

RAEX Rating Consortium



**Procedure of
assigning ESG ratings to
companies and financial institutions**

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1. Basic definitions

1.1. Scope of the Procedure

In accordance with this Procedure, a rating agency and/or an ESG assessment provider that is part of RAEX consortium (hereinafter referred to as the Agency or RAEX) assigns an **ESG** rating (hereinafter referred to as the rating) **to companies, company groups, and financial institutions.**

The Agency is an institution that evaluates the rated entity's performance in managing environmental, social, and corporate risks. As a rule, this is done by the main analytical unit of RAEX consortium called *RAEX Analytics* Ltd. However, other units that are part of the RAEX consortium can also enter into contracts with external parties. The Agency is completely independent in its activities when implementing procedures, does not exchange any confidential information with other consortium units, and adheres to other conflicts of interest mitigation principles.

This Procedure and its implementation are designed to safeguard the long-term interests of citizens.

ESG ratings can be regarded as one of the reasons for both strategic and tactical decisions made by (including but not limited to) the following groups of stakeholders:

- investors and financial institutions when implementing the responsible investment and financing principles;
- partners and counterparties when substantiating the supply chains that align with sustainable development principles;

- government and regulatory bodies when managing systemic economic risks, making decisions to either incentivize or disincentivize its entities;
- strategic management bodies of the rated entity (shareholders, beneficiaries, boards of directors, supervisory boards, etc.) when shaping the strategy and policies of the rated entity, setting objectives and targets for management;
- operational management bodies and risk management services when monitoring their actions for compliance with the sustainable development principles and best practices;
- public control entities when assessing whether the rated entity adheres to sustainable business management principles or not;
- other stakeholders when establishing communication with the rated entity.

Pursuant to the legislation of the Russian Federation and other countries, ESG ratings are not considered credit ratings and fall outside the scope of the supervisory performance of the Bank of Russia.

The Procedure mandates its ongoing application in the context of rating activities. RAEX undertakes all the rating-related steps, such as assignment, updating, monitoring, and withdrawal, according to this Procedure. RAEX does not permit systematic deviations from the established Procedure. It is approved by RAEX Procedural Committee and takes effect upon publication on the official Agency website raex-rr.com.

1.2. Basic premises, notions, and definitions

The **ESG** (Environmental, Social, and Governance) concept encompasses a set of sustainable development factors pertaining to environmental, social, and

corporate risk management. Addressing these risks enables the rated entity to achieve more sustainable development.

Sustainable development satisfies the present generation's needs without undermining the ability to meet the future generations' ones.

A rated entity (or an assessed entity) refers to a company, a company group, or a financial institution within the scope of this Procedure. A precondition for applying the Procedure is that the entity is committed to achieving Sustainable Development Goals and has published at least one related report over the past three years.

The ESG rating is the Agency's opinion on how effectively the rated entity manages its exposure to environmental (E), social (S) and governance (G) risks. Based on this Procedure, the functional rating value is calculated, which determines the ESG rating expressed as an alphanumeric designation in accordance with the rating scale outlined in this Procedure.

The rating scale establishes the relationship between the functional rating value and the level of ESG risk management quality as determined by the scale.

As pertains to **ESG risks**, this Procedure is primarily focused on manifestations of ESG-related risks, which may materialize through reputational and economic losses and regulatory impacts. The Procedure identifies basic risks that may be inherent in most potential rated entities and specific risks.

Environmental risks (E) bring about negative environmental changes or their long-term adverse effects related to detrimental impacts on the environment, as well as the rated entity's exposure to the environment.

Climate risks are associated with the negative impacts of climate change on the rated entity's activities, as well as the measures taken by governments and regulatory bodies to mitigate adverse human footprint on the climate. They include physical and transitional climate risks.

Physical climate risks are associated with the natural phenomena resulting from climate change. They are categorized into Acute Risks related to sudden events and Chronic Risks linked to long-term changes in climate characteristics and conditions.

Transitional climate risks are associated with the transition to a low-carbon economy, including the climate change mitigation measures implemented by governments and regulatory bodies of countries that have signed the Paris Agreement on Climate Change. They are divided into political, legal, technological, market-based, and reputational risks.

Social risks (S) are associated with the aftermath of human rights violation or the actions that harm human interests. Possible risk events include discrimination, non-compliance with labor or pension laws, human trafficking, slave labor conditions, violation of the small-numbered and indigenous peoples' rights, damage to historical and cultural heritage sites, crimes related to the products that are potentially hazardous for society, environmental disasters and their social repercussions, and others.

Governance risks (G) are associated with inadequate quality in strategic and operational management, including the menace of non-observance of shareholders' rights, particularly if the rated entity is a joint-stock company. These risks are also related to sensitive data integrity and poor risk management, among others.

This Procedure outlines **basic ESG risks** that are inherent to all the rated entities

or to a considerable share of them, **specific risks**, or basic risks with the degree of significance varying in accordance with the conditions, and **unique risks** inherent to entities of a certain type.

The rated entity's exposure to specific environmental, social and management **risks** is assessed by adjusting for general risks inherent to

- a country (jurisdiction),
- an industry,
- territories.

Sovereign risks are typical of the rated entities operating in a certain country. For instance, the risks associated with *Water Use* depend on the aridity of the country's climate.

Industry-specific risks are typical of the rated entities within a particular economic sector. (The significance of the risks associated with *Water Use* for agriculture is higher than for finance.)

Territorial risks are inherent to the rated entities operating in a certain region. As part of the assessment, the Agency takes into account the geographical location of the main business units of the rated entity if it is possible and reasonable. These may be e.g. Arctic regions, the most suitable areas for the development of renewable energy sources (RES), the lands situated in close proximity to conservation areas, etc.

The unique risk is identified on the basis of sector-specific standards (SASB), allowing for the assessment of risks for a company operating in a given industry. The purpose of assessing unique risks is to better tailor the company's ESG profile. The data used to assess unique risks are selected to reflect the Russian realities.

As far as **risk management** is concerned, the Procedure identifies **the following channels for addressing ESG risks** (according to IFRS S1):

- Governance and Strategy (according to IFRS terminology);
- Risk Management (Risks);
- Targets & Performance (Metrics).

Risks are analyzed and assessed in this Procedure in accordance with the aforementioned risk management channels.

Governance and Strategy are defined in accordance with IFRS terminology as awareness of risks, opportunities for their mitigation, and setting out the risk management objectives in policies and/or other strategic documents, preparation and implementation of the programs to achieve these objectives.

The information on management and the sustainable development strategy is disclosed in order to enable the stakeholders to take a deep dive into the management processes and the related entity's strategy.

In order to analyze management and the strategy, the Agency evaluates the policies, programs, strategies with objectives, and other high-level documents on sustainable development issues, as well as the way the rated entity responds to sustainable development risks in its strategy and decision-making, the progress in executing the plans disclosed by the entity in previous reporting periods, including the quantitative and qualitative data. This information is usually presented in separate documents approved by the organization head and posted on the rated entity's website.

The policy is a high-level document that is aimed at risk mitigation and/or the exploitation of opportunities that may have a significant impact on the rated entity's activities and must include the following elements:

- the time limit (horizon);
- (consistent) terminology;
- key principles;
- master activities;
- references to other documents describing the entity's in-house mechanisms, procedures, and agreements on sustainable development support.

The program is a strategic document that contains a set of actions that the rated entity plans to carry out during the period in question for implementation of the policy commitments.

The program must contain

- measurable short-term and long-term goals;
- the description of the activities aimed at achieving these goals;
- established KPIs for management and persons in charge.

Risk management (Risks) envisages related engagements and activities, namely regular risk level assessment, arrangement, implementation and evaluation of risk mitigation measures.

The purpose of the disclosure of sustainability risk management information is to provide the stakeholders with the opportunity to understand and assess the organization's processes for identification, assessment, prioritization, and monitoring of sustainable development risks, to understand whether these processes are integrated into overall sustainability risk management or not.

In this regard, the Agency assesses how the entity takes into account sustainable development risks and overall risk management and mitigation measures.

The information for this kind of assessment is usually published in the entity's annual reports, but can also be included in the sustainable development report.

Targets & Performance (Metrics in the terms of IFRS S1) are deemed by the Agency as objectively measurable quantitative characteristics used to set the goal and to monitor the progress towards achieving it. The definition and calculation of performance characteristics must remain consistent and uniform throughout the entire assessment period. If a characteristic is redefined or replaced, the rated entity must recalculate all characteristics over the recent four years and submit them in order to ensure comparability.

The Targets & Performance (Metrics) are determined by impartially recorded results that are in line with the policy and reflect the achievement of Sustainable Development Goals.

The performance related to sustainable development is disclosed to enable the stakeholders to understand the entity's performance in this field.

The Agency evaluates both gross and specific characteristics associated with the revenue and/or other industry-adopted units, whenever possible, with a view to conducting balanced assessment.

The information on the Targets & Performance can be included in the sustainability report or be provided in a separate Excel document, the ESG datasheet (databook).

The section titled "Targets & Performance" examines numerical sustainable development characteristics over the period assessed by the Agency, as well as the prior three years. The Agency evaluates the efficiency of risk mitigation and leveraging the opportunities on the basis of efficiency characteristics through the use of quantitative and qualitative data (Metrics). The main types of such Metrics are

- changes; (In order to balance the assessment, the Agency generally evaluates the changes in the average augmentation rate of gross and specific indicators over several (usually four) years.)
- shares, which are typically used to assess the significance of financing certain activities; (As for specific metrics, the Agency evaluates the allocated budget share relative to revenue and compares these figures with similar indicators of the rated entities included in the ranking.)
- benchmarking implies that the Agency determines the position of the rated entity's metrics relative to the industry benchmarks, with values calculated based on an international database.

The double materiality principle. In accordance with the ideology implemented in the Bank of Russia guidelines, as well as in the TCFD and IFRS standards (IFRS S1, IFRS S2), reasonable efforts have been made to implement the double materiality principle within the framework of this Procedure. This principle involves the consideration of two interrelated aspects by the Agency. The first financial aspect relates to ESG risk management and ESG capability exploitation by the rated entity. The second aspect relates to the rated entity's external environmental, social and economic impact.

Reporting comprises the internal or external assessments and reports of the rated entity that are intended to disclose the achievements and results of the policy implementation.

Non-financial (sustainability, ESG) report is dedicated to sustainability, environment, corporate social responsibility, or any other topic. It contains non-financial information, including the one on environmental, social, and corporate governance factors pertaining to the entity's activities. It is used to disclose non-

financial information and may be part of an integrated annual report.

Data verification is the inspection of the validity, accuracy, and consistency of the entity's data presented in both public and non-public reports and their confirmation by the third party.

A dispute, a stressor, or a controversy is a one-time or ongoing event associated with the rated entity's performance that has a significant negative impact on the environment, social sphere, or governance (e.g. a large-scale oil spill or a personal data leakage).

Greenhouse Gas Emissions envisage the release of greenhouse gases into the atmosphere resulting from economic and other activities over a specific time period. This concept is outlined in Federal Law No. 296-FZ dated July 2, 2021 "*On Limiting Greenhouse Gas Emissions*".

Responsible investment is based, *inter alia*, on the investors' willingness to promote sustainable development of society in order to increase the return on investment of their clients and beneficiaries with an acceptable risk level. It takes into account ESG factors in the related activities, investment target assessment and monitoring, bona fide exercise of shareholders' rights, and interaction with societies, as well as the disclosure of information on applicable responsible investment approaches and policies by the investor.

Stakeholders are government and local self-government bodies, public law and legal entities, and physical persons that may be concerned with the financial institution's performance and value creation and/or may have a significant impact on the activities, products and services of the financial institution, the decisions or actions which may influence the institution's ability to create value, successfully

execute its strategies, and attain its goals. These also include the physical persons and legal entities affected by the financial institution's activities.

Local communities are the individuals or groups of people residing or working in the areas that are impacted or may be impacted by the rated entity's activities. The local communities can range from those living near the entity's place of business to those based at a distance. Given that the rated entity's performance and infrastructure can heavily affect the economic, social, cultural, and environmental aspects of the local communities, it is essential for the rated entity to anticipate and prevent any detriment to them. It is crucial to streamline timely and effective stakeholder identification and engagement for helping the entities realize the vulnerabilities of the local communities and their potential footprint on these communities.

Local community investment comprises local community development expenditures over the reporting period. The rated entity may calculate community investment as a sum of donations and investments in the broader community where the target beneficiaries are external to the entity, including

- contributions to health education and rights protection in the health sector;
- funds to support and adapt socially vulnerable groups of citizens;
- spending on social programs, including artistic and educational arrangements;
- spending on research projects;
- spending on environmental and animal welfare projects;
- spending on sporting events and initiatives.

Local community investment also rules out any infrastructure investment primarily driven by the entity's core business needs or business transaction support.

1.3. Underlying documents

The following documents underlie the Procedure:

International Standards

- International Financial Reporting Standards (IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, IFRS S2 Climate-related Disclosures);
- sector-specific Sustainability Accounting Standards Board (SASB);

National Framework

- Presidential Decree No. 474 dated July 21, 2020 "On the National Development Goals of the Russian Federation for the Period up to 2030";
- Bank of Russia Information Letter No. IN-02-28/44 dated June 13, 2023 "On Recommendations for Financial Institutions on Sustainability-related Information";
- Order of the Ministry of Economic Development of Russia No. 764 dated November 1, 2023 "On Approval of Methodological Recommendations for the Preparation of Sustainable Development Reporting";
- Bank of Russia Information Letter No. IN-02-05/46 dated June 30, 2023 "On Recommendations for Developing an ESG ratings (Sustainability Ratings) Methodology and Assigning Such Ratings".

Environmental issues:

- ISO 14001:2015 *Environmental management systems – Requirements with guidance for use*;
- UNDP Social and Environmental standards, 2021;
- GHG Protocol Corporate Accounting and Reporting Standard;
- GHG Protocol Project Quantification Standard;

- *2030 Agenda for Sustainable Development*. Sustainable Development Goals, (SDGs);
- Climate Disclosure Standards Board (CDSB) *Framework for reporting environmental & social information*, 2022;
- *Recommendations of the Task Force on Climate-related Financial Disclosures* (TCFD), 2017;
- *Recommendations of the Taskforce on Nature-related Financial Disclosures* (TNFD), 2023;
- Order of the Ministry of Natural Resources and Environment of Russia No. 371 dated May 27, 2022 "On Approval of Methods of Quantitative Determination of Greenhouse Gas Emissions and Absorption";
- GOST R ISO 14001:2015 *Environmental management systems — Requirements with guidance for use*;
- Resolution of the Russian Government No. 1587 dated September 21, 2021 "On Approval of the Criteria for Sustainable (including green) Development Projects and the Verification System Requirements for Sustainable Development Finance Instruments in the Russian Federation";
- Federal Law No. 35-FZ dated March 26, 2003 (rev. October 25, 2024) "On Electric Power Industry" (as amended, in effect since January 1, 2025)

Social issues:

- International Labour Organization (ILO) Declaration of Philadelphia;
- ILO Conventions (No. 29, 87, 98, 100, 105, 111, 138, 182, 14, 97, 121, 190);
- Constitution of the Russian Federation, Chapter 2 "Rights and Freedoms of Man and Citizen";
- United Nations Charter (San Francisco, June 26, 1945);

- International Convention on the Elimination of All Forms of Racial Discrimination (New York, March 7, 1966);
- Convention on the Rights of the Child (New York, November 20, 1989);
- Convention for the Protection of Human Rights and Fundamental Freedoms, European Treaty Series (ETS) No. 005 (Rome, November 4, 1950) (as amended of September 21, 1970; December 20, 1971; January 1, 1990; November 6, 1990; May 11, 1994);
- European Social Charter, ETS No. 163 (revised) (Strasbourg, May 3, 1996);
- International Convention on the Elimination of All Forms of Racial Discrimination (New York, March 7, 1966);
- International Labour Organization Convention No. 159 concerning *Vocational Rehabilitation and Employment (Disabled Persons)* (Geneva, June 20, 1983);
- International Labour Organization Convention No. 111 concerning *Discrimination (Employment and Occupation)* (Geneva, June 25, 1958);
- International Labour Organization Convention No. 98 concerning *Right to Organise and Collective Bargaining* (Geneva, July 1, 1949);
- International Labour Organization Convention No. 95 concerning *Protection of Wages* (Geneva, July 1, 1949);
- International Labour Organization Convention No. 87 concerning *Freedom of Association and Protection of the Right to Organise* (San Francisco, July 9, 1948);
- International Labour Organization Convention No. 156 concerning *Equal Opportunities and Equal Treatment for Men and Women Workers: Workers with Family Responsibilities* (Geneva, June 3, 1981);

- Social project taxonomy (No resolution has been adopted yet.)

Governance issues:

- *Corporate Governance Code* of the Bank of Russia (rev. March 21, 2014);
- Federal Law No. 208-FZ dated December 26, 1995 (rev. August 4, 2023) "On Joint Stock Companies";
- Federal Law No. 135-FZ dated July 26, 2006 (rev. July 10, 2023) "On Protection of Competition";
- "Criminal Code of the Russian Federation" No. 63-FZ dated June 13, 1996 (rev. November 27, 2023) (Article 290. Bribe-Taking);
- United Nations Convention against Corruption (adopted by Resolution 58/4 at the 51st plenary session of the 58th UN General Assembly in New York on October 31, 2003);
- Civil Law Convention on Corruption, ETS No. 174 (Strasbourg, November 4, 1999);
- United Nations Declaration against Corruption and Bribery in International Commercial Transactions (adopted by Resolution 51/191 at the 86th plenary session of the UN General Assembly in New York on December 16, 1996).

1.4. Procedure application

The following main RAEX products are released on the basis of this Procedure:

A solicited ESG rating is assigned as per the contract for rating-related steps with the rated entity. It is mandatory to provide public and non-public information on the rated entity and to get feedback from it on the information used and

interpreted as part of such contractual relations.

A solicited rating is assigned in accordance with contractual obligations. The contract may be landed provided that

- the rated entity falls within the application scope of the Procedure for being a company, a company group or a financial institution;
- the rated entity is committed to achieving Sustainable Development Goals;
- the rated entity has issued at least one report on its sustainability / ESG activities / social and/or environmental performance in compliance with International Standards over the past three years.

The rating is likely to be withdrawn if

- the contract is either completed or terminated;
- adequate information is missing for applying this Procedure.

A publicly observable ESG rating is calculated in line with this Procedure. Notably, publicly available data are leveraged exclusively. This assessment features ESG risk management which can be observed by any stakeholders, notwithstanding their status of relations with the rated entity.

A publicly observable RAEX ESG rating is a list of the rated entities classified by the functional rating value, which is calculated for the publicly observable ESG rating.

Solely the Agency policy, this Procedure, existing contractual obligations, and the legislation stipulate the inclusion or non-inclusion of an entity in the ranking. The outcome bolsters the ranking users' right to obtain relevant data. It is unbiased by the rated entity representatives' opinion.

Prerequisites for incorporating an entity in the ranking:

- The entities marked by a solicited ESG rating are included in the ranking on a priority basis if adequate data thereof are publicly available for applying this Procedure.
- The Agency shortlists the ranked entities at its own discretion. The main eligibility criteria are as follows:
 - The rated entity falls within the application scope of the Procedure for being a company, a company group or a financial institution.
 - The rated entity is committed to achieving Sustainable Development Goals.
 - The rated entity has released (made public) at least one report on its sustainability / ESG activities / social and/or environmental performance in compliance with International Standards over the past three years.
 - It is essential to boost the representation of the entities in RAEX ranking (and database) which pertain to particular industries and territories. They either require the benchmarking based on solicited ratings or are of concern to RAEX audience.

