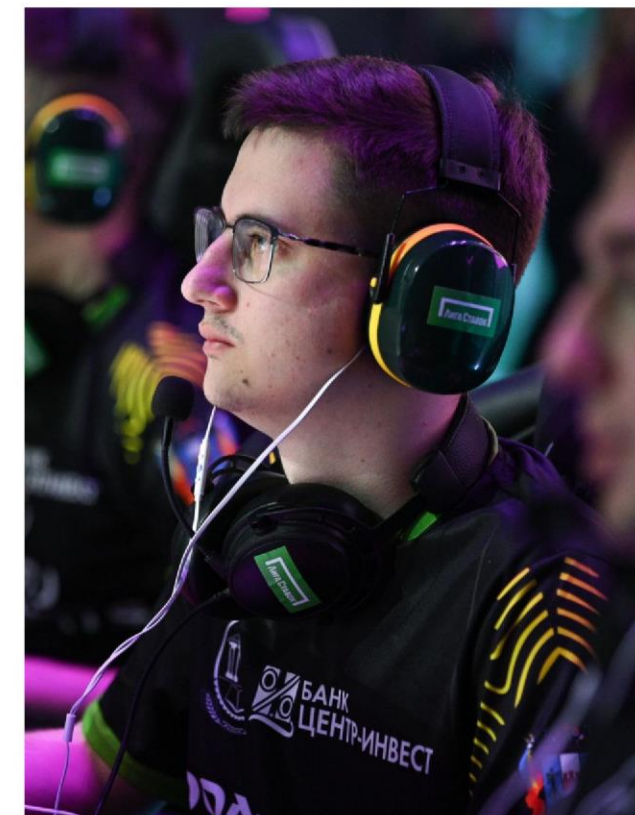


Center-invest Bank regularly supports modern innovative projects for young people and, for the sixth year in a row, is developing cyber sports in the South of Russia.

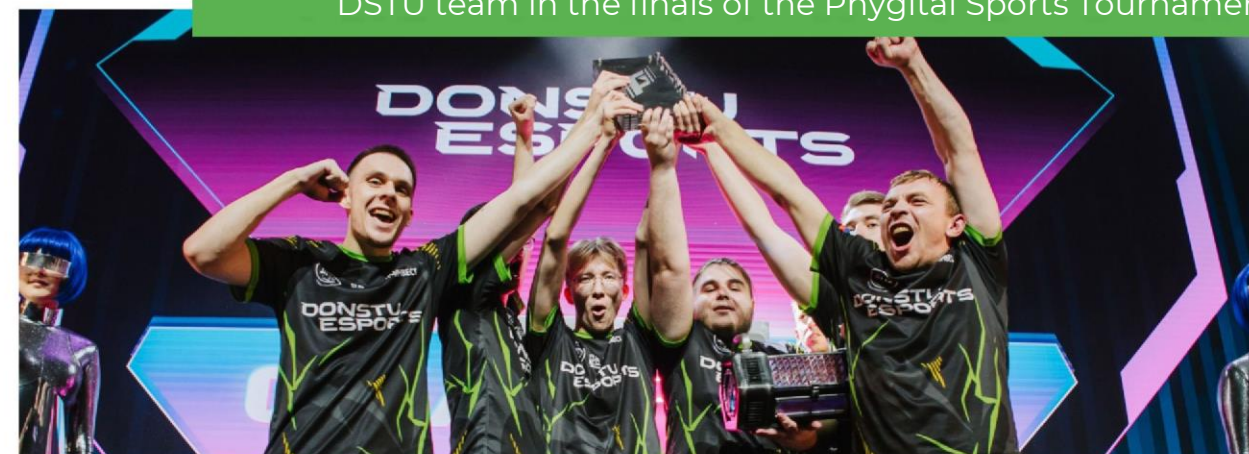
In 2023, the bank acted as a partner of the regional stage of the All-Russian E-Sports Student League in the Rostov Region. This year, 33 teams took part in the competitions, the total of 500 plus students from different universities and vocational colleges.

