

23

**True Ratings  
for Informed  
Decisions**

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# Message from the Chair of the Boards of Directors

GRI: 2-22

Dear partners and colleagues,

Let me present you our first Sustainability Report 2023. It summarises our experience, describes our approach to sustainable

development, discloses our most important achievements over the period under report and our plans for the years to follow.

## Sustainability Agenda

As one of the ambassadors of the sustainable development agenda, Expert RA shapes its everyday life in accordance with the ESG principles. Despite recent worries about the ESG agenda falling by the wayside, we see that it not only doesn't stop being relevant, but, quite the opposite, becomes increasingly important. This is largely due to the advent of a national taxonomy and the corporates' commitment to the UN Sustainable Development Goals.



The Agency holds the full range of tools available for making ESG assessments.

There are still not many companies in the Russian market issuing ESG bonds and receiving ESG ratings, but we see the potential for a greater interest in these instruments. It demonstrates itself in a gradually increasing customer demand for services related to sustainability assessment. Our ratings and verifications have become an important benchmark for companies implementing this agenda. During our business activity, we fully support the aspirations of our clients for the ESG transformation and, for our part, adopt the best practices.

## Environmental Protection

Notwithstanding the changing external context, the climate agenda continues to play a significant role in Russia and worldwide. The Agency plans to assess Scope 2 and Scope 3 indirect greenhouse gas emissions and disclosure the results in our next Report.

Also, during the reporting year, we introduced environmentally friendly solutions and energy-saving technologies in our office, developed resource-efficient solutions, and converted our business processes and documents from paper form to electronic one.

## Social Responsibility

Our personnel are the basis of our success and our key asset. Our important achievements in the area of corporate social responsibility include the improvement of working conditions, the development of personnel skills, the introduction of training and advanced training courses, and the refinement of our labour protection policies. We have built a corporate culture, where human rights are acknowledged and respected, and everyone is encouraged to grow professionally and

personally. In the context of the Russian rating market, we are unique in that we only recruit professional environmentalists. This sets Expert RA apart and highlights our competence-based position as a leading provider of sustainability assessments. Another important aspect of the Agency's social agenda is cooperation with charitable foundations and volunteer organisations, which we plan to expand in the medium term.

## Effective Governance

The Agency's corporate governance system meets the highest standards for an effective business development, and we are constantly improving our practices. The Agency has approved a sustainable development policy; our Board of Directors has been formed in full accordance with the principles of independence and gender equality.

In conclusion, I would like to note that these achievements are the result of the coordinated work of the Expert RA Team. And I am confident that this will allow us to continue to cope with all the challenges facing us.



All three letters of the 'ESG' abbreviation are equally important to us. The Agency continues to do its best to enable a long-term sustainable development.

**Igor Yu. Yurgens,**  
Chair of the Board of Directors,  
Expert RA JSC





# #01

## Revealing the Main Thing

Our core values are objectivity and transparency, so we have prepared our debut Sustainability Report. We disclosed key events and results 2023, our plans and operating principles.

Ten topics are identified as material and are covered in detail in the Report.

### Reporting Principles

- Accuracy
- Verifiability
- Balance
- Clarity
- Comparability
- Completeness
- Sustainability context
- Timeliness



# Reporting Principles

GRI: 2-1, 2-2, 2-3

This Sustainability Report (“this Report”) is the Expert RA’s first public non-financial report for 2023. It describes our key sustainability management practices and our performance in the period from 1 January to 31 December 2023, as well as our plans for the future. This Report has been published in both Russian and English.

This Report contains information about the Agency’s plans, progress made, and its philosophy in the area of corporate social responsibility and sustainable development.

This Report covers the activities of Expert RA JSC (“Expert RA”, “the Agency”, “we”).



**Standards and recommendations**

The following standards were used in preparing this Report:

- ▶ Global Reporting Initiative (GRI): GRI Universal Standards 2021
- ▶ Standards developed by the Sustainability Accounting Standards Board (SASB Standards): SASB Professional & Commercial Services Standard

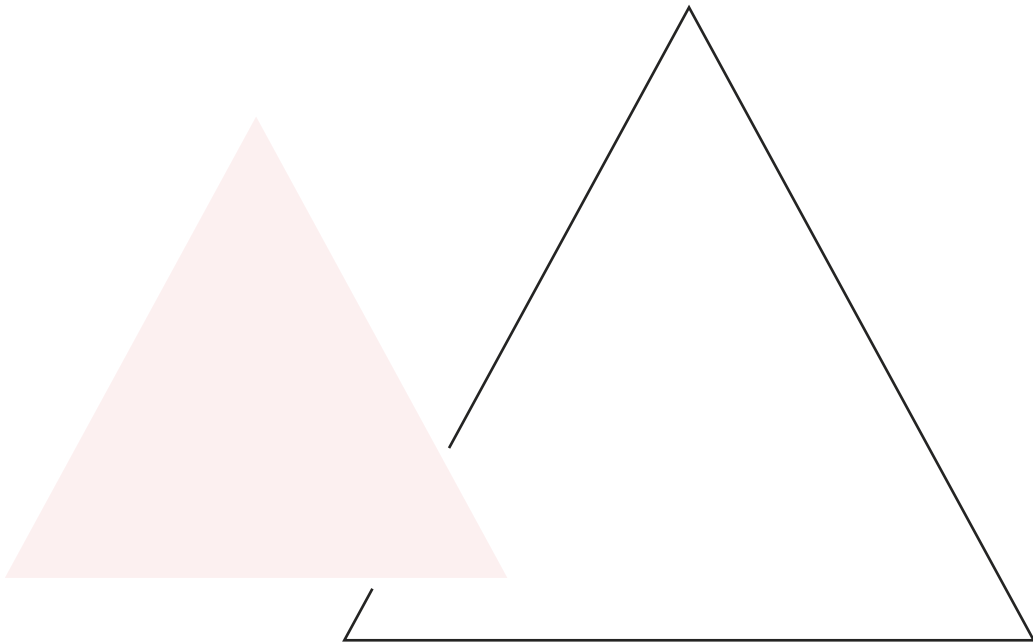


## Foundation in the preparation of the Report

- ✓ Accuracy
- ✓ Balance
- ✓ Clarity
- ✓ Comparability
- ✓ Completeness
- ✓ Sustainability context
- ✓ Timeliness
- ✓ Verifiability

The preparation of the Report, the identification of material topics and content, and the Report concurrent review involved the members of the Centre for the Development of the Sustainability Management System (“the ESG Centre”)<sup>1</sup>. The ESG Centre is the Agency’s internal collegial body, composed of the representatives of different

business units and established to oversee activities in the sustainable development directions. Information contained in this Report has been confirmed by the heads of relevant departments. The Report has been reviewed and approved by the Agency’s Strategy and Sustainable Development Committee and adopted by the Board of Directors (BoD).



<sup>1</sup> The ESG Centre was formed by the decision of the Management Board dated 20 December 2022 (Minutes No. 1/22).

# List of Material Topics

GRI: 3-1, 3-2

The identification of material topics is a necessary part of the process of preparing non-financial reporting in accordance with the GRI Standards. The purpose of this exercise is to study and identify the economic, environmental

and social topics that are most important in terms of impact of the Agency’s activities on its stakeholders.

In 2023, the ESG Centre identified the material topics using a three-step procedure.

### Process to determine material topics

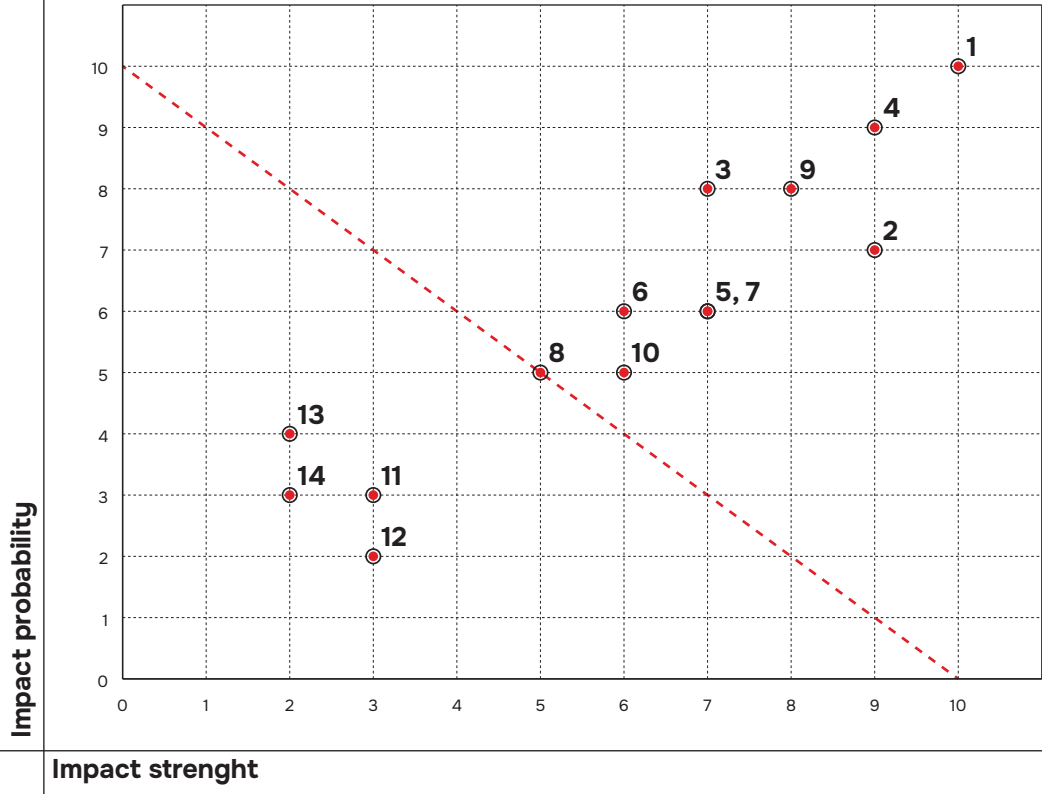
Step 1. Identification	Analysis of the Agency’s current position in ESG agenda  Analysis of open information sources: industry trends and risks, research, media reports  Consulting with the members of the ESG Centre  Identification of current and potential impacts of the Agency’s activities
Outcome	<b>Preliminary list of material topics</b>
Step 2. Priority setting	Online survey of stakeholders <sup>1</sup> (members of the BoD, Management Board, ESG Centre, the Agency employees and customers). Respondents were asked to rank different topics, from strong to weak, according to the impact strength  Setting of priorities in the preliminary list of material topics, review of the online survey results
Outcome	<b>Adjusted list of material topics</b>
Step 3. Approval	Consideration and approval of the final list of material topics by the ESG Centre
Outcome	<b>Final list of material topics</b>

# Material Topics

For the purposes of this Report, ten topics, with impact probability and impact strength assessed to be above 5.0, are regarded

as material. Topics falling below the materiality threshold are examined with less scrutiny, although remain important to the Agency.

Materiality matrix



Material topics (ranked according to decreasing degree of materiality)

1	Qualitative information about the issuance of independent ratings, assessments and opinions	6	Increasing public financial literacy
2	Promotion of the development of the responsible finance and ESG rating market	7	Assistance to small, medium-sized and large organisations in gaining access to funds
3	Personal data security	8	Assistance in market infrastructure development to facilitate the increase in individual and institutional investors
4	Decent work environment, skill development, staff retention	9	Promotion of equal opportunity and non-discrimination
5	Raising of the sustainable development awareness	10	Participation in special working groups, councils and regulatory initiatives

<sup>1</sup> Expert RA defines its stakeholders as its employees and its customers (entities assigned all types of Expert RA ratings in accordance with approved methodologies), the members of its Board of Directors and senior management, including the members of its Management Board. The Agency posted a questionnaire on its corporate website (<https://raexpert.ru/>) and collected the feedback in October – December 2023. The questionnaire could be filled in by any stakeholder besides those listed above.



Non-material topics

11	Responsible consumption (energy, material resources, office equipment)
12	Responsible waste management
13	The company's participation in the implementation of initiatives that contribute to the development of local territories, including charity programmes
14	Procurement activities

Material topics and their connection with disclosed standards

No	Topic	Affected stakeholders	Standards (GRI, SASB)
1	Qualitative information about the issuance of independent ratings, assessments and opinions	Customers, the government, investors' and other counterparties of the customers	GRI-203: Indirect Economic Impacts 2016 GRI 205: Anti-Corruption 2016 SV-PS-510a.1
2	Promotion of the development of the responsible finance and ESG rating market	Customers, the government, investors' and financial market infrastructure participants, mass media	GRI-203: Indirect Economic Impacts 2016
3	Personal data security	Customers, employees	GRI 418: Customer Privacy 2016 SV-PS-230a.1 SV-PS-230a.2 SV-PS-230a.3
4	Decent work environment, skill development, staff retention	Employees	GRI 401: Employment 2016 GRI 402: Labor/Management Relations 2016 GRI 403: Occupational Health and Safety 2018 GRI 404: Training and Education 2016 SV-PS-330a.1
5	Raising of the sustainable development awareness	Investors', employees, the government, customers	GRI-203: Indirect Economic Impacts 2016
6	Increasing public financial literacy	Investors'	GRI-203: Indirect Economic Impacts 2016
7	Assistance to small, medium-sized and large organisations in gaining access to funds	Customers, investors'	GRI-203: Indirect Economic Impacts 2016
8	Assistance in market infrastructure development to facilitate the increase in individual and institutional investors	Investors', financial market infrastructure participants	GRI-203: Indirect Economic Impacts 2016

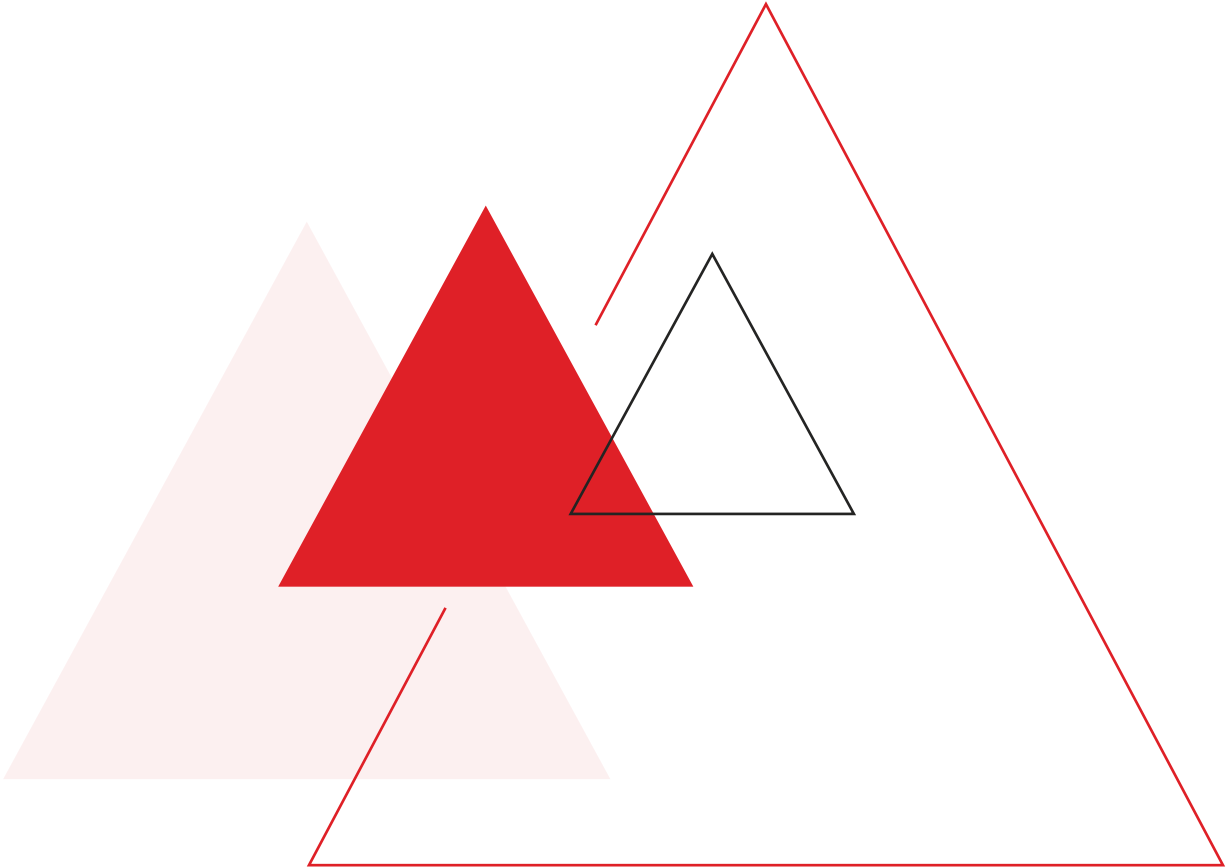
<sup>1</sup> Investors active in the Russian financial market.

No	Topic	Affected stakeholders	Standards (GRI, SASB)
9	Promotion of equal opportunity and non-discrimination	Employees	GRI 405: Diversity and Equal Opportunity 2016 GRI 406: Non-discrimination 2016 GRI 408: Child Labor 2016 GRI 409: Forced or Compulsory Labor 2016
10	Participation in special working groups, councils and regulatory initiatives	Investors', financial market infrastructure participants	GRI-203: Indirect Economic Impacts 2016

External Assurance

GRI: 2-5

Expert RA's Sustainability Report 2023 has been publicly assured by the Chamber of Commerce and Industry of the Russian Federation. The public assurance certificate can be found in an appendix hereto.





# #02

## Assessing the Important Things

Our mission is to be a confidence institution that links together the businesses, the government and the society by providing expertise for decision-making.

75 – the number of regulations containing requirements for the Expert RA credit ratings availability in 2023.

<sup>1</sup> Expert RA. Data as of 31 December 2023.

Objectivity

Transparency

Independence

Timeliness

Expertness

# Largest Credit Rating Agency with a 25+ Years History

GRI: 2-6

Our mission is to be a confidence institution that links together the businesses, the government and the society by providing expertise for decision-making.

Set up in 1997, Expert RA is currently Russia's oldest and largest credit rating agency by both customer base and number of employees.

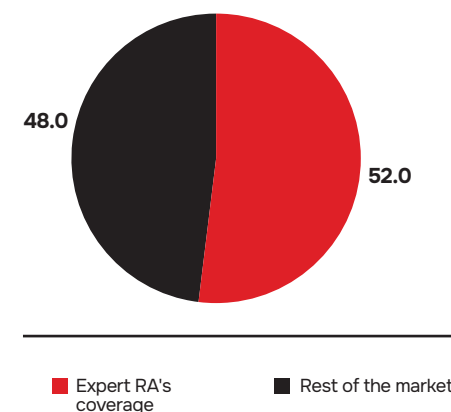
Assigning credit ratings has been Expert RA's core business for 27 years. Expert RA is not only a market leader in credit rating services, but also a high-profile analytical centre in Russia.

