



Sustainability Report

**HOME
CREDIT**



2022



Contents



3 CEO Message

5 ESG Highlights

6 Who We Are

8 At A Glance

9 ESG At Home Credit

- ESG governance
- Aligning with the Sustainable Development Goals
- Materiality

18 Our Customers

- Responsible finance
- Digital empowerment
- Financial literacy
- Protecting customers' data and privacy

35 Our People

- Diversity, equity and inclusion
- Learning and development
- Employee engagement
- Wellbeing

47 Our Communities

- Social inclusion
- Community support and volunteering
- Promoting cultural exchange

53 Planet

- Encouraging sustainable consumption
- Volunteering
- Green operations
- Digitalisation

61 Our Partners & Stakeholders

- Our partners
- Government and financial industry stakeholders
- Investor community

67 Governance

- Governance framework
- Risk management

71 Appendices

- Definitions
- Disclosures



CEO Message

2022 was a year of global turbulence: countries finally emerged from the ravages of Covid-19; climate change continued to dominate agendas; geopolitical shocks became the norm. In these circumstances, corporate integrity and sustainability have become even more critical, and I am proud of all the achievements Home Credit has made.

In these circumstances, our business model proved resilient. Our mobile app continued to go from strength to strength, with 90% of all loans now being processed through the platform. And demand for our products and services remained robust, with core markets driving a 19% growth in new volumes.

For us, the past year also brought significant change. The war in Ukraine called for strategic decisions which were based not just on business but also on moral grounds. We ceased activities in Russia, selling our Russian operations. Under the transaction, Home Credit Bank Kazakhstan, a former subsidiary of the Russian entity, was deconsolidated. Although it is no longer part of the Home Credit Group, it remains part of PPF Financial Holdings.

We also agreed to the sale of our operations in the Philippines and Indonesia. I am proud that these successful and prosperous businesses attracted such high-profile investors. We have built both businesses from scratch, paving the way for the financial inclusion of millions of unbanked customers. We introduced market innovations,

brought out new products and implemented new frictionless ways of working. As the businesses continue to grow, they need access to new funding – and it is time to hand them on to someone with access to larger deposit-funded balance sheets. They will be in good hands.

Business responsibility, driven mainly from within our subsidiaries to reflect local specifics, has always been a distinguishing feature of Home Credit in our markets. The formal ESG framework helps us take a more systematic approach, while we keep focused on what we consider our most material issues.

Our key priority is fairness to the customer and financial inclusion. Through the experience of operating in developing markets for over 25 years, we know the extraordinary benefits that can be delivered when we enable people to enter the formal economy. In 2022, 42% of our customers were using regulated financial services for the first time.



For me as a business leader, a key learning from the pandemic was the importance of deepening digitalisation. We saw at first-hand the power of a digital-first customer strategy – especially as, in many of our markets, lockdowns forced customers online. Home Credit's digital transformation accelerated during that period, and we continued that momentum by progressing the roll-out of our global mobile app, which offers customers and retailers a greater range of products and services.

To enable our customers to make financial decisions that best serve their interests, we keep investing in the promotion of financial literacy and helping our customers become financially savvy. This year, we partnered with academics and other experts to share best practices, make financial education fun and educate our own employees. As a result, for example, financial literacy has become embedded within our global mobile app.

Home Credit also expanded our mass financial literacy programmes, resuming in-person classes with the easing of Covid-19 restrictions and continuing the digital and social media initiatives that were so successful during the pandemic. From collaboration with female influencers in Indonesia and national workshops in India to daily radio broadcasts in the Philippines, a record 222.5 million people benefitted from Home Credit financial literacy content in 2022.

We launched many initiatives in support of the financial wellbeing of women and female communities. A strong example of this was our ongoing promotion of entrepreneurship among women and other under-represented groups – through NGO partnerships, study-to-work schemes and scholarships. Later in this report, you'll read many examples, including our extensive efforts in Vietnam to help women in underdeveloped regions set up microbusinesses. These are genuine points of pride for us.

Equally important is embedding those same inclusion principles within our teams. We made substantial progress with the Home Credit diversity and inclusion strategy

this year, creating frameworks that align people-related processes and training programmes with our approach. From Pride activities in the Philippines to recruitment and training for people with disabilities in Indonesia to building a pipeline of female talent in Vietnam – we are creating opportunities for all and ensuring everyone is celebrated and cared for.

Many of the communities we serve were directly impacted by crises and natural disasters, including typhoons, flooding and droughts. That's why it is absolutely critical to support initiatives that help some of the poorest communities. This year, we supported more than 60 charitable initiatives, including volunteering at orphanages and schools, donating equipment to medical emergency services and contributing to typhoon relief in the Philippines.

Part of our role in combating climate change also involves making it easier for people to make sustainable choices. This year, we expanded existing partnerships with retailers selling products like bicycles, electric two-wheelers, photovoltaics and second-hand electronics.

We also promote sustainable development by cooperating with leading financial institutions. We announced two new ESG-linked facilities in 2022 – one with Deutsche Bank in Indonesia and another with Citi in the Philippines. It was also the first full year of our entrustment lending programmes in Vietnam with Standard Chartered Bank and in India with DBS Bank. These initiatives are promoting digital and financial inclusion in line with local policy agendas, and we have successfully hit all performance targets to date.

I want to end with a word of thanks for our employees' incredible dedication. Many have selflessly given up time and energy to drive Home Credit's ESG agenda. Without them, we would not be seeing the progress we are making. The Board of Directors and I continue to give ESG principles the highest priority, and I am excited to see where the next phase of our sustainability journey takes us.

RADEK PLUHAŘ
CHIEF EXECUTIVE OFFICER
HOME CREDIT GROUP



ESG Highlights

Customer Experience



58 NPS

across the Group ex China,
5-point YOY growth
(weighted average)



4.5

average app rating in
Apple App Store and Google
Play Store



0.13%

complaint rate
(Group average in
December 2022)

Financial Literacy



222.5m

people reached through
financial literacy initiatives



105

original financial literacy
videos and TV shows
produced



24,000

people trained through
financial literacy
workshops

Communities



60+

charitable projects



\$896,000

dedicated to philanthropic
projects in 2022



7,000

Ukrainian refugees supported
through essential banking
services

Planet



37,000

tonnes of CO2
global carbon footprint
(footnote: total for emissions
under Scopes 1, 2 and 3)



106,000

loan contracts for
refurbished products



497t

total waste



Who We Are

Our purpose and mission are clear: we responsibly deliver trusted financial services that customers and business partners access via their channel of choice. This means offering an omnichannel connection with our products and services as a means to meet our customers' needs. We do this via a resilient and growing partner ecosystem, which in turn helps to empower individuals and communities to live the life they want now.

For over 26 years, we have built a proud heritage that has delivered a broad range of innovative financial products and services in a responsible way. Whether it is helping our customers save for the future, enabling our business partners to develop closer relationships with their customers or financing purchases, we have been making it happen for over a quarter of a century. The Home Credit Group operates in countries with a combined population of around 3.2 billion, where the growth potential is high, GDP increases are above average and the consumer finance penetration rate is low.

Our financial services are designed to fit seamlessly into our customers' daily lives. They are powered by a dynamic and scalable technology platform, itself driven by extensive and proprietary data-led insights that deliver a frictionless experience for our customers. Historically, Home Credit has been successful in developing and delivering innovative financial services. From fully regulated banking services to dynamic revolving loan products to integration with powerful partner retail platforms. In more recent years, Home Credit has accelerated its own digital transformation.



We are consistently evolving the way we do business and adapting to our customers and partners.

When it comes to our business partners, we have a strong track record of integrating with their ecosystems, which has delivered value and created connections across a range of financial, banking and value-added services. Our expanding portfolio – which now includes health and life insurance products – is providing new ways for partners to diversify and drive growth, enabling us to create a stronger bond with our customers.

Our responsible approach to business is underpinned by a robust operating model and a disciplined focus on risk management, coupled with a deep understanding of the diverse markets where we are present. This has allowed us to serve over 140 million customers throughout our history.

This strong foundation means Home Credit is well positioned for future growth. We know Home Credit has the power to have a positive and transformative effect in shaping better societies and stronger economies. That is why we continue to heavily invest in improving financial and digital inclusion and literacy.

We offer accessible, responsible and affordable products and services, while giving our customers the know-how to use them properly. In addition, Home Credit is often an integral part of the communities in

which we operate and the environment that surrounds them.

GROUP UPDATES

In 2022, PPF and Home Credit announced the signing of an agreement to sell their Russian banking assets and subsidiaries to a group of individual investors in Russia. The change of ownership was completed in September 2022.

Home Credit Bank Kazakhstan, a former subsidiary of the Russian entity, was deconsolidated. While it is no longer controlled by the Home Credit Group it remains part of PPF Financial Holdings. Home Credit Bank Kazakhstan's activities before the transaction are included in this report.

There were also additional planned changes to the Home Credit Group structure that took place in 2022. Home Credit announced the signing of an agreement to sell two of its Asia based businesses.

The transaction to sell Home Credit's Philippines and Indonesia operations was reached with a consortium of Mitsubishi UFJ Financial Group affiliates, led by Krungsri Bank, a leading Thai institution. The deal to sell the Philippines business has now been completed, with the Indonesia deal expected to close in the second half of 2023.



At A Glance

PURPOSE

We empower people to live the life they want now.

MISSION

We responsibly deliver trusted financial services that customers and business partners access via their channel of choice. We continuously meet evolving needs, both directly and through innovative ecosystems – helping to build a more resilient world.

Customers

42%

loans to first-time borrowers

34.5k

loans per day issued

48s

to underwrite a client after receiving their information

19%

volume growth (ex. China)

90%

loans processed through digital platforms

0

critical security incidents

Employees

32.6k

employees

75+

different ethnic groups

36 NPS

for Home Credit as a place of work

15 hours

of training per employee

52%

of our employees are women

33%

of senior managers are women



INTRODUCTION

CUSTOMERS

PEOPLE

COMMUNITIES

PLANET

PARTNERS &
STAKEHOLDERS

GOVERNANCE

DISCLOSURES



ESG at Home Credit

- ✓ Aligning with the Sustainable Development Goals
- ✓ ESG Governance





ESG Governance

It is our fundamental belief that sustainability must be at the heart of our business approach. For us, the bulk of our material issues lie in the social area. At the same time, we are conscious that, like any corporate or individual, we play our part in the global effort to tackle the climate crisis. We also keep updating our ESG approach to be in step with the dynamically evolving sustainability-related frameworks.

Our key area of responsibility is closely intertwined with our purpose: responsibly delivering trusted financial services that customers and business partners access via their channel of choice, ultimately helping to build a more resilient world.

Over a decade ago, we formalised 12 core responsible lending principles in our Customer Charter. These best practices, which are based on Treating Customers Fairly regulations and the EU Consumer Credit Directive, are also embedded in our Group ESG Policy. They were designed to prevent customers from overleveraging, strengthen consumer rights and help people make informed financial decisions.

Our ESG Policy, adopted in 2020, incorporated our existing principles and laid the foundations for our formal ESG practice. It provides a systematic governance framework that is applied across the Group. It establishes ESG committees at Group and subsidiary levels, which are composed of top executives. The Group Board meets bi-annually to review ESG performance and set priorities. Daily management is carried out by the Group ESG committee, which reports to the Board, in collaboration with local ESG committees. Sustainability is therefore an integral part of our business strategy development and has the full support of Home Credit leadership.

We closely follow developments in global ESG frameworks. As a part of a broader PPF Group effort, our key priority this year was to prepare for the upcoming European Sustainability Reporting Standards (ESRS). In addition to ESRS, we base our methodology on Global Reporting Initiative (GRI) standards and use metrics that the Sustainability Accounting Standards Board (SASB) has identified as material for lending businesses.

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“Since we began our sustainability and ESG reporting three years ago, the world has evolved rapidly. Our customers, funding partners and employees increasingly demand ever greater

commitment to sustainable practices. As a result, our Board continues to drive deeper integration of ESG principles into our operations. With over 25 years’ experience delivering responsible, sustainable products, we understand the critical nature of ESG focused governance.”

Jean-Pascal Duvieusart

Chairman of the Board
Home Credit Group

”



“In today’s world, a clear focus on sustainable business operations is non-negotiable. Home Credit’s sustainability journey is an important one that ensures that our key stakeholders continue to trust

in our mission to provide responsible services to communities across the world. That’s also why we continue to invest heavily in sustainable business practices. This report sets out some of those areas of success that we are proud of.”

Jan Ruzicka

Chief External Affairs Officer
PPF and Home Credit Group



We have further streamlined our data collection processes to ensure accuracy, completeness and transparency. Last year, we created an ESG dashboard using Power BI, providing a centralised overview of sustainability metrics across our operations. ESRS data, which is often owned by various departments, is funnelled through a digital platform that allows delegation and validation chains and consolidating inputs at the Group level. The platform provider, GreenOmeter follows the ISO 14064 certification, validating that our carbon footprint calculation is fully in line with the Greenhouse Gas (GHG) Protocol.

While our core principles are defined at Group level, in 2022 the ESG agenda has been increasingly taken up by enhanced ESG teams at the subsidiary level. This has increased the sense of ownership and our ability to localise, leading to a boom in ESG activities across our markets (as you will see in later sections of this report). Most subsidiaries began publishing their own ESG mini reports and formulating annual ESG strategies approved by their CEOs.



“In the past year we have made great steps forward on our sustainability journey. While fine-tuning our data collection and reporting mechanisms in preparation for the upcoming reporting

requirements, we focus on what matters most. In particular, we have deepened our strategic approach in three core areas: financial literacy; diversity, equity and inclusion; and incentivisation of sustainable consumption.”

Vit Papousek

ESG Manager
Home Credit Group





Aligning With the Sustainable Development Goals

Home Credit Group fully supports the United Nations Sustainable Development Goals (SDGs). We aim to contribute to building a better future for our customers, employees and communities – through our business and our social inclusion initiatives. We previously identified six SDGs that are closely connected with our mission and strategy. Over the past year, we have made positive steps in our contribution towards these goals.

1 NO POVERTY

NO POVERTY

Financial inclusion plays a key role in reducing poverty and improving quality of life. Being able to buy a mobile device for the first time often means gaining access to the internet – and with it, access to new opportunities. And, with financing, more people can further their education and start and grow businesses.

By leveraging digital platforms and alternative data sources, we have developed innovative underwriting models that help more people benefit from responsible financial services. Through our many large-scale efforts promoting financial literacy, we also help people make more informed decisions about money and improve their financial wellbeing – promoting economic participation and fostering a more equitable world. And by collaborating with other financial institutions as well as charities fighting poverty and supporting those at risk of social exclusion, we have a broader impact that leads to more meaningful change.

3 GOOD HEALTH AND WELL-BEING

GOOD HEALTH AND WELLBEING

Our value-added product portfolio makes health insurance, life insurance and telehealth affordable to the mass market in areas with low penetration, making it easier for people to get the right protection for themselves and their families. This is particularly important for low-income and vulnerable populations, as well as those in remote and underserved areas. By making healthcare more affordable, we are helping improve outcomes.

We also promote health and wellbeing among our employees, whether it is offering access to mental health support, holding regular occupational health seminars or running events that improve physical fitness. And from blood donation drives to initiatives supporting ambulance services, we also play a wider role in building a healthier and more resilient world.



QUALITY EDUCATION

In many markets where we operate, education is not always affordable. Thanks to our financial services, customers can access schooling and training, gaining new skills and qualifications that open up new opportunities and promote entrepreneurship. From financing tuition fees and computers to textbooks and school supplies, we help reduce the financial barriers to education and enable more people to realise their potential.