The students competed in five disciplines: Counter Strike: Global Offensive, Dota 2, Clash Royale, Hearthstone, StarCraft II. According to the results of the final competition, the Don State Technical University team became the winner, the team from the Southern Federal University took the second place.

The finals of the Way of the Champion phygital sports tournament took place in Kazan. The national team of DSTU won a confident victory and got a ticket to the international multi-sports tournament Future Games — 2024.



DSTU team in the finals of the Phygital Sports Tournament



The annual Rostov bicycle parade was held with support of Center-invest Bank. Over 7000 bicycle riders, including 30 bank employees, took part in the event. This sports festival is aimed at supporting the development of the city's bicycle infrastructure and drawing attention to safety on the road. Employees of Center-invest Bank together with their families joined the bicycle parade and, together with other participants, covered the distance of 20 km.



Center-invest Bank employees at the Rostov Bike Parade



Employees of Center-invest Bank took part in environmental events dedicated to the World Cleanup Day. The environmental action World Cleanup Day traditionally takes place on the third Saturday of September and unites all those who care about ecology and careful attitude to nature.

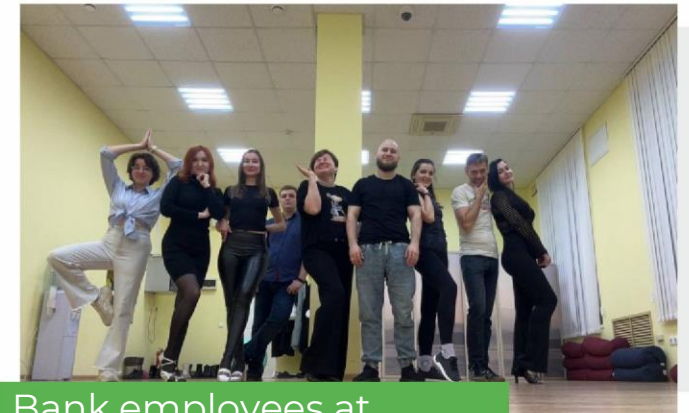


Center-invest Bank at the World Cleanup Day

Center-invest Bank motivates its employees to lead healthy lifestyle and supports corporate sports.

In 2023, the bank launched a corporate fitness, yoga and Pilates programme for employees. Moreover, optimum conditions for sports activities of bank employees are created on the head office site: a sports club functions since 2012, where the employees can play ping pong, kicker, air hockey, darts, and a weightlifting gym is arranged.

In 2023, the bank organised dance classes for its employees in various directions: bachata, tango, salsa and rumba. The dance classes were taught by a bank employee who is a champion of Rostov-on-Don, Rostov region and the Southern Federal District.



Bank employees at dance classes

The bank regularly organises group attendance of the games of the local sports clubs by its employees to support the local teams and popularise healthy living.

Responsibility for natural resources, caring for the environment and the health of future generations are an integral part of the bank's ESG strategy.

