

ABOUT THIS REPORT

THIS 2020 VTB GROUP SUSTAINABILITY REPORT IS THE 13TH NON-FINANCIAL REPORT ISSUED BY THE VTB BANK. THIS REPORT IS PUBLISHED ANNUALLY AND IS AN INTEGRAL PART OF THE GROUP'S ANNUAL REPORTING. IT HAS BEEN CREATED FOR EMPLOYEES, CUSTOMERS, SHAREHOLDERS, INVESTORS, LOCAL COMMUNITIES, AND NON-PROFIT ORGANISATIONS. THE REPORT IS INTENDED TO INFORM STAKEHOLDERS OF THE VTB GROUP'S SUSTAINABILITY ACTIVITIES DURING THE REPORTING PERIOD.

Contents of the Report

Entities falling within the scope of the Report were determined on two criteria: control over the entities' activities (more than 50% of voting shares held by VTB Bank) and/or importance in terms of the entities' economic, social, and environmental aspects.

Unless otherwise indicated, the financial information regarding the VTB Group is presented as stated in VTB Bank's consolidated financial statements as of 31 December 2020, prepared in accordance with International Financial Reporting Standards.

THE VTB GROUP OF COMPANIES FALLING WITHIN THE SCOPE OF THE REPORT

COUNTRY	FULL NAME	TYPE OF BUSINESS	VTB BANK'S OWNERSHIP INTEREST AS OF 31 DECEMBER 2020 (PERCENTAGE)
Russia	VTB Bank (PJSC)	Bank	–
	VTB Capital JSC ¹	Finance	100.00
	Vozrozhdenie Bank (PJSC)	Bank	100.00
	Sarobiznesbank PJSC	Bank	84.36
	Zapsibkombank PJSC	Bank	100.00
	HALS Development PJSC	Real estate	99.76
	UK Dinamo JSC	Real estate	75.00
	VB Service LLC	Facility operation and maintenance	100.00
	VTB Factoring LLC	Factoring	100.00
	VTB Leasing JSC	Leasing	100.00
	VTB Specialised Depository JSC	Custodial institution (Non-bank)	100.00
	VTB Pension Fund JSC	Pension fund	100.00
VTB Registrar JSC	Registrar	100.00	
CIS and Georgia	VTB Bank (Armenia)	Bank	100.00
	VTB Bank (Belarus)	Bank	100.00
	VTB Bank (Azerbaijan)	Bank	100.00
	VTB Bank (Georgia)	Bank	97.38
	VTB Bank (Kazakhstan)	Bank	100.00
Europe	VTB Bank (Europe)	Bank	99.39

¹ Including the subsidiaries VTB Capital JSC and VTB Capital PLC

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Approach to determining material topics

This Report presents information on Group companies' sustainable development activities. As the Group's reporting systems differ, some of the quantitative indicators presented in this report refer only to the Bank's performance.

This Report has been prepared in accordance with the GRI Standards: Core Option. In order to comply with the recommendations of the GRI Standards, a procedure was conducted to identify material topics that had to be included in the Report, including a stakeholder survey.

Identifying material topics to be included in the 2020 Sustainability Report



Based on the results, a materiality matrix is developed and reflects the most significant aspects of sustainability-related Group activities as viewed by its internal and external stakeholders, as well as their impact on achieving strategic goals.

To ensure the quality of the Report, the Group followed the principles of balance, comparability, accuracy, timeliness, reliability, and clarity, as defined in GRI Standards. Information for this Report was collected and consolidated by the relevant functional divisions of VTB Group companies.

ENGAGEMENT TO OBTAIN LIMITED ASSURANCE ON THE MATERIAL INDICATORS IS DISCLOSED IN THE REPORT

The Bank engaged with external experts to gain and independent assurance of the selected performance indicators presented in this Report. The assessment focused on material indicators of the VTB Group's sustainability activities in the reporting period.

