

Reporting and Self-Assessment Requirements	High-level summary of bank's response (limited assurance required for responses to highlighted items)	Reference(s)/ Link(s) to bank's full response/ relevant information
<p><b>Principle 1: Alignment</b>  <b>We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</b></p>		
<p>1.1 <i>Describe</i> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.</p>	<p>Center-invest Bank is the largest private regional bank in Southern Russia with the positive example of socially responsible business, which is based on ESG banking business model.</p> <p>We provide retail customers and businesses in Southern Russia with a wide range of modern banking services and products to develop and support the real economy, with 71% of the Bank's assets being loans and leases.</p> <p>The Bank's main activity is lending to the retail customers and SMEs of the region in the local currency. By doing so we achieve the aim of having a positive impact on the infrastructure, community and local economy in the regions, where the bank operates.</p> <p>The business model of ESG banking involves managing risks together with the clients to reduce defaults and NPLs.</p> <p>The Bank's core business is retail lending which comprises 66% of total ? loan portfolio. The Bank's ESG retail lending focuses on traditional secured loans and mortgages. Our retail portfolio is split between mortgages (73.6%) and consumer loans (24,7%).</p> <p>SME loans make up 31% of the total loan portfolio, with the core industries being agriculture (41.4%), Trade (24,8%), Industry (12.6%), Transport and communication (7%), Construction (4.6%).</p> <p>The Bank develops special ESG loan programmes including supporting women in business, youth start-ups, social entrepreneurship, energy efficiency projects, projects in the utilities sector.</p>	<p><a href="https://www.centinvest.ru/files/about/reports/in-v-rel/3Q2020.pdf">https://www.centinvest.ru/files/about/reports/in-v-rel/3Q2020.pdf</a></p> <p><a href="https://www.centinvest.ru/files/about/reports/annual/Annual-report-2019.pdf">https://www.centinvest.ru/files/about/reports/annual/Annual-report-2019.pdf</a></p> <p><a href="https://www.centinvest.ru/files/smi/pdf/ESG_BA_NKING_2020.pdf">https://www.centinvest.ru/files/smi/pdf/ESG_BA_NKING_2020.pdf</a></p> <p><a href="https://www.centinvest.ru/files/about/reports/audit(en)/IAS_CIB_3kv2020_ENG.pdf">https://www.centinvest.ru/files/about/reports/audit(en)/IAS_CIB_3kv2020_ENG.pdf</a></p> <p><a href="https://www.centinvest.ru/en/about/news/36537/">https://www.centinvest.ru/en/about/news/36537/</a></p> <p><a href="https://www.centinvest.ru/en/about/news/36536/">https://www.centinvest.ru/en/about/news/36536/</a></p> <p><a href="https://www.centinvest.ru/en/about/news/36519/">https://www.centinvest.ru/en/about/news/36519/</a></p> <p><a href="https://www.centinvest.ru/files/en-reports/2019_Environmental_Social_Report.pdf">https://www.centinvest.ru/files/en-reports/2019_Environmental_Social_Report.pdf</a></p>

	<p>Center-invest Bank strives to protect the environment, including through the efficient consumption of resources (electricity, paper, fuel, etc), makes great efforts to develop remote services and supports environmental activities.</p> <p>The Bank has been engaged in energy efficiency finance programme since 2005 and thus contributes to environmental protection in Russia by providing business and retail customers with loans to finance the introduction of modern energy saving technologies and measures.</p> <p>One of the main social goals and activities of the Bank is - promoting Financial literacy in the region. The Bank has founded 5 Financial Literacy Centres and Business Accelerator. Since the start in 2014, 667 466 people have visited the centres, received free consultation, and participated in 4 284 events (educational lectures and seminars) free of charge. Center-invest Bank is the main financial partner of regional government innovations in educational process.</p>	<p><a href="https://www.centriinvest.ru/files/about/reports/annual/ESG_2019_Eng.pdf">https://www.centriinvest.ru/files/about/reports/annual/ESG_2019_Eng.pdf</a></p> <p><a href="https://www.centriinvest.ru/en/about/news/36414/">https://www.centriinvest.ru/en/about/news/36414/</a></p>
<p>1.2 Describe how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.</p>	<p>The Bank is implementing the Strategy 2019-2021 "ESG - Digitalization of the Bank's Ecosystem", approved by the Board of Directors of the Bank, taking into account the UN Sustainable Development Goals, the Paris Climate Agreement, the priorities of Russia's National Projects to 2024, and the development goals set out in Bank of Russia programmes.</p> <p>In 2020, Center-invest Bank has invested RUB195.5bn in implementation of the SDGs and RUB167.7bn in the National Projects.</p> <p>The Bank is currently working on a new Bank's strategy for 2022-2025 "ESG digitalization 2.0" which will reflect the impact goals and objectives, including the achievement of the SDGs and National projects and Paris Climate Agreement on the basis of regional SDG statistical data.</p> <p>Our new Strategy will contain quantitative and qualitative metrics for achieving the sustainable development goals and targets, taking into account the socio-economic interests of the Russian Federation. The Bank is also reviewing opportunities to achieve carbon neutrality after 2025 for holding the increased temperature below 2 above pre-industrial levels.</p>	<p><a href="https://www.centriinvest.ru/files/about/reports/13.02.Strategy%202019-2021_English.pdf">https://www.centriinvest.ru/files/about/reports/13.02.Strategy%202019-2021_English.pdf</a></p> <p><a href="https://education.southofrussia.ru/stamp.pdf">https://education.southofrussia.ru/stamp.pdf</a></p>