# Governance

## Corporate Governance

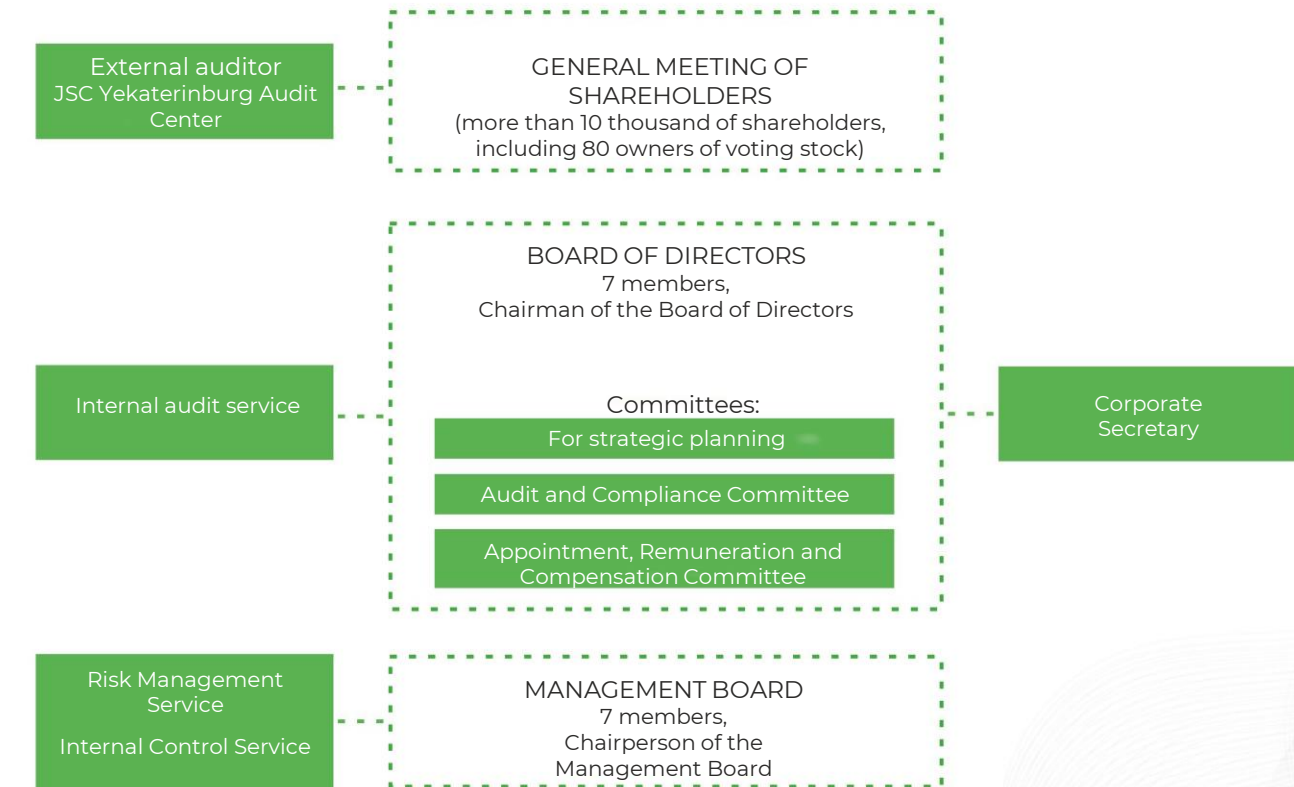
The corporate governance system of Center-invest Bank is focused on protecting the rights and interests of shareholders and is aimed at assuring efficient management, building a dialogue with management, the regulator, and other stakeholders for sustainable development of the bank, taking into account ESG principles.

Fulfilling all the regulatory requirements for corporate governance of joint-stock companies and credit institutions, the bank strives to implement the best world practice and recommendations of the national regulator.

Since 2004, the bank follows corporate governance rules and procedures which include Corporate Code of Conduct and Ethics and policies in certain business areas.

Currently there are more than 30 internal documents (regulations, policies, strategies, etc.) that define a wide range of issues in the field of corporate management, risk and personnel management, environmental and social responsibility, interaction with partners, information security and others. Familiarization with them is an unconditional part of the hiring process, as well as vertical and horizontal job rotations, taking into account the profile of activity.

## Corporate Governance Structure of Center-invest Bank



Regulatory documents of the bank



## Principles of Corporate Governance

**Accountability.** The Code of Corporate Conduct provides for accountability of the Board of Directors of the bank to its shareholders and serves as a guide for the Board of Directors in strategy development, operations management and monitoring the activities of executive bodies of the bank.

**Justice.** The bank undertakes to protect the rights of shareholders and ensure equal treatment of all the shareholders, including minority shareholders. The Board of Directors of the bank provides all the shareholders with the opportunity to receive effective protection in case of violation of their rights.

