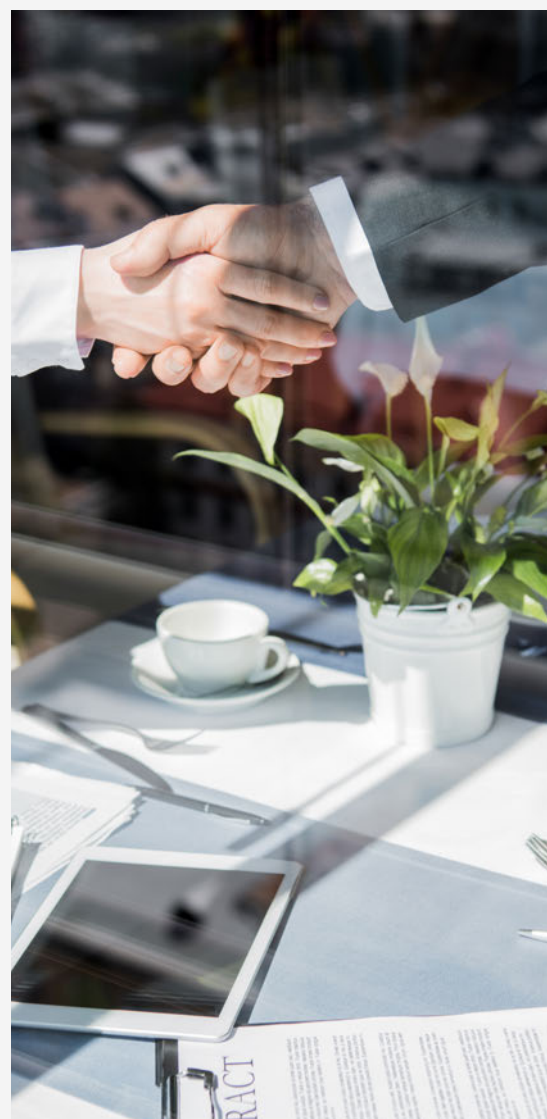




---

# Supplier and Contractor Code of Conduct



CREDIT BANK OF MOSCOW ("MKB" or the "Bank") adheres to the principles of sustainable development, stands for strict observance of human rights, respectful and fair treatment of all stakeholders<sup>1</sup>, including employees, customers and counterparties<sup>2</sup>, ensuring safe working conditions, respect for the environment and ethical business conduct. This Code contains minimum requirements for suppliers<sup>3</sup> and contractors<sup>4</sup> relating to social, environmental and ethical responsibility. The purpose of applying this Code is reducing sustainability risks in the supply chain and, ultimately, shaping its sustainability<sup>5</sup>.

In the event of changes in the names of the Bank's subdivisions referred to herein and/or the Bank's organisational structure, the functions referred to herein shall be performed by the relevant renamed/new Bank's subdivision.

## 1. Scope

**1.1** The Code applies to all suppliers and contractors of the Bank. MKB expects its suppliers and contractors to comply with this Code, taking into account the context of the counterparties' activities and the applicability of the requirements contained therein. The applicability of the provisions hereof may be determined on a case-by-case basis for each supplier and contractor based on the specifics of its business. MKB recommends that all its suppliers and contractors apply the requirements hereof to their own suppliers and contractors by incorporating the requirements hereof into relevant agreements and procurement procedures by making them known to their own suppliers and contractors.

**1.2** Where the choice of highly specialised goods, works and services is restricted by legal requirements and simultaneous compliance with the provisions hereof and legal requirements is not possible, it is worthwhile to be guided by legal requirements.



## 2. General requirements for suppliers and contractors

All of the Bank's suppliers and contractors shall adhere to the presumption of potential environmental hazards, due diligence and precaution. Suppliers and contractors shall fully comply with applicable federal and regional laws applicable to their operations and shall strive to achieve compliance with applicable international agreements and conventions and other applicable compliance obligations.

All counterparties' equipment and products must meet high standards of electrical, fire, occupational and environmental safety<sup>6</sup>. Particular attention shall be paid to checking that products are free from substances and materials hazardous to workers' health, such as asbestos, polychlorinated biphenyls, toxic lead paints, materials with excessive VOC emissions, etc. Suppliers' products must be characterised by a high energy efficiency class, low toxicity and high biodegradability, low impact on the components of the environment during their transportation, processing, use and disposal.

<sup>1</sup> Individuals and legal entities or groups influencing and/or influenced by an organisation and its operations. For example, shareholders and investors, employees, customers, local communities and community councils, financial institutions, suppliers, contractors, state supervision, control bodies and representatives of state authorities, mass media, non-governmental organizations and expert communities.