Prerequisites for excluding the entity from the ranking:

- If the data disclosure rate and transparency are shrinking and the rating score is under 20%, M-status is first assigned to the rated entity. ("M" stands for "monitored".) If the rating score is not incremented by the end of the year, the Agency may remove this entity from the rated entity list.
- If it is decided to reduce the number of ranked entities, the entities pertaining to the countries which are no longer a top priority for the Agency,

as well as those of the lowest functional rating value are primarily eliminated from the ranking.

1.5. Procedure revision

The Procedural Committee shall revise this Procedure

- if it is violated more than thrice a quarter, given that the Procedure does not properly take into account the rated entity specifics and strict abidance by the Procedure may lead to the ESG rating distortion;
- if the legislative framework is amended;
- if the Procedure was last revised 12 months ago.

If planned amendments to this Procedure are substantial and may impact the existing ESG ratings, the Agency undertakes the following steps:

- 1) It places the information on these amendments on its official website <https://raex-rr.com/> , specifying the reasons.
- 2) Once the new revision of the Procedure is adopted, the Agency is bound to revise all the ESG ratings assigned as per the previous version over the current reporting period. It is crucial to revise them within no more than nine months since this need is identified due to the amendments to the Procedure

1.6. Rating scale

The integral ESG rating, as well as environmental, social, and governance ratings assigned by the Agency are based on one of nine grades into which the entities fit in accordance with the following scale.

ESG Rating	E Rating	S Rating	G Rating	Rating grade	Functional rating value. Score	Rating range
AAA[esg]	AAA[e]	AAA[s]	AAA[g]	The highest grade	89–100 %	A-rating range. ESG risks are managed at a high level. The company may improve its ESG score by implementing minor additional measures and adopting ESG-related innovations.
AA[esg]	AA[e]	AA[s]	AA[g]	Very high grade	78–89 %	
A[esg]	A[e]	A[s]	A[g]	High grade	67–78 %	
BBB[esg]	BBB[e]	BBB[s]	BBB[g]	Moderately high grade	56–67 %	B-rating range. ESG risks are managed at a medium level. The company has to implement quite a number of additional measures in order to manage relevant ESG risks.
BB[esg]	BB[e]	BB[s]	BB[g]	Medium grade	44–56 %	
B[esg]	B[e]	B[s]	B[g]	Comparatively low grade	33–44 %	
CCC[esg]	CCC[e]	CCC[s]	CCC[g]	Low grade	22–33 %	C-rating range. ESG risks are managed at a low level. The company has to implement numerous additional measures in order to manage relevant ESG risks.
CC[esg]	CC[e]	CC[s]	CC[g]	Very low grade	11–22 %	
C[esg]	C[e]	C[s]	C[g]	The lowest grade	0–11 %	

2. Information sources for rating assignment

2.1. Information sources

The Agency handles publicly available data with a view to assigning an unsolicited rating.

Publicly available data sources are listed below:

- Public non-financial company reports.
- Public financial company reports.
- Company website content.
- Mass media and social media.

The Agency handles both aforementioned publicly available data sources and any additional data provided by the rated entity for in-depth ESG risk assessment. If needed, the Agency can interview the company division heads in order to harvest more comprehensive data.

The information adequacy for assigning the rating depends on whether it is possible to conduct the analysis as per this Procedure or not.

The main criterion used for determining the information adequacy implies the possibility to conduct the rated entity performance analysis as per this Procedure.

The Agency is not liable for validity of the information provided by the company. Nonetheless, the Agency may carry out extra inspections for verifying this information.

2.2. Non-financial reporting timeliness

The Agency is guided by the timelines for the non-financial report disclosure stipulated by IFRS S1, the Bank of Russia, and the legislation. More specifically, they do not exceed six months after the end of the reporting period. It is the timeline established for the disclosure of the annual report of the Company. Non-reporting is regarded as a negative indicator upon expiry of this period.

Since no report disclosure rules have been endorsed for the business entities which differ from public joint-stock companies (PJSCs), the Agency applies the unified approach to them and PJSCs.

Legal grounds:

The Bank of Russia Information Letter No. IN-06-28/49 dated July 12, 2021 "On Recommendations for Public Joint-Stock Companies on the Disclosure of Non-Financial Information Pertaining to their Activities", Chapter 7 states that "if a company discloses non-financial information in the form of a Non-Financial Report, such report shall be published on the Company's website within the same timeframe established for the disclosure of its Annual Report under the legislation of the Russian Federation".

The Bank of Russia Regulation No. 714-P dated March 27, 2020 "On Disclosing Information by Securities Issuers", Chapter 58 states that "the annual financial statements of a joint-stock company shall be disclosed together with the auditor's report thereon by publishing the text on its website no later than 3 days after the date of the auditor's report issuance, and in any case, no later than 120 days after the end of the reporting year".

Federal Law No. 208-FZ dated December 26, 1995, Article 47 states that "the annual general meeting of shareholders shall be convened ... at least two months after and

within six months after the end of the financial year". Given that the annual report is approved at this meeting of shareholders, the timelines for non-financial report disclosure do not exceed six months after the end of the reporting period for joint-stock companies.

In accordance with IFRS S1 Sustainability Disclosure Standard dated June 2023, "...an entity shall report its sustainability-related financial disclosures at the same time as its related financial statements. The entity's sustainability-related financial disclosures shall cover the same reporting period as the related financial statements".

2.3. Data verification

The Agency is bound to make sure that the data provided by the entity have been verified. Third-party verification of the data covered by the ESG rating is acceptable if it is conducted by

- one of the top 30 audit firms rated by RAEX during the year preceding the rating evaluation;
- a specialized firm which applies its in-house data evaluation and certification methods covered by ESG-rating and has three-year experience in this realm, which precedes the rating evaluation and is corroborated by official client feedback.

3. ESG rating assignment

ESG rating assignment is regulated by local statutory acts of the Agency. It represents the following series of steps.

3.1. Decision-making on evaluating the ranked entity as per Subparagraph 1.4.

of this Procedure and appointment of the leading rating analyst.

3.2. Data collection carried out by the leading rating analyst as per Paragraph 2 of this Procedure:

- collecting publicly available data;
- obtaining the information from the rated entity upon the Agency's request (for a solicited rating);
- clarifying the information from the rated entity, arranging the rating interview if needed (for a solicited rating);
- entering all the data, their evaluation reports as per the Procedure, information on their sources, and the analyst's comments into RAEX database.

3.3. Data analysis, functional rating value calculation.

The leading rating analyst conducts it with the use of RAEX software as per this Procedure.

3.4. Inspection.

The data collected, analyst's comments, and calculation results are vetted in-house for accuracy and compliance with the Procedure. An inspector (a verifying analyst) is vested with the power to conduct the inspection.

3.5. Rating Committee.

It is a peer decision-making body. The Committee encompasses rating analysts exclusively. It delves into the input data on the rated entity, reports of the leading and verifying rating analysts, deals with controversial issues and

assumptions, and decides to either endorse the rating or require additional data collection and analysis.

3.6. Informing the entity representatives and filing an appeal (for a solicited rating).

Following the rating material review, the rated entity representatives are allowed to file an appeal, which is a substantiated objection with extra information. The Rating Committee makes a definitive decision after the appeal proceedings.

3.7. Rating release.

Based on the Rating Committee's results, an official statement on the rating action (a press release) is made public. The rating is added to the rating list on the Agency's official website. This list is the only official source of the rating information.

3.8. Monitoring.

The Agency monitors the ratings assigned and, if required, performs rating actions (rating confirmation, change, and withdrawal). All this is reflected in the rating list and the press release is issued.

4. Rating calculation algorithm

The Procedure is hierarchically structured. The functional rating value and the ESG rating itself are derived from E-, S-, and G-**factor** scores. These **factor** scores result from **indicator** scores, which in turn are calculated using **metric** scores. The metrics represent the bottom hierarchy tier, providing the input data on risk management elements.

This Procedure structure not only gives an overview of the rated entity's full ESG picture but also of the individual risk exposure and mitigation for E-, S- and G-factors and their elements, namely the indicators and the metrics defining them.

The rated entity's characteristics are labelled as factors, indicators, and metrics at different tiers of the rating model hierarchy. These definitions are not generally recognized but they are in no way inconsistent with these terms' meanings used in other references. **This terminology is applied in different RAEX Procedures, including this one, for a more explicit account.**

A functional rating value or an integral functional rating score is the first hierarchy tier which determines the comprehensive ESG risk management evaluation. It ranges from 0% (the minimum score) to 100% (the highest possible score), which is attainable at maximum E-, S-, and G-scores. All the risks assessed are managed by the company to the maximum extent possible in terms of this Procedure.

The integral functional rating score is an arithmetic mean of the functional rating values for E-, S-, and G-factors. This Procedure acknowledges equal importance of all these factors. None of them takes precedence over others.

$$F_{ESG} = \frac{F_E + F_S + F_G}{3}$$

where

F_{ESG} is a functional ESG rating score.

F_E is a functional rating value for the E-factor.

F_S is a functional rating value for the S-factor.

F_G is a functional rating value for the G-factor.

A functional rating value for a factor is the second hierarchy tier which determines the comprehensive risk management evaluation for the E-, S- or G-factor. It ranges from 0% (the minimum score) to 100% (the highest possible score), which is attainable at maximum scores across all the indicators of the evaluated factor. All the risks assessed are managed by the company to the maximum extent possible in terms of this Procedure.

The functional rating score for a factor is **a weighted sum of scores across the indicators. The indicators' weighting coefficients are proportional to the significance levels of the risks related to these indicators.** These coefficients are calculated by virtue of IFRS and SASB guidelines.

A distinctive feature of this Procedure is **basic and unique indicator** evaluation. The risks associated with the former are inherent to all or most rated entity types, whereas those associated with the latter hold true for rated entities of one or two industries. These industries and risks are identified by virtue of IFRS and SASB regulations.

$$F_i = \sum_{j=1}^{J_i} \omega_{i j} \times \varphi_j + \sum_{k=1}^{K_i} v_{i k} \times Y_{i k}$$

where

F_i is a functional rating value for the i -factor, $i \in \{E, S, G\}$.

J_i denotes a number of i -factor indicators.

$\omega_{i j}$ is a weighting coefficient at the j -indicator in the i -factor.

φ_j is a j -indicator score.

$v_{i k}$ is a weighting coefficient at the unique k -indicator of the rated entity for the i -factor.

$Y_{i\ k}$ is a unique k -indicator score of the rated entity for the i -factor.

The industries are characterized by unique indicators. As a rule, one single unique indicator is typical of each industry in the E-, S-, or G-factors, depending upon its specifics. However, multipurpose applicability of the Procedure implies at least two unique indicators.

The weighting coefficient calculation rests on industry-specific, sovereign, and geographical risk matrices. Their total sum is equal to 1.

$$1 = \sum_{j=1}^{J_i} \omega_{i\ j} + \sum_{k=1}^{K_i} v_{i\ k}$$

Accordingly, the functional rating value for a factor ranges from 0 % (the minimum score) to 100 %, which is attainable at maximum scores across all the evaluated indicators.

The rated entities' exposure to specific environmental, social and management **risks** underpins the weighting coefficient calculation, which is adjusted for the overall risks inherent to

- a country (a jurisdiction);
- an industry;
- activities in special territories, such as Arctic regions, the lands situated in close proximity to conservation areas, etc.

The above-mentioned assessment is summarized in appropriate risk (exposure) matrices. **A matrix element** is a risk escalation/mitigation coefficient ranging from 0 to 1.5.

0 signifies zero risk.

0.5 means that a risk value for normal conditions is twice as high as the one for specific sovereign / industry-specific / territorial conditions.

1 indicates that risk values for specific sovereign / industry-specific / territorial conditions and normal ones coincide.

1.5 means that a risk value for specific sovereign / industry-specific / territorial conditions exceeds the one for normal conditions by 50%.

Sovereign risk matrix

All the matrix elements are equal to 1 by default. The values other than 1 are solely set if the rated entity has special operating conditions in a particular country. The Procedural Committee decides to change the risk on the basis of the analysts' expert report and available information on the specific characteristics of activities in the country.

$$M_{country} = \begin{matrix} & m_{country\ 1\ 1} & m_{country\ 1\ 2} & \cdots & m_{country\ 1\ N} \\ & m_{country\ 2\ 1} & m_{country\ 2\ 2} & \cdots & m_{country\ 2\ N} \\ & \cdots & \cdots & \cdots & \cdots \\ M_{country} = & m_{country\ J\ 1} & m_{country\ J\ 2} & \cdots & m_{country\ J\ N} \\ & m_{country\ J+1\ 1} & m_{country\ J+1\ 2} & \cdots & m_{country\ J+1\ N} \\ & \cdots & \cdots & \cdots & \cdots \\ & m_{country\ J+K\ 1} & m_{country\ J+K\ 2} & \cdots & m_{country\ J+K\ N} \end{matrix}$$

where

$M_{country}$ is a sovereign risk matrix.

$m_{country\ i\ j}$ is a sovereign risk matrix element related to risk assessment for the i -indicator in the j -country.

J is a number of basic indicators in a rating model.

K is a number of unique indicators in a rating model.

N is a number of countries covered by the Procedure.

Industry-specific risk matrix

It is compiled with due account for IFRS and SASB regulations and establishes the risk significance for basic and unique indicators of diverse industries.

$$M_{ind} = \begin{matrix} & m_{ind\ 1\ 1} & m_{ind\ 1\ 2} & \cdots & m_{ind\ 1\ L} \\ & m_{ind\ 2\ 1} & m_{ind\ 2\ 2} & \cdots & m_{ind\ 2\ L} \\ & \cdots & \cdots & \cdots & \cdots \\ M_{ind} = & m_{ind\ J\ 1} & m_{ind\ J\ 2} & \cdots & m_{ind\ J\ L} \\ & m_{ind\ J+1\ 1} & m_{ind\ J+1\ 2} & \cdots & m_{ind\ J+1\ L} \\ & \cdots & \cdots & \cdots & \cdots \\ & m_{ind\ J+K\ 1} & m_{ind\ J+K\ 2} & \cdots & m_{ind\ J+K\ L} \end{matrix}$$

where

M_{ind} is an industry-specific risk matrix.

$m_{ind\ i\ j}$ is an industry-specific risk matrix element related to risk assessment for the i -indicator in the j -country.

J is a number of basic indicators in a rating model.

K is a number of unique indicators in a rating model.

L is a number of countries covered by the Procedure.

Territorial risk matrix

All the matrix elements are equal to 1 by default. The values other than 1 are solely set if the rated entity has special operating conditions in a particular territory. The Procedural Committee decides to change the risk on the basis of the analysts'

expert report and available information on the specific characteristics of activities in the territory.

$$M_{ter} = \begin{matrix} & m_{ter\ 1\ 1} & m_{ter\ 1\ 2} & \cdots & m_{ter\ 1\ T} \\ & m_{ter\ 2\ 1} & m_{ter\ 2\ 2} & \cdots & m_{ter\ 2\ T} \\ & \cdots & \cdots & \cdots & \cdots \\ M_{ter} = & m_{ter\ J\ 1} & m_{ter\ J\ 2} & \cdots & m_{ter\ J\ T} \\ & m_{ter\ J+1\ 1} & m_{ter\ J+1\ 2} & \cdots & m_{ter\ J+1\ T} \\ & \cdots & \cdots & \cdots & \cdots \\ & m_{ter\ J+K\ 1} & m_{ter\ J+K\ 2} & \cdots & m_{ter\ J+K\ T} \end{matrix}$$

where

M_{ter} is a territorial risk matrix.

$m_{ter\ i\ j}$ is a territorial risk matrix element related to risk assessment for the i - indicator in the j -country.

J is a number of basic indicators in a rating model.

K is a number of unique indicators in a rating model.

T is a number of countries covered by the Procedure.

Final risk exposure score calculation

The total score is a product (a result of multiplication) of particular risk values. This risk assessment approach is rooted in the reliability theory. If all the risks hit the medium score (1), overall risk significance will be of medium level (1).

The maximum possible risk exposure score is set at 2.

More specifically, the risk is calculated as a product (a result of multiplication) of corresponding risk matrices for r -entity of l -industry, which is operating in n -country, namely in t -territories (t for r). This value does not exceed 2.

$$m_{final\ i} = MIN(m_{ind\ i\ l} \times m_{country\ i\ n} \times \prod_{all\ t\ for\ r} m_{ter\ i\ t} ; 2)$$

where

$m_{final\ i}$ is a final risk score for the i -indicator.

$m_{ind\ i\ l}$ is the industry-specific risk matrix element related to risk assessment for the i -indicator in the l -industry.

$m_{country\ i\ n}$ is the sovereign risk matrix element related to risk assessment for the i -indicator in the n -country.

$m_{ter\ i\ t}$ is the territorial risk matrix element related to risk assessment for the i - indicator for the entity operating in the t -territory.

Weighting coefficient calculation:

$$\omega_{i\ j} = \frac{m_{j \in i}}{\sum_{j=1}^{J_i} m_{i\ j} + \sum_{k=1}^{K_i} m_{i\ k}}$$

$$v_{i\ k} = \frac{m_{j \in i}}{\sum_{j=1}^{J_i} m_{i\ j} + \sum_{k=1}^{K_i} m_{i\ k}}$$

where

$\omega_{i\ j}$ is a weighting coefficient at the j -indicator in the i -factor.

$v_{i\ k}$ is a weighting coefficient at the unique k -indicator of the rated entity for the i -factor.

$\sum_{j=1}^{J_i} m_{i\ j}$ is a sum of basic risk coefficients related to the i -factor.

$\sum_{k=1}^{K_i} m_{i\ k}$ is a sum of basic risk coefficients related to the i -factor.

Indicator score (the third hierarchy tier)

It is calculated on the basis of the risk management quality, which is assessed specifically for the main channels of influence as per IFRS S1.

- Governance and Strategy;
- Risk Management (Risks);
- Targets & Performance (Metrics).

The maximum possible score is 100 %. It is attainable at maximum scores across all the indicator's metrics, given that there is no stressor.

$$\varphi_j = \text{MAX}(\alpha_{SG} \times \frac{\sum_{k=1}^{K_{SGj}} \psi_k}{K_{SGj}} + \alpha_R \times \frac{\sum_{k=1}^{K_{Rj}} \psi_k}{K_{Rj}} + \alpha_P \times \frac{\sum_{k=1}^{K_{Pj}} \psi_k}{K_{Pj}} - \text{Stress}_j; 0)$$

where

φ_j is a score for the j -indicator.

ψ_k is a score for the k -metric.

α_{SG} is a weighting coefficient for the *Governance and Strategy* influence channel.

α_R is a weighting coefficient for the *Risk Management* influence channel.

α_P is a weighting coefficient for the *Performance* influence channel.

K_{SGj} is a number of metrics for the *Governance and Strategy* influence channel.

K_{Rj} is a number of metrics for the *Risk Management* influence channel.

K_{Pj} is a number of metrics for the *Performance* influence channel.

Stress_j is a j -stressor.

Significance of the channels for addressing the risks

α_{SG} presupposes that the weighting coefficient amounts to 0.2 for the *Governance and Strategy* influence channel. It is applicable to all the indicators.

α_R presupposes that the weighting coefficient is equal to 0.3 for the *Risk Management* influence channel.

