Compliance with the UNEP Finance Initiative Principles for Responsible Banking

PRINCIPLE 1: ALIGNMENT

We will align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

BUSINESS MODEL

Question

Describe (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 across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank’s portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Response

Sber is introducing an integrated business model that aims to ensure a positive social and environmental impact alongside with high financial performance.

Traditionally, Sber acts as a financial asset, investor and lender, playing a significant role in the financial industry. The large-scale technological transformation and growth of the segment of non-financial products and services provided by Sber resulted in shaping the financial and technological area of development of Sber Group.

With branches in almost all Russian regions, Sberbank provides services to more than 3 million corporate and 106 million retail clients and is a backbone institution of the Russian economy. Sber Group also includes subsidiaries, branches and representative offices in other countries.

For more information on major customer segments, types of provided services, main industries and activities, please see the “Review of Results” section of the Management Report.

STRATEGY ALIGNMENT

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

☐ Yes
☐ No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Response

Sber’s activities in the area of sustainable development rely on a multi-level architecture that links together the Company’s ESG goals, objectives and principles. It encompasses all elements required to achieve Sber’s goals and performs its obligations, and ensure the Company’s long-term growth and development.

Having joined the UN Global compact in 2021, Sberbank follows the principles of this initiative. In accordance with the best practices and requirements of international standards, to improve the efficiency of its contribution to the achievement of the SDGs, Sber identifies 13 priority goals that are most relevant to the Bank. Sber also seeks to improve its contribution to the achievement of each SDG from year to year.

Sber has created the ESG compass which visually represents how the material topics disclosed in its Annual Report match the UN Sustainable Development Goals.

For information about the contribution to the UN SDGs, please refer to the very beginning of each section of the ESG Report.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

☐ UN Guiding Principles on Business and Human Rights
☐ Major International Labour Organization Conventions
☐ UN Global Compact
☐ UN Declaration on the Rights of Indigenous Peoples
☐ Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk—please specify which ones:

These frameworks and requirements are described in detail in the Climate Strategy. Moreover, Sberbank stress tests its loan portfolio, which covers transitional as well as physical climate risks. To achieve carbon neutrality under Scopes 1 and 2. To achieve this, the Group has provided for step-by-step reduction of GHG emissions, with relevant measures described in detail in the Climate Strategy. Moreover, Sberbank stress tests its loan portfolio, which covers transitional as well as physical climate risks.

Sber also complies with the provisions of the Paris Climate Agreement. The Bank’s strategic goal is to achieve carbon neutrality under Scopes 1 and 2. To achieve this, the Group has provided for step-by-step reduction of GHG emissions, with relevant measures described in detail in the Climate Strategy.

Sberbank stress tests its loan portfolio, which covers transitional as well as physical climate risks. To achieve carbon neutrality under Scopes 1 and 2. To achieve this, the Group has provided for step-by-step reduction of GHG emissions, with relevant measures described in detail in the Climate Strategy.
PRINCIPLE 2: IMPACT & TARGET SETTING

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 IMPACT ANALYSIS (KEY STEP 1)

**Question**

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfill the following requirements/elements (a-d):

- **Scope:** What is the scope of your bank’s impact analysis? Please describe which parts of the bank’s core business areas, products/services across the main geographies that the bank operates in have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.
- **Portfolio composition:** Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope.
- **by sectors & industries:** For business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or by products & services and by types of customers for consumer and retail banking portfolios.
- **Response Links and references**

**Response**

As a backbone financial institution of the Russian economy, Sber is aware of the importance of analyzing the most significant impacts of its products and services on society, the environment and economic development. Identifying the areas where the Bank can produce the greatest positive impact and reduce material negative impact is key to expanding the opportunities for the ESG transformation of the Russian economy.

To identify areas of the most significant impacts, Sberbank conducted an analysis using the updated Portfolio Impact Analysis Tool for Banks, designed under the lead of the UNEP Finance Initiative. The analysis took into account the country needs and the context of the main region of the Bank’s activities— the Russian Federation, which accounts for about 100% of Sber’s income.

