

SBERBANK OF RUSSIA

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Charity POLICY of Sberbank

MOSCOW, 2019

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1. GENERAL PROVISIONS

1.1. The Charity Policy of Sberbank (hereinafter, the “Policy”) was developed to form a uniform approach to the organization of Sberbank’s charity activities (hereinafter, the “Bank”), as well as to provide a transparent and clear mechanism for its implementation.

1.2. The objective of the Policy is to determine:

- general principles and areas of the Bank's charitable activities;
- participants in the Bank's charitable activities;
- organization of the management process of the Bank's charitable activities.

1.3. The provisions of the Policy apply to the entire system of the Bank and shall be observed by all employees of the Bank: when interacting with Stakeholders, when planning and performing their activities, developing internal regulatory documents (policies, regulations, methodologies), disseminating information, and other types of communication.

1.4. The Bank carries out charitable activities in accordance with the Civil Code of the Russian Federation /1/, the Federal Law "On Charitable Activities and Volunteering" /2/, the Federal Law "On Non-Profit Organizations" /3/, Sberbank’s Corporate Social Responsibility Policy /4/, Sberbank Group’s Policy on Conflict of Interest Management /5/, Sberbank’s Anti-Corruption Policy /7/, and other internal regulatory documents of the Bank.

2. GOALS AND OBJECTIVES OF THE BANK’S CHARITABLE ACTIVITIES

2.1. Charitable activities are one of the key instruments for forming the Bank's image as a socially responsible organization in the regions where it operates.

2.2. The main goals of the Bank's charitable activities are as follows:

- to assist in solving social problems in the main areas of charitable activities in the regions of presence;
- to create conditions for the development of social and public infrastructure in the regions of the Bank's presence, contributing to the achievement of the Generally Useful Purposes and positively affecting the quality of life of people, their development and social status;

- to comply with the highest requirements in the field of corporate social responsibility of the Bank in the implementation of programs and projects in the main areas of Charitable Activities.
23. The main objectives of the Bank's Charitable Activities are as follows:
- to support and implement significant systemic Charity Programs and Charity Projects that promote positive long-term social and societal changes in the regions of operation;
 - to implement socially significant Charity Programs and Charity Projects in the areas of the Bank's Charitable Activities in cooperation with specialized Non-profit Organizations and Local Communities, public authorities and local governments;
 - to efficiently use the Bank's resources to achieve social and economic results in the regions where the Bank operates.
24. In carrying out its Charitable Activities, the Bank relies on its Mission, the provisions of its Development Strategy and the objectives of corporate social responsibility.

3. GENERAL PRINCIPLES OF THE BANK'S CHARITABLE ACTIVITIES

3.1. In carrying out its Charitable Activities, the Bank is guided by the following basic principles:

3.1.1. **Effective distribution of charitable donations** - charitable support of relevant and demanded Charity Programs, Charity Projects, the implementation of which contributes to the achievement of the Generally Useful Purposes and positively affects the quality of social change in the life of the Target Group and society as a whole.

3.1.2. **Systemic approach and planning** - ensuring the long-term and systemic nature of charitable support in selected areas. This makes it possible to achieve the planned social effect in solving urgent problems for the Stakeholders and the Target Group in the regions of operation, as well as to plan Charitable Activities for future periods and fulfill the obligations undertaken.

3.1.3. **Control over targeted donations** - ensuring control over the efficient use of charitable Donations, so that the Donations transferred by the Bank to the Donee for the implementation of Charity Programs and Charity Projects are used for specific purposes designated in the documents on the provision of charitable Donations.

3.1.4. **Geographical presence** - providing charitable assistance in the territory of the Bank's presence in order to achieve qualitative changes in the life and activities of the Target Group in the territory. The exception is assistance in connection with emergencies, natural and/or man-made disasters, wars, and acts of terrorism.

3.1.5. **Transparency and openness** - ensuring the availability of information about the activities of potential Donees to the Bank and other Stakeholders, as well as the openness of the Bank in its interaction with the Donees and informing the public about the goals and areas of the Bank's Charitable Activities. The Bank takes steps to ensure that the Donee is a person in good faith and that there is no reason to believe that he or she is being managed, directly or indirectly, for the benefit of a public official or persons closely associated with him or her.