α_P presupposes that the weighting coefficient constitutes 0.5 for the *Performance* influence channel.

Stressor (assessment of disputable situations, controversies)

When assigning an ESG rating, publicly available data sources are analyzed for any disputable situations and controversies that have occurred over the current year and two preceding years. An appropriate penalty score (stressor) is determined for identified controversies. For instance, an environmental incident that has resulted in pollution is an issue of controversy for "Pollution" environmental indicator. In case of a dispute, a penalty is applied in the form of risk exposure percentage (%) when assessing corresponding indicators, with risk management score being reduced respectively. The Agency may decide to cancel the penalty score no sooner than 12 months after its application.

Table 1. Penalty score matrix

Severity grade	Rated entity response assessment			
	No information available	Low grade	Moderate grade	High grade
Very high	100%	100%	75%	50%
High	100%	75%	50%	25%
Moderate	75%	50%	25%	10%

The penalty score is determined by two aspects:

1. **The rated entity response** or the way the rated entity reacts to an issue of controversy, the way it deals with its aftermaths and takes preventive actions to avoid similar situations in the future. Four grades are used to assess the rated entity response:

- **no information available:** the rated entity does not respond to a controversy, it does not bear the blame either;
- **low level:** the rated entity officially recognizes a controversy but the measures taken to eliminate its consequences are assessed as unsatisfactory;
- **moderate level:** the rated entity officially recognizes a negative situation, takes actions to eliminate the consequences, and actively notifies the stakeholders thereof but the impact is still detrimental;
- **high level:** the rated entity has eliminated most of the adverse consequences and taken preventive actions to avoid similar situations in the future.

2. **Severity:** the scale and severity of the negative footprint on the environment, social sphere, and the rated entity's performance.

Table 2. Severity assessment cases

	Very high	High	Moderate
E	Environmental incidents, contamination, and anthropogenic impacts leading to severe adverse effects, including		
	- soil and water contamination, wreaking havoc to ecosystems and human health in the areas of over 100 square kilometers or discharge	- soil and water contamination, wreaking havoc to ecosystems and human health in the areas of over 10 square kilometers or discharge	- soil and water contamination, wreaking havoc to ecosystems and human health in the areas of over 1 square kilometers or discharge

	of more than 10 tons of pollutants into water bodies and over 100 tons onto soils.	of more than 5 tons of pollutants into water bodies and over 50 tons onto soils.	of more than 1 tons of pollutants into water bodies and over 10 tons onto soils.
S	Negative social events related to staff, clients, and local communities, including		
	<ul style="list-style-type: none"> - industrial accidents resulting in the death of 50 or more people; - violations of human rights and working conditions confirmed by over 3 class action lawsuits; - harm, violation of rights, deterioration of living conditions of at least 30% of the local population (or over 1,000 households) residing in the regions where the company operates. 	<ul style="list-style-type: none"> - industrial accidents resulting in the death of 20 or more people; - violations of human rights and working conditions confirmed by 1 class action or over 3 individual lawsuits; - harm, violation of rights, deterioration of living conditions of at least 10% of the local population (or over 500 households) residing in the regions where the company operates. 	<ul style="list-style-type: none"> - industrial accidents resulting in the death of 10 or more people; - violations of human rights and working conditions confirmed by individual lawsuits; - harm, violation of rights, deterioration of living conditions of at least 5% of the local population (or over 200 households) residing in the regions where the company operates.
G	Negative events in corporate governance and entity's corporate behavior leading to significant reputational risks and financial repercussions, including		
	<ul style="list-style-type: none"> - corruption, tax evasion, antitrust violations, resulting in penalties/losses/damage in the amount of at least 5% of the company's annual revenue; 	<ul style="list-style-type: none"> - corruption, tax evasion, antitrust violations, resulting in penalties/losses/damage in the amount of at least 3% of the company's annual revenue; 	<ul style="list-style-type: none"> - corruption, tax evasion, antitrust violations, resulting in penalties/losses/damage in the amount of at least 1% of the company's annual revenue;

<ul style="list-style-type: none"> - harm, infringement of rights, data leakage of more than 50% of the company's clients (or over 1,000 clients); - revocation of licenses and permits, leading to restrictions on core activities; - fully restricted access to financing and blocked banking and trading transactions; - credit rating downgrading to a below-investment grade 	<ul style="list-style-type: none"> - harm, infringement of rights, data leakage of more than 30% of the company's clients (or over 500 clients); - revocation of licenses and permits, leading to restrictions on certain types of activities; - significantly restricted access to financing and blocked banking and trading transactions; - credit rating downgrading by several grades 	<ul style="list-style-type: none"> - harm, infringement of rights, data leakage of more than 10% of the company's clients (or over 200 clients); - lawsuits or statements from regulatory authorities that may lead to revocation of licenses; - partially restricted access to financing and blocked banking and trading transactions; - credit rating downgrading by one grade
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Metric score (the fifth hierarchy tier)

These are essentially the primary ESG risk assessments carried out by the analyst on the basis of the Procedure. Each type of elementary risk is estimated within the range from 0% (the worst value) to 100% (the best value).

The metrics used may be simple or composite within the scope of this Procedure.

A composite metric is the arithmetic mean of two or more finite metrics.

A finite (simple) metric is a baseline characteristic determined by the raw data entered by the rating analyst on the basis of the initial information that is ranged within 0% to 100%. The following types of finite metrics are used:

A binary metric is set to 0% or 100%. It is generally used when presence or absence of some characteristic may be stated unambiguously, with more precise assessments being impeded or their unbiasedness being questioned.

A discrete metric is set to one of a number of values within the range from 0% to 100%. For example, it may be equal to 0%, 25%, 50%, 75%, 100%. A set of characteristics is matched to each procedural value, and this set is defined so that the differences are apparent, which minimizes the biasedness of the assessment.

The metrics which reflect the industry benchmarking analysis according to international databases should be noted separately. In order to assign a score, the relevant corporate performance indicators across a particular industry are ranked from the best to the worst ones in the database. **Five equal ranges of values (or classes) are selected.** The fifth class includes the worst values, whereas the first class encompasses the best ones. Depending on whether the company's data for the reporting period fall into one or another class, the score may vary from 0 to 100% in increments of 25%.

An infinite (continuous) metric is applicable when the value is measured with high precision. Linear interpolation is used in the range 0%–100%. If the value X is measured and it is variable within the range from X_{min} to X_{max} , the finite metric is determined as follows:

$$\psi = 100\% \times \frac{(X - X_{min})}{(X_{max} - X_{min})}$$

5. E-Factor. Environment. Basic Indicators

5.1. «Climate change adaptation» Indicator

This indicator characterizes the activities of the Rated Entity on adaptation to climate change. The indicator assesses the quality of corporate climate

policies and programs, information on the identification of transient climatic and physical risks and measures to adapt to climate change. The assessment uses the share of the budget allocated to climate change adaptation, as well as the existence of independent data verification practices in this area.

5.1.1. *Influence channel: Governance and Strategy*

5.1.1.1. Availability of a policy on climate change adaptation.

The metric values: No policy or statements – 0%; the policy presented with separate CEO/top-manager statements on the website or in the report – 25%; ESG/environmental/sustainability policy is available, but it does not meet the agency's requirements – 50%; the Policy meets the agency requirements but it was last updated five or more years ago – 75%; a comprehensive and detailed policy has been updated within the last five years – 100%.

5.1.1.2. Availability of a program for climate change adaptation.

The metric values: No program – 0%; a general statements on adaptation goals are available on the website or in a report, but no measurable targets or KPIs – 25% have been set; the program is available, but KPIs are not defined, and measures are not specified – 50%; the Program is available, the targets are defined, but measures or KPIs are not specified – 75%; the Program with defined targets, measures, and KPIs is available – 100%.

5.1.1.3. The entity discloses climate adaptation data in accordance with international recommendations (TCFD/IFRS-S1/S2/ISSB).

The metric values: Information is not disclosed or does not meet the recommendations – 0%; Information is disclosed in accordance with recommendations – 100%.

5.1.2. *Influence channel: Risk Management*

5.1.2.1. Regular assessment of transition climate risks.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of

risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

5.1.2.2. Regular assessment of physical climate risks.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

5.1.2.3. Report on climate change adaptation measures.

The metric values: Based on the average score of submetrics.

5.1.2.3.1. The entity participates in or organizes projects and agreements on climate change adaptation involving stakeholders.

The sub-metric values: No data on projects – 0%; projects are planned or implemented – 100%.

5.1.2.3.2. Measures to reduce transition climate risks have been implemented.

The sub-metric values: No measures are implemented – 0%; measures are planned or implemented – 100%.

5.1.2.3.3. Measures to reduce physical climate risks have been implemented.

The sub-metric values: No measures are implemented – 0%; measures are planned or implemented – 100%.

5.1.3. *Influence channel: Targets & Performance*

5.1.3.1. The rated entity reports on the allocated budget for climate change adaptation measures.

The metric values: No budget data is disclosed – 0%; Budget data is disclosed – 100%.

5.1.3.2. Investment data in climate adaptation projects are verified by a third party.

The metric values: No verification – 0%; verification conducted – 100%.

5.1.4. *Stress factor for the indicator «Climate change adaptation».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

5.2. **«Biodiversity» Indicator**

The "Biodiversity and Land Use" metrics characterize the activities of the Rated Entity in terms of responsible land use and respect for biodiversity. This indicator assesses the quality of corporate policies and programs in the sphere of biodiversity, information on identification of risks related to biodiversity conservation and measures taken to protect it. The metrics of this indicator take into account the Rated Entity's activities in specially protected natural areas (SPNAs), the area of reclaimed land and the area of reforestation works. In addition, the share of biodiversity conservation expenditures to revenue and the existence of independent data verification practices in this area are assessed.

5.2.1. *Influence channel: Governance and Strategy*

5.2.1.1. Availability of a Biodiversity Policy.

The metric values: No policy or statements – 0%; policy presented as separate CEO/top-manager statements on the website or in the report – 25%; ESG/environmental/sustainability policy is available, but the information on biodiversity doesn't meet the agency's requirements – 50%; the policy meets the agency's requirements but it has been updated over five years ago – 75%; a comprehensive and detailed policy updated within the last five years is available – 100%.

5.2.1.2. The rated entity does not operate in protected natural areas.

The metric values: The rated entity operates in protected areas or does not report on this – 0%; the rated entity does not operate in protected areas – 100%.

5.2.1.3. Availability of a Biodiversity Conservation Program.

The metric values: No program – 0%; general statement on the rated entity's biodiversity conservation is available on the website or in the report, but measurable targets and key performance indicators are not set – 25%; the program is available, but the key performance indicators are not defined, and measures are not described – 50%; the program is available, objectives are defined, but measures or key performance indicators are not detailed – 75%; the program with defined objectives, measures, and key performance indicators is available – 100%.

5.2.2. *Influence channel: Risk Management*

5.2.2.1. The entity assesses risks related to biodiversity impact.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

5.2.2.2. Report on biodiversity conservation measures.

The metric values: Based on the average score of submetrics.

5.2.2.2.1. The entity implements biodiversity conservation measures that go beyond legal requirements.

The sub-metric values: Measures are not conducted, do not exceed legal norms, or no data is available in reports – 0%; measures exceeding legal requirements are implemented – 100%.

5.2.2.2.2. The entity reports on the allocated budget for biodiversity conservation measures.

The sub-metric values: Budget data is not disclosed – 0%; budget data is disclosed – 100%.

5.2.2.2.3. The entity implements measures for the conservation of rare and endangered species, excluding the measures regulated by the government (release of fry).

The sub-metric values: Measures for rare and endangered species are not conducted or no data is available in reports – 0%; measures for rare and endangered species are implemented – 100%.

5.2.3. *Influence channel: Targets & Performance*

5.2.3.1. By year-end, the area of reforestation exceeds the area of deforestation (during the reporting period).

The metric values: The rated entity rehabilitates less than 10% of disturbed lands -0%; the entity rehabilitates 10-30% of disturbed lands -25%; the entity rehabilitates 30-50% of disturbed lands - 50%; the entity rehabilitates 50-75% of disturbed lands -75%; the entity rehabilitates 75-100% of disturbed lands - 100%.

5.2.3.2. Ratio of Biodiversity Conservation Expenditures to Revenue (in Rubles) During the Reporting Period.

The metric values: If the rated entity does not report on biodiversity conservation expenditures – 0%; If the rated entity's value is within the benchmark range down to 0%; the score is calculated as $(X_i - X_{min}) / (X_{max} - X_{min})$, where X_i is the rated entity's value, and X_{min} , X_{max} are the established benchmarks, respectively – minimum and maximum values; If the rated entity's value is greater than or equal to the established benchmark – 100%.

5.2.3.3. Verification of Biodiversity Data.

The metric values: No data verification – 0%; Data verification is conducted – 100%.

5.2.4. *Stress factor for the indicator «Biodiversity».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

5.3. **«Interaction with Local Communities on environmental issues» Indicator**

This indicator characterizes the Rated Entity's activities in stakeholder engagement in the field of ecology and environmental protection. This indicator assesses the quality of corporate policy and information on the identification of risks associated with stakeholder engagement on environmental issues, as well as the implementation of environmental initiatives in which stakeholders were involved. The assessment uses data on costs associated with violations of environmental legislation, as well as disclosure of information on violations of environmental legislation.

5.3.1. *Influence channel: Governance and Strategy*

5.3.1.1. Availability of a policy on stakeholders engagement in environmental protection.

The metric values: No policy or statements – 0%; policy presented as separate CEO/top-manager statements on the website or in the report – 25%; ESG/environmental/sustainability policy exists, but the subject concerned data do not meet agency requirements – 50%; policy meets agency requirements but was last updated five or more years ago – 75%; comprehensive and detailed policy updated within the last five years – 100%.

5.3.2. *Influence channel: Risk Management*

5.3.2.1. The entity assesses risks related to stakeholder engagement on environmental protection.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its

magnitude, consequences and specific mitigation measures - 100%.

5.3.2.2. The entity reports on the implementation of environmental initiatives involving stakeholders.

The metric values: Based on the average score of submetrics.

5.3.2.2.1. The entity initiates or participates in environmental projects involving employees.

The sub-metric values: No projects implemented or not meeting description – 0%; Projects implemented and meeting description – 100%.

5.3.2.2.2. The entity initiates or participates in environmental projects involving local communities.

The sub-metric values: No projects implemented or not meeting description – 0%; Projects implemented and meeting description – 100%.

5.3.2.2.3. The entity initiates or participates in environmental projects involving government bodies.

The sub-metric values: No projects implemented or not meeting description – 0%; Projects implemented and meeting description – 100%.

5.3.2.3. The entity is a participant/organizer of environmental initiatives.

The metric values: Based on the average score of submetrics.

5.3.2.3.1. The entity is a participant/organizer of international initiatives, agreements, or associations.

The sub-metric values: Not a participant or no data available – 0%; Participant in environmental initiatives – 100%.

5.3.2.3.2. The entity describes activities confirming participation in the national "Ecology" project initiatives and publishes expenditure data on these activities.

The sub-metric values: Not participating or not providing own

funding, or no data – 0%; Participating with own funding – 100%.

5.3.3. *Influence channel: Targets & Performance*

5.3.3.1. The trend in expenses for environmental fines and penalties shows a decline over a four-year period (excluding payment for negative impact on the environment).

The metric values: Trend shows an increase or data is unavailable – 0%; Company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.3.3.2. The entity complies with environmental regulations.

The metric values: Based on the average score of submetrics.

5.3.3.2.1. Media sources report incidents contradicting the entity's environmental stakeholder engagement policy or violations of environmental regulations.

The sub-metric values: There are negative cases described in media that are related to the reporting period – 0%; there are no negative cases in media – 100%.

5.3.3.2.2. The entity's reporting includes explanations for environmental regulation violations or policy breaches, consequences, and mitigation actions taken.

The sub-metric values: The entity does not report on negative cases that are described in media – 0%; there are no negative cases described in media that are related to the reporting period, or the entity has reported on them – 100%.

5.3.4. *Stress factor for the indicator «Interaction with Local Communities on environmental issues».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

5.4. «**Water use**» *Indicator*

The metrics of the "Water Use" indicator characterize the activities of the Rated Entity in terms of the rational use of water resources. This indicator assesses the quality of corporate policies and programs in the area of water use, information on the identification of risks associated with water use, and measures taken to reduce water consumption and water use efficiency. The metrics of this indicator take into account the dynamics of absolute and relative values of water withdrawal volume, sectoral comparisons, as well as the existence of the practice of independent verification of data in this area.

5.4.1. *Influence channel: Governance and Strategy*

5.4.1.1. Availability of a Water Use Policy.

The metric values: No policy or statements – 0%; policy presented as separate CEO/top-manager statements on the website or in the report – 25%; ESG/environmental/sustainability policy is available, but the information on water use does not meet the agency's requirements – 50%; the policy meets the agency's requirements but it has been updated over five years ago – 75%; a comprehensive and detailed policy updated within the last five years is available – 100%.

5.4.1.2. Availability of a Water Reduction and Efficiency Program.

The metric values: No program – 0%; general statements on water use are available, but measurable targets and KPIs have not been set – 25%; the Program is available, but KPIs have not been defined, and measures are not outlined – 50%; the program with defined goals is available, but measures or KPIs are not specified – 75%; the program with defined goals, measures, and KPIs is available – 100%.

5.4.2. *Influence channel: Risk Management*

5.4.2.1. The Rated Entity Assesses Risks Related to Water Use.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

5.4.2.2. The rated entity reports on measures for reducing water consumption and improving efficiency.

The metric values: Based on the average score of submetrics.

5.4.2.2.1. Implementation of measures for reducing water consumption and improving efficiency beyond legal requirements.

The sub-metric values: No measures are implemented, they do not exceed legal norms, or data is not disclosed – 0%; measures exceeding legal norms are implemented – 100%.

5.4.2.2.2. The rated entity reports on the budget allocated for water consumption reduction and efficiency measures.

The sub-metric values: Budget data is not disclosed – 0%; budget data is disclosed – 100%.

5.4.3. *Influence channel: Targets & Performance*

5.4.3.1. The trend in gross water withdrawal shows a decline over four years.

The metric values: Trend shows an increase or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to

other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.4.3.2. The trend in specific water withdrawal per revenue in RUB shows a decline over four years.

The metric values: Trend shows an increase or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.4.3.3. The trend in specific water withdrawal per unit of output (product unit, commodity unit, square meter of retail space, or other sector-specific units where applicable) shows a decline over four years.

The metric values: Trend shows an increase or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.4.3.4. Comparison of the rated entity's specific water withdrawal per revenue against industry averages.

The metric values: If the rated entity falls into the 5th class range according to international databases or data is unavailable – 0%; falls into the 4th class range – 25%; falls into the 3rd class range – 50%; falls into the 2nd class range – 75%; falls into the 1st class range – 100%.

5.4.3.5. Water use data is verified by a third party.

The metric values: The data is not verified – 0%; the data is verified – 100%.

5.4.4. *Stress factor for the indicator «Water use».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

5.5. **«Renewable energy» Indicator**

The indicator characterizes the Rated Entity's activities to increase the use of renewable energy. This indicator evaluates the quality of corporate policies and programs to increase renewable energy, information on the identification of risks associated with renewable energy and measures to increase its use. The assessment uses the dynamics of absolute and relative values of renewable energy utilisation, as well as the existence of the practice of independent verification of data in this area.