In the reporting year, besides the corporate loan portfolio, credit and deposit retail portfolios were included in the analysis perimeter. The analysis covered the largest part of Sber’s banking activities in terms of net income, including the two most significant areas:
- corporate business (lending to corporate customers)
- retail business (credit cards, consumer loans and overdraft, mortgage loans, current and savings accounts)

Year after year, Sberbank is improving its impact analysis practice with the view to expanding its assessment perimeter.

**Question**

Has your bank used data on the outstanding principal debt as of December 31, 2022 as well as the NACE Economic Activities Classification according to consolidated and detailed codes. The total volume and share of the analyzed portfolio accounted for 96%, of which:
- 23%—Property management
- 10%—Wholesale and retail trade
- 10%—Oil and natural gas extraction
- 6%—Metallurgical production
- 6%—Power production
- 5%—Retail mining
- 5%—Information and communications
- 5%—Crop production, animal production, hunting and related activities
- 26%—Other

**Response**

The retail business structure analysis has helped Sber to identify key products and categories of retail customers. To analyze the impacts of its retail business, Sberbank used the total amount of products and services of the credit and deposit portfolios, as well as the breakdown by age categories of customers: Youth (Children, Youth 14-17, 18-21), Middle age (Adults, Active ages), Elderly.

The analysis included 100% of portfolios of the following products:
- 59%—Housing loans / mortgage loans
- 33%—Consumer loans and overdraft
- 8%—Credit cards
- 50%—Savings accounts
- 27%—Current accounts without payment services
- 23%—Current account with payment services (cheques, debit cards)

**Response Links and references**

- Management report
Question c. What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.


In the reporting period, Sberbank interacted with stakeholders by analyzing their activities and determining their basic needs. The main priorities for Russia have included climate sustainability, availability and access to resources and services, as well as the topic of financial inclusion. The topics chosen for the retail portfolio analysis include “Finance”, “Equality and Fairness” and “climate agenda”.

For further target setting, two areas have been prioritized: Climate Sustainability, since this area is nationally significant and is an object of the negative impacts from the key sectors of Sber’s corporate portfolio. This area is negatively influenced by 5% of the portfolio, including such important industries and property management (23%), wholesale and retail trade (10%), oil and natural gas extraction (10%). The topics chosen for the retail portfolio analysis include “Finance”, “Equality and Fairness” and “climate agenda”.

Areas that become priorities for the country were taken into account in the further analysis as the main areas for target setting.

Question Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize for your target setting strategy? Please disclose.

Response To analyze its corporate business, Sberbank has identified three areas/topics of positive and negative impact: “Availability and Access to Resources and Services”, “Circular Economy”, “Climate Sustainability”. The topics chosen for the retail portfolio analysis include “Finance”, “Equality and Fairness” and “climate agenda”.

For further target setting, two areas have been prioritized:

- Climate Sustainability, since this area is nationally significant and is an object of the negative impacts from the key sectors of Sber’s corporate portfolio. This area is negatively influenced by 5% of the portfolio, including such important industries and property management (23%), wholesale and retail trade (10%), oil and natural gas extraction (10%).

- Areas that became priorities for the country were taken into account in the further analysis as the main areas for target setting.

Question Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize for your target setting strategy? Please disclose.

Response To analyze its corporate business, Sberbank has identified three areas/topics of positive and negative impact: “Availability and Access to Resources and Services”, “Circular Economy”, “Climate Sustainability”. The topics chosen for the retail portfolio analysis include “Finance”, “Equality and Fairness” and “climate agenda”.

For further target setting, two areas have been prioritized:

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- Areas that became priorities for the country were taken into account in the further analysis as the main areas for target setting.

Question d. For these (min. two prioritized impact areas) Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these.

Response Sber has assessed which of the sectors and products have the most negative and positive impact on the prioritized areas by using the Portfolio Impact Analysis Tool for Banks. Climate Sustainability is positively impacted by the following corporate loan portfolio sectors:

- Wholesale and retail trade (10%)
- Power production (6%)
- Land transportation and transportation by pipeline (2%)
- Other (3%)

The negative impact is delivered largely by the following macro segments of the corporate portfolio:

- Property management (23%)
- Wholesale and retail trade (10%)
- Oil and natural gas extraction (10%)

Finance are both positively and negatively influenced by the following products of the retail loan portfolio:

- Housing loans / mortgage loans (59%)
- Consumer loans and overdraft (33%)
- Credit cards (6%)

Products of the deposit portfolio of the retail business has only positive impacts on Finance. The Bank considers it important to monitor its impacts on the topics under consideration using quantitative and qualitative indicators.