Being rated by Expert RA is among the official requirements imposed on banks, insurers, pension funds, and issuers. The Agency's ratings are used by the Bank of Russia,

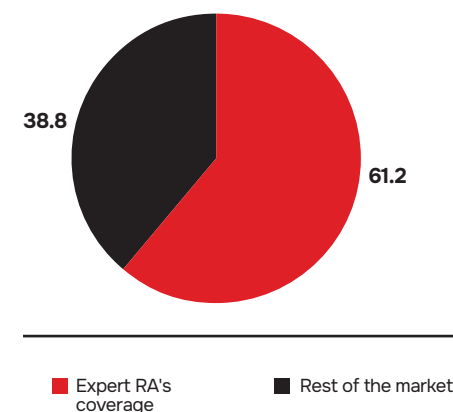
the Ministry of Finance of the Russian Federation and the Ministry of Economic Development of the Russian Federation, Moscow Exchange (MOEX), and by hundreds of companies and government agencies in their tender and bidding processes.

Expert RA is in the Bank of [Russia's Register of Credit Rating Agencies](#) and is also listed as an independent verifier of green and social bonds by the International Capital Market Association (ICMA)<sup>1</sup>, MOEX and VEB.RF.

Share of the total number of rated entities as at 31 December 2022, %



Share of the total number of rated entities as at 31 December 2023, %



<sup>1</sup> ICMA suspended the membership of Russian participants on 1 March 2022.

**484** customers have Agency's ratings, 61.2% of the credit ratings market

## Expert RA is Russia's market leader in credit rating services

At year-end 2022, Russian credit rating agencies (CRAs) rated 757 entities, most of which were covered by Expert RA. [According to the Bank of Russia](#), Expert RA accounts for more than 50% of ratings assigned in the Russian credit rating market.

According to our sources, at year-end 2023, there were 790 rated entities in Russia, of which 484 (61.2%) were Expert RA's customers.

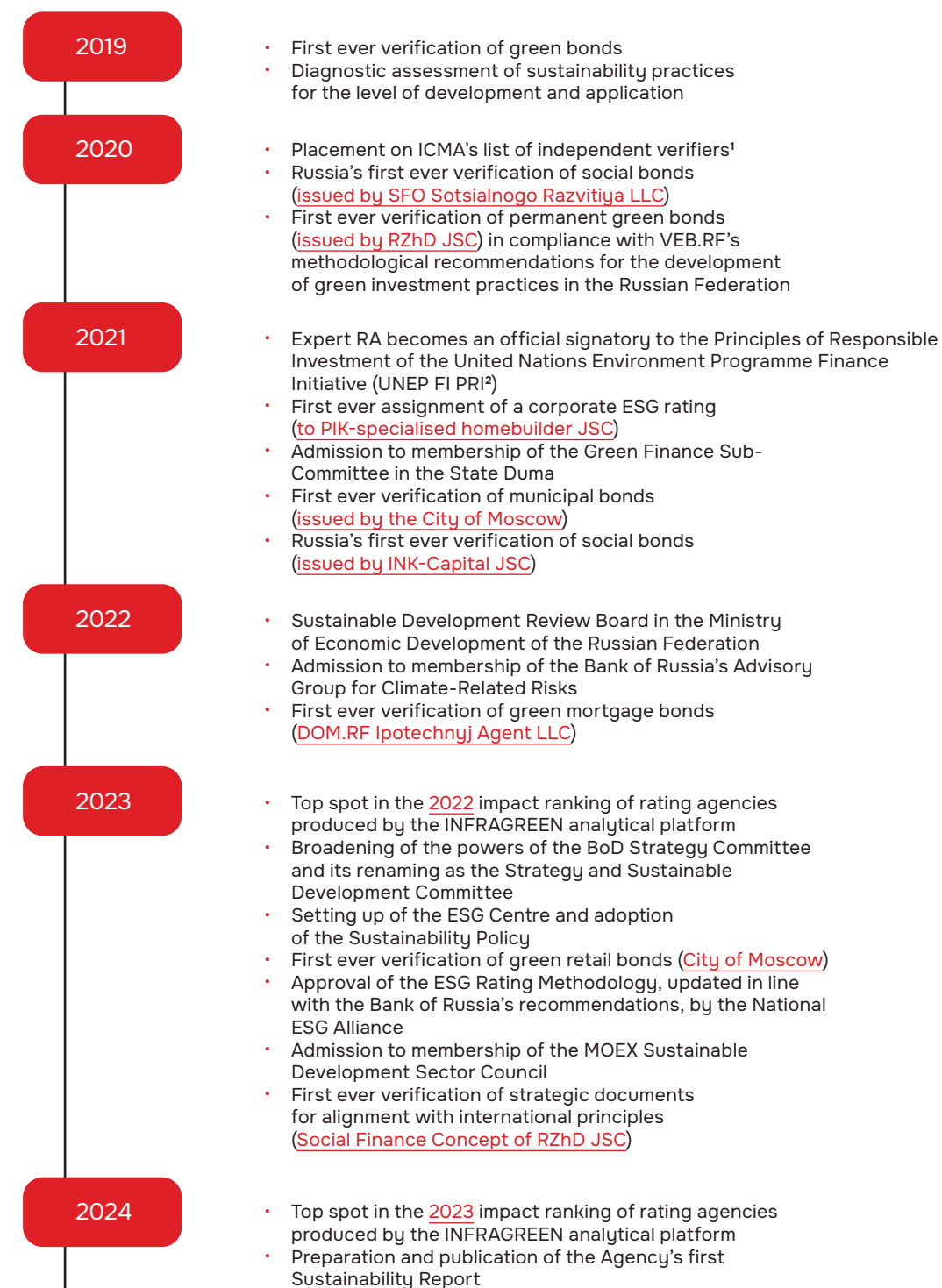


## Expert RA Brief History

From a magazine analytics department to the Russian market leader in credit rating services



## ESG Transformation of the Agency



<sup>1</sup> <https://www.icmagroup.org/>; membership suspended since 1 March 2022.

<sup>2</sup> <https://www.unpri.org/>.



# Expert RA Organisational Structure

Expert RA structure includes analytical, technology and operations organisational units, as well as units independent from the Rating Service (such as the Methodology Department and the Validation Department).

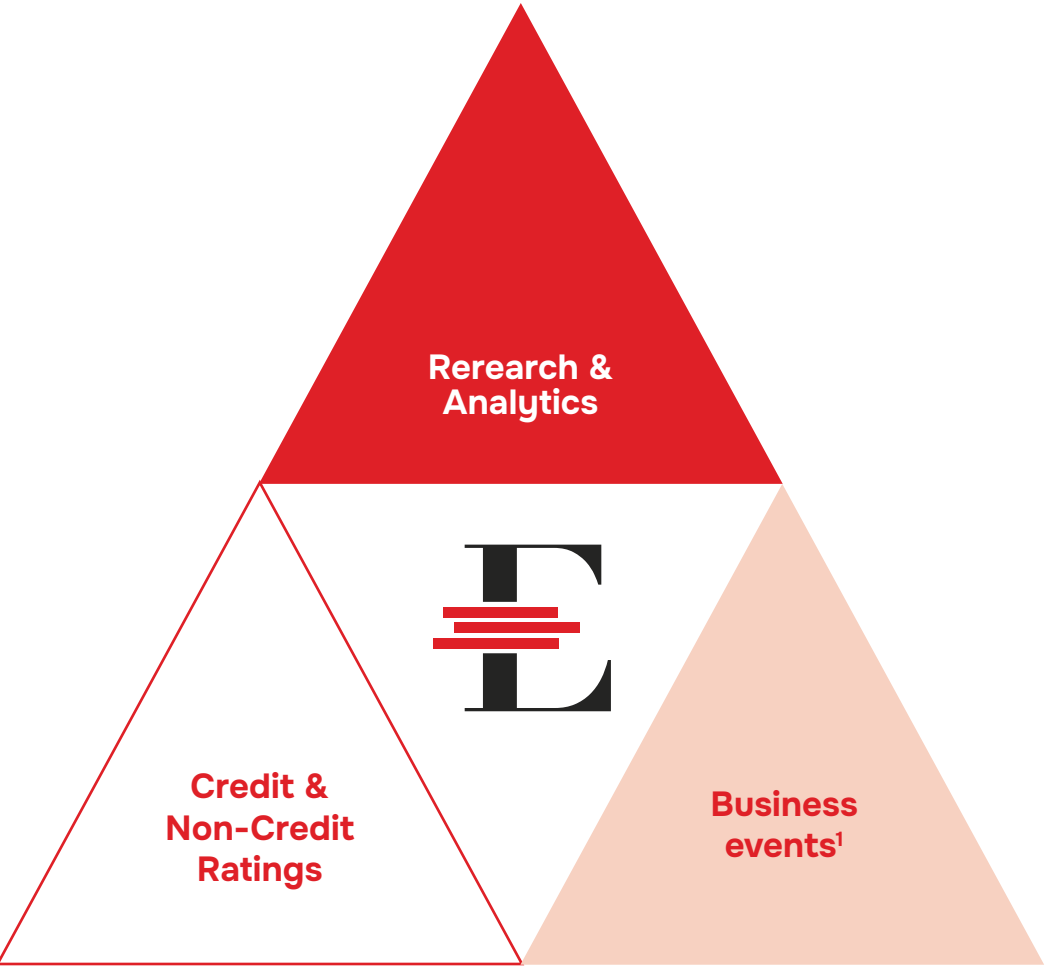
- The analytical organisational units include:

  - ▶ Macroeconomic Analysis and Forecasting Department
  - ▶ Rating Service, which, in turn, consists of six departments, viz., Credit Institution Ratings, Corporate Ratings, Insurer & Investment Ratings, Structured Finance Ratings, Sustainability Ratings, and Sovereign & Regional Government Ratings
- Technology organisational units are represented by the Digital Transformation Service.

Operations organisational units include:

  - ▶ Commercial Service
  - ▶ Economy & Finance Service
  - ▶ Legal Support Service
  - ▶ Personnel & Administrative Support Service
  - ▶ Asset Protection Service
  - ▶ Internal Control & Risk Analysis Service

## Key activities



¹ Conducted in cooperation with Expert Business Solutions LLC.

# Our Values and Advantages

## Adherence to the principle of independence

The Agency makes sure that its rating activities are strictly in line with the requirements of the federal legislation and international regulatory best practices.

Preventing external influence on assigned ratings and independence of the Agency's opinion	Keeping the activities of the Rating Service, the Methodology Department and the Validation Department separate from each other	Maintaining firewall between analytical and commercial services
The rating process guards against the influence of government institutions, governance bodies or owners. Expert RA's equity holding structure fully aligns with the regulator's current requirements and excludes potential conflicts of interest in carrying out any rating actions	The Methodology Department is independent from the Agency's analytical and other services and ensures that the rating methodologies are adopted and reviewed/adjusted, and that the Rating Service is consulted regarding the use of rating methodologies in their rating process. The Agency's standing Validation Department, independent of other business units, enables the quality control of existing methodologies	The business process architecture, the purpose-built and implemented information systems and the firewall principle play their roles in creating a reliable administrative and technological barrier between the analytical and commercial services, preventing them from influencing one another

## Regulatory use of ratings

Number of Expert RA's ratings outstanding as at 31 December 2023

Debt instruments	372
Non-financial companies	176
Banks	142¹
All-lines insurers	38
Constituent entities of Russia	24
Leasing companies	28
Holding companies	15
Financial companies	13
Life insurers	13
Non-government pension funds	12
Microfinance institutions	15²
Project companies	5
Factoring companies	5
Depositories	2

¹ Including the Republic of Belarus.  
² Including the Republic of Kazakhstan.



At year-end 2023, there were **75** statutory acts requiring the use of Expert RA's credit ratings for regulatory purposes

# Having an Expert RA’s rating is necessary to comply with regulatory requirements, in particular:

ruAAA	Allows a bank to recognise an asset taken as security as a category I security <b>to reduce the respective loss provision</b> (Bank of Russia’s Regulation No. 590-P)
ruAA	Allows a credit institution to raise <b>funds out of the central securities depository</b> (Bank of Russia’s Ordinance No. 4377-U dated 19 May 2017)
ruA+	An eligibility criterion allowing a security issue to be entered in the Bank of Russia’s <b>Lombard List</b>  Allows a credit institution to <b>raise funds out of the federal budget</b> (Russian Government Resolution No. 986 dated 19 August 2017)
ruA-	Allows a bank to raise funds using <b>pension savings</b> placed with non-government pension funds through deposits and debt instruments (Bank of Russia’s Regulation No. 580-P)  Allows a bank to raise <b>funds out of the Federal Treasury</b> (Russian Government Resolution dated 2 August 2017)
ruBBB+	A condition for securities to be admitted / maintained on the <b>MOEX Level I List</b> (the MOEX Listing Rules)  Allows <b>pension savings placed with non-government pension funds to be invested in debt instruments</b> of non-financial issuers (Bank of Russia’s Regulation No. 580-P)  Allows <b>professional securities market participants</b> , as well as <b>asset managers, investment companies and non-government pension funds</b> to include assets rated ‘ruBBB+’ in their <b>equity calculation</b> (Bank of Russia’s Regulation No. 548-P, Bank of Russia’s Ordinance No. 4075-U)
ruBB+	Allows up to 10% of funds / reserves of <b>non-government pension funds to be invested in debt instruments</b> (Bank of Russia’s Regulation No. 580-P)  Allows a credit institution providing a loan to a borrower with this rating <b>to reduce the respective loss provision</b> (Bank of Russia’s Regulation No. 590-P)
ruBB	Allows insurers’ funds and reserves to be invested in assets with this rating (Bank of Russia’s Ordinance No. 4297-U dated 22 February 2017)
ruB-	Allows a bank to issue guarantees under government procurement programmes (Russian Government Resolution No. 440 dated 12 April 2018)

To see the full list of statutory documents regulating the use of ratings, click <https://raexpert.ru/ratings/recognition/>.

## Rating Methodologies

 International business

 Real Economy

 Structured Finance

 Management & Service Quality

 Financial Sector

 Sustainable Finance Instruments

 Sovereigns & Regions

 ESG



**43**  
(29 credit rating and 14 non-credit rating) active methodologies in place in Expert RA



**54%**  
Expert RA’s share of the ESG Finance market

## ESG Leadership

Expert RA operates in accordance with:

- ▶ UN Sustainable Development Standards
- ▶ ICMA’s Sustainability-Linked Bond Principles; LMA’s Sustainability-Linked Loan Principles
- ▶ Russian Federation Government’s Decree No. 1587 dated 21 September 2021 “On Endorsing the Criteria for Sustainable (Including Green) Development Projects

in the Russian Federation and Requirements for Verifying Sustainable (Including Green) Development Projects in the Russian Federation”

- ▶ Regulation of the Bank of Russia No. 706-P dated 19 December 2019 “On the Standards for Issuing Securities”

Also, we are among the signatories to the Principles of Responsible Investment (PRI)<sup>1</sup>.

## Expert RA’s growing ESG portfolio

Topic	2022	2023
ESG ratings	12	19
Green bonds	12	13
Social bonds	11	12
Adaptation (transition) bonds	1	1
Social concepts	–	1
Governance Quality Rating	5	5

Expert RA is on top of the impact ranking of rating agencies produced by the INFRAGREEN analytical platform. In 2022 and 2023, it was an absolute leader by the number of verifications, solicited

ESG ratings, published ESG ratings, sustainability-themed analytical products, and organised issue-related events.



**68%**<sup>2</sup>  
of securities listed on the MOEX Sustainability Sector verified by Expert RA



**40%**  
Expert RA’s share of the ESG rating market

<sup>1</sup> <https://www.unpri.org/>.  
<sup>2</sup> In terms of pieces.

# Business Model

Key business activities include the assigning of credit/non-credit and sustainability-related ratings and providing research and analysis services.

## Our Resources

### A strong team

**131 people**  
Expert RA employee headcount.

Leading experts and headliners in the rating area.

### Leader among Russian providers of rating services

Assigning credit ratings has been the Agency's core business for 27 years. Expert RA is not only a market leader in credit rating services, but also a high-profile analytical centre in Russia.

### Our portfolio:

**61.2%**  
credit rating market

**40%**  
share of the ESG rating market

**54%**  
share of the ESG Finance market

43 active methodologies:  
29 credit rating methodologies and 14 non-credit rating methodologies

## Activities

- Credit ratings:
- ▶ Russian Federation national scale credit ratings
  - ▶ Commonwealth of Independent States (CIS) national scale credit ratings
- Non-credit ratings:
- ▶ Asset Manager Reliability and Service Quality Rating
  - ▶ Medical Insurer Reliability and Service Quality Rating
  - ▶ Risk-Management System Rating
- Sustainable development:
- ▶ ESG rating
  - ▶ Verification of sustainability-linked financing instruments
  - ▶ Governance Quality Rating
- Information & Analysis services:
- ▶ Educational services
  - ▶ Uploading of rating data
  - ▶ Research and analytics

## Market Position

### Expert RA JSC

**68%**  
insurers

**92%**  
financial companies

**69%**  
non-financial companies

**67%**  
banks

**63%**  
leasing companies

**51%**  
regional and local governments

## Business Priorities

✓ Long-Term Stability

✓ Rise in the Shareholder Value

### Outcomes for society

#### Priority



Contributing to the achievement of the six UN SDGs through products, services and operations.

✓ Retention of the Market Position

✓ Innovative Development





4,372

historical ratings observed before 2018 have been converted into up-to-date rating-scale observations

0 (zero)

defaults among entities with bank credit ratings



More than

1,500

people have taken part in the above events



# Key Results and Events of the Year

## Credit and non-credit ratings

The number of ratings and verifications assigned / conducted over 2023 exceeded 900 as at 31 December 2023, including:

✓ 499 issuer credit ratings

✓ 372 issue credit ratings

✓ 47 non-credit ratings

✓ 27 sustainability-related verifications

We confidently hold the leading position in the markets for bank, insurer, and financial and non-financial company ratings:

✓ 1,503 rating actions during the year

✓ 68% of rated insurers covered<sup>1</sup>

✓ 40% of the total ESG rating market;  
68% of the MOEX Sustainability Sector covered

✓ 68% of total bond ratings assigned

### Key events:

- ▶ 35 new ratings assigned to credit institutions
- ▶ 65 new corporate, sovereign and ESG ratings assigned
- ▶ Two capital cities were assigned credit ratings

### Awards and rankings:

- ▶ The Agency has won its first Cbonds Awards in the Best Financial Market Analysis Category

- ▶ Expert RA's ESG Rating Methodology has been approved by the ESG Alliance
- ▶ Expert RA has led the impact ranking of rating agencies produced by the INFRAGREEN analytical platform in the newly introduced 'Contribution to the ESG Transformation of the Russian Economy' section

<sup>1</sup> Percentage of unique rated entities as at 31 December 2023.