<sup>2</sup> Counterparties refer to suppliers and contractors.

<sup>3</sup> The supplier is a party to the goods delivery contract with the Bank.

<sup>4</sup> Contractor - a party to a works and/or services agreement entered into with the Bank.

<sup>5</sup> Supply chain sustainability - a supply chain characterised by the management of environmental, social and economic impacts on the environment and the company, as well as the promotion of good management practices throughout the life cycle of a product or service.

<sup>6</sup> For example EPD, FSC, PEFC, Eco Reinforcement, EcoMaterial, Blue Angel, AgBB, ecolabel on recycled content, possible reuse of material, etc.

### 3. Thematic requirements for suppliers and contractors



#### Corporate governance and business ethics aspects

- **Corruption and bribery**

Suppliers and contractors shall not, directly or indirectly, personally or through third parties, engage in corrupt practices, including offering, giving, promising, requesting or receiving bribes and facilitation payments in any form, including in cash, valuables, services or other benefits, to or from any person or organisation, including authorities and local governments, Russian and foreign government officials, private companies and their representatives.

- **Fraud, extortion and money laundering**

Suppliers and contractors shall exclude from their activities financial crimes, including fraud, extortion, money laundering, terrorism financing and weapons of mass destruction proliferation.

- **Conflict of interest<sup>7</sup>**

Suppliers and contractors shall avoid situations where conflicts of interest arise. If a conflict of interest arises, suppliers and contractors shall make every effort to resolve it.

- **Respect for privacy and confidentiality**

Suppliers and contractors shall respect the privacy and protect the information and data provided by stakeholders. Suppliers and contractors shall take all possible measures to protect confidential and private information about business partners and use it only in accordance with the terms specified in their agreements. Suppliers and contractors shall comply with national legislation regarding the protection of information and personal data and ensure strict compliance with its requirements, as well as take into account international norms and standards regarding respect for privacy and confidentiality.

- **Unfair competition<sup>8</sup>**

Suppliers and contractors must not hinder competition and must strictly comply with antitrust laws.

- **Support and participation in political activities**

Suppliers and contractors shall observe political neutrality or be transparent about supporting political parties and political representatives.

<sup>7</sup> A conflict of interest is any situation or circumstance in which the private interests of a contractor's / supplier's employees conflict or may conflict with the interests of the contractor itself or Bank.

<sup>8</sup> Unfair competition - any actions of business entities (a group of persons) that are aimed at obtaining advantages in business activities, are contrary to the legislation of the Russian Federation, business practices, requirements of good faith, reasonableness and fairness and have caused or may cause losses to other business entities - competitors or have caused or may cause damage to their business reputation.

- **Transparency of activities**

Suppliers and contractors shall be transparent in their application of sustainability principles and the requirements hereof.



## **Social aspects**

- **Fundamental human rights**

Suppliers and contractors shall respect the honour and dignity of their employees and counterparties and conduct human rights compliance audits<sup>9</sup> and apply corrective action following human rights investigations.

- **Discrimination and violence**

Suppliers and contractors shall not tolerate any form of discrimination in hiring and working relationships and shall ensure equal rights and opportunities for all their employees. Harassment based on race, nationality, ethnicity, gender, age, marital status or other characteristics is not tolerated. All forms of physical punishment and violence, including sexual, physical, emotional and other forms, are unacceptable.

- **Child labour**

Suppliers and contractors shall avoid child labour practices that violate applicable law. Minors can only be employed if all the particularities of labour regulation for workers under the age of eighteen are respected.

- **Forced labour**

Suppliers and contractors shall not use or have an interest in using any form of forced or involuntary labour. All employees shall perform their work voluntarily and have the right to terminate their employment at any time. Employees shall have the right to move freely and be able to leave the employer's premises at any time.

- **Freedom of association and collective agreements**

Suppliers and contractors shall ensure that their employees have the right to freedom of association, union membership and collective agreements in accordance with national law.

- **Wages and working hours**

Suppliers and contractors shall strictly comply with legislated contract terms and conditions of employment, including wages and benefits, deductions from wages, working hours, overtime conditions and overtime compensation. Suppliers and contractors shall ensure the minimum wage complies with the legal minimum wage.



<sup>9</sup> Suppliers or contractors determine how to conduct human rights compliance audits independently, based on the characteristics of the organisation.



- **Health and safety**

Suppliers and contractors shall provide a safe and healthy working environment, implement a health, safety and security management system or have at least a policy and procedure to identify hazards and risks, control compliance with health and hygiene requirements, and implement a hierarchy of organizational and technical measures to prevent or, if not possible, minimize adverse impacts on employees. Suppliers and contractors shall strive to reduce illness and injury. Employees shall be provided with properly equipped workplaces with adequate lighting, ventilation, acceptable sanitary conditions, personal protective equipment if their job duties require its use, and access to potable water. Suppliers and contractors shall ensure duly training and all necessary health and safety briefings are provided to their employees.

