TINKOFF

Sustainability report 2021

TCS GROUP HOLDING PLC

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The report covers TCS Group Holding plc's operations for the fiscal year ended Dec. 31, 2021, unless otherwise noted. This report was prepared with reference to the GRI Standards 2021. We have also reported in accordance with our industry-specific Sustainability Accounting Standards Board (SASB) framework.

ONE OF A KIND

Tinkoff is an online ecosystem offering a full range of financial services for individuals and businesses. In only 15 years we have become one of the world's leading fintech companies, with 20 million customers by the end of 2021. Our unique values, entrepreneurial spirit, the culture of innovation and teamwork are the foundations of our success.

Our strategic objective is to grow our customer base profitably by building the most comprehensive, engaging, innovative, and sustainable financial and lifestyle ecosystem in the world.

When executing sustainability-related projects, we want to make sure that all our stakeholders understand how Tinkoff DNA is inextricably linked to sustainability. We believe that we have what it takes to be an example in Russia and beyond of how to build a business that is innovative, responsible, customer-centric, investor-friendly, with loyal and motivated employees.

The demand from all our stakeholders to learn more about what we are doing in the field of sustainability is increasing noticeably. The 2020 Sustainability Report was the first non-financial report prepared in accordance with GRI Standards, as well as the Sustainability Accounting Standards Board.

We are contributing to the UN Sustainable Development Goals and broader global sustainable development agenda. We want to tackle shared global environmental and social challenges by focusing on the six areas where we can deliver the most value for our stakeholders. We identified five Sustainable Development Goals where we believe our company can have the most impact.

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Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Achieve gender equality and empower all women and girls

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Take urgent action to combat climate change and its impacts

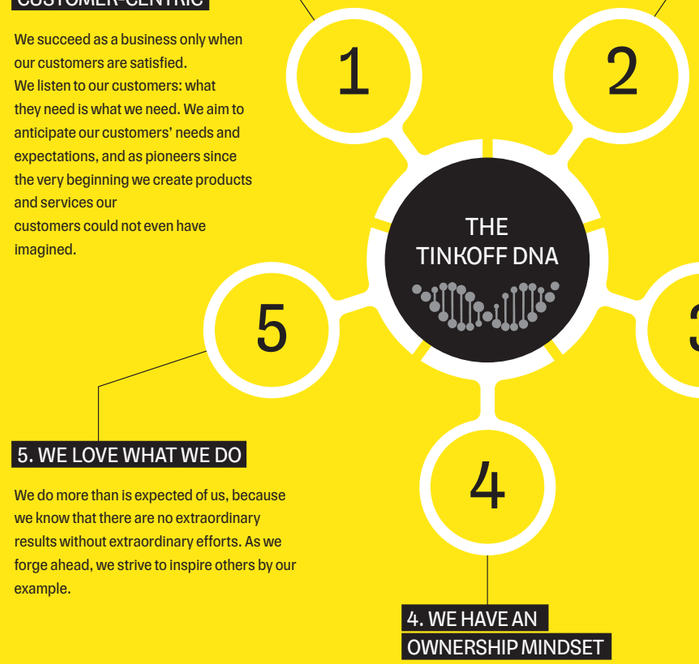
2021 sustainability highlights

- Top 3 best employer in Russia according to Forbes
- Tinkoff launched Russia's first BNPL service (buy-now-pay-later) - "Dolyami"
- Tinkoff Group became a signatory to the Principles of Responsible Banking and joined the United Nations Environment Programme Finance Initiative
- Tinkoff launched new 9 development hubs and as of the end of 2021 was present in 17 cities
- Tinkoff took the second place in the Forbes Woman 2021 rating of the Best workplaces for women
- Tinkoff became Russia's first financial institution to join the Science Based Targets initiative
- Tinkoff celebrated 15-year anniversary
- Tinkoff presented ETNA — Russia's first open-service tool for analysing and forecasting business processes
- Threefold growth in charity donations compared to 2020 resulted in RUB 340m+ in donations from the customers and 400m+ from the Tinkoff Business customers
- Tinkoff executed its first Support Will Come grant competition with a total budget of 20 million RUB for Russian non-for-profit organisations
- Tinkoff Capital set up funds to invest in ESG, green economy, cybersecurity, and emerging markets

TINKOFF'S DNA

Regardless what happens around us, the Tinkoff spirit remains that of a young, flexible, and innovative company. We are proud of our culture and values, and it is important for us to work with those who share them.

The Tinkoff DNA is built around five key values that were born from the everyday behaviour and suggestions of our employees. They are not imposed artificially on our workforce.



1. WE ARE CUSTOMER-CENTRIC

We succeed as a business only when our customers are satisfied.
We listen to our customers: what they need is what we need. We aim to anticipate our customers' needs and expectations, and as pioneers since the very beginning we create products and services our customers could not even have imagined.

2. WE ARE ONE TEAM

Our successes and failures are shared. We achieve success together and work to improve together as well.
We are motivated by the success of our colleagues, just as our success motivates them.
We debate, and while we may sometimes disagree we always listen to each other. Together, we find the best possible solutions for the success of our company.

3. WE ARE TRENDSETTERS

We are not afraid of making mistakes — we learn from them. Everyone is free to act as they see fit, and everyone can make mistakes.
We share ideas even if they do not seem promising at first and test hypotheses quickly and make decisions based on considered analysis.

4. WE HAVE AN OWNERSHIP MINDSET

We do not categorize what we do into primary and secondary responsibilities. If something can be improved, we will improve it.
We think about how our actions will affect the future — not as fortune tellers but as visionaries.
We make sure the company operates in a sustainable fashion. Despite our successes, we are never satisfied and we build on our success by nurturing and motivating our talent and resources.

5. WE LOVE WHAT WE DO

We do more than is expected of us, because we know that there are no extraordinary results without extraordinary efforts. As we forge ahead, we strive to inspire others by our example.

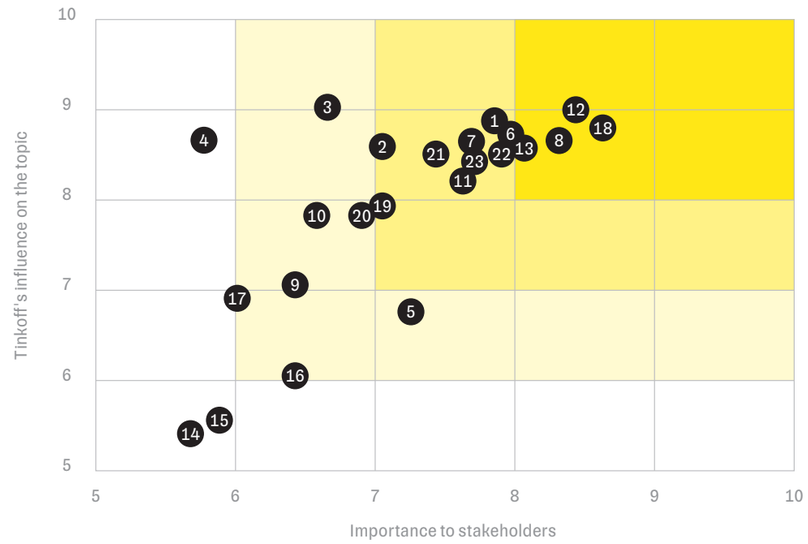
A MESSAGE TO OUR STAKEHOLDERS

Stakeholder engagement is a key aspect of our long-term sustainability. Our particular attention is devoted to presenting our responsibilities towards and nurturing the relationships with all of you, customers, employees, communities, regulators, investors and shareholders.