## Research & analytics

Every year, the Agency publishes more than 40 studies and reviews on macroeconomics, insurance, banking sector, asset management, leasing and other industries. economy.

In 2023, the Agency:

- ▶ prepared 14 analytical reports on the financial sector
- ▶ held five scientific webinars on the macroeconomic situation, and two ESG webinars, including the "ESG Marathon for the Regions"
- ▶ prepared 19 studies dealing with regional, corporate, and ESG matters

Information environment activities:

- ▶ our analysts have given more than 8,000 media comments
- ▶ we have written almost 800 posts on Telegram

## Business events



Every year Expert RA, together with Expert Business Solutions LLC, holds forums, conferences, and round tables to discuss the results of our research and develop solutions and scenarios for the business sector and the government.

1 March 2023	Strategic session of the Russian debt market
5 April 2023	Financial forum of real estate market leaders
12 April 2023	III annual conference "The Future of the Sustainable Finance Market"
31 May 2023	The Future of the Russian Procurement Market: from a shock towards development
6 September 2023	III annual anti-recessional forum "The Future of the Insurance Market"
5 October 2023	Expert RA ESG-day: Transparency Makes a Gain
25 October 2023	The Future of the Bond Market
5 December 2023	XXII Annual Forum "Leasing in Russia- 2023"



8

high-profile offline conferences and forums held by Expert RA

# ESG Leadership

Expert RA is an absolute leader<sup>1</sup> by the number of verifications, solicited ESG ratings, published ESG ratings, sustainability-themed analytical products, and organised issue-related events.

Expert RA was the first credit rating agency to assign ESG ratings to companies from the real sector, banks, regions and cities in Russia. The Agency tries to follow the maximum level of transparency of its methodologies and published press releases, disclosing the key factors of the assessment that affect the rating level, as well as a graphical representation of the analysis of each ESG rating component.

<sup>1</sup> Based on the impact ranking of rating agencies produced by the INFRAGREEN analytical platform in 2022 and 2023.



# Sustainable Development Management

GRI: 2-12, 2-13, 2-23

While it leaves a relatively small operational footprint, Expert RA makes a lot to increase transparency and facilitate the processes of ESG transformation and sustainable economic development in Russia and the EAEU. The Agency provides access to objective and up-to-date ESG data and analytical materials, which the capital market participants can use in assessing their risks, making capital allocations and doing a long-term planning.



Expert RA observes principles of responsible business conduct and aligns itself with the strategic direction of the Russian economy. The Agency's activities are consistent with the sustainability reporting disclosure documents adopted at the federal level.

Approval, control, supervision and recommendations	↓ Board of Directors ↓		
	Strategy and Sustainable Development Committee	Nomination and Remuneration Committee	Internal Audit and Control Committee
Reporting, strategy, goal setting and action planning	↓ Management Board ↓		
	Sustainability Management System Development Centre (the ESG Centre)		



The Agency's ESG-related business line is aligned with the current Development Strategy of Expert RA.

The responsibility for managing sustainable development in the Agency is distributed between the governance bodies. The Board of Directors approves and oversees the implementation of overall policies and strategies related to the Agency's corporate culture, values, responsible business practices and sustainable development. The committees under the Board of Directors exercise the oversight; they periodically review and, if necessary, make recommendations to the Board of Directors regarding issues related to sustainable development. The ESG Centre, established in 2023, is responsible for ESG reporting, developing, implementing the action plan and regularly updating the Board of Directors on the Agency's sustainability progress.

In 2023, Expert RA continued to improve its internal regulations to ensure the availability of appropriate guiding ESG business principles and the introduction of ESG standards into its operations.

Key documents designed to integrate ESG criteria into the Agency's business model are as follows:

- ▶ Sustainable Development Policy
- ▶ Risk Management Policy
- ▶ Code of Professional Ethics
- ▶ Conflict of Interest Minimisation Policy
- ▶ Personal Data Processing Policy
- ▶ Occupational Safety and Health Policy

Expert RA supports the UN SDGs set for the period until 2030 and has focused on the following six SDGs, to which achievement it can contribute best, considering the nature of its business and its strategic priorities.

The Agency is planning to develop and adopt in 2024 its Sustainable Development Strategy through the decision of its BoD.

4 QUALITY EDUCATION	Disseminate knowledge and skills needed to promote sustainable development; provide employees with opportunities for their professional and personal growth
5 GENDER EQUALITY	Provide a working environment, where men and women have equal rights and opportunities at all levels of decision-making to foster business prosperity and sustainability
8 DECENT WORK AND ECONOMIC GROWTH	Provide decent work and implement the equal pay for equal work principle, ensure safe working conditions, introduce national standards and best practices in the areas of labour relations and human potential development among the customers and suppliers
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Introduce sustainable consumption and production patterns throughout the value chain, and collaborate with suppliers to continuously improve resource management efficiency
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Follow a zero-tolerance policy in respect of corruption, bribery and fraud, as well as discrimination and harassment
17 PARTNERSHIPS FOR THE GOALS	Partner with like-minded organisations as part of our sustainability efforts to expand our reach and increase opportunities for greater stakeholder engagement



# Approach to Stakeholder Engagement

GRI: 2-29

Expert RA recognises the importance of maintaining an open and transparent dialogue with all stakeholders. The Agency's key stakeholders are those who are fully dependent upon and/or influence its business activities. Regular interaction with various internal

and external stakeholders is at the heart of Expert RA's business and is consistent with the principles of transparent communication and mutual respect. It also facilitates cooperation, open discussion and knowledge sharing.

## Importance of interacting with stakeholders



Expert RA appreciates the stakeholders' experience, willingness to cooperate, reputation, spheres of influence, and the ability to scale up and accelerate progress.

Each business unit of the Agency is involved in interaction with stakeholders in areas that best correspond to its functionality and competency.

## Stakeholders and Stakeholder Engagement

Stakeholders	What they look for	Stakeholder relationships
Customers	Credit, non-credit and ESG-oriented products; openness to dialogue and cooperation, information security, responsible fulfilment of financial obligations, long-term cooperation, reasonable price-quality tradeoff	Independent rating of the entities, disclosing rating information on the Expert RA's corporate website.  The Expert RA Cup annual charity mini football tournament, held for the Agency's customers
Employees	Stable employment, fair wages and social security, access to training and development, gender balance, compliance with business ethics and anti-corruption rules, ability to receive open information and feedback, comfortable and safe working environment, career opportunities	Intra-corporate website, training opportunities (training programmes, professional development), newsletters, personal meetings with management, a hotline, voluntary health insurance, surveys, feedback.  The ESG / sustainable development webinar for the Agency employees
Shareholders	Agency stability, availability of financial performance data, development strategy, information transparency, effectiveness of investments, information security, compliance with business ethics and anti-corruption rules	General shareholders meetings, information disclosure, regular meetings and contacts between the management and the shareholders and their representatives, presentations, personal meetings
Financial Market Infrastructure Participants	Participation in councils, working groups, professional communities and market development initiatives, openness to dialogue and cooperation, long-term partnerships, the give-and-take relationships	Cooperation agreements, conferences, round tables, meetings, joint programmes and research, membership in different organisations and associations, public speaking, participation in events held by different organisations and associations (such as Moscow Exchange), information disclosure
Government Authorities	Compliance with legislation, contribution to the development / assistance in the development of the financial sector, timely payment of taxes and levies	Participation in meetings and working groups held by federal and regional government bodies, in different conferences and the State Duma committees
Regulatory Authorities	Compliance with the rating laws	Interaction with the Bank of Russia regarding compliance by the Agency and its employees with the requirements of the Russian laws, including regulations of the Bank of Russia.
Mass Media	Ensuring information openness and feedback on various events	Preparation of articles, columns and comments on current issues, including the ESG agenda

Expert RA’s Stakeholder Relationship Practices



The ESG / sustainable development webinar for the Agency employees

In 2023, the Agency organised for its employees an internal webinar: “What are ESG and sustainable development? The Agency’s role”. The webinar introduced attendees to the basic concepts of sustainable development and ESG and explained what the Agency is doing in this area and what plans the Agency has in the medium term.



Expert RA’s ESG Rating Methodology has been approved by the ESG Alliance

At the end of December 2023, the Agency released a new version of its ESG Rating Methodology, updated with account of the Bank of Russia’s recent recommendations (of July 2023). In the course of revising this document, the ESG-Alliance member companies provided Expert RA with their consolidated proposals, which for the most part have been accepted by the Agency and incorporated into the updated version.



Cooperation with CCX Green Finance in the field of sustainable development

On 14 June 2023, a ceremony was held to sign a Memorandum of cooperation between two rating agencies, Expert RA and China Chengxin Green Finance Technology (Beijing) Co., Ltd (CCX Green Finance). The memorandum envisages experience exchange and interaction between the parties, including as it relates to multilateral global information support for the “One Belt – One Road” projects, with a view to increasing their transparency and recognition among investors, partners, government agencies and the public.



Participation in the conference on the development of the “One Belt – One Road” initiative

On 20 December 2023, a live conference on the progress of the “One Belt– One Road” Initiative, organised by China Chengxin International Credit Rating Co., Ltd (CCXI), was held. Expert RA presented its Review of the EAEU Economic Situation; Economic Changes and the Impact of the Sanctions, which examined the current economic situation in the EAEU countries and provided its forecast of further developments.

Key Areas of Activity

Material topics:

- ▶ Provision of qualitative information about the issuance of independent ratings, assessments and opinions
- ▶ Assistance in market infrastructure development to facilitate the increase in individual and institutional investors
- ▶ Assistance to small, medium-sized and large organisations in gaining access to funds
- ▶ Promotion of the responsible finance and ESG rating market development
- ▶ Raising of public financial literacy
- ▶ Improvement of the awareness of sustainable development
- ▶ Participation in specialised working groups, councils and regulatory initiatives

Qualitative Information about Rating Assignment

GRI: 3-3, 203-2

The Agency’s main activity is the assignment of credit and non-credit ratings, and the provision of independent assessments and opinions regarding financial instruments and documents.

In its rating activities, Expert RA adheres to the following principles:



Objectivity

Being under the direct regulation of the Bank of Russia, Expert RA fully complies with the requirements of the Federal Law on Credit Rating Agencies No. [222-FZ](#) dated 13 July 2015 to make a fair rating decision.



Independence

A rating committee is entrusted with decision-making on any rating action. The rating committee is a collegiate body composed of industry-relevant and expert analysts. In keeping with the rules against conflicts of interest, none of the rating committee analysts has any interest in the business of a rated entities under review.



Expertness



Transparency

The Agency realises that the key resource and driver of the rating assignment activities and other rating services are its employees, who must have appropriate competencies and expertise. For this reason, Expert RA makes



Timeliness

every effort to encourage its analytical staff and assist them in improving their qualifications and experience, and enhancing the industry profile of the rating analysis.

When making a rating decision, Expert RA’s employees follow, completely and utterly, the Agency’s topical methodology, whatever is relevant to the rated entity. Currently, the Agency has more than 40 methodologies to enable a complete and detailed analysis of a rated entity of any business or sector. The Agency’s Methodology Department reviews existing methodologies and keeps them updated on a regular basis. In 2023, 65 meetings of the Methodology Department working groups were held to review 43 methodologies.

The Agency is implementing automation and digital transformation projects to speed-up calculations and accelerate the rating analysis. Such projects optimise the work of analysts, giving them more time to conduct high-quality analysis and draw more balanced opinions, and decrease the human factor risk involved in the calculation of different metrics.

The Agency tries to respond promptly to different events happening in the country and changes in the state of a particular industry or particular rated entity that may affect its credit and non-credit ratings. To this end, the Agency conducts regular, ongoing and extended monitoring reviews on a systematic basis. The Agency interacts with rated entities to update data on their financial and non-financial condition.



**Regular monitoring:** part of the rating maintenance process, i.e., a system of a constant monitoring of economic phenomena and trends, the rated entity, the financial environment, and the society. Such a surveillance involves the control of the state of the rate and the assessment of some factors, which, depending on their strength, may influence decisions on whether a rating and/or a rating outlook should be affirmed or revised. The frequency of regular monitoring reviews depends on a rating type and is, as a rule, at least once a quarter or once every six months.

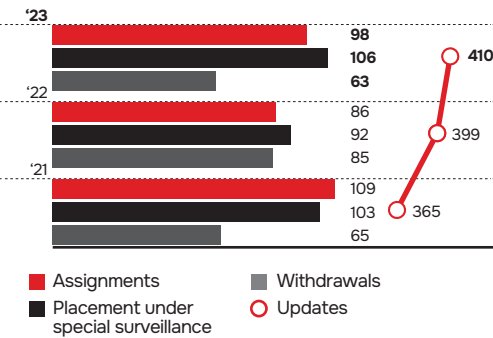


**Ongoing monitoring:** monitoring, on a daily basis, of any information about the rated entity in the media and the Internet, and analysis of any incoming information from other sources or from the rated entity itself. Ongoing monitoring also enables tracking of the effects of any significant macroeconomic changes on rated entities’ credit quality, and keeping an eye on a rated entity’s possible reorganisation (transformation, merger, spin-off, division, or accession).



**Extended monitoring:** company review by the rating committee based on the results of an ongoing / regular monitoring.

Rating actions



At the end of the rating process, the Agency publishes a press release on its corporate website as a notification of a completed rating action. The press releases inform the audience of all factors and assessments, including stress factors and support factors, that had a material impact on the rating level. In 2023, Expert RA updated its pattern and structure of press release writing to made press releases easier to read and understand the rating rationale. This change has been positively received by rated entities.

Assistance in Market Infrastructure Development

GRI: 3-3, 203-2

Expert RA has been one of the key figures of the financial market infrastructure for more than 27 years. We came first to assign ratings (to insurers), and thereby contributed to the development of systems, tools and procedures needed by the market to function effectively. To us, the main objective of infrastructure development is to increase the attractiveness, accessibility, speed and expansion of financial resource management tools, while ensuring the proper protection of data and stakeholder interests.

Our experts conduct research and participate in various working groups and councils, allowing the stakeholders to receive more information and opportunities for an effective development of the market infrastructure.



In 2023, Expert RA won the “Cbonds Awards” in the Best Financial Market Analysis Category.

Also, the Agency contributes to the development of financing practices among not only large, but also small and midium-sized enterprises (SMEs). Better developed mechanisms and increased access to financing for SMEs work to the advantage of the economy as a whole (through the development of a healthy competition, creation of new jobs, and incentivation of innovations and new technologies).

An assigned rating increases investor confidence, incentivises rated entities to issue and service their financial instruments, and reveals potential growth areas. All this helps companies to raise funds, enhance their investment appeal in the eyes of all types of investors, and increase their capitalisation.

Infrastructure development also helps increase the number of investors, particularly those from the institutional and individual investor groups. Our work helps increase information transparency, and consequently facilitate informed investment decisions.

GRI: 2-28

Expert RA employees regularly participate in more than 20 key working groups and councils covering all sectors of the financial market, e.g.:

- ▶ Council for the Financial Market Development with the Federation Council of the Federal Assembly of the Russian Federation
- ▶ Russian Ministry of Finance Working Group for the Strategy Development for the Russian Financial Market until 2030
- ▶ Bank of Russia’s Expert Council for Long-Term Investments
- ▶ Bank of Russia’s Expert Council for Issues Related to the Credit Rating Agencies
- ▶ Bank of Russia’s Advisory Group for Climate-Related Risks
- ▶ Expert Council for the Protection of Competition in the Financial Services Market with the Russian Federal Anti-Monopoly Service
- ▶ Moscow Exchange Listing Council
- ▶ St. Petersburg Exchange Russian and Foreign Securities Listing Council
- ▶ and others

In 2023, Expert RA signed cooperation agreements with a number of entities representing Russian and foreign financial market infrastructure, e.g.:

➤ [China Chengxin Green Finance Technology \(Beijing\)](#)

➤ [Kyrgyz Stock Exchange](#).

In 2024, an agreement of cooperation in the area of Islamic finance was signed with Sakhikh Invest LLC.

Responsible Finance and ESG Rating Development

GRI: 3-3, 203-2

Expert RA follows the best practices in conducting its independent assessments and making its opinions, it complies with national statutory requirements, and explores new areas of analysis, beyond financial and reliability risks, with a view to assisting companies in improving the transparency and objectivity of all lines of their operational activity.

The Agency consistently studies international sustainability practice experience for the purpose of stabilising businesses

of whatever kind and safeguarding their stakeholders. Internationally, there is an institutionalised practice of independent acknowledgement, verification and assessment of sustainability efforts and performance. In view of the importance of such processes for any type of business and jurisdiction, Expert RA has embarked on promoting the sustainability, responsible finance and ESG assessment agenda in Russia.

In our opinion, the education of all market participants is the primary and basic instrument for developing the responsible finance and ESG ratings market. This education can take forms of telephone calls to existing and potential customers and stakeholders, or public speeches, analytical publications and journal articles or an active involvement in conferences and events addressing the issues of sustainable development in Russia and the CIS countries. Traditionally, Expert RA publishes research in the areas of ESG financing, ESG banking, ESG transparency, ESG ranking of cities, etc.



ESG analytics

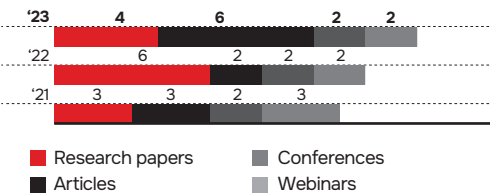


III Annual Conference "The Future of the Sustainable Finance Market"



ESG Day

ESG-related activities of the Agency



In 2023, our staff took part in the activities of five working groups, expert councils and committees focused on the improvement of regulation and the development / promotion of the ESG finance and rating markets, management of non-financial risks and the disclosure of non-financial information.

