

Sustainable Development Declaration

The 6 ESG Principles of Banking at a Time of Transformations

1. Voluntariness. Center-invest Bank's shareholders, management and employees have voluntarily committed to and act on the basis of environmental, social and governance (ESG) principles, which promote sustainable, environmentally friendly, ethical and socially responsible banking. These obligations have become a cornerstone of Center-invest Bank's corporate culture. They inform the bank's customer and partner relationships and provide a mechanism for successful business management even at a time of crisis.

2. Global Vision. Although not an official signatory, Center-invest Bank supports the provisions of the following international initiatives: United Nations Global Compact (UNGC), Sustainable Development Goals (SDGs), Equator Principles (EP), Principles for Responsible Investment (PRI), Environmental, Social and Governance (ESG) principles, and the Triple Bottom Line (3BL) - People, Planet, Profit. The bank:

- includes these provisions in its operational and corporate governance procedures;
- offers special products and programmes to address social problems;
- explains the sustainable development provisions to its customers and partners, government bodies and social communities;
- voluntarily reports on its sustainable development activities on the basis of international recommendations (GRI, IR);

- monitors and checks compliance with best international practice;

- helps its partner banks, business people and young people to make contacts internationally.

3. Social Responsibility and Effectiveness. For Center-invest Bank, this means profits which:

- are not immediate, but long-term;
- take into account risks and ensure safeguards;
- avoid conflict and do not infringe on the interests of other parties;
- ensure the development of public goods and services;
- promote the growth of social consciousness and effective social transformations.

Center-invest Bank applies best international practice to improve its business performance:

- transparent decision-making procedures;
- a clearly defined corporate culture and unambiguous rules of conduct;
- independent risk management and internal control;
- nurturing its employees;
- transparent and accessible reporting under national and international standards;
- a modern and constantly evolving information system;
- highly responsive liquidity management procedures;
- innovative technology, operations and product development.

By applying an ESG banking model, Center-invest Bank is achieving: sustainable, balanced growth; a high level of competitiveness on Russian and international markets (including when compared to the speculative market);

and high rankings among Russian banks, especially for products relating to energy efficiency, small business, youth enterprise, women in enterprise, retail lending, public-private partnership, and social enterprise.

4. Managing risks amid transformations. Transformations are the new economic reality. This requires management of constant change amid continual crises, and creative, socially responsible solutions in the interests of current and future generations, based on best international practice and technical, financial and social engineering.

ESG banking is not about buying and selling risks, but managing risks, which requires expenditure in the initial stages to avoid large losses.

- The bank offers its customers non-financial services (training, consulting, mentoring, analysis) to reduce the risks and increase the competitiveness of its ecosystem.
- Center-invest Bank's social and educational projects are designed to raise new generations of schoolchildren, students, entrepreneurs, civil servants and company managers.

5. The bank's ecosystem. The participants and resources required for the bank's sustainable development (constant reproduction) include, at a minimum:

- stakeholders (shareholders, partners, customers, employees),
- regulatory bodies, public administration and government bodies,
- civil society organisations, social groups and the media.

In developing its ecosystem, the bank takes into account a long-term vision for its main components:

Economic component - reproduction of all types of capital (financial, manufactured, natural, intellectual, human, social) on the basis of:

- a rational combination of pace of growth and proportions,
- risks and returns,
- localisation of best international practice.

Environmental component:

- procedures and measures to preserve and restore natural resources,
- reducing harmful emissions and waste,
- maintaining biodiversity,
- using best international practice in technological and organisational solutions to raise the population's standard of living and make customers more competitive.

Social component:

- preventing social conflict and inequality,
- supporting effective social differentiation,
- developing public goods and services,
- transforming social structures and relationships,
- the corporate culture and ethics of the ecosystem's participants,
- implementing social and educational projects.

Information component: the effective analysis of the growing volume of information, based on:

- modern methods and technology,
- management of information risks,
- transparent reporting and information policy,
- new forms of information and communication channels.

6. Nurturing staff. The bank provides continuous staff training on new areas in banking, in line with the ESG banking business model. We have established a positive corporate culture, with a creative atmosphere and employees who take responsibility for, and have confidence in, the successful implementation of the bank's own strategy and those of its customers. An important result of this is the high birth rate among our employees. We have every reason to be confident that all the members of our team are committed to helping the bank and our customers achieve new sustainable results.