As our approach to sustainability matures, we are moving from managing risk to seizing opportunity. Our goals in these areas include expanding beyond compliance and reputation management to innovation and value creation: moving from driving cost efficiencies to growing revenue and from making sure we do no harm to owning our opportunity to lead with purpose.

In early 2022 Tinkoff conducted a materiality assessment to identify the Company's most significant impact areas with respect to society, the environment and overall corporate governance and responsible business conduct that took place in 2021. This report is intended to provide information from a different perspective and in more detail than that required to be included in other regulatory reports. Our ESG reporting describes those topics which we consider to be the most important to stakeholders when evaluating environmental, social, and governance issues. Based on the findings of an extensive survey of all our stakeholders with more than 500 answers we set our sustainabiity priorities, shown below. Materiality matrix Material aspects at the table above became the foundation for our sustainability strategy and targets, as well as support further integration of sustainability principles into our business.

Materiality matrix



1st priority	2nd priority	3rd priority	4th priority
12 Human Capital 18 Operational and financial performance 8 Product responsibility 13 Diversity and inclusion	6 Customer relationship management 22 Innovation and digitalization 1 Climate change 7 Data privacy and security 23 Business ethics 21 Cybersecurity 11 Responsible financing 2 Resource efficiency	3 Waste management 10 Social and Environmental impact 19 Risk management 20 Transparency 9 Product management 5 Human rights 16 Financial wellbeing 17 Corporate governance	4 Responsible sourcing 15 Financial inclusion 14 Community engagement

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THE BOARD AND MANAGEMENT'S RESPONSE TO STAKEHOLDERS' CONCERNS

Both the Board and management understand that a productive and reciprocal relationship between Tinkoff and its various stakeholders is essential for its long-term success. Yet Tinkoff is looking to bring a more structured approach to this identification and assessment.

Stakeholder consultation is used to support the board's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities. By understanding which issues are most materials to various stakeholders, Tinkoff can prioritise its efforts and resources, making sure it sets relevant sustainability objectives and that its actions towards those objectives are most effective. Such prioritisation is also helpful to create an effective communication channel where the entire organisation can unite behind a well understood sustainability strategy.

Stakeholder egagement at Tinkoff

Stakeholder	Topics	Channels
Customers	Customers' feedback on Play market and App store Ideas how to improve the apps, e.g. adding particular widgets, investor's calendar, stock screener, Pulse (Tinkoff Investments social network) etc. Super App design Cybersecurity and Data Privacy Responsible consumption Financial wellbeing	Customer service lines, Play market and App store platforms, social networks, chat bots, voice assistant, hotline, smart couriers
Employees	Career growth and opportunities Training Volunteering Well-being activities and other initiatives related to COVID-19 Remote working Diversity and Inclusion practices	Employee engagement survey, HR-platforms, chat bots, intranet, Super App
Communitees & NGOs	Financial support for NGOs Volunteering initiatives Engagement formats associated with the consequences of COVID-19 Financial literacy and empowerment activities	Online and offline events, co-branded programs, volunteering and pro bono activities
Shareholders and bondholders	Share of credit and non-credit busines Medium and long-term projections for the Company Regulatory changes, such as those related to consumer lending The competitive landscape Economic growth and the impact on Tinkoff Cybersecurity and data protection Corporate governance Financial literacy and the relevance to Tinkoff services Responsible lending practices	Conferences, one-to-one calls, investor updates, investor presentations, strategy days

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A MESSAGE TO OUR STAKEHOLDERS

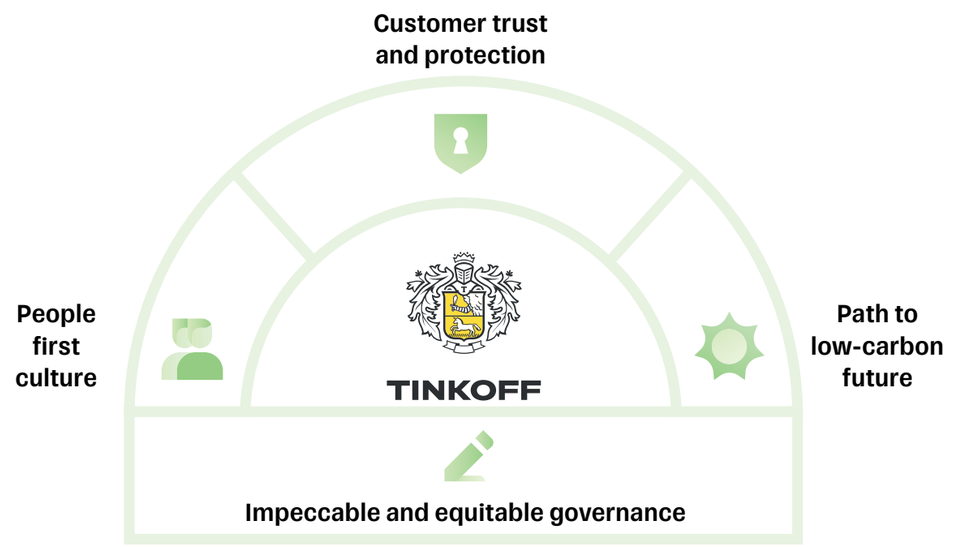
Stakeholder	Topics	Channels
Business partners	Transparent bid processes and conditions Activities associated with the Company's plans for building its new HQ Anti-corruption processes	Bids, meetings with suppliers, training
Government bodies and regulators	Joint projects with Central bank and Federal Financial Monitoring Service related to anti-money laundering, anti-corruption, anti-terrorism activities Development of legislation in the realm of compliance, cybersecurity and privacy protection, responsible lending, debt relief measures for COVID-19 etc. Tinkoff's plans for development and implementation of innovative solutions	Monitoring procedures, panels, joint projects

OUR STRATEGY

Tinkoff is a fully digital ecosystem offering customers a full range of financial, transactional, and lifestyle services. Through our mobile and internet platforms we offer Tinkoff-branded products – credit products, current accounts, deposits, securities dealing, insurance and mobile solutions, as well as partnership (non-financial) products through our lifestyle marketplace.

We offer a diversified set of retail and SME products, through a business model predicated on operating flexibility, robust data and risk management, high quality funding, powerful distribution, premium level service, and aspirational branding.

Our strategic objective is to grow our customer base profitably by building the most comprehensive, engaging, innovative, and sustainable financial and lifestyle ecosystem in the world. By being sustainable we are aiming at using next generation financial technologies for building a safe, low-carbon future that puts people first and is based on impeccable and equitable governance.



We want to improve quality of people's life and overall well-being by using cutting-edge technologies, offering simple, comprehensible solutions, providing access to trusted, secure information, and bringing those who care together for better results.