We also provide scholarships to people from disadvantaged backgrounds, offer resources and tools on financial and digital literacy topics, teach and mentor university students, and donate ICT equipment to schools. In addition, we promote lifelong learning and professional development among our employees to help foster the business, digital and data science skills that stand out in today's fast-paced world.



GENDER EQUALITY

Diversity, equity and inclusion (DE&I) is a core ESG pillar at Home Credit. We promote gender diversity across our markets and operations, particularly in countries where women are under-represented in financial services generally.

One way we do this is through products and services that cater specifically to the needs of women, particularly those who may have been excluded from traditional banking systems. We offer loans, insurance and other financial products to support women-led businesses and enable women to pursue their entrepreneurial aspirations. From STEM career mentorship to digital and business skills training, we have a wide range of initiatives that empower women to make more informed financial and business decisions and benefit from the digital economy.

In addition, our DE&I approach ensures we support women in the workplace. This extends from recruitment to ongoing professional development, helping them build careers and take on leading roles in our business. We also offer benefits and flexible working arrangements to support work-life balance, and ensure we stick to the principle of equal pay for equal work.



DECENT WORK AND ECONOMIC GROWTH

As a consumer finance provider, we enable economic growth. And by giving people access to credit, we make them more financially resilient. We facilitate consumption, which is an important component of GDP. We also help our retail, manufacturing, payment provider and e-commerce partners uplift sales, which indirectly contributes to job creation and growth. We also support economic growth by encouraging and supporting entrepreneurship. For example, we offer financial education and training programmes to help women develop their business acumen, as well as provide financing and support to build or expand their micro businesses.

We pride ourselves on being an employer of choice in our markets. We protect our employees' rights and take care of their wellbeing. We offer fair and competitive remuneration and provide development opportunities. And we nurture a meritocratic culture that helps people advance. By helping to drive sustainable economic growth and promoting productive employment, Home Credit brings us one step closer to a sustainable world.



RESPONSIBLE CONSUMPTION AND PRODUCTION

We are fully supportive of the Paris Agreement goals. As a responsible corporate citizen, we strive to reduce our carbon footprint wherever possible. And as a global business, we recognise the cumulative impact of our efforts. These efforts include major strategic decisions, like processing loans digitally, going paperless and aiming for carbon neutrality in some markets. They also include everyday behavioural decisions, like reducing travel, promoting recycling in offices and using energy-efficient IT equipment and LED lights.

Our efforts extend to promoting sustainable consumption and the circular economy. For example, our financing makes e-mobility, energy-efficient appliances and photovoltaics more affordable, and we collaborate with partners to promote electronics recycling and reusing of second-hand devices.

SUSTAINABLE
DEVELOPMENT GOALS



Materiality

Thanks to streamlined data collection processes, we now have access to rich ESG data – which helps our departments and subsidiaries set their individual ESG priorities.

In 2021, we conducted a materiality assessment to map out the most significant issues facing Home Credit. To create the list of potentially relevant topics, we analysed sustainability megatrends, performed peer benchmarking and referred to international organisations' standards, such as the Standards and Practices for Responsible Inclusive Finance by the Social Performance Task Force (SPTF), the United Nations Principles for Responsible Banking, the Environment Programme Finance Initiative (UNEPIFI) and the Materiality Finder by the Sustainable Accounting Standards Board (SASB).

All Board members as well as executive, employee and customer representatives then assessed the relative importance of the key ESG areas. Issues have been rated between 1 and 10, with a higher number indicating higher materiality.

The identified topics are not new to Home Credit, but the process added additional depth to our ESG approach. The assessment results serve as the basis for further Board discussions on refining our ESG strategy.





MATERIAL ISSUES

Ranked from most to least material

ISSUES*	STAKEHOLDERS		
	BUSINESS	EMPLOYEES	CUSTOMERS
Customer satisfaction			
Clear and transparent communication with customers			
Customer resilience			
Customer privacy			
Responsible repayments			
Digitalisation and transition to e-commerce			
Board efficiency			
Information security			
Workplace culture			
Talent development			
Workforce continuity and talent management			
Financial inclusion			
Financial and digital literacy			
Giving back to society			
Anti-corruption and anti-money laundering			
Remuneration incentivising executive long-termism			
Adaptation to remote working			
Workforce diversity and culture			
Employee wellbeing			
Small retailer engagement			
Sustainable consumption incentivisation			
Green operations			

* issue definitions available on [page 71](#)

RATING COLOR SCALE





As the materiality assessment shows, customer satisfaction and protection carry the highest weight – including when it comes to employees' priorities. Fair business is not just a condition for our licence to operate but also for the sense of purpose that employees value. We believe that this strong focus on responsibility towards the customer and customer experience distinguishes us from many peers, and we further cultivate this competitive advantage. In this report's chapter on [Customers](#), you can read more on how we ensure this area receives proper attention.

Successfully digitalising and keeping pace with changing customer behaviour towards e-commerce also have high weighting. This is why we continue to invest in digital innovation, both in customer-facing processes and in employee-related infrastructure. Information security and privacy protection go hand in hand with this.

Workplace culture, talent management and development opportunities rank among the top priorities, too. You can read more about how we nurture an engaged, loyal and diverse workforce in the chapter on [People](#).

Environmental issues are high on the list of material issues but are a lower priority for us compared to social and governance issues. Nevertheless, in 2022, environmental responsibility rose in importance. In addition to carrying out meticulous carbon accounting, we nurture an environmentally responsible mindset among our employees. We also recognise the potential to extend our positive impact by incentivising sustainable consumption, and are developing new ways of achieving this. See the [Planet](#) chapter to learn more about how we address environmental issues.





Our Customers

- ✓ Responsible finance
- ✓ Digital empowerment
- ✓ Financial literacy
- ✓ Protecting customers' data and privacy





Responsible Finance

In many of our markets, customers earn daily wages, have unpredictable incomes and lack credit history. As a result, historically they have been excluded from regulated financial services.

To broaden access while ensuring we make responsible lending decisions, we use cutting-edge data science and AI to understand our customers' credit capacity. Then, we offer products based on their actual capability to repay – and provide transparent communication and assistance across the whole customer journey. That way, through the products, services and experiences we offer, we can meet customers where they are, supporting them based on their circumstances and needs.

RESPONSIBLE UNDERWRITING

Transparent and fair sales practices are the foundation of our customer experience. Our approach is about ensuring customers understand their options and are empowered to make informed decisions.

For example, the Home Credit affordable loan calculator is a simple way for customers to see at a glance whether the loan amount they are considering is reasonable given their household income. To protect people from overleveraging in the current global macroeconomic and inflationary environment, we tightened our underwriting criteria this year.

All product documentation is written without jargon or fine print, so it is easy to understand regardless of financial literacy level. In the days after customers take out a product, we make welcome calls to ensure they are happy with their decision and fully understand the terms and conditions. We also provide a 14- or 15-day cooling-off period (depending on the market), during which people can cancel their loan free of charge. We were the first in many of our markets to offer it. The number of customers who cancel their loan during the cooling-off period is minimal, demonstrating that people understand the products and are satisfied with them.



“We understand the importance of operating in a responsible way and that means sustainably too. One of our key missions is to open more opportunities for Vietnamese consumers to enter the formal,

regulated economy for the first time. I am proud that our business invests heavily in financial inclusion activities that are helping to unlock opportunities for the unbanked in this country. Digital strategies are helping us to reach and impact more people than before, which is very encouraging.”

Annica Witschard

CEO

Home Credit Vietnam

42%

of customers are first-time borrowers

36%

of our customers are women



FINANCIAL INCLUSION

Through financial services, we empower people to live the life they want now. We focus on developing products that make financing available to traditionally underbanked customer groups – meaning people have access to their first smartphone, affordable education and healthcare, and anything they need to build a small business.

For example, thanks to our partnership with manufacturers, we are able to offer 0% interest options, our customers can schedule instalments over six to 24 months to suit their needs, or use revolving loans that provide more resilient cash flow.

We are also active in assisting people whose financial circumstances suddenly change. Our enhanced safe lender toolkit aims to help customers resolve unexpected financial difficulties. It provides a range of short and long-term support options, including payment holidays, deferred payments, debt resolution help and dynamic repayments and settlements.

In 2022, we extended the reach of the insurance offered through our value-added services. There is a wide health insurance coverage gap in our markets, and we expanded our efforts to make these important services accessible to more people, with financing to make it affordable. Our partnership with MSIG, one of Asia's leading general insurance providers, expanded across the Philippines, Vietnam and Indonesia. Importantly, the entire process reflects our well-established commitment to transparency, affordability and consumer protection – so customers can find trusted providers and fully understand their coverage. This year, we focused additional investment on making the process more user-friendly.

Additionally, we extended our partnerships for mobile phone and electronics insurance. We now work with Bolttech as well as 22 other insurance partners across Southeast Asia and Kazakhstan. As a result, we are able to use our market position to provide customers with more competitive products and more favourable conditions

35%

of our customers are self-employed

32%

of our customers are millennials



“At Home Credit, we firmly believe that financial inclusion and empowerment go hand-in-hand. It is essential that we provide customers – regardless of whether they are new to credit

or long-term borrowers – all of the information they need to take responsible, financial decisions. Some communities in developing markets are vulnerable to over-indebtedness, it is our responsibility to ensure that does not happen by taking a fully transparent and sustainable approach with our customers.”

Zdenek Jankovsky

Director and Treasurer
Home Credit Philippines

98k

standalone life insurance contracts provided

301k

standalone health insurance contracts provided

50%

of consumer loans covered with payment protection insurance

93%

of two-wheelers sold with accident insurance

58

average NPS for insurance services



Awards



PHILIPPINES

Marketing Excellence Awards 2022

- Finalist – Excellence in Integrated Marketing
- Finalist – Excellence in Brand Awareness
- Bronze – Marketing Leader of the Year

Asia CEO Awards 2022 – Service Excellence Company of the Year

National Privacy Commission Privacy Awareness Week Awards 2022

Winner – Privacy Management Programme Award

Finalist – Data Protection Officer of the Year



INDONESIA

Indonesia Golden Brands 2022 – Golden Award for Digital Credit

DataIndonesia.id – Most Popular Lending Fintech



VIETNAM

Global Economics Awards – Most Innovative Financing App of the Year

Visa Award 2022 – Leadership in the Payment Volume Growth category



INDIA

Diamond Sabre Award for Superior Achievement in Research in Planning at the Sabre Awards South Asia 2022



SLOVAKIA

Superbrand Award – recognised as a top brand in the B2C category

Superbrand Award – Trusted Brand



KAZAKHSTAN

Ranked 3rd in the top 30 mobile apps by Intervale Kazakhstan and the Association of Kazakhstan Internet and Mobile Commerce Businesses

Asiamoney Magazine – Best Bank for Digital Solutions 2022



CZECH REPUBLIC

Our three brands – Air Bank, Zonky and Home Credit – received first, second and third highest score respectively, in the well-known Responsible Lending Index published by People in Need, a Czech human rights NGO

Superbrand Awards 2022 – B2C category

Mobile Banking App (awarded by Zlatá Koruna) – 1st place for Air Bank,

Bank of the Year (by KPMG) – 1st place in Bank of Customers for Air Bank



CUSTOMER EXPERIENCE

As part of our commitment to responsible lending, we take a systematic approach to ensure we are supporting people in the best possible way – putting customers at the heart of operations. This involves providing a seamless experience of working with us while mitigating against the risks of impulse buying, low financial literacy and other vulnerabilities.

Ongoing digitalisation and data science innovations help us maintain a balance between simplicity and safeguarding. Big Data-based underwriting models ensure that customers receive affordable products that effectively meet their needs. Our electronic Know Your Customer (eKYC) process uses AI to check and verify forms of identification, meaning applications are proofed quickly. As a result, customers are assessed and get approvals fast.

In this first year mostly without Covid-19 restrictions, we resumed having a network of in-store advisers who help customers face to face, which is particularly



“At Home Credit we devote a great deal of time and resources to make sure that everyone in our teams not only listens to our customers but understands our customers and put themselves in our

customers’ shoes. For that reason, everyone – including our country CEOs – take part in the ‘Live the Experience’ programme, in which top managers visit all our touch points, sell our products, listen to customers in call centres, and even respond to customers via collections or telesales. We also have routine ‘Voice of Customer’ studies to better quantify customer needs. In addition, we encourage our employees to use our products and we have a platform to gather all employee comments. We feed back the outcomes to customer and product teams for improvements. This programme is the backbone of all our customer-centric efforts in each of our markets.”

Umut Deniz

Head of Customer Engagement and Value Management
Home Credit Group

helpful for those with lower financial literacy and less experience of financial services. For example, in Indonesia, we doubled our network from 3,000 to 6,000 advisers, and in the Philippines increased it by 24% to 8,000.

At the same time, we developed our digital capabilities to make it easier for customers to access support at their convenience. In all countries, we introduced a new personalised, real-time interaction function powered





by AI. For instance, if customers enquire about a loan through a digital channel but get stuck at any point, our service team is alerted and can immediately get in touch to overcome the difficulty. We continued investing in AI-powered interactive virtual assistants and voicebots, which use state-of-the-art speech recognition and voice-to-text in multiple languages to provide rapid assistance. In 2022, we extended these capabilities to popular channels like WhatsApp, Zalo and Telegram, as well as updated our website-based support in all countries.

To drive continuous improvement, we have robust processes for tracking satisfaction data like Net Promoter Score (NPS), which we review regularly at executive level to ensure root causes for detractors are identified and any issues are immediately addressed. This year, we launched new customer journey NPS tracking, which enables us to evaluate specific processes like application, onboarding and payments. We also initiated a deep-dive customer research exercise to help inform our customer experience approach moving forward for different segments. The average NPS for the Home Credit Group increased to 58 compared with 53 in 2021 in YOY comparison, showing an incrementally improving trend. Home Credit Philippines topped the score with an NPS of 78 in a late 2022 survey. In addition, we launched new customer feedback channels on our website, Facebook, Google, WhatsApp and email, so it is easier for people to get in touch with their feedback.

LIVE THE EXPERIENCE

We make sure that our employees are able to stand in our customers' shoes, and this year we launched a flagship customer experience programme in all our markets. We invited all employees to test the different elements of the Home Credit customer journey and provide feedback, enabling us to fine-tune our approach. Top management teams also visited all our touchpoints – from point-of-sale to contact centres and collection visits – to gain a better understanding of customer challenges and goals. This has enabled them to make more informed choices and improvements in their respective departments.



”

“ESG is the driving force for our sustainable growth as a business in Kazakhstan. We know that customers demand a trusted partner when it comes to responsible finance. As a result, we integrate sustainability

policies and initiatives into our customer experience journey. That means, every step of the way, we are working in partnership with customers to ensure the highest levels of responsible lending and banking are taking place. ESG isn't just a budget line item, it's the very essence of what we do.”

Kiril Bachvarov

CEO

Home Credit Bank Kazakhstan



”

“Providing an excellent customer experience is essential to sustain our business growth. By committing to it, Home Credit can differentiate its brand in a tough market, and increase customer loyalty,

referrals, brand reputation and revenue. But above all, we also uphold our responsibilities to always protect our customers in every journey they take while using our products and services.”

Seno Dayan Buwono

Head of Market Research & Customer Experience
Home Credit Indonesia

58

Average NPS
across the Group



“Our investment into customer experience technologies continues to accelerate. Digital transformation now allows virtual assistance or voicebots to take responsible delivery of financial services to new

levels. Specifically, we are ramping up investment into Speech-to-Text technology. This rapidly converts audio text, which AI tools can then assess for call and customer service quality. All of this means that our human agents are freed up to help our more vulnerable customers. We are also seeing these innovations drive greater customer satisfaction via improved NPS responses.”