**Transparency.** The bank ensures timely and reliable disclosure of information about all the material facts relating to the activities of the bank, including its financial position, operation results, ownership and management structure of the bank, as well as free access to such information for all the interested parties.

**Responsibility.** The bank recognizes the rights of other interested parties in accordance with the requirements of the law and other regulations.

The bank, its officials and all the employees are guided in their activities by the norms of the current legislation, as well as the ethical standards adopted in business community, in accordance with the definitions of the Code of Corporate Conduct and the Code of Corporate Ethics. Conflict of interest is prevented on an ongoing basis.

## Cossack Traditions in Modern Management

The key problem of modern management: to preserve individuality in the face of continuous transformations of public goods and services. In the XVII century, a similar task was already solved by the Don Cossacks; free, strong-spirited people had to create institutions — the Don Host — to survive in a hostile environment. Like any democracy, the Cossack state degenerated into bureaucracy and corruption. But the best management practices of the Cossack community are still worthy of attention today.



## Management Bodies

### General Meeting of Shareholders

The General Meeting of Shareholders is the highest management body of the bank. The General Meeting of Shareholders of the bank carries out its activities in accordance with the current legislation of the Russian Federation, the bank's Charter, and the Regulations on the General Meeting of Shareholders.

In 2023, the Annual General Meeting of Shareholders was held on 30.06.2023 in the form of absentee voting in accordance with the temporary procedure established by

Article 2(1) of Federal Law No. 25-FZ On Amending the Federal Law 'On Joint-Stock Companies' and Suspension of Particular Provisions of Legislative Acts of the Russian Federation dated 25 February 2022 (as amended by Federal Law No. 519-FZ dated 19 December 2022).

The meeting was attended by shareholders with a total share of voting stock equal to 50.49%.

## Board of Directors

The Board of Directors has a key role in the formation and monitoring of the set strategic objectives in the field of achieving the Sustainable Development Goals and National Goals by the bank and implementing the ESG risk and reporting system.

In 2023, the Board of Directors of Center-invest Bank conducted 17 meetings, including 13 meetings by personal attendance, which, in addition to the current issues, such as quarterly reports of the Management Board and the Internal Control Service, issues from the annual meeting of shareholders, issues related to the business plan of the bank, included the review of issues related to carrying out the procedures of acquisition of own outstanding ordinary shares in

accordance with Article 72(2) of Federal Law No. 208-FZ On Joint Stock Companies dated 26 December 1995 and Article 10(10.2) of the Charter of PJSC CB Center-invest, as well as personnel matters.

Pursuant to the regulatory requirements, documents governing the procedures for capital adequacy assessment, establishing limits according to the regulatory capital adequacy ratios and considerable risks, their signal values, as well as internal documents regulating the procedures for assurance of information security, have been revised.

The following new document was approved in 2023:

Operational risk level control indicators and target indicators of operational reliability of PJSC CB Center-invest.

Newly revised documents have been adopted:

- Key Indicators of the Risk Appetite Statement of PJSC CB Center-invest;
- PJSC CB Center-invest's Labour Remuneration System Policy;
- PJSC CB Center-invest Business Continuity and Recovery Plan for Critical Biosecurity Threats;
- PJSC CB Center-invest Business Continuity and Recovery Plan for Liquidity Crisis.

The current composition of the Board of Directors was elected by the annual General Meeting of Shareholders on 30 June 2022, and was fully reelected by the annual General Meeting of Shareholders on 30 June 2023.

Attendance at meetings of the Board of Directors in 2023 was 100%.

## Committees of the Board of Directors

The bank's Board of Directors has established the following committees:

- Audit and Compliance Committee;
- Strategic Planning Committee;
- Appointment, Remuneration and Compensation Committee.

Composition of the Committees is established by open voting at the first meeting of the Board of Directors after its election by the recurrent General Meeting of Shareholders. Information on work of the committees is communicated to the Board of Directors on a regular basis.

