



# The debut Report of Bank GPB

as a signatory of the UNEP FI initiative



**GAZPROMBANK**



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## Principle 1: Alignment

 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.

### 1.1. Business model

Describe (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 across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Gazprombank (Joint Stock Company) is one of the largest multi-faceted financial institutions in Russia, providing a wide range of products and services to corporate and private customers, financial institutions, institutional and private investors. It is one of the three largest banks in Russia by all major indicators and ranks third in the list of banks in Central and Eastern Europe in terms of equity.

The Bank serves the key sectors of the Russian economy and holds a strong position on the domestic and international financial markets, being one of Russia's leaders in organizing and underwriting corporate bond issues, asset management, private banking, corporate finance, implementation of infrastructure projects, including PPP projects, and other areas of investment banking. Retail business is also a strategically important activity of the Bank, and its scale is consistently increasing.

Gazprombank's customers number over 4 million individuals and about 92,000 legal entities. The Bank has representative offices in Astana (Kazakhstan), Beijing (China), Ulaanbaatar (Mongolia), New Delhi (India) and Tashkent (Uzbekistan).

Gazprombank's regional network includes 20 branches across the country, from Kaliningrad to Yuzhno-Sakhalinsk. The total number of offices providing high-quality banking services exceeds 480.

<https://www.gazprom-bank.ru/en/about/>

2021 Bank Impact Report, p. 2

### 1.2. Strategy alignment

**Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?**

Yes

No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

**Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?**

UN Guiding Principles on Business and Human Rights

International Labour Organization fundamental conventions

UN Global Compact

UN Declaration on the Rights of Indigenous Peoples

Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk — please specify which ones: \_\_\_\_\_

Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery — please specify which ones: \_\_\_\_\_

None of the above

Being one of the leading financial and credit institutions in the domestic market, Gazprombank takes an active part in all the important areas of the current ESG agenda. The principles of sustainable development are nothing new to us: for some 30 years already, the Bank has been rigorously adhering to the principles of good business practices; the SDGs adopted by the UN in 2015 have made it possible to define the direction of our work with greater clarity. In particular, the Bank's Sustainable Development Policy, adopted in 2021, determines which of the SDGs are of the most importance to the Bank, and it is on these that its key initiatives and projects will be focused.

The top priorities of the Bank in the area of sustainable development include contribution to the decarbonization of Russia, fair and decent work conditions, and transparent dialogue with stakeholders.

When it comes to its finance and investment activities in all sectors, the Bank gives priority to projects that demonstrate high levels of environmental efficiency. Special attention is given to projects aimed at resolving global, national, and regional environmental problems, mitigating climate change, and preserving biological diversity.

The other two components of ESG-oriented development — social and governance — are also given a lot of attention. The Bank invests in solving acute social and economic issues and contributes to the creation of infrastructure for the benefit of the population of various regions of the Russian Federation; it provides favorable working conditions, a high level of social guarantees and encourages professional and personal growth of its employees. These efforts have been acknowledged by a great number of professional awards in the area of sustainable development.

Bank GPB (JSC) Sustainable Development Policy: <https://www.gazprombank.ru/en/sustainability/management/corporate-governance-system-docs>

2021 Bank Impact Report, p. 7  
2021 Bank Impact Report, p. 8–10  
2021 Bank Impact Report, p. 24–29

Corporate Code of Ethics of Bank GPB (JSC): <https://www.gazprombank.ru/en/sustainability/management/corporate-governance-system-docs>

## Principle 2: Impact and Target Setting



**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.**

### 2.1. Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly<sup>1</sup> and fulfil the following requirements/elements (a-d)<sup>2</sup>:

**a) Scope:** What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

After the Bank signed the UNEP FI principles for responsible banking, it has identified and evaluated its areas of greatest impact, using the UNEP FI Impact Assessment and Targeting Toolkit. Identifying areas of impact and addressing them actively and openly helps facilitate implementation of the global sustainable development agenda.

In 2021, the Bank carried out a large-scale assessment of its operations and projects in terms of environmental and social impact. The key impact areas of Gazprombank were identified on the basis of the analysis of the Bank's portfolio, which includes Russian carbon-intensive companies (oil production and coal mining sectors and heavy industry) and major infrastructure projects both in Russia and abroad, a survey of its key customers and partners, and expert interviews with the company management. To give prominence to those efforts, it was decided that the Sustainability Report for 2021 would be released in the form of an Impact Report.