VTB Group materiality matrix



Economic category

- 1 Corporate governance
- 2 Procurement transparency
- 3 Economic performance
- 4 Financing national projects
- 5 Responsible banking
- 6 Responsible Investment
- 7 Customer satisfaction
- 8 The affordability of banking products and services

Environmental category

- 9 Green financing
- 10 Waste management
- 11 Reducing energy consumption
- 12 Reducing fuel consumption
- 13 Reducing greenhouse gases and emissions
- 14 Reducing fresh water consumption
- 15 Partner projects in the ecology field

Social category

- 16 Responsible business practices
- 17 Corporate culture
- 18 Occupational health and safety
- 19 Personnel training and development
- 20 Initiatives for young people
- 21 Personnel engagement
- 22 Charity and sponsorship

VTB GROUP'S MATERIAL INDICATORS SUBJECT TO INDEPENDENT ASSURANCE

INDICATOR	DESCRIPTION
Charitable donations, RUB billion	These refer to charitable contributions made by Group companies (within the scope of the Group's consolidated financial statements) within the reporting period. Where charitable donations were made in foreign currencies, these were converted into roubles using the average exchange rate from the Bank of Russia for the year.
Number of sales offices, including number of sales offices in underpopulated and economically underdeveloped regions of Russia	The number of sales offices is determined by summing up the offices of Group banks, excluding retail desks and POS terminals. Sales offices in underpopulated and economically underdeveloped regions are those located in regions with a lower population density (less than 50% of Russia's average) or lower income per capita (less than 65% of Russia's average), according to state statistics.
Electric energy consumption, thousand kWh	The amount of electricity consumed by all Group companies in the reporting period.
Paper consumption, tonnes	The volume of paper consumption by all Group companies in the reporting period. The amount of paper consumed was determined by converting the number of paper packs used into metric tonnes. Where there was no information on the weight of an A4 or A3 sheet pack, average values were used (2.5 kg and 4.8 kg), respectively
Fuel (petrol and diesel) consumption, thousand litres	The volume of fuel consumption by all Group companies in the reporting period, which was limited to the fuel consumed by vehicles on the books.
Direct and indirect GHG emissions, in tonnes of CO ₂ equivalent	This refers to direct (Scope 1) and indirect (Scope 2) energy GHG emissions by all Group companies in the reporting period. Direct GHG emissions were determined based on the amount of fuel (gasoline and diesel) consumed. Indirect GHG emissions were determined based on the amount of electricity and heat energy consumed.
Average headcount, people	<p>The average headcount is an amount of Group companies' employees for each calendar day of a given month in the reporting period (including weekends and holidays) and is divided by the number of calendar days in that month. The average headcount for the reporting period is the number of Group companies' employees for all months within the reporting period (including weekends and holidays) divided by the number of months in the reporting period.</p> <p>Part-time employees as defined by their employment contracts are counted proportionally to the number of hours of work.</p> <p>The average headcount does not include:</p> <ul style="list-style-type: none"> · women who were on maternity leave or extended child-care leave; · employees who were on unpaid leave to undertake a course of study at an educational institution or to take entrance exams to be admitted to an educational institution.
Accident frequency rate	This refers to the accident frequency rate across all Group companies (within the scope of the Report) in the reporting period. The accident frequency rate is calculated by the number of accidents per one thousand employees.
Headcount by gender and employee category	This refers to the number of full-time employees, excluding external part-time employees and independent contractors at the end of the reporting period. A part-time employee on an employment contract counts as one employee in the said headcount. The data is broken down by employee category (full-time/part-time) and by gender.
Average hours of training per year per employee	This refers to the total hours of employee training divided by the average headcount for the said period (within the scope of this Report, excluding VB Servis LLC and Sarovbiznesbank PJSC).
Employee turnover	The total employee turnover (outflow of staff) indicator is calculated as the ratio of the total of employees who left the company of their own accord, were terminated for other reasons, retired, or died as an employee of the company to the average headcount.