The **Audit and Compliance Committee** is formed to assist the Board of Directors in fulfilling their obligations related to monitoring and control of completeness and reliability of accounting (financial) statements, reliability and efficiency of the risk management, internal control, independence of external and internal audit, and the process of ensuring compliance with the legislation.

In 2023, the Committee held 5 meetings. The Committee discussed the following main issues:

- approval of the Bank's Accounting Policies (under IFRS, RAS, for taxation purposes) for 2023;
- writing off uncollectible debts from the bank's balance sheet;
- review of the work plan of the internal audit service for 2023, reports of the internal audit service, financial monitoring department, compliance service, etc.

The **Strategic Planning Committee** is formed to assist the Board of Directors in determining priority areas, developing the sustainable development and corporate governance improvement strategy, developing recommendations on dividend policy, evaluating efficiency and monitoring the bank's activities.

In 2023, the Committee held 4 meetings. The Committee discussed the following main issues:

- quarterly reports of the Management Board on fulfilment of the bank's business plan and budget;
- consideration of the business plan for 2023;
- recommendations on dividends paid on ordinary and preferred shares and the distribution of Center-invest Bank's profit for 2022.

The **Appointment, Remuneration and Compensation Committee** was established for preliminary consideration of issues of personnel planning, professional composition, work efficiency, and transparent practice of remuneration of the Board of Directors and executive bodies of the bank.

In 2023, the Committee held 5 meetings. The Committee discussed the following main issues:

- on bonuses for employees of the internal audit service, compliance service and financial monitoring department;
- consideration of the internal and external report on the assessment of the efficiency of the organisation and functioning of the remuneration system in the bank based on the results of 2022;
- changes to the Labor Remuneration System Policy;
- amount of remuneration of the bank's management bodies according to the results of 2022;
- methodology for assessing the efficiency of the bank's Board of Directors.

In 2023, performance efficiency assessment of the PJSC CB Center-invest Board of Directors was carried out in accordance with recommendations of the Bank of Russia on arrangement and carrying out the Board of Directors performance self-assessment at joint stock companies (information letter No. IN-06-28/41 dated 26 April 2019). Performance self-assessment of the Board of Directors was carried out in the form of questionnaire. The final self-assessment results indicated that the Board of Directors performance efficiency was compliant with the requirements of the best international practice of corporate governance.

## Management Board

The Management Board is a collegial executive body of the bank and under the leadership of the sole executive body, Chairman of the Management Board, it organizes the implementation of decisions of the General Meeting of the bank's shareholders and the Board of Directors.

The Management Board manages day-to-day activities of the bank aimed at fulfilling the ESG Digitalization Strategy, business plan, and budget.

The Management Board is headed by Chairman of the Management Board elected by the Board of Directors and acting on the basis of the Charter and the Regulations On Chairman of the Management Board of Center-invest Commercial Bank Public Joint Stock Company.

The quantitative composition of the Management Board is determined by the Board of Directors. The basis for the decision is the belief that the quality and composition of leaders' team matter more than the total number of the Management Board members.

An important area of responsibility of the Management Board is a wide range of environmental and social agenda items. Implementation of the ESG Digitalization Strategy, practical integration of responsible banking principles into all internal procedures and communications, from employee training to development of financial and non-financial products and services for the benefit of customers, partners, and the state. The results of work on the implementation of the ESG principles become the subject of reports to the Board of Directors, investors, regulators, rating and audit organizations, NGOs, and the public.

The progress made towards sustainable development is one of the criteria for remuneration of key executives.

In 2023, a restated version of the Distribution of Duties Between Chairman of the Management Board of PJSC CB Center-invest and Members of the Management Board of PJSC CB Center-invest was approved. The document defines the areas of responsibility of each Management Board member (business units supervised and coordinated by him/her).