<p><b>Principle 2: Impact and Target Setting</b>  <b>We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</b></p>		
<p>2.1 Impact Analysis:  <i>Show</i> that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:  a) <u>Scope</u>: The bank’s core business areas, products/services across the main geographies that the bank operates in have been as described under 1.1. have been considered in the scope of the analysis.  b) <u>Scale of Exposure</u>: In identifying its areas of most significant impact the bank has considered where its core business/its major activities lie in terms of industries, technologies and geographies.  c) <u>Context &amp; Relevance</u>: Your bank has taken into account the most relevant challenges and priorities related to</p>	<p><u>Context &amp; Relevance</u>:  Southern Russia, the region where the Bank operates, has a lot of important competitive advantages – favourable location and climate for the development of agribusiness (22% of Russia’s agricultural production), the region does not have an abundance of oil and gas; instead, it has diversified economy not only by sector, but also by enterprise size: 10% of all Russian SMEs are based in southern Russia; deep-rooted tradition of free trade and small business. The main challenges are the low level of personal income in southern Russia (60%–70% of the Russian average), relatively low competitiveness of the industrial enterprises, high investment risks, not increasing productivity of production factors (labour, land, capital, etc.), their obvious “undercapitalization”, a low share of innovative activities, ecological problems. At the same time, about 1/3 of the Bank’s income from lending to the real economy is allocated among depositors (payment of interest income for 207 792 private customers).   We believe that the most significant impact can be done in the field of providing preferential conditions for retail and SME lending, profitable and safe savings of the population, improving agribusiness, developing SMEs, promoting them to introduce the best world practice, developing technologically and environmentally, promotion of “green finance” and financial literacy in the region.   Therefore, we have identified the following areas of the Bank’s most significant positive impact:</p> <ol style="list-style-type: none"> <li><b>1. Retail and SME lending</b></li> <li><b>2. Improving agribusiness in the region</b></li> </ol>	<p><a href="https://www.centriinvest.ru/en/southernrussia">https://www.centriinvest.ru/en/southernrussia</a>   <a href="https://www.centriinvest.ru/files/about/reports/audit(en)/IAS_CIB_3kv2020_ENG.pdf">https://www.centriinvest.ru/files/about/reports/audit(en)/IAS_CIB_3kv2020_ENG.pdf</a>   <a href="https://www.centriinvest.ru/files/smi/pdf/buklet_transformation.pdf">https://www.centriinvest.ru/files/smi/pdf/buklet_transformation.pdf</a>   <a href="https://www.centriinvest.ru/ru/about/articles/34082/">https://www.centriinvest.ru/ru/about/articles/34082/</a>   <a href="https://www.centriinvest.ru/ru/about/articles/32773/">https://www.centriinvest.ru/ru/about/articles/32773/</a></p>

<p>sustainable development in the countries/regions in which it operates.</p> <p>d) <u>Scale and intensity/salience of impact:</u> In identifying its areas of most significant impact, the bank has considered the scale and intensity/salience of the (potential) social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. (your bank should have engaged with relevant stakeholders to help inform your analysis under elements c) and d))</p> <p><i>Show that building on this analysis, the bank has</i></p> <ul style="list-style-type: none"> <li>• Identified and disclosed its areas of most significant (potential) positive and negative impact</li> <li>• Identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts</li> </ul>	<p><b>3. Promoting “Green finance” and “green technologies” in the region</b></p> <p><b>4. Increasing the availability of financial literacy</b></p> <p>Despite the fact that the Bank operates in 6 regions of Russia, we think, that the most significant impact from the core-business arise in the Rostov, Volgograd regions and Krasnodar area.</p> <p>As a responsible financial institution, we are aware of the possible ESG-risks from our activities. The negative impact can potentially arise from the increasing debt burden on borrowers, cybercriminals and insufficient risk-assessment in supply chains. The Bank manages ESG-risk permanently and mitigates these possible negative impacts. For example, the Bank of Russia considers an acceptable debt burden 50% for mortgage loans, but the same indicator in Center-invest loan portfolio is only 24%.</p>	
<p>Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Impact Analysis.</p>		
<p>We have undertaken our impact analysis and identified the significant impact of our activity. The Bank’s accumulated experience of impact shows new horizons for development related to:</p> <ul style="list-style-type: none"> <li>- the expansion of impact spheres (cooperation with the universities and schools, social entrepreneurs, women's business, support for innovation, participation in projects for the development of social benefits and services);</li> </ul>		