- In a nutshell, Expert RA sets the following objectives for the establishment and development of a system-based responsible finance and ESG ratings market:
- Disseminate information among corporates and individuals, explaining what ESG, sustainable development, ESG finance, ESG ratings are.
  - Inform and educate market players about the current ESG agenda in the country, including the industry specifics, through review and analytical materials and surveys, and join different expert communities and groups.
  - Enhance the ESG finance and rating development through lobbying for government support instruments.
  - Establish and encourage the demand of individual and institutional investors for ESG investing.

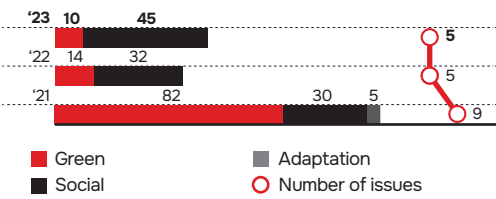
Verification

The Agency realises the importance of developing the ESG finance market and letting it function on an ongoing basis to ensure a systematic funding of sustainable development projects for companies and regions. The implementation of such activities and projects will not only reduce violations of the environmental and labour laws, but will also improve the overall performance in those areas.

Expert RA seeks not only to stimulate the issuance of classic ESG-related financial instruments, but also to take part in new and complex financial instrument verification cases to with a view to setting relevant precedents in Russia's young ESG finance market.

The decrease in the number of verifications is due to the new geopolitical risks, turbulence and general uncertainty in the financial market.

New bond issues verified



Pilot verifications

- 2020**
  - First permanent green bonds verified in accordance with VEB.RF guidance note
  - First social bonds
- 2021**
  - First municipal green bonds
  - Kazakhstan-first social bonds
  - First social mortgage bonds
  - First adaptation (transition) bonds issued in Russia and CIS
- 2022**
  - First green mortgage bonds
- 2023**
  - First retail green bonds

ESG Ratings

In doing our work, we realise not only the role of financial instruments issued to finance specific ESG projects, but also the importance of in-house adoption of ESG practices and ability to manage external impacts on the environment and society.

In our opinion, not only the financial market and the real sector participants may be engaged in implementing the ESG agenda, but the regional and local governments as well. Expert RA was the first Russian Agency to assign ESG ratings to certify entities' performance and achievements in the ESG field.



Expert RA pioneered the assignment of ESG ratings to Russian real sector corporates, banks, regions and cities.



Under Expert RA's ESG Rating Methodology a ESG rating denotes the extent of a rated entity's commitment to integrating sustainability considerations (related to the environment, the social sphere, and the corporate government) into its key decisions.

Much like the credit rating, the ESG rating is an important element of the comprehensive assessment of a rated entity. This comprehensive assessment helps investors make informed investment decisions. Also, the ESG rating is an efficient tool for selecting counterparties and employees, and is useful for shareholder control of an entity or interacting with government authorities.

Expert RA believes and is making efforts to get ESG ratings regulated directly. This would ensure transparent, unbiased and responsible rating decision making. When assigning a ESG rating, Expert RA fully complies with all procedures set out in Federal Law on the Activities of Credit Rating Agencies, dated 13 July 2015, [No. 222-FZ](#).



The Agency does its best to make its methodologies and press releases as transparent as possible by disclosing key assessment factors affecting its ratings and providing a graphical representation of every analysed component of the ESG rating. We pay special attention to updating the ESG Rating Methodology with account of industry specifics and the market participants' feedback to issued requests for comment. In 2023, the Methodology was updated with consideration to the update of industry benchmarks, and the recommendations



54% of the total ESG finance market, in money terms (2023)



66% of the total ESG finance market, in numerical terms (2023)

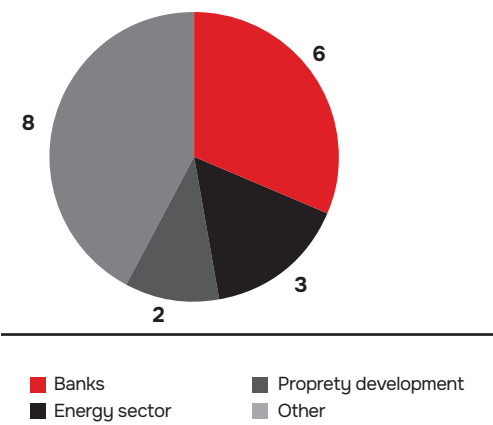


146 million tones reduction of annual CO<sub>2</sub>-eq emissions of verified bond issues

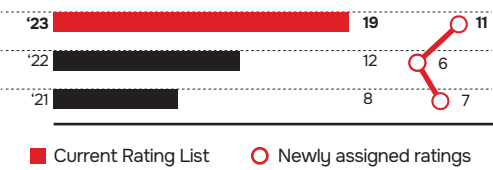


of the Bank of Russia and the national ESG Alliance. Starting 29 December 2023, Expert RA assigns ESG ratings according to its own scale and the Bank of Russia's scale.

Historical industry-by-industry Rating List



Expert RA's Rating List



At the end of the reporting period, Expert RA was maintaining 19 ESG ratings, which accounted for 40% of the entire Russian ESG ratings market. During the entire history of rating assignments (up to the end of 2023) entities from the banking sector accounted for the largest part of our ESG rating list.

Raising Financial Literacy and Sustainability Awareness

GRI: 3-3, 203-2

Expert RA contributes to improving financial literacy of people and different investor groups.

We do our best to disseminate information about the financial market / financial products current status and development trends and about our methods for issuer financial analysis by publishing analytical studies and research papers, holding webinars, and posting news on Telegram and our corporate website.

- Our efforts to improve financial literacy have the following objectives:
- 1. Mastering the basic level and raising a more advanced level of financial knowledge and financial analysis skills, including the ability to process and understand the meaning of published press releases about assigned credit / non-credit ratings\*
  - 2. Getting a wider range of stakeholders covered by this topic, taking account of their age and professional experience
  - 3. Promoting a prudent and reasonable investment of available funds

\* A credit rating measures the ability of a rated entity to repay its financial obligations; a non-credit (ESG) rating denotes a rated entity's commitment to adopting sustainability practices when making its key decisions.

Credit and ESG ratings are alike in that both deal with corporate governance, while their difference lies in that the former assess the business and financial risks and the latter assess impact strength and management quality in respect of the environment and the society.

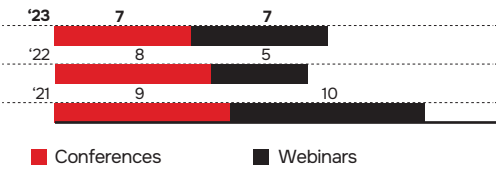
Credit and ESG ratings complement each other and provide a complete picture of the rated entity's financial and non-financial risks.

A more comprehensive information about the Expert RA's credit ratings can be found in a **special section** on the Agency's corporate website and in the Agency's special **flyer**.

Apart from the ESG ratings, the Agency assigns other non-credit ratings, including:

- ▶ Corporate Governance Quality Rating
- ▶ Asset Manager/ Medical Insurer Reliability and Service Quality Rating
- ▶ Open-End Fund Quality Rating

Participation in events



In the year under review, the Agency assisted the organisation of seven "external" events aimed at promoting awareness about the development, regulation and forecasting in the banking, insurance, corporate and other markets, and held seven webinars on its own. The decrease in the number of events is due to the new geopolitical risks and uncertainty in this country.

The list of events held in 2023 can be found at



<https://raexpert.ru/events/archive/2023/>

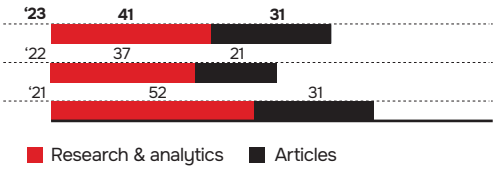
In 2023, Expert RA used its Telegram channel to publish articles and posts dealing with the basics of financial analysis, and also addressing new economic reforms and people playing outstanding roles in economics, finance and sustainable development in Russia and the world. At the end of 2023, the channel had more than 22,000 viewers.

The Agency also holds in-house webinars for its employees on its new and updated methodologies related to its different services, including the ESG products and practices. In 2023, 10 webinars were held and attended by 29% of our employees.



The Agency publishes different analytical materials, including research, opinion pieces and columns and interviews on a wide range of topics concerning the financial market and the economy sectors.

Publications by the Agency staff



In addition to organising events, our staff regularly take part in different working groups, meetings, committees and other activities of regulatory and infrastructure agencies, attend conferences and speak in the media. Our staff express their expert opinion at events designed to promote the development and expansion of the market for individual and responsible investment.

At the end of the period under review, the Agency employees were taking part in a number of specialised expert committees, councils, working groups, and commissions dealing with sustainable development.

In addition to promoting financial literacy, Expert RA seeks to improve its information openness and transparency, and shares its experience in financial management, corporate governance and sustainable development best practices as part of engagement with all its stakeholders.

Expert RA's absolute priority is promoting of the ESG agenda and communicating with its customers and other stakeholders. In particular, the Agency pays special attention to exchanging best practices with its customers and counterparties, and also interacts with higher educational institutions focused on the basic and advanced training of personnel in the area of sustainable development and providing information about the status of the ESG agenda in Russia.

Social Aspect  
of ESG

#04

Core Value

Care of Employees is a key element of our corporate culture. We provide our employees with comfortable working conditions, opportunities for their professional development, create comfortable working conditions, pay special attention to their health, safety, well-being and social support.

A competitive pay and fair performance assessment work to attract and keep highly qualified specialists.

**99%**  
of permanent employees  
have higher education

**5 years**  
average length of service  
with Expert RA

**57%**  
women / total headcount  
ratio

**10%**  
employee  
turnover rate





# Care of Employees

2023 key figures:	131 – total headcount
	10% – employee turnover rate
	52.3% – percentage of employees that have taken external training
	57% – women / total headcount ratio

Material topic:

decent work environment, skill development, staff retention

GRI: 3-3, 2-23

## Corporate Culture

The Expert RA's personnel management policy is aimed at hiring and retaining highly qualified and effective employees, who are necessary for the Agency's successful strategic development and functioning.

Expert RA acknowledges the important role of its employees in the successful achievement of its strategic goals and

maintaining its reputation in the financial market. The employees' high qualifications, professionalism and strong commitment are instrumental in solving financial and IT issues faced by the Agency in a prompt and efficient manner.

✓ Fundamental personnel management principles that reveal and convey the Agency's responsible treatment of its employees:

✓ effort to create a business environment where employees feel comfortable to pursue their career aspirations

✓ encouragement of personal growth aspirations

✓ provision of various training types and tools in addition to unique personal growth and self-fulfilment opportunities

✓ efforts to establish a trust-based dialogue, where any employee may put forth his/her ideas and proposals regarding the improvement of the Agency's business processes

These principles have been integrated into the key personnel management processes, including staff selection, hire and shaping up, as well as the internal communications system, the incentives system, the qualification and

efficiency assessment system, and the corporate training processes. All personnel management processes are properly documented and approved.

# Expert RA Team

GRI: 2-7

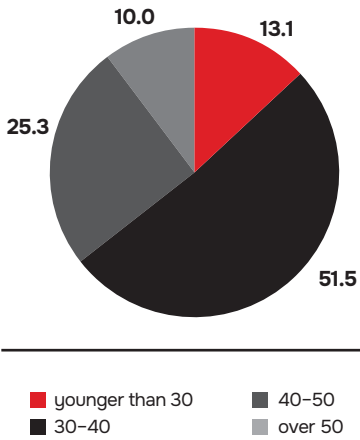


Our team keeps growing and has increased from 2022 by 11% – to 131 people. Our team unites people of different ages and with different work experiences, which enriches the Agency with broad knowledge and work experience.

Headcount, people




Employee age groups, %



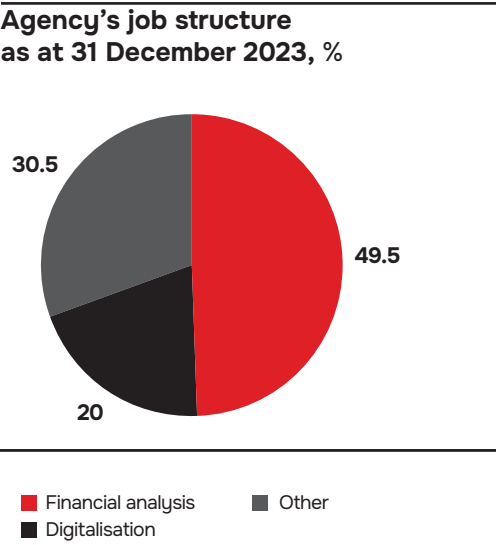
The group of employees doing financial analysis and economic research is the most numerous. A significant part of the staff represents the technical team, engaged in digitalisation tasks.



**92%**  
of staff  
are located  
in Moscow



**8%**  
of staff work  
remotely from  
other regions





Almost all employees (99%) have higher education, in line with the industry standards and the nature of Expert RA's business, as well as the high standards of corporate culture that have formed in the course of the Agency's activity.

Facts from Expert RA's practice

# Digital transformation in personnel management

The digitalisation and automation of HR processes, including electronic personnel document management, the support of all labour processes today is not just a trend, but an important and necessary condition for a sustainable business growth. In 2023, Expert RA developed and got approved a 2030 Digital Transformation Strategy, which is to be adopted, as part of the Agency's overall business strategy, in 2024. The Expert RA organisational structure was modified to bring in the Digital Transformation Service (DTS) in place of two business units, the IT Service and the Project Department.

- The DTS key functions:
- ▶ Develop and implement the digital transformation strategy
  - ▶ Develop corporate information architecture
  - ▶ Develop a line of digital products and digital channels for liaising with customers
  - ▶ Manage the portfolio of projects /problems dealing with the Agency's business process digitalisation

In 2023, the Agency completed the first implementation stage of electronic HR document management. From their first day at work, the employees are provided with an enhanced electronic signature (EES), allowing them to sign HR-related documents remotely, without visiting the office. This year (2024), the project continues to develop to gradually achieve an all-round automation of the Agency's HR processes.

Digital transformation of HR document management & development processes

30

types of documents were automated in 2023

Digital services

The Agency employs digital services to automate and simplify administrative processes, including paperwork, absentee recording, etc.

Plans for 2024–2025


Tools for successful onboarding of new employees

Expert RA's "Corporate University" digital educational platform


Employees will be able to get / deepen their knowledge and skills on a self-paced basis using convenient training formats




# Hire and Adaptation




**25** people  
new hires  
in 2023



**24%**  
of the new  
personnel  
are young  
people with  
a less than  
two years  
employment  
history




**92%**  
of the new  
personnel have  
shaped up  
successfully



**10%**  
staff turnover  
rate in 2023

Being well-known in the financial sector and the ESG assessment market for its expertise, Expert RA attracts fresh talent. The Agency realises that the employees' strong professional skills and efficiency are key to a long-term growth, successful development and strategy implementation, and is committed to building up a highly qualified and dedicated team.


We are set to develop our practice of attracting young employees to bring in fresh ideas and energy and maintain the Agency's dynamism and competitiveness. In our opinion, recruiting young people means investing in the future. All of the newly recruited personnel have a higher specialised (financial, economic, or technical) education.



**We select personnel solely according to their professional competencies, regardless of age, gender and other personal characteristics.**

Having established the digital transformation service in 2023, Expert RA continued recruiting IT specialists. In 2024, the Agency plans to actively develop partnerships with Russia's leading financial and technical universities to attract new talent. Under present-day


conditions, we need finance and IT specialists to develop digital services based on Big Data and AI.



**Our personnel adaptation programme includes more than 10 courses that provide information about our corporate culture and processes and our mandatory personnel requirements.**

Expert RA makes every effort to integrate the new staff, quickly and efficiently, into our work environment and corporate culture.

The new staff take courses in labour protection, conflicts of interest and insider information, as well as information security, and get familiarised with the Agency structure. They also study software, business processes and internal regulations, as well as general and electronic document management rules.



**Each new employee is assigned a mentor who oversees the process of on-the-job training and onboarding.**

GRI: 401-1

The Agency works continually to establish an attractive and stable work environment with a view to retaining highly qualified personnel and reduce staff turnover.

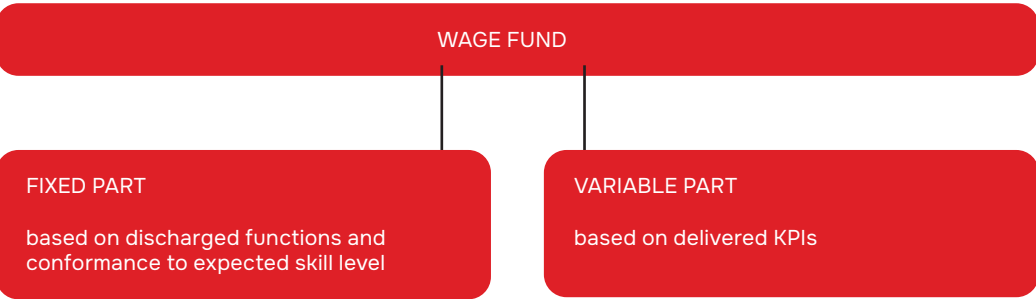
Personnel turnover rate, %




# Incentives and Compensation

Seeing the contribution of skilled staff to the development of the Agency, we want them to receive a decent pay. Expert RA's remuneration system has an effect on the achievement of the Agency's strategic goals. A competitive pay and fair performance assessment work to attract and keep highly qualified specialists.

The wage fund has the fixed and the variable parts (the latter depends on the staff performance and, consequently, their contribution in the Agency's strategic goals).





**The remuneration system is based on the principle of equal pay for equal work, regardless of gender, age and other personal characteristics. The amount of pay depends solely on the employee's professional qualities and performance.**

The Agency also used the assessment results as a basis for its managerial decisions concerning staff career progression. As a result, 14.5% of the total personnel were promoted to higher positions.

Promotions, %



GRI: 404-3

Every year, employees undergo the assessment of individual and corporate KPIs. In 2023, 79% of them were subjected to such assessment, including performance tests and KPI reviews. All of them have been awarded their annual bonuses.




**79%**  
of our staff have successfully passed the assessment of their performance and been paid yearly performance-based bonuses



**19**  
employees have been promoted to higher positions





**52.3%**  
of employees  
who took  
external training  
courses in 2023

# Employees’ Training and Development

GRI: 404-1, 404-2, 404-3


Expert RA appreciates the employees’ constant drive to be successful and attaches great importance to their training and development. The Agency draws up annual educational plans to supports educational programmes, trainings and courses and thereby allow its employees to expand their professional knowledge and skill with consideration to both personal interests and the Agency needs. The results of annual performance tests are very helpful in this respect. Expert RA organises in-house training courses and compensates employees for taking the courses of external training providers. As many as 52.3% of the Agency’s total personnel took training courses covering all our business lines in 2023.