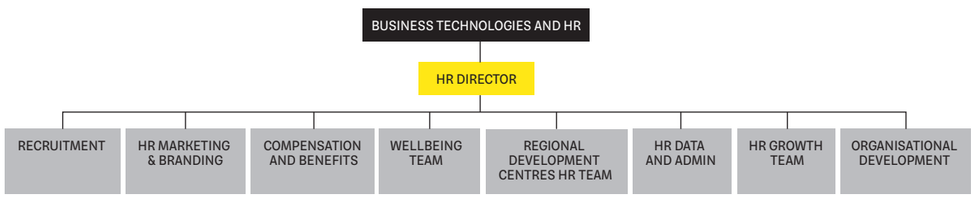
SOCIAL VALUE — PEOPLE FIRST CULTURE

This objective reflects the importance of providing our people with an engaging platform to grow, built on a foundation of fair remuneration and equal opportunities, attractive working conditions that protect fundamental rights, and special measures to support the diversity of our workforce. We have always focused on the tangible — real policies and programs that generate real results. We are celebrating sustained, deep, genuine commitment to maintain an innovative and entrepreneurial culture. 2021 became a year when we doubled the team, started new processes and procedures to ease the employee roadmap and initiated complex transformation processes within HR function.

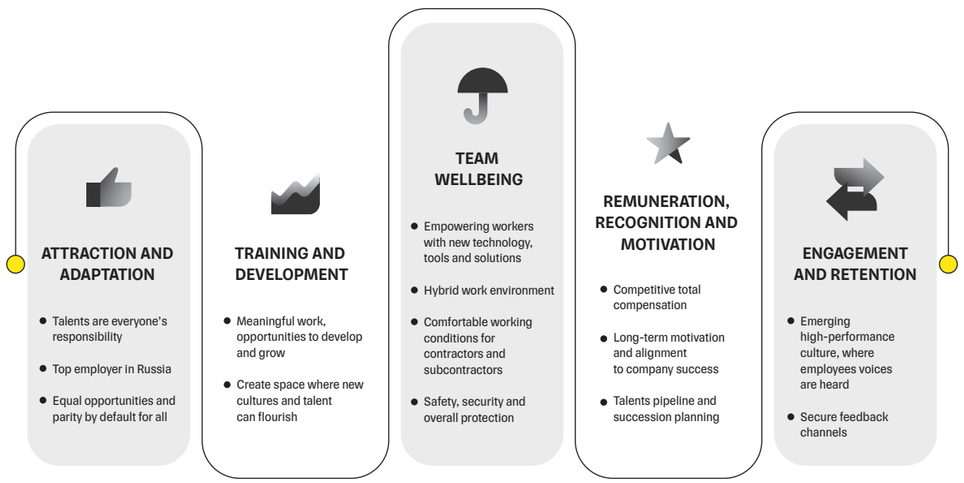
Tinkoff significantly enhanced its HR team and practices due to significant headcount growth which was in direct correlation the growth of the customer base. In 2021 we started to look at the HR practices from the business product point of view.

Management approach

Our people initiatives are supported by a strong governance structure that changed in 2021. In a result, we have combined business technologies and HR departments to make a real difference in our employees' experience. During 2021 we made a lot to invest in human capital and bolster the innovation infrastructure in key markets via several centers of expertise. For every center of expertise, specialists are responsible for managing the processes related to recruitment, support and development of employees. HR business partners, working in cooperation with the specialists in the centres of expertise, adapt these processes for the idiosyncrasies of specific departments.



Our priorities and employee journey



Talent acquisition and adaptation

We're always seeking to hire truly great technologists to bring new capabilities to our dynamic business. In 2021 we almost doubled the headcount and provided excellent adaptation activities for all new team members. We hired more than 3,200 candidates in HQ and focused on the regional recruitment to employ best talents for our regional development centers. For instance, IT recruitment procedures covered more than 68,000 candidates in Russia and beyond.

In order to find the best talent both for IT and non-IT candidates we have successfully launched an external referral program for candidates in 2021.

Every 5th candidate was referred by our existing team member in 2021

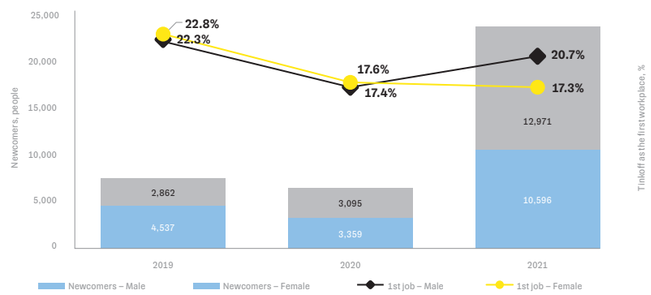
One of the key channels of recruitment of our STEM candidates is Tinkoff Education with near 15% of all junior specialists joined our team via its programs in 2021, with closed of 42% of Scala positions and 25% of the machine learning positions.

We grew the universe of engaged students by 2.2 times to 134,000 people and increased the number of hired candidates by 1.6 times to 397 employees. Employees who joined the company via Tinkoff education are more engaged and on average show better tenure within the Group.

In 2021 the team started the new specialisation at the Faculty of Computer Sciences department and launched the Laboratory at the Faculty of Mathematics at the Higher School of Economics. We have also launched the Backend Academy. The team has also actively engaged regional universities and started programs on new themes such as marketing, design, and investments.

Our philosophy is to hire as many young, talented, and motivated employees as possible and help them grow within Tinkoff. To this end, Tinkoff often becomes the first workplace both in HQ (9% of newcomers) and in Operations (91%).

Tinkoff remains popular among first-time employees



The on-boarding and adaptation processes were fully automated and transferred to an online format. We became the first employer in Russia that started a fully online employment process.

Bots and a dedicated application were launched to help new employees, remind them of completing mandatory trainings, etc. All adaptation processes allow employees to obtain information about the management, history and legal structure, and values of the Company in the most convenient way. To engage new employees more effectively we also created a new role, an adaptation partner.

We are working to create a better workplace environment with diversified benefits and comprehensive compensation/bonus scheme to reduce our turnover rate. The average tenure of a Tinkoff employee is highly affected by the fast paced growth of the Company's staff. Most of the top management and Management Board members have been at Tinkoff for 10+ years.

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SOCIAL VALUE — PEOPLE FIRST CULTURE

Average tenure as of 31.12	2019	2020	2021
	2.4	**2.6**	**1.9**
Male	2.2	2.5	2
Female	2.6	2.6	1.7

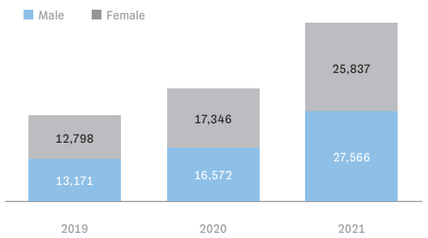
Due to significant growth of the clients in 2021 our total turnover slightly increased mostly due to increased headcount in the operations, client services functions and smart couriers.

Total headcount, including part-time workers and contractors, almost doubled in 2021

Over 80% of people employed by our Operations

Average age of an employee is 29 y.o.

We have a well-balanced structure



Turnover rate	2019	2020	2021
By gender			
Male	44.1%	35.7%	37.5%
Female	39.9%	33.8%	42.4%
By age			
<30y	47.6%	41.0%	46.7%
30-50y	27.3%	21.9%	26.7%
>50y	13.8%	13.9%	34.1%
By function			
HQ	26.6%	19.1%	20.0%
Operations	47.6%	42.1%	47.5%

Training and development

Training and development centre of expertise is working on assessment of competencies and potential, development of soft skills, professional training, performance management and career development. Prior to 2021, the emphasis in employees training has been on the development of soft-skills (leadership program, skills in facilitating discussions, conducting brainstorm sessions). Hard-skills training was also carried out on request with the involvement of external providers.