<p>- development of impact assessment methods (use of statistical reporting by region (socio-economic and SDGs);</p> <p>- risk assessment and risk management methods.</p>		
<p>2.2 Target Setting</p> <p>Show that the bank has set and published a minimum of two <b>Specific, Measurable</b> (can be qualitative or quantitative), <b>Achievable, Relevant</b> and <b>Time-bound</b> (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.</p> <p>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</p> <p>Show that the bank has analysed and acknowledged</p>	<p>Center-invest Bank fully supports and recognises the importance of the 17 SDGs, which are intended to address key environmental, economic and social challenges worldwide. While the bank aims to contribute to the implementation of all the SDGs, given the nature of its business and the region in which it operates, the following five goals are our priorities:</p> <p>SDG 2. Zero Hunger SDG 4. Quality Education SDG 8. Decent Work and Economic Growth SDG 11. Sustainable Cities and Communities SDG 17. Partnerships for the Goals.</p> <p>According to the identified areas of the most significant impact and in line with the SDGs, and national projects the Bank has set its most important targets:</p> <p><b>1. Retail and SME lending</b></p> <ul style="list-style-type: none"> <li>✓ To increase loan portfolio by 15%</li> <li>✓ To digitalise products and services</li> <li>✓ To develop the ESG programmes supporting women and youth business, social entrepreneurship.</li> </ul> <p><b>2. Improving agribusiness in the region</b></p> <ul style="list-style-type: none"> <li>✓ To increase loan portfolio by 15%</li> <li>✓ Quantitative Qualitative development of agribusiness: stimulating customers to use resources rationally, greening agriculture production by introducing innovations.</li> </ul> <p><b>3. Promoting “Green finance” and “green technologies” in the region</b></p> <ul style="list-style-type: none"> <li>✓ To launch the third issue of the Bank’s green bonds</li> <li>✓ To achieve RUB 2bn of green deposits</li> <li>✓ To introduce 20% use of renewable energy sources for reducing the Bank’s own carbon footprint</li> <li>✓ To increase loan portfolio of energy efficiency projects, projects in the utilities sector by 15%</li> </ul>	<p><a href="https://www.centriinvest.ru/files/about/reports/annual/ESG_2019_Eng.pdf">https://www.centriinvest.ru/files/about/reports/annual/ESG_2019_Eng.pdf</a></p> <p><a href="https://www.centriinvest.ru/files/about/reports/annual/Annual-report-2019.pdf">https://www.centriinvest.ru/files/about/reports/annual/Annual-report-2019.pdf</a></p> <p>The Bank is working under a new Bank’s strategy for 2022-2025 “ESG digitalization 2.0” which will reflect the impact goals and objectives, including the achievement of the SDGs and National projects and Paris Climate Agreement on the basis of regional SDG statistical data.</p>

<p>significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</p>	<p>As of 01/01/2020, the Bank did not use renewable energy. In 2020 the Bank launched a pilot project for solar panels. For 2021 the Bank sets an ambitious target: to get at least 20% of electricity, which it consumes from renewable energy sources.</p> <p><b>4. Increasing the availability of financial literacy</b></p> <ul style="list-style-type: none"> <li>✓ To strengthen the performance of Financial literacy centres and the Bank's Accelerators</li> <li>✓ To participate in joint projects with region's University and schools</li> <li>✓ To pass accreditation for Center-invest bank's financial literacy projects in the Financial Literacy Development Association.</li> </ul>	
<p>Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Target Setting.</p>		
<p>Based on an analysis of all SDGs, the bank has selected those where its business model and operational technologies perform the most effectively in terms of impact. As a result, we have already set some targets in the areas of the most significant impact. We are currently in the process of working on our new strategy, which we will be able to provide in our next report.</p>		
<p>2.3 Plans for Target Implementation and Monitoring</p> <p><i>Show that your bank has defined actions and milestones to meet the set targets.</i></p> <p><i>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</i></p>	<p>The Bank at the strategy level has a set of tasks related to minimizing negative and increasing positive impacts.</p> <p><b>Retail and SME lending</b></p> <ul style="list-style-type: none"> <li>✓ To provide preferential conditions for loans</li> <li>✓ To expand the diversity of loan programmes for individuals and SME</li> <li>✓ To provide free legal support, consulting</li> <li>✓ To hold corporate events, webinars for customers devoted to responsible production and consumption</li> <li>✓ To expand the Bank's customer base, with the larger involvement of the self-employed people.</li> </ul> <p><b>Improving agribusiness in the region</b></p> <ul style="list-style-type: none"> <li>✓ To provide preferential conditions for loans</li> <li>✓ To promote business activity with a high level of environmental impact (stimulating the creation of ECO farms, ECO products, etc. ...)</li> <li>✓ To mentor the entrepreneurs.</li> </ul>	