3.1.6. **Feedback and reporting** - receiving by the Bank from the Donees and Stakeholders various forms of feedback, reporting on the results of the implementation of the Bank's charitable Donation to assess the results and effectiveness of its use in order to achieve the social effect.

3.1.7. **No conflict of interest, including potential conflict of interest, and/or personal interest** among representatives of the Bank's Charity and Sponsorship Commission, the Executive Board of the Bank, Charity and Sponsorship Commissions of the Branches, the Executive Boards of Regional Banks or Branch Councils in carrying out the Bank's Charitable Activities.

3.1.8. **No corruption** in any form of its manifestation in the implementation of the Bank's Charitable Activities.

3.1.9. **Voluntary participation** of the Bank's employees in Charitable Activities - personal financial participation or participation through gratuitous performance of work and/or provision of services, participation of employees in Charity Projects and Charity Programs of the Bank, which is carried out only at the personal will of the employee.

4. AREAS OF THE BANK'S CHARITABLE ACTIVITIES

4.1. The Bank carries out Charitable Activities in the following main areas:

- support for cultural activities and the preservation of cultural heritage;
- support for activities in the field of education;
- support for research and development activities;

- support for health care activities;
- support for environmental protection;
- support of children's institutions, activities aimed at developing the intellectual and creative abilities of children and young people, activities in the sphere of social support and protection of citizens, and the development of an inclusive environment;
- support of activities in the field of physical culture and sports (with the exception of professional sports);
- support for the activities of organizations of veterans and disabled people.

42. Charitable assistance is provided to the Donees for the benefit of the following Target Groups:

- Orphaned children and children left without parental care;
- Disabled children with disabilities who need expensive treatment, under the age of 18 years;
- Elderly and old people, Veterans, people with disabilities and/or people in difficult life situations;
- Youth, Social groups of people in need of social and socially useful services.

43. The bank does not provide assistance:

- to for-profit organizations;
- to political parties and civic organizations for political purposes and to participate in political activities;
- to foreign governmental organizations.

44. Charitable Donations of the Bank are made, but not limited to, in the following forms: monetary, property, including the transfer of technical and material values and other property, disinterested (gratuitous or on preferential terms) provision of services and performance of works, including through information resources of the Bank.

5. PARTICIPANTS IN THE CHARITABLE ACTIVITIES

5.1. Charity projects are considered and a decision to provide charitable assistance is made:

- by the Executive Board of the Bank;

- by the Executive Boards of Regional Banks/Councils of branches;
- by the Bank's Charity and Sponsorship Commission;
- by the Branches' Charity and Sponsorship Commissions;
- by the relevant units of the Bank.

52. The Bank, when carrying out charitable activities, interacts with Non-profit Organizations. The objectives of the activities of Non-profit Organizations must correspond to the areas and programs of the Bank's Charitable Activities.

53. In order to identify social requests, collect expert opinions on topical social and public problems, exchange successful experiences and improve competencies in the field of Charitable Activities, the Bank interacts:

- with government agencies and organizations;
- with Local Communities;
- with Non-profit Organizations; and
- with Volunteers.

6. ORGANIZATION OF THE MANAGEMENT PROCESS OF THE BANK'S CHARITABLE ACTIVITIES

61. The Bank's Charitable Activities are carried out within the framework of the Bank's general management system and are an integral part of it.

62. The Charity management process for implementing the goals and objectives of this Policy includes the following steps:

- planning of Charitable Activities,
- reviewing the application and conducting an evaluation of the potential Donee, its Charity Programs and Charity Projects,
- selection of the Charity Project,
- transfer of funds or other form of support to the Bank,
- ensuring control of cost estimates and/or results of the Charity Project.

63. The main instrument of implementation of the Bank's Charitable Activities is the Charity Program, which is planned in accordance with the main areas defined by this Policy.