5.5.1. *Influence channel: Governance and Strategy*

5.5.1.1. Availability of a policy on the use of renewable energy sources (RES).

The metric values: No policy or statements – 0%; policy is presented as separate CEO/top-manager statements on the website or in the report – 25%; ESG/environmental/sustainability policy is available, but the information on renewable energy does not meet the agency's requirements – 50%; the policy meets the agency's requirements but was it has been updated over five years ago – 75%; a comprehensive and detailed policy updated within the last five years is available – 100%.

5.5.1.2. Availability of a program for renewable energy usage.

The metric values: No program – 0%; general statements on renewable energy usage are available on the website or in a report, but they have no measurable targets or KPIs – 25%; the program is available, but KPIs are not defined, and measures are

not specified – 50%; the program is available, targets are defined, but measures or KPIs are not specified – 75%; the program with defined targets, measures, and KPIs is available – 100%.

5.5.2. *Influence channel: Risk Management*

5.5.2.1. The entity assesses risks related to renewable energy usage.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

5.5.2.2. The entity reports on measures for the adoption and use of renewable energy.

The metric values: Based on the average score of submetrics.

5.5.2.2.1. Implementation of measures to adopt renewable energy.

The sub-metric values: the rated entity does not use renewable energy sources - 0%; renewable energy sources are used by the rated entity in experimental projects or exclusively in auxiliary operations - 50%; the rated entity uses renewable energy sources in its main operations - 100%.

5.5.2.2.2. The entity reports on the allocated budget for renewable energy measures.

The sub-metric values: No budget data is disclosed – 0%; budget data is disclosed – 100%.

5.5.2.2.3. The entity reports on the volume of energy obtained from renewable sources.

The sub-metric values: No data on renewable energy usage – 0%; Data on renewable energy usage disclosed – 100%.

5.5.3. *Influence channel: Targets & Performance*

5.5.3.1. The trend in the share of energy from renewable sources shows an increase over a four-year period.

The metric values: Trend shows an increase or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.5.3.2. The trend in gross values of energy obtained from renewable sources shows an increase over a four-year period.

The metric values: Trend shows an increase or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.5.3.3. Renewable energy consumption data are verified by a third party.

The metric values: No verification – 0%; Verification conducted – 100%.

5.5.4. *Stress factor for the indicator «Renewable energy».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

5.6.«Greenhouse Gas Emissions» Indicator

The metrics of the indicator "Greenhouse gas emissions" characterize the Rated Entity's activities to reduce greenhouse gas emissions. This indicator assesses the quality of corporate policies and programs to reduce greenhouse gas emissions, information on the identification of risks associated with greenhouse gas emissions and measures to reduce them, measures taken to reduce water consumption and water use efficiency. The assessment uses the dynamics of absolute and relative values of greenhouse gas emissions, sectoral comparisons, and the availability of independent verification of data in this area.

5.6.1. Influence channel: Governance and Strategy

5.6.1.1. Availability of a Greenhouse Gas Emissions Reduction Policy.

The metric values: No policy or statements – 0%; policy presented as separate CEO/top-manager statements on the website or in the report – 25%; ESG/environmental/sustainability policy is available, but the information on GHG does not meet the agency's requirements – 50%; the policy meets the agency's requirements but it has been updated over five years ago – 75%; a comprehensive and detailed policy updated within the last five years is available – 100%.

5.6.1.2. Availability of a Greenhouse Gas Emissions Reduction Program.

The metric values: No program – 0%; general statements on emission reduction are available, but measurable targets and KPIs are not set – 25%; the program is available, but KPIs are not defined, and measures are not outlined – 50%; the program with defined goals is available, but measures or KPIs are not specified – 75%; the program with defined goals, measures, and KPIs is available – 100%.

5.6.2. Influence channel: Risk Management

5.6.2.1. The rated entity assesses risks related to greenhouse gas emissions.

The metric values: Risks are not assessed - 0%; the rated entity

indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

5.6.2.2. The rated entity reports on measures for reducing greenhouse gas emissions. The metric is determined based on the average of the sub-metric assessments.

The metric values: Based on the average score of submetrics.

5.6.2.2.1. Implementation of measures for reducing or offsetting greenhouse gas emissions.

The sub-metric values: No measures are implemented or data is not disclosed – 0%; measures are implemented – 100%.

5.6.2.2.2. Reporting on the budget allocated for greenhouse gas emissions reduction measures.

The sub-metric values: Budget data is not disclosed – 0%; budget data is disclosed – 100%.

5.6.3. *Influence channel: Targets & Performance*

5.6.3.1. The trend in gross greenhouse gas emissions shows a decline over four years.

The metric values: Trend shows an increase or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.6.3.2. The trend in specific greenhouse gas emissions per revenue in RUB shows a decline over four years.

The metric values: Trend shows an increase or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.6.3.3. The trend in specific greenhouse gas emissions per unit of output (product unit, commodity unit, square meter of retail space, or other sector-specific units) shows a decline over four years.

The metric values: Trend shows an increase or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.6.3.4. The comparison of the rated entity's Greenhouse Gas Emissions per revenue against industry averages.

The metric values: If the rated entity falls into the 5th class range according to international databases or data is unavailable – 0%; falls into the 4th class range – 25%; falls into the 3rd class range – 50%; falls into the 2nd class range – 75%; falls into the 1st class range – 100%.

5.6.3.5. Greenhouse Gas Emissions data is verified by a third party.

The metric values: The data is not verified – 0%; the data is verified – 100%.

5.6.4. *Stress factor for the indicator «Greenhouse Gas Emissions».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

5.7. **«Generation of contaminants» Indicator**

This indicator characterizes the Rated Entity's activities to reduce the formation of pollutants. This indicator evaluates the quality of corporate policies and programs to reduce pollutant emissions into the atmosphere and discharges into water, information on identification of risks associated with pollutants and measures to reduce them. The assessment uses the dynamics of absolute and relative values of pollutant volumes, as well as the existence of the practice of independent verification of data in this area.

5.7.1. *Influence channel: Governance and Strategy*

5.7.1.1. Availability of a Policy on water pollution reduction.

The metric values: No policy or statements – 0%; the policy is presented as separate CEO/top-manager statements on the website or in the report – 25%; ESG/environmental/sustainability policy is available, but the information on water pollution does not meet the agency's requirements – 50%; the policy meets agency's requirements but it has been updated over five years ago – 75%; a comprehensive and detailed policy updated within the last five years is available – 100%.

5.7.1.2. Availability of a Policy on Air Pollution Reduction.

The metric values: No policy or statements – 0%; the policy is presented as separate CEO/top-manager statements on the website or in the report – 25%; ESG/environmental/sustainability policy is available, but the information on air pollution does not meet the agency's requirements – 50%; the policy meets the agency's requirements but it has been updated over five years ago

– 75%; a comprehensive and detailed policy updated within the last five years is available – 100%.

5.7.1.3. Availability of a Program on Water Pollution Reduction.

The metric values: No program – 0%; general statements on water pollution reduction are available, but measurable targets and KPIs are not set – 25%; the program is available, but KPIs are not defined, and measures are not outlined – 50%; the program with defined goals is available, but measures or KPIs are not specified – 75%; the program with defined goals, measures, and KPIs is available – 100%.

5.7.1.4. Availability of a Program on Air Pollution Reduction.

The metric values: No program – 0%; general statements on air pollution reduction are available, but measurable targets and KPIs are not set – 25%; the program is available, but KPIs are not defined, and measures are not outlined – 50%; the program with defined goals is available, but measures or KPIs are not specified – 75%; the program with defined goals, measures, and KPIs is available – 100%.

5.7.2. *Influence channel: Risk Management*

5.7.2.1. The rated entity assesses risks related to water pollution.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

5.7.2.2. The rated entity assesses risks related to air pollution.

The metric values: Risks are not assessed - 0%; the entity indicates the presence of risk and conducts its assessment, but the information is limited - 50%; the entity provides full information

about the risk: its magnitude, consequences and specific mitigation measures - 100%.

5.7.2.3. The rated entity reports on measures for reducing water pollutant discharges.

The metric values: Based on the average score of submetrics.

5.7.2.3.1. Implementation of measures for reducing water pollutant discharges beyond legal requirements.

The sub-metric values: No measures are implemented, do not exceed legal norms, or data is not disclosed – 0%; measures exceeding legal norms are implemented – 100%.

5.7.2.3.2. The rated entity reports on the budget allocated for water pollution reduction measures.

The sub-metric values: Budget data is not disclosed – 0%; budget data is disclosed – 100%.

5.7.2.4. The rated entity reports on the measures that reduce air pollution and go beyond those required by law.

The metric values: Based on the average score of submetrics.

5.7.2.4.1. The measures that reduce air pollution and go beyond those required by law have been implemented by the entity.

The sub-metric values: No measures are implemented, do not exceed legal norms, or data is not disclosed – 0%; measures exceeding legal norms are implemented – 100%.

5.7.2.4.2. The rated entity reports on the budget allocated for the measures to reduce air pollution.

The sub-metric values: Budget data is not disclosed – 0%; budget data is disclosed – 100%.

5.7.3. *Influence channel: Targets & Performance*

5.7.3.1. The trend in gross air pollutant emissions shows a decline over four years.

The metric values: Trend shows an increase or data is unavailable – 0%; company reports for the first time, and trend is

undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.7.3.2. The trend in specific air pollutant emissions per revenue in RUB shows a decline over four years.

The metric values: Trend shows an increase or data is unavailable – 0%; Company reports for the first time, and trend is undetermined – 25%; Data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; Data is provided for three years, and trend shows a decline – 75%; Declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.7.3.3. The trend in specific air pollutant emissions per unit of output (product unit, commodity unit, square meter of retail space, or other sector-specific units where applicable) shows a decline over four years.

The metric values: Trend shows an increase or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.7.3.4. The trend in gross water pollutant discharges shows a decline over four years.

The metric values: Trend shows an increase or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.7.3.5. The trend in specific water pollutant discharges per revenue in RUB shows a decline over four years.

The metric values: Trend shows an increase or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.7.3.6. The trend in specific water pollutant discharges per unit of output (product unit, commodity unit, square meter of retail space, or other sector-specific units where applicable) shows a decline over four years.

The metric values: Trend shows an increase or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.7.3.7. Air pollution data is verified by a third party.

The metric values: The data is not verified – 0%; the data is verified – 100%.

5.7.3.8. Water pollution data is verified by a third party.

The metric values: The data is not verified – 0%; the data is verified – 100%.

5.7.4. *Stress factor for the indicator «Generation of contaminants».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

5.8. **«Waste Management and Recycling» Indicator**

This indicator characterizes the performance of the rated facility in terms of waste management. This indicator assesses the quality of corporate policy and programs in the field of waste management, information on identification of risks associated with waste management and measures for waste treatment and disposal. The assessment uses the dynamics of absolute and relative values of production waste, industry comparisons, as well as the availability of independent verification of data in this area.

5.8.1. *Influence channel: Governance and Strategy*

5.8.1.1. Availability of a policy on waste reduction and waste management.

The metric values: No policy or statements – 0%; policy presented as separate CEO/top-manager statements on the website or in the report – 25%; ESG/environmental/sustainability policy is available, but the information on waste reduction does not meet the agency's requirements – 50%; the policy meets the agency's requirements but it has been over five years ago – 75%; a comprehensive and detailed policy updated within the last five years is available – 100%.

5.8.1.2. Availability of a program for waste reduction and management.

The metric values: No program – 0%; general statements on waste

reduction are available, but measurable targets and KPIs are not set – 25%; the program is available, but KPIs are not defined, and measures are not outlined – 50%; the program with defined goals is available, but measures or KPIs are not specified – 75%; the program with defined goals, measures, and KPIs is available – 100%.

5.8.2. *Influence channel: Risk Management*

5.8.2.1. The rated entity assesses risks related to waste management.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

5.8.2.2. The rated entity reports on measures for waste recycling and disposal.

The metric values: Based on the average score of submetrics.

5.8.2.2.1. The Rated entity reports on the budget allocated for waste recycling and disposal.

The sub-metric values: Budget data is not disclosed – 0%; budget data is disclosed – 100%.

5.8.2.2.2. Implementation of measures for waste recycling and disposal beyond legal requirements.

The sub-metric values: No measures are implemented, do not exceed legal norms, or data is not disclosed – 0%; measures exceeding legal norms are implemented – 100%.

5.8.3. *Influence channel: Targets & Performance*

5.8.3.1. The trend in gross waste generation values shows a decline over four years.

The metric values: Trend shows an increase or data is unavailable

– 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.8.3.2. The trend in specific waste generation per revenue in RUB shows a decline over four years.

The metric values: Trend shows an increase or data is unavailable – 0%; the company reports for the first time, and trend is undetermined – 25%; the data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; the data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.8.3.3. The trend in specific waste generation per unit of output (per unit of product, commodity unit, square meter of retail space, or other sector-specific units where applicable) shows a decline over four years.

The metric values: Trend shows an increase or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.8.3.4. The trend in the volume of recycled waste shows an increase in the range of four years.

The metric values: Based on the average score of submetrics.

5.8.3.4.1. The trend in the share of recycled waste in total waste generated shows an increase in the range of four years.

The sub-metric values: Trend shows a decrease or data is unavailable – 0%; the company reports for the first time, and trend is undetermined – 25%; the data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; the data is provided for three years, and trend shows an increase – 75%; Increasing trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.8.3.4.2. The trend in gross volume of recycled waste shows an increase in the range of four years.

The sub-metric values: Trend shows a decrease or data is unavailable – 0%; the company reports for the first time, and trend is undetermined – 25%; the data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; the data is provided for three years, and trend shows an increase – 75%; Increasing trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.8.3.5. Comparison of the rated entity's specific waste generation values per revenue with industry averages.

The metric values: If, according to an international database, the entity's reported period value falls into the 5th class range or data is unavailable – 0%; falls into the 4th class range – 25%; falls into

the 3rd class range – 50%; falls into the 2nd class range – 75%; falls into the 1st class range – 100%.

5.8.3.6. Waste management data is verified by a third party.

The metric values: The data is not verified – 0%; the data is verified – 100%.

5.8.4. *Stress factor for the indicator «Waste Management and Recycling».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

5.9. **«Energy use» Indicator**

The metrics of the "Energy Use" indicator characterize the Rated Entity's activities in terms of rational energy. This indicator assesses the quality of corporate policy and program in the field of energy consumption, information on identification of risks related to energy consumption and measures taken to reduce energy consumption. The metrics of this indicator take into account the dynamics of absolute and relative values of energy consumption, industry comparisons, and the existence of independent verification of data in this area.

5.9.1. *Influence channel: Governance and Strategy*

5.9.1.1. Availability of a policy on energy consumption and energy efficiency.

The metric values: No policy or statements – 0%; policy is presented with separate CEO/top-manager statements on the website or in the report – 25%; ESG/environmental/sustainability policy is available, but the information on energy use does not meet the agency's requirements – 50%; the policy meets the agency's requirements but it has been updated over years ago – 75%; a comprehensive and detailed policy updated within the last five years is available – 100%.

5.9.1.2. Availability of a program for efficient energy use.

The metric values: No program – 0%; general statements on

energy consumption and efficiency are available, but measurable targets and KPIs are not set – 25%; program is available, but KPIs are not defined, and measures are not outlined – 50%; program with defined goals is available, but measures or KPIs are not specified – 75%; program with defined goals is available, measures, and KPIs – 100%.

5.9.2. *Influence channel: Risk Management*

5.9.2.1. The rated entity assesses risks related to energy use.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

5.9.2.2. The rated entity reports on measures for reducing energy consumption and efficient use.

The metric values: Based on the average score of submetrics.

5.9.2.2.1. Implementation of measures for reducing energy consumption and efficient use beyond legal requirements.

The sub-metric values: No measures are implemented, measures do not exceed legal norms, or data is not disclosed – 0%; measures exceeding legal norms are implemented – 100%.

5.9.2.2.2. The rated entity reports on the budget allocated for energy efficiency measures.

The sub-metric values: Budget data is not disclosed – 0%; budget data is disclosed – 100%.

5.9.3. *Influence channel: Targets & Performance*

5.9.3.1. The trend in gross energy consumption values shows a decline over four years.

The metric values: Trend shows an increase or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.9.3.2. The trend of specific energy consumption per revenue in RUB shows a decline over four years.

The metric values: Trend shows an increase or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.9.3.3. The trend in specific energy consumption per unit of output (per unit of product, commodity unit, square meter of retail space, or other sector-specific units where applicable) shows a decline over four years.

The metric values: Trend shows an increase or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

5.9.3.4. Comparison of the rated entity's specific energy consumption values with industry averages.

The metric values: If, according to an international database, the entity's reported period value falls into the 5th class range or data is unavailable – 0%; falls into the 4th class range – 25%; falls into the 3rd class range – 50%; falls into the 2nd class range – 75%; falls into the 1st class range – 100%.

5.9.3.5. Energy consumption data is verified by a third party.

The metric values: The data is not verified – 0%; the data is verified – 100%.

5.9.4. *Stress factor for the indicator «Energy use».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

6. E-Factor Environment. Unique Indicators

6.1. «*Impact on Biodiversity*» Indicator

Metrics of the indicator "Impact on biodiversity" characterize the activities of the Rated Entity in terms of respect for biodiversity in connection with possible environmental emergencies. This indicator assesses the availability of guidelines on environmental emergencies and response to them, information on the identification of risks associated with possible environmental emergencies and the measures taken to mitigate these risks. In addition, the transparency of information on the occurrence and scale of environmental emergencies, as well as measures to rehabilitate the areas of their occurrence, is assessed.

6.1.1. *Influence channel: Governance and Strategy*

6.1.1.1. The rated entity has a guide to environmental emergencies and responses to them.

The metric values: the rated entity does not have a guide, program

or plan – 0%; the rated entity has a management, program or plan in case of an environmental emergency – 100%.

6.1.2. *Influence channel: Risk Management*

6.1.2.1. The rated entity assesses risks associated with environmental emergencies.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

6.1.2.2. The rated entity implements measures to mitigate risks associated with environmental emergencies.

The metric values: Measures are not described – 0%; measures are described – 100%.

6.1.3. *Influence channel: Targets & Performance*

6.1.3.1. The rated entity reports on emergency environmental situations and their scale.

The metric values: The entity does not report – 0%; the entity reports – 100%.

6.1.3.2. The rated entity carries out reclamation at its facilities and reports on the volumes.

The metric values: the rated entity reclaims less than 10% of disturbed lands -0%; the rated entity reclaims 10-30% of disturbed lands -25%; the rated entity reclaims 30-50% of disturbed lands - 50%; the rated entity reclaims 50-75% of disturbed lands -75%; the rated entity reclaims 75-100% of disturbed lands - 100%.

6.1.4. *Stress factor for the indicator «Impact on Biodiversity».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities

of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

6.2. «Potable Water Quality» Indicator

Metrics of the indicator "Portable water quality" characterize the activities of the Rated Entity in terms of prudent approach to high quality of drinking water. This indicator assesses the commitment to maintain high quality of drinking water for consumers, information on identification of risks related to drinking water quality and measures taken to mitigate the risks. In addition, the existence of feedback channels for reporting water quality issues is assessed.

6.2.1. Influence channel: Governance and Strategy

- 6.2.1.1. The entity commits to maintaining high drinking water quality.
The metric values: No commitment – 0%; commitment made – 100%.

6.2.2. Influence channel: Risk Management

- 6.2.2.1. The entity assesses risks related to drinking water quality.
The metric values: Risks are not assessed - 0%; risks are assessed - 100%.
- 6.2.2.2. The entity implements measures to mitigate risks related to drinking water quality.
The metric values: Measures are not described – 0%; measures are described – 100%.