	<p><b>Promoting “Green finance” and “green technologies” in the region</b></p> <ul style="list-style-type: none"> <li>✓ To develop a new Environmental and Social policy containing the statements of Carbon Neutral Strategy of Center-invest Bank</li> <li>✓ To promote investing into our third Green Bond issue and green deposit among the customers</li> <li>✓ To participate in the partner events to promote the energy- efficiency loans.</li> </ul> <p><b>To increase the availability of financial literacy</b></p> <ul style="list-style-type: none"> <li>✓ To develop online-courses on financial literacy, on SDGs, ESG and ecology</li> <li>✓ To train school teachers in the basics of financial literacy for the further education of schoolchildren</li> <li>✓ To conduct competitions on digital transformation of the educational programs at schools and universities</li> <li>✓ To participate in hackathons and to train new personnel for the Bank and region</li> <li>✓ To teach orphans the basics of financial literacy</li> <li>✓ To provide financial literacy training for volunteers.</li> </ul> <p>Center-invest Bank uses a wide range of indicators to quantify its social impact such as: income generation (more than 80% due to its work with the real sector of the economy), income distribution (to its depositors-36%, to its partners and suppliers-23%, to its employees and the state-19%, to its hareholders (dividends and development) - 22%). The Bank keeps records on lending programs for small businesses (women's business, youth, social entrepreneurship) and on reducing CO2 emissions.</p> <p>From the point of view of big data, the Bank collects and processes a large amount of statistical information in the regions of its presence to assess its own impact, taking into account the Sustainable Development Goals and the Russia National Projects. We plan to develop internal practices for quantifying social and environmental impacts, taking into account the best world experience.</p>	
--	--	--

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Plans for Target Implementation and Monitoring.		
To achieve the set goals, the Bank monitors their achievement, develops technologies, organises regular reporting and communication with stakeholders, and localizes the best SDG practices. We have set measures and KPIs for our targets.		
<p>2.4 Progress on Implementing Targets</p> <p><u>For each target separately:</u></p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p><i>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</i></p> <p>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures)</p>	<p><b>Loan portfolio</b></p> <p>In 2020, the Bank became a participant in all government measures to support business and the population, and also launched a number of programs for its own support for its clients (business transformation - preferential financing for the transition to remote sales channels, promotion, etc.) and special mechanisms to support the population. Preferential loans made by Center-invest Bank under its own loan programmes and government-subsidised programmes have helped saving over 5300 jobs in southern Russia.</p> <p>Among Russia's top 100 banks, for the size of retail loan portfolio, Center-invest Bank ranks 15th in Russia, for the size of mortgage loan portfolio as at FYE 2020, and also for the number of mortgages issued in the second half of the year.</p> <p>Center-invest Bank ranked 15th for SME lending in Russia in 2020 (Sole traders and SMEs accounted for 92% of the bank's business loans).</p> <p><b>Improving agribusiness in the region</b></p> <p>The Bank has effectively managed the risks of agribusiness and financed the process of agri modernization.</p> <p>Thanks to the implementation of modern technologies in 2019-2020 the crop productivity of grain in Rostov region has increased by 7%.</p> <p><b>Promoting Green finance and green technologies in the region</b></p> <p>To date, the Bank has invested over RUB17.4bn in 21,000 energy-efficiency projects in Southern Russia.</p> <p>In the end of 2019 Center-invest Bank issued the first green bank bonds in Russia (RUB250m issue) on the Moscow Exchange. The environmental impact of the bank's first green issue was equivalent to a reduction in annual CO2 emissions of 4,600 tonnes (equivalent to planting 187,000 trees).</p>	<p><a href="https://www.centriinvest.ru/en/about/news/36473/">https://www.centriinvest.ru/en/about/news/36473/</a></p> <p><a href="https://www.centriinvest.ru/en/about/news/36518/">https://www.centriinvest.ru/en/about/news/36518/</a></p> <p><a href="https://www.centriinvest.ru/en/about/news/36536/">https://www.centriinvest.ru/en/about/news/36536/</a></p> <p><a href="https://www.centriinvest.ru/en/about/news/36519/">https://www.centriinvest.ru/en/about/news/36519/</a></p> <p><a href="https://www.centriinvest.ru/en/about/news/36501/">https://www.centriinvest.ru/en/about/news/36501/</a></p> <p><a href="https://www.centriinvest.ru/en/about/news/36413/">https://www.centriinvest.ru/en/about/news/36413/</a></p> <p><a href="https://www.centriinvest.ru/en/about/news/36431/">https://www.centriinvest.ru/en/about/news/36431/</a></p>