2021 Bank Impact Report

2021 Bank Impact Report, p. 8–10

1. That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

2. Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

**b) Portfolio composition:** Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition your portfolio globally and per geographical scope

- i) by sectors & industries<sup>3</sup> for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
- ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

The Bank's portfolio is highly diversified with a greater focus on oil and gas, power, construction, finance and other sectors.

In general, the PACTA analysis gives reasonable grounds to believe that although the portfolio includes some carbon-intensive industries, the production plans of the Bank's largest borrowers and their production technologies are either in line with or exceed the industry average.

**c) Context:** What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?<sup>4</sup> Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

The recent years have witnessed a very rapid development of the ESG agenda in Russia, facilitated not only by its increasing adoption abroad, but also, and to a greater extent, by the growing internal demand for transformation. As a result, in 2021, the major changes required for the introduction of ESG into national legislation were set into motion. The legislation was enacted to limit greenhouse gas emissions, the Taxonomy of Green and Adaptation (Transitional) Projects was created, and the Strategy for the Social and Economic Development of Russia with Low Greenhouse Gas Emissions until 2050 was adopted. These documents lay the ground for multiple sustainable markets of the future, determine the infrastructure, and define the basic concepts and criteria for classifying projects as green. The priorities include a reduction of negative environmental impacts by lowering the levels of pollutant and greenhouse gas emissions, a more effective use of resources, and energy conservation.

2021 Bank Impact Report,  
p. 2

The above transformations taking place in Russia determined one of the key impact areas in the current period.

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)<sup>5</sup>? Please disclose.

The analysis demonstrated that one of major environmental impact areas of the Bank is the volume of greenhouse gas emissions into the atmosphere. At the same time, the volume of investments into green economy sectors is currently limited. In view of the above, facilitating the decarbonization of the Russian economy and reducing the environmental footprint of own operations and investments were selected as one of the key positive impact areas.

The other key positive impact area of the Bank today is contributing to the development of social infrastructure. It was decided that this specific impact area should be maintained in the future within the framework of continuous contribution to the social and economic development of the society.

<https://www.gazprom-bank.ru/en/sustainability/banking>

Implementation of the Bank's plans related to social infrastructure development is possible thanks to, among other things, the #MEGAPLAYER infrastructure strategy adopted by the Bank in 2021, which provides for the development of social and environmentally-friendly infrastructure in Russia using the public-private partnership mechanism.

3. 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

4. Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

5. To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

To verify the analysis results, the data underwent a review by the Bank's Business Development and New ESG Products Introduction Commission in September 2022, and were approved by the Council for Sustainable Development in October of the same year. At the same time, the Council formalized the Bank's major impact areas identified by the analysis:  
promotion of social and economic development and the environmental footprint of own operations and investments.

**d) For these (min. two prioritized impact areas): Performance measurement:** Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

The self-assessment of the two major impact areas, including the project portfolio analysis, performed by the Bank identified the following:

#### 1) promotion of social and economic development

The Bank is currently involved in financing more than 30 major infrastructure PPP projects, over half of which have a pronounced social focus: the building of preschool, school, and higher educational infrastructure; medical, educational, cultural, and industrial infrastructure; and digital infrastructure linked to security, protection of life and health of the individual, the legal circulation of goods, and the protection of consumer rights. Implementation of these projects will provide the population with a modern, convenient, and environmentally friendly transport infrastructure, improve road safety, facilitate population's mobility and social activity by improving accessibility, help ensure the prompt provision of medical assistance.

#### 2) environmental footprint of own operations and investments

The Bank's portfolio contains some carbon-intensive ("brown") industries, and therefore one can conclude that the Bank makes certain negative impact on the environment. In view of the above, the Bank actively works with its customers from the "brown" industries as a consultant striving to make them "greener", and increases its portfolio of green projects, including RES-related projects.

Besides, the Bank has completed an evaluation and verification of own emissions (Scope 1 and Scope 2) and used the results as the baseline for further reduction by 2030. In 2021, the total volume of GHG emissions was 45,200 tons of CO<sub>2</sub>e. Direct emissions equaled 7,900 tons of CO<sub>2</sub>e, and indirect energy emissions equaled 37,300 tons of CO<sub>2</sub>e, respectively. Over the last three years, we have witnessed positive dynamics in terms of the total emissions.

