

Improving Inherent Environmental Performance

Reducing our own environmental footprint is a part of the VTB Group's Development Strategy. A high degree of digitalisation and the use of innovative tech solutions across business processes call for transition to paperless internal and external workflows and to more efficient use of resources.

Directions for reducing VTB Bank's environmental footprint



Reducing energy consumption

Implementing an power saving programme and introducing power saving technologies

Replacing fluorescent (halogen) lights with LED lamps

Replacing outdated air conditioning systems with inverter units with lower energy consumption

Partial repair of thermal insulation of heating and hot water supply system pipes

Dispatching engineering systems at Bank facilities

RESULTS

> **636**

thousand kWh

total energy savings



Reduction of waste generation

Recycling electronic waste: servers, uninterruptible power supplies, storage systems, workstations, ATMs, POS-terminals, office and household appliances

Sorting waste by type on-site and transferring it for recycling

RESULTS

2.5 tonnes harzadous waste generated in 2020 vs 6.8 tonnes in 2019;

100% of office waste generated was transferred to contractors for recycling



Optimisation of paper consumption

Gradual transition to electronic document flow

Application of duplex printing

RESULTS

10% reduction in paper purchased;;
220 tonnes of paper sent for recycling

VTB Group companies follow green office principles, which are primarily aimed at improving energy efficiency, upgrading and optimising the number of real estate units in use and training employees in the prudent use of resources. In order to reduce its environmental impact, VTB strictly controls the use of paper, electricity and fuel and implements a range of waste management measures.



Reducing fuel consumption

Optimisation of car fleet use

12% fleet renewal

Optimised vehicle routing

RESULTS

25% reduction in gasoline and diesel fuel consumption;
14% reduction in the number of company vehicles



Reducing water consumption

Implementation of planned measures to reduce water consumption in offices

RESULTS

78% reduction in cold water consumption;
39% reduction in hot water consumption (partially due to the COVID-19 pandemic)

New format green offices

An important line of VTB's environment-related activity is increasing the efficiency of real estate use.

In order to create unified centres of operation, the Bank strives for optimal distribution of infrastructure assets by reducing office space and minimising duplicated employee functions, thus reducing consumption of resources and environmental footprint.

The new format offices implemented Smart Office automatic parameter control technology for more efficient use of resources and a higher level of environmental friendliness. They allow to optimize the temperature, humidity, light and CO₂ concentration in the room. This creates an even more comfortable environment for both employees and customers. Digital filing and signing of documents can significantly reduce the use of paper.

In 2021, all VTB's new branches will be switched to this format, their number will increase to 135.

135
135

the number of new format branches will grow in 2021

VTB CONTINUES TO UPGRADE ITS NETWORK ON A LARGE SCALE, INCREASING THE NUMBER OF ITS OFFICES IN A NEW ENVIRONMENTALLY FRIENDLY FORMAT. NEW TECHNOLOGICAL BRANCHES WERE OPENED IN MOSCOW, ST. PETERSBURG, KALININGRAD AND KANASH (CHUVASH REPUBLIC) IN 2020.

Green recycling of electronic waste

In the course of VTB's digital transformation, we are carrying out a large-scale upgrade of our office infrastructure and data centres. As part of this process, we are decommissioning a large amount of obsolete equipment.

In 2020, VTB, in partnership with Corporation ECOPOLIS JSC, launched the largest project for the environmental recycling of end-of-life electronic waste and equipment Servers, uninterruptible power supplies, racks, storage systems and workstations have already been handed over for recycling; VTB plans to hand over ATMs, POS-terminals, office and household appliances.

Recycling electronic waste and equipment will yield copper, aluminum, zinc alloys and brass, printed circuit boards, ferrous metals and plastics. Up to 95% of materials and recycled appliances become secondary raw materials.

Paperless document flow

In 2020, the Bank continued implementing the Paperless Document Flow initiative. The goal of the initiative is to significantly reduce paper consumption and cut costs by following an end-to-end approach to document management and storage.

At the end of 2019, VTB launched digital document signing technology and in March 2020 replicated the service across its entire branch network. During customer service, an employee executes a service and generates an electronic document, while the user confirms the transaction and signs all documents with an electronic signature in VTB's mobile app. All signed contracts are stored electronically and are available to the customer in a special *VTB Online* section at any time. Security of the technology is ensured through a range of measures confirming the authorship and invariability of documents signed by the customer, as well as through a reliable system for storing data and electronic documents.