Fabien Sanchez

Chief Sales Officer
Home Credit Vietnam

**AWARD-WINNING CUSTOMER SERVICE**

In 2022, Home Credit **Philippines** became the first financial services company to offer 24/7 customer service through an in-house call centre. We also achieved a rate of 90% of cash loans disbursed on the same day of approval. We went on to win the 2022 Service Excellence Award for the quality of our service.

**LEADERSHIP IN REAL-TIME SUPPORT**

In **Kazakhstan**, we introduced an AI-powered real-time interaction function, in which support is automatically triggered based on how customers are engaging with our mobile app content and services. This resulted in higher customer satisfaction, as well as higher conversion rates.





Customer Stories



Denny
Journalist
Indonesia

”

“I used a Home Credit loan for the first time to buy an electric moped for my son. It’s not just eco-friendly, but also cost-friendly. I also used Home Credit a few times later, particularly during product promotions, which helped me get a good deal for what my family needed. Home Credit has helped me manage my finances better as well as meet my immediate needs.”



Stephen Armendez
Business owner
Philippines

”

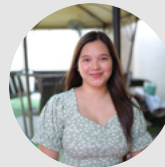
“I’ve already used Home Credit’s loan facilities around 5 to 7 times. I used one loan to pay workers to help with the sugar cane harvest. Recently, I used a loan to buy piglets for my backyard piggery and sold the pigs for a good price. Most importantly, a loan helped my family survive economic hardships during the Covid-19 pandemic. When I was made redundant during the lockdowns, thanks to Home Credit, I had the space to look for a new job and money to increase my qualifications for a new role.”



Vivien A. Molina
Single parent
Philippines

”

“Thanks to Home Credit, I’m able to pay my children’s tuition fees and other school-related expenses. For example, when my son needed a laptop for university, Home Credit helped me get him one. And when emergencies come up – like when I lost my handbag – I was able to replace my mobile phone fast with a loan. Home Credit is always there to help.”



Angela Jona San Jose
BPO employee
Philippines

”

“I’ve been a working student since high school and I am now the main breadwinner for our family. My first loan with Home Credit was back in 2017, to finance a washing machine my mother badly needed. I got a cash loan, which was a big help because the chances of getting a credit card without a credit history are slim to none. Unlike banks, with Home Credit, you don’t have to wait days for approval and then even longer for the money.”



Victoriya Abramova
Freelancer
Kazakhstan

”

“As a freelancer, I sometimes find it hard to manage my cash flow. I use the DOS Pro credit card, which makes my life easier in the most unexpected situations. The terms are good if you use it correctly, and there are plenty of options to fit your needs.”



Digital Empowerment

Digitalisation is an important way in which we promote financial inclusion and enhance financial literacy. Since 2014, mobile accounts helped drive an 8 percentage point increase in account ownership within developing countries, according to the World Bank. From making products accessible to providing information about money management – the Home Credit mobile app is helping customers use financial services safely.

2022 marked the first full year of our global mobile app, which gives customers in every country the benefit of cutting-edge functionality and security. Following successful pilots in 2021, this year we rolled out the app across India as well as in Vietnam and the Philippines. Over 90% of customer journeys started in the app in 2022. Next year, we will expand the global mobile app to Indonesia as we continue the process of transitioning our customers from legacy, country-specific apps to our enhanced global one.

This year, we enhanced the app's functionality by introducing greater personalisation. It now features financial literacy videos and other content covering everything from product and payment information to financial education. In 2022, we added support for digital transactions to make online shopping more convenient and affordable. We also extended our partnerships with retailers, utility companies and payment providers, making it easier for customers to find deals, learn about products and pay bills via the app. Thanks to these ongoing investments, the number of monthly active users increased 22% year on year.

Use of our digital Home Credit Marketplace increased, too. The Marketplace app allows customers to browse products, compare prices and buy from local retailers, facilitating the online-to-offline journeys that are increasingly popular in many of our markets. Customers can apply for Home Credit financing from the app or pay outright using the method of their choice. Our retail partners are using the Marketplace app to reach new customers without having to invest in their own e-commerce capabilities. And the app is encouraging people to participate in the circular economy, for example through mobile phone recycling and second-hand purchasing.



100% DIGITAL SELF-ONBOARDING

In **Indonesia**, customers can benefit from a 100% digital self-onboarding process via the Home Credit app, meaning they can access financing exactly when they want to make a purchase. At the same time, we maintain our robust security, Big Data-driven credit capacity analyses and eKYC capabilities to safeguard customers. In recognition of these pioneering digital capabilities, we won the Golden Award for Digital Credit from Indonesia Golden Brands 2022 and were named Most Popular Lending Fintech by DataIndonesia.id.



“Technology is enabling us to reach our customers in new and innovative ways. That’s why the launch of our Global Mobile App represents such an important step in our journey towards offering our customers

enhanced access to critical services that are linked to financial literacy or insurance, subscriptions and even e-commerce solutions.”

Jan Cenkr

Chief Information Officer
Home Credit Group



BENEFITS OF AFFORDABLE INSURANCE

Standalone health insurance is becoming increasingly popular in **Vietnam**, given the limitations of general coverage. This year, we saw a major uplift in customers purchasing health insurance via Home Credit. We started offering this product late in 2021. Within a year, more than 210,000 customers used us to take out policies. Our survey showed that most customers took out Home Credit's offer because it is good value for money.



INTRODUCING CHILDREN TO RESPONSIBLE MONEY MANAGEMENT

In the **Czech Republic**, Air Bank launched a new solution giving parents an easy way to introduce children aged eight and up to money management. Within the My Air mobile app, parents can set up a child's current account for free, apply for a payment card or sticker, set regular pocket money and adjust payment limits. Children have a special version of the My Air app, which teaches them how to handle their money. Parents can also set up savings accounts, where can track what they're saving up for. Parents maintain complete supervision and ownership of the accounts and can monitor them through their mobile banking account – while empowering children to manage their money responsibly.



EXPANDED SELF-SERVICE

We introduced a popular new digital self-service capability in **Kazakhstan** this year, providing retailers with QR codes linking to the Home Credit app. This makes it easier for customers to take advantage of affordable financing, and their improved spending power in turn benefits retailers. Customers scan the QR code displayed in the shop, which takes them to a range of financing options. Our end-to-end digital application process remains the fastest in Kazakhstan, with customers able to receive approvals within three minutes.

Thanks to this and our other digital capabilities, Home Credit Kazakhstan was named Best Bank for Digital Solutions at the 2022 Asiamoney Awards.

20%

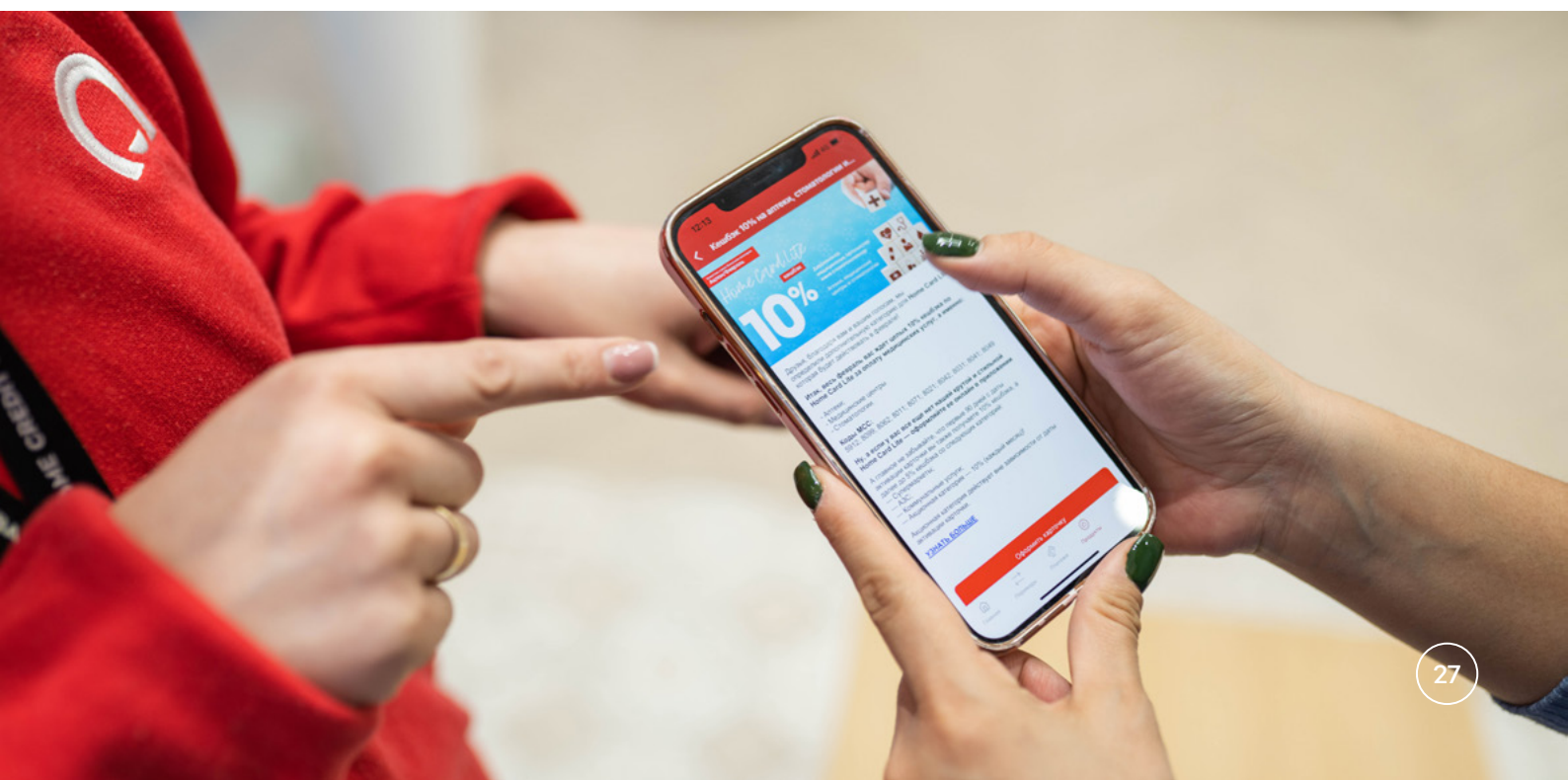
year-on-year increase in daily active users of the Home Credit app

4.5

average customer rating of our app in the Apple App Store

4.4

average customer rating of our app in the Google Play Store





Financial Literacy

In emerging markets that still have large unbanked and underbanked populations, being able to access financial services is transformative. But access alone is not enough, especially given the rise in digital fraud risks. Access needs to go hand in hand with financial knowledge, so people can make best use of those services. That is why we have had a long-standing commitment to boosting financial and digital literacy among our customers, their families and their communities.

In 2022, we enhanced our large-scale financial literacy programmes by looking at new ways to embed financial literacy into the customer journey. We resumed in-person activities as well as continued the digital initiatives that generated such successful outcomes during the pandemic, including workshops, social media campaigns, TV shows and online portals. We also expanded our influencer partnerships to draw more attention to financial literacy topics and help put important financial skills on the cultural radar. Thanks to these digital tools, our 2022 activities had unprecedented reach – 222.5 million people benefitted from our content.

In many of our markets, financial literacy levels are particularly low among women. Therefore, our efforts had a particular focus on women this year. Whether it was supporting female entrepreneurs in Indonesia, offering workshops for women and girls from marginalised communities in India, or providing household budgeting tips via TikTok in Vietnam – we helped to build skills and open new opportunities.

Our ambition is not only to offer state-of-the-art financial literacy programmes but to be the thought leaders in this important area. As part of this, we also continued our efforts to integrate insights from behavioural economics into our financial literacy activities, extending our partnership with Professor Sumit Agarwal from the National University of Singapore. This included holding a series of workshops exploring new ways to integrate financial education into our customer journey. In partnership with Professor Agarwal, we also held a Financial Literacy Week campaign through our LinkedIn account, creating a series of inspirational videos for financial

literacy educators. Our content covered areas such as avoiding financial fraud, reaching financial goals and managing money in the digital era. Nearly 15,000 professionals viewed the campaign content.





222.5m

people benefited from Home Credit financial literacy content in 2022, thanks to increased reach through social media

\$170k

invested to develop financial literacy activities in 2022

24k

people participated in our financial literacy workshops

105

original financial literacy videos and TV shows were produced



REACHING 20 MILLION PEOPLE ACROSS CHANNELS

In the **Philippines**, we launched the Wais Nation (Wise Nation) Financial Literacy and Consumer Protection Programme: a comprehensive education initiative that included a radio programme, microsite, social media campaign and in-person workshops. We reached 20 million people in total.

The radio programme – Payo Para sa Life (Advice for Life) – was created in partnership with Manila Broadcasting, the country's largest radio network. Over 30 days, Payo Para sa Life delivered two-minute financial literacy tips on air.

Our microsite serves as a repository of financial literacy, digital finance and consumer protection tips, stories, comics, videos and quizzes. Through our efforts to spearhead financial literacy with the Philippines Central Bank, we linked the microsite to the Home Credit mobile app, giving customers access to relevant financial literacy and consumer protection content as part of their onboarding process and throughout the customer journey. The microsite content has been visited 320,000 times since it was launched.

The Wais Nation roadshow started in Western Visayas in central Philippines, delivering financial literacy workshops to more than 2,500 people, including welfare recipients, university students, members of the LGBTQ+ community and migrant workers.



PROMOTING FINANCIAL LITERACY AMONG WOMEN

According to the Financial Services Authority, only 50% of **Indonesia's** population is financially literate. However, among women, this drops to just 36%. Our financial literacy efforts therefore had a major focus on promoting financial literacy among women, particularly those looking to start and grow their own businesses. We organised financial literacy classes for women for 141 participants across two major cities, providing valuable education as well as opportunities to introduce their businesses and network. Based on this success, we are looking to offer classes in new cities next year.

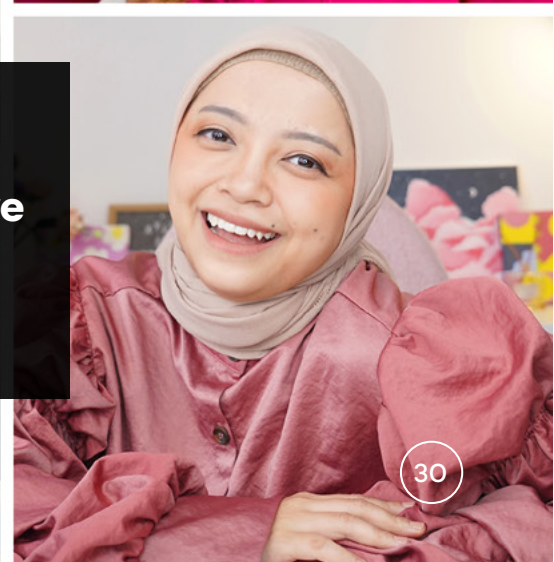


TAKING TIKTOK BY STORM

In **Vietnam**, we leveraged TikTok's growing popularity, launching a dedicated financial literacy channel with weekly competitions and videos focused on topics such as responsible borrowing, money management and household budgeting. As of the end of 2022, the content attracted nearly 30 million views and hundreds of thousands of interactions, making it one of TikTok's most popular financial literacy channels in the country.

We also continued our efforts on more traditional channels. Through our cooperation with the State Bank of Vietnam, we worked with Voice of Vietnam (VOV) to develop a radio and TV programme called Financial Inclusion – Benefits for the Community. The five episodes covered budgeting, personal financial management, using credit services responsibly and avoiding financial fraud.