	<p>In 2020, the Bank launched its second green bond issue. The bank's experts predict that the environmental impact of this issue will be equivalent to a reduction in CO2 emissions of 6,408 tonnes.</p> <p>In 2020, the Bank introduced a new <i>Green deposit</i> account, the only one of its kind in Russia. All of the funds deposited in Green deposit accounts are to be used for projects that contribute towards the UN Sustainable Development Goals and Russia's National Projects.</p> <p>To reduce its own carbon footprint Center-invest Bank installed solar panels on the roof of its head office. The electricity generated by the panels reduced electricity consumption from the network by 70kWh. The daily energy saving thanks to this new project is equivalent to the electricity used to operate seven ATMs or fifteen payment terminals for a 24-hour period.</p> <p>In 2020, the Bank reduced lending to projects with a high level of environmental and social risk. So, in 2020, the number of projects decreased by 47.8%. At the same time, the share of such projects in the bank's loan portfolio is only 1.7%.</p> <p><b>To increase the availability of financial literacy</b></p> <p>Center-invest Bank published the first in Russia scientific and practical manual on the bank's work based on the ESG principles "ESG banking: made in Russia". The author is Vasily Vysokov, Doctor of Economics, Professor, Chairman of the Board of Directors of Center-Invest Bank.</p> <p>In total, in 2020 the Financial Literacy centers of Center-invest Bank conducted online seminars for 307 696 listeners, 929 people completed the training course, among them 341 are school teachers and university teachers. In total 515 events were held by the centers.</p>	<p><a href="https://www.centriinvest.ru/en/about/news/34076/">https://www.centriinvest.ru/en/about/news/34076/</a></p> <p><a href="https://www.centriinvest.ru/en/about/news/36482/">https://www.centriinvest.ru/en/about/news/36482/</a></p> <p><a href="https://www.centriinvest.ru/en/about/news/36539/">https://www.centriinvest.ru/en/about/news/36539/</a></p> <p><a href="https://www.centriinvest.ru/files/en-reports/2019_Environmental_Social_Report.pdf">https://www.centriinvest.ru/files/en-reports/2019_Environmental_Social_Report.pdf</a></p> <p><a href="https://www.centriinvest.ru/files/smi/pdf/ESG_BANKING_2020.pdf">https://www.centriinvest.ru/files/smi/pdf/ESG_BANKING_2020.pdf</a></p> <p><a href="https://www.centriinvest.ru/en/about/news/36227/">https://www.centriinvest.ru/en/about/news/36227/</a></p>
--	---	---

Please provide your bank's conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing Targets		
Center-invest Bank's performance in 2020 clearly demonstrates the effectiveness of the ESG banking model that underpins its operations in retail and SME lending and its efficient work in the interests of customers and shareholders. Joining the UNEP FI PRB has helped us to estimate our activity, and highlight the areas of significant impact and focus on targets related to these areas.		
<p><b>Principle 3: Clients and Customers</b>  <b>We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</b></p>		
<p>3.1 <i>Provide an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.</i></p>	<p>Center-invest Bank applies the best international practice to improve its business performance:</p> <ul style="list-style-type: none"> <li>● transparent decision-making procedures;</li> <li>● a clearly defined corporate culture and unambiguous rules of conduct;</li> <li>● independent risk management and internal control;</li> <li>● nurturing its employees;</li> <li>● transparent and accessible reporting under national and international standards;</li> <li>● a modern and constantly evolving IT system;</li> <li>● highly responsive liquidity management procedures;</li> <li>● innovative technology, operations and product development.</li> </ul> <p>For Center-invest Bank, social responsibility and effectiveness also means increasing profits which:</p> <ul style="list-style-type: none"> <li>● are not immediate, but long-term;</li> <li>● take into account risks and ensure safeguards;</li> <li>● avoid conflict and do not infringe on the interests of other parties;</li> <li>● ensure the development of public goods and services;</li> <li>● promote the growth of social consciousness and effective social transformations.</li> </ul> <p>The Environmental and Social Policy of Center-invest Bank is an essential element of the bank's decision making process regarding project financing and approval, and monitoring of project implementation.</p>	<p><a href="https://www.centriinvest.ru/files/about/reports/annual/Annual-report-2019.pdf">https://www.centriinvest.ru/files/about/reports/annual/Annual-report-2019.pdf</a></p>