## Average training hours per employee per year, h



Average hours of training increased four-fold compared with 2021.

Particular attention was paid to specialised training programmed tailored to the Agency’s current business needs and considering the specifics of our tasks.



**In light of the Agency’s operational profile, it was important in 2023 to encourage the personnel to study state-of-the-art financial and digital technology tools, sustainable development issues and public speaking skills.**

The Agency is set to provide its employees with opportunities for their professional development, with possible career growth, as well as the enhancement of their competencies and experience. This may involve both ‘vertical’ and ‘horizontal’ movements between different positions or switches between different teams, which we see as an excellent opportunity to increase the employees’ motivation and improve cooperation between our business units.

Plans for 2024 envisage the development of digital skills in non-IT personnel, the establishment of a corporate university to allow employees to develop and improve their soft and hard skills, and the adoption of interactive tools and another educational content.

# Diversity and Equal Opportunities

**Material topic:**

Equal opportunities and non-discrimination

GRI: 3-3, 405-1, 405-2, 406-1, 407-1, 408-1 409-1, SV-PS-330a.1

Expert RA has a clear position regarding the observance of human rights and organises its operations in accordance with the current laws and principles of corporate social responsibility.

The Agency is absolutely against discrimination.

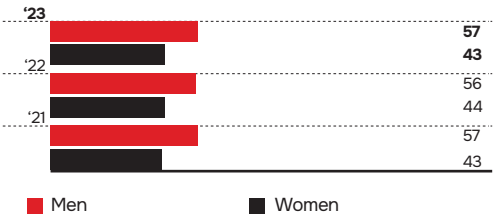
The Agency opposes actions that promote a hostile work environment, where instances of belittling or humiliation are possible.

In its activities, Expert RA tries to provide equal employment opportunities.

No cases of discrimination were registered in the Agency in the reporting period.

None of the Agency’s divisions or suppliers has a significant risk of using child, forced or compulsory labor, or a risk of violation of the rights to form associations and/or trade unions.

## Personnel gender composition, %



# Wellness of Employees and Expert RA’s Social Responsibility

GRI: 401-2

The Agency continued to head for a stronger corporate and social responsibility in 2023. The development of human capital and the improvement of practical interaction with

public and social entities structures is the most important priority for the Expert RA senior management.

- Key principles of this approach:
- creating a favourable environment for the employees
  - strengthening of the social guarantee system and job safety measures
  - introducing environment-friendly solutions at work places

The Agency sees this as an essential condition for achieving stability and high effectiveness.



**40%**  
women  
in executive  
positions



**68%**  
newly hired  
female  
employees



**79%**  
share of  
women pay as  
compared to  
men pay

## Facts from Expert RA's practice

We care about the wellness and social safety / protection of our employees, and fully ensure the social assistance as required by the law; we also provide our staff with a number of additional benefits.

# Corporate Voluntary Health Insurance (VHI) Programme

It is available to all full-time employees who have worked for the Agency for at least six months. As a result, 84% of the Agency's total staff are covered by the VHI programme.

In 2023, the latter was supplemented with an oncology disease prevention and assistance programme, under which employees can receive specialised medical care. This programme provides for an extended insurance coverage and a large choice of outpatient clinics.

A VHI policy includes:

- ▶ psychological support programme allowing employees to receive help 24/7 for various psychological problems
- ▶ telemedical assistance service
- ▶ medical measures taken for early diagnosis purposes

Every year, the VHI programme is revised based on the surveys of insured employees.

# Flexible working hours

We believe that the work-life balance is important for a higher work efficiency and have provided for the possibility of part-time employment and fully remote work.

In 2023, part of our employees continued to operate under flexible working arrangements, with **72%** combining remote work with office work.

# Material aid

Material aid is provided to employees regardless of the length of their service in the Agency, in connection with significant events or difficult situations, at employee request.



# Temporary disability benefits and sick-leaves

The Agency provides additional payments of up to 100% of salary level for a sick leave certificate for seven working days during an individual working period.

The Agency provides three days of additional leave for those falling sick.

# Corporate transport

The Agency repays transportation costs when necessary to employees participating in external meetings, conferences, exhibitions, and funds business trips for all employees, regardless of the length of their service.

# Health, Safety and Wellness of employees

## 2023 key figures:

- 15 – number of employees who have taken occupational health & safety and accident prevention courses
- RUB 96,100 – cost of workplace safety measures taken

## Material topic:

Decent work environment, skill development, staff retention

## GRI: 3-3

What Expert RA values most is human life and health. This makes it pay special attention to creating a safe and healthy

work environment training its employees and establishing conditions that help improve their wellness.

# Job Safety Management

## GRI: 2-23, 403-1

The Agency has taken a comprehensive approach to ensuring employee safety. Key policies and by-laws governing the functioning of the occupational health & safety management system are as follows:

### ✓ Occupational Health & Safety Policy

Documents goals and activities aimed at protecting the life and health of workers; serves to ensure compliance with statutory regulations and labour protection requirements

### ✓ Occupational Health & Safety Management System Provisions

Define the key goals and objectives of the occupational safety management system

### ✓ Accident Investigation Provisions

Formulate mandatory requirements for organising and conducting investigations, as well as for the registration and recording of accidents at work

### ✓ Regulation on working conditions special evaluation studies

Regulates the procedure for conducting special evaluation studies of working conditions in accordance with the law



The Agency's key objectives in the area of occupational health & safety include:

- ▶ Create a healthy and safe work environment
- ▶ Create conditions conducive to employee compliance with labour protection requirements
- ▶ Control the compliance with labour safety regulations

- ▶ Work upon preventing injuries and diseases from workplace health risks
- ▶ Continuously improve working conditions

The division of workplace-safety-related responsibilities between executives is documented in the Agency by-laws. The Agency has several levels of work environment safety control and maintenance:


I control level	Heads of business units
II control level	Person responsible for workplace safety

The Agency's occupational-safety-related expenses include measures to improve working conditions, prevent work-related ill-health and accidents, and reduce injuries.

# Assessment of Working Conditions and Work-Related Hazards

GRI: 403-2, 403-8

To prevent work-related accidents and ill-health, the Agency implements labour protection measures, such as special evaluation of working conditions and assessment of work-related hazards. As part of efforts to organise occupational risk management, the occupational safety officer takes measures to identify hazards and assess/ mitigate occupational health and safety impacts.



No external audit of the Expert RA's workplace safety management practices has been carried out over the reporting period.

Expert RA is committed to creating a culture, in which employees report accidents and potential hazards to either their line manager or the occupational safety officer, in writing or orally.

# Training in Occupational Safety

GRI: 403-5


The Agency has an ongoing process to instruct personnel on occupational health and safety, which is carried out in compliance with the law.

# Employee Wellness

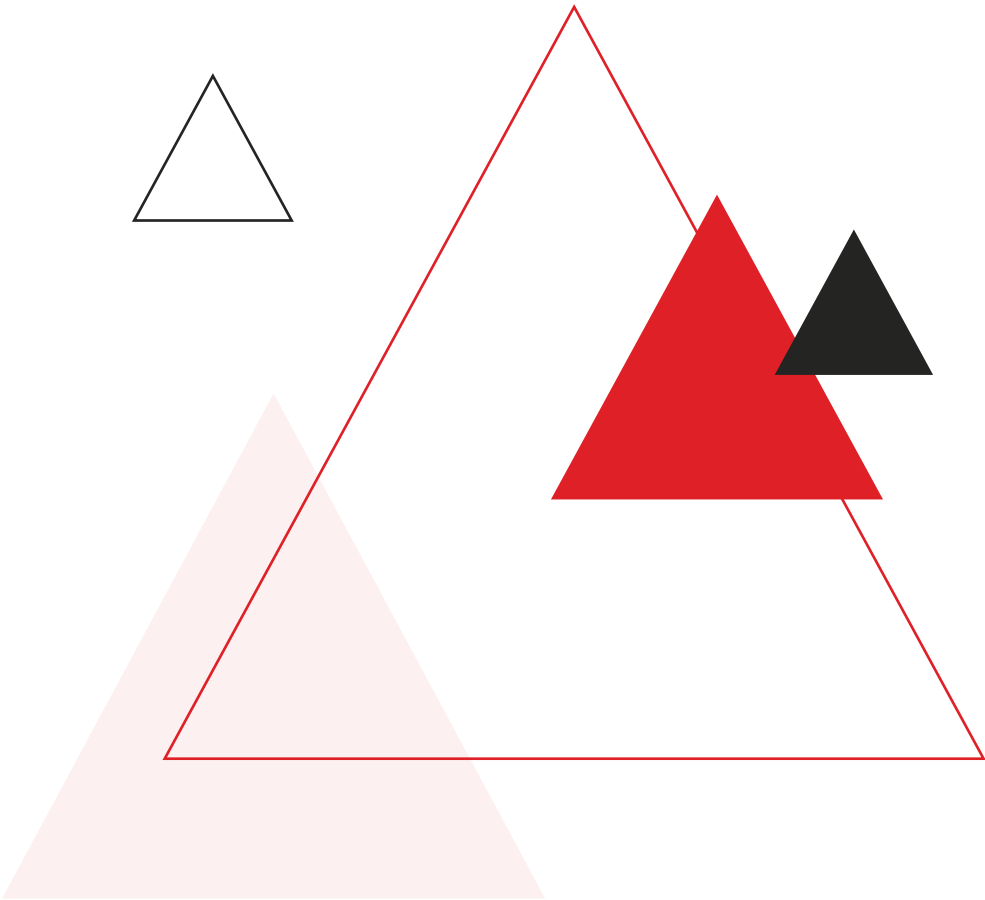
GRI: 403-3, 403-4, 403-6, 403-7, 403-9, 403-10

No accidents or work-related ill-health were recorded in the Agency in 2023.

Expert RA places great emphasis on maintaining the physical and mental health of its employees. It has implemented employee wellness programmes to increase productivity and avoid financial losses by reducing sickness absence.



The Agency plans to adopt job safety and employee wellness goals in 2024.



## Environmental Aspect of ESG

# #05

### Caring for the Future

We trace down and try to minimise any direct and indirect impacts that our activities may have on the environment and climate. To this end, we optimise business processes, reduce resource consumption and waste generation and raise the energy efficiency of our office.

The indirect greenhouse gas emissions under Scope 2 and Scope 3 are scheduled to be estimated in 2024.

In 2023, the Agency released its second-party opinion regarding seven green bond issues and one issue of adaptation bonds, totalling around RUB 109.5 bn.





# Environmental Aspect of ESG

In the modern world, environmental concerns and climate change are becoming increasingly urgent. Promoting responsibility for environmental impact plays a key role in shaping up public consciousness. Not only governments and big corporations are responsible for nature conservation, but also every individual.

Information campaigns and educational programmes can significantly increase public awareness of the environmental cost of their actions. This, in part, is what Expert RA engages in when it assigns ESG ratings and holds educational webinars for its customers and a wider stakeholder audience. The promotion

of responsible consumption, reduction of plastic use, waste recycling and preservation of biodiversity are all topics that need to be part of the social dialogue. This way, every person will realise that even small steps in their everyday life can make a big difference for the future of our planet.

## Climate Agenda

Expert RA understands the importance and the responsibility tied to the climate agenda and is committed to increasing investor confidence in instruments used to finance climate action. The Agency contributes to the mitigation of climate change by maintaining the high quality of its products, including the assignment of ESG ratings and verification of green, sustainability-linked and adaptation financial instruments.



We trace down and try to minimise any direct and indirect impacts that our activities may have on the environment and climate. To this end, we optimise business processes, reduce resource consumption and waste generation and raise the energy efficiency of our office.

- The Agency contributes to the fight against climate change in several ways:
- ▶ Assists the development of the responsible finance and ESG ratings market
  - ▶ Works to raise sustainability awareness
  - ▶ Reduces its own impact on the climate (by optimising business processes, adopting responsible consumption, cutting resource consumption and increasing office energy efficiency)

The Agency's core activities do not generate greenhouse gas emissions, since there are no production assets or other facilities that might have a direct impact on the climate. Indirect emissions include emissions from the production of electricity and heat consumed by the Agency. Other indirect emissions come from employee travel, commuting to the office, and the carbon footprint of purchased goods and services.

Expert RA's contributes to cutting greenhouse gas emissions by using environmentally friendly transportation methods when sending its employees on business trips. Business trips of up to 1,000 km are done by rail.



In 2023, the Agency released its second party opinion regarding seven green bond issues and one issue of adaptation bonds, totalling around RUB 109.5 bn.

Consumption of bought-in electric energy, kW\*h



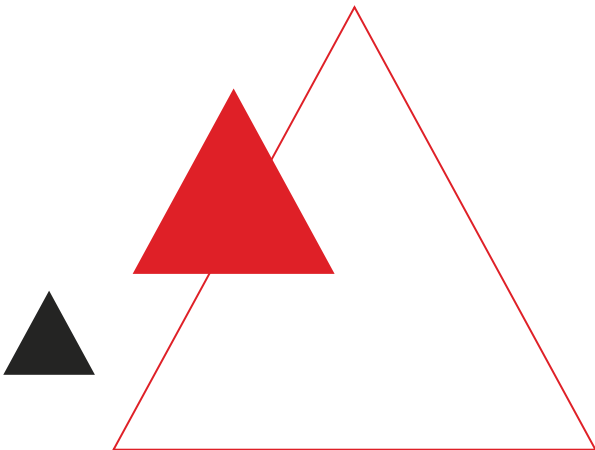
Consumption of bought-in heat energy, Gcal



The Agency is planning to assess Scope 2 and Scope 3 emissions of greenhouse gas in 2024.

In line with its Sustainability Policy, Expert RA is committed to establishing stakeholder relations and raising awareness on environmental and climate issues. Our Sustainability Strategy includes annual training and education for employees on climate change issues and how to reduce carbon footprint in the office and at home.

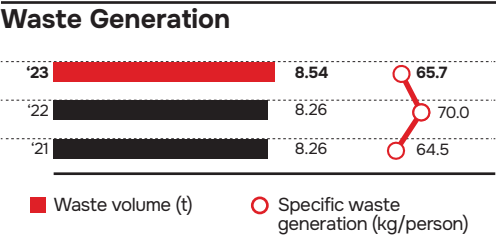
At present, Expert RA has achieved its goal of a 100% transition to energy-saving lamps. We also do our best to promptly update our equipment to make it more energy efficient, environmentally friendly, and meeting international standards.





# Responsible Consumption and Waste Management

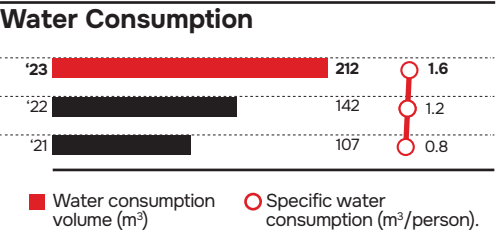
## Waste Management



Having no production assets at hand, Expert RA only generates solid municipal waste in the course of its operations. Waste generated in 2023, in non-hazardous classes, totalled 8.54 tonnes. The specific rate of waste generation per employee in 2023 decreased by 6% year-on-year, while the number of employees increased by 10% over the same period. The amount of generated waste depends mainly on the intensity of employees visiting the office (the agency makes good use of remote labour).

The removal and disposal of municipal solid waste is the responsibility of the office building management company and is carried out under a contract with a regional operator. Disposal of decommissioned office equipment is carried out in compliance with environmental laws under an agreement with a specialised recycling company and involves the extraction of useful components. Last time (2021) the Agency disposed 880 kg of decommissioned office equipment.

## Water Consumption



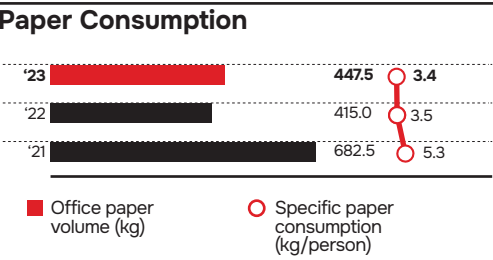
The activities of Expert RA do not have a negative impact on the water resources. The Agency is a responsible water consumer, ensuring water supply and water consumption in line with its agreements with the Moscow City’s authorised services through centralised municipal systems.

In 2023, The water consumption totalled 212 m³, and specific (per employee) water consumption was 1.6 m³/person. The level of water consumption is directly correlated with the frequency of office visits by employees. The increase in water consumption in 2022 and 2023 was due to workers returning to the office to work in a hybrid (office / home) mode after the lifting of COVID-19 restrictions. On the other hand, a significant decrease in water consumption in 2020-2021, was due to the COVID-19 pandemic and shift to remote working. Wastewater treatment to prescribed standards is done at municipal wastewater treatment plants.

## Responsible Consumption

The Agency cares about saving natural resources and has undertaken a number of initiatives to reduce resource consumption and waste generation such as:

- ▶ Gradual transition to electronic document management has been on since 2018. Today, Expert RA’s internal document flow, including personnel records and rating committee materials, is entirely electronic. This has resulted in a more than a 2-fold decrease (a 56.5% decrease over the past five years) in our paper consumption
- ▶ Each workplace now has two monitors installed to avoid printing of work materials and wasting paper
- ▶ Employees use water from reusable coolers, installed on each floor, instead of buying single-use plastic bottles
- ▶ We choose to use reusable tableware in the office
- ▶ We reject printed handouts and research papers at our conferences in favour of electronic versions with QR codes to save consumables, that is, dyes and paper
- ▶ When holding conferences, we install eco-boxes for collecting paper and badges to allow them to be recycled



The Agency is committed to creating a comfortable working environment for its employees. One solution in this area is the ongoing office greening programme, which in addition to aesthetical improvement works to shape employs satisfaction and improve indoor air quality. The number of green plants in our office increases annually; year 2023 has seen new 116 plants in workrooms and public spaces, growing at a density of 0.07 plants / m². To maintain the microclimate in the office space, a centralised air conditioning system with air recovery is used, which allows to save energy costs.



The Agency is planning to adopt goals for responsible consumption and waste handling practices in 2024.