6.2.3. Influence channel: Targets & Performance

- 6.2.3.1. The entity has feedback channels for drinking water quality concerns.
The metric values: No feedback channels – 0%; feedback channels available – 100%.

6.2.4. Stress factor for the indicator «Potable Water Quality».

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities

of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

6.3.«Design for Resource Efficiency» Indicator

The metrics of the indicator "Design for resource efficiency " characterize the activities of the Rated Entity in terms of the approach to design and operation of facilities. This indicator assesses the Rated Entity's adherence to energy efficiency standards in the design and operation of buildings, information on the identification of risks related to energy efficiency in the design of buildings, and the measures taken to mitigate the risks. In addition, the existence of initiatives to improve resource efficiency in the design and future operation of buildings is assessed.

6.3.1. Influence channel: Governance and Strategy

6.3.1.1. The rated entity follows energy efficiency standards in the design and operation of facilities.

The metric values: The entity does not follow standards – 0%; the entity follows standards – 100%.

6.3.1.2. The sites of the rated entity were assessed according to green building standards (GOST R 70346-2022, LEED, BREEAM, GREEN ZOOM, Energy Star).

The metric values: The sites have not been assessed - 0%; the sites have been assessed in accordance with at least one standard- 100%.

6.3.2. Influence channel: Risk Management

6.3.2.1. The rated entity assesses energy efficiency risks in building design.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

6.3.2.2. The rated entity implements initiatives to improve environmental quality by creating and maintaining green areas at the facilities.

The metric values: The rated entity does not implement initiatives - 0%; initiatives are described - 100%.

6.3.2.3. The rated entity implements initiatives to improve the efficiency of resource use in the design and subsequent operation of buildings.

The metric values: Initiatives are not described - 0%; initiatives are implemented - 100%.

6.3.3. *Influence channel: Targets & Performance*

6.3.3.1. The rated entity reports on the percentage of buildings commissioned that received an energy efficiency rating of A or higher.

The metric values: The entity does not report - 0%; the entity reports on the EE rating of the buildings - 100%.

6.3.4. *Stress factor for the indicator «Design for Resource Efficiency».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

6.4. **«Water Resource Management» Indicator**

Metrics of the indicator "Water Resources Management" characterize the Rated Entity's activities in terms of prudent approach to the use of water resources. This indicator assesses the absence of production facilities in regions with a high level of water stress, information on the identification of risks associated with the use of water resources and measures taken to mitigate the risks. In addition, the implementation by the Rated Entity of initiatives to create a closed water supply cycle is assessed.

6.4.1. *Influence channel: Governance and Strategy*

6.4.1.1. The rated entity does not operate in regions with high water stress.

The metric values: The entity operates – 0%; the entity does not operate – 100%.

6.4.2. *Influence channel: Risk Management*

6.4.2.1. The rated entity assesses risks related to water resource usage.

The metric values: Risks are not assessed - 0%; The entity indicates the presence of risk and conducts its assessment, but the information is limited - 50%; The entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

6.4.2.2. The rated entity conducts measures to reduce water risks.

The metric values: Measures are not described – 0%; measures are described – 100%.

6.4.3. *Influence channel: Targets & Performance*

6.4.3.1. The rated entity reports on the share of recycled water in the water use system.

The metric values: Initiatives not implemented – 0%; initiatives implemented – 100%.

6.4.4. *Stress factor for the indicator «Water Resource Management».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

6.5. **«Product Lifecycle Management» Indicator**

The metrics of the indicator "Product Lifecycle Management" characterize the activities of the Rated Entity in terms of a rational approach to the use of resources. This indicator assesses the existence of a policy on the use of secondary resources, information on the identification of risks associated with the life cycle of products, and the measures taken to mitigate risks. In

addition, it assesses the use of secondary resources by the Rated Entity in production.

6.5.1. *Influence channel: Governance and Strategy*

6.5.1.1. The rated entity has a policy on the use of secondary resources.

The metric values: No policy or statements – 0%; Policy presented as separate CEO/top-manager statements on the website or in the report – 50%; comprehensive and detailed policy updated within the last five years – 100%.

6.5.2. *Influence channel: Risk Management*

6.5.2.1. The rated entity assesses risks related to the lifecycle of its produced goods.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

6.5.2.2. The rated entity implements measures to mitigate risks related to the lifecycle of its produced goods.

The metric values: Measures are not described – 0%; measures are described – 100%.

6.5.3. *Influence channel: Targets & Performance*

6.5.3.1. The rated entity uses secondary resources in production.

The metric values: The entity does not use secondary resources – 0%; the entity uses secondary resources – 100%.

6.5.4. *Stress factor for the indicator «Product Lifecycle Management».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities

of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

6.6.«Management of Recycling and Disposal of End-of-life Devices» Indicator

The metrics of the indicator "Management of recycling and disposal of end-of-life devices" characterize the activities of the Rated Entity in terms of a rational approach to the use of resources. This indicator assesses the existence of an approach to recycling end-of-life electronic devices, information on the identification of risks associated with the recycling of electronic devices, and the measures taken to mitigate the risks. It also assesses the existence of practices for the management of end-of-life electronic devices.

6.6.1. Influence channel: Governance and Strategy

6.6.1.1. The waste management policy includes information on the disposal of electronic devices that have reached the end of their lifecycle.

The metric values: No information on disposal – 0%; information on disposal is present – 100%.

6.6.2. Influence channel: Risk Management

6.6.2.1. The rated entity assesses risks related to the disposal of electronic devices.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

6.6.2.2. The rated entity implements measures to mitigate risks related to the disposal of electronic devices.

The metric values: Measures are not described – 0%; measures are described – 100%.

6.6.3. *Influence channel: Targets & Performance*

6.6.3.1. The rated entity has practices for utilizing non-working electronic devices.

The metric values: The entity does not have the practices to utilize used devices – 0%; the entity utilizes used devices – 100%.

6.6.4. *Stress factor for the indicator «Management of Recycling and Disposal of End-of-life Devices».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

6.7. **«Tailings Management» Indicator**

The metrics of the "Tailings Management" indicator characterize the performance of the Rated Entity in terms of the rational management of waste generated in the mining process. This indicator assesses the Rated Entity's adherence to the Global Tailings Management Standard, information on identification of risks associated with tailings management, and measures taken to mitigate the risks. In addition, the transparency of tailings management information is assessed.

6.7.1. *Influence channel: Governance and Strategy*

6.7.1.1. The rated entity declares that it uses the Global Tailings Management Standard.

The metric values: The entity does not declare – 0%; the entity declares – 100%.

6.7.2. *Influence channel: Risk Management*

6.7.2.1. The rated entity assesses risks related to tailings management.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its

magnitude, consequences and specific mitigation measures - 100%.

6.7.2.2. The rated entity implements measures to mitigate risks associated with tailings management.

The metric values: Measures are not described – 0%; measures are described – 100%.

6.7.3. *Influence channel: Targets & Performance*

6.7.3.1. The rated entity prepares a tailings management report or includes a detailed section on tailings management in non-financial reporting.

The metric values: The entity does not report on its tailings - 0%; the entity provides reports on managing its tailings.

6.7.4. *Stress factor for the indicator «Tailings Management».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

6.8. **«Supply Chain Management» Indicator**

The "Supply Chain Management" metrics characterize the Rated Entity's performance in terms of a prudent approach to resource use. This indicator assesses the disclosure of information on the percentage of wood fibre-based materials obtained from forest lands certified in accordance with sustainable forest management standards, information on the identification of risks associated with restricted access to resources, and information on measures taken to mitigate risks. In addition, the Rated Entity's use of secondary resources in production is assessed.

6.8.1. *Influence channel: Governance and Strategy*

6.8.1.1. The rated entity discloses the share of fiber-based materials sourced from forest lands certified under sustainable forestry standards.

The metric values: The entity does not disclose – 0%; the entity discloses – 100%.

6.8.2. *Influence channel: Risk Management*

6.8.2.1. The rated entity assesses the risks associated with limited access to resources.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

6.8.2.2. The rated entity implements measures associated with limited access to resources.

The metric values: Measures are not described – 0%; measures are described – 100%.

6.8.3. *Influence channel: Targets & Performance*

6.8.3.1. The rated entity use secondary resources in production.

The metric values: The entity does not use secondary resources in production – 0%; the entity uses secondary resources in production – 100%.

6.8.4. *Stress factor for the indicator «Supply Chain Management».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

6.9. **«Sustainable agriculture» Indicator**

The "Sustainable Agriculture" indicator metrics characterize farming from a sustainable development perspective. This indicator assesses the implementation of FAO standards and recommendations on sustainable food and agriculture, information on the identification of risks associated

with sustainable agricultural practices, as well as activities using approaches that preserve the reproducibility of resources (soil, water). In addition, data on the use of agrochemicals, hormones and antibiotics for preventive purposes, and the adoption of biological methods for the protection and maintenance of animal and plant health are assessed.

6.9.1. *Influence channel: Governance and Strategy*

6.9.1.1. The rated entity uses FAO standards and recommendations for sustainable food production and agriculture.

The metric values: the rated entity does not use standards and recommendations - 0%; the rated entity uses standards and recommendations - 100%.

6.9.2. *Influence channel: Risk Management*

6.9.2.1. The rated entity assesses the risks associated with sustainable agricultural practices.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

6.9.2.2. The rated entity implements measures that preserve the reproducibility of resources (soils, waters).

The metric values: Rated entity does not conduct measures - 0%; the rated entity carries out measures - 100%.

6.9.3. *Influence channel: Targets & Performance*

6.9.3.1. The rated entity reduces the use of agrochemicals, hormones and antibiotics for preventive purposes, strengthens the introduction of biological methods of protection and support of animal and plant health.

The metric values: The rated entity does not reduce the use of

agrochemicals, hormones and antibiotics - 0%; the rated entity reduces use of agrochemicals, hormones and antibiotics -100%.

6.9.4. *Stress factor for the indicator «Sustainable agriculture».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

6.10. **«Environmental Supply Chain Risks» Indicator**

This indicator characterizes the Rated Entity's supply chain engagement activities. This indicator assesses the quality of the corporate policy or code on supplier engagement, information on the identification of risks associated with supplier engagement on environmental issues, and environmental monitoring of suppliers. The assessment uses an estimate of the proportion of suppliers that have undergone environmental assessments and disclosure of compliance information.

6.10.1. *Influence channel: Governance and Strategy*

6.10.1.1. Availability of a policy/code that describes the interaction with suppliers on environmental aspects.

The metric values: No policy or statements – 0%; the policy presented as separate CEO/top-manager statements on the website or in the report – 25%; ESG/environmental/sustainability policy is available, but the information on supplies' engagement does not meet the agency's requirements – 50%; the policy meets the agency's requirements but it has been updated over five years ago – 75%; a comprehensive and detailed policy updated within the last five years is available – 100%.

6.10.2. *Influence channel: Risk Management*

6.10.2.1. The entity assesses risks related to environmental aspects in supply chains.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of

risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

6.10.2.2. The entity reports on the conducted environmental audits of the suppliers.

The metric values: Based on the average score of submetrics.

6.10.2.2.1. The entity reports on the conducted environmental audits of the suppliers before signing the contract.

The sub-metric values: Audits/monitoring are not conducted or no data – 0%; supplier audits are conducted before the contract signing – 100%.

6.10.2.2.2. The entity reports on the conducted environmental audits of the suppliers after signing the contract and throughout cooperation.

The sub-metric values: Audits/monitoring are not conducted or no data – 0%; supplier audits are conducted after signing the contract and throughout cooperation– 100%.

6.10.2.2.3. The entity gathers supplier feedback after environmental surveys/audits.

The sub-metric values: No engagement with suppliers – 0%; supplier feedback obtained – 100%.

6.10.2.2.4. The entity tracks supplier improvements in environmental performance.

The sub-metric values: No engagement with suppliers or no data – 0%; supplier improvements in environmental aspects tracked – 100%.

6.10.3. *Influence channel: Targets & Performance*

6.10.3.1. Assessment of the effectiveness of environmental risks management in supply chains.

The metric values: Based on the average score of submetrics.

6.10.3.1.1. The entity reports on the share of the suppliers undergoing environmental audits.

The sub-metric values: the entity does not report on share of the suppliers undergoing environmental audits – 0%; the entity disclose the share of the suppliers undergoing environmental audits – 100%.

6.10.3.1.2. There were cases in media that are related to the entity and do not comply with its policy on the interaction with suppliers on environmental aspects.

The sub-metric values: Negative cases took place in the reporting period – 0%; there were no negative cases – 100%.

6.10.3.1.3. The entity's reporting includes the explanations for the policy violations in supplier environmental engagement, describing its consequences, and mitigation actions taken.

The sub-metric values: The entity reports on negative cases that are described in media – 0%; no negative cases took place during the reporting period, or the entity has reported on them – 100%.

6.10.4. *Stress factor for the indicator «Environmental Supply Chain Risks».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

6.11. **«Environmental Impact» Indicator**

The metrics of the "Environmental Impact" indicator characterize the activities of the Rated Entity in terms of a prudent approach to environmental issues during transportation and other ways of handling oil and gas. This indicator assesses the setting of environmental KPIs for management, information on the identification of risks associated with the rated entity's activities and measures taken to mitigate the risks. In

addition, the availability of certification of environmental management of the Rated Entity is assessed.

6.11.1. *Influence channel: Governance and Strategy*

6.11.1.1. The rated entity sets environmental KPIs for the management.

The metric values: The entity does not set KPIs – 0%; the entity sets KPIs – 100%.

6.11.2. *Influence channel: Risk Management*

6.11.2.1. The rated entity assesses environmental risks of its activities.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

6.11.2.2. The rated entity implements measures to mitigate risks.

The metric values: Measures are not described – 0%; measures are described – 100%.

6.11.3. *Influence channel: Targets & Performance*

6.11.3.1. The rated entity provides certification under ISO 14001/GOST R ISO 14001 or another certification that includes ISO 14004.

The metric values: The entity does not provide certification – 0%; the entity provides certification – 100%.

6.11.4. *Stress factor for the indicator «Environmental Impact».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

7. S-Factor Social policy. Basic Indicators

7.1.«Local communities» Indicator

Metrics of the "Local Communities" indicator characterize the rating subject's activities on interaction with local communities. This indicator assesses the quality of corporate policies and programs for interaction with local communities, risks associated with interaction with local communities, and measures to mitigate these risks. The metrics of this indicator take into account the share of expenditures on community development in relation to revenue and the assessment of initiatives aimed at supporting local communities.

7.1.1. *Influence channel: Governance and Strategy*

7.1.1.1. Availability of a community engagement policy.

The metric values: No policy or statements – 0%; policy is presented with separate CEO/top-manager statements on the website or in the report – 25%; general community engagement policy is available, but the information does not meet the agency's requirements – 50%; the policy meets the agency's requirements but it has been updated over five years ago – 75%; a comprehensive and detailed policy is available and it is updated within the last five years – 100%.

7.1.1.2. Availability of a program that includes investments aimed at supporting local communities.

The metric values: No program – 0%; general statements on community investment are published on the website or in a report, but no measurable targets or KPIs are set – 25%; a program is available, but goals, KPIs, and activities are not defined – 50%; a program with defined goals is available, but activities or KPIs are missing – 75%; the program with defined goals, activities, and KPIs is available – 100%.

7.1.2. *Influence channel: Risk Management*

7.1.2.1. The rated entity assesses the risks associated with community engagement.

The metric values: Risks are not assessed - 0%; the rated entity

indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

7.1.2.2. Measures to mitigate risks in community engagement.

The metric values: The entity does not report actions and measures – 0%; the entity reports actions and measures – 100%.

7.1.3. *Influence channel: Targets & Performance*

7.1.3.1. The trend in local community spending shows growth in the four-year range.

The metric values: The trend shows a decline or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows an increase – 75%; increasing trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

7.1.3.2. The entity evaluates the effectiveness of initiatives/programs aimed at supporting local communities.

The metric values: Based on the average score of submetrics.

7.1.3.2.1. The entity tracks the outcomes of the community support initiatives and ensures accessible communication channels for feedback from the local communities.

The sub-metric values: The entity does not report on initiative outcomes or lacks such information in its report – 0%; the entity engages with local communities and reports initiative outcomes – 100%.

7.1.3.2.2. No negative incidents related to local communities are reported by the entity or found in media.

The sub-metric values: Negative incidents related to local communities are reported by the entity or found in media – 0%; no negative incidents related to local communities are reported by the entity or found in media – 100%.

7.1.4. *Stress factor for the indicator «Local communities».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

7.2. **«Occupational Health and Safety» Indicator**

The metrics of this indicator characterize the health and safety performance of the Rated Entity. This indicator assesses the quality of corporate health and safety policies and programs, information on the identification of health and safety risks and measures to reduce them. The metrics of this indicator take into account the presence of fatalities and the dynamics of relative injury rates.

7.2.1. *Influence channel: Governance and Strategy*

7.2.1.1. Availability of an occupational health and industrial safety policy.

The metric values: No policy or statements – 0%; policy is presented with separate CEO/top-manager statements on the website or in the report – 25%; Social/OH&S policy is available, but it does not meet the agency's requirements – 50%; the policy meets the agency's requirements but it has been updated over years ago – 75%; a comprehensive and detailed policy updated within the last five years is available – 100%.

7.2.1.2. Availability of an occupational health and industrial safety program.

The metric values: No program – 0%; general statements are published on the website or in a report, but there is no

measurable objectives or KPIs – 25%; the program is available, but objectives, KPIs, and activities are not defined – 50%; the program is available, objectives are defined, but either activities or KPIs are not specified – 75%; program includes defined objectives, activities, and KPIs – 100%.

7.2.2. Influence channel: Risk Management

7.2.2.1. The rated entity identifies and assesses occupational health and safety risks and hazards.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

7.2.2.2. Report on risk mitigation measures in occupational health and safety.

The metric values: Based on the average score of submetrics.

7.2.2.2.1. Availability of occupational health and safety

certification in more than 50% of structural units or group companies.

The sub-metric values: Certification under ISO 45001:2018/OHSAS 18001:2007 for less than half of structural units – 0%; certification under ISO 45001:2018/OHSAS 18001:2007 for more than half of structural units – 100%.

7.2.2.2.2. Conducting occupational health and safety training sessions.

The sub-metric values: The rated entity does not conduct OH&S training or no information is available in the report – 0%; OH&S training is conducted and reported – 100%.

7.2.2.2.3. The rated entity allocates a budget for occupational health and safety measures.

The sub-metric values: No budget allocated for OH&S measures or no information in the report – 0%; budget allocated – 100%.

7.2.2.2.4. The rated entity reports on the outcomes of occupational health and safety measures.

The sub-metric values: No reporting on OH&S outcomes – 0%; reporting on OH&S outcomes is available – 100%.

7.2.3. *Influence channel: Targets & Performance*

7.2.3.1. The rated entity tracks fatal workplace incidents or reports their absence.

The metric values: Fatal incidents occurred during the reporting year, or no information is available – 0%; no fatal incidents during the reporting year – 100%.

7.2.3.2. The trend in workplace injury rates shows a decline.

The metric values: Based on the average score of submetrics.

7.2.3.2.1. The trend in LTIFR (Lost Time Injury Frequency Rate) shows a decline over a four-year period.

The sub-metric values: LTIFR is increasing or stable – 0%; LTIFR is decreasing – 100%.