	<p>In its management of sustainable development, Center-invest Bank is guided by the following standards and principles:</p> <ul style="list-style-type: none"> <li>● the United Nations Sustainable Development Goals (SDGs);</li> <li>● The Membership Standards and Code of the Global Alliance for Banking on Values;</li> <li>● The Principles for Responsible Banking of the UN Environment Programme Finance Initiative (UNEP FI);</li> <li>● the international standards of conduct and principles enshrined in the international standards for sustainable development, corporate social activities and environmental protection: ISO 26000, AA1000, ISO 14000;</li> <li>● the GRI Standards on disclosure of non-financial information.</li> </ul> <p>By using integrated reporting rather than just financial reporting, the bank has been able to assess the following in a new light:</p> <ul style="list-style-type: none"> <li>● the impact of the bank’s income on the interests of all the stakeholders: the local population, employees, shareholders, customers and partners;</li> <li>● the bank’s development as a process of reproducing operational, financial, information, intellectual, human and social capital.</li> </ul>	<p><a href="https://www.centriinvest.ru/files/en-reports/2019_Environmental_Social_Report.pdf">https://www.centriinvest.ru/files/en-reports/2019_Environmental_Social_Report.pdf</a></p>
<p>3.2 Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where</p>	<p>Center-invest Bank provides information about each depositor's contribution to implementation of the SDGs and National Projects. For every 100 rubles deposited with the bank, 71.5 rubles goes towards the SDGs, and 65.4 rubles goes towards the Russia National Projects. This breakdown clearly shows how every Center-invest Bank depositor is contributing to the sustainable development of the region, the country, and the world.</p> <p>The Bank held a broad campaign to raise customers’ interest to invest into the Green bond issued by the Bank (in 2019 – the first issue in Russia, in 2020 – the second issue).</p>	<p><a href="https://www.centriinvest.ru/en/sustainability/">https://www.centriinvest.ru/en/sustainability/</a></p>

<p>possible, the impacts achieved.</p>	<p>In 2020 Center-invest Bank introduced a new "Green" deposit account, the only one of its kind in Russia. The main difference between the Green deposit account and other deposit accounts is the purpose for which the funds are invested and the term, which is 17 months equal to 17 SDGs. All of the funds deposited in Green deposit accounts are to be used for projects that contribute towards the UN Sustainable Development Goals and Russia National Projects.</p> <p>In 2020, the Bank became a participant of all governmental measures to support business and the population in pandemic, and launched a number of programs for its own support for its customers (business transformation - preferential financing for the transition to remote sales channels, promotion, etc.) and special mechanisms to support the population.</p> <p>In 2020, the bank launched a special programme to support medical workers - opportunity to refinance a loan from another bank on preferential terms, as well as to receive a rate cut on existing loan agreements with Center-invest Bank to all doctors and nurses.</p>	<p><a href="https://www.centriinvest.ru/en/about/news/36474/">https://www.centriinvest.ru/en/about/news/36474/</a></p>
<p><b>Principle 4: Stakeholders</b>  <b>We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</b></p>		
<p>4.1 Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.</p>	<p>Center-invest Bank actively participates in the development and implementation of state programs for the development of entrepreneurship, regions, municipalities. The Bank works jointly with public organizations of entrepreneurs, conducts an active information policy on the problems of entrepreneurial activity.</p> <p>Active interaction on the development of ESG banking is carried out with the State Duma of the Russian Federation, the Government of the Russian Federation, the Bank of Russia, the Ministry of Economic Development, the State Development Corporation VEB.RF, Rosstatistics and Moscow Exchange. The Chairman of the Board of Directors of Center-invest Bank Dr. Vysokov chairs the ESG Banking Project Group of the Association of Russia, approving the Russian Taxonomy, instruments for financing environmental and social projects, measures to support investors and issuers of a fiscal, economic and regulatory nature are discussed. Center-invest Bank experts are participating in the discussion of criteria and metrics for financing</p>	<p><a href="https://www.centriinvest.ru/en/about/news/36415/">https://www.centriinvest.ru/en/about/news/36415/</a></p> <p><a href="https://www.centriinvest.ru/en/about/news/36366/">https://www.centriinvest.ru/en/about/news/36366/</a></p> <p><a href="https://www.centriinvest.ru/en/about/news/36258/">https://www.centriinvest.ru/en/about/news/36258/</a></p> <p><a href="https://www.centriinvest.ru/en/about/news/36228/">https://www.centriinvest.ru/en/about/news/36228/</a></p> <p><a href="https://www.centriinvest.ru/en/about/news/33533/">https://www.centriinvest.ru/en/about/news/33533/</a></p>