And in partnership with Saigon Books, we published Now You Know – A Guide for Smart Money Management. The book features content from finance and economics experts, with a focus on practical tips and helpful charts. It is available in print and as an e-book, with proceeds from sales going to the Home Love CSR project supporting disadvantaged people across Vietnam.



This year, we partnered with six female influencers in financial literacy. In total, we reached nearly 800,000 people through our Instagram content.



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“The constant development of the financial, economic and demographic environment, together with the increasing risk transfers to individuals has turned financial literacy into a key life

skill for everyone. Digital channels continue to create new opportunities to reach our communities and with increasing freedoms post-pandemic, we have been accelerating our efforts combining a multi-channel approach. This is building on last year’s research on behavioural aspects of financial literacy in particular.

Mel Carvill

Non-executive Director
Home Credit Group

**FINANCIAL LITERACY WORKSHOPS GO NATIONAL**

According to a recent survey from the Security and Exchange Board of **India** (SEBI), just 27% of the country’s adult population is financially educated, and research puts India at the lowest adult financial literacy rate among BRIC countries. Financial literacy is therefore an important focus area for Home Credit India.

In 2022, we reached nearly 8 million people through our Paise Ki Paathshala (School of Money) social media campaign. We also partnered with the Indian Development Foundation (IDF) to take our financial literacy workshops nationwide. This project aims to improve financial literacy among 30,000 marginalised women and girls.

In addition, Home Credit employees conducted financial literacy training at local colleges, with approximately 1,000 students benefiting from these efforts.

**HELPING PEOPLE AVOID DEBT TRAPS**

In the **Czech Republic**, Home Credit is a long-term partner of the Financial Distress Assistance Centre, providing support and financial assistance. Home

Credit’s client ombudsman Miroslav Zborovský even serves on the board of this important NGO, which is operated by the Czech Consumer Association and the University of Economics of Prague. The Centre provides free assistance to people having trouble repaying debts, so they can plan their finances and avoid falling into a debt trap. In 2022, the Centre helped 8,230 people out of financial distress.

**RECORD REACH WITH SOCIAL MEDIA**

This year, Home Credit **China** focused on raising awareness of telephone fraud due to its increasing prevalence, in particular targeting the elderly and young college students. To further support students, we promoted awareness of monitoring and protecting credit records. We also supported the Central Bank’s campaign to fight illegal fundraising that victimises ordinary people trying to protect themselves from rising inflation.

In total, we reached a record 2.9 million people through these financial literacy campaigns on social media. A total of 260 online activities were conducted, and we were involved in 26 videos and TV shows on financial literacy topics.

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“We understand that increasing financial literacy in the Czech Republic and Slovakia is an important step for customers to improve their lives. 2022 in particular made this clear as family budgets

had to cope with high energy prices and extraordinary inflation. This has had a significant impact on the ability to repay loans. I have tried to educate myself by appearing in the print and electronic media, on national and regional broadcasts of Czech Radio and Czech Television. Another important help was offered by the organisation Counselling in Financial Distress, where we refer clients to whom we have exhausted all our possibilities of help. Home Credit’s client ombudsman is a member of the board of directors of this non-profit company.”

Miroslav Zborovský

Ombudsman
Home Credit Czech Republic



“Financial literacy has become the need of the hour, especially with the government’s focus on the penetration of financial inclusion in the country. By targeting marginalised women, we have begun financial education from the bottom of society, which will create a sound foundation for spreading its relevance to the wider society. Beneficiaries attending our literacy workshops have given a resounding response, with requests for more such regular training and to include males in the family for a bigger impact. IDF has been working on education & skill development for decades and with Home Credit’s persuasion of promoting financial literacy in the country, our synergies are in line to take this initiative much further.”

Dr Narayan Iyer

CEO

Indian Development Foundation



Protecting Customers' Data And Privacy

Interconnected information and communication technologies (ICT) play an enormous role in cybersecurity risk management. We are proactive in monitoring and mitigating security risks, ensuring customer data privacy and maintaining robust systems.

2022 was a turbulent year from the cybersecurity perspective. As Covid-19 restrictions eased and we adjusted to the post-pandemic world, political unrest in Kazakhstan caused a total network cut-off and the war in Ukraine led to an increase in phishing and denial of service attacks.

- Fully replacing our antivirus solution
- Merging policies into a simpler, unified framework baseline
- Adopting a new security monitoring framework
- Renewing our endpoint data loss protection project
- Deepening cooperation between our South and Southeast Asia IT security teams

These enhancements helped us stay a step ahead, with our teams using robust technologies and working around the clock to ensure our systems are safe and protected. When Kazakhstan experienced the total network cut-off, our rapid response meant there was minimal impact on services. Based on this experience, we updated our emergency communication and contingency plans.

In response to increased cyberattacks linked to the war in Ukraine, we upgraded our anti-malware solution in record time, implemented automated incident response processes and increased internal communications campaigns to help employees recognise phishing attempts.

During the year, we renewed our PCI DSS certification in Indonesia and Vietnam and our ISO 27001 certification for the Czech Republic and Indonesia. We also achieved ISO 27001 certification for our newly formed IT entity, EmbedIT. These efforts and their results demonstrate how effectively we safeguard the data and privacy of our customers and employees.



“As new regulations begin to be implemented across Asian markets, we understand the importance of a highly customer-centric approach. As a result, our ultimate objective is to promote the full transparency of our processing and ultimately safeguard our customer's data.”

Lukas Frohlich

Group Data Protection Manager
Home Credit Group



0	critical security incidents
80k	alerts investigated
44	internal assessments carried out
172	penetration tests conducted

DIGITAL LITERACY

Digital literacy efforts are a key component of our customer protection approach. Our anti-fraud teams continually monitor the online threat landscape, and their research informs content and campaigns that raise awareness of increasingly sophisticated fraud tactics and promote safe online behaviour.

COMBATING SOPHISTICATED FRAUD



In **Vietnam**, to combat a spike in sophisticated digital fraud schemes, we invested in digital literacy campaigns to help customers protect themselves. PR activity was complemented by a social monitoring and listening programme that identified phrases fraudsters commonly use, so we could proactively unmask scams. In addition, we provided regular social media updates to help people stay on top of the latest schemes and techniques.

AVOIDING PONZI SCHEMES



Ponzi schemes have become a serious threat in **Kazakhstan**, leading to stricter regulation. In support of government efforts to deal with this common problem, we launched a digital literacy

campaign educating customers about fraudster techniques and giving them tips on how to keep their digital financial activities safe.



10 COMMANDMENTS FOR SAFE ONLINE PAYMENTS

We partnered with the **Czech** Banking Association to support a major public information campaign about spotting fraud and phishing. The initiative involved influencer partnerships as well as social media and TV segments to educate people about evolving tactics.

We also launched the **10 commandments** for safe online payments, a campaign to raise awareness of the potential dangers involved in paying online and to remind people about safe payment basics. The campaign involved Czech and Slovak media outlets as well as social media.

15.5k	devices received cutting-edge anti-malware upgrades in just 3 months
951	online misuses of the Home Credit brand detected
6.7m	lines of code scanned using our automated security tooling
0	significant losses incurred or major penalties imposed in relation to the illegal processing of personal data



Our People

- ☑ Diversity, equity and inclusion
- ☑ Learning and development
- ☑ Employee engagement
- ☑ Wellbeing





Diversity, Equity and Inclusion

We focus on creating opportunities for all, nurturing diverse talents and creating a workplace where everyone is celebrated and cared for. Diversity, equity and inclusion (DE&I) is one of the pillars of our ESG approach. We firmly believe that as workforce demographics evolve, companies that foster an inclusive workplace will attract and retain the best people. We therefore focus on building a culture where everyone can truly belong and do their best work regardless of who they are or where they come from.

Importantly, our DE&I focus also helps us serve our customers better. As we continue to grow and our customer base becomes more diverse in terms of gender, generation, ethnicity, geography and more, it takes a diverse workforce to understand and serve them effectively.

This year, we made substantial progress in codifying our DE&I approach. Our DE&I working group, which has representatives from all countries, continued work on our strategy and policy. We identified five under-represented groups on which to focus:

- Women – especially in senior leadership roles
- Local talent – especially in senior leadership roles
- Young talent
- LGBTQ+ talent
- People with disabilities

Our strategy aims to increase representation in each group so we exceed the national average in our markets. To enable this, we will focus on applying DE&I principles across four core people management areas:

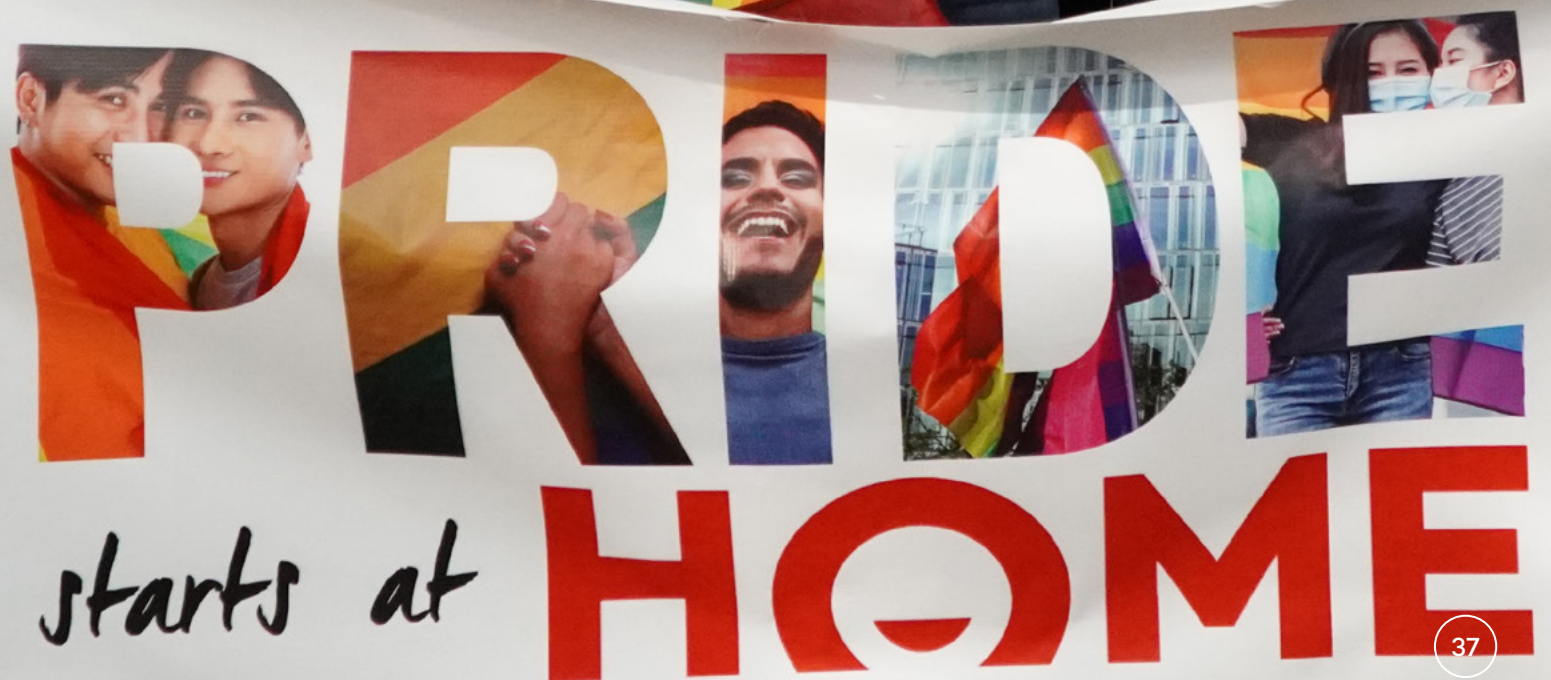
- **Education** – Generating opportunities to learn about DE&I to elevate our individual and collective consciousness.

- **Growth** – Building a diverse talent pipeline and ensuring equitable access to opportunities, information and leadership.
- **Engagement** – Understanding employee needs and uncovering equity challenges, leveraging data and analytics. For example, we are integrating DE&I topics into our employee engagement surveys. We engage with external stakeholders on DE&I topics, including partners, industry associations and the broader business community.
- **Community** – Fostering a culture of belonging, supporting authenticity and enabling employee wellbeing across areas, for example returning to work after parental leave, managing stress, tackling gender pay gaps and providing flexible working. We work with and support external organisations that foster a sense of community within our target groups, including women, LGBTQ+ and people with disabilities.

A wide range of initiatives at both Group and country level helped us make progress towards our objectives. From conferences and seminars to unconscious bias training and coaching on the art of conversation, employees engaged in DE&I topics throughout the year. We also worked with external associations and communities like D&I Shapers to discuss best practices around workforce planning, DE&I measurement and more.



More than 200 LGBTQ+ employees participated in the National Pride March, which was held in Quezon City, Philippines



PRIDE
starts at **HOME**



“We believe in the power of diverse workforces as a driver of positive change. Promoting an equitable work environment helps us to attract and retain talented colleagues, while inclusive teams

are crucial for us to grow careers, improve our business performance and also empower the communities that we serve. DE&I strategies sit at the core of how we approach our people internally and communities externally.”

Lucie Edwards

Chief People Officer
Home Credit Group

GROUP DE&I CONFERENCE

October was Diversity Month at Home Credit, with a range of initiatives taking place in all our countries. The month culminated in our first Group-wide Diversity, Equity and Inclusion Conference.

The conference brought together over 200 people from across the Group. We discussed how DE&I fits into our ESG strategy and how to drive progress through employee engagement and workplace design. Seminars focused on initiatives for the LGBTQ+, women in tech and people with disabilities, with country representatives showcasing flagship initiatives and experiences.



LEADING THE MARKET IN DE&I

Home Credit is one of the DE&I leaders in **Vietnam** and is piloting our structured DE&I approach within the Group. This year, we launched a DE&I competency framework that ensures all people-related processes are linked systematically to the DE&I strategy.

Initiatives included launching a new digital incubation programme to nurture young people, succession planning to build a pipeline of local talent for senior management and directing more recruitment activities towards people with disabilities.

Thanks to this structured and comprehensive

approach, employee engagement with DE&I increased, with more than 2,000 employee social media posts referencing DE&I topics, up from fewer than 500 in 2021.

Vietnam was recognised for its DE&I efforts in the NordCham Vietnam Nordic Business Awards 2022.



CLOSING THE GENDER GAP AND ALLYING WITH THE LGBTQ+ COMMUNITY

DE&I efforts in the Philippines focused on women and LGBTQ+ communities this year. Very few companies in the Philippines have an even ratio of men and women in executive roles, and we are proud to have a 50/50 split in our management team. We had an 15% increase in the workforce this year and maintained a balance of 49% women and 51% men. More than 200 LGBTQ+ employees and allies participated in the National Pride March, which was held in Quezon City. In October, we sponsored the Iloilo City Pride March, with more than 100 employees attending and Ken Lerona, our head of Public Relations, was invited to give a speech. As part of our sponsorship, we supported the Iloilo Pride Expo, which featured local LGBTQ+-owned businesses.

In June, we partnered with the Philippines LGBT Chamber of Commerce for two Pride Month events – an internal forum on gender sensitivity in the workplace and the National Pride March.

We also collaborated with the Philippines Business Coalition for Women Empowerment to aid policy reforms and promote diversity, and we won the Diversity Company of the Year Award in recognition of our efforts to promote gender equality.



RECRUITMENT AND TRAINING FOR PEOPLE WITH DISABILITIES

Home Credit **Indonesia** has a major focus on supporting people with disabilities through dedicated training, hiring and de-stigmatisation programmes. Our offices have step-free access, and this year we offered employees sign-language classes which were open to the general public.



