

System for receiving employees' reports on violations and abuses

The Bank has a multi-channel system for receiving employee reports of violations and abuses, including those related to conflicts of interest, corruption and business ethics. Responsible functional areas of the Bank regularly analyse information, identify causes and make recommendations on how to resolve the situations that have arisen and prevent their occurrence in the future.

Part of this system is the Whistleblower hotline where employees can address issues of violations of Russian law and the Bank's regulatory and organisational and administrative documents, including reporting cases of corruption.

A total of 49 reports were made by employees to the whistleblower hotline in 2020. Each request was investigated, and appropriate measures were taken as a result.

Responsible procurement approach

VTB adheres to a responsible approach to procurement and consistently works to create a transparent and efficient procurement infrastructure and improve cooperation with suppliers.

VTB Bank's procurement activities are aimed at ensuring that the Bank's needs for high-quality products are met in a timely and complete manner, subject to the following conditions:

- Procurement transparency;
- Efficient use of funds;
- Expanding the opportunities for legal entities and individuals, including small and medium businesses, to participate in procurement;
- Development of fair competition.

The Bank is guided by basic procurement activity principles and ensures the transparency of procurement processes, equal rights, non-discrimination and the absence of unjustified restrictions on competition towards participants. VTB adheres to the principle of targeted and cost-effective spending of funds and does not limit access to procurement opportunities by setting biased requirements for participants.

317.2
317.2
billion RUB

volume of procurement activities in 2020

In order to improve the digitalisation of our procurement processes, in 2020 VTB introduced electronic document management between the Bank and its counterparties, launched iProc, a new procurement management system, and developed and introduced robotised technologies to process bulk transactions.

As part of the creation of an optimal model for the management of VTB's procurement function, in 2020 the procurement functions of a number of the Bank's divisions were centralised in a single competence centre.

Increasing the share of small and medium enterprises in total procurement

An important achievement of 2020 was the greater access of small and medium enterprises to the Bank's procurement activities. The total volume of orders placed among them amounted to RUB 33.6 billion. At the same time, the annual volume of procurements from small and medium enterprises was 40% (with the statutory standard of 20%). The annual volume of procurements, participants of which may only be small and medium enterprises, amounted to 27% (with the statutory standard of 18%).

Low-volume procurements in 2020 were transferred to the Corporate Online Store on the *VTB Business Connect* platform. On the one hand, this approach ensures increased competitiveness of potential suppliers, as well as provides an opportunity for objective assessment of the existing quotation market and analysis of information on fulfillment of obligations by suppliers from VTB. On the other hand, it is an effective online platform that promotes fair competition and provides opportunities for small businesses to become reliable suppliers to VTB. A total of 2,820 procurements totalling RUB 0.7 billion were made through the *VTB Business Connect* Corporate Online Store in 2020.

Key areas for the development of responsible purchasing at VTB Bank



Implementation of the optimal model and efficient tools for managing the procurement function



Continuous improvement of procurement processes



Digitalisation of the procurement management process



Support for small and medium entrepreneurship



Implementation of an import substitution programme

40%
purchases

from small and medium businesses out of the total number of suppliers

2,820
purchases

were placed in the Corporate Online Store on the *VTB Business Connect* platform