64. Charitable Activities are financed from the Bank's own funds.

65. The budget for the Charity Program is planned, formed and implemented according to the following structure:

– **the Long-term program.** Program for one of the areas of the Bank's Charitable Activities, aimed at comprehensive assistance in solving urgent social and socio-economic problems. As part of the Long-Term Program, projects and actions are implemented, methods and approaches are used that are designed to positively affect certain areas of social and public life, defined by the Bank, as a whole. The program is planned and implemented for more than one year. It is implemented at the federal or regional level in conjunction with Non-profit Organizations and Local Communities. Reporting under the Long-Term Program shall be provided by Non-Profit Organizations on a regular basis, upon completion of the Long-Term Program and/or upon request of the Bank;

– **Projects by areas.** Projects aimed at implementing a specific Social Project and/or providing Social and Socially Useful Services. The project defines the Target Group, the set of measures, the budget, the schedule for implementation, the planned results and provides a rationale for the effectiveness of the chosen approach to solve the problems corresponding to the area of the Bank's charitable activities. The term of the project is not more than one year and assumes a Targeted Charitable Donation. The Non-profit Organization provides reporting on the project following the results of its implementation.

66. The Bank considers applications drawn up on the letterhead of the organization, signed by the head of the Non-profit Organization or an authorized person, indicating the subject of the application, the form and amount of support required (for monetary form - amount of money), the schedule of the Charity program/project/action, the justification of the relevance and expediency of the support and its general usefulness for the Target Group.

67. The Bank shall consider the application within 30 (thirty) calendar days from the date of receipt of the application in accordance with the procedure established by the Bank. The date of application is the date of registration of the application.

68. The Bank may independently determine the amount of monetary and/or other forms of charitable assistance for Non-Profit Organizations.

69. In order to make a decision to provide charitable assistance, the Bank requests information about the Charity Program/Project/Action and verifies the reliability of the data on the potential Donee.

6.10. The Bank conducts a legal review of the package of constituent documents and verifies the authenticity of the information provided by the Non-profit Organization that applies to the Bank for charitable assistance.

6.11. The Non-profit Organization provides its charter/policy, certificate of state registration of a legal entity, tax registration certificate, information letter of the state statistics body on assignment of codes to a legal entity. In addition, an extract from the Unified State Register of Legal Entities and statements submitted to the Ministry of Justice for the past year preceding the application to the Bank may be requested. The list of the documents can be expanded if necessary.

6.12. When selecting a Non-Profit Organization and a Charity Program/Project/Action, the Bank relies on the compliance of the projects with the areas of the Bank's Charitable Activities and the criteria for evaluating the effectiveness of charitable assistance.

6.13. To make a decision to provide charitable assistance, the Bank reviews and evaluates applications based on technical and substantive criteria for evaluating a potential Donee and applications.

6.14. Applications are subject to expert evaluation by the Bank's specialized units, as well as, at the Bank's discretion, with the involvement of external experts.

6.14.1. Technical criteria for evaluating the Charity Project:

- compliance with the requirements for drawing up an application, set out in paragraph 6.6 of the Policy;

- the organization, including its executives, has a positive business reputation.

6.14.2. Content criteria (quantitative and qualitative characteristics) of the Charity Project evaluation:

- compliance of the application with the areas of the Bank's Charitable Activities;
- relevance of and demand for the Charity Program/Project/Action among the representatives of the Target Group/society;
- the coverage (quantity) of the Target Group, for whose benefit the Charitable Activities are carried out, and/or who will benefit from the results of the implemented Charity programs/projects/actions/activities, is clear and economically feasible;
- the applicant organization (Non-profit Organization) regularly works with the Target Group, in whose interests the Charitable Activities are carried out, has experience in implementing Charity programs/projects/activities in the selected area;

- the methods and tools used by the Non-profit Organization for the implementation of the chosen area of the Charitable activities are modern and relevant, and have proven their effectiveness;
- the Non-profit Organization or other donors and partners have their own contribution to the Charity Program/Project/Action;
- the amount (budget) of the requested assistance is justified for the purposes of the Charitable Activities and the Charity Program/Project/Action;
- the effectiveness of the ratio of costs to the planned result;
- The Charity Project provides for a sustainable result and continuation of activities;
- accessibility of results, developed products and materials as part of the Charitable Activities to a wide range of Social groups and/or the Target Group;
- the opportunity to replicate the experience/methods developed and/or used in the implementation of the Charitable Activities;
- providing an opportunity for participation in the Charity program/project/action of volunteers - employees of the Bank.

6.15. Projects shall be considered and decisions to provide charitable assistance shall be made by the Bank's Charity and Sponsorship Commission within the powers established by the Executive Board of the Bank, or by the Executive Board of the Bank.

6.16. The Bank reserves the right, in the case of refusal of charitable assistance, not to send a response in writing to the applicant for charitable assistance.