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“A diverse and inclusive workplace can bring new perspectives and ideas, leading to better problem-solving and decision-making. A diverse workforce can also help us better understand and serve

our diverse customers and communities, which can also lead to better business outcomes. We have invested heavily in DE&I-enabled employee engagement and training programs across all levels of the organisation, staying true to our commitment to delivering inclusive and equitable employment experiences for everyone that we interact with, internally and externally. For us, DE&I is not a nice thing to do, it is the right thing to do.”

Alexis Pham

Chief People Officer
Home Credit Vietnam

75+

nationalities work at Home Credit, making it the most ethnically diverse team in our history

52%

of Home Credit Philippines' Executive Committee are women

”



“By joining the Home Credit team, I started to be financially independent. I also got more friends, new knowledge and skills which are useful for my career path.”

Clara Greta Aktalisa

Our employee who joined us through our recruitment programme for people with disabilities
Home Credit Indonesia





Learning and Development

We take a holistic approach to learning and development. Training starts from onboarding and progresses from entry level to the Executive Committee. From helping graduates enter STEM careers to identifying and nurturing future leaders, we ensure each employee gets training that develops their day-to-day skills – while helping them achieve fulfilment and advancement.

With pandemic restrictions lifted for most of the year, we were able to revive a busy programme of popular in-person training programmes alongside the enhanced digital offering we developed over the past couple of years. This included scaling up our Leadership Excellence Acceleration Programme (LEAP) and Odyssey programme, which has tracks for developing junior, middle and senior leaders. The Junior and Middle Odyssey programmes run at a country level for future leaders at different stages in their career.

This year, we re-launched Senior Odyssey at Group-level after a pause during the pandemic, with each country nominating up to three people to apply. Participants worked on case studies linked to business needs and will present them to a jury of senior leaders in 2023. The cohort met in person in Jakarta as well as online during the year. To complement this leadership-focused professional development, we introduced 360-degree feedback for all Executive Committee members across our markets. More than 1,200 employees provided feedback, which has fed

into executive development plans aligned with Home Credit leadership and functional qualities.

We also continued our global mentoring and reverse mentoring scheme, with 56 mentor/mentee pairs completing their year-long partnerships. Mentors were drawn from executive level, with mentees nominated by each country.

Our popular online learning offering expanded this year, too. We now offer 8,000 standardised courses through our Group-level platform, with countries offering additional content tailored to their employees' development requirements. In addition, we organised a busy programme of Group-level seminars and training programmes connected to our leadership and functional qualities. These featured internal and external speakers on topics such as tech trends, digital savviness and management inspiration.

Staff complete regular, mandatory training on corporate compliance, health and safety, data governance and information security. In 2022, 100% of people completed their required training.





THE HOME CREDIT CULTURE

Our learning and development approach focuses on embedding our values into core business operations by nurturing eight leadership and functional qualities. That way, there is clear accountability and progression.

Our 4 values



Being fair



Focussed on results



Innovative



Entrepreneurial



“The power of a brand as a talent retention and acquisition tool is growing. ESG and an organisation’s approach to sustainability is now a differentiator when we speak to our teams but also candidates. That’s why I am convinced

Home Credit is taking a sensible approach to these issues and we are seeing the positive impact in our retention levels.”

Alpha Omega Aquino

Chief People Officer
Home Credit Philippines

510k

training hours
delivered in 2022

56

leadership mentor-
mentee pairs

15

hours of online training
per employee, on
average

8 leadership and functional qualities



Customer Obsession



Thinking Big



Entrepreneurship



Digital Savviness



Operational Excellence



Risk in Mind



People Centricity



Integrity



GROUP LEADERSHIP CONFERENCE

In December we held a three-day leadership conference in Prague, bringing together executives from across the Group. Attendees had opportunities to discuss developments within their countries and cross-functional areas such as risk and HR, alongside panel discussions and sessions led by inspirational speakers. Masterclass sessions were also streamed for additional attendees in countries. This annual event helps leaders build connections and learn from colleagues across the Group.



AWARD-WINNING DIGITAL TRAINING

Home Credit **Philippines** is a market leader in terms of the breadth and depth of the digital training we offer, enabling staff from offices to call centres to the field to develop their skills. For example, through our online learning platform, sales associates can access bite-size training on their tablets when they have time between customers. We are also adapting training based on how different groups of people learn, for example based on age and attention span. In total, there was a 35% increase in the number of self-paced courses available to employees this year.

We were recognised with a prestigious Stevie Gold Award for Innovative Use of Technology in HR based on these achievements.



FOCUS ON CROSS-FUNCTIONAL SKILLS AND CAREER DEVELOPMENT

Thinking big is one of our core leadership qualities, and as a result, we encourage employees to take a broad view of their career at Home Credit. To promote this, Home Credit **India** launched Mission Vikas – a new programme to encourage cross-functional skills development and open doors to various career progression opportunities. Through the programme, employees get dedicated training in an area they are interested in and shadow a colleague in a relevant department. 390 employees participated in 2022.

The opportunity to gain new skills and progress quickly is one element that helps us attract and retain talent. As part of this, we introduced new advanced training for the IT, digital, data science, CRM and product teams, with approximately 90 staff participating.

We also initiated the Leadership Excellence Acceleration Programme (LEAP) in India. More than 4,000 employees participated in the training programmes, which focused on skills and qualities needed to move up the career ladder.



DEVELOPING YOUNG LEADERS

It was the first year of LEAP at Home Credit **Indonesia**, too. The programme focused on continuous improvement and innovation, with an initial cohort of 77 participants carrying out projects based on challenges arising in their teams. Each was paired with a mentor to support them in developing a solution to the challenge.

Additionally, we ran our Talent Acceleration Programme to develop young people into future business leaders and ran three cohorts of Junior Odyssey for a total of 91 participants.



NURTURING YOUNG TALENT AND SHARING KNOWLEDGE

In 2022, Home Credit **Vietnam** revamped its learning and development framework based on future workforce planning requirements and to incorporate our new DE&I competency framework.

As part of these efforts, we started a new Talent Incubation Programme focused on tech, data and digital roles. Not only does this help build a pipeline of talent at Home Credit, but it also helps foster interest in STEM careers, which are under-represented in Vietnam. We successfully recruited our first cohort of 28 trainees from local and international universities, and they have successfully transitioned to their new roles. Based on this success, we plan to expand the programme in 2023 with a second cohort and additional university partnerships.

Our cross-functional knowledge sharing sessions were popular this year, too. Programmes such as HR Talks, Homie Talks (on IT topics) and Skills for the Future helped people learn from colleagues and get inspired about future career paths at Home Credit. Our Business School series was also well attended, providing insight into Home Credit's business approach, transformation plans, culture and values.

BEST COMPANIES TO WORK FOR IN ASIA



TRAINING FROM RECRUITMENT TO LEADERSHIP

In **Kazakhstan**, not only did we launch Junior Odyssey, but we also offered an 'I Go to School for Experts' series covering a range of topics. In addition, we digitalised our pre-hiring training. This new approach gives candidates more flexibility and improved the pipeline of people progressing through the recruitment process.



DEVELOPING LEADERS AT AIR BANK

In 2022, Air Bank in the **Czech Republic** made significant improvements to its leader development approach, creating a new programme that provides two development tracks based on leadership level. In addition, we launched a new soft skills model for managers to help improve people management, which we validated through an employee survey and then piloted in a new Management Development Programme.



BUILDING ENTREPRENEURIAL SKILLS

This year, Home Credit **China** launched a new entrepreneurship initiative to cultivate a leadership mindset and embed the eight Home Credit qualities in current and aspiring managers. The managers had opportunities to meet senior leaders including CEO, learn about their career paths and gain management insights. The aim of this initiative was to build relationships with leaders and inspire personal growth.

97%

of executive and 65% of non-executive employees participated in regular performance and career development reviews

100%

of employees completed regular training on compliance, health and safety and information security.



Employee Engagement

Home Credit has 33,000 employees representing more than 75+ nationalities, and we place great importance on providing a motivating and rewarding place to work for everyone. Collaboration is key to achieving this, and we have established processes for engaging employees and taking on their feedback.

Last year, we developed the Home Credit employer value proposition, which articulates what makes Home Credit a great place to work and to hold the business accountable for offering a superior employee experience. After successfully rolling it out to China and Kazakhstan in 2021, we expanded it to all countries this year. Each country now has at least one trainer, with workshops held on how to communicate, uphold and embed it.

A cornerstone of our employee engagement approach is our biannual employee survey, which helps us gauge general satisfaction, identify and address challenges and drive meaningful improvements. This year, we conducted two surveys – in February and November – using a new, interactive platform that gives managers real-time insight into their teams and employees. We also included new ESG questions to gauge employee awareness of and engagement in related issues. 81% of employees participated this year. After each survey, countries prepare action plans, which are communicated to staff so there is accountability and transparency about our continuous improvement.

Our robust grievance management processes make it easy for staff to report concerns and for managers to resolve issues promptly and fairly. Employee grievances are concerns, complaints, violations or problems related to tasks, processes or ways of working which staff think are unacceptable or cause dissatisfaction. The Home Credit Grievance Committee oversees processes under our established Grievance Channel Framework and tracks complaints and resolutions using a real-time management dashboard. Employees can submit grievances through various channels. A dedicated team then assesses the complaint, sends an initial response and escalates it, if required. The standard resolution time is a maximum of 18 business days.

Each year we also measure employee Net Promoter Score (eNPS) at a Group level and for each subsidiary. In 2022, the average Group eNPS remained stable at 35.6 for Home Credit as a place to work.

36

average eNPS for Home Credit as a place to work

89%

of staff said they were proud to work at Home Credit

86%

of employees think customers' perspective is always taken seriously during important decisions

82%

of staff have confidence in Home Credit's leadership to make the best decisions



ESG FOCUS

Employee engagement in ESG was a key focus area for Home Credit **China**. November was ESG Month at Home Credit China, with a range of themed activities to help integrate ESG into day-to-day life.

This complemented a busy programme of employee engagement activities throughout the year, encompassing holiday celebrations, team building sessions and workshops. We ended the year with an awards ceremony recognising outstanding employees.



CONNECTING WITH AN EXPANDING WORKFORCE

Home Credit **Philippines** grew by 15% last year as points of sale (POS) re-opened post-pandemic. With such a dramatic increase in the number of employees, we had a particular emphasis on employee engagement. To help people understand and feel part of the wider organisation, we ran a monthly sharing session featuring executives from different departments, as well as townhalls for major announcements. We also held an HR roadshow, where HR visited different regions holding 'ask me anything' sessions.



RECOGNISED AS ONE OF THE COUNTRY'S TOP PLACES TO WORK

In **Vietnam**, our employee engagement activities had a strong link to our DE&I strategy and competency framework. For example, for International Women's Day, we ran a programme focused on role modelling competency-related behaviours. Thanks to a range of initiatives, we saw improvement in all categories of eNPS and a reduction in employee turnover.

Home Credit Vietnam received widespread recognition for being a great place to work, including three wins in the Vietnam HR Awards 2022, being the only consumer finance company in Anphabe.com's Top 100 Best Places to Work in Vietnam and winning a Vietnam Asia Award from the Ministry of Labour.



ENGAGEMENT THROUGH SERVICE

Home Credit has its own charity in the **Czech Republic** called Malina. It was created and is managed by Home Credit employees, who organise a range of events and projects throughout the year. We held Christmas and summer markets where staff sell handmade and baked goods to support good causes, such as Ukrainian refugees and people with disabilities. The Home Credit Sports Day also raised money for our partnership with ParaCENTRE Fenix, which helps people recover from spinal cord injuries.





Wellbeing

Our structured wellbeing agenda supports employees across four key areas: exercise and ergonomics, relaxation and meditation, health and nourishment, and stress and burnout.

From facilitating health checks to organising in-office massages, we held a range of in-person and online activities organised at Group and country level this year.



SUPPORTING EMPLOYEES' MENTAL HEALTH

We had a major mental health focus in the **Philippines**, including supporting people's adjustment to the 'new normal' post-Covid. Activities included regular webinars with occupational health specialists, Q&A sessions with doctors, a mental health hotline and forums for staff to provide mutual support. We also offered flexible working arrangements, with hybrid, remote and on-site options available to support employees based on their family life.

We were named a finalist for Workplace Health Advocate of the Year at the 2022 Employer Brand Awards 2022 for our efforts in this area.



PHYSICAL, SPIRITUAL, EMOTIONAL AND INTELLECTUAL WELLBEING

Home Credit **Vietnam's** approach focuses on physical, spiritual, emotional and intellectual wellbeing. On the

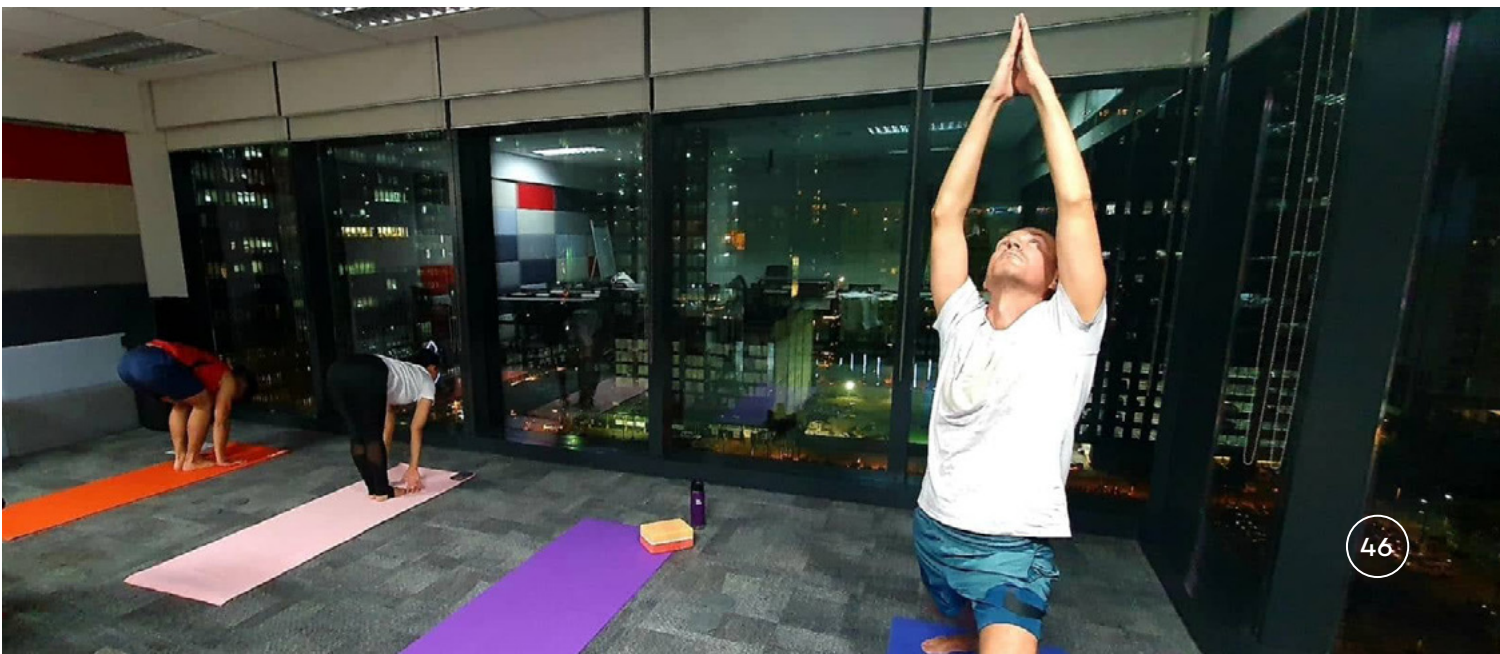
physical side, we participated in a corporate relay marathon that encourages everyone to get active and contribute to the company's overall kilometre count. Staff can walk, jog or run, covering as much distance as they are comfortable with. We came third in terms of the distance employees covered. We linked our DE&I strategy to spiritual wellbeing, with activities on mutual respect and empowering each other to live the life we want. We covered emotional and intellectual wellbeing through a calendar of training programmes and workshops on managing stress and increasing emotional intelligence.