## Remuneration System of Members of the Board of Directors and the Management Board

Remuneration of the Board of Directors is controlled by the Regulations on the Board of Directors of Center-invest Bank approved by the Annual General Meeting of Shareholders on 02 June 2016.

Reporting date	Type of remuneration (salary, bonuses, commissions, benefits and/or reimbursement of expenses, other)	Amount of remuneration, rubles
01 January 2024 (reporting period: 12 months of 2023)	Salary	0
	Bonuses	76,000,000
	Expenses related to performance of functions of the Board of Directors members compensated by the issuing lending institution: issuer during the reporting period	51,460
	Other	9,990,312

Remuneration of the Management Board is controlled by the Regulations on the Management Board and the Regulations on Chairman of the Management Board of Center-invest Bank approved by the Annual General Meeting of Shareholders on 02 June 2016.

Reporting date	Type of remuneration (salary, bonuses, commissions, benefits and/or reimbursement of expenses, other)	Amount of remuneration, rubles
01 January 2024 (reporting period: 12 months of 2023)	Salary	49,187,945
	Bonuses	52,400,000
	Expenses related to performance of functions of the Board of Directors members compensated by the issuing lending institution: issuer during the reporting period	69,310
	Other	0

## Corporate Secretary

The corporate secretary of the bank ensures that the management bodies comply with the requirements of internal regulations and external regulations, facilitates the effective exchange of information between the management bodies and acts as an advisor to members of the Board of Directors and senior management.

## Internal Control and Risk Management

The important bodies in the area of control and monitoring for assurance of effective operation and risk management are:

- Internal Audit Service;
- Financial Monitoring Department;
- Compliance Service;
- Risk Management Service.

## Corporate Ethics

Ethical values shared by members of the Board of Directors, management, employees, customers, and partners of Center-invest Bank are enshrined in the current Codes and Policies of the bank. These values have become part of the corporate culture. In carrying out its activities, the bank strictly observes human rights and seeks to ensure their observance throughout the territory of its operation. The national composition of the bank's personnel is traditionally very broad, which is why ensuring inclusiveness and diversity is part of the bank's corporate culture.

The ESG Bank Secretary is available to provide confidential assistance and advice to bank employees on issues of discrimination, harassment and unethical behavior.

The bank continues Thursday Morning online meeting cycle for

interaction with bank employees, including remote offices, on the implementation of the sustainable development agenda. This is an effective communication channel for discussing both internal tasks and relations with external stakeholders.

## Anti-Corruption Measures and Compliance

The complex geopolitical situation in the world, constantly changing legislation in the area of sanctions and counter-sanctions measures have necessitated the strengthening of compliance procedures.

The bank continuously trains responsible officials in the best compliance practices from third-party vendors. The bank informs its counterparties about the compliance requirements in force and about monitoring compliance with them.

Center-invest Bank has an Anti-Corruption and Anti-Fraud Policy, whose requirements are mandatory for all the employees of the bank and its subsidiaries, regardless of their position and functions. This Policy is mandatorily communicated to all the existing employees of the bank and its subsidiaries, as well as when hiring new employees.

The bank exercises control and consideration of complaints on any issues in accordance with the current legislation.

The bank guarantees confidentiality of information received from customers, except as otherwise provided by law.

In accordance with the said Regulations, the bank and its employees enter into transactions only with reliable suppliers, customers and partners that are engaged in legal activities and whose funds are obtained from legal sources. In relation to supply chains, the bank is guided by the principles of competition and transparency, conducting competitive procedures. The bank was not a participant in litigation for violation of antitrust laws. There are also no donations to political campaigns, either in cash or in kind.

In particular, in a situation of conflict of interest, the bank and its employees seek to resolve disputes through negotiations, use mechanisms for pre-trial and out-of-court dispute resolution, and avoid public hearings. In terms of procedures for preventing conflicts of interest, the provisions of the Regulation On the Prevention and Settlement of Conflicts of Interest are also applied.