In 2021 we launched training programs for all levels of managers in HQ (T-Camp, T-Mind, T-Pro, mini MBA) and updated Management start. In Operations we started ‘Group lead Academy’ and business awareness programs ‘Business insider’ and ‘Business Battle’.

Training related to the product and providing quality customer service also takes place, though outside the jurisdiction of the HR department. Measures aimed at improving the professional level of knowledge and skills of employees at the expense of the Company’s internal resources, as well as with the involvement of external providers, are carried out individually at the request of the manager.

Training hours per employee category

	2019	2020	2021
Top management	0.7	0.3	10.8
Managers	2.8	133.5	61.8
Specialists	143.2	92.0	31.7
Contractors	114.4	129.9	198.6

Executives, like employees, are assessed as part of a performance review. Executives evaluate the achievement of results, and also evaluates managerial competencies using the “360 degrees” method.

Tinkoff is committed to an agile approach to human resources management and uses the most advanced methods in this area. The Company plans to implement VR technologies and gamification technologies, focusing on the portrait of a Company employee.

A 360-degree survey is mandatory annually for all HQ employees and heads of operating units.

Health and safety trainings

In order to minimise averse health and safety impacts directly arising from business relationships, Tinkoff business unit managers, HR, and Health and safety departments regularly create action plans with quantified targets, discuss health issues and documentation, evaluate the progress in reducing/preventing health issues/risks, run internal inspections and consultations with health & safety specialists, obtain independent external verification of health & safety standards, and embed health and safety targets in performance appraisal and remuneration of management.

The main issues considered in the framework of the training on occupational safety and health are the main provisions of labour protection, legal requirements in the field of labour protection, the main harmful and dangerous factors, labour protection requirements before starting, during and at the end of work, actions in dangerous situations.

Leadership training is conducted at a licensed training centre. Briefings for employees are conducted by the head of the labour protection service, a labour protection specialist, as well as direct supervisors. The competence of the instructors is confirmed by documents (protocol, certificate) on the passage of the necessary training in labour protection at the training centre. Training in work at height is carried out in specialised training centres, training for obtaining a group on electrical safety is carried out in specialised training centres.

The training of managers is carried out once every three years or when changing positions. Induction briefings are carried out upon hiring. Periodic briefings are conducted quarterly. Unscheduled briefings are conducted as needed.

Occupational safety training is provided to 100% of the Company’s employees.

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SOCIAL VALUE — PEOPLE FIRST CULTURE

Team wellbeing

Tinkoff's corporate well-being program, T-life, covers five key elements of well-being: physical health (health insurance, vaccinations, COVID-19 testing, corporate sports initiatives, etc), emotional comfort (psychological support, yoga, personal life coaching and mental health programs, etc), professional development (training, career coaching programs, etc) , financial support (loyalty programs, legal advice and tax consultants, etc) and social life (charity, volunteering, social projects, etc). All employee-related information consolidates on Space, our intranet and blog.

Tinkoff regularly analyses the UX portrait of employees and, based on the findings of the analysis, builds a system to support their well-being. Key elements of employee support are:

- Free cafeteria
- Fruits, coffee points and other amenities in the offices
- Health insurance (including vaccinations, trauma care, critical illness)
- Free fitness club
- Development of team sports within the Company
- Free parking
- Services for tax, financial, legal advice for employees
- Financial literacy
- Sports communities
- Professional literature and subscriptions

Tinkoff has also adapted to the increasing demand for remote working and flexible working hours. The Company has an internal document "Internal Labour Regulations". It provides for various modes of work, according to which employees can carry out labour activities. Work schedules are indicated in the employment contracts of employees, in some cases they are individual conditions for a particular employee.

Life and career coaching are available for employees. We have launched free sessions with psychologists, team coaching and facilitations. More than 4,500 employees participated in such events.

The labour protection management system has been implemented in the Company on the basis of the requirements of the Labour Code of the Russian Federation. Tinkoff has several documents outlining the details of this system, including regulations on labour protection management system, procedure for instructing, training, and testing knowledge on labour protection, programs of induction training for employees, and more.

Some of the measures the Company takes to ensure workplace safety include:

- Conducting a special assessment of working conditions
- Training and instructing on labour protection when working with hazardous production factors
- Conducting periodic medical examinations
- Conducting pre-trip and post-trip medical examinations of drivers
- Conducting psychiatric examinations
- Officials responsible for fire and electrical safety have been identified
- Regular testing of security systems is carried out
- During the pandemic, compliance with all sanitary rules and regulations was organised
- Testing for COVID-19.

Remuneration

Tinkoff for the most part implements three types of compensation: salary, cash bonus, and long-term incentives. The Company has a performance review process that is performed in an automated HR system. As part of this process, feedback on the employee's work is collected (360-degree method) and the performance is assessed: the manager meets with the employee, gives feedback, which is recorded in the HR system in the form of a comment from the line manager and an assessment of the employee's performance. The manager's comment and the score are visible to each employee. The assessment serves as the basis for the implementation of the "pay for performance" approach, that is, it affects the revision of wages and the amount of bonuses.

100% of Company employees have objectives and key results (OKR) or key performance indicators (KPI). HQ employees and heads of operating units are subject to assessment; line managers are paid monthly/quarterly bonuses based on KPIs met. The new assessment system included goals for 94% of employees, the goals of the rest were recorded in other employee-friendly systems.

To ensure that executives assess employees fairly, executive assessments are calibrated in three levels (functional, cross-functional, and executive). The size of the equity component (number of shares) provided to top management depends on the level of their influence on the organisation and on their potential. Cash bonuses are paid in accordance to the achievement of pre-set KPIs.

Corporate Culture

Tinkoff is always looking to innovate: innovations save time, enhance the customer experience, and in most cases reduce the environmental impact of the business. Tinkoff promotes a corporate culture of experimentation and open communication. We encourage our young employees to innovate and we are open to mistakes as a way to learn and test ideas. To us, experimentation and innovation are not merely buzzwords. Each team member looks at problems from different angles and tests a range of possible solutions to find the best way to address the challenges. At the senior management level, one Tinkoff manager has primary responsibility for innovation management – the Chief Information Officer (VP Business technology and AI).

With the help of the internal IT audit team, a selective assessment of individual elements of the management system is carried out – the efficiency of using resources on the products and services being developed, checking for duplication of functionalities of the services being created.

At Tinkoff, most IT costs are associated with the development of innovative products and services (build vs run) – the largest part of which is spent on Development Centres located in 17 cities of Russia and employing more than 8,000 specialists exclusively engaged in R&D and development of new products, services and platforms.

An important tool for maintaining innovation is our Idea Incubator, where anyone can submit an idea which might become a business line or a new product. This is how the idea of gamification for Tinkoff customers was born, which helps customers learn about new products and maintains a dialogue with customers. In the future, the use of gamification technologies in the development of new products and services should increase.

CONTINUED

SOCIAL VALUE — PEOPLE FIRST CULTURE

Diversity and inclusion

Tinkoff is committed to offering equal opportunity and equal treatment to all current and prospective employees, such that no applicant or employee is discriminated in favour of or against on the grounds of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation in recruitment, training, promotion or any other aspect of employment. Recruitment, training and promotion are based exclusively on merit, with all Tinkoff employees involved in the recruitment and management of staff responsible for ensuring the policy is fairly applied within their areas of responsibility.