2021 Bank Impact Report,  
p. 31

Gazprombank (Joint Stock Company) 2021 Greenhouse Gas Emissions Report: <https://www.gazprombank.ru/en/sustainability/office/greenoffice>

3. 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.  
4. Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

## Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?<sup>6</sup>

Scope: Yes , In progress , No

Portfolio composition: Yes , In progress , No

Context: Yes , In progress , No

Performance measurement: Yes , In progress , No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: promotion of social and economic development, environmental footprint of own operations and investments.

How recent is the data used for and disclosed in the impact analysis?

Up to 6 months prior to publication

Up to 12 months prior to publication

Up to 18 months prior to publication

longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: (optional).

## 2.2. Target Setting (Key Step 2)

Show that your bank has set and published a **minimum of two targets which address at least two different areas of most significant impact** that you identified in your impact analysis.

The targets<sup>7</sup> have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

**a) Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with<sup>8</sup> have you identified as relevant? Show that the selected indicators and 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.

You can build upon the context items under 2.1.

### 1) promotion of social and economic development

The target for this impact area is under development. It is expected to be instrumental in achieving the UN SDGs 3, 4, 8, 9 and 11, and to contribute to the implementation of Russia's National Projects, such as "Safe and High-quality Roads" and/or "Comprehensive Plan for Modernization and Expansion of Trunk Infrastructure" and/or "Healthcare" and/or "Education" and/or "Science and Universities" and/or "Demography" and/or "Culture" and/or "Tourism and Hospitality"

### 2) environmental footprint of own operations and investments

The target in this identified impact area will serve the UN SDGs 7 and 13, and the goals of the Paris Agreement, and contribute to the implementation of Russia's National Project "Ecology". Besides, the stated target is aligned with the Strategy for the Social and Economic Development of Russia with Low Greenhouse Gas Emissions until 2050 (Decree No. 3052 of the Government of the Russian Federation dated 29 October 2021)

<https://www.gazprom-bank.ru/en/sustainability/office/greenoffice>

6. You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.  
7. Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.  
8. Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

**b) Baseline:** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

### 1) promotion of social and economic development

The budget of PPP projects with the Bank's participation, including projects, under which private and private concession initiatives were submitted, for the total of 1.6 trillion rubles, was taken as the baseline for this target. This volume is fully comprised of projects, which are already oriented at achieving the UN SDGs listed above.

2021 Bank Impact Report, p. 31

### 2) environmental footprint of own operations and investments

Measured and verified volumes of the Bank's direct and indirect emissions in 2021 were taken as the baseline for this target. At this stage, this target demonstrates high level of compliance with the declared SDGs and national regulations.

2021 Bank Impact Report, p. 18–19

**c) SMART targets** (incl. key performance indicators (KPIs)<sup>9</sup>): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

**1) A specific target for the identified impact area "promotion of social and economic development"** is still under development and will be presented in the next reporting period.

2021 Bank Impact Report, p. 31

**2) A 20% reduction of the Bank's own emissions** (Scope 1 and Scope 2) by 2030.

KPIs for this target that enable progress and implementation status monitoring:

- a 3% reduction of power consumption in the Bank's administrative offices by the end of 2025;
- transition of 50% of the Bank's administrative offices in Moscow to power supply from renewable sources by the end of 2030;
- reduced paper consumption by the Bank's Moscow offices (by 10% by the end of 2025, and by 25% by the end of 2030);
- An additional KPI has been set for the "environmental footprint of own operations and investments" impact area, which is aimed at improving the Bank's performance in reducing the impact of the Bank's investments on the environment:
- Annual growth of the "green" projects portfolio of at least 5% compared to the previous reporting period.

Bank GPB (JSC) Sustainable Office Concept: <https://www.gazprombank.ru/en/sustainability/office>

Bank GPB (JSC) dedicated Policy on Environmental Responsibility: <https://www.gazprombank.ru/en/sustainability/ecology/center-for-environmental-projects>

**d) Action plan:** which actions including milestones have you defined to meet the set targets? Please describe. Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

**1) The action plan for the "promotion of social and economic development"** impact area will be developed after the relevant target is approved, and it will be presented in detail in the next reporting period..