To conduct the assessment within the Finance topic, Sber has chosen the following indicators:

- “Share of clients that have at least 2 active financial products of different categories with the Bank”. The indicator indicates the presence of products beyond the basic bank account and helps to assess the level of financial inclusion.
- “Share of clients actively using the online / mobile banking platform / tools”. The indicator indirectly measures the presence or absence of digital skills that are associated with the level of financial well-being.

Sberbank collects and analyzes data from its portfolio in terms of climate sustainability, the impact indicators of which will be determined and assessed after the approval of the 2026 Climate Strategy in 2023.
Self-assessment summary

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?

<table>
<thead>
<tr>
<th>Component</th>
<th>Completed Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope</td>
<td>Yes</td>
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<tr>
<td>In progress</td>
<td>In progress</td>
</tr>
<tr>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Portfolio composition</td>
<td>Yes</td>
</tr>
<tr>
<td>In progress</td>
<td>In progress</td>
</tr>
<tr>
<td>No</td>
<td></td>
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<tr>
<td>Context</td>
<td>Yes</td>
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<tr>
<td>In progress</td>
<td>In progress</td>
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<tr>
<td>No</td>
<td></td>
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<tr>
<td>Performance measurement</td>
<td>Yes</td>
</tr>
<tr>
<td>In progress</td>
<td></td>
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<tr>
<td>No</td>
<td></td>
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</tbody>
</table>

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate Sustainability and Finance

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Long than 18 months prior to publication

Open text box to describe potential problems, aspects not covered above, etc. (optional).

2.2 TARGET SETTING (KEY STEP 2)

Question

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART).

a. Alignment: which international, regional or national policy frameworks to align your bank’s portfolio with have you identified as relevant? Show that the selected indicators and 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.

b. Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

c. SMART targets (incl. key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target?

Impact area Code Response
Finance C.4.1 90 million clients (86%)
B.2.2 76 million clients (76%)
Climate sustainability C.3.3 The baseline impact will be defined in the next reporting period.

Question

Sberbank plans to set SMART targets to reduce negative and increase positive impacts in two priority areas/topics—Climate Sustainability and Finance. Moreover, it will report on progress towards its targets on an annual basis starting from 2025.
Question

d. Action plan: which actions including milestones have you defined to meet the set targets?

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Response

Sberbank is currently setting SMART targets and developing an action plan to achieve them under the new ESG Strategy. The results will be disclosed in the next reports of the Bank.

However, the Bank intends to continue working in priority areas/topics to achieve its strategic objectives by implementing the current plans below.

For more information, please see Principle 2 (clause 2.3).

CLIMATE SUSTAINABILITY

Customer engagement

- Sber continues to develop the Scope 3 GHG emissions calculation methodology based on the methodology for calculating carbon footprint from funded activities enshrined in the Global GHG Accounting & Reporting Standard for Financial Industry, developed by the Partnership for Global Accounting Finances (PcAF). The detailed analysis of the Bank’s portfolio carbon footprint will form the basis for the goals of the new Climate Strategy 2026 regarding Scope 3.

- Sber is developing an internal showcase of ESG data of legal entities that will store all available ESG indicators, including ESG ratings, outcomes of ESG risk assessments, details of sustainable loan products, borrower ESG news, ESG-related violations of the environment protection law, labor law or other branches of law, etc. The data so collected will be used in the lending process for automated assessment and monitoring of ESG risks, as well as for the development of our responsible finance portfolio.

Internal policies and processes

- Sber plans to achieve Scope 1 and 2 carbon neutrality by 2030. In 2023, the Bank will approve the updated Climate Strategy until 2026.

- In 2023, Sber will continue working on an industry tool for ESG risk assessment in the credit process (ESG Handbook), which will allow the Bank to better manage specific industry risks, the parameters of which include greenhouse gas emissions and climate change.

- In addition, the Bank will continue to implement customer differentiation based on ESG risks: the customer base categories will depend on the level of environmental risk, including climatic factors, and conditions will be adjusted depending on the compliance of customers with environmental requirements.