Suppliers and contractors shall comply with MKB's health and safety standards and regulations, or stricter compliance obligations, when carrying out work in MKB's territory.

- **Employee accommodation conditions**

Adequate sanitary and hygienic living conditions must be ensured if suppliers and contractors provide their employees with accommodation.

- **Engaging with local communities**

Suppliers and contractors shall behave ethically in their relationships with local communities and recognize the importance of their exercise of civil, political, economic, social and conservation rights as well as the rights to preserve, control, protect and develop their tangible and intangible cultural heritage.

- **Preservation of cultural heritage**

Suppliers and contractors shall identify tangible and intangible forms of cultural heritage and assess the risk of loss with respect to cultural heritage actually or potentially affected by the organisation's activities. Counterparties shall follow procedures to prevent or mitigate negative impacts on cultural heritage in their activities.



## **Environmental aspects**



- **Environmental management system**

Suppliers and contractors shall implement an environmental management system or at least have an environmental policy and a procedure for identifying environmental aspects and risks to prevent or, where this is not possible, minimise adverse environmental impacts.

- **Protection of atmospheric air**

Suppliers and contractors shall strive to reduce emissions of pollutants and ozone-depleting substances and monitor air quality and the level of environmental impact of physical factors on a regular basis.

- **Climate change and energy efficiency**

Suppliers and contractors shall strive to reduce greenhouse gas emissions, reducing the carbon footprint of their products by implementing climate impact management measures, including energy efficiency solutions and continuous improvement in energy management systems.

- **Waste management**

Suppliers and contractors shall strive to reduce waste generation and increase the material reuse. Suppliers and contractors shall maintain initial waste generation records and waste hazard assessments, monitor waste accumulation and disposal sites and transfer waste to specialised organisations for further management operations.

- **Water resource use**

Suppliers and contractors shall strive to reduce water use, reduce the amount of wastewater produced and improve water use practices.

- **Preserving biodiversity**

Suppliers and contractors shall conduct biodiversity risk assessments. Suppliers and contractors shall monitor the species composition and abundance of living organisms, identify critical habitats and quantify endangered species when they identify potential or actual adverse impacts of their operations on biodiversity.

- **Land use**

Suppliers and contractors shall strive to reduce the area of disposed and contaminated land and, in case of irreversible negative impact on the soil cover, carry out its reclamation.



## 4. Monitoring

---

Suppliers and contractors are recommended to establish an internal procedure to monitor compliance with this Code. MKB reserves the right to conduct regular audits (social and environmental assessments) of its suppliers and contractors for compliance with this Code. Suppliers and contractors shall participate in such audits and provide completed checklists and information required as part of the audit. Suppliers and contractors shall, in the case of on-site audits, accompany MKB representatives and provide access to the office premises and manufacturing sites specified in the on-site audit programme.

## 5. Final provision

---

This Code shall be considered in conjunction with the rest of the Bank's sustainability and social and environmental management documents. The contents hereof shall be communicated to each supplier and contractor to MKB. This Code shall provide guidance to all suppliers and contractors of MKB without exception. MKB recommends this Code be adopted by them as an internal local regulation.

MKB encourages its suppliers and contractors to report violations or suspected violations of this Code. A violation may be reported to MKB's contact person directly, representatives of MKB's Sustainable Development Division by e-mail [ESG@mkb.ru](mailto:ESG@mkb.ru) or through a grievance/feedback mechanism via the feedback form at [mkb.ru/about/feedback/appeal](http://mkb.ru/about/feedback/appeal), either by contacting via e-mail, by telephone or in person at MKB branches. Any questions relating to the content and application of this Code may be directed to MKB's Sustainable Development Division.



Any non-compliance with the provisions hereof may have a negative impact on MKB. A corrective action plan will be developed by MKB in conjunction with the supplier or contractor in each such case, assessing the materiality of any identified non-compliances. Where a supplier or contractor does not comply with this Code, following implementation of the developed corrective action plan or counterparties refuse and/or decline to participate in the development and/or implementation of the corrective action plan, improperly performs or declines to perform this Code, MKB will consider whether to continue the business relationship with the supplier or contractor.

The responsibility for sharing and updating this Code lies with the Chairman of the Management Board.

Chairman of the Supervisory Board  
of CREDIT BANK OF MOSCOW  
**William Forrester Owens**

11.01.2022