7.2.3.2.2. The trend in overall workplace injury rates shows a decline over a four-year period.

The sub-metric values: Workplace injuries are increasing – 0 (assessed only if LTIFR data is unavailable); workplace injuries are decreasing – 100%.

7.2.4. *Stress factor for the indicator «Occupational Health and Safety».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

7.3. **«Human rights» Indicator**

The metrics of the "Human Rights" indicator characterize the Rated Entity's

performance in respecting human rights among its employees. This indicator assesses the quality of the corporate human rights policy, its commitment to preventing discrimination, preventing unequal pay for equal work and recognizing the right of its employees to freedom of professional association. It also assesses the risks associated with human rights violations and the actions taken to mitigate these risks. The metrics for this indicator take into account the proportion of employees covered by an employment contract.

7.3.1. Influence channel: Governance and Strategy

7.3.1.1. Availability of a human rights policy.

The metric values: No policy or statements – 0%; policy is presented as separate CEO/top-manager statements on the website or in the report – 25%; general Social/Human Rights policy is available, but it does not meet agency requirements – 50%; policy meets agency requirements but was last updated five or more years ago – 75%; comprehensive and detailed policy updated within the last five years – 100%.

7.3.1.2. The rated entity declares its commitment to preventing discrimination and respecting human rights.

The metric values: The policy does not include a provision on preventing workplace discrimination – 0%; the policy includes a provision on preventing workplace discrimination – 100%.

7.3.1.3. The rated entity declares its commitment to preventing unequal pay for equal work.

The metric values: The policy does not include a provision on equal pay for equal work – 0%; the policy includes a provision on equal pay for equal work – 100%.

7.3.1.4. The rated entity declares the rights of its employees to freedom of professional association.

The metric values: The policy does not include a provision on employees' rights to unionize – 0%; the policy includes a provision on employees' rights to unionize – 100%.

7.3.2. Influence channel: Risk Management

7.3.2.1. The rated entity assesses risks associated with human rights.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

7.3.2.2. Measures to mitigate human rights risks.

The metric values: Based on the average score of submetrics.

7.3.2.2.1. The entity conducts training/education on human rights.

The sub-metric values: The entity does not conduct human rights training/education – 0%; the entity conducts human rights training/education – 100%.

7.3.2.2.2. Employees have an accessible hotline for human rights.

The sub-metric values: The entity does not have a hotline to protect human rights of the employees and stakeholders – 0%; the entity provides a hotline to protect human rights of the employees and stakeholders – 100%.

7.3.3. Influence channel: Targets & Performance

7.3.3.1. Assessment of the entity's human rights compliance.

The metric values: Based on the average score of submetrics.

7.3.3.1.1. Availability of reported human rights violations in the media.

The sub-metric values: There are negative reports in the media for the reporting period – 0%; there are no negative reports in the media – 100%.

7.3.3.1.2. Availability of the statistics on human rights violations / the entity reports the data on human rights violations.

The sub-metric values: The entity tracks and reports human

rights violations – 100%; the entity does not track or report human rights violations – 0.

7.3.3.1.3. The entity reports on the results of investigations of the declared or other cases.

The sub-metric values: No information – 0%; audit reviews/entity comments – 50%; clear statement of no violations/cases – 100%.

7.3.3.2. The entity reports the share of the employees covered by a collective labor agreement.

The metric values: Percentage of the employees covered by a collective agreement.

7.3.4. *Stress factor for the indicator «Human rights».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

7.4.«Talent Acquisition and Retention» Indicator

The metrics of the "Talent Acquisition and Retention" indicator characterize the Rated Entity's talent attraction and retention activities. This indicator assesses the quality of corporate policies and programs to attract and retain talent, information on the identification of risks related to talent attraction and retention and measures to mitigate them. The metrics of this indicator take into account the assessment of voluntary staff turnover and recruitment efficiency.

7.4.1. *Influence channel: Governance and Strategy*

7.4.1.1. Availability of a policy on talent attraction and retention.

The metric values: No policy or statements – 0%; the policy is presented with separate CEO/top-manager statements on the website or in the report – 25%; Social/Talent attraction and retention policy is available, but it does not meet the agency's requirements – 50%; the policy meets the agency requirements but it has been updated over five years ago – 75%; a

comprehensive and detailed policy updated within the last five years is available – 100%.

7.4.1.2. Availability of a policy on employee recognition and rewards.

The metric values: No policy or statements – 0%; the policy is presented with separate CEO/top-manager statements on the website or in the report – 25%; Social/Recognition & Rewards policy exists, but the information does not meet the agency's requirements – 50%; the policy meets the agency requirements but it has been over years ago – 75%; a comprehensive and detailed policy updated within the last five years is available – 100%.

7.4.2. *Influence channel: Risk Management*

7.4.2.1. The rated entity identifies and assesses risks related to talent attraction and retention.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

7.4.2.2. The entity implements measures to reduce risks associated with attracting and retaining talent.

The metric values: Based on the average score of submetrics.

7.4.2.2.1. Trend in salary levels shows an increase over a four-year period.

The sub-metric values: Trend shows a decline or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows an increase– 75%; increasing trend observed over four years –

100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

7.4.2.2.2. The rated entity conducts employee engagement or satisfaction surveys.

The sub-metric values: No surveys have been conducted or no information is available – 0%; surveys have been conducted and reported – 100%.

7.4.2.2.3. The rated entity reports on practices and actions to improve working conditions.

The sub-metric values: No practices have been implemented or no information is available – 0%; practices and actions have been implemented or reported – 100%.

7.4.3. Influence channel: Targets & Performance

7.4.3.1. The rated entity reports on voluntary employee turnover.

The metric values: Based on the average score of submetrics.

7.4.3.1.1. Comparison of voluntary turnover rates with industry averages.

The sub-metric values: If the entity's turnover rate falls into the fifth industry class – 0%; fourth class – 25%; third class – 50%; second class – 75%; first class – 100%.

7.4.3.1.2. The trend in voluntary turnover rates shows a decline over a four-year period.

The sub-metric values: Trend shows an increase or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows a decline – 75%; declining trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated

entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

7.4.3.2. The rated entity implements programs to support students.

The metric values: The rated entity does not implement joint programs with educational organizations or there is no information about this in the report - 0%; the rated entity implements internships/training for students, holds open days, participates in job fairs - 25%; the rated entity organizes specialized classes in schools or joint corporate master's/bachelor's programs with universities and other educational organizations - 50%; the rated entity implements specialized classes in schools and joint corporate master's/bachelor's programs with universities and other educational organizations - 75%; the rated entity implements interaction in all of the above areas and has target programs, forms scholarship funds for students - 100%.

7.4.3.3. The rated entity evaluates the effectiveness of the recruitment process.

The metric values: Based on the average score of submetrics.

7.4.3.3.1. The rated entity has an accessible career portal on its website with job application functionality.

The sub-metric values: The rated entity does not have a webpage with the information about its job vacancies – 0%; the rated entity has the webpage with a detailed information about its job vacancies – 100%.

7.4.3.3.2. There are career growth and professional development programs for the employees.

The sub-metric values: The rated entity doesn't offer career growth and professional development programs for employees – 0%; there are career growth and professional development programs for employees – 100%.

7.4.3.3.3. Availability of succession programs.

The sub-metric values: The rated entity doesn't offer succession programs for the employees – 0%; the rated entity offers succession programs for the employees – 100%.

7.4.4. *Stress factor for the indicator «Talent Acquisition and Retention».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

7.5. **«Diversity and Inclusiveness» Indicator**

The "Diversity and Inclusion" metrics characterize the Rated Entity's efforts to ensure diversity and inclusion among employees. This indicator assesses the quality of the corporate program on diversity and inclusion among employees, information on employment of persons with disabilities, and activities to support diversity and inclusion among employees. The metrics for this indicator take into account industry comparisons of the proportion of women in the workforce and the availability of diversity and inclusion training and education.

7.5.1. *Influence channel: Governance and Strategy*

7.5.1.1. Availability of a diversity and inclusion program.

The metric values: No program – 0%; general statements on diversity and inclusion are available on the website or in a report, but no measurable goals or KPIs are defined – 25%; the program is available, but goals, KPIs, and activities are not defined – 50%; the program with defined goals is available, but activities or KPIs are not specified – 75%; the program with defined goals, activities, and KPIs is available – 100%.

7.5.2. *Influence channel: Risk Management*

7.5.2.1. The rated entity employs people with disabilities and reports on this.

The metric values: The entity does not track employment of

people with disabilities or does not report on it – 0%; the entity reports on the employment of people with disabilities – 100%.

7.5.2.2. The rated entity implements measures to mitigate risks related to diversity and inclusion.

The metric values: No reported actions or measures – 0%; actions and measures reported – 100%.

7.5.3. *Influence channel: Targets & Performance*

7.5.3.1. Comparison of the entity's percentage of female employees with industry averages.

The metric values: If the entity's value falls into the 5th class, in accordance with the international base for industry comparison – 0%; fourth class – 25%; third class – 50%; second class – 75%; first class – 100%.

7.5.3.2. Availability of diversity and inclusion training programs for employees.

The metric values: No training provided or no information available – 0%; training provided – 100%.

7.5.3.3. The rated entity regularly reports on the results of initiatives supporting diversity and inclusion.

The metric values: No reporting on results – 0%; results reported – 100%.

7.5.4. *Stress factor for the indicator «Diversity and Inclusiveness».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

7.6. «*Social benefits*» Indicator

The metrics of the indicator “Social Benefits” characterize the Rated Entity's activity in providing social benefits to employees. This indicator assesses the quality of corporate policy focused on providing social benefits beyond those guaranteed by law, and the social package. The

metrics of this indicator take into account the dynamics of relative values of social benefits.

7.6.1. Influence channel: Governance and Strategy

7.6.1.1. Availability of policies on social benefits beyond those guaranteed by law.

The metric values: No policy or statements – 0%; a policy is presented with separate CEO/top-manager statements on the website or in the report – 25%; social/human rights policy is available, but it does not meet the agency requirements – 50%; the policy meets the agency's requirements but has been updated over five years ago – 75%; a comprehensive and detailed policy updated within the last five years is available – 100%.

7.6.2. Influence channel: Risk Management

7.6.2.1. Assessment of the employee benefits package.

The metric values: Based on the average score of submetrics.

7.6.2.1.1. All employees with employment contracts are covered by voluntary medical insurance (VMI).

The sub-metric values: The entity does not provide VMI for all employees or does not report on it – 0%; the entity provides VMI for all employees – 100%.

7.6.2.1.2. The entity offers employees rehabilitation and wellness treatments under medical insurance agreements, either in corporate-owned facilities or in sanatoriums across Russia, and implements other health support programs.

The sub-metric values: The entity does not implement health support measures or does not report on them – 0%; the entity implements health support measures – 100%.

7.6.2.1.3. The entity offers retired employees benefits such as end-of-career allowances, pension bonuses, and other long-term benefits beyond legal requirements.

The sub-metric values: The entity does not provide retirement

support measures or does not report on them – 0%; the entity provides retirement support measures – 100%.

7.6.2.1.4. The entity funds and organizes cultural and sports activities for employees.

The sub-metric values: The entity does not implement or fund cultural and sports activities for employees or does not report on them – 0%; the entity implements or funds cultural and sports activities for employees – 100%.

7.6.2.1.5. The entity provides additional assistance/benefits to employees and their families.

The sub-metric values: The entity does not offer other benefits to employees and their families or does not report on them – 0%; the entity offers other benefits to employees and their families – 100%.

7.6.3. *Influence channel: Targets & Performance*

7.6.3.1. The trend in social payments to revenue shows growth in the range of four years.

The metric values: Trend shows a decline or data is unavailable – 0%; company reports for the first time, and trend is undetermined – 25%; data is provided for two years regardless of trend, or for 3-4 years with a neutral trend – 50%; data is provided for three years, and trend shows an increase – 75%; increasing trend observed over four years – 100%. If there is a significant discrepancy in reported data for previous periods compared to other reports from the rated entity, the data is deemed invalid for rating purposes, and a score of 0 is assigned.

7.6.4. *Stress factor for the indicator «Social benefits».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

7.7.«Social Risks of Supply Chains» Indicator

The metrics of the " Social Risks of Supply Chain" indicator characterize the Rated Entity's supply chain engagement activities. This indicator assesses the quality of the corporate program for interaction with suppliers on social issues, the organization of monitoring of suppliers on social issues, risks associated with the social performance of the supply chain, and measures to mitigate these risks. The metrics of this indicator take into account the assessment of social risk management in the supply chain through disclosure of information on supply chain violations.

7.7.1. Influence channel: Governance and Strategy**7.7.1.1. Availability of a supplier engagement policy on social issues.**

The metric values: No policy or statements – 0%; a policy is presented with separate CEO/top-manager statements on the website or in the report – 25%; social/human rights policy is available, but it does not meet the agency requirements – 50%; the policy meets the agency's requirements but has been updated over five years ago – 75%; a comprehensive and detailed policy updated within the last five years is available – 100%.

7.7.2. Influence channel: Risk Management**7.7.2.1. Implementation of a supplier evaluation system regarding social issues.**

The metric values: Based on the average score of submetrics.

7.7.2.1.1. The entity evaluates suppliers on social issues at the selection or contract signing stage.

The sub-metric values: The entity does not assess social performance before signing contracts – 0%; the entity assesses social performance before signing contracts – 100%.

7.7.2.1.2. The entity evaluates suppliers on social issues after contract signing.

The sub-metric values: The entity does not assess social performance after the contract with the supplier has been

signed – 0%; the entity assesses social performance after signing the contract – 100%.

7.7.2.2. The rated entity assesses risks associated with social indicators of the supply chain.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

7.7.2.3. Measures to mitigate risks related to social performance in the supply chain.

The metric values: Based on the average score of submetrics.

7.7.2.3.1. Availability of a supplier monitoring system for social performance.

The sub-metric values: The entity does not monitor suppliers' social performance or does not report on it – 0%; the entity monitors suppliers' social performance – 100%.

7.7.2.3.2. Availability of a feedback system and coordination with suppliers on social issues.

The sub-metric values: The entity does not engage with suppliers on social issues or does not report on it – 0%; the entity engages with suppliers on social issues – 100%.

7.7.3. *Influence channel: Targets & Performance*

7.7.3.1. Assessment of social risk management in the supply chain.

The metric values: Based on the average score of submetrics.

7.7.3.1.1. Social violations reported in media regarding the supply chain.

The sub-metric values: Negative incidents related to social violations in the supply chain are reported in media or

company disclosures – 0%; no negative incidents related to social violations in the supply chain are reported in media or company disclosures – 100%.

7.7.3.1.2. Reports on social violations in the supply chain or confirmation of their absence.

The sub-metric values: The entity does not report on violations or their absence – 0%; the entity provides clear statements – 100%.

7.7.4. *Stress factor for the indicator «Social Risks of Supply Chains».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

8. S-Factor Social policy. Unique Indicators

8.1. «Foodstuff Safety and Quality» Indicator

Metrics of the indicator "Foodstuff Safety and Quality" characterize the activities of the Rated Entity in terms of approach to the provision of high quality food products. This indicator evaluates the presence of policies that declare compliance with high standards of food safety and quality, information on the identification of risks related to food safety and measures taken to mitigate risks. It also assesses the existence of food quality certification beyond that required by law.

8.1.1. *Influence channel: Governance and Strategy*

8.1.1.1. The entity has policies declaring compliance with high standards of food safety and quality.

The metric values: No policy or statements – 0%; policy presented as separate CEO/top-manager statements on the website or in the report – 50%; comprehensive and detailed policy updated within the last five years – 100%.

8.1.2. *Influence channel: Risk Management*

8.1.2.1. The entity assesses risks related to food safety.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

8.1.2.2. The entity implements measures to mitigate risks related to food safety.

The metric values: Measures are not described – 0%; measures are described – 100%.

8.1.3. *Influence channel: Targets & Performance*

8.1.3.1. The entity provides certification reports on food quality (ISO 22000/GOST R ISO 22000) or any other certification exceeding legal requirements.

The metric values: Not provided – 0%; provided – 100%.

8.1.4. *Stress factor for the indicator «Foodstuff Safety and Quality».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

8.2. *«Clinical Trial Subject Safety» Indicator*

Metrics of the indicator "Clinical Trial Subject Safety" characterize the activities of the Rated Entity in terms of the approach to ensuring safety for participants in clinical trials. This indicator evaluates compliance with global quality standards for pharmaceutical products, information on the identification of risks related to the safety of clinical trial participants and measures taken to mitigate the risks. In addition, the availability of information on the number of fatalities among clinical trial participants is assessed.

8.2.1. *Influence channel: Governance and Strategy*

8.2.1.1. The entity declares compliance with the GMP standard.

The metric values: Does not declare – 0%; declares – 100%.

8.2.2. *Influence channel: Risk Management*

8.2.2.1. The entity assesses risks related to clinical trial participant safety.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

8.2.2.2. The entity implements measures to mitigate risks related to clinical trial participant safety.

The metric values: Measures are not described – 0%; measures are described – 100%.

8.2.3. *Influence channel: Targets & Performance*

8.2.3.1. The entity reports on the number of fatalities among clinical trial participants.

The metric values: The entity does not report – 0%; reports – 100%.

8.2.4. *Stress factor for the indicator «Clinical Trial Subject Safety».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

8.3. **«Interaction with Indigenous Peoples» Indicator**

The metrics of the indicator "Interaction with Indigenous Peoples" characterize the interaction of the Rated Entity with indigenous peoples. This indicator assesses the application of Russian norms or international standards for interaction with indigenous peoples, information on the

identification of risks associated with the territories where indigenous peoples live, as well as the implementation of the FPIC (free, prior and informed consent) procedure and the existence of a feedback channel for indigenous peoples. Data on violations of indigenous peoples' rights are also assessed.

8.3.1. *Influence channel: Governance and Strategy*

8.3.1.1. The rated entity applies Russian or international standards for engagement with indigenous peoples.

The metric values: The rated entity does not apply standards - 0%; the rated entity applies standards - 100%.

8.3.2. *Influence channel: Risk Management*

8.3.2.1. The rated entity assesses the risks associated with the projects, affecting the territories inhabited by indigenous peoples.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; the rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

8.3.2.2. The rated entity conducts measures to mitigate risks associated with the projects affecting the territories inhabited by indigenous peoples.

The metric values: The rated entity does not conduct measures - 0%; rated entity conducts measures -100%.

8.3.2.3. The rated entity implements the FPIC procedure (free, prior and informed consent).

The metric values: The rated entity does not implement the FPIC procedure - 0%; the rated entity implements the procedure - 100%.

8.3.2.4. The rated entity has a hotline for indigenous peoples.

The metric values: The rated entity does not have a hotline - 0%; the rated entity has a hotline - 100%.

8.3.3. *Influence channel: Targets & Performance*

8.3.3.1. The rated entity reports on the violations of indigenous peoples' rights or on the absence of any violations of such rights.

The metric values: The entity does not report on violations or on their absence- 0%; the entity reports on violations or on no violations - 100%.

8.3.4. *Stress factor for the indicator «Interaction with Indigenous Peoples».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

8.4. **«Purchasing, Packaging and Selling the Goods» Indicator**

Metrics of the indicator "Procurement, packaging and Selling the Goods" characterize the activities of the Rated Entity in terms of prudent approach to the issues of high quality of sold products. This indicator evaluates the presence of additional (over and above the norm established by law) certification of goods, information on the identification of risks associated with the safety of goods and measures taken to mitigate risks.