212 m³

total water consumption in 2023



## Governance Aspect of ESG

# #06

### Transparency of Management

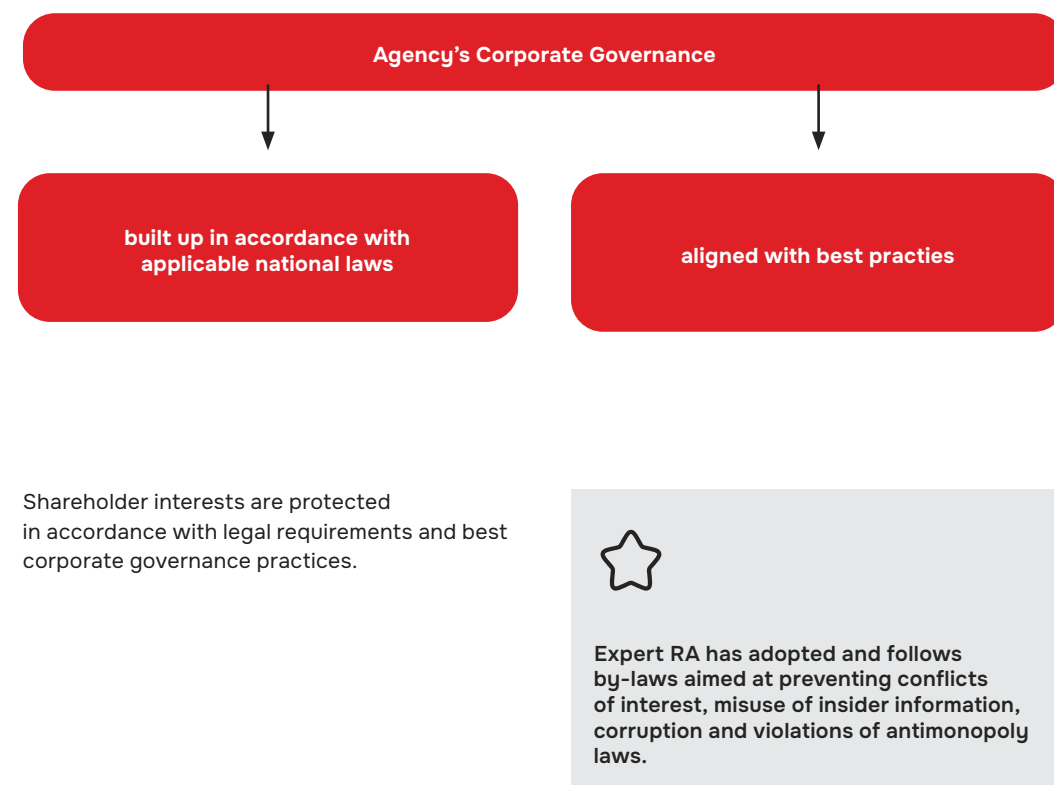
We do our best to meet high corporate governance standards to ensure an effective development for the Agency. Transparency of management processes and information openness are seen as key for the Agency's sustainable development.

Shareholder interests are protected in accordance with legal requirements and best corporate governance practices.

Expert RA has adopted and follows by-laws aimed at preventing conflicts of interest, misuse of insider information, corruption and violations of antimonopoly laws.

# Corporate Governance

Expert RA does its best to meet high corporate governance standards to ensure an effective development for itself. Transparency of management processes and information openness are seen as key for the Agency's sustainable development.



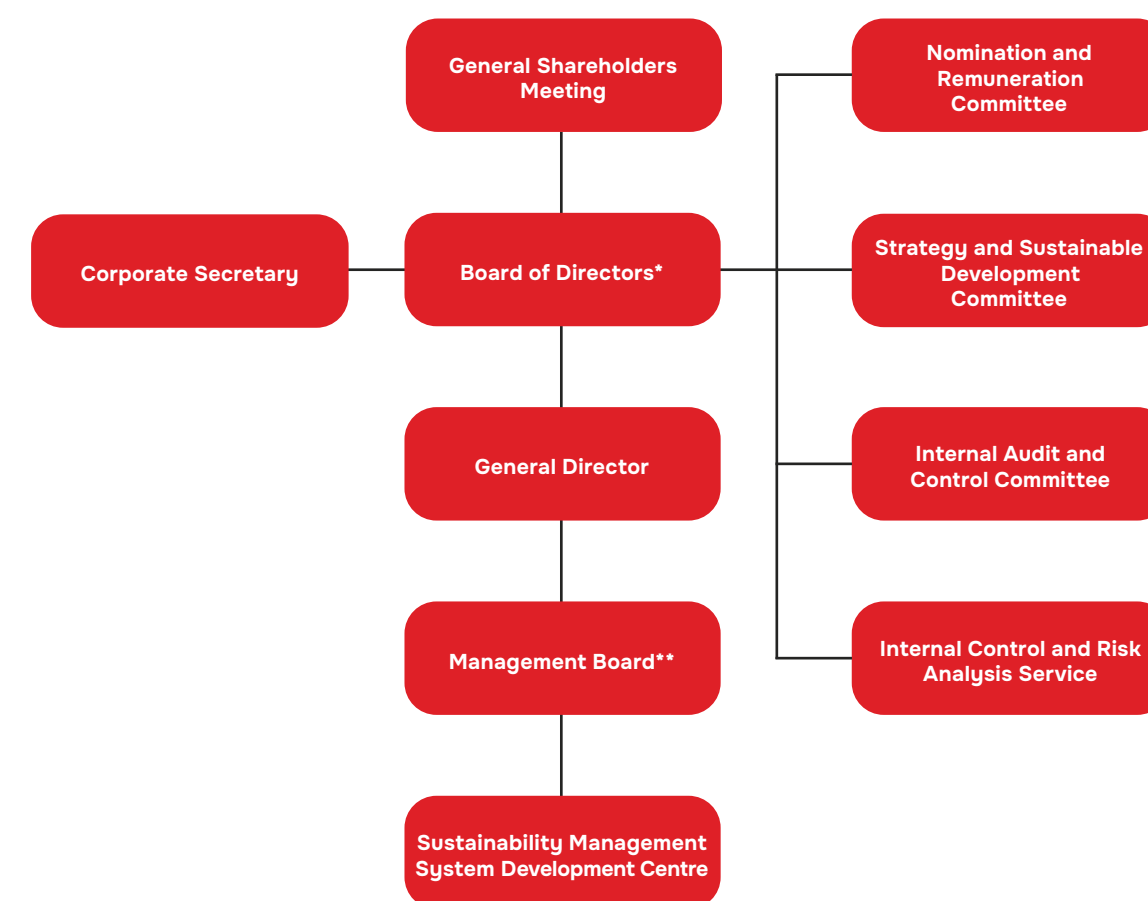
# Governance Bodies

GRI: 2-9, 2-24

The Expert RA governance bodies are the General Shareholders Meeting (GSM), the Board of Directors, the Management Board (a collegial executive body) and the General

Director – Chair of the Management Board (a sole executive body) whose competencies are set out by law, Expert RA's Articles of Association, and relevant regulations approved by the GSM.

## Corporate Governance Structure



\* Nine members, including five independent directors and two women

\*\* Six members, including one woman



# General Shareholders Meeting

The Expert RA’s highest governance body is the General Shareholders Meeting. The GSM acts in accordance with Russian legislation and the Expert RA’s Articles of Association.

<b>GSM scope of competence includes inter alia:</b>	<ul style="list-style-type: none"><li>▶ Key strategic and organisational decisions</li><li>▶ Composition the Board of Directors and the Audit Commission</li><li>▶ Approval of the external auditor</li><li>▶ Allocation of profits</li><li>▶ Approval of annual reports and annual financial statements</li><li>▶ Decisions on large transactions and related-party transactions</li><li>▶ Decisions on participating in financial-and-industrial groups, associations, and other corporate member-based organizations</li></ul>
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In keeping with the Expert RA’s Articles of Association, GSM is held no less often as once a year. The 2023 GSM made decisions on eight agenda items. The Agency follows the best practices of holding a GSM.

## Board of Directors

GRI: 2-9, 2-11, 2-12, 2-14, 2-19

The BoD is headed by the Chair, who is elected from among the BoD members by a majority vote of the total number of the members.

The BoD Chair is a Non-Executive Director and cannot simultaneously be the General Director – Chair of the Management Board or a member of the Agency’s Management Board.

The BoD Chair manages the BoD activities and organises the planning thereof, approves the BoD meeting agenda and may convene the Agency’s BoD meeting on their own initiative. Also, the BoD Chair presides at GSMs.

When holding the Agency’s BoD meeting, the Chair enables a free discussion of agenda items, furthers informed decisions, and encourages a constructive and positive atmosphere.

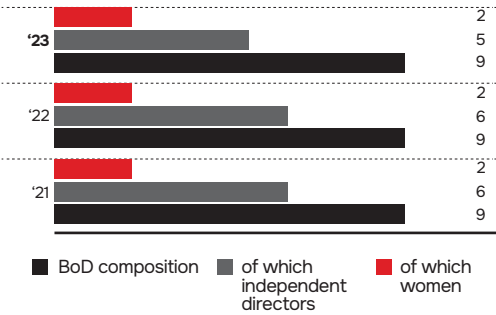
The BoD exercises the general management of Expert RA’s activities, with the exception of resolving issues that fall within the competence of the GMS in accordance with the Agency’s Articles of Association.

<b>BoD scope of competence includes inter alia:</b>	<ul style="list-style-type: none"><li>▶ Identification of the Company’s priority activities</li><li>▶ Calling of GSMs</li><li>▶ Placement of bonds, acquisition of securities</li><li>▶ Determination of auditor remuneration</li><li>▶ Recommendation on dividend size</li><li>▶ Preliminary review of annual reports and annual financial statements</li><li>▶ Composition of executive bodies</li><li>▶ Approval of annual budget and handling of quarterly budget implementation review reports</li><li>▶ Approval of the Expert RA’s Sustainability Report</li><li>▶ Setting-up of the internal control system, performance evaluation of the credit rating reliability control system, evaluation of measures to prevent / reveal conflicts of interest in the Agency, etc.</li></ul>
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The BoD acts in compliance with the Agency’s Articles of Association<sup>1</sup> and the Regulation of the Board of Directors<sup>2</sup>.

In 2023, the BoD had nine members, of which five were independent directors.

### BoD composition



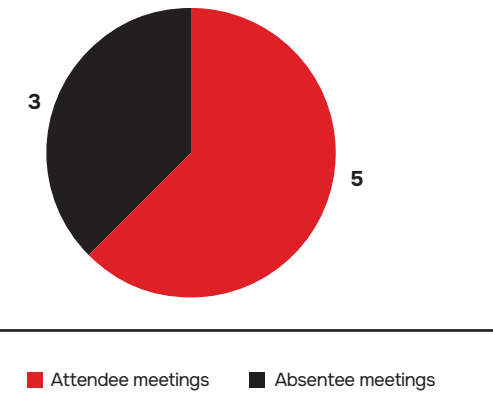
The BoD consists of directors with competencies in the field of sustainable development. Women make almost one-third of the BoD membership.

GRI: 2-10, 2-19, 2-20

The nomination and election of the BoD members is carried out in accordance with Federal Law No. 208-FZ dated 26 December 1995 “On Joint Stock Companies”, with shareholders instructed to account for the requirements of Federal Law No. 222-FZ dated 13 July 2015 “On the Activities of Credit Rating Agencies in the Russian Federation”, Amending Article 76.1 of the Federal Law “On the Central Bank of the Russian Federation (Bank of Russia)” and Invalidating Certain Provisions of Legislative Acts of the Russian Federation”, which requires a credit rating agency (CRA) to have at least one third of its directors, or at least two directors, as independent directors, not involved in rating actions or the CRA’s promo activities or other customer engagement activities.

<sup>1</sup> Approved by the General Shareholders Meeting held on 4 June 2021.  
<sup>2</sup> Approved by the General Shareholders Meeting held on 21 June 2016.

### BoD meetings

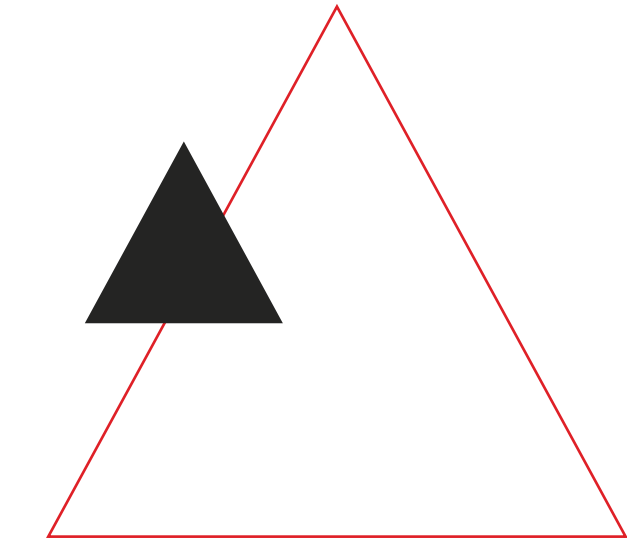



There have been **eight** BoD meetings over the period under review.

The BoD identifies the priority areas of the Agency’s activities, promotes the implementation of sustainability procedures and practices, and approves reports.

Sustainability issues to be considered by the BoD are prepared by the ESG Centre and submitted for preliminary approval by the Management Board and the BoD Strategy and Sustainable Development Committee.

The BoD members are not paid any remuneration, and the Agency does not a remuneration policy for the BoD members.





8 meetings of the BoD committees held over the reporting period

## BoD Committees

Expert RA has the following BoD committees:	Internal Audit and Control Committee (three directors, of which two are independent)
	Nomination and Remuneration Committee (three directors, of which two are independent)
	Strategy and Sustainable Development Committee (three directors, of which one is independent)
The Internal Audit and Control Committee and the Nomination and Remuneration Committee are governed by respective regulations <sup>1</sup> .	
Regulation of the Strategy and Sustainable Development Committee was approved by the BoD on 5 July 2022.	
The scope of competence of the Strategy and Sustainable Development Committee includes the processing and submitting to the BoD of recommendations on the Agency's sustainable development issues that fall into the BoD competence. These include:	
Identification of the Agency's priority activities, including sustainability-related strategic goals and priorities for the short, medium and long terms, and monitoring the achievement of set goals	
Implementation of sustainability procedures and practices	

## Corporate Secretary

The Agency has a corporate secretary, responsible for an effective ongoing liaising with shareholders and the BoD members, the coordination of the Expert RA's actions

to protect shareholder rights and interests, and making arrangements for the BoD operating support.

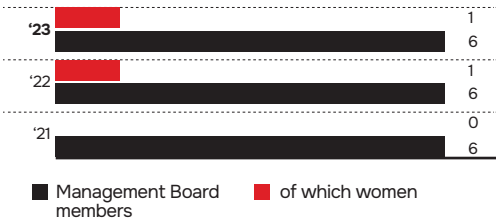
## Management Board

GRI: 2-19, 2-20

The Expert RA's Management Board (MB) approves and monitors the implementation of the Sustainability Policy and conducts preliminarily reviews of sustainability-related issues elaborated by the Sustainability Management System Development Centre and subject to consideration by the BoD.

In 2023, the MB had six members, including one woman, who joined the MB in 2022.

Management Board composition, people



The remuneration sums and payment procedure for the Management Board members are determined by the BoD based on recommendations of the Nomination and Remuneration Committee.

<sup>1</sup> Approved by the BoD on 26 July 2021.

# Risk Management System and Internal Control

Risk management is an integral part of the Expert RA's corporate governance system. It provides for an active involvement of the Agency's business units and employees in risk identification and assessment, a continuous expansion of the scope of research into potential threats and dangers, a systematical integration of risk-related information into managerial decisions and the improvement of the internal control system.

The Agency has a risk management system, which has the form of a systematic process of risk identification, assessment and regulations, implemented with a view to:

- Ensuring a more reliable achievement of expected results and promoting the Agency's sustainable development
- Being compliant with the regulatory requirements and the Agency's by-laws
- Achieving a more effective allocation of resources
- Enhancing the Agency's investment attractiveness and shareholder value

## Risk Management Process



The Agency's risk management system is governed by special by-laws and policies, including the Risk Management Policy and the Internal Control System Regulation.

Expert RA identifies the following sustainability risks:

No.	Risk	Description	Risk minimisation measures
1.	Cybersecurity and data privacy	Security leakage; compromise of management or production information	1. Improving technical and software controls of information security 2. Carrying out strict control and verification when hiring new employees to ensure compliance with the requirements for professional experience and work conduct and reject persons not meeting these requirements 3. Raising information security awareness among personnel
2.	Compliance	Violations of legal requirements, including the Bank of Russia's subordinate laws	1. Ensuring an effective functioning of the Internal Control and Risk Analysis Service 2. Ensuring the relevance of the Agency's by-laws 3. Introducing automated controls 4. Giving regular personnel training
3.	Information technologies	1. Violation of business continuity due to the unavailability and limited functionality of foreign software 2. Delayed development of the Agency's IT platform, failure of the Agency's IT support processes to meet the requirements stemming from the nature and scale of the Agency's activities	1. Making transition to domestic software 2. Implementing the Agency's digital transformation programmes in order to introduce the most modern technologies, analytical tools and information processing methods, enhance the staff digital culture, strengthen assessment processes and improve the rating quality