The Group applies this approach throughout, at all levels. All these norms are explicitly stated in the public Corporate Code of Conduct and Human rights policy and employment contracts.
Each employee is encouraged to report issues to the HR mailing address. All are considered and evaluated individually and promptly. In a difficult or controversial situation, an employee can contact their HR manager directly. The Company also conducts numerous surveys that allow employees, including anonymously, to express their worries.

Diverse workforce
The number of people with disabilities employed by Tinkoff in 2021 was 729 (113 in 2020). Tinkoff's home call centre has added flexibilities and is suitable for those living in remote areas, limited access to transportation as well as those who can only work remotely.

Tinkoff was ranked 5th in HeadHunter's annual rating of the best employers in Russia in 2021. Tinkoff competed in the tier of the largest companies — those with more than 5,000 employees. Based on its performance in 2021, Forbes granted Tinkoff platinum status in its annual ranking of the best employers in Russia. It also rated Tinkoff second in its ranking of female-friendly companies.

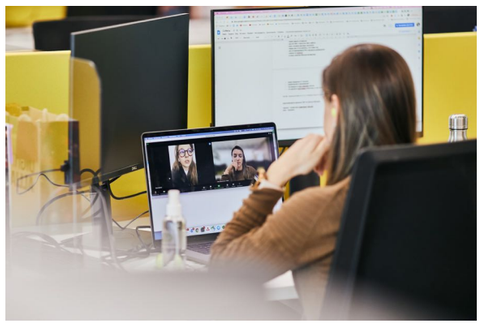
Tinkoff rose from fourth to second place in the Forbes Woman — 2021 rating. This is the second year for the rating, which ranks companies that offer the best working conditions for women. Forbes Woman — 2021 is the only rating in Russia that reflects gender equality at the corporate level. The authors established five main criteria for evaluating companies and assigned each one a weighted score: gender composition (25%), remuneration (25%), career opportunities (25%), corporate programs (15%) and special merits (10%). The rating methodology takes into account not only the ratio of men and women in management but also a host of other factors-for example, the proportion of women in the top 10% of a company's highest-paid employees, the proportion of women promoted in 2020, whether a company conducts an audit to identify gender-based pay inequality, whether a company has a separate employee responsible for diversity and inclusion, whether there are quotas in place for women on the board of directors and which corporate and charitable programs focused on women are supported by the company.

Human rights

Management is committed to respecting human rights. Management of the Group, after enquiry, have not identified any potential severe impacts on human rights to which the Tinkoff Business Model might be susceptible nor have any actual instances of human rights abuses been identified, reported or alleged. In 2021 we consolidated all expected standards and principles into a single more accessible Human Rights policy and enhanced our anonymous hotline whistleblower@tinkoff.ru It is structured to maintain confidentiality, prevent conflicts of interest and envisages escalation of unresolved complaints up the levels of management potentially to the very top. A potential whistleblower also can bring allegations to light by contacting a third party outside. Tinkoff is a high profile and highly regulated business; allegations could easily be directed to the media, government agencies, law enforcement or regulatory bodies.

Tinkoff takes extremely seriously the conduct of its employees, stakeholders and counterparties and is committed to rooting out activity that might be considered illegal, unethical, or inappropriate within the Group. Management of the Group, in its routine oversight of the Group, has not identified any potential severe impacts on human rights to which the Tinkoff Business Model might be susceptible nor have any actual instances of human rights abuses been identified, reported or alleged.

And on the, so far extremely rare, occasions alleged or actual illegal, unethical or inappropriate activity has come to management's attention, it has been fully investigated and appropriate changes made to our processes, organisation and training to limit the risk of any recurrence. Management is committed to rooting out bad practices, violations of the Company's policies, of the law or any threat to the public interest.
The Group regularly reviews its various policies to ensure their relevance, consistency with best practices and to take account of ongoing practical experience. These policies are widely published and backed by training programmes.
No material fines or other sanctions were imposed on the Group in 2021 for improper activities in the social, environmental and economic areas.



Community investments

Our principles in community engagement

Focus on business value: the choice of support areas is based on the core processes and key areas, risks and opportunities of our business. Causes and projects we invest in must be relevant to our main stakeholders and focus on leveraging our particular and often unique strengths for the benefit of the communities and the society in general.

Finding the underlying issues: we want to make a difference mainly by addressing the underlying and pressing social and environmental issues, less so dealing with their consequences.
We know it is not always possible, so we study and analyse various information sources.

Ambition for tangible results: we support teams and leaders who want change, strive for more and are not afraid to act as pioneers in solving pressing social and environmental challenges. We want to see results which are scalable and adaptable to address the widest range of issues.

Technologies and innovation: we are always looking for opportunities to introduce cutting-edge technology and innovation in order to meet social and environmental challenges.

Partnerships: we seek collaborations and partnerships with not-for-profit organisations, educational and scientific communities, as well as other companies. We carefully study best practices, being open to feedback and suggestions helping us to be more effective.

Independence and expertise: we understand that we do not know all the answers, therefore, if necessary, we will involve independent experts to discuss the approaches and solutions used.

Transparency: we are open – we would like to spread successful practices and have nothing to hide.

Evaluation: we constantly analyse our work and evaluate not only its commercial results, but also the social and environmental benefits.

Ethics and responsibility: we do not support or associate with projects, solutions, and teams that may in any form lead to disrespect for human rights, emotional abuse or physical violence, be associated with money laundering, corruption, or other illegal activities. Reasonable suspicions or complaints about the risks listed above might enforce verification, possible suspension and/or complete termination of business relationships until the circumstances are clarified.

While conducting our social and charity investments we use the following formats

1. Investments in solving socially significant causes (social investments). Social investments are priority long-term projects and programmes aimed at solving urgent social and environmental challenges that we carry out by ourselves, as well as in partnership with not-for-profit organisations, educational institutions, the scientific community and others we feel can add an extra dimension to our activities.

2. Charity donations (direct donations). Charity means donations by Tinkoff in favour of not-for-profit organisations in the form of money, time, material resources, expertise and organizational and coordination skills as well as notional cost of our activities for implementing and monitoring these processes.

Our **monetary donations** include:

- Direct donations and grants to not-for-profit organisations;
- Related donations of the Group in the framework of philanthro ic efforts with customers and employees (matching).

Time donations include costs of employees volunteering during working hours used by them to help a not-for-profit organisation or perform a socially useful activity (volunteering).

Our **material donations** include products or services of the Group or other corporate resources, such as IT equipment, furniture, office and other equipment, advertising and information space, etc.

Administrative and management costs include indirect costs for ensuring the efficiency and performance of the Group's charitable activities, including but not limited to the cost of internal development, work of in-house experts, and promotion and coverage of charitable projects and programmes.

The Group does not provide charitable assistance to individuals directly, with the exception of financial assistance to Group employees facing hardships.

3. Commercial initiatives and products for social benefit

The Group performs commercial business-related activities in the community to directly support the success of the Group, promoting its corporate and brand identities, in partnership with charities and community-based organizations. Namely:

- Ecosystem services and products that help attract donations from individuals and legal entities (for example, the "Charity" section in the Payments category, the "Cashback for Good" service, and other products).
- Cause-related marketing and activities (for example, charitable donations for issuing a card or subscription).
- Support for universities, research providers and other not-for-profit organisations connected with the Group's business and aiming to solve urgent social, educational and humanitarian problems, which, among other things, help the Group to ensure its efficiency and sustainability. And others we feel can add an extra dimension to our activities.