Informational work and partnership

- Sber promotes the development of low-carbon hydrogen energy in Russia. Together with the Ministry of Energy of Russia, under the Comprehensive Program for the Low-Carbon Hydrogen Energy Development, Sber will prepare a report on the measures necessary to finance hydrogen production.

- The Bank plans to extend its practice of interaction with Russian regions as part of assisting them in the ESG transformation: from the preparation of a strategic plan to providing specific consultations at each stage of the ESG strategy implementation.

Self-assessment summary

Which of the following target setting components in accordance with the PRB requirements your bank has already assessed or is assessing for the...

... first area of most significant impact: Climate Sustainability

<table>
<thead>
<tr>
<th>Alignment</th>
<th>Baseline</th>
<th>SMART targets</th>
<th>Action plan</th>
</tr>
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<tbody>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>In progress</td>
<td>Yes</td>
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<tr>
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<tr>
<td>No</td>
<td>No</td>
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</table>

... second area of most significant impact: Finance

<table>
<thead>
<tr>
<th>Alignment</th>
<th>Baseline</th>
<th>SMART targets</th>
<th>Action plan</th>
</tr>
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<td>No</td>
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</table>
### 2.3 TARGET IMPLEMENTATION AND MONITORING (KEY STEP 2)

**Question**

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank’s progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

**Response**

<table>
<thead>
<tr>
<th>Portfolio composition and financial services</th>
<th>Links and references</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Green and adaptional credits, including funding for renewable energy, sustainable mobility and sustainable construction projects. The Bank is committed to encouraging demand for sustainable credit products through improved lending conditions. Thus, the amount of the Bank’s portfolio of loans with the ESG-condition (i.e., the condition that provides for improving environmental, social or management indicators, including reducing GHG emissions) exceeds RUB 870 billion, while the portfolio of investment lending transactions or project financing aimed at implementing green projects amounts to more than RUB 459 billion. Sber plans to increase this practice in order to reduce its negative and strengthen positive impacts on Climate Sustainability.</td>
<td>• Climate agenda</td>
</tr>
<tr>
<td>• In green lending, an important area is financing projects for renewable energy sources aimed at reducing CO2 emissions into the atmosphere—the construction of wind and solar stations. Sber placed green bonds to refinance the costs of building 8 solar and 1 wind station. The issue of green bonds totaling RUB 23 billion meets the ICM a green bonds principles (the level of ICM a compliance—GR1 (the highest), and has also been verified by a third independent party.</td>
<td>• Responsible finance and non-financial ESG products</td>
</tr>
<tr>
<td>• Development of industry assessment tools and customer ESG risk management practices, including implementation of ESG risk scoring practices for customers taking into account climatic factors.</td>
<td>• Social, Environmental, Corporate Governance and Sustainable Development Policy</td>
</tr>
<tr>
<td>• Implementation of the 2023 Climate Strategy:</td>
<td></td>
</tr>
<tr>
<td>‣ Development of a methodology for calculating GHG emissions under Scope 3, including the credit and investment portfolio, which accounts for most of the entire carbon footprint of Sber.</td>
<td>• Development of a model for assessing the impact of physical climate risks on industry, infrastructure, including models for predicting climate risks that automate their assessment and reduce uncertainty, as well as models for assessing losses from such risks that allow customers to accurately assess possible losses.</td>
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<tr>
<td>‣ Development of a model for assessing the impact of physical climate risks on industry, infrastructure, including models for predicting climate risks that automate their assessment and reduce uncertainty, as well as models for assessing losses from such risks that allow customers to accurately assess possible losses.</td>
<td>• Participation in Russia’s first carbon auction.</td>
</tr>
<tr>
<td>• Implementation of industry assessment tools and customer ESG risk management practices, including climate aspects.</td>
<td>• Implementation of ESG risk scoring practices for customers taking into account climatic factors.</td>
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</table>