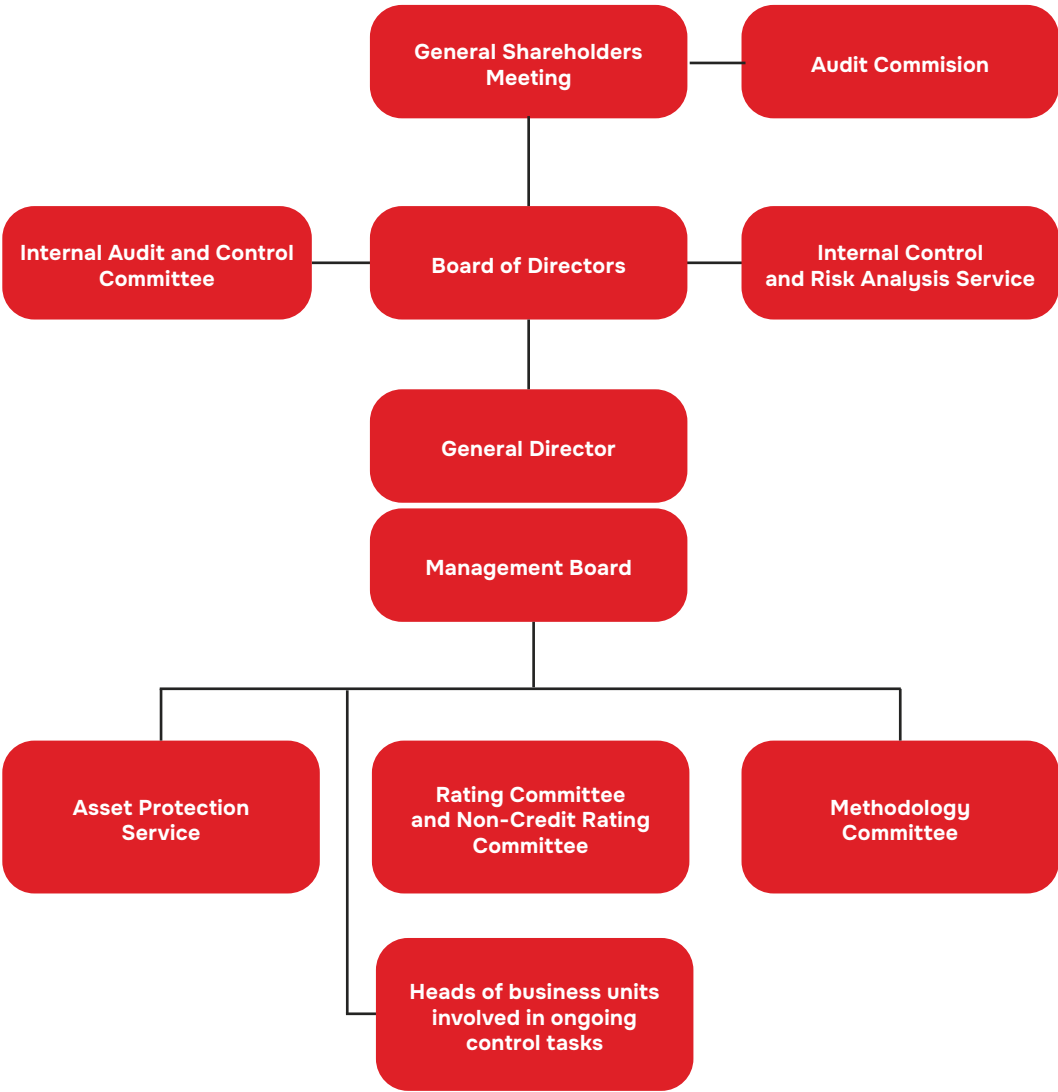
No.	Risk	Description	Risk minimisation measures
4.	Personnel management	<div>1. High personnel turnover</div> <div>2. Shortage of qualified personnel, needed to ensure the continuity and further development of the Agency's rating activities</div> <div>3. Weakening of labour productivity</div>	<div>1. Ensuring decent working conditions</div> <div>2. Developing employee motivation programmes</div> <div>3. Investing in staff training and development to ensure a high level of expertise and quality of provided services</div> <div>4. Automating routine processes</div>
5.	Rating process	<div>1. Late response to the deterioration of the rated entities' circumstances</div> <div>2. Ambiguous interpretation of rating information disclosed by the Agency (such as the rating rationale) by the investment community, the media and others concerned</div>	<div>1. Implementing automated means of monitoring customer information</div> <div>2. Automating control procedures</div> <div>3. Standardising information disclosure processes</div> <div>4. Participating in webinars, conferences, providing feedback to users of credit ratings and others concerned</div> <div>5. Taking an active part in industrial events, publication of research and reports, joining to professional communities to enhance the Agency's authority and reputation as a professional partner</div>

Risk identification and management are the responsibility of the internal control (IC) bodies. Expert RA operates a multi-level IC system, which comprises the aggregate of governance bodies, business units and executives functioning as part of the IC system plus organisational

arrangements, methods and procedures developed and employed to effectively implement a process designed to reasonably ensure the achievement of the Agency's goals. The tasks of the Agency's IC system include:

- ✓ Ensuring the reliability of assigned credit ratings and the independence of the rating process from any political and/or economic influence
- ✓ Identifying, preventing and managing conflicts of interest
- ✓ Ensuring the reliability, completeness and timeliness of preparation and presentation of corporate reporting to external and internal users
- ✓ Managing the Agency's risks, including the regulatory risk
- ✓ Making sure that the Agency operates effectively

## Expert RA's System of Internal Control Bodies



Expert RA employs control procedures, including automated systems, aimed at identifying and preventing conflicts of interest and ensuring the independence of the rating process from any political and/or economic influences, as required by Federal Law No. 222-FZ, regulations of the Bank of Russia and the Agency's local regulations.

Risk identification, analysis and assessment are carried out, inter alia, by the Internal Control and Risk Analysis Service (the ICRAS). The latter is Expert RA's operational unit reporting to the BoD. The General Director – Chair of the Management Board enables the ICRAS's smooth and effective operation.

ICRAS functioning principles

✓ Continuity

✓ Independence and impartiality

✓ Expert knowledge

The ICRAS operates on an ongoing basis. The Service is staffed and composed in such a way as to ensure the continuous performance of assigned duties, considering potential leaves and temporary disability of its staff.

The ICRAS is independent from the General Director – Chair of the Management Board and the Agency’s other operational units. The Service is not involved in the preparation, assignment, revision and withdrawal of credit ratings, or approval and revision of methodologies, or advertising and customer aquisition activities, or other activities that may give rise to a conflict of interest.

The ICRAS staff comply with requirements set by the law. They undergo training/retraining on a regular basis.

- ICRAS has the following functions:
- ▶ Monitoring of the compliance of Expert RA and its employees with the legislation of the Russian Federation, including regulations of the Bank of Russia, as well as the Agency’s by-laws (“the Russian Federation legislation and the ABLs”), monitoring of the regulatory risk and the conflict-of-interest risk management
  - ▶ Prevention and obviation of violations of the Russian Federation legislation and the ABLs by the Agency and its employees; prevention of conflicts of interest
  - ▶ Inspection / audit of the compliance of Expert RA and its employees with the Russian Federation legislation and the ABLs
  - ▶ Generation of regular reports on the results of inspections/audits, identification of risks and corrective actions and submitting them for consideration to the General Director – Chair of the Management Board and the Board of Directors
  - ▶ Participation in the development of the Agency’s by-laws defining the internal control practice and procedures
  - ▶ Coordination and development of the corporate risk management system;
  - ▶ Risk identification, assessment and analysis
  - ▶ Control of the timeliness of document submission to the Bank of Russia in accordance with the requirements of laws governing CRA activities
  - ▶ Participation in the processing of complaints (appeals, applications) received by the Agency
  - ▶ Organisation and preparation of statutory reports and disclosures in accordance with the requirements of laws governing CRA activities, etc.
  - ▶ Engagement with the users of credit ratings, professional associations, the Bank of Russia, and other stakeholders

A full list of the ICRAS’s functions is provided in [the Agency’s Transparency Report 2023](#).

In 2023, the ICRAS internal audits have revealed minor risks and deficiencies in the control environment. To eliminate them, the Agency has adopted action plans aimed at improving control procedures and relevant by-laws. Audit findings, as well as the results of implemented corrective measures, are regularly reviewed by the BoD.

Anti-Corruption and Ethics

Material topic:

Qualitative information about the issuance of independent ratings, assessments and opinions

GRI: 2-23, 2-24, 2-25, 2-26, 2-27, 205-2, 205-3, SV-PS-510a.1

The agency has been using an approved Code of Professional Ethics since 2019.

➤ The Code of Professional Ethics is published on the Expert RA’s corporate website.

The Code of Professional Ethics sets out the Agency’s basic operating principles and rules intended to maintain the Agency’s objectivity and independence. The Code was developed in keeping with the current laws of the Russian Federation, and is based on the best examples of international CRA practice and the most relevant IOSCO Code of Conduct Fundamentals for CRAs.

The ICRAS is a business unit responsible for ensuring that the Agency and its employees act in accordance with the Code of Professional Ethics, the applicable laws and regulations and for receiving and processing reports of violation.

All the staff are familiar with the Code of Professional Ethics, comply with professional ethical standards and internal procedures aimed at ensuring the quality and integrity of the rating process.

Pursuant to the Federal Law No. 273-FZ dated 25 December 2008 “On Combating Corruption”, Expert RA carries

on an anti-corruption policy and implements a system of measures to limit conflicts of interest when carrying out its rating actions.

The Agency undertakes to eliminate any negative consequences of actions, which it has taken or has contributed to. This undertaking includes the investigation of grievances communicated through corporate mechanisms and other processes.

Wrongdoings of a corruption nature, conflicts of interest and other ethical violations can be reported to the ICRAS by email at [compliance@raexpert.ru](mailto:compliance@raexpert.ru) or by phone: +7 (495) 225 3444 (ext. 1645).

There have been no grievances or reported violations of business conduct standards in 2023.

No cases of violations of legislation were also reported in the reporting period.



# Procurement Practices

Expert RA has adopted the Procurement Regulations.

**Documents governing the Agency’s procurement practices:**

- ▶ Expert RA’s Procurement Regulations
- ▶ Expert RA’s Procurement Committee Regulations

The purpose of the Regulations is to streamline procurement procedures for goods, works and services on a competitive basis and to optimise the procurement process, minimise

costs, and make sure that the Agency’s needs for goods, works and services are met in a smooth and timely manner. The Regulations establish uniform rules and basic principles for procurement practices.

The Agency carries out its procurement activities in accordance with the following principles and rules set out in its Procurement Regulations.



To increase the procurement efficiency, the following thresholds have been set depending on a purchase cost:

- ▶ If the purchase cost is less than RUB 100,000, a request for quotation is made to select the counterparty.
- ▶ If the purchase cost is RUB 100,000 or higher, a tender is carried out using an electronic trade platform or through the corporate information system.

The Procurement Committee was established to summarise competition (tender) results and decide the winner. The Committee membership is subject to the approval of the Management Board. The Procurement Committee makes its decisions by a simple majority of votes. The General Director –Chair of the Management Board has the right to veto the Committee's decisions.

As part of the procurement procedure and review of the bids received, the Agency conducts a detailed analysis of business reputation and financial standing of potential

suppliers. In particular, almost all tender assignments contain requirements to provide recommendations from clients of the bidders. The Asset Protection Service conducts a comprehensive assessment of economic, financial and legal risks of service providers with whom the Agency plans to conclude contracts. At the same time, the Internal Control and Risk Analysis Service performs checks to identify and prevent possible conflicts of interest with related parties and the Agency's core activities. The responsible persons also maintain a register of unfair suppliers.

The Agency had **170** suppliers in 2023.

**The Agency does its best to establish business relations with counterparties which have an impeccable business reputation and adhere to the principles of social and environmental responsibility.**



# Cybersecurity and Data Privacy

Material topic:

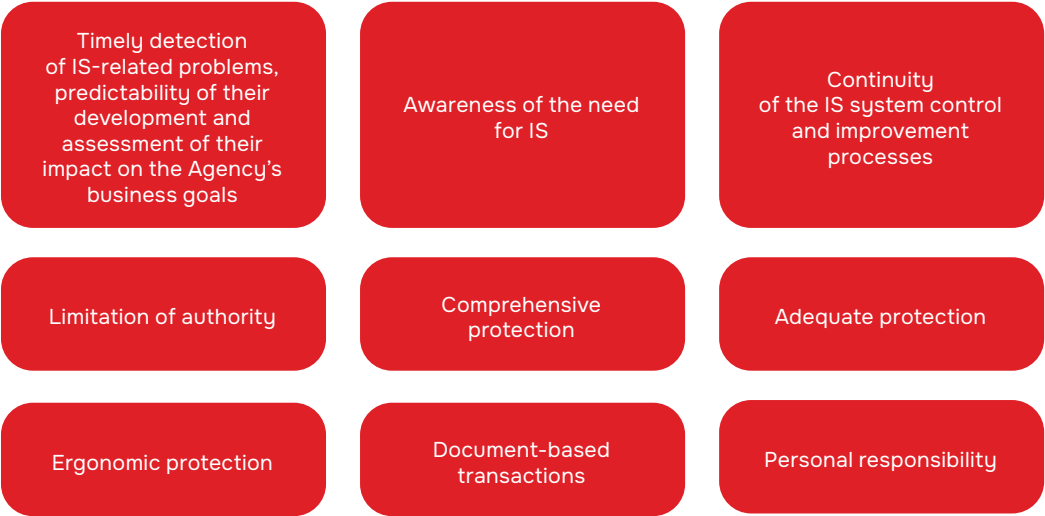
Data privacy

GRI: 3-3; 418-1; SV-PS-230a.1; SV-PS-230a.2

## Cybersecurity

Expert RA has an information security (IS) system designed to establish and enable an ongoing control of the IS risk, which should not go

beyond the limits set in the Agency's Information Security Enforcement Provision. Expert RA sets out the following basic principles of IS.



**Key documents governing the Agency's approach to cybersecurity and data privacy:**

- ▶ Expert RA's Information Security Enforcement Provision
- ▶ Expert RA's Data Privacy Enforcement and Confidential Data Handling Provision
- ▶ Expert RA Pass Control and Intersite Communication Regime Regulation
- ▶ Personal Data Policy
- ▶ Personal Data Processing and Protection Provision
- ▶ Expert RA's Insider Information and Its Confidentiality Protection Provision

The Agency constantly monitors and audits the IS system, using the results of this work to analyse the effectiveness of taken measures with due account of changes in the IT environment, new threats, and IS incidents and issues. We also develop and introduce additional protection measures. This enables a continuous implementation of the principles of safe operation.

We conduct staff trainings to increase IS awareness; the training programme is adjusted to account for current threats. Employees can contact the Asset Protection Service (APS) any time to get advice on IS issues. Where necessary, APS informs the employees about the current threats through information letters.

## Personal Data

The main purpose of protecting personal data (PD) is to minimise the physical, material, financial or moral damage, both direct and indirect, arising from the possible materialisation of threats to the PD security.

The Agency responsibly handles PD and confidential information received from its employees and customers, as well as its suppliers and contractors.

<b>Measures taken by Expert RA to enhance information security:</b>	<ul style="list-style-type: none"><li>▶ The Agency has been entered in the register of PD operators (Reg. No. 77-23-153368)</li><li>▶ PD are processed in accordance with applicable laws</li><li>▶ Documents related to PD processing are adopted and continuously updated</li><li>▶ Measures are taken to improve data security</li><li>▶ A compliance audit for data processed by a third-party company has been conducted</li><li>▶ Agency staff are regularly informed about PD handling rules</li></ul>
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The Asset Protection Service controls the security of handling PD. This work is supervised by the Security Director, who is a member of the Management Board in charge of arranging PD processing in the Agency. When handling PD and insider information, employees are guided by the Agency by-laws, including a model of threats to PD in processing formation systems.

The Agency has approved a list of PD-containing documents and PD processing systems, as well as a limited list of employees with access PD processing.

Each and every employee is familiar with current law and regulations concerning PD protection. The Agency systematically tests employees engaged in PD processing for knowledge of PD protection regulatory documents and compliance therewith. Measures are taken to ensure the security of PD processing in accordance with the Agency's Internal Control Plan to Ensure Compliance with PD Laws and Local Regulations.

## Customer Insider Information

The Agency registers and controls confidential information coming from customers (insider information) strictly in accordance with the current laws of the Russian Federation. Measures are taken to prevent, identify and suppress the misuse of insider

information and market manipulation in accordance with the Internal Control Rules for the Prevention, Detection and Suppression of the Misuse of Insider Information and/or Market Manipulation of Expert RA.

Appendices

#07

Appendices

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# Certificate of Public Assurance at the Chamber of Commerce and Industry of the Russian Federation

GRI: 2-5



# ESG Data Book

## (key quantitative data)

### ENVIRONMENTAL

	UoM	2021	2022	2023
Energy consumption,energy efficiency				
Size of energy consumption	kWh	118,386	94,958	129,813
Size of heat consumption	Gcal	134	132	128
Energy efficiency per m²		82	66	80
Energy efficiency per employee		925	805	991
Office area	m²	1,442	1,442	1,630
Business travel				
Business trips made by road	number	–	–	2
Kilometres travelled	km	–	–	330
Business trips made by rail	number	14	21	35
Kilometres travelled	km	7,700	16,380	25,175
Business trips made by air	number	12	12	50
Kilometres travelled	km	26,820	31,180	122,110
Water consumption				
Size of water consumption, total	m³	107	142	212
Cold water consumption	m³	107	142	212
Hot water consumption	m³	–	–	–
Water consumption per employee	m³/person	0.8	1.2	1.6
Water discharge	m³	107	142	212
Drinking water consumption	m³	10	10	11
Waste management				
Total waste generated	t	8.26	8.26	8.54
Hazard class I waste generated	t	–	–	–
Hazard class II waste generated	t	–	–	–
Hazard class III waste generated	t	–	–	–
Hazard class IV waste generated	t	8.26	8.26	8.54
Hazard class V waste generated	t	–	–	–
Waste sent to recycling	t	–	–	–
Percentage of waste sent to recycling	%	–	–	–
Paper acquired for office use	kg	682.50	415.00	447.50
Paper utilised	kg	475.00	–	350.00
Paper consumption (per person)	kg/person	5.3	3.5	3.4
Office equipment consumption	kg	880.00	–	–
Office furniture consumption	kg	305.00	–	275.00

	UoM	2021	2022	2023
Office greenery				
Number of plants in the office	number	82	97	116
Density of office plants	number/m²	0.06	0.07	0.07
Environmental non-compliance				
Non-compliance with environmental laws or regulations	no of incidents	–	–	–
ESG products				
Total number of rating assessments	number	528	536	579
ESG ratings and verifications of sustainability financial instruments	number	28	36	46

### SOCIAL

GRI: 2–7, 401–1

	UoM	2021	2022	2023
Personnel				
Personnel headcount				
Total number	people	128	118	131
of which men	%	43.0	44.0	43.0
of which women	%	57.0	56.0	57.0
of which people with disabilities	%	2.0	2.0	2.0
Total number of newly hired employees	people	22	22	25
Percentage of newly hired employees	%	17.1	18.6	19.2
of which men	%	36.4	54.5	32.0
of which women	%	63.6	45.5	68.0
of which people with disabilities	%	4.5	–	–
Total number of terminated employees	people	12	26	13
Percentage of terminated employees	%	9.3	22.0	10.0
of which men	%	75.0	46.1	38.5
of which women	%	25.0	53.9	61.5
of which people with disabilities	%	–	–	–
Personnel breakdown by category				
Analysts	%	43.7	46.7	49.5
Sales	%	5.4	5.0	5.3
Accounting Department	%	5.4	5.0	4.6
Legal Department	%	3.1	2.5	2.3
HR	%	3.1	2.5	2.3
IT	%	12.6	15.3	19.8
Other	%	26.6	22.9	30.5