8.4.1. *Influence channel: Governance and Strategy*

8.4.1.1. The entity provides additional product certification (beyond legal requirements).

The metric values: The entity does not provide additional product certification -0%; the entity provides additional product certification - 100%.

8.4.2. *Influence channel: Risk Management*

8.4.2.1. The entity assesses risks related to product safety.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk

assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

8.4.2.2. The entity implements measures to mitigate risks related to product safety.

The metric values: Measures are not described – 0%; measures are described – 100%.

8.4.3. *Influence channel: Targets & Performance*

8.4.3.1. The entity provides certification reports on product quality (beyond legal requirements).

The metric values: The entity does not disclose the report on product quality certification – 0%; the report on product quality certification is disclosed – 100%.

8.4.4. *Stress factor for the indicator «Purchasing, Packaging and Selling the Goods».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

8.5. **«Employee Health and Safety» Indicator**

The metrics of the indicator "Employee Health and Safety" characterize the activities of the Rated Entity in terms of prudent approach to occupational health and safety. This indicator evaluates the setting of industrial safety KPIs for management, information on the identification of risks associated with safety violations and measures taken to mitigate the risks. In addition, the availability of information on the number of employees trained in occupational health and safety is assessed.

8.5.1. *Influence channel: Governance and Strategy*

8.5.1.1. The entity sets KPIs for industrial safety for management.

The metric values: The entity does not set KPIs for industrial safety - 0%; the entity sets KPIs for industrial safety - 100%.

8.5.2. *Influence channel: Risk Management*

8.5.2.1. The entity assesses risks related to safety violations.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

8.5.2.2. The entity implements measures to mitigate risks related to safety violations.

The metric values: Measures are not described – 0%; measures are described – 100%.

8.5.3. *Influence channel: Targets & Performance*

8.5.3.1. The entity regularly reports on the number of employees trained in occupational safety and industrial security.

The metric values: The entity does not report – 0%; reports – 100%.

8.5.4. *Stress factor for the indicator «Employee Health and Safety».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

8.6. «Data Privacy and Advertising Standards» Indicator

Metrics of the indicator "Data Privacy and Advertising Standards" characterize the activity of the Rated Entity in terms of prudent approach to the use of personal data. This indicator evaluates the presence of a statement of non-use of personal data for tragedy advertising, information

on the identification of risks associated with the use of personal data and the measures taken to mitigate the risks. In addition, the availability of channels for customer complaints about intrusive advertising is assessed.

8.6.1. *Influence channel: Governance and Strategy*

8.6.1.1. The entity declares non-use of personal data for targeted advertising.

The metric values: Does not declare – 0%; declares – 100%.

8.6.2. *Influence channel: Risk Management*

8.6.2.1. The entity assesses risks related to personal data usage.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

8.6.2.2. The entity implements measures to mitigate risks related to personal data usage.

The metric values: Measures are not described – 0%; measures are described – 100%.

8.6.3. *Influence channel: Targets & Performance*

8.6.3.1. The entity provides hotline for customer complaints on an intrusive advertising.

The metric values: The hotline is not provided - 0%; the hotline is provided - 100%.

8.6.4. *Stress factor for the indicator «Data Privacy and Advertising Standards».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

8.7.«Accident and Safety Management» Indicator

Metrics of the indicator "Accident and Safety Management" characterize the activities of the Rated Entity in terms of approach to flight safety. This indicator evaluates the presence of a flight safety policy, information on the identification of risks related to flight safety and measures taken to mitigate the risks. In addition, the availability of information on flight safety level (FSL) is assessed.

8.7.1. Influence channel: Governance and Strategy

8.7.1.1. The entity has a flight safety policy.

The metric values: No policy or statements – 0%; policy presented as separate CEO/top-manager statements on the website or in the report – 50%; comprehensive and detailed policy updated within the last five years – 100%.

8.7.2. Influence channel: Risk Management

8.7.2.1. The entity assesses risks related to flight safety.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

8.7.2.2. The entity implements measures to mitigate risks related to flight safety.

The metric values: The measures are not described – 0%; measures are described – 100%.

8.7.3. Influence channel: Targets & Performance

8.7.3.1. The entity reports on the Flight Safety Level (FSL).

The metric values: The entity does not report – 0%; reports – 100%.

8.7.4. Stress factor for the indicator «Accident and Safety Management».

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

8.8.«Drivers' Working Conditions» Indicator

Metrics of the indicator "Drivers' Working Conditions" characterize the activities of the Rated Entity in terms of the approach to ensuring safe working conditions for drivers. This indicator evaluates the existence of a policy to improve working conditions for drivers, information on the identification of risks associated with working conditions for drivers and measures taken to reduce risks. In addition, the presence of a driver tracking system (tachograph sensors, etc.) is assessed.

8.8.1. Influence channel: Governance and Strategy**8.8.1.1. The entity has a policy to improve driver working conditions.**

The metric values: No policy or statements – 0%; policy presented as separate CEO/top-manager statements on the website or in the report – 50%; comprehensive and detailed policy updated within the last five years – 100%.

8.8.2. Influence channel: Risk Management**8.8.2.1. The entity assesses risks related to driver working conditions.**

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

8.8.2.2. The entity implements measures to mitigate risks related to driver working conditions.

The metric values: The measures are not described – 0%; measures are described – 100%.

8.8.3. *Influence channel: Targets & Performance*

8.8.3.1. The entity has a driver monitoring system (tachographs and other devices).

The metric values: Not in place – 0%; in place – 100%.

8.8.4. *Stress factor for the indicator «Drivers' Working Conditions».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

9. **G-Factor Corporate Governance. Basic Indicators**

9.1. **«Business ethics» Indicator**

The metrics of the "Business Ethics" indicator characterize the business ethics of the Rated Entity. This indicator assesses the disclosure of the code of corporate ethics, anti-corruption policy, compliance with antitrust laws and internal documents regulating the management of conflicts of interest. The metrics of this indicator take into account the risks associated with violation of business ethics, anti-corruption measures and availability of a hotline for reporting cases of corruption.

9.1.1. *Influence channel: Governance and Strategy*

9.1.1.1. Availability of a corporate ethics code defining and regulating the ethical behavior of employees within the rated entity.

The metric values: No Code of ethics – 0%; the entity has its Code of Ethics – 100%.

9.1.1.2. Availability of an anti-corruption policy.

The metric values: No anti-corruption policy – 0%; the entity has its anti-corruption policy – 100%.

9.1.1.3. Availability of an internal document on antitrust law compliance.

The metric values: No compliance policy – 0%; the entity has its compliance policy – 100%.

9.1.1.4. Availability of an internal document regulating conflict of interest management.

The metric values: The entity does not have its document excluding a conflict of interest – 0%; the entity has its document excluding a conflict of interest – 100%.

9.1.2. *Influence channel: Risk Management*

9.1.2.1. The rated entity assesses risks related to business ethics violations, corruption, anti-competitive behavior, and conflicts of interest.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

9.1.2.2. The rated entity discloses measures and initiatives taken to mitigate business ethics risks during the reporting period.

The metric values: The rated entity does not conduct any measures or does not report on them – 0%; the measures have been conducted and described in the report – 100%.

9.1.2.3. The rated entity implements measures to counter corruption, ensure compliance with the corporate ethics code, and prevent anti-competitive behavior.

The metric values: Based on the average score of submetrics.

9.1.2.3.1. Availability of a hotline for reporting business ethics violations, corruption, and ethics code breaches.

The sub-metric values: No hotline – 0%; the entity has its hotline – 100%.

9.1.2.3.2. The rated entity conducts anti-corruption training for employees.

The sub-metric values: The entity does not conduct any anti-

corruption trainings or there is no information about them in the report – 0%; the trainings have been conducted and described in the report – 100%.

9.1.2.3.3. The rated entity implements anti-corruption practices in procurement.

The sub-metric values: No anti-corruption measures in procurement or no information in the report – 0%; the measures have been implemented and described in the report – 100%.

9.1.2.3.4. The rated entity reports on its compliance/internal control system.

The sub-metric values: Compliance system is not disclosed – 0%; the compliance system is disclosed – 100%.

9.1.3. *Influence channel: Targets & Performance*

9.1.3.1. The rated entity ensures anonymity for whistleblowers reporting corruption, ethics violations, anti-competitive behavior, and conflicts of interest.

The metric values: Whistleblowers' anonymity is not ensured – 0%; anonymity for whistleblowers is ensured – 100%.

9.1.3.2. Assessment of measures aimed at countering corruption, ensuring compliance with the corporate ethics code, preventing anti-competitive behavior, and managing conflicts of interest.

The metric values: Based on the average score of submetrics.

9.1.3.2.1. The rated entity reports on the results of anti-corruption, ethics compliance, and anti-competitive behavior prevention measures.

The sub-metric values: No reporting on results – 0%; the results of the measures are reported by the entity – 100%.

9.1.3.2.2. The rated entity reports incidents related to corruption, anti-competitive behavior, ethics violations, and conflicts of interest.

The sub-metric values: No information – 0%; audits/reactions reported – 50%; clear statement of no violations/incidents – 100%.

9.1.4. *Stress factor for the indicator «Business ethics».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

9.2. **«Data Privacy and Cybersecurity» Indicator**

The metrics of the "Data Privacy and Cybersecurity" indicator characterize data privacy and cybersecurity of employees and customers of the Rated Entity. This indicator assesses user data privacy and cybersecurity policies, data privacy and cybersecurity risks, and measures to minimize them. The metrics of this indicator take into account the assessment of compliance with data privacy and cybersecurity policies.

9.2.1. *Influence channel: Governance and Strategy*

9.2.1.1. Availability of a Privacy Policy for users' data.

The metric values: The policy is not available – 0%; the policy is available – 100%.

9.2.1.2. Availability of Information/cybersecurity Policy.

The metric values: No policy or statements – 0%; the Policy is available as individual statements on the website or in a report – 25%; the Policy is published with limited details – 50%; the Policy meets the Agency's requirements but was last updated five or more years ago – 75%; comprehensive and detailed policy updated within the last five years – 100%.

9.2.2. *Influence channel: Risk Management*

9.2.2.1. The rated entity assesses risks related to data privacy and cybersecurity.

The metric values: Risks are not assessed – 0%; the rated entity indicates the presence of risk and assesses it, but the information

is limited – 50%; the rated entity provides full information about the risk: its magnitude, consequences and specific measures to reduce it – 100%.

9.2.2.2. The rated entity implements measures to prevent data privacy and cybersecurity breaches.

The metric values: Measures are not described – 0%; measures are described – 100%.

9.2.3. *Influence channel: Targets & Performance*

9.2.3.1. Assessment of compliance with data privacy and cybersecurity policies.

The metric values: Based on the average score of submetrics.

9.2.3.1.1. The rated entity reports on the results of measures to prevent data privacy breaches and cybersecurity.

The sub-metric values: No results are presented – 0%; the entity reports on the outcomes, but quantitative data is not disclosed – 50%; the entity reports on outcomes and provides statistical data – 100%.

9.2.3.1.2. The rated entity reports on cyber security and data privacy incidents.

The sub-metric values: No information, there are significant incidents - 0%; there are non-significant incidents, The rated entity reports violations - 50%; there is a clear statement about the absence of violations, incidents - 100%.

9.2.4. *Stress factor for the indicator «Data Privacy and Cybersecurity».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

9.3. **«ESG/Sustainability Disclosure» Indicator**

Metrics of the indicator "ESG/Sustainability Disclosure" characterize the disclosure of information in the field of sustainable development by the

Rated Entity. This indicator evaluates the selected UNSDG targets, availability of numerical data and tables for presentation of material, provision of data in accordance with the non-disclosure agreement. The metrics of this indicator take into account the regularity of consolidated financial and non-financial reporting, use of international reporting standards. In addition, the progress of the Rated Entity in relation to previous periods is assessed.

9.3.1. *Influence channel: Governance and Strategy*

9.3.1.1. The entity's strategy defines a planned contribution to achieving the UN Sustainable Development Goals (UNSDGs).

The metric values: The entity does not use UNSDGs – 0%; UNSDGs are defined – 100%.

9.3.1.2. There are summary tables in accordance with GRI/IFRS/SASB standards in the report.

The metric values: The tables are provided – 0%; the tables are part of the entity's report – 100%.

9.3.1.3. The entity discloses quantitative information (ESG databook or a section with such data in the report).

The metric values: Quantitative data is not disclosed – 0%; ESG databook with quantitative data is available – 100%.

9.3.1.4. The agency evaluates the entity based on publicly disclosed data.

The metric values: The entity provided data under NDA – 0%; The entity is assessed based on publicly available data (more than 2/3) – 100%.

9.3.2. *Influence channel: Targets & Performance*

9.3.2.1. Publication of reports in official languages.

The metric values: The entity discloses reports only in foreign languages - 0%; the rated entity discloses the report in the official state language - 100%.

9.3.2.2. Consolidated financial reporting is available for the past four years.

The metric values: Based on the average score of submetrics.

9.3.2.2.1. Consolidated financial reporting is available for year T (the year preceding the assessment year).

The sub-metric values: No data is available – 0%; the data is available – 100%.

9.3.2.2.2. Consolidated financial reporting is available for year T - 1.

The sub-metric values: No data is available – 0%; the data is available – 100%.

9.3.2.2.3. Consolidated financial reporting is available for year t - 2.

The sub-metric values: No data is available – 0%; the data is available – 100%.

9.3.2.2.4. Consolidated financial reporting is available for year T - 3.

The sub-metric values: No data is available – 0%; the data is available – 100%.

9.3.2.3. Consolidated non-financial reporting is available for the past four years.

The metric values: Based on the average score of submetrics.

9.3.2.3.1. Consolidated non-financial reporting is available for year T (the year preceding the assessment year).

The sub-metric values: No data is available – 0%; the data is available – 100%.

9.3.2.3.2. Consolidated non-financial reporting is available for year T - 1.

The sub-metric values: No data is available – 0%; the data is available – 100%.

9.3.2.3.3. Consolidated non-financial reporting is available for year T - 2.

The sub-metric values: No data is available – 0%; the data is available – 100%.

9.3.2.3.4. Consolidated non-financial reporting is available for year T - 3.

The sub-metric values: No data is available – 0%; the data is available – 100%.

9.3.2.4. The entity applies international standards in the field of sustainable development when disclosing information in reporting.

The metric values: International standards are not applied – 0%; International standards are applied – 100%.

9.3.2.5. The entity evaluates the progress in achieving goals set in previous periods.

The metric values: Based on the average score of submetrics.

9.3.2.5.1. Data confirming progress in achieving previously set goals is available.

The sub-metric values: The information is not disclosed – 0%; the information is disclosed – 100%.

9.3.2.5.2. Quantitative data on progress in achieving goals is available.

The sub-metric values: The information is not disclosed – 0%; the information is disclosed – 100%.

9.3.2.5.3. The entity reports on goal achievement during the reporting period.

The sub-metric values: Goals are not achieved – 0%; goals are achieved – 100%.

9.3.3. *Stress factor for the indicator «ESG/Sustainability Disclosure».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

9.4.«Ownership Structure» Indicator

Metrics of the indicator “Ownership Structure” characterize the ownership structure of the rated entity. This metric evaluates the disclosure of beneficiaries by the Rated Entity, disclosure of the charter and internal document regulating general meetings of shareholders, as well as the results of general meetings of shareholders. The assessment takes into account the presence of dividend policy and absence of offshore organizations in the ownership structure of the Rated Entity. The Agency evaluates risks coming from owners and measures to ensure equal conditions for realization of rights of all shareholders. Metrics of this indicator take into account the assessment of the ownership structure of the organization.

9.4.1. Influence channel: Governance and Strategy

9.4.1.1. The ultimate beneficiaries of the rated entity are disclosed.

The metric values: No shareholder data is disclosed – 0%; key shareholder data is disclosed – 50%; full shareholder data is disclosed – 100%.

9.4.1.2. The rated entity's charter is publicly available.

The metric values: The rated entity's charter is not disclosed - 0%; the rated entity's charter is disclosed - 100%;

9.4.1.3. The internal regulatory document governing general shareholder meetings is publicly available.

The metric values: The document is not publicly available – 0%; the document is publicly available – 100%.

9.4.1.4. The rated entity discloses the results of shareholder meetings.

The metric values: The results of shareholder meetings are not disclosed – 0%; the results of shareholder meetings are disclosed – 100%.

9.4.1.5. The dividend policy (or another document regulating the volume and procedure for dividend payments) is publicly available.

The metric values: No policy – 0%; the policy is published with

limited details – 50%; the policy is published and meets the Central Bank requirements – 100%.

9.4.1.6. The ownership structure of the rated entity does not have offshore organizations.

The metric values: There are offshore organizations in the ownership structure of the entity – 0%; there are no offshore organizations in the ownership structure of the entity – 100%.

9.4.2. *Influence channel: Risk Management*

9.4.2.1. Risks related to the owners of the rated entity (conflicts of interest, reputational damage, etc.) are considered.

The metric values: For the owners of the rated entity, risks associated with a conflict of interest or reputational costs (those who control 5% or more of shares are on the sanctions lists) – 0%; for the owners of the rated object, there are no risks associated with a conflict of interest or reputational costs – 100%.

9.4.2.2. The rated entity ensures equal conditions for all shareholders in exercising their rights.

The metric values: Based on the average score of submetrics.

9.4.2.2.1. Availability of communication channels for all shareholders.

The sub-metric values: The rated entity does not have a hotline for its shareholders – 0%; the rated entity has a hotline for shareholders – 100%. Disable in the case if there is only one shareholder.

9.4.2.2.2. Availability of a corporate secretary in the rated entity.

The sub-metric values: There is no corporate secretary – 0%; there is a corporate secretary – 100%.

9.4.3. *Influence channel: Targets & Performance*

9.4.3.1. Assessment of the ownership structure of the rated entity.

The metric values: Based on the average score of submetrics.

9.4.3.1.1. The ownership structure is transparent and stable.

The sub-metric values: The structure is not transparent and unstable – 0%; The structure is transparent and stable – 100%.

9.4.3.1.2. The ownership structure is balanced.

The sub-metric values: The key shareholders of the entity own less than 50% or less than 25% of shares are in free float – 0%; the key shareholders own more than 50% and 25% or more of shares are in free float – 100%.

9.4.4. *Stress factor for the indicator «Ownership Structure».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

9.5. «**Structure of the Board of Directors**» Indicator

The metrics of the indicator "Structure of the Board of Directors" characterize the structure of the Board of Directors. This indicator assesses the disclosure of internal documents related to the Board of Directors, remuneration of the Board members and the presence of the Sustainability Committee in the Board of Directors. The metrics of this indicator take into account the independence of the Board of Directors and the representativeness of the Board of Directors.

9.5.1. *Influence channel: Governance and Strategy*

9.5.1.1. Availability of a publicly accessible local regulatory document governing the size, activities, and structure of the board of directors.

The metric values: The document is not publicly available – 0%; the document is publicly available – 100%.

9.5.1.2. Availability of a publicly accessible local regulatory document governing the independence of board members.

The metric values: The document is not publicly available – 0%; the document is publicly available – 100%.

9.5.1.3. Availability of a publicly accessible document regulating the board members' remuneration.

The metric values: No document is published – 0%; the document is published with limited details – 50%; the document is published and meets the Central Bank requirements – 100%.

9.5.1.4. The rated entity publicly discloses board members' remuneration.

The metric values: The remuneration of the board members is not disclosed – 0%; there is no information on the remuneration of the board members – 100%.

9.5.1.5. The rated entity has established a sustainability committee, or ESG-related matters are assigned to another committee.