**Informational work and partnership**

<table>
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</thead>
<tbody>
<tr>
<td>• Assessment of current corporate climate practices and development of advice to improve them as part of consulting ESG products. The range of comprehensive ESG programs includes the ESG Navigator, the EHS Consulting, the Set of ESG Policies, and the Green Supply Chain product.</td>
<td>• Responsible financing amounted to RUB 1.3 trillion.</td>
</tr>
<tr>
<td>• Collection of data on the volume and intensity of corporate customers’ CO2 emissions.</td>
<td>• The range of non-banking ESG products increased to 18 products.</td>
</tr>
<tr>
<td>• Research and reviews related to climate risks.</td>
<td><strong>Internal policies and processes</strong></td>
</tr>
<tr>
<td>• Participation in the development of the national climate strategy and the carbon unit trading system.</td>
<td>• Sber has completed the integration of the nationally approved green finance taxonomy into its internal processes. Sberbank established its own social taxonomy. The Bank launched social loans with 100% of granted funds allocated to the implementation of socially significant projects.</td>
</tr>
<tr>
<td>• Cooperation on the development of low-carbon hydrogen energy production in Russia.</td>
<td>• Sber has continued using the methodology developed in 2021 for determining a new segment of customers, called “ESG clients”.</td>
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</table>

**The Bank’s key objective in 2022 was also to develop responsible financing practices. The following key indicators were achieved:**

<table>
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<tbody>
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<td>• The free ESG self-diagnostics service remains available to medium-sized and large businesses.</td>
<td>• Responsible financing amounted to RUB 1.3 trillion.</td>
</tr>
<tr>
<td>• First Islamic banking branch in Russia has been opened.</td>
<td>• The range of non-banking ESG products increased to 18 products.</td>
</tr>
<tr>
<td>• Research and reviews related to corporate ESG risks and the state of ESG practices in Russian companies.</td>
<td><strong>Internal policies and processes</strong></td>
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<td>• Cooperation on the development of responsible financing practices in Russia.</td>
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<td>• Interaction with Russian regions on their ESG transformation.</td>
<td>• Sber has continued using the methodology developed in 2021 for determining a new segment of customers, called “ESG clients”.</td>
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**Informational work and partnership**

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<td>• Interaction with Russian regions on their ESG transformation.</td>
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</table>
The key initiatives implemented by Sber under its current strategic priorities and the results achieved in finance in 2022 are presented below.

### FINANCIAL WELL-BEING

**Portfolio composition and financial services**
- Sberbank has developed the following banking products aimed at improving financial well-being of people of different ages and status, including those supporting the target vulnerable categories of customers:
  1. For young parents, Sber has a mortgage on special conditions, as well as funded programs and insurance services (State Support 2020, Young Family), pilot projects aimed at increasing the availability of lending to foreigners are under development.
  2. For the older generation, Sber has created the Active Age information portal with vacancies, services, special rates and fees and educational video courses. Moreover, it has developed products with special conditions for savings deposits (Pension Plus, Save, Save Online, Add, Add Online, Active Age).
  3. For such vulnerable categories as orphans, children left without parental care, veterans and disabled soldiers of the Second World War, Sberbank offers preferential conditions in respect of the Social Deposit.
  4. Pilot projects aimed at increasing the availability of lending to foreigners are under development.

**Customer engagement**
- Financial well-being is closely related to the financial literacy of the population, improving which is one of Sber’s strategic tasks. In 2020:
  - 85% employees were trained in financial inclusion, responsible lending and/or financial well-being.
  - Financial literacy and security courses are available to all clients in Sberbank online, on the website of SberUniversity and in SberSova. They focus on different target audience: children, youth, parents, adults and pensioners.

- Sber monitors the debt burden of retail clients, which helps to develop a joint action plan with the client at the early stages of financial problems.

- To protect users, Sber operates its own cybersecurity system that allows for early fraud prevention and protection against DDoS attacks. The Bank also strengthened its fraud monitoring system and introduced SMS-based informing about risky transactions. In 2022, the share of reported cases of financial fraud reached 99%.

- Sber monitors the debt burden of retail clients, which helps to develop a joint action plan with the client at the early stages of financial problems.

### FINANCIAL INCLUSION

**Portfolio composition and financial services**
- Sber prioritized the improvement of access to financial and non-financial products and services.
  - In 2022, Sber made its services more available to people with visual, hearing and musculoskeletal disabilities. To-date, 5,700 (46%) Sber’s offices are convenient for clients in wheelchairs.
  - Visually impaired clients can use special features of the mobile Sberbank Online app. Moreover, blind persons can use ATMs without assistance: they only need to plug in standard earphones and follow audio tips. This function has been embedded into 96% of all Sber’s self-service terminals (41,000).
  - 6,000 Sberbank’s branches have a remote video service of Russian sign language interpretation for hearing-impaired people. Since the beginning of 2022, more than 2,200 such consultations have been provided.