	UoM	2021	2022	2023
<b>Personnel turnover</b>				
Personnel turnover rate	%	9.3	22.0	10.0
Management personnel turnover rate	%	2.3	2.6	1.5
Loyal employees with a more than a 10-years history of employment with the Agency	%	8.0	12.0	15.0
Loyal employees with a more than a 5-years history of employment with the Agency	%	34.0	47.0	47.0
<b>Personnel by age</b>				
Younger than 30	%	17.1	11.0	13.1
30–40	%	50.0	55.0	51.5
40–50	%	22.6	25.4	25.3
Over 50	%	10.0	8.4	10.0
<b>Women</b>				
Percentage of female executives (in charge of a business unit)	%	31.0	37.0	40.0
Employees on child-care leave (total number)	people	2	4	2
Employees back from a child-care leave (total number)	people	1.0	–	3.0
Employees returning to the Agency after taking a child-care leave	%	16.0	–	37.5
<b>Remuneration</b>				
Employees qualified for periodic bonuses	%	100.0	100.0	100.0
Female employee pay/male employee pay on average	%	75.0	75.0	79.0

GRI: 403–5, 403–9, 403–10, 404–1

<b>Job safety and employee wellness</b>				
Employees who have taken workplace health & safety and accident prevention courses	people	7	6	15
Work-related incidents among employees	number	–	–	–
Incidents of work-related ill-health among employees	number	–	–	–
Absence rate	%	1.1	0.9	0.7
Workplaces, for which a special assessment of working conditions was made	number	27.0	–	–
Employees with access to health care at the Agency expense	%	81.0	83.0	84.0
Employees trained over the year	people	66	52	68
Percentage of employees trained over the year	%	51.6	44.1	51.9
Total number of training hours per year	h	809.0	1,845.8	3,132.0
Average training man/hours per one employee	man/h	6.3	15.6	23.9
ESG awareness webinars held for employees	number	1.0	–	1.0
Employees working on a part-time basis	%	6.3	3.3	5.3
Employees working remotely	%	44.0	22.8	27.6

	UoM	2021	2022	2023
<b>Cybersecurity and data privacy</b>				
Losses of personal data (as a result of security violation)	number	–	–	–
Substantiated customer complaints concerning breaches of their privacy	number	–	–	–
Substantiated government bodies’ complaints concerning breaches of their privacy	number	–	–	–
Customers affected by personal data leakages	number	–	–	–
Persons affected by personal data leakages	people	–	–	–

GRI: 203–2

<b>Community and customer relations</b>				
<b>Education and customer management</b>				
ESG webinars held by the Agency	number	3	–	1
ESG-themed telephone calls to customers	number	67	48	101
ESG-themed conferences organised by the Agency	number	4	2	3
ESG-themed conferences attended by the Agency personnel	number	21	29	33
ESG research carried out	number	6	6	9

GOVERNANCE

GRI: 405–1

	UoM	2021	2022	2023
<b>Board of Directors</b>				
<b>Total membership</b>	people	9	9	9
of which independent directors	people	6	6	5
<b>Percentage of independent directors</b>	%	<b>67</b>	<b>67</b>	<b>56</b>
of which women	people	2	2	2
<b>Percentage of women</b>	%	<b>22</b>	<b>22</b>	<b>22</b>
<b>BoD membership by age</b>				
Younger than 30	%	–	–	–
30–40	%	22	22	22
40–50	%	56	56	56
Over 50	%	22	22	22
<b>BoD meetings</b>				
<b>Total number of meetings</b>	<b>number</b>	<b>11</b>	<b>11</b>	<b>8</b>
Attendee meetings	number	6	8	5
Absentee meetings	number	5	3	3
Incl. meetings that dealt with sustainable development issues	number	1	1	–



UoM		2021	2022	2023
BoD Committees				
Strategy and Sustainable Development Committee				
Directors	people	3	3	3
of which independent directors	people	1	1	1
Percentage of independent directors	%	33	33	33
Committee Chair	independent director	yes/no	no	no
Meetings held	number	2	2	1
Internal Audit and Control Committee				
Directors	people	3	3	3
of which independent directors	people	2	2	2
Percentage of independent directors	%	67	67	67
Committee Chair	independent director	yes/no	yes	yes
Meetings held	number	5	4	5
Nomination and Remuneration Committee				
Directors	people	3	3	3
of which independent directors	people	2	2	2
Percentage of independent directors	%	67	67	67
Committee Chair	independent director	yes/no	yes	yes
Meetings held	number	4	5	2

GRI: 405-1

Management Board				
Management Board Membership				
Total membership	people	6	6	6
of which women	people	–	1	1
Management Board membership by age				
Younger than 30	%	–	–	–
30–40	%	33	33	33
40–50	%	17	17	17
Over 50	%	50	50	50
Management Board Meetings				
Total number of meetings	number	41	44	45
Meetings that dealt with sustainable development issues	number	3	4	2

# Alignment with Standards Tables

## GRI Index

Statement, reporting the use of GRI Standards	The Agency has submitted information specified in this GRI Index for the period between 1 January 2023 to 31 December 2023 in accordance with the GRI international reporting standards.
Use of GRI 1 Standard	GRI 1: Foundation 2021

Disclosure item	Expansion of the disclosure item	Section of the Report	Page	Commentary
GRI 2: General Disclosures 2021				
Brief information about the organisation and its disclosure practices				
2-1	Organizational details	About the Report	6	
2-2	Entities included in the organization's sustainability reporting	About the Report	6	
2-3	Reporting period, frequency and contact point	About the Report Contact Information	6, 96	Reporting frequency: annual
2-4	Restatements of information	GRI Index		Non-applicable
2-5	External assurance	About the Report	11, 80	
Activities and Workers				
2-6	Activities, value chain and other business relationships	About the Agency	14	
2-7	Employees	Care of Employees	43, 83	Disclosed partially. The breakdown by employment agreement type is not provided
2-8	Workers who are not employees	GRI Index		All workers are Expert RA employees

Disclosure item	Expansion of the disclosure item	Section of the Report	Page	Commentary
Governance				
2-9	Governance structure and composition	Governance Governance Bodies Board of Directors	65, 66	
2-10	Nomination and selection of the highest governance body	Board of Directors	67	
2-11	Chair of the highest governance body	Board of Directors	66	
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainable Development Management Board of Directors	28 66	
2-13	Delegation of responsibility for managing impacts	Sustainable Development Management	28	
2-14	Role of the highest governance body in sustainability reporting	Board of Directors	66	
2-15	Conflicts of interest	GRI Index		In the reporting period, no disclosure on this item took place in view of the Agency's information disclosure policies
2-16	Communication of critical concerns	GRI Index		In the reporting period, no disclosure on this item took place in view of the Agency's information disclosure policies
2-17	Collective knowledge of the highest governance body	GRI Index		In the reporting period, there was no sustainability training for BoD members
2-18	Evaluation of the performance of the highest governance body	GRI Index		The BoD members did not do their performance self-evaluation in 2023
2-19	Remuneration policies	Board of Directors Management Board	66, 67 68	
2-20	Process to determine remuneration	Board of Directors Management Board	67 68	
2-21	Annual total compensation ratio	GRI Index		In the reporting period, no disclosure on this item took place in view of the Agency's information disclosure policies

Disclosure item	Expansion of the disclosure item	Section of the Report	Page	Commentary
Governance Strategy, Policy, and Practices				
2-22	Statement on sustainable development strategy	Message from the Chair of the Boards of Directors	2	
2-23	Policy commitments	Sustainable Development Management	28	
		Care of Employees	42	
		Diversity and Equal opportunities	53	
		Anti-Corruption and Ethics	73	
2-24	Embedding policy commitments	Governance Bodies Anti-Corruption and Ethics	65 73	
2-25	Processes to remediate negative impacts	Anti-Corruption and Ethics	73	
2-26	Mechanisms for seeking advice and raising concerns	Anti-Corruption and Ethics	73	
2-27	Compliance with laws and regulations	Anti-Corruption and Ethics	73	
2-28	Membership associations	Assistance in Market Infrastructure Development	35	
Stakeholder Engagement				
2-29	Approach to stakeholder engagement	Approach to Stakeholder Engagement	30	
2-30	Collective bargaining agreements	GRI Index		There is no collective bargaining agreement in the Agency
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	About the Report	8	
3-2	List of material topics	About the Report	8	
Qualitative Information about the Issuance of Independent Ratings, Assessments and Opinions				
GRI-3: Material Topics 2021				
3-3	Management of Material Topics	Qualitative Information about Rating Assignment	33	
GRI-203: Indirect Economic Impacts 2016				
203-2	Significant indirect economic impacts	Qualitative Information about Rating Assignment ESG Data Book (key quantitative data)	33	
GRI 205: Anti-Corruption 2016				
205-2	Communication and training about anti-corruption policies and procedures	Anti-Corruption and Ethics	73	

Disclosure item	Expansion of the disclosure item	Section of the Report	Page	Commentary
205-3	Confirmed incidents of corruption and actions taken	Anti-Corruption and Ethics	73	There have been no revealed incidents of corruption or violation of the Code of Professional Ethics in 2023. Likewise, there have been no significant corruption risks revealed.
Promotion of the Responsible Finance and ESG Rating Market Development				
GRI-3: Material Topics 2021				
3-3	Management of material topics	Responsible Finance and ESG Rating Development	35	
GRI-203: Indirect Economic Impacts 2016				
203-2	Significant indirect economic impacts	Responsible Finance and ESG Rating Development  ESG Data Book (key quantitative data)	35	
Personal Data Security				
GRI-3: Material Topics 2021				
3-3	Management of material topics	Cybersecurity and Data Privacy	76	
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity and Data Privacy	76	The Agency has not received any complaints concerning leakage/loss of personal data over 2023
		ESG Data Book (key quantitative data)	85	
Decent Working Conditions, Skill Development for Employees, and Staff Retention				
GRI 400: Social Disclosures				
GRI-3: Material Topics 2021				
3-3	Management of material topics	Care of Employees	42	
		Health, Safety and Wellness of Employees	53	
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	Hire and Adaptation	47	
		ESG Data Book (key quantitative data)	83	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Wellness of Employees and Expert RA's Social Responsibility	49	

Disclosure item	Expansion of the disclosure item	Section of the Report	Page	Commentary
GRI 402: Labor/ Management Relations 2016				
402-1	Minimum notice periods regarding operational changes and whether it is specified in the collective bargaining agreement	GRI Index		In accordance with Art. 74 of the Labour Code of the Russian Federation (LC RF) concerning changes (of organisational or technological working conditions) and Art. 75 of LC RF (concerning the change of the entity's property owner, change of the entity's affiliation or the entity reorganisation), the minimum period of notifying employees and their elected representatives of material operational changes that may seriously affect them is two months
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	Job Safety Management	53	At present, the Agency's job safety management system does not cover non-employee workers
403-2	Hazard identification, risk assessment, and incident investigation	Assessment of Working Conditions and Work-Related Hazards	54	
403-3	Occupational health services	Employee Wellness	55	
403-4	Worker participation, consultation, and communication on occupational health and safety	Employee Wellness	55	
403-5	Worker training on occupational health and safety	Training in Occupational Safety	55	
		ESG Data Book (key quantitative data)	84	
403-6	Promotion of worker health	Employee Wellness	55	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Wellness	55	At present, the Agency's job safety management system does not cover non-employee workers
403-8	Workers covered by an occupational health and safety management system	Assessment of Working Conditions and Work-Related Hazards	54	This item is disclosed partially. The Agency's job safety management system covers 100% of employees. It does not cover the Agency's contractors and business partners



Disclosure item	Expansion of the disclosure item	Section of the Report	Page	Commentary
403-9	Work-related injuries	Employee Wellness	55	This item is disclosed partially. The Agency only collects data for its employees
		ESG Data Book (key quantitative data)	84	
403-10	Work-related ill health	Employee Wellness	55	This item is disclosed partially. The Agency only collects data for its employees
		ESG Data Book (key quantitative data)	84	
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	Employees' Training and Development	48	
		ESG Data Book (key quantitative data)	84	
404-2	Programs for upgrading employee skills and transition assistance programs	Employees' Training and Development	48	
404-3	Percentage of employees receiving regular performance and career development reviews	Incentives and Compensation	47	
		Employees' Training and Development	48	
Raising Sustainability Awareness				
GRI-3: Material Topics 2021				
3-3	Management of material topics	Raising financial literacy and sustainability awareness	38	
GRI-203: Indirect Economic Impacts 2016				
203-2	Significant indirect economic impacts	Raising Financial Literacy and Sustainability Awareness	35	
		ESG Data Book (key quantitative data)	85	
Raising Public Financial Literacy				
GRI-3: Material Topics 2021				
3-3	Management of material topics	Raising Financial Literacy and Sustainability Awareness	38	
GRI-203: Indirect Economic Impacts 2016				
203-2	Significant indirect economic impacts	Raising Financial Literacy and Sustainability Awareness	38	
Promotion of the Access to Finance for Small, Midium-Sized and Large Organisations				
GRI-3: Material Topics 2021				
3-3	Management of material topics	Assistance in Market Infrastructure Development	35	
GRI-203: Indirect Economic Impacts 2016				
203-2	Significant indirect economic impacts	Assistance in Market Infrastructure Development	35	

Disclosure item	Expansion of the disclosure item	Section of the Report	Page	Commentary
<b>Assistance in market infrastructure development to facilitate the increase in individual and institutional investors</b>				
<b>GRI-3: Material Topics 2021</b>				
3-3	Management of material topics	Assistance in Market Infrastructure Development	35	
<b>GRI-203: Indirect Economic Impacts 2016</b>				
203-2	Significant indirect economic impacts	Assistance in Market Infrastructure Development	35	
<b>Equal Opportunity and Non-Discrimination</b>				
<b>GRI-3: Material Topics 2021</b>				
3-3	Management of material topics	Diversity and Equal Opportunities	48	
<b>GRI 405: Personnel Cultural Diversity and Equal Opportunity 2016</b>				
405-1	Diversity of governance bodies and employees	Diversity and Equal Opportunities	48	
		ESG Data Book (key quantitative data)	85, 86	
405-2	Ratio of basic salary and remuneration of women and men	Diversity and Equal Opportunities	48	
<b>GRI 406: Non-Discrimination 2016</b>				
406-1	Incidents of discrimination and corrective actions taken	Diversity and Equal Opportunities	48	
<b>GRI 407: Freedom of Association 2016</b>				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Diversity and Equal Opportunities	48	
<b>GRI 408: Child Labor 2016</b>				
408-1	Operations and suppliers at significant risk for incidents of child labour	Diversity and Equal Opportunities	48	This item is disclosed partially. The risk of child labour is irrelevant to the Agency. Currently, the Agency does not examine whether its suppliers are exposed to this risk
<b>GRI 409: Forced or Compulsory Labor 2016</b>				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Diversity and Equal Opportunities	48	This item is disclosed partially. The risk for incidents of forced or compulsory labour is irrelevant to the Agency. Currently, the Agency does not examine whether its suppliers are exposed to this risk

Disclosure item	Expansion of the disclosure item	Section of the Report	Page	Commentary
Participation in special working groups, councils and regulatory initiatives				
GRI-3: Material Topics 2021				
3-3	Management of material topics	Assistance in Market Infrastructure Development	35	
GRI-203: Indirect Economic Impacts 2016				
203-2	Significant indirect economic impacts	Assistance in Market Infrastructure Development	35	

SASB Index

Topic	Section of the Report/Disclosure
Information Security	
SV-PS-230a.1 Description of approach to identifying and addressing data security risks	Cybersecurity and Data Privacy
SV-PS-230a.2 Description of policies and practices relating to collection, usage and retention of customer information	Cybersecurity and Data Privacy
SV-PS-230a.3 (1) Number of data breaches, (2) percentage involving customers’ confidential business information or personally identifiable information, (3) number of customers affected	ESG Data Book (key quantitative data)
Workforce Diversity and Engagement	
SV-PS-330a.1 Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees	Diversity and Equal Opportunities
Professional Integrity	
SV-PS-510a.1 Description of approach to ensuring professional integrity	Anti-Corruption and Ethics

Glossary

Term	Definition
VHI	Voluntary Health Insurance
Green Bonds	Bond issues whereby the proceeds are exclusively applied to finance or refinance, in part or in full, new and/or existing eligible green projects and which are aligned with the core components of the green bond principles. The latter are considered to mean the Green Bond Principles developed by the International Capital Market Association, as well as the sustainable financing requirements, set out in the Russian Federation Government’s Decree No. 1587 dated 21 September 2021 “On Endorsing the Criteria for Eligibility Review and Verification of Sustainable Development Projects (Including Green Projects) in the Russian Federation”.
IT	Information technologies
Indirect greenhouse gas (GHG) emissions	Emissions that result from the reporting organisation’s activities but are actually emitted from sources owned by other entities.  Scope 2 GHG emissions are indirect greenhouse gas emissions that result from the consumption of electricity, heat or steam purchased from external generating entities.  Scope 3 GHG emissions are other indirect GHG emissions that result from the mining or production of purchased materials, fuels or services, or their transportation by facilities not owned/ controlled by the reporting entity, or from the activities of external contractors, or waste disposal or other activities.
SME	Small & midium-size enterprises
Direct GHG emissions	GHG emissions from sources owned or controlled by the reporting entity
Social Bonds	Social Bonds are any debt instruments where the proceeds are exclusively applied to finance or re-finance, fully or in part, new and / or implemented social projects and which are aligned with the key social bond principles and / or the Social Project Taxonomy. The social bond principles are considered to mean the Social Bond Principles, developed by the International Capital Market Association. The Social Project Taxonomy means the social project eligibility criteria approved by the Russian Federation Government Decree dated 21 September 2021 “On Endorsing the Criteria for Sustainable (Including Green) Development Projects the and Requirements for Verification of Sustainable (Including Green) Development Projects in the Russian Federation”.
Sustainable Development Sector	The initiative of Moscow Exchange and the Ministry of Economic Development of the Russian Federation, aimed at promoting fund-raising by companies implementing projects of an environmental or social nature
UN SDGs	The UN Sustainable Development Goals
AI	Artificial Intelligence
Big Data	Set of approaches to processing very large and complex data sets with a view to obtaining results comprehensible to humans
ESG	Investing principles that prioritise environmental, social, and corporate governance principles
GRI, GRI Standards	Sustainability reporting standards developed by the Global Reporting Initiative (known as GRI), an international independent standards organisation
ICMA	International Capital Market Association
IOSCO	International Organization of Securities Commission
PRI	Principles of Responsible Investment – UN initiative to promote responsible investment principles
SASB	Sustainability Accounting Standards Board
SASB Professional & Commercial Services, Sustainability Accounting Standard	Sustainability accounting standard for providers of professional and commercial services, developed by the SASB
UNEP FI	United Nations Environment Programme – Finance Initiative

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