ENCOURAGING BLOOD DONATIONS

In the **Czech Republic**, Home Credit employees regularly donate blood at a local hospital, and we have a buddy programme whereby first-time donors are connected to more experienced ones so they are comfortable and know what to expect. In September, we held a blood drive campaign where employees collectively donated 10 litres.

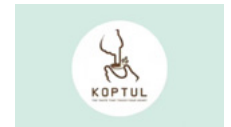
Air Bank conducted a number of employee activities this year, including lectures and workshops on general wellbeing and preventing burnout.





Our Communities

- ✓ Social inclusion
- ✓ Community support and volunteering
- ✓ Promoting cultural exchange



Contributing to our communities is an important part of our business and culture. We focus on meaningful projects that have lasting impact – by fostering social inclusion, building resilience and helping people from disadvantaged backgrounds access new opportunities.

These initiatives aren't just at a company level – we engage employees as much as possible through numerous volunteering opportunities with local organisations, schools and universities. We also partner with a range of international, regional and local organisations to maximise our collective impact, and

are proud to have received widespread recognition for our contributions.

Read on for more about our initiatives to promote social inclusion, support communities facing challenging times and endorse cultural exchange.

\$896k

dedicated to
philanthropic activities

60+

charitable initiatives
supported globally



1,115

people with disabilities
received scholarships for
web development training
courses in Indonesia

115

women in Vietnam received
support to expand their
microbusinesses

15

students received
scholarships to study at
the University of Science
and Technology of
Southern Philippines

7k

Ukrainian refugees
supported with essential
banking services

**INDIA**

Sabre Awards South Asia 2022 – Diamond
Sabre Award for Superior Achievement in
Research and Planning for our India Fights Back
– From Deferring to Demanding research with
First Partners, contributing to the economic
resilience of consumers post-pandemic

**PHILIPPINES**

2022 Philippines Women's Empowerment
Principles (WEP) Awards – 2nd in the
Transparency & Reporting category

**VIETNAM**

Global CSR & ESG Leadership Awards –
Platinum Award

Top 100 Sustainable Companies in Vietnam
awarded by Vietnam Chamber of Commerce

First consumer finance company to become a
member of the Vietnam Business Council for
Sustainable Development



Social Inclusion

Many of our markets have major inequalities, particularly among women, people with disabilities and those in rural areas. Being able to access education, employment and training is key to promoting a more equal society over time – and Home Credit has a proud tradition of supporting this. Our efforts focus on creating long-term value, helping people develop new skills and improve their quality of life in this fast-paced world.

Our commitment to supporting communities and fostering inclusion is part of the Home Credit culture. Not only are we involved as a company and through partnerships with NGOs and government agencies, but we also encourage employees to be active – working as volunteers and through fundraising. In 2022, we continued focusing our efforts on women and underrepresented groups.



PROMOTING INCLUSION FOR PEOPLE WITH DISABILITIES

According to the Central Statistics Agency (BPS), there are 22.5 million people with disabilities in **Indonesia**, totalling 5% of the population. Most of them are people of working age. Home Credit Indonesia has an established track record in helping people with disabilities access better employment opportunities.

Our flagship project is the Dicoding (disabled coding) programme, which we launched in 2021 and greatly expanded this year. In 2022, we provided an additional 1,115 scholarships to women and people with disabilities for front-end web development training, with courses ranging from elementary to expert skills.

We also offered sign language classes, which were open to employees as well as the general public.



ENABLING STEM CAREERS

Home Credit **Philippines** works with a range of partners to broaden access to STEM careers.

This year, we funded scholarships for 15 students at the University of Science and Technology of Southern Philippines. Recipients interned at Home Credit and





will join our team on successful completion as part of our scholarship-to-employment initiative.

We collaborated with the NGO For the Women supporting their data science fellows and tech capstone projects that open opportunities for women. We also worked with Atriev, an organisation that provides assistive technology to help people with disabilities access employment opportunities, and welcomed our first employee through the scheme.

In addition, staff volunteered in promoting careers in finance and technology. This included mentoring women studying IT and data science, participating in university career days and creating curriculum materials for university students.



EMPOWERING FEMALE ENTREPRENEURS

Home Credit **Vietnam** is known nationally for its efforts in championing female entrepreneurs, particularly those in rural areas and from disadvantaged backgrounds. Our pioneering efforts in this area over many years align with the government's Vision to 2030 and National Financial Inclusion Strategy 2025.

Since 2014, we have supported women living in poor, mountainous regions who have unstable jobs. We provide interest-free loans and business and digital skills training so they can start small businesses, for example raising livestock, tailoring or running a grocery store. In 2022, we launched a new collaboration with Yen Bai Province Women's Union and Hagar International for women who had been victims of human trafficking to start micro businesses. Through the project, we provided interest-free loans and financial training sessions to 55 women from ethnic minority backgrounds to help them expand agricultural and livestock production. They also received basic business training, learning how to write their business plan, manage their budgets, forecast revenues and calculate business expenses. Based on the first year's success, we're planning to expand the project in 2023 and recirculate the capital for another batch of beneficiaries. We also provided financial support to 60 women working in microbusiness cooperatives in the Mekong Delta, helping them expand their handicraft production, which uses sustainably and locally sourced materials.



"The clothes worn by ambulance staff must meet a number of requirements, these are not ordinary warm outerwear. So, the uniform should be wear-resistant: it should withstand many washing

cycles, as well as chemical and heat treatment. It should be waterproof both in snow and rain. Taking into consideration the work of doctors, the uniform should also repel blood and water. The uniform should be comfortable enough so that employees can feel good in it and move freely. An important factor is the aesthetic appearance. Doctors should look decent and at the same time differ from other employees of special services. We thank Home Credit Bank for their support. The donated clothes fully comply with all these parameters, and I hope that our doctors will feel comfortable wearing the uniform."

Yerbol Sarsenbayev

Chief Physician Of The Medical Aid Service Of Almaty
Kazakhstan



BUILDING A DIGITAL CLASSROOM

To build closer ties with the community near our office, our Home Credit **China** CEO, senior leaders and other staff volunteered at a primary school in our Tianjin neighbourhood, which has a large cohort of children of migrant workers. We also donated refurbished computers and tablets from our offices to equip a new digital classroom, supporting the teaching of new skills and promoting the circular economy.



DONATING UNIFORMS TO EMERGENCY MEDICAL SERVICES

During the civil unrest that swept **Kazakhstan**, the emergency services were under extreme pressure. As part of a range of initiatives during this time, we donated 3,000 winter uniforms and 2,000 summer uniforms to replace those that were destroyed or damaged.



Community Support and Volunteering

Whether it's helping communities during difficult times, empowering women and underrepresented groups or supporting people to develop needed skills for new careers, we're active in sharing our resources, time and expertise.

Home Credit is actively involved in community initiatives as a company and through staff volunteering as we nurture our culture of support and solidarity. This year, our employees participated in fundraising, shared their financial and technology expertise with young people and entrepreneurs, and supported those from underprivileged backgrounds.



TEACHING STUDENTS FINANCIAL SKILLS

In **India** last year, we launched our Saksham Employee Volunteer Programme. This year, we extended it to activities where Home Credit employees teach financial skills to university students. In 2022, approximately 1,000 students benefited from our employees' dedication.



SUPPORTING DISADVANTAGED COMMUNITIES

Home Credit **Philippines** organised volunteering opportunities for employees throughout the year. For example, we visited the Tahanan ng Pagmamahal (House of Love) Orphanage on the outskirts of Manila, spending the day playing with the children and giving them small gifts. We also organised a visit to a home for people with disabilities run by Bahay Biyaya, a small NGO in Manila. Following Typhoon Agaton in May 2022, we not only donated to relief efforts, but Home Credit employees also volunteered to distribute essential supplies to evacuees. During Christmastime, we partnered with World Vision Philippines to distribute food parcels for 80 families.



HELPING UKRAINIAN REFUGEES

We continued supporting people affected by the war in Ukraine, with our parent company, PPF Group, becoming one of the **Czech Republic's** largest supporters of refugees. Air Bank continued giving refugees easy access to banking services – offering a simplified process for opening current accounts, providing contracts and key documentation in Ukrainian and running temporary mobile branches at three refugee centres. As of the end of 2022, we have provided essential banking services to nearly 7,000 Ukrainians through the programme.

80

food parcels sponsored through the World Vision Philippines Christmas campaign

500+

children received gifts from Home Credit Vietnam's Home Love Bus



“Home Love, our flagship CSR project, is an endless journey of sharing with love. We invite both our customers and employees to join hands with us through charitable contributions or their time as volunteers. The Home Love journey will continue to reach numerous corners of our country fostering resilient and sustainable communities.”

My Vu Tra

Sustainability Assistant Manager
Home Credit Vietnam



SPREADING JOY WITH THE HOME LOVE BUS

In Southeast Asia, Mid-Autumn Festival is one of the most important celebrations – a time of family reunion and expressing gratitude for the harvest. In **Vietnam**, it has become our tradition to organise volunteering trips to remote areas where we join disadvantaged communities in the festivities, bringing encouragement and small gifts. This year, we made a surprise visit with our Home Love Bus, a refurbished Volkswagen T1 that travelled across Vietnam spreading joy and happiness.

Throughout 2022, the Home Love Bus delivered gifts to more than 500 underprivileged children across five provinces. These included the children of patients at the Ben San Leprosy Treatment Centre, migrant children in Ho Chi Minh City and families in Thua Thien, an impoverished area in Vietnam's mountainous border region which has a high proportion of people with disabilities due to dioxin poisoning from the Vietnam War. We finished with a big celebration for the Lunar New Year in the remote mountain communities of Yen Bai province. Over 150 Home Credit employees joined the Home Love Bus tour in 2022.



“Hagar International, an NGO dedicated to the recovery of women and children who have endured extreme abuses as a result of human trafficking and slavery, was delighted to get a grant from Home Credit for a project facilitated by Hagar Vietnam to cooperate with Yen Bai provincial Women Union providing microloans and financial literacy training to 55 vulnerable women in Nghia Lo town, Yen Bai province, Northern Vietnam in 2022.

Economic empowerment and increased financial literacy were critical components of this project in providing vulnerable women with the opportunity to live independently, increase their financial resilience and make decisions for their own development. The project, therefore, contributed towards the global Sustainable Development Goal 5 on Gender Equality, leading to an increased realisation of women's rights and the prioritisation of household finances towards their children's health and education.

This project aimed to build the independence of family units and strengthen communities.”

Hagar International





Promoting Cultural Exchange

Our operations span eight countries, and we cherish this diversity by promoting cultural exchanges. One of our flagship projects in 2022 was sponsoring poetry jukeboxes in Vietnam and Kazakhstan. The jukeboxes serve as 'speaking statues', with passers-by encouraged to choose a poem or traditional song for it to play, enlivening the public space.

The poetry jukebox is the brainchild of Ondrej Kobza. To enhance cultural exchange, we invited him to Astana, Kazakhstan, where he presented at the National University of Arts. We organised the project to promote the Czech Republic, where Home Credit

was founded, during its presidency of the Council of the European Union. Rudolf Hykl, the Czech Republic's ambassador to Kazakhstan, and Hynek Kmoníček, its ambassador to Vietnam, attended the unveiling ceremony.





Planet

- ✓ Encouraging sustainable consumption
- ✓ Volunteering
- ✓ Green operations
- ✓ Digitalisation





Encouraging Sustainable Consumption

Many of our markets are located in the global south, which is hard hit by the impacts of climate change. To mitigate these impacts, every action counts and every individual has a role to play. Part of our role involves making it easier for customers to make sustainable choices.

One way we do this is by making eco-friendly products and services more affordable. For example, in Southeast Asia, e-mobility plays a major part in the green transition. In Vietnam, we built on our existing cooperation with a leading electric motorbike manufacturer, forging partnerships with other e-mobility retailers to make products more affordable. In the Philippines, we offer financing with retail partners selling products like photovoltaics.

We also continued our efforts to promote the circular economy and encourage recycling. These included building partnerships to enable us to offer mobile device buyback schemes, which make it easier for people to turn in old phones for refurbishment and reselling. In many markets, Home Credit financing is now available for second-hand and circular economy

products. We also incorporated these principles into our financial literacy approach, beginning to integrate content encouraging people to think about circularity in their purchasing. And we are engaging employees in these efforts too, for example by having clothing recycling schemes in offices.

106k

loan contracts for
circular economy
products

0.99%

interest for financing
electric motorbikes
in Vietnam during
promotions





ILOILO BIKE FESTIVAL

Home Credit **Philippines** was a major sponsor of the Iloilo Bike Festival, which is a government initiative arranged to encourage green mobility. Not only did we sponsor a series of events but we arranged a booth that brought together all of our cycle-related retail partners. This promoted cycling as one of the most environmentally friendly forms of transportation and helped make purchasing a bicycle more accessible by providing affordable financing.



PARTNERSHIPS FOR ECO-FRIENDLY GOODS

Home Credit **Vietnam** continued to build partnerships with retailers offering green products and services. In addition to our flagship cooperation with VinFast, a major electric motorbike manufacturer, we began working with other e-bike, push bike and e-scooter retailers to make e-mobility products more affordable. We also forged new partnerships for eco-friendly consumer durables, including cooperating with local retailers to offer financing for second-hand mobile phones



CLOTHES RECYCLING

Through our Re.HOME initiative, Home Credit **Vietnam** partnered with Piktina, a local marketplace app for second-hand fashion. Staff set up collection points at two offices for colleagues to donate unwanted clothing, with Piktina collecting the items and listing the saleable ones on its app. All profits went to our Home Love charity programme that supports communities across Vietnam. Clothing that couldn't be sold was donated to charities.



RECYCLING-FOCUSED REBRAND

We held a major recycling initiative as part of our Home Credit **Vietnam** rebrand. More than 1,500 items of merchandise and stationery with the old branding were collected and either recycled or donated. Additionally, we continued our electronic device retirement programme by donating useable items to disadvantaged communities and responsibly recycling ones at end of life.



A NEW LIFE FOR OLD IT EQUIPMENT

Home Credit **China** donated refurbished computers and tablets from our offices to a primary school near our location in Tianjin, helping them equip a new digital classroom. During the year, we also held second-hand exchanges to promote the circular economy among staff.





Volunteering

We also encourage sustainable lifestyles by encouraging our people to ‘think greener’ and be active in initiatives to protect the environment. We work with NGO and government partners as well as other enterprises on initiatives that, in small ways, help combat climate change.

From planting trees and contributing to marine conservation to promoting recycling, Home Credit employees are helping address environmental issues facing their communities.



WATER CONSERVATION

In the **Philippines** this year, we helped the Vesna Panglao water conservation programme with their eco-friendly wastewater treatment initiative, which works to preserve coral reefs and marine habitats threatened by untreated wastewater discharged into the ocean. Vesna Panglao also created an artificial coral reef.

Another water conservation project related to the IPO Watershed near Manila. The IPO Watershed is the water source for 98% of households in the National Capital Region, and its forest cover has shrunk to only 40% in recent years due to deforestation and illegal logging. Trees play an essential role in the watershed's ecosystem. Tree roots help increase soil stability and prevent erosion during heavy rainfall, as well as absorb and retain water, which mitigates against flooding. The biotope also serves as a natural water-cleaning

system and a wildlife habitat. As part of an initiative organised by the Department of Environment and Natural Resources and the Balagbag Environmental Society, our staff planted over 50 trees at the watershed. In addition, we donated gear to forest rangers helping protect the area.