- Customers receiving disability pension in Sberbank and people aged 75 and older may order the home delivery of bank cards in 99 towns and cities of Russia.

- Branch employees are trained to recognize and effectively interact with people with mental disabilities.

**Internal policies and processes**
- Ensuring the observance and protection of human rights, an inclusive environment and equal access to products and services—one of eight areas of Sber’s ESG and Sustainable Development Policy.
- Protection of socially vulnerable categories of citizens—the elderly, incapacitated citizens, children, etc., is carried out through additional control of operations both in the SBol application and in the branch network; special procedures for verification of suspicious transactions; “Closer to Loved Ones” service to confirm or reject relatives’ transactions.

- Sber is introducing an anti-discrimination approach in the retail risk model based on the results of the study.

**Informational work and partnership**
- In November 2022, the Bank shared 2 free courses: “Sber for All” on how to interact with people with disabilities, create an inclusive environment and atmosphere in the team, and “Accessibility of Digital Content”—for designers, developers and testers. In addition, Sber’s website has a guide on how to create affordable services for people with disabilities. There is also a series of useful materials for the Bank’s customers and their loved ones.

- In order to involve the general population, Sber is implementing the Saving Together project. It is a platform for engaging ESG clients and developing good habits. The number of unique platform users had reached more than 900,000 by the end of 2022.
PRINCIPLE 3: CLIENTS AND CUSTOMERS

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 CLIENT ENGAGEMENT

Does your bank have a policy or engagement process with clients and customers in place to encourage sustainable practices?

☐ Yes ☐ In progress ☒ No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

☐ Yes ☐ In progress ☒ No

Question

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. It should include information on relevant policies, actions planned/implemented to support clients’ transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank.

Response

Supporting clients in their ESG transformation efforts is an important element of Sber’s activity as this allows us to promote adoption of best practices by the Russian market and reduce exposure in the Bank’s loan and investment portfolio and retail portfolio.

To achieve this, Sber offers its clients popular ESG products across all business segments and implements ESG risk assessment and management procedures. This vector of activity is complemented by continuous evolution of responsible finance standards, incentives, and tools at the national and international level.

In order to build long-term and responsible relations with its clients, Sberbank has developed the following documents:

- Social and Environmental Responsibility, Corporate Governance and Sustainable Development Policy, which determines the approach to the implementation of principles, products and services, taking into account the expectations and requirements of clients. Corporate Governance Principles and Standards Policy which envisages the main approaches to the formation of corporate governance systems.
- Social and Environmental Risk Management and Corporate Governance Policy that regulates approaches to ESG risk assessment and management, including climate risks and opportunities.
- Code of Corporate Ethics, which establishes the ethical foundations of Sber’s activities, including rules for interaction with clients.

1. ESG transformation strategy and management system
2. Climate agenda
3. Responsible Finance and non-financial ESG products
4. Social, Environmental, Corporate Governance and Sustainable Development Policy
5. Corporate Governance and ESG Standards and Principles Policy
6. Sber Group Code of Corporate Ethics and Business Conduct
7. Personal Data Processing and Protection Policy

Links and references

- ESG transformation strategy and management system
- Climate agenda
- Responsible finance and non-financial ESG products
- Appendix “Contribution to the Achievement of the UN Sustainable Development Goals”

Question

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages—climate, social bonds—financial inclusion, etc.)

Response

Sber actively leverages its business opportunities to increase the positive and reduce the negative impact in priority areas/topics to achieve its strategic goals through the implementation of current plans, which are specified in more detail in Principle 2 (clause 2.3).

Sber seeks to improve its contribution to the achievement of the UN SDGs by implementing special programs and projects for sustainable development of funded activities. Sber has identified 13 most relevant SDG/area priorities.