**2) The action plan for achieving the target of own emissions reduction by 2030** was developed as part of the Road-map within the framework of the Sustainable Office Concept and is pending approval by the Bank's Council for Sustainable Development.

<sup>9</sup> Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

## Self-assessment summary:

first area of most significant impact:  
promotion of social and economic  
development

second area of most significant impact:  
reduction of own negative impact and such of  
the investments on the environment

### Alignment

- Yes  
 In progress  
 No

- Yes  
 In progress  
 No

### Baseline

- Yes  
 In progress  
 No

- Yes  
 In progress  
 No

### SMART targets

- Yes  
 In progress  
 No

- Yes  
 In progress  
 No

### Action plan

- Yes  
 In progress  
 No

- Yes  
 In progress  
 No

## 2.3. Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Not applicable, as this is the first time the Bank has set targets and provided reporting under the UNEP FI initiative.

## Principle 3: Clients and Customers



**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.**

### 3.1. Client engagement

**Does your bank have a policy or engagement process with clients and customers<sup>10</sup> in place to encourage sustainable practices?**

- Yes  
 In progress  
 No

**Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?**

- Yes  
 In progress  
 No

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<sup>11</sup>). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

10. A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

11. Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.



Promotion of sustainable development principles both inside and outside the Bank has become an important part of our culture development. In particular, representatives of the Bank regularly speak at various regional, federal and international forums on such topics as sustainable development, climate change, education and other environmental and social issues.

Besides, the Bank arranges regular educational meetings and events for customers to increase their awareness in the field of sustainable development and climate change agenda.

The underlying document on sustainable development — the Bank's Sustainable Development Policy — identifies business areas where the Bank is not involved or significantly reduces the scope of project financing.

<https://www.gazprom-bank.ru/en/sustainability/banking/event>

Bank GPB (JSC) Sustainable Development Policy: <https://www.gazprombank.ru/en/sustainability/management/corporate-governance-system-docs>

## 3.2. Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages — climate, social bonds — financial inclusion, etc.).

The Bank offers services related to organizing placement of securities in ESG formats. Gazprombank organized 13 issues of bonds and Eurobonds in the ESG format for a total of USD 3.3 billion equivalent: 11 issues worth USD 2.8 billion equivalent in 2021, and 2 issues worth USD 0.5 billion equivalent in the year 2020.

2021 Bank Impact Report, p. 31–32

<https://cbonds.ru/rankings/863/2765/>

The proceeds from bond flotations organized by the Bank were used by the customers for the financing and refinancing of projects related to the production and purchase of environmentally-friendly means of transportation (electric buses, locomotives, and trains), urban infrastructure, the development of renewable energy sources (RES), increasing the availability of the Internet and communication networks, and the development of a line of socially-significant financial products for the benefit of the general population.

In 2022 the Bank organized 4 issues of ESG bonds for a total of USD 198.5 million equivalent (RUB 13.6 billion).

Based on the analysis of the needs of more than 80 customers from a range of industries and with varying degrees of ESG agenda development, the Bank expanded its list of services in the debt capital markets by offering:

- advice on the choice of strategy and responsible financing instrument for sovereign, municipal, corporate bond issuers and financial institutions on the debt capital markets;
- organization of the floatation of ESG bonds on the Russian and international markets, including an exclusive listing option on the Luxembourg Green Exchange, in the following formats:
  - Green bonds;
  - Social bonds;
  - Sustainability bonds (incl. SDG Impact);
  - Sustainability-linked bonds;
  - Climate transition bonds;
  - Transition bonds.

2021 Bank Impact Report, p. 33

In addition to responsible investing, the Bank offers its corporate customers a range of environmental and ESG consulting services, including:

- Analysis of ESG best practices in the sector and external ESG requirements; gap analysis of the company's current ESG practices.
- Advice on the assessment of greenhouse gas emissions.
- Development of recommendations and drawing up a road map for improving the ESG profile in light of the best practices and any external requirements.
- Development of a methodological approach and the quantification of GHG emissions from the technological processes.