CYCLING FOR RECYCLING

In **Indonesia**, the national recycling rate remains below 10%, with most waste going to landfill. To promote awareness of recycling and to engage staff and communities to participate, we launched a large-scale Cycling for Recycling initiative in West Java and on Sulawesi Island. Working in partnership with MallSampah, a waste management company, we encouraged people to cycle round picking up litter and then bring it to nearby recycling warehouses. 20 tonnes of waste were collected across two major cities.

20
tonnes

of waste collected as
part of Home Credit
Indonesia's Cycling for
Recycling initiative





Green Operations

As a responsible corporate citizen, we strive to reduce our carbon footprint wherever possible. As a global business, we recognise the cumulative effect of our efforts.

In 2022, we continued to monitor our carbon footprint across all three scopes*, using our 2021 benchmarks to inform CO₂ reduction efforts. Scope 1 emissions are produced directly from our operations, such as exhausts from company cars or, in rare cases, emissions from the power generators necessary to ensure a stable electricity supply in some locations. Our emissions in this scope have seen a drastic drop due to phasing out diesel power generators, reductions of gas use for boilers and decreased number of company cars. Scope 2 emissions result from the purchase of energy for power, heat and air conditioning. Here, our carbon footprint has increased by 25%, mostly due the return of employees to our offices. Scope 3 emissions come indirectly from our value chain. These emissions are caused, for example, by employees' commuting, business travel, waste generated and products and services purchased. In Scope 3, we have seen a 34% increase, as well, due to resumption of office commuting as well as air travel. Our 2022 carbon reduction efforts focused on reducing power consumption through improved office energy management, installation of LED lights, paperless processes, deploying energy-efficient IT equipment and promoting recycling in offices.

*Greenhouse gases emitted in producing a unit of energy have been converted to the corresponding amount of carbon dioxide equivalent (CO₂e). Some emission factors are nationally specific – for example, electricity depends on the national energy mix, which is

different for each country and also changes over time. GreenOMeter, an independent entity, carried out our carbon footprint calculations.



EARTH HOUR

To engage employees in green operations, Home Credit **China** held Earth Hour in November, turning off office lights for an hour each day to raise awareness of power consumption.



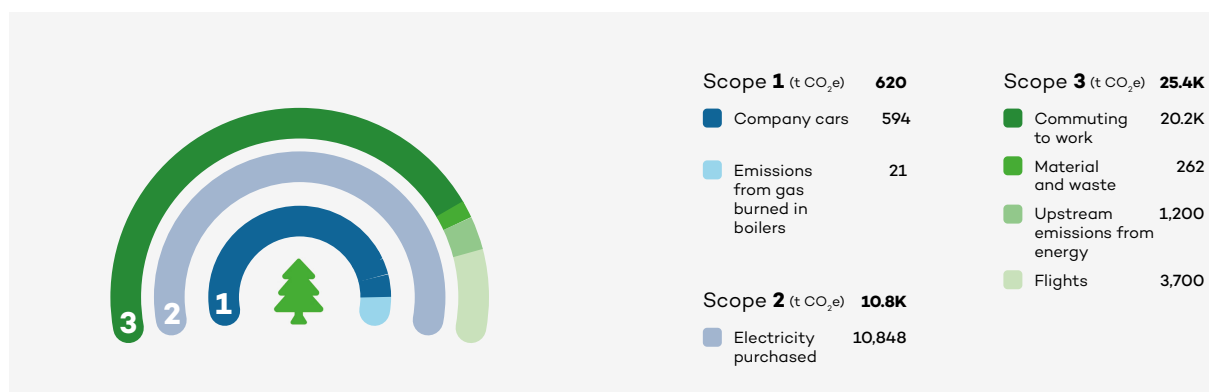
ENCOURAGING STAFF TO #GOGREEN

Our corporate office in the **Philippines** is in a LEED-certified building. To promote further energy saving, we installed windows with better insulation and regulated the use of air conditioning. We also launched a #GoGreen campaign to promote a sustainability mindset among employees.



SAVING ENERGY

In **Vietnam**, our 2022 activities focused on a range of energy and resource saving opportunities, including new systems to control electricity and air conditioning, eliminating plastic in the canteen and replacing single-use cups and bottles with reusable ones. These efforts were accompanied by our Home Green campaign, which engaged employees in efforts to reduce plastic consumption, save water and energy, print less and minimise food waste.





Digitalisation

Home Credit continues to drive digitalisation, helping to reduce our environmental impact while improving the customer experience.

We are working to minimise our impact on the planet by reducing paper use across the customer journey. At the same time, making our services accessible from anywhere via the internet saves emissions from transport of our clients to our physical branches. Through these efforts, we save 84 million sheets of paper a year – equivalent to 10.5 thousand trees – thanks to these efforts.

We also expanded the reach of our virtual credit cards this year, thereby reducing plastic consumption. Given our market reach, up to 14.3 tonnes of CO₂ could be saved annually if all our credit card customers chose the virtual option.

84m

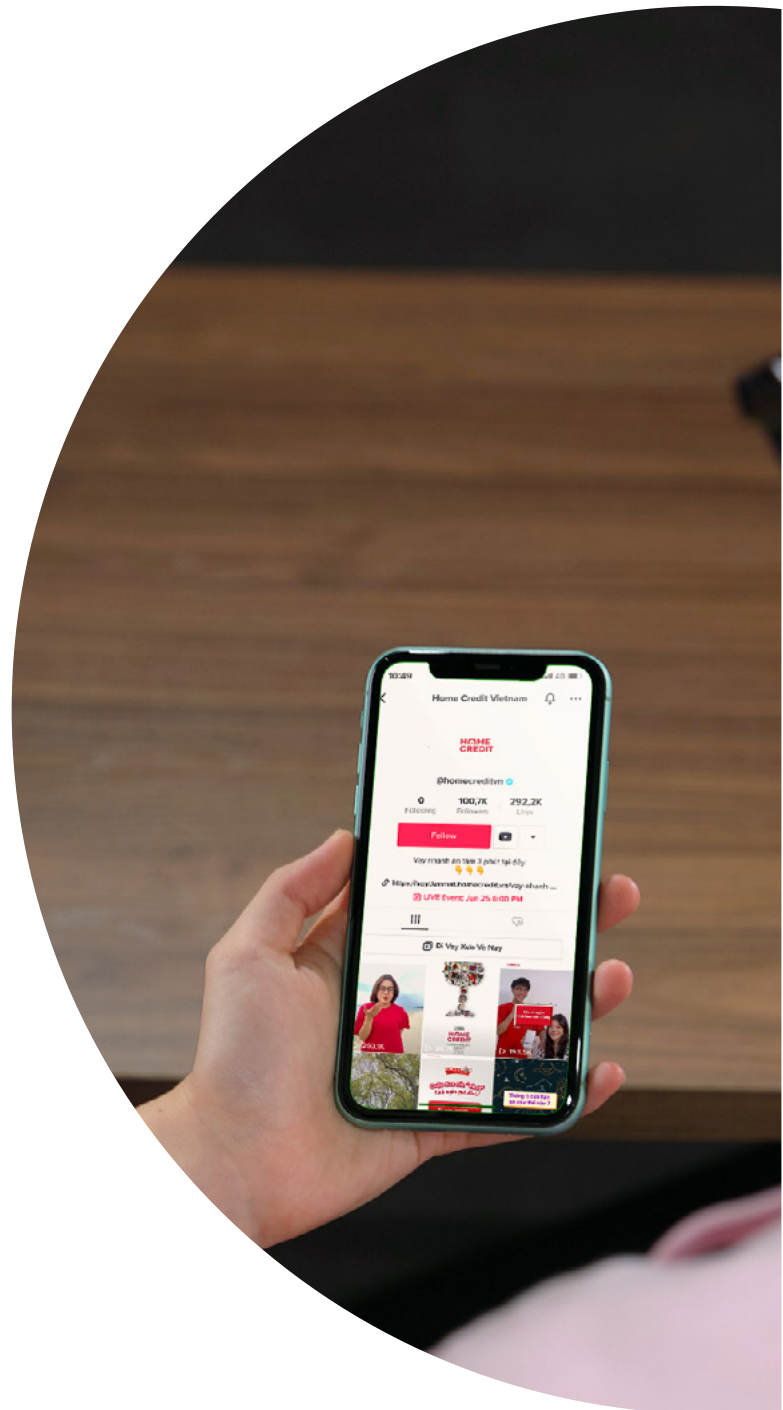
sheets of paper,
equating to 13.5k
trees, saved each year
through paperless
processes

14.3
tonnes

of CO₂ can be saved
annually by issuing
virtual credit cards
instead of plastic ones

100% DIGITAL

Home Credit **Philippines** had a major drive towards paperless in 2022, with customers now able to opt into 100% digital communication during our onboarding process. This year, we saved 30,000 sheets of paper through these efforts – equivalent to X trees.





Our Partners and Stakeholders

- ☒ Our partners
- ☒ Government and financial industry stakeholders
- ☒ Investor community



Our Partners

From small family businesses to multinational retailers, e-commerce platforms, payment companies and insurance providers – we help our partners access new growth opportunities. At the same time, these partnerships help us offer more value to our customers.

Since 2020 when the Covid-19 pandemic resulted in widespread store closures, we have had a major focus on helping our retail partners digitalise so they could reach customers where they were. In 2022, with everything reopened, we deepened our support for both in-store and online shopping. This included offering retailers a range of local language support options to help them make the most of the opportunities Home Credit financing and digital tools offer. 24/7 support is now available on multiple channels through virtual assistants, and retailers also have access to a library of digital training.



Partner Testimonial

Malybaeva Zhanara Musinovna

Furniture store manager
Kazakhstan

”

“Partnering with Home Credit has had a transformational impact on our business operations. Kazakh society is rapidly becoming more sophisticated and demand for our furniture products has risen in line with communities and families becoming more affluent. Home Credit’s mission to empower those underserved by traditional financial services also really helps drive demand for our products. Cooperation with Home Credit has led to a 130% increase in sales and we are excited to see what the future brings.”

This year, we expanded our partnerships with e-commerce and e-wallet companies, enabling customers to check-out in just a few clicks, paying with Home Credit financing. Our financing is now easily available through major brands across

our markets, including KasPro and Tokopedia in Indonesia, Pine Labs in India and MoMo in Vietnam. Small- and medium-sized retail partners benefit from this integration as well, because they can easily offer customers financing through a wider range of convenient payment methods.

We also deepened our insurance partnerships – from health to mobile phone protection and extended warranties. This year, we started working with leading health insurer MSIG in Indonesia following our successful collaboration in the Philippines and Vietnam last year. We continued our longstanding cooperation with Bolttech for warranties and electronics protection policies across Southeast Asia and also added new local partners to our portfolio. As of the end of 2022, we were working with 22 insurance partners across our markets.



“The partnership with Home Credit has enabled us to broaden our offering to support financial inclusion. With simpler and relevant risk solutions, we are able to help narrow the insurance gap among

SEA’s low- and middle-income groups. From emerging cyber risks, to traditional risks such as floods and typhoons which have heightened significantly under the influence of climate change, we want to be there for our customers as part of our mission to support the development of a vibrant society in this region.”

Clemens Philippi

Chief Executive Officer
MSIG Asia Pte Ltd



PINE LABS PARTNERSHIP

In April 2022, we announced a partnership with Pine Labs, **India's** leading merchant commerce platform which operates more than 600,000 payment terminals across the country. As of the end of 2022, more than 12,000 retailers were active in our system through this collaboration.



EXPANSION OF THE HOME CREDIT MARKETPLACE

The **Philippines** is at the forefront of developing the Home Credit Marketplace app, which has evolved into a vibrant hub where customers can browse products, compare prices and buy from local retailers. As of the end of 2022, the Marketplace featured 365 merchants offering 36,000 deals – 14 times more deals than in 2021. Customer traffic increased by 50% to total 15 million visits over the year.



NEW HOME PAYLATER OFFERING WITH LEADING E-COMMERCE AND PAYMENT PARTNERS

This year, Home Credit **Vietnam** launched Home PayLater with key partners. In August, we announced a collaboration with the Tiki e-commerce platform, and in November extended it to OnePay – a specialist in digital payment solutions. Through Home PayLater, customers choose instalment options over one, three, six or 12 months, and benefit from 0% interest rates. As of the end of 2022, 22 retailers were offering Home PayLater to their customers via our e-commerce and payment partners.



SME BANKING EXPANDS

Last year, Home Credit **Kazakhstan** launched a new low-cost current account for small- and medium-sized businesses. Based on the successful pilot, we invested in scaling this up to a comprehensive SME banking offering.



Partner Testimonial

Ms Nguyen Vi Van
iVIVU.com

”

“iVIVU.com aims to offer customers a seamless, uninterrupted experience through a single online platform. The Home PayLater service is completely in line with what we’re developing. Users don’t need to download a separate app to use the service or go through a complicated document verification process like with a credit card. They simply register for the Home PayLater service right from the payment page. We hope that the partnership with Home PayLater will help iVIVU.com increase the number of online orders, providing customers with a friendly, easy-to-use, convenient payment method along with attractive incentives.”

60%

of our retail partner stores are local, independent and family-owned shops

22

insurance companies partner with Home Credit, enabling retailers across our markets to offer value-added services to their customers



Partner Testimonial

Mayur Mulani
Pine Labs

”

“We are thrilled to partner with Home Credit India. Our joint offering will bring more customers under the growing Buy Now Pay Later equated monthly instalment (EMI) category and help merchants in India drive sales through easy-to-access and quick EMI offers during checkout using Pine Labs’ POS terminals.”



Governmental and Financial Industry Stakeholders

We work with government agencies, regulators and industry organisations to share knowledge and help develop new standards. Our experiences from Europe to Southeast Asia mean we bring an informed outlook that balances international best practices with local requirements.

We believe that mature regulation is a bedrock for driving sustainable growth through financial services. Our experiences as a financial inclusion champion and digital innovation leader are helping inform new standards and regulations in areas such as responsible lending, data privacy, fraud prevention and cybersecurity. In 2022, we continued to work with a range of organisations such as the Alliance for Financial Inclusion (AFI) to drive progress in this important area.

As part of these efforts, we partnered with Economist Impact to conduct research into Covid-19's long-term impact on personal finance in Asia, which had some of the world's most stringent pandemic control policies. The research drew on experts including Professor Sumit Agarwal from the National University of Singapore, Steven Kidd from UNICEF UK and Era Dabla-Norris, the IMF's mission chief for Vietnam. The findings on reductions in personal disposable income, rising unemployment, access to credit and the impact of different fiscal relief packages are helping to shape post-Covid approaches to economic recovery.

We also worked with the Financial Times to host a webinar on financial inclusion. The event panel featured representatives from Home Credit, academia, the World Bank and financial journalism, with attendees drawn from financial services executives, regulators, financial literacy practitioners and NGOs globally.

Home Credit is a partner of the World Economic Forum (WEF), which is one of the major facilitators of important discussions on social, environmental

and geopolitical issues and their relationship to business. We are also a general partner of the Business Leaders Forum, a platform which helps raise awareness of ESG in the Czech Republic through the annual ESG conference, regular ESG club sessions where companies discuss latest developments in the sustainability landscape, and sustainability shadowing to help businesses share best practices among each other.