For more information, please see the appendix “Contribution to the Achievement of the UN Sustainable Development Goals”

Question

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Response

Sberbank has developed the following documents:

- Social and Environmental Responsibility, Corporate Governance and Sustainable Development Policy, which determines the approach to the implementation of principles, products and services, taking into account the expectations and requirements of customers. Corporate Governance Principles and Standards Policy which envisages the main approaches to the formation of corporate governance systems.
- Social and Environmental Risk Management and Corporate Governance Policy that regulates approaches to ESG risk assessment and management, including climate risks and opportunities.
- Code of Corporate Ethics, which establishes the ethical foundations of Sber’s activities, including rules for interaction with clients.

1 Customer Engagement Process—a process of assisting customers in aligning their business models with sustainable development goals through providing strategic support through various communication channels.
2 Sustainable economic activity contributes to the transition to a low-carbon, more resource-efficient and sustainable economy.
**PRINCIPLE 4: STAKEHOLDERS**

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society’s goals.

### 4.1 STAKEHOLDER IDENTIFICATION AND CONSULTATION

**Question**

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups) you have identified as relevant in relation to the impact analysis and target setting process?

- [ ] Yes
- [ ] In progress
- [ ] No

**Response**

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank’s impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

**Links and references**

- All Sber’s activities are planned taking into account issues significant for stakeholders. ESG Strategy and ESG and Sustainable Development Policy that define Sber’s approach to sustainable development are formed and implemented in the course of constant interaction with stakeholders, which contributes to the inclusive and sustainable growth of Sber.
- Sber engages with stakeholders on a systemic basis taking into account the requirements and recommendations of the Technical Committee on Sustainable Finance of the International Organization for Standardization ISO/TC 322 Sustainable Finance, the AA1000SES (AccountAbility Stakeholder Engagement Standard), and other applicable standards.
- Sber has identified 11 stakeholder groups with engagement channels defined for each to identify and meet their needs in the most effective manner.

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**PRINCIPLE 5: GOVERNANCE & CULTURE**

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

### 5.1 GOVERNANCE STRUCTURE FOR IMPLEMENTATION OF THE PRINCIPLES

**Question**

Does your bank have a governance system in place that incorporates the PRB?

- [ ] Yes
- [ ] In progress
- [ ] No

**Response**

Please 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 the effective implementation of the Principles. This includes information about:

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including if notification about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

**Links and references**

- Management of ESG issues, including monitoring progress in achieving targets, is integrated at all levels of Sber’s corporate governance system.
- The Supervisory Board sets strategic guidelines for sustainable development, and the Strategic Planning and Sustainable Development committee provides appropriate recommendations to the Supervisory Board. The Supervisory Board also includes a ESG curator. At the Executive Board level, control over the implementation of the ESG strategy is entrusted to the First Deputy Chairman of the Executive Board.
- The ESG Directorate coordinates sustainable development activities, providing support to the divisions and companies of Sber Group.
- In the reporting period, ESG agenda supervisors in the Bank’s business blocks and units, as well as at the Group’s company level, continued their work.
- No significant changes in the ESG management organizational structure took place in 2022.
- The effective implementation of the ESG strategy implies the cascading of goals, the consolidation of responsibility and the involvement of all employees and divisions, so Sber has developed an Implementation Plan that sets managers responsible for achieving goals and defines quantitative performance indicators for the Executive Board and C-suite. In 2022, Sber met all its KPIs.

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1 For instance, regulators, investors, governments, suppliers, customers, academia, civil society institutions, communities, indigenous people, and non-profit organizations.
5.2 PROMOTING A CULTURE OF RESPONSIBLE BANKING:

Question

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Response

Effective implementation of the ESG strategy implies the involvement of all Sber employees. The Group regularly implements educational and awareness-raising programs for sustainable development issues, including ethics, compliance and security.

In 2022, 85% of Sber employees took at least one ESG training course in 2022. Sber has developed a special course for its employees called “ESG: Choosing the Future”, which is aimed at forming and scaling the ESG culture and increasing employee involvement in the ESG agenda. The training course is offered as a game where players have to come up with a solution taking into account ESG factors.