	<p>ESG projects in the field of energy efficiency, responsible consumption, social entrepreneurship and sustainable agriculture.</p> <p>Since these authorities and institutions are simultaneously the Bank's stakeholders, Center-invest is in dialogue with stakeholders, systematically discloses its own results of ESG risk management and practical cases on responsible financing, and also receives feedback to monitor progress in aspects of sustainable development.</p>	<p><a href="https://asros.ru/en/">https://asros.ru/en/</a></p>
<p><b>Principle 5: Governance &amp; Culture</b>  <b>We will implement our commitment to these Principles through effective governance and well established culture of responsible banking.</b></p>		
<p>5.1 Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.</p>	<p>Center-invest Bank has an Anti-Corruption and Anti-Fraud Policy, which must be adhered to by all employees of the bank and its subsidiaries, irrespective of their position and job functions. All existing employees have been informed of the Policy and it is mandatory for all new employees to be informed of the Policy also. The Board of Directors and Executive Board lead by example, with a zero-tolerance approach to any instances of corruption and fraud.</p> <p>Our Information Policy (2007) guarantees and provides access to non-privileged information and effectively protects trade secrets and insider information.</p> <p>The Risk Management Policy (2019) ensures transparent and effective risk management. It is based on modern risk assessment methods using a wide range of risk assessment and data analysis tools and expert analysis.</p> <p>The Internal Control Policy (2014) sets out a full range of measures to ensure compliance with not only regulatory requirements but also best international practice.</p> <p>Center-invest Bank refrains from operations that would have a negative impact on local communities. In a timely manner, the bank communicates its anti-corruption policy and procedures to local communities and informs them of the impact of external risks. In accordance with Russian legislation, the bank informs law enforcement agencies of any incidents of corruption and breaches of the law.</p>	<p><a href="https://www.centrinvest.ru/en/about/corporate-governance/">https://www.centrinvest.ru/en/about/corporate-governance/</a></p> <p><a href="https://www.centrinvest.ru/files/about/pdf/Anti-Corruption_2020.pdf">https://www.centrinvest.ru/files/about/pdf/Anti-Corruption_2020.pdf</a></p>

<p>5.2 Describe the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.</p>	<p><b>The Bank’s personnel is its most important asset and the bedrock of its competitiveness.</b> We value each employee’s contribution to the bank’s growth and development. The Bank’s activities to foster a culture of responsible banking:</p> <ul style="list-style-type: none"> <li>● Willingness of the bank’s management and Board of Directors to communicate with every employee.</li> <li>● Communication with employees via email newsletters and social media and at internal company events.</li> <li>● Training and upskilling employees at the Employee Training Centre.</li> <li>● Organising cultural, sporting and volunteering corporate events.</li> <li>● Regular surveys to ascertain employee engagement and whether there is a positive atmosphere in teams.</li> <li>● Bonus payments to the heads of departments take into account the results of the implementation of ESG principles in their work.</li> <li>● Organization of lectures on responsible financing and bank tours for children of employers and customers.</li> </ul> <p>Corporate volunteering is one of the most important components of Center-invest Bank’s corporate culture.</p> <p>Our corporate volunteering initiatives mainly involve helping vulnerable groups of the population, and activities relating to education, environmental protection and social welfare. Together with the Financial Literacy Centres, volunteers from Center-invest Bank held over 1,000 events in 2020. These included: lectures, workshops and classes on financial literacy; educational games for children at mass public events, forums and festivals; clean-up days and tree-planting days; and charity sports events.</p> <p>We aim to continue promoting a culture of volunteering and to establish a large, sustainable corporate volunteering system. In 2019, 25% of our employees were involved in volunteering. We hope to increase this percentage, with an emphasis on the branch network, and also to attract external volunteers from among our customers and partners.</p>	<p><a href="https://www.centriinvest.ru/files/about/reports/annual/ESG_2019_Eng.pdf">https://www.centriinvest.ru/files/about/reports/annual/ESG_2019_Eng.pdf</a></p>
--	---	--