- Recommendations in respect of information disclosure.
- Comprehensive consulting and methodological support for the obtaining of an ESG assessment (rating) by a company from a rating agency (RA), including assistance with the completion of questionnaires, provision of the necessary documentation, and communication with representatives of the RA.

ESG consulting services for the verification of projects and goals (the work is carried out using both the local and international market tools.), including:

- Analysis of project compliance with the chosen standards (ICMA/LMA, EU taxonomy, RF taxonomy).
- Development of suggestions related to the choice of the verifier and the funding format.
- Consulting support in the process of completing the verification questionnaire.
- Preparation of the project concept.
- Support during communications with the verifier.
- Monitoring compliance with the principles of responsible financing during implementation of the project.

## Principle 4: Stakeholders



**We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.**

### 4.1. Stakeholder identification and consultation

**Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups<sup>12</sup>) you have identified as relevant in relation to the impact analysis and target setting process?**

- Yes  
 In progress  
 No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

The Bank seeks to work closely with its stakeholders, and the creation of additional value for their benefit is one of Gazprombank's strategic goals. Regular communication is established with individuals and legal entities whose actions, interests, or security may be affected by the Bank's activities or whose activity may have a potential impact on the Bank.

Find below the groups of stakeholders and the main forms of the Bank's engagement with them:

Employees:

- Internal communications system
- Feedback
- Senior Executives' addresses to employees
- Satisfaction surveys
- Assessment, training and refresher training

Customers:

- Collecting and addressing feedback
- Learning events and training courses
- Satisfaction surveys and their results processing

2021 Bank Impact Report,  
p. 4

<sup>12</sup>. Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations.

Shareholders and investors:

- Offline and online events
- Information disclosure
- Inquiries processing

Government agencies and regulatory authorities:

- Cooperation agreements
- Consultancy and expert activities

Counterparties and contractors:

- Disclosure of information on tender requirements and terms of procurement
- Ensuring fair and just tendering procedures
- Building sustainable supply chains

Public organizations:

- Information disclosure
- Charity and sponsorship projects
- Set of educational and environmental awareness events
- Conferences, internships, educational programs in cooperation with higher education institutions
- Supporting industry unions and associations
- Cooperation agreements with representatives of local communities and public organizations

Mass media:

- Information disclosure
- Offline and online events
- Addressing inquiries from mass media representatives
- Development of official Internet resources and other means of communication

## Principle 5: Governance & Culture



**We will implement our commitment to these Principles through effective governance and a culture of responsible banking.**

### 5.1. Governance Structure for Implementation of the Principles

**Does your bank have a governance system in place that incorporates the PRB?**

- Yes  
 In progress  
 No

Please 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 the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

12. Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations.

To develop its ESG practices, the Bank's Management Board established the Council for Sustainable Development. It is the Council's task, among others, to systematize both the ESG projects implemented (with the Bank's support) by its partners and customers and the corporate initiatives in the social, environmental, and governance spheres. The Council's decisions, adopted in compliance with its competence and authority, are binding on the various independent structural subdivisions of the head office and branches of the Bank.

Three specialized Commissions have been established within the Council:

- Business Development and New ESG Products Introduction Commission. The Commission's objectives comprise:
  - creation and expansion of ESG products across the Bank in the areas of corporate business and retail;
  - provision of assistance to customers in implementation of sustainable development principles in their activity and generation of a database of projects that comply with sustainable development principles;
  - development of a system of monitoring and evaluation of the Bank's current portfolio for compliance with ESG principles.
- Government Relations and Sustainable Development Goals Promotion Commission. The Commission's representatives submit proposals for the development of a legal framework in the field of sustainable development based on of the Bank's existing practices and international best practices.
- Commission for Sustainable Development Policy Development and Implementation and International Best Practices Compliance Monitoring. The main goal of the Commission is to analyze internal regulatory and executive documents of the Bank for their compliance with the goals of sustainable development. A special Working Group was established to support day-to-day operations of the Council.