5.3 POLICIES AND DUE DILIGENCE PROCESSES

Question

Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Response

ESG risks are managed at the operational level by business units that are responsible for credit analysis and by methodology units in charge of designing methodologies and processes. Sber has approved the ESG Risk Management Policy that enshrines the basic concepts, objectives, principles, organizational structure and ESG risk management processes. ESG requirements for customers and transactions and procedures for ESG risk assessment and management are enshrined in the Credit Policy. As of the late 2022, the Bank carried out the following ESG risk assessment and management procedures:

- check for unacceptably high levels of ESG risk (including environmental risks, corruption cases, tax evasion, the use of slave and child labor)
- defining the industry ESG risk level and using ESG Handbook to take into account the ESG risk exposure for the industry and clarify the ESG risk exposure for a particular client using industry guidelines

If any of the ESG risk assessment procedures identifies an increased level of ESG risk, Sber has appropriate risk management mechanisms in place, including mitigation through incorporation of ESG-specific terms and conditions in the loan agreement that the borrower will be under the obligation to comply with during the effective period of the loan agreement.

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank’s governance system?

- Yes
- No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

- Yes
- No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

- Yes
- In progress
- No

1 Examples of applicable policies include: exclusion policies for specific sectors/activities; zero deforestation policy; policies aimed at preventing rejection; gender policies; policies for conducting a pre-investment survey on social issues; stakeholder engagement policies; whistleblowing policy, etc., or any applicable national guidelines relating to social risks.
**PRINCIPLE 6: TRANSPARENCY & ACCOUNTABILITY**

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society’s goals.

### 6.1 ASSURANCE

**Question**

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

- Yes
- Partially
- No

If applicable, please include the link or description of the assurance statement.

**Response**

Sber provides annual independent assurance of its statements, including the information provided in this ESG Report. Sber plans to conduct independent assurance of the third report on compliance with the Responsible Banking Principles in 2023, as required by the financial initiative within the four-year period from the moment of accession.

**Links and references**

- Appendix “Independent Practitioner’s Assurance Report”

### 6.2 REPORTING ON OTHER FRAMEWORKS

**Question**

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other: ...

**Response**

In addition to guiding programs related to the implementation of the Responsible Banking Principles, Sberbank takes into account the provisions of such ESG initiatives as the Principles of the UN Global Compact, the UN SDGs, topics and indicators of the GRI and SASB standards, TCFD recommendations.

**Links and references**

- Appendix “GRI Indicator Table”
- Appendix “SASB Indicator Table”
- Appendix “Compliance with the TCFD Recommendations”
- Appendix “Compliance with the UN Global Compact Principles”
- Appendix “Contribution to the Achievement of the UN Sustainable Development Goals”

### 6.3 OUTLOOK

**Question**

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.

**Response**

Sber’s further steps are disclosed in Principle 2.

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

- Minimizing environmental impacts
- Creating conditions for effective work and human potential development
- Ensuring respect for and protection of human rights, an inclusive environment and equal access to products and services
- Supporting local communities and promoting social development
- Improving corporate governance practices, security and ESG risk management, including in supply chains
- Promoting economic well-being and prosperity for all

**Links and references**

- ESG transformation strategy and management system
- Social, Environmental, Corporate Governance and Sustainable Development Policy

1 For instance, describing plans to expand the scope of work by including areas not yet been considered or planned steps in terms of portfolio composition, context and performance assessment
2 For instance, developing plans to assess baseline indicators, designing targets for (more) areas of impact, interim target setting, developing action plans, etc.
6.4 CHALLENGES

Question

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualize the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- Embedding PRB oversight into governance
- Customer engagement
- Gaining or maintaining momentum in the bank
- Stakeholder engagement
- Getting started: where to start and what to focus on in the beginning
- Data availability
- Data quality
- Access to resources
- Conducting an impact analysis
- Reporting
- Assessing negative environmental and social impacts
- Assurance
- Prioritizing actions internally
- Choosing the right performance measurement methodologies
- Setting targets
- Other: …

Response

The problems that Sberbank may face when implementing the Responsible Banking Principles are also indicated in Principle 2.

As part of its activities, Sber solves tasks aimed at achieving the UN SDGs, as well as ensuring compliance with international standards. Furthermore, Sberbank is a locomotive of the ESG agenda in Russia, also being one of the pioneers in implementing the responsible financing policy. The Bank offers its clients popular ESG products and services across all business segments, continuously improving its range of products and tools.

Links and references

- ESG transformation strategy and management system
- Environmental, Social, Governance and Sustainability Policy
- Appendix: “Contribution to the Achievement of the UN Sustainable Development Goals”