The effective functioning of business processes of the bank, its bodies and officials based on ESG principles is confirmed by the absence of financial and non-financial sanctions for violation of legislation in the socio-economic sphere, including those based on discrimination of various types.

## Responsibility for Products

The bank does not sell prohibited or controversial goods, as well as goods that do not comply with regulatory requirements, including their advertising, promotion, and sponsorship.

The bank strictly complies with the requirements of legislation on banking secrecy and protection of personal data.

- does not offer products and services that affect health and safety, or violate regulatory requirements;
- voluntarily and purposefully develops and markets products and services that ensure sustainable business development and improve the quality of life of customers;

The bank controls the implementation of regulatory and voluntarily established requirements for the offered products and services based on the analysis of customer opinions and the use of a mystery shopper. No significant deviations from regulatory and voluntary requirements were identified in 2023.

In 2023, the bank received and paid penalties:

- to the Central Bank of the Russian Federation: 250,000 rubles;
- State Cadaster of Rostov Region Service for Support of Activity of Judicial Precincts of Magistrates: 3000 rubles;

- Interregional Inspectorate of the Federal Tax Service: 1721.15 rubles;
- Branch of Social Fund of Russia in Rostov Region: 1000 rubles.

## Conclusion

Center-invest Bank's experience in localising ESG banking demonstrates the effectiveness of responsible and environmentally friendly business practices, the creation of an ecosystem of loyal customers and partners, and a high-quality loan portfolio of the best borrowers, resulting in a positive impact on the bank's financial performance.

Sustainable profits allow us to fulfil our voluntary commitments to implement social, educational and cultural projects for the benefit of present and future generations.

### Financial highlights, bn rubles

As of 31 December of the relevant year, bn rubles	2017	2018	2019	2020	2021	2022	2023
Internal funds	11.4	11.8	14.4	14.9	15.3	17.3	20.7
Assets	101.4	110.8	119.5	118.9	120.0	111.7	127.4
Net lending receivables	87.2	96.3	102.5	100.8	104.0	97.8	112.1
Loan portfolio	84.6	93.7	93.2	91.8	99.2	102.9	113.2
Client accounts	86.7	97.0	102.1	101.1	101.7	91.2	102.2
Profit	0.68	1.15	3.34	0.86	0.88	1.96	4.08
H1.0	11.2	10.7	11.1	13.1	12.6	14.2	13.9
H1.1	9.6	9.5	9.4	9.7	11.2	12.9	12.9
H1.2	9.6	9.5	9.4	9.7	11.2	12.9	12.9
Return on assets, %	0.69	1.08	2.90	0.72	0.74	1.69	3.41
Return on funds, %	6.08	9.91	25.55	5.84	5.85	12.04	21.5

The bank asset and liability structure at the year-end 2023 remained stable and oriented towards the real sector of economy and the entire range of consumer and small business loans and lending facilities. The share of net lending receivables in the asset structure was 88%.

### Bank asset and liability structure, million rubles

Assets	31 December 2023	%
Net lending receivables	112,094	88%
Monetary funds and funds in CBR	8891	7%
Fixed assets, right-of-use assets and intangible assets	3893	3%
Other assets	1934	1.5%
Funds in credit institutions	605	0.5%
Total:	127,417	100%

Liabilities	31 December 2023	%
Client accounts	102,244	80%
Internal funds	20,662	16%
Loans from CBR	2539	2%
Other liabilities	1093	1%
Debt securities in issue	879	1%
Total:	127,417	100%

This report uses data collected through the corporate reporting system within limits and to the extent of interest to existing and potential shareholders, partners, customers and employees of the bank.

Reliability of the data included in the report is ensured during the collection and consolidation of information and is confirmed by the heads of structural divisions or those responsible for the preparation of the respective block of information.

We are open to questions and suggestions regarding the ESG report and are ready for dialogue.

## Contact Us:

Phone: +7 (863) 2000-000  
[dobro@centrinvest.ru](mailto:dobro@centrinvest.ru)

