

ENVIRONMENTAL IMPACT MANAGEMENT

ENVIRONMENTAL FRIENDLINESS IS AN IMPORTANT ELEMENT OF VTB GROUP'S CORPORATE PHILOSOPHY. GROUP COMPANIES REDUCE THEIR NEGATIVE IMPACT ON THE ENVIRONMENT THROUGH GREEN FINANCING WITHIN THEIR OPERATIONS, BY TAKING MEASURES TO IMPROVE THE ENVIRONMENTAL EFFICIENCY OF THE BUSINESS AND ADMINISTRATIVE COMPLEX AND BY PROVIDING FINANCIAL SUPPORT FOR PROJECTS TO PRESERVE RUSSIA'S BIODIVERSITY.



"VTB Group adheres to the principles of environmental responsibility in all its activities. For us, this primarily means reducing our own impact on the environment by introducing innovative technologies that increase the energy efficiency of our offices, reduce resource consumption and reduce the amount of waste produced. In our work with customers, we also take into account the environmental impact; environmental safety is a priority in any project we finance".

Oleg Knyazev

Head of the Administrative Department, Senior Vice President

Key priority areas

1

Green Banking:

- Financing green projects;
- Environmental initiatives for retail customers.

2

Improving inherent environmental performance:

- Green office;
- Waste recycling;
- Paperless document flow.

3

VTB's environmental partner projects:

- Participation in the work of the Arctic Council;
- Supporting the implementation of the national *Ecology* project;
- Partner projects in the field of ecology.

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Green Financing

Recognising the importance of financial institutions' involvement in the creation of a low-carbon economy, VTB actively implements the principles of responsible financing in its operations and provides financial support to projects that meet the Bank's environmental requirements.

As part of green financing, the Bank strives to provide loans to implement projects improving environmental indicators, reducing natural resource consumption, and promoting the use of renewable energy sources. In addition, VTB engages its retail customers in environmental initiatives.

Financing green industries

One of the key areas of VTB's green financing is its strategy for financing innovative projects in the Russian energy sector aimed at reducing carbon emissions and supporting the implementation of modern technology solutions.

A WIND POWER PLANT IN THE ROSTOV REGION

In 2020, VTB provided syndicated financing for the project company of the Wind Power Development Fund, a joint investment fund created by Fortum PJCS and ROSNANO JSC on a parity basis.

The project will result in construction of a wind power plant with total capacity of 100 MW. The project is implemented on the principles of project financing and assumes the provision of credit funds against a guarantee of future cash flows under contracts for the provision of capacity of generating facilities operating on the basis of the use of renewable energy sources.

UPGRADE OF A HYDROELECTRIC PLANT IN THE REPUBLIC OF TATARSTAN

In 2019, VTB Bank and Tatenergo JSC signed the largest credit agreement in the history of the company for a total amount of RUB 36 billion for a period of 16 years. The financing will be used to implement a project to upgrade the Zainskaya hydroelectric power plant, a key facility of the energy infrastructure of the Republic of Tatarstan.

366
billion RUB

allocated for the upgrade of one of the largest hydroelectric power plants in Russia

The Zainskaya hydroelectric power plant will be renovated through the construction of the most powerful combined-cycle plant in Russia, manufactured by General Electric, with a total capacity of 858 MW and unprecedented operational efficiency - the efficiency factor will be 65%.

GARBAGE COLLECTION AND RECYCLING IN ST. PETERSBURG AND THE LENINGRAD REGION

In 2019 VTB Group, the Government of St. Petersburg, the Government of the Leningrad Region and Inter RAO PJSC entered into an agreement of intent to jointly address the issue of waste management and recycling in the two constituent entities of the Russian Federation.

Joint actions of the parties under the agreement will be aimed at implementing the concept of organising waste collection, transportation and recycling with the use of modern technologies in waste recycling. The project implementation meets the requirements of the national *Ecology* project and will help to improve the ecological situation on the territory of the regions.