CONTINUED

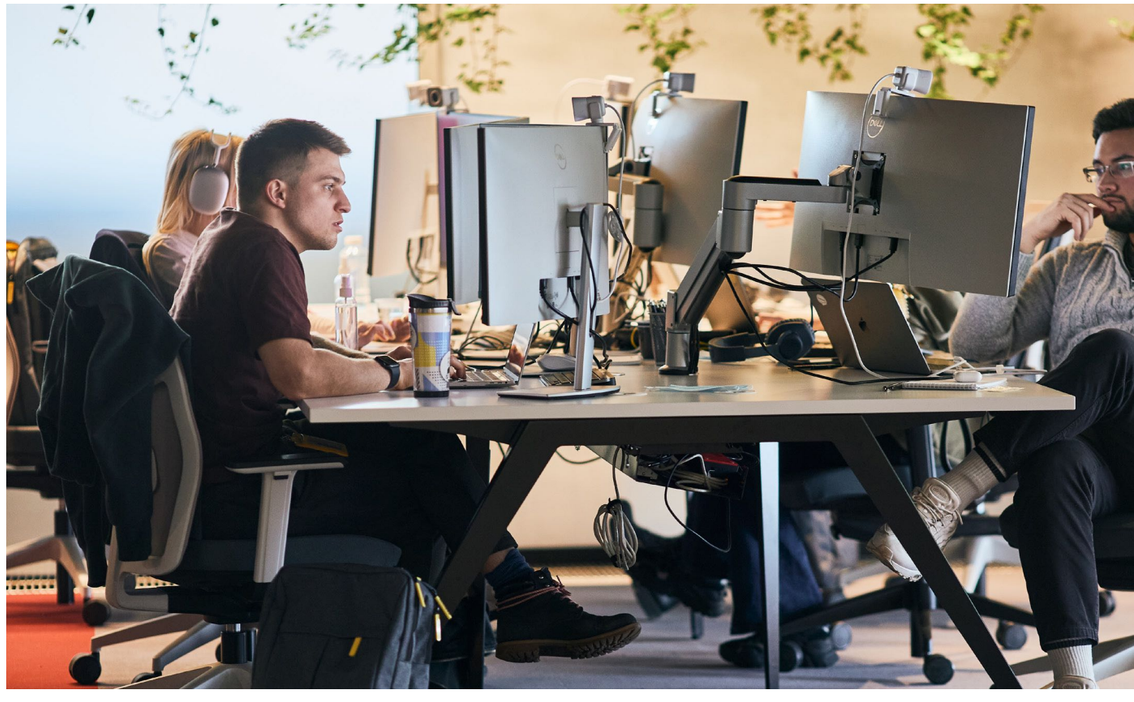
SOCIAL VALUE — PEOPLE FIRST CULTURE

Our flagship priorities

Pillar	Audiences	Execution
Impoving life quality through the development of financial wellbeing and ensuring accessibility of products and solutions	children, teenagers, adults, including seniors and people with disabilities.	**Knowledge and protection:** we want our customers and other stakeholders to make informed, thoughtful financial decisions so they can look to the future with confidence. Investing in better financial literacy and developing the financial culture of our customers, their families, and the society as a whole is our top priority as an ecosystem in all countries where we operate. **Accessibility:** we consistently invest in increasing physical and digital accessibility of products and services and empower vulnerable populations financially.
Financial technologies for the benefit of the not-for-profit sector	not-for-profit organisations and their beneficiaries, employees of foundations and the Group, the society as a whole	**Financial products and services:** we develop comprehensive innovative financial products that contribute to positive changes in the sector, including through the improvement of fundraising processes in favour of proven reliable charitable foundations and not-for-profit organisations in the form of cashback, transfers, acquiring, endowments, impact investing, and other formats of support. **Cause-related marketing and advertising:** we see our customers and employees as our main assets – these are people and companies willing and able to help others. Therefore, we use modern, hi-tech and non-standard approaches to the responsible promotion of our philanthropic culture through the channels, formats and platforms available to us. **Intellectual volunteering:** we support our employees in all aspects of intellectual assistance and professional advice for non-for-profit organisations.

Tinkoff conducted an analysis of its interaction with non-profit organisations generally to identify those which were most worth supporting. On the basis of this assessment Tinkoff chose two major expert platforms to help it make a more in-depth comparison of the merits of the various charities Tinkoff had dealings with (“Help is needed” (Tinkoff is a partner) and “Dobro Mail.ru”).

Tinkoff addresses the most important social and environmental challenges such as cyberbullying, responsible consumption, financial wellbeing and others.



SOCIAL VALUE — PEOPLE FIRST CULTURE

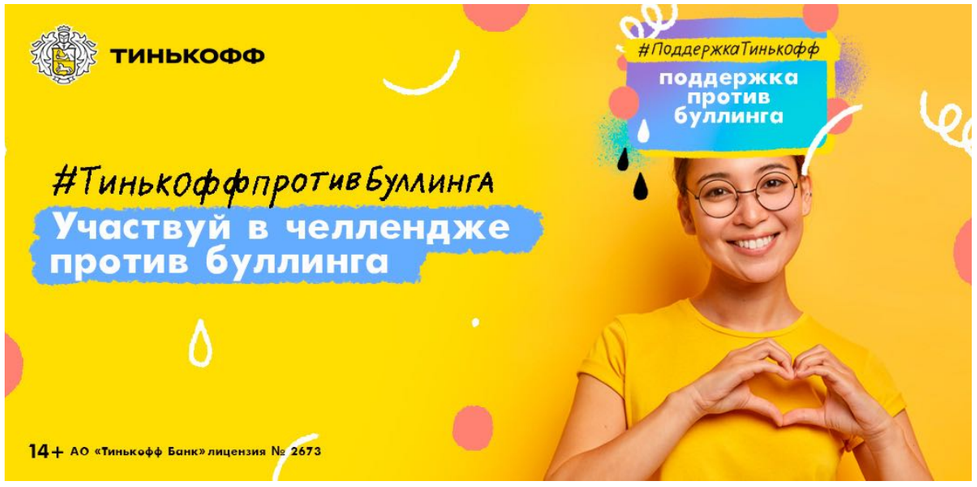
Tinkoff against bullying – our project for raising awareness

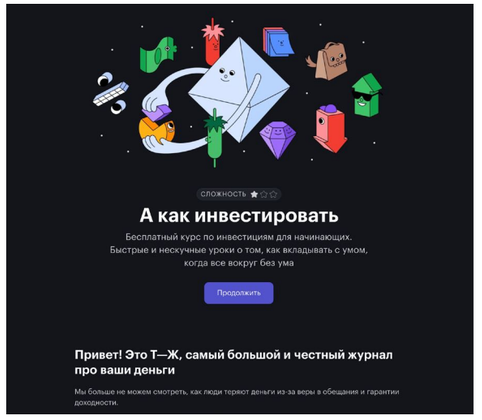
In order to protect children and help them find appropriate support we provided antibullying trainings for our support specialists and webinars form the Juravlik foundation. Together with our partner, TikTok, we engaged more than 565,000 participants in the social challenge. Our Tinkoff Junior card provided educational content to all its new and existing customers with over 80,000 antibulling comics.