6.17. Following the results of the use of the charitable Donation, the Non-profit Organization - Donee of the Bank shall provide a report in the form established and approved by the Bank.

6.18. To assess positive systemic social changes and evaluate the effectiveness of the Bank's Charitable Activities, the Bank conducts a centralized and regional analysis of the results of support in selected areas.

6.19. Charitable support shall be provided on the basis of experience and results of past charity projects, studying social needs and trends in public policy at the regional and federal levels.

6.20. In order to implement this Policy, the Bank shall develop internal regulatory documents and methodological materials regulating its Charitable Activities.

621. The Bank annually publishes information about its Charitable Activities in the annual report of the Bank, which is posted on the Bank's website.

7. ORGANIZATION OF THE MANAGEMENT PROCESS OF THE BANK'S CHARITABLE ACTIVITIES IN THE REGIONS OF THE RUSSIAN FEDERATION

71. The Bank, when carrying out Charitable Activities in the regions of operation, sets the task of providing systemic assistance, responding to urgent requests from Local Communities, Non-profit Organizations, government bodies, local self-governing bodies and residents of the regions of the Russian Federation.

72. The Bank's Charitable Activities in all Branches are carried out in accordance with this Policy: areas and principles of Charitable Activities, categories and Target Groups of its participants, the process of management of Charitable Activities and the system of evaluation of projects, apply to all Branches of the Bank.

73. The Bank's branches implement their own Charity Programs - Long-term Programs and Projects by areas in accordance with the main areas, goals and priorities of the Bank's Charitable Activities.

74. When selecting Charity Projects to be implemented by the Bank in the regions where it operates, the priorities are as follows:

- Charity Programs and Charity Projects that contribute to the solution of important social and public tasks relevant to the region of operation, its residents, in accordance with the main areas of the Bank's Charitable Activities;
- projects jointly implemented by the Bank and its Branches;
- projects implemented in cooperation with local governments, Local Communities, and specialized Non-profit Organizations that provide social and socially useful services;
- projects in which Volunteers - employees of the Bank participate, or have the opportunity to participate.

75. In the Bank's Branches, projects are considered and decisions on the provision of charitable assistance shall be made by the Branches' Charitable and Sponsorship Commissions within the powers established by the Executive Boards of the regional banks, or by the Executive Boards of the regional banks (in a regional bank), or by the Councils of Branches (in a branch of the Bank).

76.

In order to avoid duplication of charitable assistance, the Bank does not support Charity programs and projects, as well as Non-profit Organizations that receive support from Branches and are included in the Charity Programs of Branches. Exceptions are Charity Programs/Projects of regional or federal importance for the Bank's charitable purposes, which are included in the Bank's Charity Program.

77. Branches provide information on their activities to the Executive Board of the Bank on the results of implementation of their Charity Programs.

8. VOLUNTEERING AT THE BANK

81. The Bank views corporate volunteering as part of its Corporate Social Responsibility Policy.

82. The Bank forms a Volunteer Community (Volunteers), which is based on self-organization: employees implement their Social Projects individually or by units in different regions of the Bank's operation, in independently chosen areas, which may not coincide with the areas of the Bank's Charitable Activities.

83. The Bank carries out Charitable Activities in accordance with the main directions of this Policy and does not limit the social personal initiatives of the Bank's employees.

84. The Bank provides information and methodological support to Volunteers - employees of the Bank to popularize the ideas of charitable activities and volunteerism.

85. The Bank shall not provide financial support for volunteer and social initiatives of the Bank's employees and shall not be liable for obligations of the Bank's employees given by them to third parties when implementing their own volunteer initiatives.

Terms and Definitions

Donee - a legal entity - a Non-profit Organization that receives a charitable Donation from the Bank for the implementation of its charitable purposes. **Charity Action** - a one-time action or event, implemented within a certain period of time, with a specific purpose and consistent with the goals of the Bank's Charitable Activities. It can be part of a Long-Term Program or a Project by area.

Charitable Activities - voluntary activities of the Bank involving disinterested (gratuitous or on preferential terms) transfer of property, including money, disinterested performance of works, provision of services, other support to legal entities to implement the objectives of this Policy.

Charity Program - a set of activities (Charity Actions and Charity Projects) of the Bank or of a Non-profit Organization, aimed at solving specific problems corresponding to the goals of the Bank's Charitable Activities and the charter goals of the Non-profit Organization.

Charity Project - a set of actions or activities that have a certain timeframe, implementation mechanism, specific goal, expected result, target group, aimed at creating a product or service that contributes to the objectives of the Bank's Charitable Activities. It can be part of a Long-Term Program or a Project by area.

Veterans - veterans of the Great Patriotic War, veterans of combat operations in the USSR, the Russian Federation and other states, veterans of military service.

Volunteers (Volunteer Community) - individuals who perform voluntary activities in the form of gratuitous work and/or services for charitable purposes.

Business Reputation is a holistic view of Stakeholders and Social Groups about the organization, including its executives, as a subject of a certain type of activity, which is formed by the perception and evaluation of the results of activities and consequences of these activities, regardless of the legal form and scale of activity.

Stakeholders - individuals and legal entities or groups of individuals who influence the Bank and its activities and/or are influenced by the Bank

(customers, employees, shareholders, Non-profit Organizations, Local Communities, etc.) in the process of the Bank's Charitable Activities.

Local Community - citizens and organizations representing the interests of their region/regional association.

Bank's Mission - the meaning, content and goals of the Bank's activities, as well as its role in the economy of Russia.

Youth is a socio-demographic group distinguished on the basis of age characteristics, social status and characterized by specific interests and values. For the purposes of this Policy, youth means people between the ages of 14 and 30.

Non-profit Organization is a legal entity that does not make profit as the main purpose of its activities and does not distribute profits among its members.

Elderly and Old People - women and men aged 60 and over. **Generally Useful Purpose** is a goal, the realization of which is associated with the satisfaction of material and spiritual needs of Social Groups and Target Groups, their scientific, cultural, and educational development.

Donation is a gift of a thing or right for a specific purpose for the Generally Useful Purposes. Donations can be made to medical, educational, scientific organizations, social service organizations, charitable foundations, museums, cultural institutions, public and other non-profit organizations. The results of the Donation implementation should be available for use by a wide range of persons and bring them social and public benefit.

Charity Program - charitable projects, actions, events approved for support by the Bank and its Branches.

Social Group - an association of people grouped according to significant social criteria (gender, age, social status, health, profession, income, values).

Social and socially useful services - services of social and domestic, socio-medical, socio-psychological, socio-pedagogical, socio-labor, social and legal nature in the field of general, higher education and additional education.

Social projects of employees are implemented individually by employees or units in different regions of the Bank's operation in independently chosen directions and in the interests of certain target groups, which are aimed at achieving positive changes in solving social and public problems by satisfying material, social and spiritual needs.

Branches of the Bank (branches) - regional banks, branches operating on the basis of regulations approved by the Executive Board of the Bank. For purposes of this Policy, they do not include foreign Branches.

Target Group is individuals/group of persons or organizations for whose benefit the Charitable Activities (Charity Project) are/is being implemented, the results of which will have a positive impact on their lives.

Targeted charitable donation - money donated as a charitable Donation to a Non-profit Organization and aimed at achieving specific goals.

Abbreviations

Bank means Sberbank of Russia, Sberbank

USRLE means Unified State Register of Legal Entities

Policy means Sberbank's Charity Policy

References

1. Civil Code of the Russian Federation, Part One, dated November 30, 1994 No. 51-Φ3 (51-FZ), Civil Code, Part Two, dated January 26, 1996 No. 14-Φ3 (14-FZ).
2. Federal Law "On Charitable Activities and Volunteering" dated August 11, 1995 No. 135-Φ3 (135-FZ).
3. Federal Law "On non-profit organizations" dated January 12, 1996 No. 7-Φ3 (7-FZ).
4. Corporate Social Responsibility Policy of Sberbank of Russia No. 2396 dated January 24, 2012.
5. Policy of Sberbank Group for Managing Conflict of Interest No. 3369-3 dated February 15, 2019.
6. Compliance Risk Management Policy of Sberbank of Russia No. 2885 dated April 1, 2013.
7. Sberbank Anti-Corruption Policy No. 3370-2 dated July 25, 2019.
8. Sberbank Book of Standards on Compliance Risk Management No. 4403 dated November 29, 2016.
9. Sberbank Regulations on Charitable Activities No. 4804 dated July 10, 2018.