<p>5.3 Governance Structure for Implementation of the Principles</p> <p>Show that your bank has a governance structure in place for the implementation of the PRB, including:</p> <ul style="list-style-type: none"> <li>a) target-setting and actions to achieve targets set</li> <li>b) remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.</li> </ul>	<p>ESG development is the key part of the Bank's strategy. The Chairman of the Board of Directors Prof. Vysokov is actively implementing an ESG banking approach in decision-making not only at the meetings of the Board of Directors of Center-invest Bank, but also at the national level as a leader of ESG project group of the Association of Russian banks. The Board of Directors supports this direction of Bank's development approving the Bank's strategy, business-plans, internal documents and regulations and reporting.</p> <p>The Bank's CEO Ms Simonova passionately supports the principles of ESG banking in decisions of the Executive Board, organization of work on the implementation of business plans, assessment of the work of divisions.</p> <p>The Executive Board is assigned responsibility for compliance with the principles and approaches specified in the policies, ensuring that the policies are communicated to all bank employees and for compliance with the policies. All of the Bank's credit committees are also guided by the policies.</p> <p>Mr Smirnov - CFO of Center-invest Bank - is in charge of coordination of the processes used for the adoption of the environmental procedures at Center-invest Bank, serves as an Environmental secretary of the Bank.</p> <p>Center-invest Bank has had corporate governance rules and procedures since 2004, including codes of corporate conduct and ethics, and policies for specific areas of the business.</p> <p>Center-invest Bank's ethical values, which are shared by its executive board, employees, customers and partners, are reflected in its codes and policies. These values are part of the bank's corporate culture.</p> <p>In carrying out its activities, the bank pays special attention to the respect and protection of human rights</p>	<p><a href="https://www.centriinvest.ru/files/about/reports/annual/Annual-report-2019.pdf">https://www.centriinvest.ru/files/about/reports/annual/Annual-report-2019.pdf</a></p>

	<p>at all times, and it strives to ensure that human rights are observed in all the geographical areas where it operates.</p> <p>The Bank’s employees traditionally come from a wide range of ethnic and religious backgrounds. Inclusion and diversity are part of the bank’s corporate culture. The Bank Secretary for ESG Issues is available to assist or advise any employee on matters relating to discrimination, harassment or unethical conduct.</p> <p>Taking into account feedback from the Internal Audit Service, which monitors compliance with the bank’s Code of Corporate Conduct, the Board of Directors and Executive Board regularly carry out surveys and evaluate performance in terms of corporate conduct.</p> <p>Training on human rights is provided as part of the process of familiarising new employees with the bank’s codes and policies. The bank’s employees comply with applicable Russian legislation in all aspects, including human rights protection.</p> <p>All customers are being checked for compliance with the Russian legislation. The bank refrains from working with customers who violate human rights. The criteria in the bank’s Environmental and Social Policy are applied when assessing all loan applications. Social risks are considered, including observance of human rights, which is also mandatory under the bank’s funding agreements with its international partners.</p> <p>The Bank monitors and examines any complaints in compliance with applicable law. The Bank guarantees that any information received from customers will be kept confidential, unless otherwise required by law.</p>	
<p>Please provide your bank’s conclusion/ statement if it has fulfilled the requirements regarding Governance Structure for Implementation of the Principles.</p>		
<p>We have progressed substantially in fulfilling this requirement. The Bank has established a governance structure for ensuring that the Principles are implemented effectively, including managing significant impacts, setting and monitoring targets. The Executive Board reports quarterly to the Board of Directors on progress made to achieve targets and general implementation of the Principles.</p>		
<p><b>Principle 6: Transparency &amp; Accountability</b>  <b>We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society’s goals.</b></p>		

<p>6.1. Progress on Implementing the Principles for Responsible Banking</p> <p><i>Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).</i></p> <p><i>Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.</i></p> <p><i>Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on</i></p>	<p>Center-invest Bank is one of the leaders of the sustainable development agenda in Russia. We were one of the first Russian Signatories of the Principles for Responsible Banking. In the next reports and self-assessments we plan to research and disclose deeply the positive and negative impacts as well as progress. Over the last 12 months (up to 18 months in our first reporting) the most significant progress has been made in the disclosure of non-financial impacts and stakeholders' communications.</p> <p>Also, the Bank actively cooperates with the national and international institutions on ESG-issues. We implement the best international practices ( from IFIs, shareholders, NGOs). For example, in February 2019 Center-invest became a member of The Global Alliance for Banking on Values committing to comply The Membership Standards and Code.</p> <p>We expect significant progress in achieving ESG-goals and implementing the Principles for Responsible Banking due to implementing the new Strategy "ESG digitalization 2.0"</p>	
--	--	--



PRINCIPLES FOR RESPONSIBLE BANKING

its implementation of these Principles.		
Please provide your bank’s conclusion/statement if it has fulfilled the requirements regarding Progress on Implementing the Principles for Responsible Banking		
The Bank has made good progress over the first 18 months of implementing the Principles. We are currently developing our new strategy for 2022-2025 “ESG digitalization 2.0” which will reflect the impact goals and objectives, including the achievement of the SDGs and National projects and Paris Climate Agreement on the basis of regional SDG statistical data.		