2.9 bln total reach

1.2 mln UGC

Tinkoff Journal has published hundreds of articles on interacting with the state, how to benefit from government support (benefits, credit holidays with banks, etc), adopting a health conscious lifestyle and how to combat fraudsters. Some of these topics culminated in courses: ‘How to Be an Adult’, ‘Protection from Fraudsters’, ‘How to Start Sorting Trash’, ‘How to Help Others’. Within each course, the user studies a specific subject for 5-10 lessons and 1-2 hours. For example, the course “How to Help Others” guides the student on the path of systematic philanthropy. The course on Protection from Fraudsters helps viewers to recognise fraudulent behaviours and resist criminals.

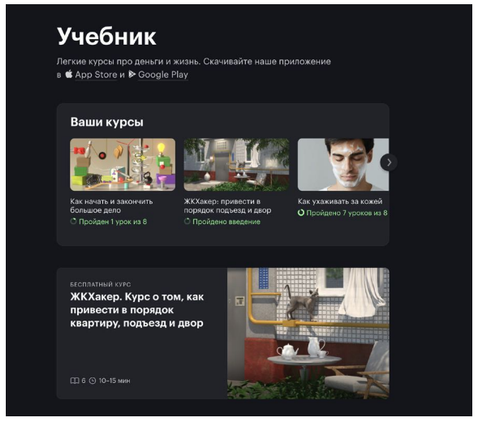




Tinkoff Journal manuals

The manual is Tinkoff Journal’s educational platform about money and life. In 2021, the number of its readers grew by 600k and stands at more than 1.1 million. The majority of its new users choose free courses on investments, credit cards, mortgages, self-employment and other topics. The courses that were gaining popularity in 2021 included courses on housing and communal services and the anti-burnout support.

In 2021, the Textbook team developed a special course on financial literacy for our Tinkoff Junior app. Its release in early 2022 became a new step towards children's financial literacy. Based on the analysis of its results, the teams of the Textbook and Tinkoff Junior are planning new educational products for young audience.



It’s important

In August 2021, Tinkoff Journal launched the “It’s Important” platform for charities and philanthropists. As part of the program, we published stories about the work of trusted foundations, the lives of their wards, and significant social projects in the country to bring as many supporters and funds as possible to the social causes in the country.

RESPONSIBLE BUSINESS — CUSTOMER TRUST AND PROTECTION

Data privacy and cybersecurity

Data privacy and information security are vital to the trust that our customers and consumers place in us. Security is built into the fabric of our entire network. Our focus on security plays a key role in how we design, implement and manage our systems, products and services, including our analytics for fraud prevention and detection.

Cybersecurity is of critical importance to the Group as an online business because it protects all categories of data from theft, unauthorised access and damage. This includes sensitive data, personally identifiable information, protected health information, intellectual property, data, and governmental and industry information systems.

Tinkoff firmly believes that technology can make its ecosystem safer. Our goal is to maintain and enhance the protection of customers data and resources and to monitor the security threats. The work of the information security team permeates every part of the Group's business. We build data privacy and security into our products and systems from the ground up. In order to do so we are constantly working on perimeter security, analysing potential threats and working on ransomware & supply chain security. Tinkoff pays great attention to the continuing development of the information security culture, and works hard to boost its further. From Day 1 at Tinkoff we have a strong onboarding process for all newcomers. There is a continuous process of bug hunting for data privacy.

Our priorities:

- **Data privacy & Internal antifraud. We have zero tolerance to violations of data**
- **Securing remote work**
- **Advanced persistent threat prevention**
- **New infrastructure & cloud security**
- **Grow internal security culture**

We follow the best international security standards as ISO 27000, NIST framework, COBIT for security risk management, CIS controls, Software Assurance Maturity Model framework for software security.

Our information security management system certified to PCI Council standards (PCI DSS, PIN Security, 3DS Assessment), Central Bank security standards (382-P, 683-P, etc.), SWIFT and Roskomnadzor personal data security standard.

Tinkoff Bank successfully passed regular governance compliance audits executed by the Central Bank, 2. RosComNadzor (on data privacy), Federal Security Service of the Russian Federation (cryptography) and PCI DSS.

We have also developed a comprehensive fraud monitoring and protection system for our clients. In 2021 we launched a global security framework with more than 40 key security processes being formalised and rigorously reviewed. In order to protect our international projects and activities we developed and integrated an architecture to connect to SOC AWS and Azure.
The next generation firewall was also enabled in 2021 to protect internal and external perimeters from potential threats, control protocols and traffic analysis. The Security operation team successfully launched SWIFT payments control, established ongoing control for all perimeters while the key users were transferred to work through the security gates.

During 2021 we significantly upgraded our internal processes of personal data protection and management system to set security by design approach. Compliance continuous integration was also established to help us automatically check the safety of code. Overall, 216 attacks were prevented by the Security Operation team.

KEY INFORMATION SECURITY RISKS AND TRENDS

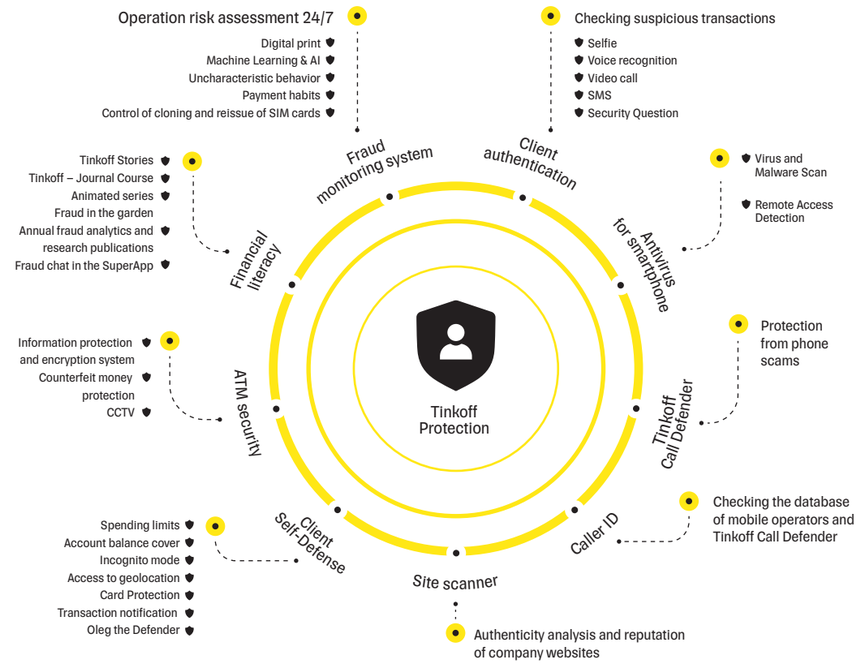
Tinkoff identifies these as the most pressing information security risks:

- Attacks on remote access, remote users
- Bribing employees to sell data
- The Group also notes the following trends in identified risks:
- Encryption (problems with cashing money)
- Extortion of money through cryptocurrency, etc.
- Ransomware attacks
- Supply chain attacks
- Crime as a service.
- The Information security team covers four main areas:
- Application security
- Security operations centre
- Internal anti-fraud
- Information security (compliance; infrastructure security; cryptography; change management, control and analysis).