The metric values: No sustainability committee – 0%; another committee oversees ESG factors – 50%; the entity has its dedicated sustainability committee – 100%.

9.5.1.6. The rated entity publicly discloses the results of the board meetings.

The metric values: The results of the board meetings are not disclosed – 0%; there is information on the results of the board meetings – 100%.

9.5.2. *Influence channel: Risk Management*

9.5.2.1. The board includes a member with expertise in sustainability matters.

The metric values: There are no members with expertise in sustainability – 0%; the company has a qualified member with ESG expertise in the board of directors – 100%.

9.5.3. *Influence channel: Targets & Performance*

9.5.3.1. The number of board members and its structure are stable.

The metric values: Annual changes in board composition exceed 30% – 0%; annual changes do not exceed 30% – 100%.

9.5.3.2. Independence of the board of directors.

The metric values: Based on the average score of submetrics.

9.5.3.2.1. The board includes independent directors.

The sub-metric values: Less than 30% independent directors – 0%; 30%-50% – 50%; more than 50% – 100%.

9.5.3.2.2. The chairman of the board is independent.

The sub-metric values: The chairman is not independent – 0%;
The chairman is independent – 100%.

9.5.3.2.3. The committees of the board of directors include independent directors.

The sub-metric values: Audit and nomination/remuneration committees lack sufficient independence – 0%; audit committee is fully independent, and nomination/remuneration committee has at least 50% independent directors – 100%.

9.5.3.3. Diversity of the board of directors.

The metric values: Based on the average score of submetrics.

9.5.3.3.1. Women in the board of directors.

The sub-metric values: There are less than 10% women in the board of directors – 0%; there are 10% of women or more in the board of directors – 100%.

9.5.3.3.2. The board's professional experience and education are relevant and diverse.

The sub-metric values: The board of directors is homogeneous in terms of expertise and education – 0%; the board of directors is diverse in terms of expertise and education – 100%.

9.5.4. *Stress factor for the indicator «Structure of the Board of Directors».*

The metric takes on a value according to this methodology (see above):
in case of occurrence of an event related to the rated entity's activities

of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

9.6.«Risk Management» Indicator

Metrics of the indicator "Risk Management" in general characterize the organization of risk management of the Rated Entity. Within the framework of this indicator the risk management system, availability of an official or division responsible for the risk management process, risk map, regularity of risk assessment are evaluated.

9.6.1. Influence channel: Governance and Strategy

9.6.1.1. Availability of a risk management system.

The metric values: The rated entity does not have a risk management system - 0%; the rated entity has a risk management system - 100%.

9.6.1.2. An official has been appointed/a structural unit has been formed responsible for organizing and coordinating the risk management process and implementing internal control.

The metric values: Responsible person/unit have not been appointed - 0%; responsible person/unit have been defined and disclosed - 100%.

9.6.1.3. The rated entity discloses the procedure for assessing efficiency of risk management and internal control.

The metric values: Efficiency assessment procedure is not defined - 0%; efficiency assessment procedure is defined and disclosed - 100%.

9.6.2. Influence channel: Risk Management

9.6.2.1. The rated entity assesses the probability of realization of risks and their impact on the target indicators.

The metric values: The rated entity does not conduct its risk assessment or does not publish a list of identified risks - 0%; the rated entity provides limited information, including the presence of risks and risk mitigation measures - 50%; the rated entity

provides full information on risks, including the presence of risks, measures to reduce them and an assessment of the likelihood of risk realization and their impact on target indicators - 100%.

9.6.2.2. The rated entity has a systematic approach to risk management and minimization.

The metric values: Based on the average score of submetrics.

9.6.2.2.1. Risk are assessed on a regular basis.

The sub-metric values: Risk management reports are sent to the management board less than once a year -0%; risk management reports are sent to the management board at least once a year - 100%.

9.6.2.2.2. The rated entity conducts regular risk audits.

The sub-metric values: Risk management audit was not conducted the last year - 0%; risk management audit was conducted the last year - 100%.

9.6.3. *Influence channel: Targets & Performance*

9.6.3.1. The rated entity reports on the results of risk mitigation measures.

The metric values: the rated entity does not report on the results of the risk mitigation measures -0%; the rated entity reports on the risk mitigation measures -100%.

9.6.4. *Stress factor for the indicator «Risk Management».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

10. G-Factor Corporate Governance. Unique Indicators

10.1. ***«Integration of Environmental, Social and Governance Factors into the Credit Analysis» Indicator***

Metrics of the indicator "Integration of Environmental, Social and Governance Factors into the Credit Analysis" characterize the Rated

Entity's activities in terms of its approach to integrating ESG principles into its investment and lending activities. This indicator assesses the existence of a policy describing the approach to the inclusion of environmental, social and governance factors in social and environmental finance, the availability of reporting on compliance with the “Principles for Responsible Banking” of the UNEP Finance Initiative. Information on ESG risk identification and risk mitigation measures taken is also assessed. In addition, the absence of socially and environmentally controversial sectors in the investment and lending portfolios of the Rated Entity, observation of the activities of funded environmental and social projects and their perceived impact is assessed.

10.1.1. *Influence channel: Governance and Strategy*

10.1.1.1. The rated entity has a policy describing its approach to incorporating environmental, social and governance (ESG) factors into social and environmental financing/investing.

The metric values: no policy or separate statements – 0%; there is a policy on social or environmental financing/investment – 50%; there is a complete and detailed policy on social and environmental financing/investment – 100%.

10.1.1.2. The rated entity reports on compliance with the UNEP Finance Initiative's Principles for Responsible Banking.

The metric values: the rating object does not provide reporting on compliance with the UNEP Finance Initiative's Principles for Responsible Banking – 0%; the rating object provides reporting – 100%.

10.1.2. *Influence channel: Risk Management*

10.1.2.1. The rated entity assesses ESG risks.

The metric values: Risks are not assessed - 0%; The entity indicates the presence of risk and conducts its assessment, but the information is limited - 50%; The entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

10.1.2.2. The rated entity implements measures to mitigate risks.

The metric values: Measures are not described – 0%; measures are described – 100%.

10.1.2.3. The rated entity reports Scope 3 emissions.

The metric values: the rated entity does not report on Scope 3 emissions - 0%; the rating object reports - 100%.

10.1.3. *Influence channel: Targets & Performance*

10.1.3.1. The entity's investment portfolio excludes socially and environmentally controversial industries.

The metric values: The investment portfolio includes socially and environmentally controversial industries – 0%; the investment portfolio includes either socially or environmentally controversial industries – 50%; the investment portfolio excludes socially and environmentally controversial industries – 100%.

10.1.3.2. The rated entity's credit portfolio excludes socially and environmentally controversial industries.

The metric values: The credit portfolio includes socially and environmentally controversial industries – 0%; the credit portfolio includes either socially or environmentally controversial industries – 50%; the credit portfolio excludes socially and environmentally controversial industries – 100%.

10.1.3.3. The rated entity monitors the activities of financed environmental and social projects and their expected impact.

The metric values: The financial institution does not monitor the environmental and social impact of the financed projects – 0%; the entity monitors either the environmental or social impact of financed projects – 50%; the entity monitors both the environmental and social impact of financed projects – 100%.

10.1.4. *Stress factor for the indicator «Integration of Environmental, Social and Governance Factors into the Credit Analysis».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities

of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

10.2. «Harsh Weather Readiness» Indicator

Metrics of the indicator "Harsh Weather Readiness" characterize the readiness of the Rated Entity to severe weather conditions. This indicator assesses the availability of guidelines for adapting infrastructure (ports, airports, trains, ships, aircraft) to severe weather conditions, information on identifying risks associated with the operation of transportation routes and fleets in severe weather conditions, as well as on the implementation of measures to improve the safety and efficiency of operation of routes and fleets in severe weather conditions. In addition, the availability of predictive models of weather-related traffic congestion on routes and fleets is assessed.

10.2.1. *Influence channel: Governance and Strategy*

10.2.1.1. The rated entity has guidelines on operating in severe weather conditions (storms, hurricanes, snowfall, heat, icing).

The metric values: The entity does not have guidance on operating in severe weather conditions - 0%; the entity has guidance on operating in severe weather conditions -100%.

10.2.1.2. The rated entity has guidelines for adapting infrastructure (ports, airports, trains, ships, airplanes) to the severe weather conditions.

The metric values: The entity does not have guidance on infrastructure adaptation - 0%; the entity has guidance on infrastructure adaptation -100%.

10.2.2. *Influence channel: Risk Management*

10.2.2.1. The rated entity assesses the risks associated with the operation of transport routes and fleet in severe weather conditions.

The metric values: Risks are not assessed - 0%; the entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; the entity provides full information

about the risk: its magnitude, consequences and specific mitigation measures - 100%.

10.2.2.2. The rated entity implements measures to improve safety and efficiency of operation of routes and fleet in severe weather conditions.

The metric values: The entity does not implement any measures - 0%; the entity implements measures improve safety and efficiency of operation of routes and fleet in severe weather conditions - 100%.

10.2.3. *Influence channel: Targets & Performance*

10.2.3.1. The rated entity has predictive models of route and fleet congestion related to weather conditions.

The metric values: The entity has no predictive models - 0%; rated entity has predictive models - 100%.

10.2.4. *Stress factor for the indicator «Harsh Weather Readiness».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

10.3. **«Intellectual Property Rights Protection» Indicator**

Metrics of the indicator "Intellectual Property Rights Protection" characterize the activities of the Rated Entity in terms of the approach to ensuring the protection of intellectual property rights. This indicator evaluates the commitment of the Rated Entity to the protection of intellectual property rights, information on the identification of risks associated with intellectual property, and the measures taken to mitigate the risks. In addition, the availability of information on incidents related to the infringement of intellectual property rights is assessed.

10.3.1. *Influence channel: Governance and Strategy*

10.3.1.1. The entity declares its commitment to protecting intellectual property rights.

The metric values: The rated entity does not declare its commitment – 0%; the rated entity declares its commitment – 100%.

10.3.2. *Influence channel: Risk Management*

10.3.2.1. The entity assesses risks related to intellectual property.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

10.3.2.2. The entity implements measures to mitigate risks related to intellectual property.

The metric values: Measures are not described – 0%; measures are described – 100%.

10.3.3. *Influence channel: Targets & Performance*

10.3.3.1. The entity reports incidents related to intellectual property rights violations.

The metric values: The entity does not report on the incidents – 0%; reports – 100%.

10.3.4. *Stress factor for the indicator «Intellectual Property Rights Protection».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

10.4. **«Responsible Insurance» Indicator**

The metrics of the "Responsible Insurance" indicator characterize the Rated Entity's performance in terms of responsible insurance. This indicator assesses the quality of responsible insurance policies,

sustainability criteria for controversial industries, information on the identification of insurance risks of green initiatives and sustainable projects, and tracking of ESG indicators of clients. In addition, Coverage 3 emissions data is assessed.

10.4.1. *Influence channel: Governance and Strategy*

10.4.1.1. The rated entity sets sustainable development criteria for controversial industries.

The metric values: The rated entity does not have criteria for controversial industries - 0%; the rated entity sets criteria for controversial industries – 100%.

10.4.1.1.1. The entity has a policy for responsible insurance.

The sub-metric values: The entity does not have a policy for responsible insurance - 0%; the entity has a policy for responsible insurance – 100%.

10.4.2. *Influence channel: Risk Management*

10.4.2.1. The entity assesses the insurance risks of green initiatives and sustainable projects initiatives and sustainable projects.

The metric values: Risks are not assessed - 0%; the entity indicates the presence of risk and carries out its assessment, but information is limited - 50%; the entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

10.4.2.2. The entity tracks the improvement in ESG performance of its clients.

The metric values: Does not track – 0%; tracks - 100%.

10.4.3. *Influence channel: Targets & Performance*

10.4.3.1. The rated entity reports on Scope 3 emissions.

The metric values: The rated entity does not report - 0%; the entity reports on Scope 3 emissions - 100%.

10.4.4. *Stress factor for the indicator «Responsible Insurance».*

The metric takes on a value according to this methodology (see above):

in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

10.5. «Network Resilience» Indicator

The metrics of the indicator "Network Resilience" characterize the activities of the Rated Entity in terms of its approach to ensuring continuous power generation. This indicator assesses the presence of a strategy that provides for an action plan to minimize the probability and scale of consequences of extreme weather events and cyberattacks, information on the identification of risks associated with extreme weather and cyberattacks, and on measures taken to mitigate risks. In addition, the existence of initiatives to improve network resilience is assessed.

10.5.1. *Influence channel: Governance and Strategy*

10.5.1.1. The entity has a strategy outlining an action plan to minimize the likelihood and scale of impacts from extreme weather events and emergencies.

The metric values: No strategy or statements – 0%; strategy presented as individual statements on the website or in a report – 50%; comprehensive and detailed strategy – 100%.

10.5.2. *Influence channel: Risk Management*

10.5.2.1. The entity assesses risks associated with extreme weather conditions and emergencies.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

10.5.2.2. The entity implements measures to mitigate risks associated with extreme weather conditions and emergencies.

The metric values: Measures are not described – 0%; measures are described – 100%.

10.5.3. *Influence channel: Targets & Performance*

10.5.3.1. The entity implements initiatives aimed at enhancing network resilience.

The metric values: The entity does not implement initiatives for enhancing network resilience – 0%; the entity implements the initiatives – 100%.

10.5.4. *Stress factor for the indicator «Network Resilience».*

The metric takes on a value according to this methodology (see above): in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

10.6. **«Promotion of Open and Efficient Financial Markets» Indicator**

The metrics of the indicator "Promotion of open and efficient financial markets" characterize the activities of the rating subject in terms of the approach to ensuring transparency in financial markets. This indicator assesses the existence of a notification policy regarding the timing and nature of public disclosure by issuers of information that may affect the price of shares and debt instruments. It also assesses whether information is available on the identification of risks associated with the release of information, trading halt risks, and risks and opportunities associated with algorithmic or high-frequency trading, and the measures taken to mitigate the risks. In addition, the availability of information on the proportion of trades executed by automated or algorithmic trading, the presence of a sustainability equity index, and the presence of a sustainability sector are assessed.

10.6.1. *Influence channel: Governance and Strategy*

10.6.1.1. The rated entity has a notification policy regarding the timing and nature of public disclosure by issuers of information that may affect the share price.

The metric values: No policy or statements – 0%; policy presented

as separate CEO/top-manager statements on the website or in the report – 50%; comprehensive and detailed policy – 100%.

10.6.2. *Influence channel: Risk Management*

10.6.2.1. The entity assesses risks related to disclosures, trading suspensions, and algorithmic or high-frequency trading.

The metric values: Risks are not assessed - 0%; the rated entity indicates the presence of risk and assesses it, but the risk assessment is performed; rated entity indicates the presence of risk and carries out its assessment, but the information is limited - 50%; rated entity provides full information about the risk: its magnitude, consequences and specific mitigation measures - 100%.

10.6.2.2. The entity implements measures to mitigate risks related to disclosures, trading suspensions, and algorithmic or high-frequency trading.

The metric values: Measures are not described – 0%; measures are described – 100%.

10.6.3. *Influence channel: Targets & Performance*

10.6.3.1. The entity provides data on the share of trades executed via automated or algorithmic trading systems.

The metric values: The entity does not provide data – 0%; the entity provides data – 100%.

10.6.3.2. The entity has a sustainability stock index.

The metric values: No sustainability stock index – 0%; the entity has a sustainability stock index – 100%.

10.6.3.3. The entity has a sustainability sector.

The metric values: The entity has no sustainability sector – 0%; the entity has a sustainability sector – 100%.

10.6.4. *Stress factor for the indicator «Promotion of Open and Efficient Financial Markets».*

The metric takes on a value according to this methodology (see above):

in case of occurrence of an event related to the rated entity's activities of the Rated Entity, which has a significant negative impact on the environment, social sphere or governance.

11. Contact details and references

You may send any comments on the Draft Procedure by email esg@raex-a.ru until April 15, 2024.

Relevant links

- RAEX Sustainability Telegram Channel https://t.me/raex_sustainability
- official website of RAEX rating group <https://raex-rr.com/>
- RAEX ESG ranking https://raex-rr.com/ESG/ESG_companies/ESG_rating_companies/2024.1/

RAEX international rating consortium

Background. RAEX team has been compiling the ratings and rankings since 1995.

Products. It annually issues over 100 ratings and surveys.

Public recognition. The ratings are covered by the leading mass media, e.g. *Kommersant*, *Rossiyskaya Gazeta (Russian Newspaper)*, and *RBC*.

Acknowledgment. Governmental agencies and major corporations acknowledge these ratings, which are used in bidding and procurement systems. The consortium members have won a lot of grant competitions by the Presidential Grants Foundation.

Internationalization. The consortium comprises an EU rating agency based in Germany. It specializes in green finance. It is a member of the Silk Road alliance of rating agencies.

Official websites:

- raex-rr.com — RAEX rating group website;
- raexpert.eu — RAEX Europe rating agency;
- mosiur.org — *Three University Missions* Moscow international rating website;
- asrro.ru — Association of Rating Makers.

RAEX rating agency (RAEX-Analytics) is a major non-credit rating agency. This company was established independently in 2015, when the new legislation on credit rating agencies, which limited the scope of credit rating agencies activities, entered into force. Until that time, *RAEX-Analytics* team worked as part of the first Russian rating agency called *Expert RA* founded in 1997 under the common *RAEX* brand. *RAEX (RAEX-Analytics)* is compiling diverse rankings, assigning non-credit ratings, conducting market and industry research, and arranging theme events in the field of analytics.

RAEX-Europe (Rating-Agentur Expert RA GmbH) is the first formally recognized rating agency of Russian origin in Europe. It specializes in responsible financing. It compiles ESG ratings and rankings and verifies green bonds. It also holds the International Forum called *Responsible Investments in the CIS Region* in Frankfurt am Main, featuring the International Capital Market Association (ICMA), Climate Bonds Initiative (CBI), Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin), United Nations Principles for Responsible Investment (UNPRI), and financial community representatives.

Record of achievements:

- verification of the first green bonds issuance by "*RSB HMAO*" Ltd. (*Resource-Saving in Khanty-Mansi Autonomous Okrug*) in the CIS;

- verification of the first green bonds issuance in MOEX sustainability focus area and the first green bonds issuance by a financial institution called *PJSC Commercial Bank (CB) "Centre-invest"*;
- the first ESG rating of a Russian bank called *Credit Bank of Moscow (MKB)*;
- the first transaction on attracting an international loan by *MKB* with a peg to the ESG rating;
- the first rating of the mutual fund called *Russian Agricultural Bank (Rosselkhozbank, RSHB) Asset Management*;
- the first ESG ratings of Russia's constituent entities, such as Lipetsk Oblast, Tambov Oblast, and Chuvash Republic;
- management of the first independent ESG report database of Russian and CIS companies. (The database is now spanning 45+ companies.)

The Agency is a signatory to *ESG in Credit Ratings* UNPRI initiative, a stakeholder and an endorser of *Principles of Responsible Banking*, a *Task Force on Climate-related Financial Disclosures (TCFD)* supporter, and a member of *Luxembourg Finance Labelling Agency (LuxFLAG)* focused on responsible finance.

It is a member of the Silk Road alliance of rating agencies, namely China Chengxin Credit Rating Group (CCXI; China, Hong Kong), the Islamic International Ratings Agency (IIRA, Bahrain), VIS Credit Rating Group (Pakistan), and RAEX-Europe (the EU).