

Explanatory information on the agenda item "Approval of joining the United Nations Environment Programme Finance Initiative (UNEP FI)" of CREDIT BANK OF MOSCOW's Annual General Shareholders' Meeting

The agenda of the annual General Shareholders' Meeting of CREDIT BANK OF MOSCOW (the "Bank") contains the item "Approval of joining the United Nations Environment Programme Finance Initiative (UNEP FI)".

UNEP FI is a partnership between United Nations Environment Programme (UNEP) and the global financial sector to mobilize private sector finance for sustainable development. UNEP FI works with more than 350 members – banks, insurers, and investors – and over 100 supporting institutions – to help create a financial sector that serves people and planet while delivering positive environmental and social impacts.

Russian financial institutions have been joining UNEP FI during the last 2 years, when the sustainable development agenda became one of the most topical issues for the government, regulator, expert community, companies' boards and the entire society. The Russian banks that have already joined UNEP FI are: Center-Invest Bank, VEB.RF, Sber and Sovcombank.

To join, the Bank has to subscribe to the Principles for Responsible Banking (the "Principles"), namely:

Principle 1. Alignment.

Signatories must align their 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.

Principle 2. Impact & Target Setting.

Signatories undertake to continuously increase their positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from their activities, products and services, as well as set and publish targets where they can have the most significant impacts.

Principle 3. Clients & Customers.

Signatories must work responsibly with their clients and customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Principle 4. Stakeholders.

Signatories undertake to proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Principle 5. Governance & Culture.

Signatories must implement their commitment to these Principles through effective governance and a culture of responsible banking.

Principle 6. Transparency & Accountability.

Signatories undertake to periodically review their individual and collective implementation of these Principles and be transparent about and accountable for their positive and negative impacts and their contribution to society's goals.

UNEP FI membership can bring the following benefits to the Bank:

1. Joining the community of banks committed to advancing together for the sustainable development, and getting access to:
 - peer learning;
 - collaborations on green initiatives;
 - expert-supported working groups;
 - trainings on preferential basis;
 - sustainable development tools;
 - international research and expert advice.
2. Expanding the product range and offering highest-quality innovative products based on international experience – allowing the Bank to occupy the fast growing niche of sustainable financial services.

3. Building an effective sustainability management system using UNEP FI members' experience and raising stakeholders' awareness about the Bank's progress in sustainable development.
4. As a result of the foregoing, higher positive impact and lower negative impact on the environment and society.
5. Higher ESG rating after the required procedures are put in place as ESG rating agencies look positively at the official membership in international initiatives.
6. Better ESG reputation and credibility in view of the members' commitments to follow the Principles.

In light of the aforesaid, it is proposed:

To approve the Bank joining the United Nations Environment Programme Finance Initiative (UNEP FI).