The Council and Commissions activities in 2021:

- 2 council meetings
- 6 meetings of the Business Development and New ESG Products Introduction Commission
- 4 meetings of the Commission for Sustainable Development Policy Development and Implementation and International Best Practices Compliance Monitoring
- 1 meeting of the Government Relations and Sustainable Development Goals Promotion Commission

The Council and Commissions activities in 2022:

- 5 Council meetings
- 3 meetings of the Business Development and New ESG Products Introduction Commission
- 2 meetings of the Commission for Sustainable Development Policy Development and Implementation and International Best Practices Compliance Monitoring
- 2 meetings of the Government Relations and Sustainable Development Goals Promotion Commission

## 5.2. Promoting a culture of responsible banking

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

In accordance with the Policy on Sustainable Development of Bank GPB (JSC), personnel relations are one of the focus areas of the Bank in the field of sustainable development, in particular, the Bank:

- encourages professional and personal growth of the Bank employees,
- develops internal corporate programs to capture standards and commitments associated with health, safety, environment and social development,
- maintains gender equality,
- provides training and engages employees in practices that take into account sustainable development factors,
- makes a stronger focus on human capital training and development in the social policy of the Bank,

Regulations on the Council for Implementation of Sustainable Development Principles in the Operations of Bank GPB (JSC):

<https://www.gazprom-bank.ru/en/sustainability/management/corporate-governance-system-docs>

2021 Bank Impact Report, p. 12

<https://www.gazprom-bank.ru/en/sustainability/press/press-releases/6699539>

<https://www.gazprom-bank.ru/en/sustainability/press/press-releases/7378871>

- demonstrates commitment to corporate ethics including environmental and social responsibility norms,
- conducts events aimed at raising the level of environmental and social awareness of the staff,
- creates safety nets for employees who find themselves in difficult circumstances or in need of medical assistance,
- engages personnel in corporate culture and creates non-financial incentives for employees.
- creates favorable working conditions and provides equal opportunities for all employees.

2021 Bank Impact Report, p. 29

In 2022, the Bank delivered its first multi-level educational program on sustainable development for its employees, which included :

- An ESG workshop for the Bank management
- Two introductory lectures on sustainable development for all interested employees
- An advanced course on sustainable development for 150 employees who passed a screening. The employees who attended the course represented most of the Bank's subdivisions, including departments in charge of retail and corporate customer relations, communications and marketing, risk management, digital security, compliance, etc.

Corporate Code of Ethics of Bank GPB (JSC):  
<https://www.gazprom-bank.ru/en/sustainability/management/hr-policy-and-staff-motivation>

In addition, the Bank regularly arranges educational lectures on ecology, environment protection, and volunteer initiatives.

The main document, which enshrines the values and principles of the Bank's corporate culture, is its Corporate Code of Ethics. It describes approaches to protecting human rights, equal rights for employees, norms of business ethics and other important aspects of responsible banking, to which Gazprombank is committed.

### 5.3. Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?<sup>13</sup> Please describe.

Please describe what due diligence processes your banks has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Sustainable development risks are managed as part of the Bank's corporate risk management system.

Bank GPB (JSC) Sustainable Development Policy:  
<https://www.gazprom-bank.ru/en/sustainability/management/corporate-governance-system-docs>

### Self-assessment summary:

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes

No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes

No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes

In progress

No

13. Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

## Principle 6: Transparency & Accountability



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.

### 6.1. Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

- Yes
- In progress
- No

If applicable, please include the link or description of the assurance statement.

### 6.2. Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other: ....

In 2021, the Bank published a report for the year 2020 prepared in accordance with the international GRI standards. In 2022, it was decided that the Report would be released in the form of an Impact Report as a result of the self-assessment that identified the Bank's key impact areas.

<https://www.gazprombank.ru/en/sustainability/press/press-releases/6529077>

### 6.3. Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis<sup>14</sup>, target setting<sup>15</sup> and governance structure for implementing the PRB)? Please describe briefly.

In the next reporting period (2023–2024), the Bank is to complete work on setting the target for the "promotion of social and economic development" impact area and development of KPIs to monitor its achievement.

### 6.4. Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months.

- Embedding PRB oversight into governance
- Gaining or maintaining momentum in the bank
- Getting started: where to start and what to focus on in the beginning
- Conducting an impact analysis
- Assessing negative environmental and social impacts
- Choosing the right performance measurement methodology/ies
- Setting targets
- Customer engagement
- Stakeholder engagement
- Data availability

14. For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

15. For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

- Data quality
- Access to resources
- Reporting
- Assurance
- Prioritizing actions internally
- Other: ...

If desired, you can elaborate on challenges and how you are tackling these: