

SBER

Impact Report
for 2021



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About the Report

This Impact Report of Sberbank of Russia¹ (hereinafter, the Report) contains information about the compliance of the Bank with the international ESG and sustainability initiatives, including Principles for Responsible Banking by UNEP FI, UN Global Compact, UN Sustainable Development Goals and TCFD Recommendations, for the reporting period from January 1, 2021 through December 31, 2021.

The sustainability and ESG data are presented for two frameworks: Sberbank PJSC and the Bank consolidated along a number of major subsidiaries, affiliates and joint ventures, which have a significant social and economic impact (hereinafter, Sber or the Group).

In 2021 for the first time Sber conducted independent assurance of non-financial data, covering a number of indicators illustrating progress in key sustainability and ESG material topics for Sber, such as, direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions.

¹ Public Joint Stock Company Sberbank of Russia (Sberbank PJSC), hereinafter referred to as SberBank or the Bank

Sber ESG Profile

ESG highlights for 2021

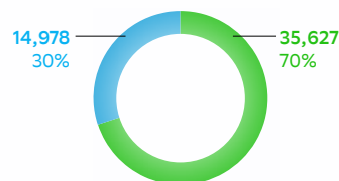


Environmental

115	Scope 1 greenhouse gas emissions, thousand tonnes CO ₂ e
465	Scope 2 greenhouse gas emissions, thousand tonnes CO ₂ e
168	Scope 3* greenhouse gas emissions, thousand tonnes CO ₂ e
22%	Share of renewable energy in energy consumption
3,781	Paper consumption, tonnes
7,158,232	Energy consumption, GJ
51,527	Waste generation, tonnes

Methods of waste management in 2021, tonnes

- Waste intended for disposal
- Waste transferred for processing and neutralization

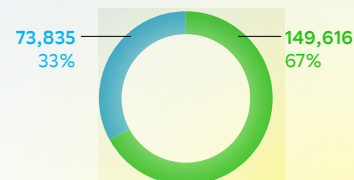


Social

223,451	Actual headcount
15%	Staff turnover rate
70	Average number of training hours received by the Bank employees
78%	Employee Engagement Index
5,780	Number of service points adapted for people with disabilities
31,989	Number of ATMs adapted for visually challenged people

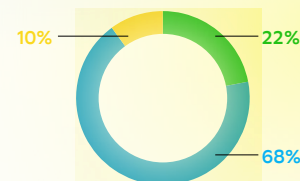
Total number of employees, broken down by gender

- Men
- Women



Employees by age group

- Under 30 y.o.
- 30–50 y.o.
- 50+



Governance

100%	Procurements compliance rate with ESG principles**
4.4	The maturity level of the Bank cybersecurity system (the average Fortune500 maturity level is 4.1)
RUB 112 bln	The amount of prevented fraud aimed at the Bank customers
99%	The efficiency of fraud protection
30%	Reduction of number of customers' queries about phone fraud attempts
100%	DDoS attacks on the Bank's infrastructure were repelled (154 attacks)

Green finance

> RUB 120 bln	The floatation value of ruble-denominated ESG bonds issued by the Bank clients
RUB 25 bln	The value of the debut issue of Sberbank's green bonds
> RUB 300 bln	The portfolio of green and ESG loans
> 136,000	Number of customers investing in ESG products

* Scope 3 categories included in 2021 calculations are GHG emissions associated with waste generation and leased buildings and facilities.

** Excluding one-time accounts, monopolies, non-residents with their own ESG requirements, charity, sponsorship, revenue agreements, state-owned companies. The data is presented for the Bank's activities.

Sber's Compliance with the Principles for Responsible Banking – UNEP Finance Initiative

In 2021 Sber became an official Signatory of the UN Principles for Responsible Banking – a single framework for a sustainable banking industry developed through an innovative partnership between banks worldwide and United Nations Environment's Finance Initiative. For Sber, becoming a Signatory of the Principles for Responsible Banking is aligned with the ESG agenda that runs through its new Strategy 2023 and fits the ESG transformation of Sber's banking business, which is now in progress and aimed at accelerating responsible finance and promoting the ESG agenda through Sber's value chain.

Reporting requirements	Summary of the Bank's reply	Disclosure in the Report and additional information
Principle 1: Alignment		
1.1. <i>Describe</i> (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities, and where relevant the technologies financed across the main geographies in which your bank has operations or provides products and services.	<p>Sber has an integrated business model aimed at ensuring the positive social and environmental impact and simultaneous provision of strong financial performance.</p> <p>Sber serves as a financial asset, investor and creditor and plays a significant role in the financial industry. The large-scale technological transformation and growth in the segment of the non-financial products and services resulted in creation of a solid fintech arm at Sber.</p> <p>Sber has branches in almost all regions of the Russian Federation, serves more than 100 million corporate and retail customers, and plays the role of one of the systematically important institutions of the Russian economy.</p>	SberBank official website
1.2. <i>Describe</i> how your bank has aligned and/or is planning to align its strategy to be consistent with and contribute to society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	<p>Sber is committed to contributing to the achievement of globally significant sustainability goals.</p> <p>In 2021, Sber became a member of the UN Global Compact (UNGC) and adheres to the principles of this initiative.</p> <p>Sber contributes to the achievement of SDGs in its business activities, as well as through special sustainability financial initiatives, which are disclosed in its non-financial reporting.</p> <p>Sber upholds the Paris Climate Accord. The Bank developed its own Climate Strategy and set forth climate goals and activities to achieve them. One of the main goals of the Climate Strategy is to reduce Sber's greenhouse gas emissions and achieve carbon neutrality for Scopes 1 and 2 by 2030.</p>	<p>Impact Report 2021. Annex. Section 1. ESG Transformation Strategy and Management System</p> <p>Environmental, Social, Governance and Sustainability Policy</p>

Principle 2: Impact & Target Setting

2.1. Impact Analysis

Show that your bank has identified the areas in which it has its most significant (potential) positive and negative impact through an impact analysis that fulfills the following elements:

- assessment of Scope of operations;
- assessment of Scale of exposure;
- assessment of Context & relevance;
- assessment of Scale and intensity/salience of impact.

Show that building on this analysis, the bank has:

- identified and disclosed its areas of most significant (potential) positive and negative impact;
- identified strategic business opportunities in relation to the increase of positive impacts / reduction of negative impacts.

Scale of operation

In 2021, Sber developed and published the ESG and Sustainability Policy. The Policy provides for integration of social, environmental (including climate), and governance responsibility into all areas of Sber's activity. The Policy also highlights impact levels and roles within which Sber conducts its ESG and sustainable development activities. Sber has its biggest scale of impact in the role of systematically important financial institution of Russian economy, in which Sber implements its unique opportunities in order to contribute to the ESG transformation of the Russian economy.

In view of this, Sber's focus is on the corporate loan portfolio in the Russian Federation as part of the material impact analysis, since it is the most significant part of Sber's business causing a wide range of positive and negative impacts.

To identify areas of most significant impacts, Sber conducted the analysis with the use of the Portfolio Impact Analysis Tool for Banks developed under the guidance of UNEP FI.

Material activities

Sber has analyzed the structure of its corporate loan portfolio to identify industries and sectors that make up significant amounts of the Bank's financing. The analysis was conducted with the sufficient depth of detail, with allowance for sectors and types of borrowers' activities, in order to track various types of corporate loan portfolio impacts to the fullest extent possible.

Relevant context

Sber used the Impact Radar developed under the guidance of UNEP FI to conduct the comprehensive analysis of impacts taking into account the following:

- the level of financing provided by Sberbank to various industries and sectors, and
- indicators specifying needs of each impact area identified in the Impact Radar.

To ensure the accuracy and transparency of the analysis results, Sber has collected indicator data from open and recognized international sources.

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Annex. Section

[1. ESG Transformation Strategy and Management System](#)

[Environmental, Social, Governance and Sustainability Policy](#)

Reporting requirements	Summary of the Bank's reply	Disclosure in the Report and additional information
	<p>Sber used features of the Portfolio Impact Analysis Tool for Banks to assess the level of needs for core resources in the Russian Federation. The assessments were used to identify the most significant impact areas where the level of needs was determined to be high or very high.</p> <p><i>Scale and materiality of impacts</i></p> <p>The analysis of impacts has identified areas of the most significant positive and negative impacts of the corporate loan portfolio.</p> <p><i>Areas of significant positive impacts:</i></p> <ul style="list-style-type: none"> • health and sanitation • housing • climate • inclusive, healthy economy • mobility <p><i>Areas of significant negative impacts:</i></p> <ul style="list-style-type: none"> • efficiency of use and protection of natural resources • waste • climate • health and sanitation 	<p>SberBank official website</p>
<p>Self-assessment of compliance with impact analysis requirements: Sber conducted the impact analysis and identified areas of the most significant positive and negative impacts of the corporate loan portfolio.</p>		
<p>2.2. <i>Target setting</i></p> <p>Show that the bank has set and published a minimum of two Specific, Measurable (can be qualitative or quantitative), Achievable, Relevant and Time-bound (SMART) targets, which address at least two of the identified “areas of most significant impact”, resulting from the bank’s activities and provision of products and services.</p>	<p>Sber’s key goals and objectives are defined in the ESG and Sustainability Policy and serve as the basis for identifying and using strategic opportunities to enhance positive and reduce negative impacts.</p> <p><i>Climate change</i></p> <p>One of the main goals with respect to identified Sber’s impacts is to manage climate risks and opportunities. In 2021, Sber approved the Climate Strategy that establishes strategic goals in this area and activities needed to achieve them. Sber has set a goal to achieve carbon neutrality for Scopes 1 and 2 by 2030*.</p> <p>In addition to the ESG and Sustainability Policy, in 2021, Sber developed its Implementation Plan. The Plan includes activities needed to achieve the specified goals.**</p>	<p>Impact Report 2021. <i>Annex. Sections</i></p> <p>1 ESG Transformation Strategy and Management System;</p> <p>2 Responsible Financing;</p> <p>3 Climate Agenda</p>

* In relation to the base year 2019.

** The Plan is subject regular review and adaptation pending internal and external changes.

Reporting requirements	Summary of the Bank's reply	Disclosure in the Report and additional information
<p><i>Show that these targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks. The bank should have identified a baseline (assessed against a particular year) and have set targets against this baseline.</i></p> <p><i>Show that the bank has analysed and acknowledged significant (potential) negative impacts of the set targets on other dimensions of the SDG/climate change/ society's goals and that it has set out relevant actions to mitigate those as far as feasible to maximize the net positive impact of the set targets.</i></p>	<p><i>Responsible financing</i></p> <p>One more key goal is to develop responsible financing practices and promote the ESG transformation of customers. In 2022, Sber is planning to complete the integration of nationally approved green finance taxonomy into its internal processes, improve the monitoring system for execution of ESG covenants and internal verification of green credits.</p>	<p>SberBank official website</p>
<p>Self-assessment of compliance with goal-setting requirements: Sber has identified priority areas and goals for short and medium terms, as well as specific indicators to monitor them; their progress is disclosed in this Report. Sber will continue to work on further performance analysis to mitigate negative impacts associated with its portfolio.</p>		
<p><i>2.3. Plans for Target Implementation and Monitoring</i></p> <p>Show that your bank has defined actions and milestones to meet the set targets.</p> <p>Show that your bank has put in place the means to measure and monitor progress against the set targets. Definitions of key performance indicators, any changes in these definitions, and any rebasing of baselines should be transparent.</p>	<p>Key goals of Sber's ESG and sustainability activities are implemented in accordance with the approved Implementation Plan until the end of 2023, which specifies KPIs, tasks, responsible persons and reflects the status of implementation. ESG goals cover material sustainability topics for Sber, including climate change, responsible finance, direct impact, care for employees and client relationships.</p>	<p>Impact Report 2021. Annex. Section 1. ESG Transformation Strategy and Management System</p>
<p>Self-assessment of compliance with requirements to target implementation plans and monitoring: Sber has developed an Implementation Plan to achieve the specified goals, as well as a monitoring system at the Group level.</p>		

Reporting requirements	Summary of the Bank's reply	Disclosure in the Report and additional information
<p>2.4. <i>Progress on Implementing Targets</i></p> <p>For each target separately:</p> <p>Show that your bank has implemented the actions it had previously defined to meet the set target.</p> <p>Or explain why actions could not be implemented / needed to be changed and how your bank is adapting its plan to meet its set target.</p> <p>Report on your bank's progress over the last 12 months (up to 18 months in your first reporting after becoming a signatory) towards achieving each of the set targets and the impact your progress resulted in. (where feasible and appropriate, banks should include quantitative disclosures.</p>	<p>Key quantitative and qualitative results over the past 12 months were achieved in the following areas:</p> <ul style="list-style-type: none"> • Climate change: <ul style="list-style-type: none"> – Sber has developed a Climate Strategy establishing strategic goals and activities necessary to achieve them; – Sber created an infrastructure for green certificate trading: 40% of RES generation in Russia is represented on Sber's blockchain platform for green certificate trading; 629,000 certificates were sold in 2021. • Responsible financing: <ul style="list-style-type: none"> – Sber approved criteria for green and ESG lending; – Sber approved and implemented a number of standard ESG conditions in the credit process; – the responsible finance portfolio exceeded RUB 300 billion in 2021; – Sber launched ESG-financing consultations for its customers; – Sber had the first green bond issuance for the amount of RUB 25 billion; – Sber released the ESG index of SPB Green Transition; – Sber is a leading issuer of responsible finance debt instruments in Russia 	<p>Impact Report 2021. Annex. Section</p> <p>1. ESG Transformation Strategy and Management System;</p> <p>2. Responsible Financing.</p>
<p>Self-assessment of compliance with requirements for progress toward goals: In 2021, Sber developed an Implementation Plan, which systematizes the work to achieve the specified goals. In the reporting year, Sber made the considerable progress in achievement of the specified goals.</p>		

Principle 3: Clients & Customers

3.1. *Provide* an overview of the policies and practices your bank has in place and/or is planning to put in place to promote responsible relationships with its customers. This should include high-level information on any programmes and actions implemented (and/or planned), their scale and, where possible, the results thereof.

With a view to develop long-term and responsible relationships with customers, Sber has developed or included relevant provisions into the following documents:

- **Environmental, Social, Governance and Sustainability Policy** systemizes approaches to ESG and sustainable development activities, establishes the principles, goal, directions and targets, organizational structure, elements of ESG and sustainability management system. The Policy also specifies the approach to implementation of ESG principles, products and services with allowance for customer expectations and requirements.
- **Code of Corporate Ethics** reflects the Bank's standards of conduct based on its mission and values, ensuring fair and just treatment of employees, customers, partners, and compliance with laws and internal policies. It establishes the ethical framework for Sber's activities, including rules for interaction with customers.
- **Personal Data Processing and Protection Policy** applied in Sber to ensure the security and confidentiality of personal data of employees, customers and business partners.

Other policies regulating ESG and sustainability aspects in Sber are:

- **Policy of Corporate Governance Principles and Standards** defines the main approaches to corporate governance systems development in Sber Group companies, including integration of ESG and sustainability principles and mechanisms.
- **ESG Risk Management Policy** establishing Sber's approach to ESG risk management if they are recognized as having a significant impact on the organization as a whole or a particular type of risk as part of risk identification procedures.
- **Charity Policy** defines the approach to organizing Sberbank's charitable activity and putting in place a transparent charity mechanism.
- **Code of Corporate Social Responsibility for Procurement Activities** establishes the underlying CSR norms, principles, rules and approaches, adhered to by Sberbank in its procurement activities.

All Sber's employees receive regular training ESG and sustainable development, including ethics, compliance and cybersecurity. Client-facing employees also undergo special training regarding customer relations management.

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Annex. Section

[1. ESG Transformation Strategy and Management System](#)

[Environmental, Social, Governance and Sustainability Policy](#)

[Policy of Corporate Governance Standards and Principles of Sberbank Group](#)

[Code of Corporate Ethics of Sberbank of Russia](#)

[Charity Policy](#)

Information on personal data processing and protection on the [official website](#)

Reporting requirements	Summary of the Bank's reply	Disclosure in the Report and additional information
3.2. Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. This should include information on actions planned/implemented, products and services developed, and, where possible, the impacts achieved.	<p>Sber communicates the responsible approach to interaction with customers and disseminates ESG and sustainability principles among its business partners.</p> <p>Sber works towards systemic changes and promotes ESG transformation of its customers and business partners:</p> <ul style="list-style-type: none"> • includes sustainability criteria into the scoring process of customers and suppliers. This assessment implies the dialogue with business partners and their commitment to development of sustainable business practices; • builds ESG risk management systems as part of lending process, using a set of tools to assess and manage ESG risks, including: assessment of unacceptable levels of ESG risk, ESG screening, environmental impact assessment and independent assessment of environmental risks, industry-specific level of ESG risk, industry-specific ESG Handbooks; • shares knowledge and accumulated expertise with other market participants through educational and outreach programs on ESG and sustainability; • develops responsible financing practices by supporting ESG-focused customers; • increases the availability of products and services, with allowance for expectations and requirements of vulnerable groups. 	<p>Impact Report 2021. <i>Annex. Sections</i></p> <p>1. ESG Transformation Strategy and Management System</p> <p>2. Responsible Financing</p> <p>5. Respect for Human Rights</p>

Self-assessment of compliance with requirements to work with customers aimed at encouraging sustainable economic activity: Sber communicates the responsible approach to interaction with customers and disseminates ESG and sustainability principles among its business partners.

Principle 4: Stakeholders

4.1. Describe which stakeholders (or groups/types of stakeholders) your bank has consulted, engaged, collaborated or partnered with for the purpose of implementing these Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders and what issues were addressed/results achieved.	<p>Sber actively interacts and builds open and trust-based relationships with all stakeholders with regard to provision of information and implementation of sustainable development goals.</p> <p>The ESG and Sustainability Policy establishes 11 key stakeholder groups, and interaction with each of them is carried out via efficient and stakeholder-friendly communication channels. The ESG agenda has become one of recurring topics in Sber's interaction with stakeholders.</p>	<p>Impact Report 2021. <i>Annex. Sections</i></p> <p>1. ESG Transformation Strategy and Management System, subsection "Determination of Material Topics"</p> <p>7. Responsibility for Employees</p> <p>8. Social Responsibility and Support of Local Communities</p> <p>Environmental, Social, Governance and Sustainability Policy – Section 9, Annex 4</p>
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Self-assessment of compliance with requirements to interaction with stakeholders with a view to implement the Principles: Sber's ESG and sustainability activities are focused on accommodating stakeholder interests in all processes. In 2021, Sber conducted the in-depth analysis with participation of stakeholder representatives. The topics identified by stakeholders as priorities were reflected in Sber's areas and objectives, as established in the ESG and Sustainability Policy.

Principle 5: Governance & Culture

5.1. *Describe* the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support effective implementation of the Principles.

5.2. *Describe* the initiatives and measures your bank has implemented or is planning to implement to foster a culture of responsible banking among its employees. This should include a high-level overview of capacity building, inclusion in remuneration structures and performance management and leadership communication, amongst others.

5.3. *Governance Structure for Implementation of the Principles*

Show that your bank has a governance structure in place for the implementation of the PRB, including:

- target-setting and actions to achieve targets set
- remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected.

All Sber's activities are based on principles of responsible business conduct. Sber has built an effective system for management of ESG and sustainability aspects, which is integrated into the corporate governance system.

Responsibility for management of Sber's sustainable development is assigned at the level of the Supervisory Board, the Executive Board, as well as at the operating level. The governance structure also includes Strategic Planning and Sustainable Development Committee of the Supervisory Board, Risk Management Committee of the Supervisory Board, the ESG Committee, the ESG Directorate and other units.

Sber's corporate structure aims at involving employees in the ESG and sustainable development agenda. Sber regularly implements educational and outreach programs in this area.

All Sber's activities are aligned with issues that are material for stakeholders. The ESG Strategy and ESG and Sustainability Policy specifying Sber's approach in the field of sustainable development have been developed in the course of continuous interaction with stakeholders, which promotes Sber's inclusive and sustainable growth.

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Annex. Sections

[1. ESG Transformation Strategy and Management System](#)

[7. Responsibility for Employees](#)

[Environmental, Social, Governance and Sustainability Policy](#) – Section 10

Principle 6: Transparency & Accountability

6.1. Progress on Implementing the Principles

Show that your bank has progressed on implementing the six Principles over the last 12 months (up to 18 months in your first reporting after becoming a signatory) in addition to the setting and implementation of targets in minimum two areas (see 2.1-2.4).

Show that your bank has considered existing and emerging international/regional good practices relevant for the implementation of the six Principles for Responsible Banking. Based on this, it has defined priorities and ambitions to align with good practice.

Show that your bank has implemented/is working on implementing changes in existing practices to reflect and be in line with existing and emerging international/regional good practices and has made progress on its implementation of these Principles.

Key results for 2021 in compliance with requirements of the Principles for Responsible Banking and achievement of the company's global goals are presented in this Impact Report.

In addition to quantitative and qualitative targets disclosed in Clause 2.4, Sber is currently continuing work in the following key areas:

- mitigation of environmental impact;
- creation of conditions for effective work and human development;
- ensuring of respect for and protection of human rights, inclusive environment and equal access to products and services;
- support of local communities and promotion of social development;
- improvement of corporate governance, security and ESG risk management practices, including in the supply chain;
- promotion of economic well-being and prosperity for all.

In addition to management programs relevant to implementation of the Principles for Responsible Banking, Sberbank also takes into account the provisions of such ESG and sustainability initiatives as GRI and SASB Standards, TCFD Recommendations, WEF Stakeholder Capitalism Metrics Initiative, UN Sustainable Development Goals and UN Global Compact.

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Self-assessment of compliance with requirements to the progress in implementation of the Principles for Responsible Banking: Since joining the Principles for Responsible Banking in 2020, Sber has demonstrated progress in achievement of specified goals and objectives. In 2022, Sber will continue to implement the Principles with regard to impact analysis and improvement of management practices in the ESG and sustainable development initiatives, increasing the disclosure about progress.

Compliance with Principles of the UN Global Compact

In 2021, Sber became a party to the United Nations Global Compact (UNGC), the world's largest voluntary leadership initiative for the development, implementation and communication of best business practices in the field of sustainable development. As a party to the UNGC, Sber is committed to building on and promoting the principles of observing and protecting human rights, ensuring decent working conditions, protecting the environment and engaging in anti-corruption activities.

Principle	Disclosure in the Report (Impact Report 2021. Annex)
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Section 5. Respect for Human Rights
Principle 2: make sure that they are not complicit in human rights abuses	Section 5. Respect for Human Rights
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Section 5. Respect for Human Rights
Principle 4: the elimination of all forms of forced and compulsory labour;	Section 5. Respect for Human Rights
Principle 5: the effective abolition of child labour; and	Section 5. Respect for Human Rights
Principle 6: the elimination of discrimination in respect of employment and occupation	Sections 5. Respect for Human Rights ; 7. Responsibility for Employees .

Principle	Disclosure in the Report (Impact Report 2021. Annex)
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	Section 4. Environmental Impact
Principle 8: undertake initiatives to promote greater environmental responsibility; and	Section 4. Environmental Impact
Principle 9: encourage the development and diffusion of environmentally friendly technologies	Section 2. Responsible Financing
Anti-Corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Sections 6. Business Ethics and Security Practices ; 1. ESG Transformation Strategy and Management System (subsection “Suppliers’ Responsibility”)

Compliance with TCFD Recommendations





Sber recognized climate change as one of the major global challenges and is committed to minimizing its negative impact on climate, including through client engagement and participating in national initiatives. In this Report for the first time Sber uses TCFD Recommendations as a framework for disclosure of climate information.

Element of disclosure	Recommended disclosures	Disclosure in the Report (Impact Report 2021. Annex. Section 3. Climate Agenda)
Governance Disclose the organization's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities	Climate Impact Management System
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Climate Impact Management System Climate Risks and Opportunities
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	a) Describe the climate-related risks and opportunities that the organization has identified over the short, medium, and long term	Climate Risks and Opportunities
	b) Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	Climate Risks and Opportunities
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Climate Risks and Opportunities Climate Strategy

Element of disclosure	Recommended disclosures	Disclosure in the Report (Impact Report 2021. Annex. Section 3. Climate Agenda)
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks	a) Describe the organization's processes for identifying and assessing climate-related risks	Climate Risks and Opportunities
	b) Describe the organization's processes for managing climate-related risks	Climate Risks and Opportunities
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	Climate Risks and Opportunities
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Climate Strategy
	b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	Climate Strategy
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Climate Strategy




Contribution to the UN Sustainable Development Goals

Sber contributes to the achievement of the UN Sustainable Development Goals (SDGs), approved by the UN General Assembly in 2015 as a single global benchmark for addressing significant economic, social and environmental issues. In line with the ESG and Sustainability Policy, Sber has identified **13 relevant goals** (highlighted in green in the table below).

UN SDGs	Sber's Contribution	Disclosure in the Report (Impact Report 2021. Annex)
 SDG 1: End poverty in all its forms everywhere	<ul style="list-style-type: none"> Enhancing access to financial services for disadvantaged groups Enhancing financial literacy Educating customers on digital services and personal finance management Developing service channels in rural and hard-to-reach locations Promoting inclusivity throughout the supply chain and among customers 	Sections 2. Responsible Financing; 5. Respect for Human Rights; 8. Social Responsibility and Support of Local Communities
 SDG 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	<ul style="list-style-type: none"> Implementing charity and social programs and projects Enhancing access to financial services for disadvantaged groups Developing service channels in rural and hard-to-reach locations 	Sections 5. Respect for Human Rights; 8. Social Responsibility and Support of Local Communities
 SDG 3: Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> Supporting health and promoting healthy lifestyles for employees and their families Offering life insurance services to the general public Implementing a voluntary health insurance program for employees Taking action to prevent the spread of the coronavirus infection Developing and implementing technology to improve accessibility of healthcare services 	Sections 7. Responsibility for Employees; 8. Social Responsibility and Support of Local Communities
 SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> Providing employees with ample opportunities for professional and personal growth Developing technology to make education more accessible to all University collaborations Implementing charity programs aimed at supporting education Creating educational projects and supporting educational initiatives of partners 	Sections 1. ESG Transformation Strategy and Management System; 7. Responsibility for Employees; 8. Social Responsibility and Support of Local Communities

UN SDGs	Sber's Contribution		Disclosure in the Report (Impact Report 2021. Annex)
	SDG 5: Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> • Providing equal working conditions and career opportunities • Ensuring a fair hiring, performance appraisal and compensation system • Supporting employees on maternity leave and re-onboarding upon their return from maternity leave • Providing additional earning opportunities for employees on maternity leave 	Section 7. Responsibility for Employees
	SDG 6: Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> • Efficient use of water resources in operations • Financing of infrastructure development projects 	Sections 4. Environmental Impact ; 8. Social Responsibility and Support of Local Communities
	SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all	<ul style="list-style-type: none"> • Improving energy efficiency • Financing renewable energy development projects • Increasing green energy procurement for Sber and green certificates 	Sections 3. Climate Agenda ; 4. Environmental Impact
	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> • Creating jobs • Maintaining decent working conditions for employees and providing them with development opportunities • Providing financial and non-financial services to promote the economic development of large, medium, small, micro businesses, as well as self-employed people • Contributing to the economic development at the regional and local level 	Sections 7. Responsibility for Employees ; 8. Social Responsibility and Support of Local Communities
	SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation	<ul style="list-style-type: none"> • Developing and supporting advanced research and development, in particular, in the field of artificial intelligence, to resolve significant sustainable development issues • Developing green and adaptation financing • Promoting transport and utility infrastructure development 	Section 2. Responsible Financing

UN SDGs	Sber's Contribution	Disclosure in the Report (Impact Report 2021. Annex)
 SDG 10: Reduce inequality within and among countries	<ul style="list-style-type: none"> Enhancing the accessibility of financing Creating socially important financial products and services Implementing social and charity projects Developing an inclusive environment for Sber employees, customers and partners 	Sections 2. Responsible Financing ; 5. Respect for Human Rights ; 8. Social Responsibility and Support of Local Communities
 SDG 11: Make cities and human settlements inclusive, safe, resilient, and sustainable	<ul style="list-style-type: none"> Upgrading infrastructure in the regions of operations Increasing the availability of clean energy to the public 	Section 2. Responsible Financing
 SDG 12: Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> Implementing programs aimed at more efficient use of materials, energy and water, and at responsible waste management Providing financing to clients to reduce environmental impact 	Sections 2. Responsible Financing ; 4. Environmental Impact
 SDG 13: Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> Developing and implementing Sber's Climate Strategy Identifying, assessing and managing climate risks and opportunities Calculating the carbon footprint Implementing measures to reduce and offset the carbon footprint Financing projects of transition to a low-carbon economy Participating in the creation of a national climate risk management system and adaptation to climate change 	Sections 2. Responsible Financing ; 3. Climate Agenda ; 4. Environmental Impact
 SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	<ul style="list-style-type: none"> Promoting the fishing industry development 	

UN SDGs	Sber's Contribution	Disclosure in the Report (Impact Report 2021. Annex)
 <p>SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>	<ul style="list-style-type: none"> Implementing environmental protection measures to reduce the environmental impact from the operations of Sber and its customers Developing green and adaptation financing 	<p>Sections 2. Responsible Financing; 4. Environmental Impact</p>
 <p>SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<ul style="list-style-type: none"> Complying with applicable laws and international regulations Implementing corporate governance and business ethics standards Countering corruption and financial crimes Enhancing cybersecurity and data protection Participating in the process of improving the regulatory framework in the financial sphere 	<p>Section 6. Business Ethics and Security Practices</p>
 <p>SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>	<ul style="list-style-type: none"> Engaging with stakeholders in an open manner Developing collection and disclosure of non-financial information Engaging with public authorities, the business community, international organizations on matters related to ESG aspects 	<p>Section 1. ESG Transformation Strategy and Management System</p>

Annex



1. ESG Transformation Strategy and Management System

ESG Strategy 2023

Sber launched a systemic ESG transformation in 2020, when the ESG strategy until 2023 was developed and approved, the ESG Directorate and the ESG Committee were created, and the responsibilities for ESG and sustainability activities were assigned at the level of governance bodies.

In 2021, Sberbank carried on with proactive implementation of its ESG strategy and took several steps to systemize its activities in this area, with the main one being the approval by the Supervisory Board of the Environmental, Social, Governance and Sustainability Policy (herein, also the ESG and Sustainability Policy, the ESG Policy, or the Policy). The Policy describes Sber's approach to the accomplishment of the ESG strategy goals, establishes the underlying principles, elaborates on the directions and tasks in priority activity areas.

The ESG and Sustainability Policy can be found on [Sber's website](#).

Sber has elaborated on the goals of the ESG strategy and identified five groups of quantitative targets. In line with best practices, ESG targets were established as key performance indicators (KPIs) for the Executive Board and top management.

To effectively implement the ESG Strategy and the ESG and Sustainability Policy, an Implementation Plan was formulated in 2021 to systemize and consolidate current activities in the form of programs and initiatives for all business units. The Plan includes six strategic goals: mitigate direct impact, reduce greenhouse gas emissions, empower customers, support employees, create ESG products, and integrate ESG factors into Sber's management system. The Plan assigns responsibilities for the accomplishment of targets to individual managers, and sets specific task achievement indicators at the Executive Board and top management level – the Bank ESG KPIs for years 2022 and 2023. (The Plan is subject regular review and adaptation pending internal and external changes.)

ESG Compass

In its ESG strategy, Sber takes into account the provisions of global ESG initiatives and standards. The ESG Compass shows how the material sustainability topics for Sber are consistent with the principles of the UN Global Compact, the UN Sustainable Development Goals and elements of the ESG and Sustainability Policy.

Aspect	Material Topics	UNGC Principles	UN Sustainable Development Goals	ESG Policy Action Lines	ESG Policy Targets
Environmental	Climate Agenda			II. Develop climate-related risk and opportunity management practices	<div>7 8 9</div> <div>10 11</div> <div>12</div>
	Responsible Resource Management	Principle 7: Businesses should support a precautionary approach to environmental challenges			
	Responsible Waste Management	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility		I. Minimize the environmental impact	<div>1 2 3</div> <div>5 6</div>
	Energy Saving and Energy Efficiency				
Social	Respect for Human Rights of Employees and Business Partners	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights			
		Principle 2: Businesses should make sure that they are not complicit in human rights abuses		IV. Ensure respect for and protection of human rights, provide an inclusive environment and equal access to products and services	<div>16 21</div>
		Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor			
		Principle 5: Businesses should uphold the effective abolition of child labour			

Sber as an organization
 Sber as a fintech group
 Sber as a systemically important institution of the Russian economy

Aspect	Material Topics	UNGC Principles	UN Sustainable Development Goals	ESG Policy Action Lines	ESG Policy Targets
Social	Corporate Culture Development			III. Create decent working conditions and ensure development of human potential	13
	Employment			VIII. Facilitate economic well-being and prosperity for all	38
	Safe and Decent Working Conditions	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining		III. Create decent working conditions and ensure development of human potential	13
	Employee Inclusion and Diversity	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation		IV. Ensure respect for and protection of humanrights, provide an inclusive environment and equal access to products and services	16
	Human Capital Development			III. Create decent working conditions and ensure development of human potential	14 15
	Charity			V. Support local communities and assist social development	22 23 24
	Health and Longevity			III. Create decent working conditions and ensure development of human potential V. Support local communities and assist social development	13 25 26
	Accessibility of Financial Products and Services			IV. Ensure respect for and protection of human rights, provide an inclusive environment and equal access to products and services	17 18 19 20

Sber as an organization
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Aspect	Material Topics	UNGC Principles	UN Sustainable Development Goals	ESG Policy Action Lines	ESG Policy Targets
Governance	ESG Transformation Management System			<p>VII. Develop sustainable finance practices</p> <p>VIII. Facilitate economic well-being and prosperity for all</p>	
	Corporate Governance			VI. Improve practices of corporate governance, safety and ESG risks management, including along the supply chain	
	ESG Risk Management			VI. Improve practices of corporate governance, safety and ESG risks management, including along the supply chain	
	Contribution to Economic Development			<p>VI. Improve practices of corporate governance, safety and ESG risks management, including along the supply chain</p> <p>VIII. Facilitate economic well-being and prosperity for all</p>	
	Information Security and Data Protection			VI. Improve practices of corporate governance, safety and ESG risks management, including along the supply chain	

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Aspect	Material Topics	UNGC Principles	UN Sustainable Development Goals	ESG Policy Action Lines	ESG Policy Targets
Governance	Development of Digital and Technological Solutions			VIII. Facilitate economic well-being and prosperity for all	39 43
	Business Ethics and Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery		VI. Improve practices of corporate governance, safety and ESG risks management, including along the supply chain	27 31
	Customer Satisfaction			VIII. Facilitate economic well-being and prosperity for all	41
	ESG Products and Services			VII. Develop sustainable finance practices	34 36
	Responsible Financing	Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies		I. Minimize the environmental impact VII. Develop sustainable finance practices	4 33 37

ESG and Sustainability Governance System

The ESG and Sustainability Policy has established Sber's approaches to managing ESG transformation, including Sber's ESG activity architecture, organizational structure, management model and processes in this area (*see Section 4. Architecture of Sber's ESG and sustainability activity of the ESG and Sustainability Policy*).

Sber's widely diverse ESG and sustainable development activities are systemized in the architecture, a hierarchical system that demonstrates the relationships among the elements involved in sustainable development and ESG activities. This architecture implies 1 purpose, 7 principles, 3 spheres (Environmental, Social and Governance + Prosperity), 13 priority UN Sustainable Development Goals, 8 action lines and 45 targets.

The ESG and sustainability management processes include strategic goal setting, planning and budgeting, initiative implementation, monitoring and reporting, as well as performance evaluation and continuous improvement. Besides, the ESG and Sustainability Policy includes three cross-cutting approaches: stakeholder engagement, ESG communications, and education and outreach.

In terms of governance bodies responsibility, Supervisory Board assigned two independent directors in 2021 to oversee the ESG agenda. At the Executive Board level, First Deputy Chairman of the Executive Board is in charge of overseeing the ESG strategy implementation.

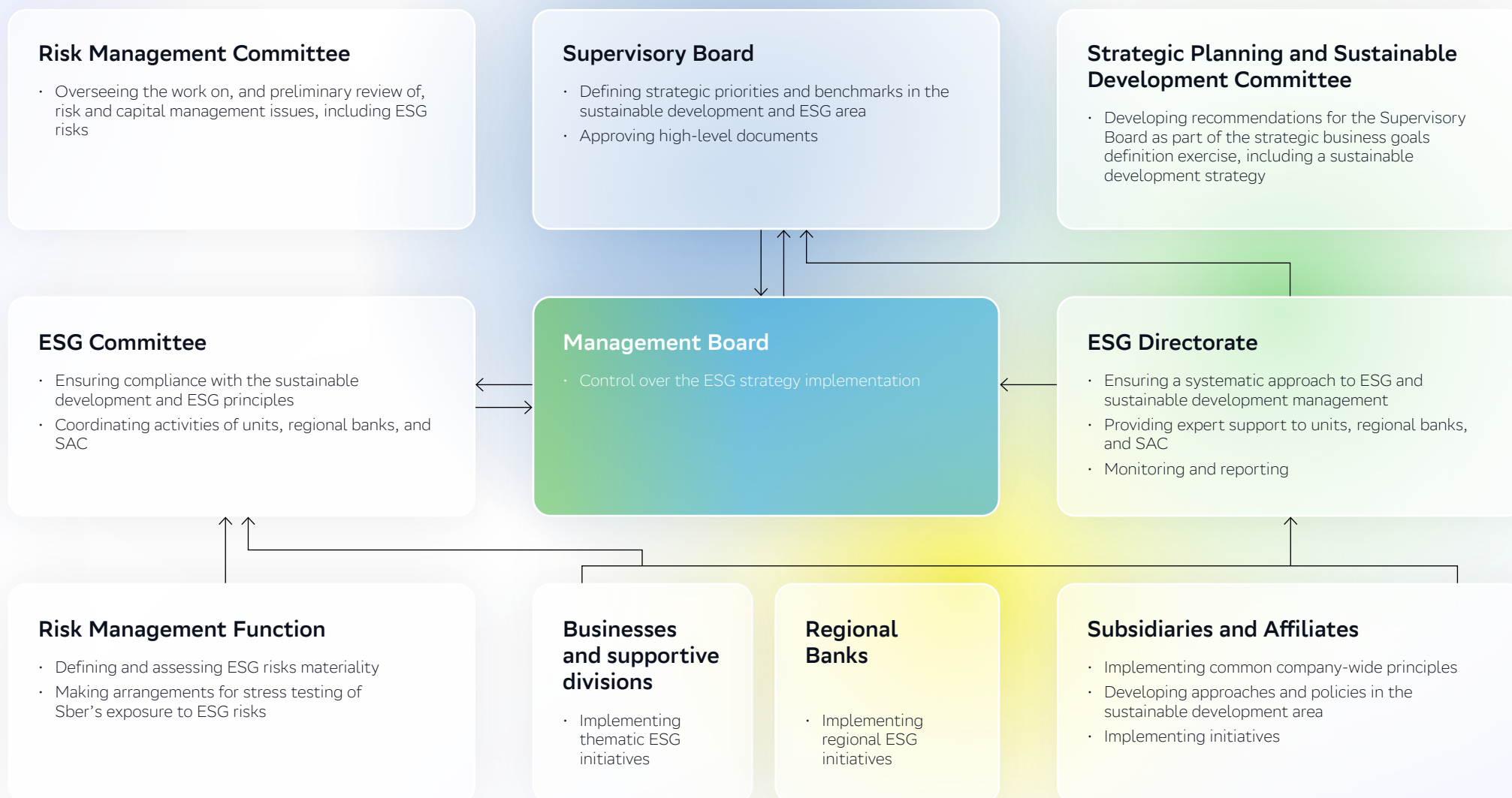
During 2021, the ESG Directorate activities were lined up so as to make sure that a systematic approach is taken towards ESG and sustainability management and expert support is extended to units, regional banks, and SAC. The ESG Directorate is a coordinating department under the supervision of Senior Vice President.

In 2021, responsibilities were also assigned to employees to oversee the ESG agenda in business units and divisions of the Bank, as well as at the level of Group companies. Internal ESG transformation encompassed all regional banks.

Overview of the ESG management system functioning in 2021:

- The Supervisory Board reviewed ESG matters three times
- The Executive Board reviewed one ESG agenda item in its meetings
- Eight meetings of the ESG Committee were held
- Five systemic educational programs were developed for internal and external stakeholders
- Over 2,000 ESG and sustainable development projects and initiatives were implemented

ESG and sustainability management organizational structure



Stakeholder Engagement

Stakeholder engagement is an important part of ESG activity, pursued by Sber on a systemic basis, following the principle of openness and using communication channels and mechanisms that are convenient to each stakeholder. In its pursuit of this activity, Sber takes into account the materials of the International Organization for Standardization Technical Committee for Sustainable Finance, ISO/TC 322 Sustainable Finance, the AA1000SES (AccountAbility Stakeholder Engagement Standard) and other applicable standards.

Sber identifies 11 stakeholder groups that are significant to, and are impacted by, the company. Regular stakeholder engagement continued in 2021, with a separate consulting process undertaken as part of the ESG and Sustainability Policy development effort, aimed at discussing main Policy elements and gathering feedback. For more information, see *“Determination of Material Topics” subection and the ESG and Sustainability Policy (Section 9, Annex 4)*.

Suppliers’ Responsibility

Sber continues to work on development of a sustainable supply chain and welcomes cooperation with partners who follow ESG standards in the field of occupational health and employment (minimum wage requirements, maximum working hours), employees’ rights (including freedom of association) and living conditions, prohibition of discrimination, child and forced labor. Sber is also committed to extending ESG principles throughout the supply chain.

In 2021, Sberbank developed and adopted a Code of Corporate Social Responsibility for Procurement Activities and is guided by this Code when selecting suppliers and interacting with them. When carrying out procurement activities, Sber pursues the following objectives:

- promoting economic development at national and international levels;
- creating favorable and safe working environment for its employees;
- achieving and maintaining the status of socially responsible bank;
- promoting social progress of the society and the state;
- caring for environment when selecting suppliers and conducting procurement activities;
- developing regional economy and supporting local suppliers.

Cooperation with suppliers is based on honest and respectful partnership. In order to attain the ESG strategy goal in procurements Sber signs an additional Corporate Social Responsibility (CSR) Agreement with counterparties as a part of procurement contracts.

In addition, Sber expects that its suppliers will act in accordance with principles of ethics and good faith, values their compliance with Sberbank's Code of Corporate Ethics.

Sber seeks to cooperate with suppliers that have impeccable business reputation, operate in accordance with ESG requirements, take care of health and safety of their employees, demonstrate environmental protection efforts and adhere to high standards of business ethics and fair partnership.

Sberbank buys products mainly from local suppliers – the percentage of such purchases traditionally remains at the high level. Thus, in 2021 the share of local suppliers² in the procurement budget reached 95%.

Determination of Material Topics

When determining strategic priorities in the field of ESG, Sber is guided by the materiality principle and takes into account interests of all stakeholders. Sber gives special priority to issues that reflect key impacts on the economy, environment and society, as well as those that are relevant to stakeholders and influence their assessment of Sber's activities and decisions.

Sber analyzes material ESG topics taking into account non-financial reporting of peer companies that are leaders in the financial industry and digital business ecosystems, as well as requirements set forth by ESG rating agencies, international standards and initiatives, including GRI, SASB, AA1000, ISO/TC 322 Sustainable Finance, WEF Stakeholders Capitalism ESG Metrics Initiative.

² Local suppliers are defined as suppliers incorporated in Russia. The percentage of procurements from local suppliers is calculated as the ratio of the amount of payments to local suppliers and contractors to the total sum of payments to suppliers and contractors for the reporting period.

Approach to determination of material topics

Stage	Objectives
Identification	<ul style="list-style-type: none"> • Analysis of current practices and key areas of Sber's sustainable development and ESG transformation • Analysis of requirements set forth in international standards, recommendations, ESG ratings, commitments and initiatives joined by Sberbank • Benchmark analysis of material topics highlighted in reporting of leading Russian and international financial, fintech and digital companies

Preliminary list of material topics

Materiality assessment	<ul style="list-style-type: none"> • Expert discussion of a preliminary list of material topics and prioritization • Assessment of materiality of the identified topics
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Proposals for adjustment of the list of material topics

Approval	<ul style="list-style-type: none"> • Adjustment • Consideration and approval of the final list of material topics and the materiality matrix
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Approved final list of material topics Materiality matrix

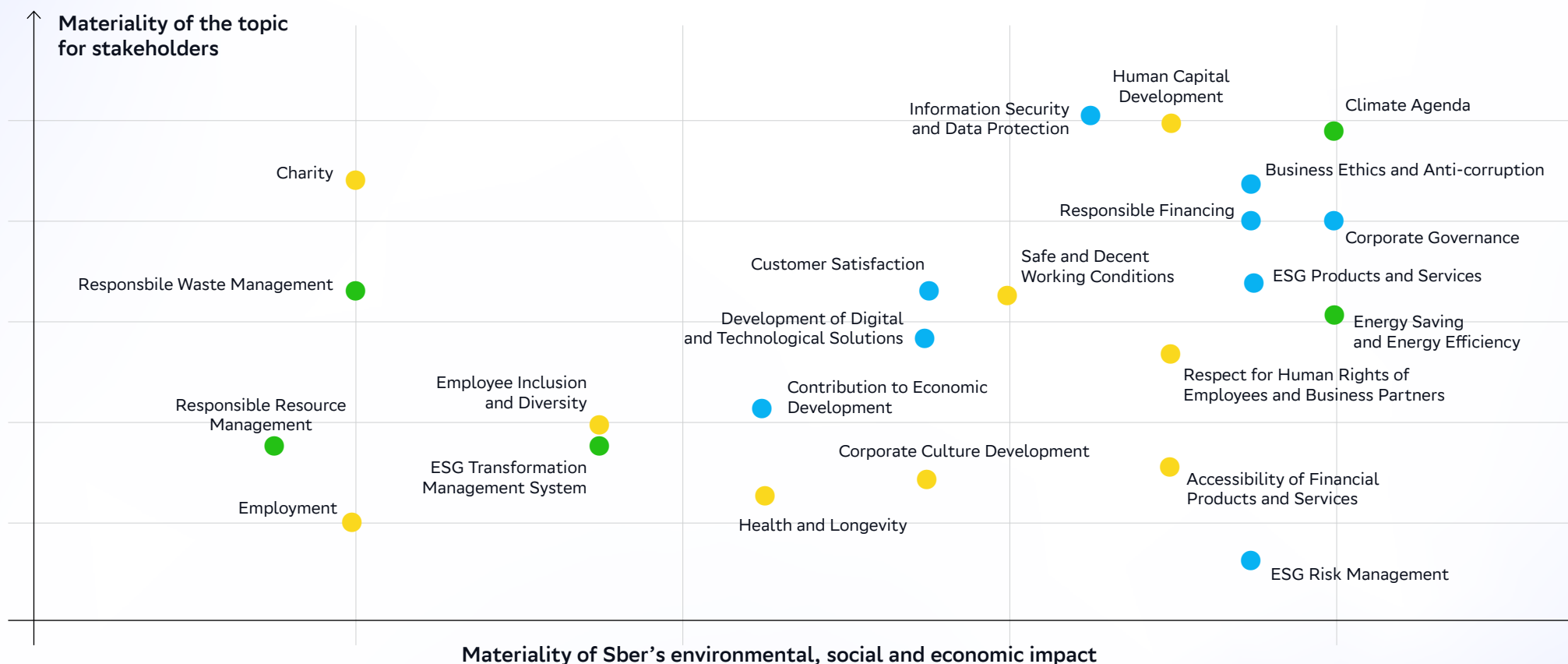
Material topics and issues in the field of sustainable development and ESG are discussed with stakeholder representatives at least once every 3 years (strategic cycle). In 2021, Sber conducted an in-depth study involving stakeholders as part of the consultation process in preparation of the ESG and Sustainability Policy. This study was participated by more than 2,500 individuals and 107 entities. In the course of discussions, stakeholders identified issues where Sber's influence was most significant for them.

When preparing the 2021 Impact Report, Sber identified a broad list of material ESG topics, which included 23 topics in three aspects (environmental, social and governance). The list was expanded as compared to the list used in the Annual Report for 2020. The list of essential topics was supplemented with such topics as rational use of resources, responsible waste management, corporate culture development, employee inclusion and diversity, energy conservation and energy efficiency, respect for employee and business partner rights, ESG products and services. These changes are the result of an in-depth study with involvement of stakeholders.

The materiality matrix was based on the results of consultation process as part of the ESG and Sustainability Policy preparation and the results of expert assessment of materiality, which made it possible to rank topics according to their materiality for stakeholders and for Sber.

Matrix of material ESG and sustainability topics for Sber and stakeholders

● Environment ● Social ● Governance



According to results of the analysis, the most material topics included the climate agenda, human development, information security and data protection, business ethics and anti-corruption, corporate governance, and responsible financing.

Systemic ESG Communications

Communication support and information campaigns are activities that allow Sber to implement the principle of openness and transparency, regularly inform all target audiences about the plans and results of ESG activities. This area of activity includes representing Sber's stance on ESG at international and Russian venues, preparing and holding dedicated events, participating in ESG ratings and communication support of ESG initiatives.

In 2021, Sber implemented a number of important initiatives aimed at informing, educating and changing the perceptions and behavior patterns of a wide range of target groups. In the reporting period, the ESG communications plan was aimed at educating the general public about Sber's ESG products and services, enhancing Sber's investment appeal and positioning it as a leader in the ESG agenda at the national level, as well as at engaging employees and customers in ESG initiatives.

Sber's key ESG communication projects in 2021 include "Save the Planet", a program aimed at engaging a wide audience in the environmental and social agenda, drawing attention to the solving of climate and environmental conservation and social development issues; the ESG Agenda at AI Journey 2021; the Green Transition Project on R24 Channel and ESG Deep Dive Investor Day.

In 2021, Sber participated in a number of international ESG initiatives, including the UN Global Compact and the Principles for Responsible Banking issued by the UNEP Finance Initiative. Sber also actively participated in the UN Conference of the Parties on Climate Change (COP26). At the national level, Sber, among other leading Russian companies, came forward with the initiative to create the National ESG Alliance, with a mission to promote the transition to a sustainable model of economic development.

ESG Education

One of Sber's cross-cutting approaches to ESG and sustainable delivery activities is to deliver educational and outreach programs and share experiences with other market participants on ESG and sustainable development matters, with a view to raise awareness, spread knowledge and develop the competencies of employees, customers, partners and public educational institutions.

It will not be possible to implement the ESG strategy without raising awareness and the level of core competencies among Sber employees, so Sber conducts regular training for representatives of functional blocks and regional banks. The educational events held in 2021 focused on ESG technology, inclusion and diversity, responsible consumption, as well as Sber's ESG products, non-financial reporting and ESG ratings. Another event was a two-day session on ESG for chairmen of regional banks.

As part of the ESG education development effort at Sber in 2021, a publicly available course "ESG: Introduction. How businesses can be on the top of the wave over the next 30 years". The course is designed for people from business sector, but it would also be of interest to other target groups, as it contains basic information on the key ESG agenda items, presented by experts from Sber and its partners.

Sber has developed a special educational program for corporate customers, called "ESG Transformation. An Intensive Course", dedicated to ESG transformation. The program is divided into two parts: the theoretical one and the practical one, used to recap on studied material using advanced educational formats, such as interactive seminars and solving case studies and problems together with agenda-leading companies.

2. Responsible Financing

ESG in Corporate Business

Products

Credit:

- Green and transitional lending
- ESG loans

Investment:

- Issuance of green and social bonds for corporate clients
- Sber's green bonds

Consulting and ESG solutions:

- ESG self-diagnostic tool
- Environmental insurance

Support of small business, microbusiness and self-employed persons

Instruments

ESG risk assessment:

- Unacceptably high level of ESG risk
- ESG scoring³
- Industry-specific level of ESG risk and ESG Handbooks
- ESG screening
- Environmental impact assessment and independent assessment of environmental risks

3. The ESG scoring tool is under development.

ESG Banking Products

When developing sustainable loan products, Sber is guided by the current legislation and regulation of the Russian Federation, as well as by international best practices. In 2021, Sber offered two key products – green and ESG loans.

Green Loans

Green loans are commercial lending or project financing where the funds are used to finance projects aimed at improving the environmental quality and compliant with criteria for green projects.

Green loans serve as an important tool to encourage companies to switch to more eco-friendly technologies.

Compliance with criteria for green loans is assessed as part of the credit process. Compliance of loan products with criteria for green projects is confirmed by experts from the ESG Directorate as part of internal sampling verification. The green loan status is displayed in the unified accounting system of the Bank.

Decree of the Government of the Russian Federation dated 21 September 2021 No. 1587 approved the criteria for sustainable (including green) development projects. Sber ensures the compliance with nationally accepted criteria and has already implemented the criteria for green and adaptation projects in its internal regulatory documents.

ESG Loans

ESG loans are loan products containing requirements to improve non-financial indicators in the form of variable rate parameters and/or covenants. Customers from all industries can include ESG covenants in their loan agreements on a voluntary basis.

Terms of ESG loans are aimed at improving current ESG practices and sustainability management system and reflect parameters in environmental, social and governance areas.

Examples of ESG loan terms

Environment	Social	Governance
<ul style="list-style-type: none"> • Volume of greenhouse gas emissions • Share of renewable energy use • Allowance for climate-related risks 	<ul style="list-style-type: none"> • Staff turnover • Accidents, injuries and fatalities • Remuneration rate 	<ul style="list-style-type: none"> • Share of women in the Board of Directors • Information security • Anti-corruption practices

In 2020, Sber approved criteria for ESG and green loans that were specified and supplemented with standard ESG covenants in 2021. Sber's portfolio of ESG and green loans exceeded RUB 300 billion in 2021.

Tools to Assess ESG Risk in the Credit Process

In order to manage ESG risks in the credit process of corporate business, Sber has developed a set of tools, including assessment of unacceptable ESG risk level, ESG screening, environmental impact assessment and independent assessment of environmental risks, assessment of industry-specific ESG risk level, industry-specific ESG Handbooks, and ESG scoring.

If an increased level of ESG risk is identified when using any of these tools, Sber will apply risk control and management mechanisms: unacceptably high risks may cause a refusal of transaction. Moreover, risks can be mitigated by supplementing loan agreements with covenants – contractual terms that the borrower undertakes to follow or refrain from following during the loan agreement term.

In order to effectively implement the tools, Sber arranges regular training for risk managers, credit managers and loan inspectors. Sber arranges webinars and workshops available on its educational portal, together with training materials. In 2021, over 2,500 employees received training on ESG risk assessment and responsible financing at the Bank.

Unacceptable ESG Risk Level

For all transactions in the standard credit process for major, large and medium business, Sber provides for a check of unacceptably high level of ESG risk, which includes a number of parameters: environmental risks, corruption cases, tax evasion, slave and child labor, involuntary resettlement. Checks of unacceptably high levels of ESG risk are conducted with participation of the Bank's Security Department.

ESG Scoring

A tool for assessing the level of ESG practices used by corporate customers – ESG-scoring – is a rating based on the analysis of 37 ESG-factors. In 2021, Sber created a best-in-class model based on the data from 1,500 companies, which provides the comparative assessment of customers in clusters of homogeneous industries by the maturity level of ESG agenda.

Industry-Specific Level of ESG Risk and ESG Handbooks

In its approach to ESG risk assessment, Sber takes into account the customer's industry affiliation. Since ESG risks are closely related to industrial and manufacturing processes that are homogeneous within one sub-industry, Sber determines the level of ESG risk exposure for each of more than 200 sub-industries. This assessment is conducted annually, and its results are established in the Credit Policy. For sub-industries with increased risk, Sber provides for additional assessment to specify the level of ESG risk for a particular client.

In order to build such expertise into the credit process and ensure the process continuity, in 2021, Sber launched the development of industry-specific ESG Handbooks – guidelines for loan inspectors and risk managers to identify customers' material ESG risks. The handbooks also contain standard ESG conditions allowing to address identified material ESG risks.

ESG Screening

For particularly large or significant loans, Sber provides for an ESG screening procedure. The ESG screening tool implies the assessment of availability and sufficiency of management practices in the field of ESG and materiality of negative events in the field of environmental protection, health and safety, social services and corporate governance related to the customers' activities.

Based on results of analysis of available ESG information and documentation, the ESG Directorate experts generate a final conclusion on the ESG risk level. If the ESG risk is high, they give recommendations for mitigation of identified risks.

The Bank's Environmental Impact Assessment and Independent Assessment of Environmental Risks

When considering financing of the largest projects for customers from sub-industries with high and medium ESG risk (the risk level is established in the Credit Policy), the Bank arranges its internal environmental impact assessment and independent assessment of environmental risks.

The Bank's environmental impact assessment serves as the first stage of assessment and allows to identify environmental risks within the project for which Sber is considering the provision of financing.

The independent assessment of environmental risks represents the second part of the risk assessment procedure, the purpose of which is the independent control of conclusions made in the course of the Bank's internal environmental impact assessment regarding project categorization, completeness of analysis, determination of materiality of environmental risks and their assessment.

Responsible finance debt instruments

In 2021, Sber produced green, social and transitional bonds for corporate clients and became the leading ESG bonds issuer in Russia. Sber accounted for over 90% of the total responsible finance debt instruments issued in 2021 that amounted to more than RUB 180 billion. Sber also provides customers with advice on the choice of fund raising strategy and tools.

Sber's Green Bonds

An important event in the Russian responsible financing market in 2021 was the first issue of Sber's own green bonds for the amount of RUB 25 billion in November 2021. The issue was oversubscribed, which was evidence of solid investor demand for green financial instruments. The issue will fund loans for construction of solar power plants. The maturity of these bonds is two years, while the estimated yield is 8.99% p.a.

The issue complies with ICMA international standards and requirements of the Bank of Russia and the Moscow Exchange, as confirmed by an independent verification conducted by ACRA. The Moscow Exchange qualified the issue for inclusion in the Sustainability Sector. In accordance with requirements to the issue, Sber developed a Green Bond Framework setting forth its approaches to the planned use of funds, criteria and procedure for selection of green projects, managing the registry of issued green bonds, reporting and external assessment. In accordance with the Framework, Sber publishes a report on the use of funds as part of the annual non-financial reporting. ([See the report on the use of funds for 2021](#)).

Consulting and Joint Initiatives Aimed at ESG Transformation of Customers

In addition to developing a line of ESG products and improving tools to assess and account for ESG risks in the lending process, Sber also uses soft measures to promote ESG transformation of customers.

As part of these activities, Sber develops in the following areas:

- training: with the use of free online course ESG: Introduction, and educational programs developed specifically for the customers' needs (*for more information see Section [1. ESG Transformation Strategy and Management System](#)*);
- entering into partnership agreements in the field of ESG: framework agreements and memorandums have already been concluded with a number of companies;
- ESG advisory.

Sber consolidates best practices and expertise, pays close attention to trends and analyzes the needs of Russian market in order to offer the most sought-after and effective solutions. In particular, in 2021, Sber implemented a product aimed at consulting with regard to ESG rating, and developed concepts of ESG advisory products that will be implemented in 2022.

The ESG scoring methodology was used by Sber to develop a unique product – an ESG self-diagnostic tool for legal entities. The service provides companies with the comparative assessment of their level of ESG practices and recommendations for improvement.

Sber's ESG Solutions for Corporate Customers

Sber provides a comprehensive support to clients with respect to ESG transformation by offering a variety of services and products within its ecosystem.

Environmental Insurance

Environmental insurance is the insurance of various types of environmental risks aimed at creation of insurance coverage for damage to the environment, life, health or property of third parties as a result of accidents resulting in environmental pollution.

Sber is engaged in environmental insurance and provides assistance in the event of adverse events: in case of accident, the insurance company reimburses costs specified in the insurance contract, including expenses for investigation of accident causes and compensation of damage done to affected parties and the environment. In 2021, Sber launched several environmental insurance programs for various business segments: major, large and small and micro businesses.

Support of Small Business, Microbusiness and Self-Employed

Sber pays considerable attention to the support of small and microbusiness (hereinafter referred to as SMB), as well as self-employed persons. In its activities, Sber is guided by the customers' needs, creates special offers and constantly expands options in its interaction with customers.

Products and Services for Small Business and Self-Employed

Sber's digital services and solutions are aimed at satisfying financial and non-financial needs of small business and self-employed persons. Along with access to financing, Sber is actively developing its offers of non-financial products and services that were already used by about 23% of SMB customers in 2021.

Online loan for business. The share of online lending in 2021 increased significantly due to the fact that customers now have an opportunity to apply for loans 24/7, via the SberBusiness mobile app without visiting the Bank's branches.

Transfers between accounts. In 2021, Sber doubled the amount of free transfers from accounts of individual entrepreneurs to accounts of individuals – up to RUB 300,000, and also halved the interest rate for transfers from accounts of legal entities or individual entrepreneurs to accounts of individuals – to 4%.

The most popular services – Lawyer for Business, Accounting for Individual Entrepreneurs, Rabota.ru, and Electronic Document Flow – are now available free of charge as part of service packages.

The business school for regions offers training programs for entrepreneurs from Russia, where they can get practical advice and improve the efficiency of their business. In 2021, training events were held in 45 regions.

ESG for Retail Customers and Investors

	Products		Approaches and processes
Retail business	<ul style="list-style-type: none"> ESG customers segment Carbon footprint calculator 	<ul style="list-style-type: none"> “Ecology Next to You” geovidget 	<ul style="list-style-type: none"> Assessment of ESG risks in retail business
Retail investors	<ul style="list-style-type: none"> Mutual investment funds (open mutual investment funds, exchange-traded mutual investment funds) ESG indices 	<ul style="list-style-type: none"> Turnkey endowment fund creation service ESG scoring for Sber Private Banking customers 	<ul style="list-style-type: none"> Developing approaches to responsible investment

Retail Business

Assessment of ESG risks in Retail Business

Significant work was done in 2021 to improve ESG risk assessment tools in the retail business – more specifically, Sber:

- approved the Credit Policy with regard to individuals, with allowance for ESG factors and ESG risks;
- undertook a study of anti-discrimination in retail risk models based on the best Russian and international practices, in order to ensure equal access of all customers to the Bank's credit products; the AI Ethics Committee made a decision to replicate the anti-discrimination approach to the Bank;
- conducted the analysis of retail loan portfolio quality in terms of debt load, developed an approach for regular monitoring of customers' debt load;
- launched pilot projects in such segments as Young People and Foreigners, aimed at improving the availability of credit products for target customer groups;
- assessed the materiality of climate risks impact on individuals, conducted climate stress testing of retail loan portfolio based on end-to-end scenarios of realization of physical and transitional climate risks.

ESG Products in Retail Business

Sber develops ESG products for private customers. In order to target offering of services to customers with responsible attitude, who are not indifferent to ESG principles, in 2021, Sber developed a methodology for identification of a new customer segment of ESG customers. ESG customers have responsible lifestyles, make informed choices about goods and services, care about education, health and economic growth, contribute to poverty and hunger reduction, support vulnerable groups, support inequality reduction, peace and effective institutions.

Sber is developing a special approach to interaction ESG customers. In particular, the ESG profile of products is analyzed, depending on which they are prioritized for promotion in distribution channels.

Sber sets ambitious goals for ESG integration in the retail business, including such areas as:

- personalized ESG scenarios;
- carbon footprint calculator in Sberbank Online;
- eco-tasks;

- “Ecology Next to You” geovidget – a cartographic material developed together with 2GIS and reflecting environmental facilities (recycling centers, eco-stores and useful services);
- green mortgage – a new housing product with high environmental performance (including use of energy-saving technologies, water purification and recycling systems, etc.) on special terms;
- ESG rating of retail customers.

Retail Investors

ESG Investment Strategies

In 2021, the SberBank Online mobile app made available a Responsible Investment strategy, which consists of shares of sustainable, financially reliable and growing companies that comply with international ESG principles, and gives investors an opportunity to build long-term capital through responsible investments. By the end of the year, more than 13,000 customers became users of this strategy, while assets under the strategy management amounted to RUB 1.42 billion.

While expanding the range of passive management funds, Sber Asset Management launched a new exchange-traded mutual investment fund Halal Investments in 2021. The exchange-traded fund invests in shares and depositary receipts of companies whose financial and economic activities comply with Shariah rules, with allowance for their liquidity and growth potential.

Open mutual investment fund of market financial instruments Sber – Global Internet received a very high ESG rating (ESG-B) from ACRA. Three more funds received ESG ratings at the high level of ESG-C category: open mutual investment fund of market financial instruments Sber – Dobrynya Nikitich, open mutual investment fund of market financial instruments Sber – Power Industry, and Halal Investments Fund (SBHI ETF).

Overall, more than 136,000 Sber’s customers invest in ESG products and ESG rated funds.

ESG in Sber Private Banking

Sber Private Banking generates ESG offers for retail investors. In 2021, Sber expanded the line of ESG indices that had already included three indices:

- **Solactive FoodTech Index** – consists of shares of companies producing alternative protein and developing new food storage and delivery technologies.

- **Women Impact Europe Index** – includes shares of European companies selected on the basis of Sber Private Banking's own metrics for assessing gender balance in companies.
- **Circular Economy Index** – includes shares of global companies with capitalization of USD 10 billion or more and high daily trading volumes that adhere to the principles of circular economy.

In 2021, Sber launched the fourth Green Transition Index strategy, which includes shares of companies that reduce their carbon footprint and work in the field of green energy. These are the companies that:

- contribute to reduction and compensation of carbon footprint through application of new technologies;
- create a market for alternative energy and electric cars;
- are engaged in environmental restoration.

An important innovation in ESG activities of Sber Private Banking was the launch of such service as a turnkey endowment fund creation.

Customers seeking to support social initiatives and develop philanthropy can use the product to implement a modern approach to management of non-profit organizations based on best international practices. This means structured implementation of projects, financial flow diversification, five-year strategy, fixed sources of financing.

Sber Private Banking takes upon the full cycle of endowment creation, including preparation of necessary documents, registration of the fund, selection of a company to support the fund operation (back office), creation and implementation of the investment strategy, and preparation of necessary reporting. The product is applicable to funds with the maturity of ten years and the value of RUB 3 million and more.

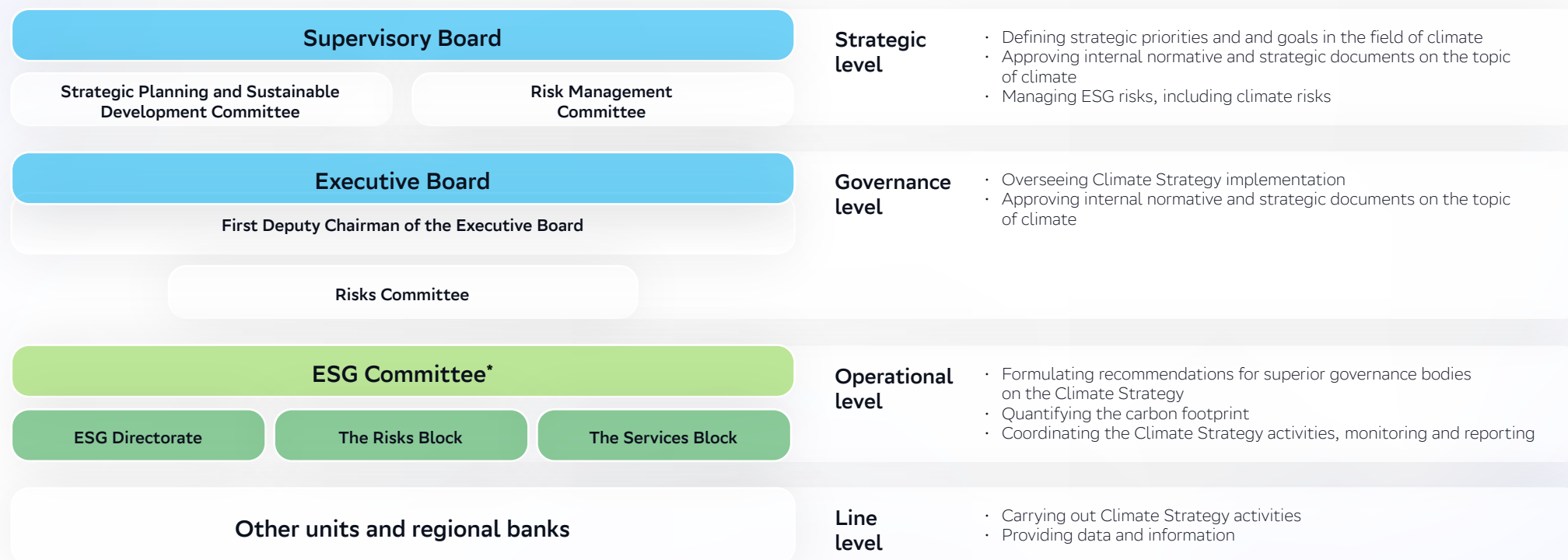
To develop an ESG component in consulting, Sber Private Banking has implemented ESG scoring of each issuer in the portfolio and the portfolio as a whole in its investment recommendations for customers. Therefore, information on assessment of compliance with criteria of environmental, social and corporate responsibility became available to private investors. The ESG scoring is based on the data from a global provider of market analytics. New features integrated into Sber Private Banking software allow taking them into account when building and managing the portfolio.

3. Climate Agenda

Climate Impact Management System

The Climate Strategy establishes Sber's approach to the climate agenda, including a multi-layered governance system that involves the Supervisory Board, the Executive Board, the ESG Committee, as well as business and supportive divisions.

Sber's multi-layered climate impact management system



* ESG Committee is an advisory body comprised of Executive Board members, heads of Sberbank functional blocks and regional banks. The Committee reports to the First Deputy Chairman of the Executive Board.

In 2021, the Supervisory Board reviewed climate-related issues in three sessions dedicated to Sber's ESG agenda. Besides, climate is a topic of the educational sessions for the members of the Supervisory Board and is discussed by them at various internal and external events.

The Climate Strategy objectives are key performance indicators that are part of the Executive Board performance evaluation; this represents best practice and allows to consolidate responsibility at the highest governance level.

Sber's climate impact management model



Climate Risks and Opportunities

Identification and assessment of climate risks and opportunities lies at the core of Sber's systemic approach to managing business adaptation to climate change. Sber identifies, assesses, analyzes climate risks and puts together a system for managing physical and transitional risks that may impact the activities of Sber, its customers and other stakeholders, using the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), Bank of Russia guidance and other regulatory and legal acts within the Russian legal framework.

In 2021, Sber approved and implemented a roadmap for assessing ESG risks, including climate risks. A portfolio-level climate transition and physical risk assessment was undertaken, which included scenario development and stress testing.

Procedure for Identifying, Assessing and Managing Climate Risks and Opportunities

The climate risks assessment is part of the integrated risk management system and is regulated by the Risk and Capital Management Strategy and the the ESG Risk Management Policy of Sber. Subsidiaries and affiliates adopt their own ESG risk management policies based on the parent company document.

In accordance with the ESG Risk Management Policy, climate risks are a category of environmental risks (a part of ESG risks) and are defined as a potentially existing reaction to long-standing anthropogenic negative impact on the environment, manifested in dangerous weather events and climate change. Within the climate risks category, the Bank distinguishes between the following two:

- physical climate risks are a type of climate risks characterized by direct damage to physical infrastructure as a result of dangerous weather events and other climate change consequences;
- transition risks are a type of climate risks characterized by changes in behavioral patterns, social reassessment, and associated losses as a result of long-term climate change and society's efforts to adapt.

Sber reviews climate risks on three time horizons: short-term (1-5 years), medium-term (5-10 years) and long-term (10-30 years). Risk management identifies factors affecting credit risks, risks of current and emerging regulation, technological, legal, market and reputational risks, liquidity risks, operational risks, as well as directly acute and chronic physical risks.

Identified risks are evaluated from the standpoint of their financial and strategic importance, which is determined depending on the magnitude of consequences and time horizons of risk materialization. Material risks are those that, to be managed, require changes to the Bank's lending and investment processes and products.

For each of the identified material climate risks, a risk management and mitigation system is developed. Material risks are discussed at the ESG Committee and the Credit Committee level. Climate risk assessments are performed in respect of all major transactions, complemented by environmental impact assessments in respect of certain transactions. If risks are found to be strategic, they are discussed at strategic sessions of the Supervisory Board.

Climate Stress Testing

To assess materiality, Sberbank regularly conducts stress tests aimed at both transitional and physical climate risks.

Sberbank was the first bank in Russia to stress-test its loan portfolio with a view to account for transitional climate risks. For this purpose, a comprehensive scenario was developed for the stress testing of transitional risks at the national economy, industry and Bank portfolio levels, using the following scenarios:

- the International Energy Agency's Net Zero 2050 base case scenario that assumes achieving global net zero by 2050, keeping the global temperature increase rate below two degrees by 2100, replacing fossil fuels in the energy mix with alternative generation methods, and developing electric transport;
- additional European Commission scenarios under the EU Green Deal, including:
 - the Zero Pollution Plan and Chemical Strategy, aimed at reducing toxic pollution in the European Union countries to zero, reducing the use of inorganic fertilizers by 50%, improving the transparency and ecological footprint of supplies;
 - the Farm to Fork Strategy that implies rejection of any carbon-intensive agricultural produce imports.

The transitional climate risks stress-testing scenario at the economy and industry levels, developed by Sberbank, was not only used in stress tests at Sberbank PJSC level, but was taken into account in the Russian Federation's Low-Carbon Development Strategy 2050. The methodology for accounting for transition risks was approved by the Central Bank of the Russian Federation and made available for stress testing of the Russian banking system.

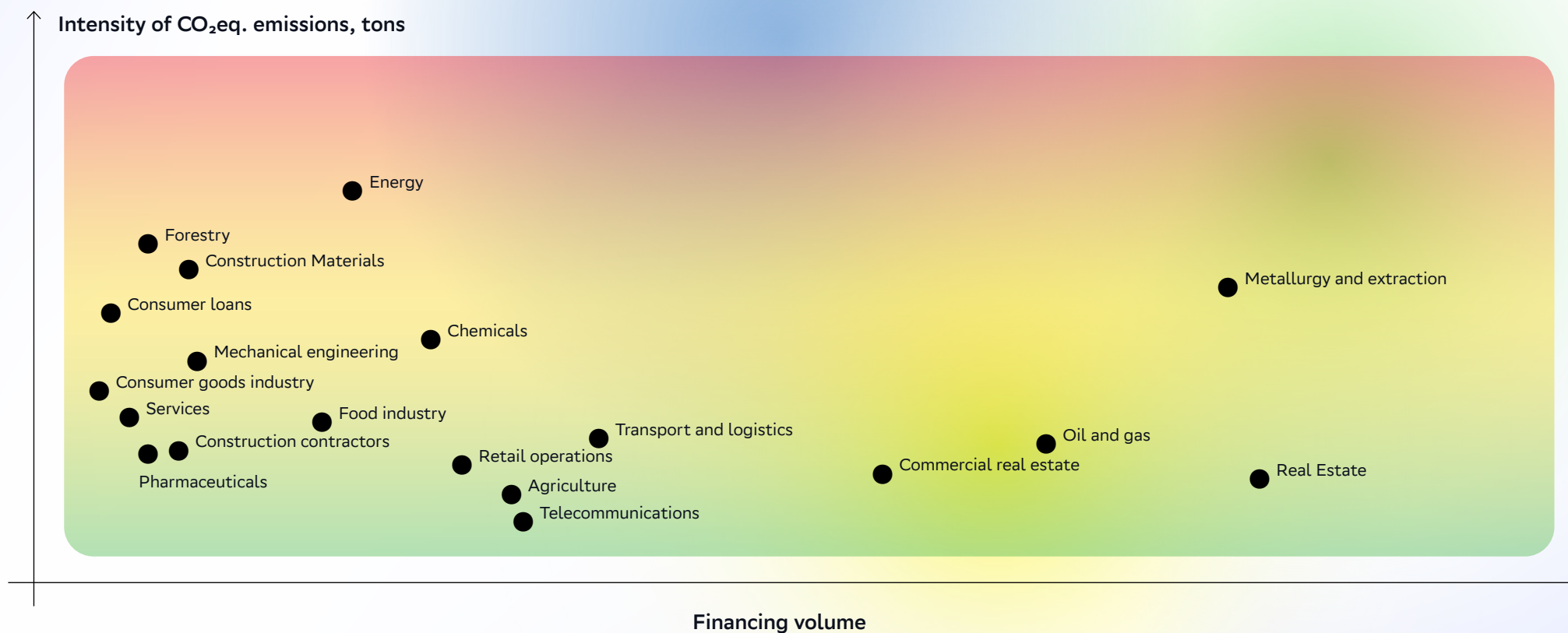
Also in 2021, two stress tests of physical climate risks on the 2035 horizon were conducted, taking into account the impact on the retail portfolio and on key corporate customers. The base case scenario of this stress test took into account the Network for Greening the Financial System scenarios for climate risks in the financial sector, the impact of physical climate risks on industry, infrastructure and macroeconomic parameters. Extensions to the base case scenario included macroeconomic and regional effects for the Russian Federation.

Significant Climate Risks for Sber

Following identification and assessment of climate risks in 2021, the risks of changes in national and international regulation were found to be the most significant ones for Sber. These transitional risks affect credit risk in the short and medium term.

To assess the industry structure of climate risks in the Sberbank PJSC portfolio, a calculation was carried out on the basis of industry average benchmarks. Its results showed that the bank portfolio in metals and mining, energy, forestry and construction materials industries is characterized by high emission intensity. A portfolio carbon intensity reduction plan is put together based on this analysis and on an estimate of amounts of financing.

Climate risk industry structure



Climate Opportunities

The global energy transition and the national low-carbon development strategy will require significant investment. Sber sees opportunities in this regard, such as:

- expanding green financing services⁴:
 - increasing the volume of green, adaptation and ESG loan portfolio;
 - arranging for and issuing own green, adaptation and climate bonds;
 - advising customers on the selection of responsible financing strategies and instruments;
- participating in the development of the carbon trading system;
- supporting carbon dioxide (CO₂) offset projects;
- promoting the development and implementation of breakthrough technologies.

Climate Strategy

Sber's Climate Strategy is based on information about the current state of the climate agenda and external context, an assessment of the carbon footprint and existing climate risks and opportunities; it also takes into account best practices and the requirements of international standards.

As part of the Climate Strategy development effort, the provisions of various standards, guidelines and recommendations, including (banking) industry-specific ones, as well as some ESG ratings, were studied and taken into account. The main such sources were documents developed as part of the UNEP FI initiative, Science Based Targets initiative, Net-Zero Banking Alliance, CDP, and TCFD.

The strategy is based on an understanding of the current status of the climate agenda at Sber, for which purpose in 2021 Sber developed a system enabling quantification of direct (Scope 1), indirect energy-related (Scope 2), other indirect (Scope 3) greenhouse gas emissions.

4. See Section [2. Responsible Financing](#) for more details.

Carbon Footprint Methodology and Accounting

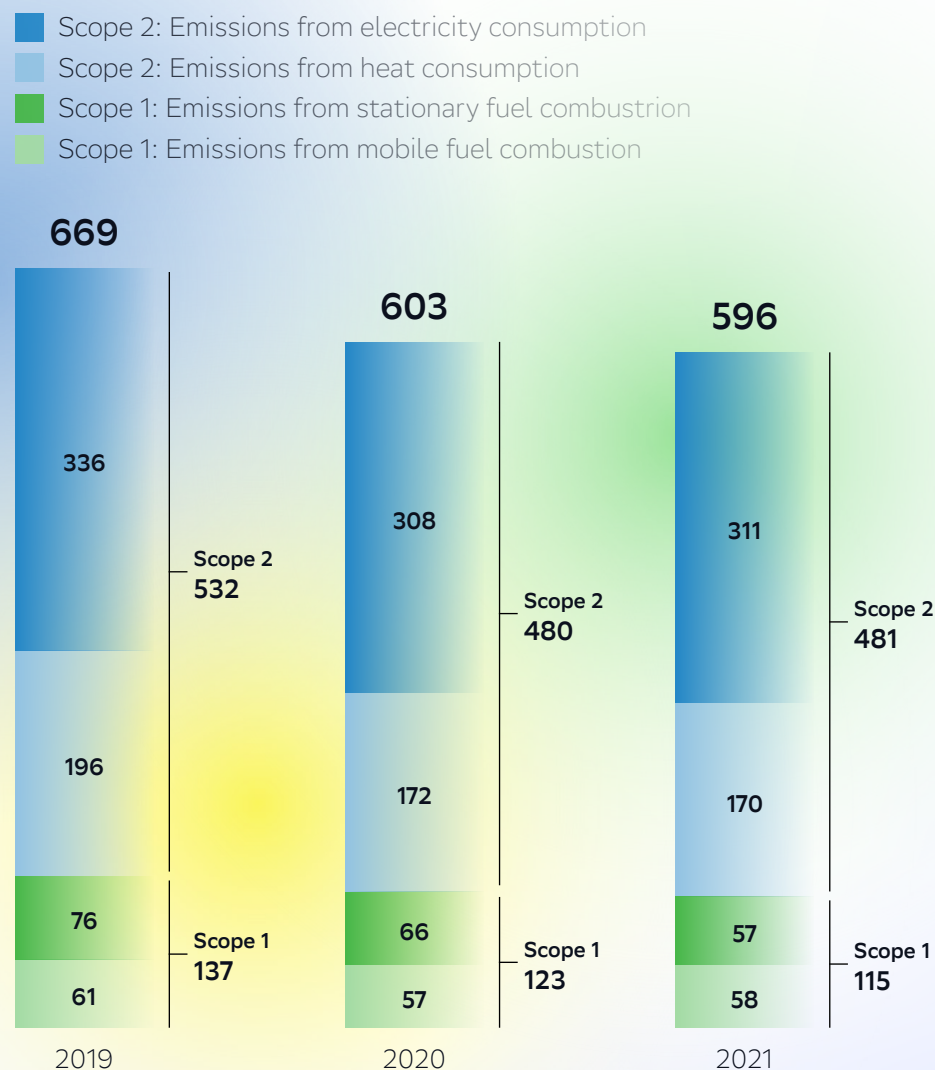
To calculate Scopes 1 and 2 greenhouse gas emissions in 2021, Sber has developed and approved a calculation methodology. This approach takes into account international methodologies, such as GHG Protocol, ISO 14064, IPCC Guidelines for National Greenhouse Gas Inventories, as well as Orders of the Ministry of Natural Resources and Ecology of the Russian Federation dated 30 June 2015 No. 300 and 29 June 2017 No. 330.

Sberbank's direct greenhouse gas emissions (Scope 1) for 2021 amounted to 114,099 tonnes CO₂e, while energy indirect (Scope 2) emissions equaled 464,624 tonnes CO₂e. These results successfully underwent independent third-party assurance. Sberbank's carbon intensity is 0.5 tonnes CO₂e per 1 employee for Scope 1 and 2.1 tonnes CO₂e per 1 employee for Scope 2.

Sber's Scope 1 and 2 greenhouse gas emissions show a negative trend, with Scope 1 emissions down 6.6% in 2021 year-on-year while Scope 2 emissions increased by 0.3%, but decreased by 10% vs. 2019.

As for other indirect (Scope 3) emissions, Sberbank calculated two categories as per Greenhouse Gas Protocol standards: emissions for Sberbank PJSC associated with waste generation amount to 31 thousand tonnes CO₂e and Sber's emissions associated with leased buildings and facilities are equal to 173 thousand tonnes CO₂e for 2021.

Sber's Scope 1 and 2 greenhouse gas emissions, thousand tonnes CO₂e



Development of a methodology for the calculation of Scope 3 greenhouse gas emissions has been launched, including the loan and investment portfolio that makes up the majority of Sberbank's entire carbon footprint. The document will be consistent with the methodology for calculating the carbon footprint from funded activities set out in The Global GHG Accounting & Reporting Standard for Financial Industry, developed by the Partnership for Global Accounting Finances (PCAF). As regards Scope 3 emissions, the Climate Strategy will be based on a detailed analysis of the portfolio carbon footprint.


Sber's Climate Goals

As part of the Climate Strategy, Sber establishes key metrics to track progress in combating, and adapting to, climate change. The main metric is the volume of Scope 1, 2 and 3 greenhouse gas emissions in CO₂-equivalent. Sber sets to achieve Scope 1 and 2 net zero goal by 2030 covering 100% of baseline 2019 emissions.

Approach to Carbon Footprint Reduction

In the Climate Strategy, Sber has established its approach to carbon footprint reduction measures.

Approach to carbon footprint reduction measures

Degree of preference	Measure	Description
	Avoid	Avoid activities that add to emissions
	Reduce	Reduce emissions by changing or improving enterprise processes and systems
	Replace	Replace high-carbon energy sources with low-carbon ones
	Capture	Capture and store emissions in the course of operations, where applicable
Least preferable option	Offset	Offset residual emissions that cannot be avoided

To achieve the Climate Strategy goals, Sber has planned a program of measures. The Scope 1 and 2 carbon footprint reduction measures include the following:

- To reduce thermal energy consumption:
 - improve energy efficiency;
 - upgrade boiler plants, heating facilities and diesel generator units.
- To reduce electricity consumption:
 - introduce telemetry and remote control systems;
 - access wholesale markets and purchase green energy;
 - participate in green certificates trading;
 - install energy-efficient lighting fixtures.
- To reduce fuel consumption by auto vehicles:
 - optimize the use and routes of corporate vehicles and routes, expand outsourcing opportunities;
 - increase the use of corporate fleet, hybrid and electric vehicles;
- To reduce data center consumption – improve energy efficiency (reduce PUE⁵):
 - optimize architectural solutions used in buildings to reduce cooling losses;
 - make the most of Full Free Cooling (FFC) systems – outside air cooling, without aftercooling;
 - increase equipment utilization;
 - migrate to a multi-DPC architecture thereby reducing the number of servers while at the same time increasing the reliability of applications.

Sber is not only committed to managing its climate agenda as part of its operations, but is also developing approaches to reduce the portfolio carbon footprint which dominates the Bank's overall carbon footprint. In this area, Sber follows an approach that implies promoting the low-carbon transformation of customers and partners through financial and non-financial products and services.

5. Power Utilization Efficiency, coefficient of efficiency of data centers.

To achieve a carbon-neutral portfolio, Sber adheres to the following principles:

1. Leadership and Responsibility: Sber is a driving force behind the low carbon development of the Russian economy.
2. Seizing Opportunities: The climate agenda creates strategic and financial opportunities.
3. Collaboration: Sber promotes the low carbon transformation of customers.
4. Consistency: step-by-step development from calculations and scenario assessments to making data-driven decisions.

Results of Climate Action in 2021

Sber was making efforts to reduce its carbon footprint throughout 2021. Among the implemented measures are reduction of power consumption through remote control, upgrade of lighting systems and the introduction of green standards in construction (see Section 4. Environmental Impact for more information). Significant progress has been made in increasing the share of green energy consumed due to projects of power generation using solar panels and purchasing green energy certificates.

Special attention should be paid to the project of a new integrated approach to power supply at Sberbank branches, implemented at one of the branches in the Astrakhan region. This approach is based on a combination of renewable energy sources (solar panels) and intelligent power consumption management through telemetry and remote control systems. The successful pilot project is being considered for replication in other regions of the Russian Federation with similar climatic conditions.

Many companies in the Sber ecosystem are implementing their own climate impact mitigation initiatives. For example, an affiliated transport company carries out green certification of warehouses, plans to use green real estate and develops a facility energy model as part of certification in accordance with international standards with a view to reduce the costs of facility construction and operation. A taxi service, in turn, is outfitting motor fleets with CNG equipment and switching from traditional fuel to greener methane and propane. There are plans to roll-out successful initiatives of individual subsidiaries across other ecosystem companies.

On the national level, Sber also participates in climate strategy of the Russian Federation. In 2021, Sber experts made a meaningful contribution to the development of the Russian Federation's Low-Carbon Development Strategy by developing the strategy target scenario together with the National Economy Forecasting Institute of the Russian Academy of Sciences.

4. Environmental Impact

Environmental Management

To ensure compliance with all applicable requirements of the environmental law, Sber has developed and implemented the Environment Protection Management Regulation and internal standards that establish rules for interaction among units in the course of planning and implementing environment protection measures and operational environmental control.

Efficient Consumption of Resources

Paper Consumption

Paper is a key material used by the Bank in its daily operations. Reduced paper consumption, achieved through process digitization and efficiency improvement, not only reduces paper procurement volumes but also prevents generation of waste. These effects demonstrate both environmental and economic rationale for reduction of paper consumption, achieved at Sber on a systemic basis.

Sberbank's paper consumption volumes have been on a pronounced decline over the past four years. In 2021 Sberbank used 1,544,054 A4 paper packs, which is equal to 3,781 tonnes⁶.

To migrate to a paperless banking model, Sberbank initiated a dedicated "Digital Inside" program in 2018. The objective of this program is to conduct a detailed analysis of paper uses and to search for paper consumption reduction options at the level of business units.

The main initiatives allowing to optimize paper document exchange flows include digitization of products and processes, development of mobile applications for banking services, migration to electronic checks and electronic document exchange.

6. The consumed paper weight was calculated using a coefficient based on the average weight per 1 pack of A4 paper, 2.5 kg.

In 2021, the three-year “Digital Inside” program was completed. It allowed to radically reduce paper consumption in business processes through digitization (by 56% vs. 2018). At the end of 2021, the volume of paper documents issued to customers reduced by 31%, and that of paper documents remaining in bank archives, by 83%. At present, paper is used only when necessary, i.e. at customer’s request and under circumstances where it is indispensable pursuant to the law.

In addition to reducing paper consumption, Sber is consistently working to increase paper recycling, installing garbage cans for separate waste paper collection and forming the waste-sorting habit in employees. Total weight of waste paper sent for recycling at Sberbank was 1,410 tonnes.

Water Consumption

As part of its resource efficiency policy, Sber also pays attention to water resources management, seeking to minimize water intake and consumption. At the same time, Sber’s core operations do not involve enterprise-scale use of water resources or a correspondingly significant impact on bodies of water.

Sberbank takes water from third parties for household needs. There is no intake from natural bodies of water (both surface ones and underground ones), sea water, or water from arid areas.

Sberbank generates only domestic wastewater, which is forwarded for treatment to third-party organizations. No wastewater is discharged into natural bodies of water, both surface (including seas) and underground ones. There is no wastewater discharge in arid areas either. There were no violations of water management laws or enforcement orders of the regulatory authorities for Bank-owned facilities in 2021.

Between 2018 and 2021, Sberbank’s overall water consumption metrics⁷ decreased by 19% achieving 2,435,381 m³. Potable water consumption decreased by 29% and amounted to 2,146,903 m³.

7. Including total intake (water supplied by third parties); volume of wastewater produced; and volume of wastewater disposal into municipal sewer systems.

Responsible Waste Management⁸

Sber keeps internal waste management records in accordance with the Russian classification whereby waste is divided into five hazard classes. Business mostly generates low-hazard Class 4 and 5 wastes, such as used paper, scrap office equipment and solid municipal waste. Hazard Class 1-3 wastes include cartridges, batteries, and fluorescent lamps.

For waste disposal, neutralization and recycling purposes, Sber engages third-party organizations that hold appropriate licenses and permits. Over the past few years, Sber's waste generation volumes have not changed significantly. In 2021, Sberbank generated 50,604 tonnes of waste. As for waste management methods in Sberbank, 30% of generated waste is transferred for processing and neutralization, while 70% is intended for disposal.

In 2021, Sber continued to systemically reduce waste generation and promote separate waste collection, including enhanced practice of separate waste collection (SWC) in branches, collection of plastic waste, single-use and rechargeable batteries; centralized procurement of containers for separate waste collection in branches; conducting a pilot compaction initiative for waste paper and polymers, etc. These activities are accompanied by educational work with the use of visualization media, employee communication about the importance and rules of separate waste collection.

In 2021, the percentage of separately collected waste at Sberbank transferred for recycling reached 30% (compared to 22% in 2020), exceeding the previously set target of 28%.

In 2021, Sberbank customers got the option to leave their expired bank cards for recycling at the ATM. By the end of 2021, this function was available on more than 20,000 devices, and about 9 million (more than 40 tonnes) plastic cards, including unclaimed ones, were sent to recycling.

8. Waste amounts data cover three years as a new data collection system source was selected which lacked retrospective data in respect of 2018.

Energy Management

Sber pays close attention to energy efficiency matters, in particular, in the context of the goal of reaching net zero in its operations by 2030. To this end, Sber uses effective measures, including energy management automation, green energy consumption and captive generation, as well as energy efficiency improvement measures.

When building new facilities, Sber uses equipment of high energy efficiency class (at least A level) and applies green real estate standards.

For existing facilities, automated utility control systems, primarily telemetry and remote control systems (TRCS) are being implemented on a continuous basis. In 2021, energy costs of the Bank's 3,400 TRCS-enabled facilities were reduced by RUB 230 million on the full year basis. Most Sber facilities are equipped with fuel and energy resources (FER) metering devices, which will be integrated into a unified automated system capable of analyzing the efficiency of FER consumption using the artificial intelligence technology.

Lighting systems are one of the main sources of energy consumption at Sber. In 2021, 32,000 energy-efficient lighting units were installed, bringing the share of LED lighting-equipped facilities to 90%.

To improve the energy efficiency of captive power generation capacity, Sber is refurbishing boiler plants and heating units; in 2021, the program covered 68 facilities, with 32 more facilities included in the pinpoint refurbishment plan.

Sber's subsidiary banks and companies implement similar measures, introducing automatic device shutdown tools, motion detectors, replacing light bulbs with energy efficient ones, improving thermal insulation.

Following implementation of energy saving and energy efficiency measures, the total consumption of fuel and energy resources in Sberbank in 2018–2021 decreased by 22% reaching 7,158,232 GJ in 2021. The highest proportion of energy consumption falls on purchased electrical energy (45%) followed by purchased heat (31%) and own generation from non-renewable resources (23%). The latter includes consumption of diesel fuel (15%), natural gas (6%), gasoline (2%) and coal, firewood and kerosene (less than 1% each).

To reduce its carbon footprint and increase the share of green energy in the energy mix, Sber is working on several fronts:

- reducing electricity consumption in volume terms;
- using captive energy generation from renewable sources;
- using the mechanism of free bilateral contracts on the wholesale electricity and capacity market with renewable energy generators;
- purchase of green certificates.

Following the effort made, the share of renewable energy in Sberbank's energy consumption mix was 22% in 2021.

5. Respect for Human Rights

Respect for Human Rights in Sber

Sber recognizes, strictly observes, understands the importance of respect for human rights and is aware of the risks and consequences of neglecting them. Respect for human rights, inclusivity, diversity, fair and equal treatment for all is one of the main principles of Sber's activity in the ESG and sustainable development area. In its daily performance, Sber takes guidance in the fundamental principles proclaimed in the UN Universal Declaration of Human Rights, as well as in the provisions of the European Convention on Human Rights, Declarations and Conventions of the International Labor Organization (ILO), and the relevant Russian legislation.

The Bank's position on human rights is enshrined in Sberbank Code of Corporate Ethics. Sber is currently working on a separate Human Rights Policy, a fundamental document for the protection of human rights and freedoms.

Sber observes and protects human rights not only in its own activities, but also along its supply chain by imposing relevant requirements on suppliers⁹ and business partners, verifying their implementation and raising awareness in human rights matters. In particular, the risks of child and slave labor are assessed as part of the borrower screening procedure. Sber supports inclusivity, develops a barrier-free environment, and makes its financial and non-financial products and services more accessible to people with disabilities. Sber provides equal opportunities and creates conditions for all employees to unlock their potential based on shared values, cultural diversity, gender, racial and other equality. At the national level, Sber participates in the formation of standards and best practices in the field of inclusivity, respect and protection of human rights.

9. For more information, see Section 1, [ESG Transformation Strategy and Management System](#) ("Supplier Responsibility" subsection).

Respect for stakeholders' human rights

Employees	Customers	Partners
<ul style="list-style-type: none"> • Right to safe and free labor (prohibition of forced, compulsory, slave and child labor) • The right to decent wage • The right to education • The right to rest • The right to participate in associations • The right to conclude collective bargaining agreements • The right to strike • The right to privacy • The right to equality and non-discrimination 	<ul style="list-style-type: none"> • The right to equal access to financial services • The right to privacy • The right to free labor (prohibition of forced, compulsory, slave and child labor) 	<ul style="list-style-type: none"> • The right to free labor (prohibition of forced, compulsory, slave and child labor) • The right to safe labor • The right to participate in associations

Interaction with employees on matters related to disrespect for human rights is carried out via reporting lines, i.e. the communication channels designed to notify competent experts of any intended or actual violations of the Code of Corporate Ethics, as well as to give advice to the employees and representatives of all external and internal stakeholders. The reporting lines include voice messages, email and traditional post which allows messages to be kept confidential. In 2021, no confirmed cases of human rights violations were reported via available channels.

Equal Access to Financial Services

As part of developing a barrier-free environment, by the end of 2021, the Bank had adapted about 32,000 ATMs (including those with and without the cash-in function) for people with visual impairments. Now they can perform, all by themselves and with the help of headphones and voice prompts, three operations: cash deposit and withdrawal, balance inquiry. In addition, 5,780 (more than 45%) of Sber branches are adapted for people with disabilities.

Features of the Sberbank Online mobile app are accessible to users with visual impairments. The app supports VoiceOver and TalkBack screen readers that read aloud the visual content on the screen, has a user-friendly interface and predictable transitions between its elements, allowing a visually impaired customer to access banking services without assistance. The basic functions of the SberBusiness app, such as settlements with counterparties, issuance of statements, account management and search in the system, have also been adapted for visually challenged customers.

SberBank launched a free video consultation service in the Russian sign language via a video call to the Bank's contact center with the help of a smartphone. Hearing- or speech-impaired customers can make a video call directly from the Sberbank Online app; the call will be answered by an operator with a command of the Russian sign language.

Sber has also started adapting its services for people with mental disabilities – branch employees are trained to recognize such special needs and interact effectively.

Preferential products for vulnerable and special categories of customers

Product name	Product description		Product portfolio as of 31.12.2021
Residential lending	“Government Support 2020”	Primary housing	RUB 718.1 billion
	“Young Family”	Secondary housing (if one of family members is under 35)	RUB 1.6 trillion
	“Military Mortgage”	Mortgage loans for military members	RUB 70.1 billion
Social programs	“Pension Plus” deposit	Deposit for customers who receive pension or have reached the age of 55 or 60 (for women and men, respectively)	RUB 1.5 trillion
	“Gift of Life” deposit	A social deposit where Sberbank transfer a portion of the income received by the depositor to charity	RUB 4.1 billion
	“Social” deposit	Deposit tailored to the needs of orphans, parentless children, veterans and invalids of the Great Patriotic War	RUB 11.1 billion

Product name	Product description	Product portfolio as of 31.12.2021
Social programs	Special terms on “Save”, “Save Online”, “Top-Up” and “Top-Up Online” deposits	RUB 2.1 trillion
	“Active Age” deposit	RUB 147.4 billion
	“SberKids” deposit	RUB 274 million

Development of Accessible Environment for Foreign Citizens

In 2021, the Bank continued to expand availability of its services to foreign customers. A debit card for foreigners was developed, with the option to transfer money abroad from Russia for a minimal fee. Other countries citizens can now also apply for a mortgage loan; in 2021, more than 2,500 applications were registered.

Sber created the “Guide for Foreigners”, an information page on the Bank website, where foreign workers and students can find advice on how to execute documents, where to find work and housing, how to apply for a bank card, as well as solutions for payments and transfers abroad.

More than 10 foreign languages, together with instructions on how to perform basic operations, have been made available in ATMs and mobile applications.

Practices Dissemination

Sber has developed the [“Guide to Accessible Business”](#) that will help any organization to become more inclusive. The document contains specific recommendations on how to arrange for digital and physical accessibility, adapt products and services, developed based on an analysis of Russian and foreign best practices. The guide is applicable to any business as the recommendations are structured by role: CEO, HR, Call Center, buildings, marketing, delivery, and so on.

Financial Literacy Enhancement and Right of Access to Financial Information

In 2021, Sberbank carried on working towards the objective of improving public financial literacy.

Examples of Sber's activities aimed at enhancing public financial literacy

Activity	Description
How Sber assists people with disabilities to enhance financial literacy	Sber, as a founder of the Association for Enhancement of Financial Literacy (AEFL), has developed, jointly with partners, a free online course for volunteers willing to assist people with disabilities in enhancing their financial literacy, aimed at achieving a fully inclusive society in Russia.
How Sber assists abandoned children to enhance financial literacy	Sber uses the "Financial Literacy" program pursued by the "Investment to the Future" Charity Fund to systemically engage and train volunteers who work with abandoned children.
Launch of "Happy Parent" portal aimed at enhancing financial literacy	Free financial literacy materials for parents (the "Happy Parent" channel) were made available in the "Dialogs" service of the "Sberbank Online" mobile app and gathered more than 50,000 views.

Informing customers about the importance of responsible attitude to personal data, promoting smart financial behaviors among the general public, increasing financial competence, educating customers of different ages and backgrounds, and promoting financial literacy is Sber's responsible and important function as a systemically important institution and the country's largest bank.

In 2021, Sber continued to educate its customers about safe and effective use of online services, cybersecurity rules, strategies for saving, investing and using loyalty programs, offering a wide range of educational programs for all population groups and regardless of their income level.

In addition to programs for the general public, Sber implements initiatives that help improve the financial literacy of small and medium-sized business owners. The Bank shares its entrepreneurial expertise with start-up founders and business owners, helping them to access lacking knowledge and skills, take their existing business to the next level, while assisting experienced entrepreneurs to analyze their business models, identify their weaknesses and strengths, evaluate financial performance, develop a competitive strategy.

Examples of financial literacy courses

Project/Course Name	Target audience	Project/course objective
Personal Finance Management	Private individuals	A course consisting of theoretical and practical parts on the basics of finance, budgeting and financial planning.
How to Become an Investor		Practical and advice on how to start investing. Description of the pros and cons of various instruments on the example of Bank products.
“Social Program: Developing Customers’ Privacy Culture in the Context of COVID-19 Pandemic” project		Enhance the culture of handling personal data in COVID-19 pandemic environment, protect customers from fraud, bullying and cyber threats.
“Social Entrepreneurship” course	Entrepreneurs	Develop business skills and teach the importance of the social impact of business, financial resources, marketing and promotion, social capital and access to social investments for such companies.
“All about Account Blocking” express course	Entrepreneurs	Help the business to avoid restrictive measures in connection with 115-FZ “On Counteracting Legalization (Laundering) of Proceeds of Crime and Financing of Terrorism”.
How to Invest if I Am a Civil Servant	Civil servants	Assist Sber customers in choosing investment products. A specially created section of the site is a guide with ready-made solutions and tips on how to invest money to customers in this segment.
Webinars on financial literacy	Employees	Investment video courses and financial literacy webinars developed for the Bank’s employees gained about 17,000 views.

Sberbank regularly offers its customers information resources and proprietary training channels, such as sberbank.ru, the SberbankOnline app (“[Attention: Fraudsters!](#)”), Easy.Investments ([Investments.Dokhodchivo](#)), [Academy of the First](#), etc. Since October 2020, the Bank has launched the [SberInvestments](#) channel in one of the social networks for both beginners and experienced investors, based on the Russian market investment analysis from the [SberCIB Investment Research](#) team, the largest team of analysts providing the most comprehensive coverage of the situation and dynamics in all significant sectors of the Russian stock market.

One of the online education channels for young people is Sberkot, a financial assistant bot tasked with sharing weekly tips on financial literacy, teaching how to use banking products, stay anonymous online, and much more.

6. Business Ethics and Security Practices

Business Ethics and Anti-Corruption

Approach to Managing Business Ethics and Anti-Corruption Issues

Sber follows the principle of zero tolerance to any form of corruption and implements a wide range of measures intended to monitor and minimize risks in this area. Sber's corporate culture is aimed at the employees' strict compliance with anti-corruption laws. As Sber builds business relations with customers, counterparties and business partners, it expects that they will comply with the anti-corruption principles and restrictions. As a guarantee of such compliance, an anti-corruption clause is embedded in contracts with counterparties in those areas of Sber's activities that are most exposed to corruption risks.

The Group strictly adheres to the antitrust law principles and does not counteract competition on the market. Sber did not pay any fines in connection with its anti-competitive activities over the past four years. In 2021, no lawsuits were filed or considered against Sber in connection with countering competition or violating antitrust laws.

In 2021, active work was carried out to update internal documents on business ethics and anti-corruption. Sber prepared a new version of Sberbank Code of Corporate Ethics and Business Conduct which was approved by Supervisory Board in March 2022.

Sber may not establish, limit or terminate cooperation with contractors and business partners who practice or allow corruption offenses in their activities.

Compliance Risk Management

Sberbank Group's Compliance Risk Management Policy was updated in 2021 and approved by the Bank Supervisory Board. The new version sets forth adjusted goals and objectives of the compliance risk management system, expands the definition of compliance risk, contains compliance risk management principles, defines the functions of the main participants in the management system, and regulates the management system set-up for the entire Sber ecosystem. The document was developed in accordance with the recommendations of the Basel Committee on Banking Supervision, the provisions of ISO 37301:2021, "Compliance Function Management", the requirements of the Russian law and the Bank of Russia regulations, the standards of self-regulated organizations and international best practices.

The Group actively cooperates with government authorities in the field of compliance risk management. There were no court cases against Sber in this area in 2021.

Compliance Training

Sber pays increased attention to employee training on compliance matters regardless of their position. The Group has developed and successfully implements thematic training courses and programs that reflect the main requirements of the law and internal documents in the field of compliance risk management. Some of these courses are mandatory for all employees. In 2021, the share of the Bank employees that received anti-corruption training was 97%.

Subsidiaries that have acceded to the Bank Code of Corporate Ethics or developed their own ones on the basis of the Bank Code, train their employees according to training plans.

In 2021, the Bank carried out wide-reaching communication campaigns targeting all employees on matters of compliance with the Code of Corporate Ethics, countering corruption, conflict of interest management, gift handling rules, the Compliance Hotline, as well as on Bank's compliance-related automated services (in the form of screen savers, training videos, news digests, publications in the Bank's internal communities). Ethics matters are also studied in various compliance courses.

Compliance Function Checks

In 2021, Sber once again confirmed compliance of the internal compliance management system with the high requirements of ISO/IEC 19600:2014 "Management of the Compliance Function" and ISO/IEC 37001:2016 "Anti-bribery Management System".

In 2021, the level of organization of the Bank's anti-corruption system and of the anti-corruption measures taken by the Bank were checked and assessed by the Rating Committee independent expert of the Russian Union of Industrialists and Entrepreneurs (RSPP) as part of the Anti-Corruption Rating of Russian Businesses for compliance with the ISO 37001:2016 standard and the provisions of the Anti-Corruption Charter of Russian Business. The effectiveness of Sber's anti-corruption compliance management system was assessed at 100%, which corresponds to the highest A1 rating class.

Compliance Hotline

The Bank maintains a Compliance Hotline – a safe and confidential 24/7 channel whereby Bank employees and any third parties can report, in particular, on an anonymous basis, any violations in the areas of anti-corruption, conflict of interest management, insider information protection countering unfair practices in terms of pseudo trust management of clients' assets and other compliance areas. The key points of the Compliance Hotline functioning are set out in the Anti-Corruption Policy and are posted in the Compliance section of the Bank's official website, including information on the topics reported, the basic principles of hotline functioning, the order procedure and timing of appeals handling, reporting methods, etc.

Sber provides the following ways to contact the Compliance Hotline:

- by phone: +7 (495) 665-86-09;
- by e-mail: ethics@sberbank.ru;
- via the feedback form available on the [Sberbank website](#);
- by post to the following address: 19, Vavilova str., Moscow 117997, Sberbank Compliance Department (in an envelope marked: "Compliance Hotline").

Incidents of Corruption

By the end of 2021, 60 confirmed cases of violations with signs of corruption were recorded in the Bank, 51 employees were brought to disciplinary responsibility, 46 employees were dismissed.

Cybersecurity in Sber

Customer Protection against Fraud

To protect customers and their money from fraud, Sber is building an efficient anti-fraud system based on AI algorithms with the use of its own graph database and graph analytics. The system currently includes over 100 AI models assessing various risk aspects in transactions.

According to the key indicator of anti-fraud efficiency (ratio of implemented fraud to cash turnover), Sberbank's anti-fraud system confidently holds the leading position in the world – its fraud basis point is 0.13 b.p., which is 48 times better than the similar indicator of international payment systems. Sber's anti-fraud efficiency reaches 99%.

Sber implemented the following initiatives aimed at preventing threats and protecting its customers in 2021:

- integration of the Bank's real-time fraud-monitoring system with telecom operators' fraud-monitoring systems;
- initiation and adoption of legislative initiatives with regard to enhancing the liability for illegal disclosure of bank secrecy (216-FZ), accelerated blocking of websites that illegally collect personal data (250-FZ), combating phone fraud (319-FZ);
- implementation of the Anti-Drop Strategy, which significantly minimized the share of customers who provide their cards for illegal activities (so-called "droppers");
- implementation of new cybersecurity services in the Sberbank Online app (Cybersecurity Hub), namely features aimed at warning about fraudulent calls, setting restrictions on online transfers and payments, quickly blocking access to accounts and cards in remote channels, and at controlling mobile devices for access to Sberbank Online.

All existing channels of interaction between customers and Sber are connected to the antifraud system, which allows us to detect cross-channel attacks on the Bank's customers. Sber pays special attention to protection of vulnerable groups of citizens – elderly, incapacitated citizens, children, etc., which is based on:

- additional control over transactions both in the Sberbank Online app and in the branch network;
- special procedures for verification of suspicious transactions;
- a service called Relatives Beside, which allows customers to confirm or reject transactions of their relatives.

Fraud management in Sberbank PJSC in 2021

Antifraud system efficiency (as compared to 2016)	Number of awards in the field of anti-fraud	Amount of customers' funds saved from fraud	Share of phone fraud with the use of social engineering
99% (+13%)	7 awards	over RUB 112 billion	94%

Infrastructure Protection from Cyberattacks

In 2021, the number of DDoS attacks on Sber increased by 62%. In addition, dozens of thousands of scans and network attacks on Sber, as well as over 2 million attempts to infect the IT infrastructure with malware were registered.

Sber's infrastructure is protected by the Security Operation Center certified in accordance with the international standard ISO/IEC 27001. At the same time, 95% of the software used by the Security Operations Center is proprietary.

Personal Data Protection

Sber created a Data Protection Officer (DPO) institute responsible for arrangement of processing and protection of personal data and a cross-block team of the DPO Institute to implement functions aimed at arrangement of processing and protection of personal data. The main DPO objectives are to fulfill Sber's obligations and functions imposed by personal data laws, to enforce the rights of personal data subjects, to maintain control over processing of personal data, to improve the privacy culture of Sber's customers and employees. With a view to ensure the compliance of banking processes with legal requirements, the expert examination covers 100% of Sber's processes, automated systems and services from the inception of idea to the moment of their decommissioning and/or termination of processing and destruction of personal data.

Enhancing Customers' Cyber Literacy

Sber is one of the largest personal data operators in Russia. Promotion of customers' cyber literacy is an important component of Sber's data protection activities. Cybersecurity training of customers is provided with the use of such tools and channels as Sber's website, Sberbank Online mobile app, blogs on popular resources, media publications and appearances on TV (coverage of more than 150 million people).

Sber has also created special cybersecurity projects such as Special project to promote people's cyber literacy "Being a Parent. Being a Cyber Protector", Cybersecurity Marathon, Video project "Sber against Fraudsters!". As a result, the conducted activities allowed Sber to decrease the number of queries from customers on issues related to processing and protection of their personal data by 10%.

Compliance with International and National Standards

According to results of external independent audit, in 2021, Sber has once again confirmed its compliance with requirements set forth in the international standard ISO/IEC 27001.

For the first time in its history, Sber received the PCI DSS certificate in the field of acquiring and issuance, which is a unique case for the banks of such business scale.

The overall level of cybersecurity maturity in Sber was assessed by an independent auditor and equals 4.4, while the Fortune 500 average is 4.1.

In addition, an independent assessment of compliance with SWIFT CSP requirements was carried out in Sber, and the UPOS app for the Bank's payment terminals was certified according to the PA DSS requirements.

Sber regularly assesses its compliance with information protection requirements set forth by the Bank of Russia, which results in full compliance of the Bank with the regulator's requirements.

Sber also has obtained licenses from federal executive authorities for activities in areas such as encryption and technical protection of confidential information.

7. Responsibility for Employees

HR Management

The Bank's human resources policy is aimed at attracting and retaining highly qualified and motivated professionals capable of effectively solving Sber's strategic and current objectives. In 2021 Sber's HR focus was on developing employee capabilities and self-fulfillment opportunities, taking care of personnel, as well as ensuring decent working conditions.

HR Strategy 2023 identifies four key areas for development: effective teams, training and development, Sber culture, and the HR platform. In 2021, Sber continued to pursue its goals with confidence and develop its team.

Employee Diversity and Inclusion

Headcount Structure

As of December 31, 2021, Sber had 288,194 employees¹⁰. The majority of them worked under permanent employment contracts (85%) and on a full-time basis (99%). Compared to 2020, the Bank headcount in the reporting period decreased by 5%. More than 65% of employees are women. Around 70% of employees are of the age of 30-50 years, 22% – under 30 years old and 10% – over 50 years old.

Sociocultural Diversity and Equal Opportunity

Sber takes all possible measures to ensure sociocultural diversity and equal opportunities in employment, promotion, remuneration and training for each employee, guaranteeing compliance with the provisions of the law. The Code of Corporate Ethics is the main internal document in this area. Since 2021, the ESG Policy has also been in place that ensures that human rights are protected and that everyone is treated fairly and equally.

¹⁰. The information represents the IFRS consolidation perimeter.

Sber appreciates the diversity of cultural values and views and guarantees its employees protection from any form of discrimination, including those based on race, gender, age, religious beliefs, disability, sexual orientation, political beliefs or any other characteristics, within the framework of applicable laws and international standards. In 2021, no cases of discrimination were reported in the Bank.

The Bank has defined and implements the following key diversity and equal opportunity programs:

- women's leadership programs;
- #SberTeamActiveAge program for employees aged 55+;
- internship programs with subsequent employment for young people;
- employment programs for orphans and people with disabilities.

Decent Working Conditions

Hiring and Onboarding

In 2021, Sberbank hired 46,692 employees. New hires aged 18-30 accounted for 55% of all hires; the 30-50 age group accounted for 43%, and those in the 50+ group, for 2%. In 2021, 61% of new hires were women.

Sber uses its own career portals to attract new hires:

- rabota.sber.ru – for experienced professionals;
- sbergraduate.ru – for graduates and students (more than 1.3 million unique users).

Vacancies are also available for people with disabilities via a special Sber service which can be used to find jobs in ecosystem companies. Sber invites people with disabilities to join the team and engages them in service accessibility improvements.

Motivation and Compensation

Sber endeavors to create comfortable working conditions, not only by offering competitive salaries but also by providing flexible working arrangements, a corporate benefits package, including mortgage at preferential rates, a corporate retirement benefit program, relocation support, voluntary health insurance and other social programs.

The variable compensation system includes a short-term (monthly and quarterly bonuses) and a long-term (annual bonus) elements. The bonus size depends on the contribution to business plan delivery, Sber's strategic priorities and sustainability indicators, as well as on the Bank employee's performance in the reporting year.

The Group has developed the "5+" personnel appraisal system that extends onto all employees. The appraisal results affect not only the variable salary element, but the career trajectory as well. As part of the "5+" system, employees are appraised on two criteria: performance and compliance with corporate values.

Retention and Termination

Sber practices exit interview for all leavers; this allows to make a more effective use of employee retention methods and predict leaving losses. To retain jobs and secure staff confidence in their future, Sber has developed programs that allow to change careers or find a new job in the respective field.

Employee Safety and Health Support

Sber endeavors to provide decent working conditions, encourage professional and personal growth, supports health and promotes healthy lifestyles among employees and their families, contributes to making healthcare services more accessible through the promotion of advanced technologies.

Bank regularly analyzes occupational injury rates and develops corrective measures aimed at improving working conditions and occupational health and safety and reduce occupational risks. The Group also carries out a focused assessment of working conditions at all workplaces.

Sber provides employees with free health insurance, life insurance and accident protection from their day one (under the voluntary health insurance and accident insurance programs).

Additional corporate insurance includes preventive screening, psychological support service, telemedicine services, discounts on pregnancy and childbirth support programs.

After the pandemic broke out, Sber established the Anti Coronavirus Crisis Headquarters, the AntiCov Headquarters. The Headquarters focuses on the epidemiological safety of Sber ecosystem facilities and the health of employees. The main and regional headquarters continue to work on a 24/7 basis.

Training and Education

Continuous training is an important employee performance factor. It has a direct impact on career development and loyalty to the Bank, so one of the important tasks of Sber is to create an adaptive training system for different groups of personnel. In the reporting period, the number of Bank employees trained during the year decreased by 7% and amounted to about 111%¹¹ of the average headcount.

In 2021, Sber employees continued to develop their skills, such as soft skills, professional and digital skills, through various programs. In total Sberbank full-time employees took more than 15 million hours while 80% accounted for ordinary specialists, and the remaining 20% – for managers. In this reporting period average number of training hours for women was 78 and for men – 52.

More than 50% of all training programs are delivered in a remote learning format. These programs, available on a 24/7 basis, ensure high employee engagement through microlearning, artificial intelligence-driven recommendations, interactive sessions, virtual “pools”, chatbots and other tools.

Re-Training Opportunities

The scale of Sber’s employee re-training requirements is determined by reference to centralization, digitization and automation of processes and expansion of the Group product range. Over the past seven years, changes have affected about 150,000 employees.

The re-training programs existing at Sber are primarily aimed at closing the skills gaps (Apprentice Schools, Restart, SberUp), re-training of mass skill employees (My Career for the mass skills), as well as training in transformational and new professions/roles.

Career Development

A number of Sber ecosystem companies and the Bank have developed and adopted a personnel appraisal and development cycle whereby all employees are provided with professional development and career growth opportunities. Everyone has access to advanced individual development tools: mentoring, internships with the supervisor, participation in cross-functional business projects, resident and remote learning programs; regular career dialogues with managers, career coaching, “My Career” automated service, where one can choose the desired positions for the next career step and subscribe to them; the “Talent Search” service for managers. Succession planning helps in having employee replacements prepared in advance and to release employees to their next career step.

11. The number of employees trained during the year exceeds 100% as a result of double counting (if one person was trained twice, he or she is counted twice).

University Relations and Talent Attraction

In 2021, Sberbank continued to develop collaboration with 315 Russian universities inside the country based on collaboration agreements. More than 10,000 students received on-the-job training at Sber, more than 1,500 people completed internship assignments, of which over 800 started their employment with the company.

In the reporting year, more than 18,000 specialists under 25 years of age joined the Sber team, of whom more than 22% participated in career events, internships and educational programs. In digital spheres, academic partnerships play a much more prominent role in attracting young professionals: 50% of junior professionals became part of the Sber team after student-oriented programs and projects.

8. Social Responsibility and Support of Local Communities

Supporting Social Projects of Federal and Regional Significance

Sber contributes to economic development by creating new jobs, increasing the government budget's tax revenues, creating and upgrading infrastructure facilities, developing domestic production, which, in turn, increases national standards of living. Sber finances projects that are of great social significance both for the regions and for the country as a whole.

Developing Public-Private Partnerships

Sber actively pursues public-private partnership projects. With the Bank's assistance, it becomes possible to accelerate construction of socially important facilities in the areas of housing and utilities, medicine, education, sports, transport infrastructure, and other areas. To support its activities, Sber established a wide range of tailored banking products. The Bank has implemented off-the-shelf solutions and launched a concession agreement construction set. The construction set allows to automate the development of concession agreements according to unique project features. The construction set already helped to launch three projects in the areas of tourism, solid municipal waste and sports.

In 2021, financing was approved for 112 public-private partnership projects that cover the housing and utility sector, municipal and social infrastructure, in more than 40 Russian regions, worth over RUB 69 billion.

Sustainable Development in Regions of Presence

The Bank contributes to regional development by upgrading infrastructure and implementing social programs for the sustainable development of all regions of presence.

A boilerplate regional ESG model was developed in 2021. An ESG model piloting project completed successfully in the Nizhny Novgorod region. The pilot project results will be used by the regional government for subsequent rollout in other regions.

Examples of projects financed in 2021

Area	Project	Description	Amount of financing
Transport	Supply of electric buses for the City of Moscow	As part of guaranteed contracts, 350 electric buses were supplied. This new kind of transport will reduce operating costs, simplify maintenance and reduce emissions.	Bank guarantees within a limit of RUB 7.5 billion
Environmental protection	Creation of a full-cycle metallurgical complex using eco-friendly technologies in one of Nizhny Novgorod Oblast monotowns	The project will result in the construction of an electrometallurgical complex and the necessary infrastructure facilities using modern steelmaking technologies. This will reduce carbon dioxide emissions by a factor of three as compared to the conventional blast furnace steel-making technology.	RUB 40 billion
Food and agriculture	Import substitution support: production of white and brown button mushrooms in Kursk Oblast	The funds will be used by the company to refinance a loan from another bank. Activities of the client are aimed at import substitution and food independence of the country.	RUB 6.8 billion

Charitable and Sponsorship Activity

Sber consistently supports charitable foundations and regularly participates in social projects to ensure healthy lifestyles and well-being of all citizens at any age. Sber supports inclusive and equitable high-quality education, and promotes lifelong learning opportunities and the reduction of inequality. Sber does not support organizations affecting political activities.

The promotion of systemic development of social projects is included in Sberbank's ESG and Sustainability Policy and ESG Strategy, while the goals and objectives of the Bank's charitable activity are reflected in Sberbank's Charity Policy.

Sber cooperates with over 170 charitable foundations and develops its own initiatives, including the Sberbank Charitable Foundation “Investment to the Future” and its programs for developing educational and inclusive areas in Russia, and the charity platform SberVmeste for collecting donations for charitable foundations and other non-profit organizations. In 2021, over 190,000 donations were given through the SberVmeste platform, and its users raised a record-breaking amount of RUB 172 million in 2021 to support 149 projects for various charitable foundations. At the same time, the amount raised via the platform throughout its existence has already exceeded RUB 537 million.

Support for Veterans and Elderly People

On the eve of the 76th anniversary of Victory in the Great Patriotic War, Sberbank traditionally congratulated veterans of the Great Patriotic War who worked for the Bank, organized and took part in campaigns to improve monuments and war graves all over Russia and held a number of commemoration events.

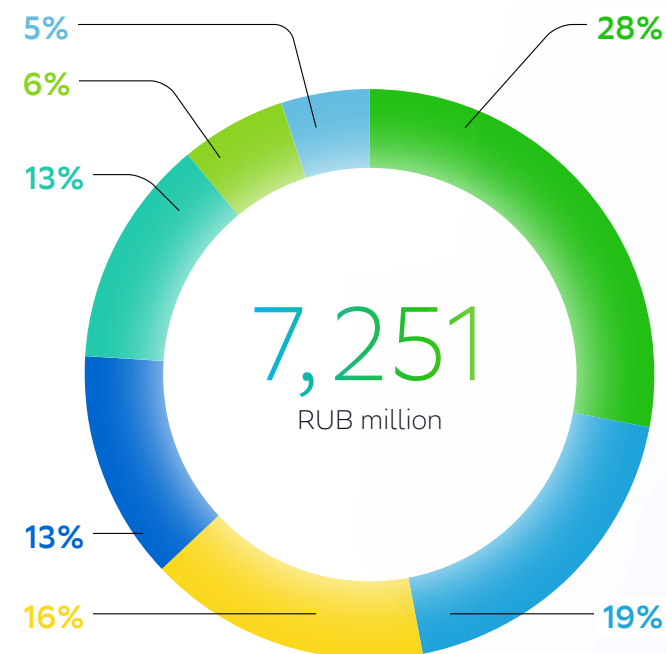
Sber assumed patronage over the Shchekutino memorial to the volunteer fighters from the 4th division of people’s militia. The Bank arranged restoration work, territory beautification, and planting of vegetation.

Support for Orphans and Children without Parental Care

SOS – Children’s Villages is a place where orphans and children without parental care live in family homes together with SOS mothers, brothers and sisters and get everything they need for full development in the atmosphere of love and respect.

SberCIB was a partner of a large-scale charitable project dedicated to the Mother’s Day organized by the SberVmeste platform and the SOS – Children’s Villages foundation. As part of the project, a campaign was launched, when 0.5% of income from the sale of structural bonds from 1 October to 10 December 2021 were transferred to the “Mom Can Do It, If You Help Her” campaign on the SberVmeste platform. The project received RUB 10 million, which will be used to support the foundation’s child abandonment prevention program.

Structure of Sberbank’s charitable expenditures in 2021, %



- Support of scientific research, environmental protection
- Healthcare
- Culture
- Education
- Children's institutions, development of creative abilities of children, inclusive environment
- Veterans and people with disabilities
- Sport

Sber's Educational Initiatives

Sber makes a significant contribution to implementation of programs aimed at improving the availability and quality of education, implements and supports projects aimed at digitalization of educational processes for children and young people, learning to use AI technologies, promotion of financial literacy and development of financial education.

Sber works systematically with universities to train and retrain personnel and support scientific and innovative activities. Sber aims to improve the quality and availability of education for people studying IT, Finance, Data Science, Data Engineering and other areas, and to form a talent pool for Sber's ecosystem and Russia as a whole.

Examples of Sber's educational activities

Project	Description
Creation of a marketplace of educational products	As part of the 24 th St. Petersburg International Economic Forum, Sber presented the marketplace of educational products. This platform, which will soon become available for users, will host educational courses on various topics, designed for people of all ages. The platform will be useful both for course authors, who will be offered a set of tools necessary to launch their own business in education, and for users, who will be able to build a personalized career track.
Implementation of the Digital Lesson project on Artificial Intelligence in Education	In order to provide early career guidance to schoolchildren and develop their digital skills and competencies, Sberbank's Charitable Foundation "Investment to the Future" supported by Sber's experts has developed a program for the first lesson in the 2021-2022 school year. The lesson covered issues related to implementation of artificial intelligence and machine learning. The project was organized by the Autonomous non-profit organization "Digital Economy" with the support of the Ministry of Digital Development and the Ministry of Education, in partnership with leading Russian technology companies. In total, the lesson was viewed more than three million times.

Sber's Healthcare Initiatives

Sber takes part in various social programs to support healthcare, and contributes to improving the quality and availability of health services through development and implementation of information technologies based on artificial intelligence, promotes healthy lifestyle and enhances health and longevity among citizens.

Sber's healthcare industry is represented by companies operating in the eHealth market in B2C, B2B and B2G segments, such as telemedicine having over 14 million customers, medicines delivery, and artificial intelligence technologies in medicine.

Examples of Sber's healthcare activities

Activity	Description
Presentation of an updated version of platform for remote monitoring of patients with chronic diseases by Sber's online medical service	In 2021, Sber presented an improved version of the platform for remote monitoring of patients with chronic diseases. It was supplemented with new features for automatic collection and processing of data on users' health status with the subsequent online transfer of information to attending physicians, which will allow responding timely to deterioration of patients' health. Any operator offering telemedicine services may be connected to the platform.
Free consultations with doctors arranged by Sber's online medical service as part of Sber's Green Day	Today, telemedicine is a promising trend in provision of medical services and offers a convenient way to receive medical care at any time. As part of Sber's Green Day, the online medical service provided customers with free consultations with doctors, and favorable offers from Sber's ecosystem services and companies.

COVID-19 Pandemic Response in 2021

In 2021, prevention of the spread of COVID-19 remained one of key areas of Sber's external social policy related to healthcare. During the COVID-19 pandemic, such advanced technologies as telemedicine and Ai-based services, implementation of which is critical to the growth of Sber's performance, started to gain momentum and were used by millions of doctors and patients in the fight against the new coronavirus infection.