“Home Credit is a cherished partner whose efforts to create a better future for all align with Bolttech’s own values. Over the past year, we’ve seen Home Credit take considerable strides to encourage

financial inclusion and lead the way for digital empowerment, particularly in parts of Asia where it’s needed most. We are proud to be part of this journey, having been recognised by Home Credit Indonesia as a key partner supporting its mission to deliver even more possibilities to Indonesians. Home Credit’s commitment to serve its customers responsibly and ethically inspires us to work even harder together to help empower people to live the life they want now.”

Mark Simmons

CEO

Bolttech Europe & Asia



Investor Community

2022 marked a step-change in ESG-linked funding at Home Credit. Through cooperation with leading regional and international institutions, we are driving financial inclusion and supporting the sustainable development of our markets.

Our ESG framework drives our approach to working with the investor community and funding partners as they become more focused on structured approaches to ESG. We actively explore transactions that align with our framework and enable us to promote financial and social wellbeing within individual countries and at a regional level in Southeast Asia. Our measurable outcomes in these areas make us a partner of choice.

In December 2021, we announced a sustainability-linked loan in the Philippines, where 47% of the population is unbanked. The facility, arranged with Deutsche Bank, features KPIs focused on promoting financial inclusion among women and young borrowers, promoting digital inclusion by enabling access to mobile devices, expanding financial literacy and protecting customer data. Other KPIs relate to digitalisation, tying in with the Bangko Sentral ng Pilipinas' (BSP) digital agenda for financial services.



“For the Group, ESG funding lines have continued in the past year and it has been especially satisfying to see that all of our South and Southeast Asia markets are now benefiting from ESG

linked funding sources. Our banking and funding partners recognise our continued commitment to financial inclusion but also value our track record in acting as a responsible partner in areas such as inclusive finance as well as customer data safety. Trust in our ESG agenda continues to attract new and exciting partners, which underscores the importance we place on sustainability across our operations.”

Jean Lafontaine

Head of Funding M&A and Investor Relations
Home Credit Group





In July 2022, we expanded this cooperation to Indonesia, as we collaborate with Deutsche Bank to deliver sustainable financial services and inclusive growth in Southeast Asia's largest economy. The facility's KPIs focus on financial inclusion and literacy, with the specific aim of reaching first-time and female customers in line with the government's 2024 target of achieving 90% digital financial inclusion.

Both of these facilities comply with the Asia Pacific Loan Market Association's Sustainability-Linked Loan Principles. The KPIs are measured and verified by an independent party, and we have successfully hit all performance targets to date.

In May 2022, we announced a new joint social finance facility in the Philippines with Citi, which is the country's largest foreign bank by assets. The loan is designed to promote greater connectivity and improve lives through access to essential services like online banking, financial literacy, online education and entrepreneurial activities. KPIs relate to the number of new digital devices financed and the percentage of female borrowers.

This was the first full year of our entrustment lending programmes in Vietnam and India. Our Vietnam initiative in partnership with Standard Chartered Bank is focused on financial inclusion, enhancing affordable access to finance for millions of Vietnamese consumers, particularly those under-served by traditional financial services. Our joint lending programme with DBS Bank India is also designed to give under-served segments access to responsible lending practices. With DBS Bank, we offer affordable personal loans through our fully digital process, making credit more accessible and meaning we can approve and disburse funds quickly.



"As an organisation that is defined by a strong sense of purpose, DBS seeks to accelerate financial inclusion and drive social mobility for every segment of the community, regardless of their ability and

background. Our partnership with Home Credit catalyses our collective efforts to uplift the lives and livelihoods in emerging Asian markets of India and Indonesia. By tapping on our technology and spearheading responsible financing practices, we are able to jointly offer credit to the underserved segments in these countries."

Ananya Sen

MD, Group Head Retail Products
DBS Bank

[INTRODUCTION](#)[CUSTOMERS](#)[PEOPLE](#)[COMMUNITIES](#)[PLANET](#)[PARTNERS &
STAKEHOLDERS](#)[GOVERNANCE](#)[DISCLOSURES](#)

Governance

- ✓ Governance framework
- ✓ Risk management





Governance

Our governance approach involves decision making and oversight that promote Home Credit's long-term success. This benefits our shareholders as well as our customers, colleagues, partners, communities and other stakeholders.

Home Credit's robust corporate governance provides a sustainable foundation for our responsible operations and growth. The Group operates consumer finance companies located in multiple markets. Home Credit operating entities are regulated companies – fully licensed by national regulators and compliant with local laws.

OUR GOVERNANCE FRAMEWORK

Home Credit is a diverse organisation, and our governance framework is designed to enable effective management across the Group. It allows the Group CEO and senior management to challenge and oversee Home Credit subsidiaries (which sit under the parent Group's PPF Financial Holdings division) in line with each market's legal and regulatory requirements – and in compliance with PPF Financial Holdings' Czech regulatory requirements. The framework comprises a robust suite of Group policies that are implemented globally. These include, among others:

- ESG Policy
- Code of Business Conduct and Ethics
- Anti-bribery and Corruption Policy
- Anti-money Laundering and Counter-Terrorism Financing Policy
- Group Compliance Charter

GOVERNANCE

The Board of Directors is responsible for setting Home Credit's strategic direction and risk appetite – and is the ultimate decision-making body for matters of Group-wide strategic, risk, financial, regulatory and reputational significance. There are Operational Risk and Asset and Liability Committees which provide

support to the Board of Directors in the areas of operational risk and liquidity risk management. All our operating companies are regulated in their own countries and have their own boards and committees (and in certain cases, supervisory boards as well).

The Board strives to evaluate all stakeholder views to assess our impact on customers, colleagues, suppliers, communities and society more broadly. On an ongoing basis, it monitors key indicators in areas such as culture, corporate citizenship, conduct and customer satisfaction.

It is also actively involved in ESG strategy discussions and monitors ESG progress on an ongoing basis. ESG remains a standing item on the agenda of the Board and it continues to debate ongoing additions to company-wide ESG strategies. This helps ensure we are converting good environmental, social and governance intentions into practical and measurable action. In 2022, the Board continued to focus on supporting customers, colleagues and communities as they emerged from the worst of the global pandemic.



“Since the launch of Home Credit Group's ESG reporting, the business continues to further integrate ESG principles into its operations. The Board is taking an active role in ESG strategy and performance monitoring, which I believe shows how high these issues are on our corporate agenda. We know that a strong focus on ESG is critical to our robust governance model.”

Pavel Rozehnal

Chief Legal and Compliance Officer
Home Credit Group



RISK MANAGEMENT

ESG is closely linked to business sustainability and financial performance. Home Credit has a rigorous approach to addressing risks arising from environmental, social and governance factors – and to managing their effect on broader credit, market, reputational and operational risks. Home Credit is committed to building a sustainable business for all our stakeholders, customers and communities. By effectively managing uncertainty, risks and opportunities, we enhance our capacity to deliver value.

ENTERPRISE RISK MANAGEMENT

Our Enterprise Risk Management Framework (ERMF) is designed to identify, measure, manage, monitor and report risks that could affect Home Credit's ability to achieve our business objectives. At Group level, the ERMF is split between market, liquidity, capital and operational risk management, together with reporting and reserving and business continuity management. The ERMF is embedded throughout the Group and is codified through risk policies and business standards. These set out the risk strategy, appetite, framework and minimum requirements for our worldwide operations. Compliance is managed by risk oversight committees.

The Board sets the Group's risk appetite and establishes and operates controls to assess and manage risks. Then, the Group CEO, executives and line managers have delegated authority and are accountable for risk management. As licensed entities, we are also subject to regulatory review. The Group places a strong focus on operational risk management. Central and local teams oversee processes and serve as quality assurance, supported

by centralised, tailor-made methodologies and IT tools. Our operational risk management approach is based on four pillars:

- Risk identification
- Risk and control self-assessment, consolidated at Group level
- Ongoing risk exposure monitoring through key indicators
- Collection of data loss events, together with proper root-cause analysis and action plan setup

Conducting risk management is another priority. We are committed to delivering a superior customer experience, and our conduct risk management approach helps set the right tone from the top. The ERMF therefore helps embed a customer-centric mindset and culture across the Group, which strengthens customer relationships and enables more effective control management.



“There is irrefutable evidence that shows the strong correlation between strong risk management and the embrace of ESG principles. Therefore, it is only logical that we continue to deepen our

approach to ESG in a way that benefits our customers, employees and partners. We see the benefits and this approach is here to stay.”

Jakub Kudrna

Chief Risk Officer
Home Credit Group



CREDIT RISK MANAGEMENT

For Home Credit, credit risk management is a competitive advantage. We are a mature operator when it comes to using data science to assess credit risk, examining customer information related to geography, transactions and behaviour as well as metadata. For example, in some markets new partnerships mean we now cooperate with major telecom companies to use their customer data as part of our credit risk assessment processes – meaning we are better able to serve people with little to no credit.

PARTNERS & STAKEHOLDERS DISCLOSURES

The business has multiple ways of verifying identities – which means we can make it even safer for customers to use digital services. As a result, we have the agility to approve a loan every two seconds, optimising size and value, and allowing us to empower people in a responsible way. Our ability to deliver this level of rigour and service quality, while serving underbanked people is unique in our markets. This reduces risks while boosting our underwriting capability and allowing us to customise our services based on customers' needs and repayment ability. Our ongoing research and development also improves our approach to areas such as 'know your customer' (KYC) and identity checks. Thanks to advanced technologies including liveness checks and biometrics, we have developed effective platforms that ensure the highest standards of security for our stakeholders.

HOME CREDIT SUSTAINABILITY REPORT 2022

We conduct regular, systematic and rigorous risk management processes, including maintaining contact with customers to ensure they are treated fairly and are not at risk of fraud. Our early warning system flags irregularities in customer behaviour, meaning we can mitigate fraud risks with high efficiency. Thanks to these systems and processes, we can quickly identify fraud cases and act on them.





Definitions

ESG topics considered in the materiality assessment

Customer satisfaction

Ensuring an exceptional experience throughout the customer lifecycle, handling negative feedback efficiently and providing strong customer support.

Clear and transparent communication with customers

Clear, easy-to-understand and user-friendly information within all documentation, including before and after contracts are signed.

Customer resilience

Customers' ability to repay based on their income. Helping customers who find themselves in financial distress and who are struggling with repayments.

Customer privacy

Full compliance with data-related obligations. Fostering trust among customers about how their data is used.

Responsible repayments

Handling collections with tact, sensitivity and robust quality control.

Digitalisation and transition to e-commerce

Keeping up with customers' expectations and competitors' activities. Using digital in more and more ways to benefit customers, partners and staff.

Board efficiency

Ensuring necessary resources are in place for Home Credit to meet its objectives and measure its performance against those objectives.

Information security

Resistance to cyberattacks and prevention of data and information breaches.

Workplace culture

Creating a culture of meritocracy, collaboration, ownership and accountability. Upholding company values: customer obsession, thinking big, entrepreneurship, digital savviness, operational excellence, risk in mind, people centricity and integrity.

Workforce continuity and talent management

Attracting key talent and retaining them.

Talent development

Helping to develop talent internally. Giving people a place to grow and the resources to learn new skills based on personal development objectives and changing business requirements.

Financial inclusion

Providing easier access to useful, affordable and responsible financial products and services.

Financial and digital literacy of customers

Helping customers understand how to make sound financial decisions and manage their money effectively. Informing customers about the key principles for using online digital services safely.

Anti-corruption and anti-money laundering

Preventing the products and services we provide from being used to facilitate and commit crime.

Remuneration incentivising executive long-termism

Remuneration policies and practices designed to support Home Credit's strategy and promote long-term, sustainable success. Executive remuneration aligned to our purpose and values – and clearly linked to successfully delivering our long-term strategy.

Adaptation to remote working

Offering flexible work models. Online learning and digital tools to support productivity while working away from the office.

Workforce diversity and culture

Supporting workforce diversity in terms of gender, background, age, skillset and perspective.

Employee wellbeing

Organising activities to support employees' mental and physical wellbeing. Listening to employees' grievances and addressing them swiftly.

Small retailer engagement

Providing extra value, especially to small retailers, to drive partner engagement. Existing examples include helping retailers embrace e-commerce and providing low-cost bank accounts for small and medium-sized businesses.

Sustainable consumption incentivisation

Helping drive the transition to a greener economy by advocating for and providing preferential financing terms for sustainable products (e.g., electric, solar, healthy lifestyle). Includes recycling and buyback options to promote the circular economy.

Green operations

Energy-efficient, paperless operations and steering towards carbon neutrality. Fostering a green culture and environment-friendly ways of working and travelling.



Disclosures

LOAN PRODUCTS

- 34.5k** loans per day issued
- 19%** volume growth (ex. China)
- 42%** loans to first-time borrowers
- 35%** customers who are self-employed
- 90%** loans processed through digital platforms
- 48s** to underwrite a client after receiving their information

INSURANCE PRODUCTS

- 98k** standalone life insurance contracts provided
- 301k** standalone health insurance contracts provided
- 50%** of consumer loans covered with payment protection insurance
- 93%** of two-wheelers sold with accident insurance

CUSTOMER EXPERIENCE

- 58 NPS** across the Group ex China, YOY growth by 5 points (weighted average)
- 76 and 84 NPS** for insurance services in ID and KZ where it is measured
- 4.5** average app rating in Apple App Store and Google Play Store
- 0.13%** complaint rate (Group average in December 2022)
- 8.5m** monthly active users of our apps

CYBERSECURITY

- 0** critical security incidents
- 0** significant losses incurred or major penalties imposed in relation to the illegal processing of personal data
- 80k** alerts investigated
- 172** penetration tests conducted
- ISO 27001** certification renewed in Home Credit International, Home Credit Indonesia, newly gained in Embedit
- PCI DSS** recertified in Home Credit Vietnam and Indonesia

EMPLOYEES' DIVERSITY AND WELLBEING

- 32,605** employees
- 51.6%** of our employees are women
- 32.6%** of senior managers are women
- 75+** different ethnic groups
- 99.3%** of direct employees covered by social protection against loss of income due to major life events

EMPLOYEE SURVEY

- 36 eNPS** for Home Credit as a place of work
- 49 tNPS** for own team
- 46 mNPS** for own manager
- 86%** of employees think customers' perspective is always taken seriously during important decisions
- 89%** of staff said they were proud to work at Home Credit
- 82%** of staff have confidence in Home Credit's leadership to make the best decisions

LEARNING & DEVELOPMENT

- 14.6 hours** of training per employee (average)
- 510,200 hours** of training delivered in total
- 97%** of executives participated in regular performance and career development reviews
- 65%** of non-executive employees participated in regular performance and career development reviews
- 100%** of employees completed regular training on compliance, health and safety and information security.
- 56** leadership mentor-mentee pairs

FINANCIAL LITERACY

- 222.5 million** people reached through financial literacy initiatives
- 105** original financial literacy videos
- 24k** people trained through financial literacy workshops
- \$168k** dedicated to promotion of financial literacy



COMMUNITIES

60+ charitable projects

\$896k dedicated to community initiatives (incl. financial literacy activities)

7k Ukrainian refugees supported through essential banking services

CARBON FOOTPRINT

25.9 GWh total energy consumption

620t CO₂e produced under Scope 1

594t CO₂e company cars

21t CO₂e emissions from gas burned in boilers

10,840t CO₂e produced under Scope 2 (electricity purchased)

25,420t CO₂e produced under Scope 3

20,200t CO₂e employees commuting

262t CO₂e emissions from material and waste

3,700t CO₂ emissions from flights

37k t of CO₂e total carbon footprint (total for Scopes 1, 2 and 3)

1,200 CO₂e upstream emissions from energy

10.5t CO₂e land transport

WASTE AND WATER

497t total waste generated

153t recycled paper

93k m³ water usage

CIRCULAR ECONOMY

106k loan contracts for refurbished products

Home Credit