At the end of 2020, the digital document signing service became available for 24 types of transactions, which is more than 50% of all network transactions. As a result, customers executed 4 million contracts in digital paperless format, saving more than 20 million sheets of paper weighing 100 tons and saving about 2 thousand trees.



thousand trees

saved by executing 4 million contracts in a paperless digital format

Lean practices at VTB Bank

As part of the active application of resource-saving technologies, VTB Bank continues to implement the concept of continuous improvement (Lean). This approach implies company management based on continuous reduction of all types of loss. Lean practices involve each employee in business optimisation, focusing on customers' needs.

In 2020, the Bank implemented a number of initiatives to improve the efficiency of work processes and move away from hard-copy paperwork. In particular, a large-scale programme was launched to transition to paperless document flow not only with the Bank's customers, but also within internal processes. The initiative brings together various projects that increase the efficiency of working procedures and improve environmental performance.

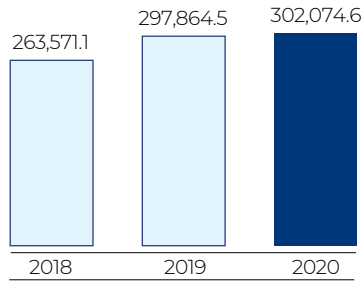
Lean leaders and key experts
- participants of Lean-projects - are active promoters of Lean principles in order to reduce all types of losses. A number of remote seminars on lean practices methodology and tools were held for them in the reporting period. A total of 56 leaders and key experts were trained at the Bank in order to further promote Lean methodology and tools.

In 2020, the Bank implemented over 40 Lean projects of various levels - from small improvements to significant changes in cross-functional processes.

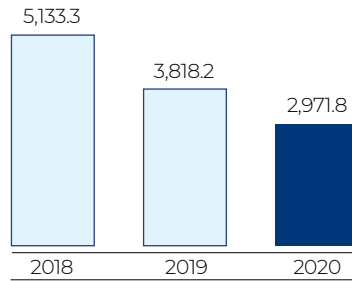
Key indicators for the Group's activities to decrease consumption of resources and greenhouse gas (GHG) emissions



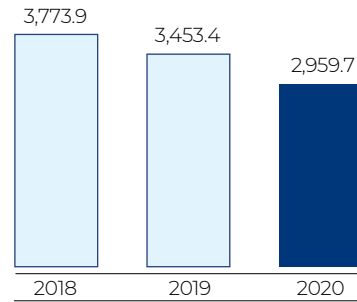
ELECTRIC ENERGY CONSUMPTION, thousand kWh



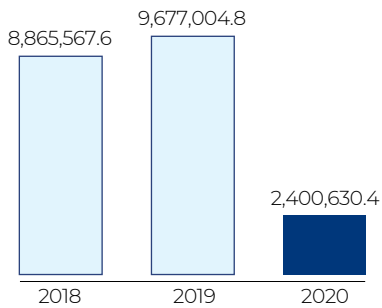
TOTAL FUEL CONSUMPTION, thousand litres



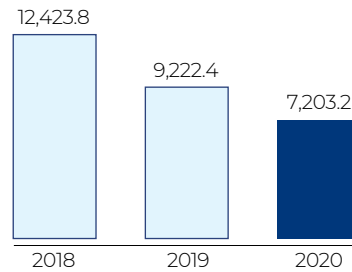
PAPER CONSUMPTION, tonnes



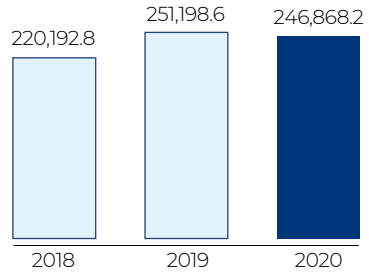
WATER CONSUMPTION, thousand litres



DIRECT GHG EMISSIONS, tonnes of CO₂ equivalent



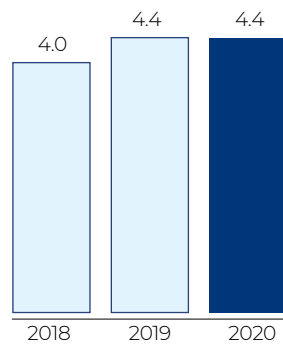
INDIRECT GHG EMISSIONS, tonnes of CO₂ equivalent



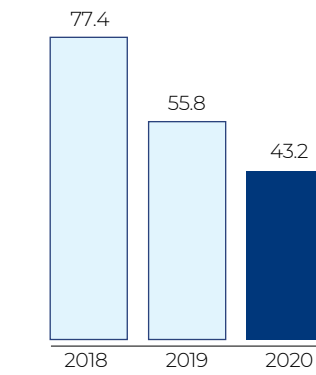
Consumption of resources by Group companies per employee



ELECTRIC ENERGY CONSUMPTION, MWh per person



FUEL CONSUMPTION, litres per person



PAPER CONSUMPTION, kg per person