INNOVATIVE SOLUTIONS TO PROTECT AGAINST FRAUD, DATA LOSS

Tinkoff firmly believes that technology can make its ecosystem safer. Our goal is to improve the precision, recall, and fraud-to-sales metrics for the organisation. Increasingly, Tinkoff is using machine learning algorithm to steadily improve the quality of its services.

Tinkoff Protection - our security platform



1. Top antifraud features
   - Selfie
   - Call Defender
   - Determine number
   - Video calls

2. Mobile
   - We protect the bank number from substitution
   - We protect the client's number from substitution when calling to the bank
   - Block spam and fraudulent SMS
   - Smart blacklists — we analyse unfamiliar numbers on the fly
   - Conversation analysis and protection
   - Monitoring of transitions to fraudulent sites
   - Monitoring of suspicious messages
   - Customised voice communication
   - We block spam and fraudulent calls
   - Oleg the Defender, the voice assistant, who can identify a fraudster and send the report to the customer

CONTINUED

RESPONSIBLE BUSINESS — CUSTOMER TRUST AND PROTECTION

Key achievements in our machine learning

- We launched an external secretary (700k MAU, with a retention of 30d at 90%), plus a secretary had 1.2M MAU in Mobile
- We activated an ML anti-fraud for card-to-card transfers, which significantly improved the protection of our customers
- We created the best chatbot on the market according to Markswebb
- Every fourth call (both incoming and outgoing) has a voice robot
- The ETNA library has been made available to the public: https://github.com/tinkoff-ai/etna
- 4,000 tons of CO2 and 29 CPU years took 16k successfully completed model training tasks in MLCore
- Liveness detection service Lava covered 90%+ verifications of the clients' selfies

Every month, our voice assistant, Oleg, answers nearly 1.8 million messages

PROTECTION FOR CUSTOMERS AND OTHER DATA SUBJECTS

The Group's information security, data processing and privacy policies are published on our website. In addition to these policies Tinkoff has an internal policy which regulates how our systems operate, the roles and responsibilities of those working within it and it sets out the principles for dealing with customers, employees, regulators and third parties in case of data security breaches. The internal documents of the Group describe the processes for the collection, processing, and destruction of personal data.

The Group maintains a fraud prevention strategy which is based on identification and fraud monitoring. Depending on such identification level, the customer needs to acknowledge the entry into the account by way of a login and password, four-digit access code, fingerprint, security question or a password sent to the customer's contact number. In securing access to customers' accounts a two-factor identification is used. Despite the fact that our system allows us to effectively prevent fraud at various stages of a payment process using a cross-channel monitoring there are still cases and incidents. In 2021 our overall expenses related to fraud detection and compensation to the customers stood at RUB 29.5 m. The Company regards the year-over-year growth in the total number of fraud incidents is a function of the growth of the customer base rather than a growing prevalence of fraud.

Indicator	2019	2020	2021
Total number of fraud incidents (number of cards affected)	100,034	137,245	311,627
Account takeover fraud (number of cards affected)	38,294	65,674	96,191
Card-not-present fraud (number of cards affected)	32,471	44,774	122,314
Card lost & stolen fraud (number of cards affected)	12,301	10,707	19,610
Fraudster fraud (number of cards affected)	40	435	8,284
Counterfeit card fraud (number of cards affected)	595	196	152
Other fraud (number of cards affected)	733	7	7

BUSINESS CONTINUITY

The Group has sophisticated business continuity plans and a recovery plan in accordance with the requirements of the Central Bank of the Russian Federation. For more information about backup systems and other operational risk mitigants, please refer to the 'Asset Liability and Risk Management-Operational Risk' section of Tinkoff 2021 Annual Report.

Driving financial culture and literacy

In addition to the customer data protection we go further, doing our best in protecting our customers from harm. We are educating borrowers and promoting financial literacy through our 'Tinkoff Journal', and the excellent support available through our highly trained call centre staff.

Tinkoff Journal is our media platform for providing our customers and broader community with knowledge about various aspects of their lives, including health, work, security, personal finance, doing business, education, leisure activities, raising children, government services, legal practices, and many others.

The Tinkoff Journal is one example of Tinkoff's significant efforts to increase levels of financial understanding amongst customers. For over seven years, 'Tinkoff Journal' has focused on personal finance management, investments, interaction with banks and other consumer issues (such as loans, saving, markets, luxury purchases, taxes, careers, retirement small business finance and real estate).

In 2021, more than 136 million users visited the Tinkoff Journal website compared to 80 million in 2020. Its average daily audience is 750k users. Almost 1.5k new materials are published monthly. 70% of these materials are created by the community of readers under the supervision of editors and moderators, 30% - by authors and experts of Tinkoff Journal. More than 1,000 authors and experts are creating materials for the Journal. Tinkoff Journal has built an active community of readers comprised of nearly 2 million people who regularly leave thousands of comments and make hundreds of thousands of social actions every month.

Tinkoff Journal at a glance

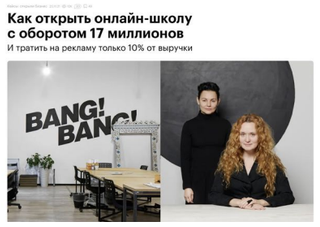
Peaked MAU 17,391,609 in November 2021

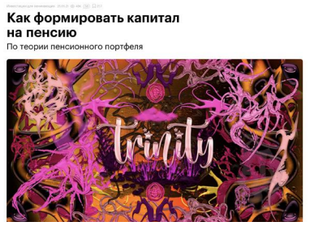
On average, the journal published 2.3k articles per month

Financial, legal, social, and well-being related content had over 100 million views in 2021

TINKOFF JOURNAL	2019	2020	2021
Number of unique users	45,500,000	80,000,000	136,000,000
Number of registered users	80,000	930,000	1,950,000
Number of students on the online platform	30,000	500,000	1,100,000
Number of authors/contributors	600	850	1000
Number of new textbooks	1	12	13
% Growth in the number of released materials	27	25	100

We deliberately do not try monetise this platform through promotion of our own services and products on Tinkoff Journal as we aim to keep it objective and trustworthy for the audience. The Journal's content is deeply embedded in our mobile banking app and increasingly tailored to individual customers' needs and circumstances. This content is deeply embedded in our mobile banking app and increasingly tailored to individual customers' needs and circumstances.





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RESPONSIBLE BUSINESS — CUSTOMER TRUST AND PROTECTION

Financial inclusion and responsible finance

OUR APPROACH

- All customers receive equal access to all our services through the mobile app, web portal and customer support service.
- All customers are equally valuable to us, we don't discriminate based on any criteria.
- We create a large volume of useful content for our customers (through webinars, articles, help guides, etc.) in order to raise their financial literacy and improve experience with our products, as well as help them succeed in their investments, business or other areas.
- We train our employees to help our customers not only in relation to our services and products, but also to help them in general business or other matters (for instance, in converting their business activities to online, which proved important during the pandemic).
- Our processes do not entail the need for offline interactions (except for an initial onboarding meeting required by regulator) or branch visits.
- Our regular customer procedures do not involve the use of paper as they are carried out remotely in a digital format.

We are dedicated to increasing the opportunity for individuals and micro and small merchants to achieve financial security and greater prosperity, with the benefits of economic growth shared among all segments of society.
We are ensuring an adequate protection of the Tinkoff Group members, employees, and customers from involvement in money laundering, financing of terrorism, and financing of proliferation of weapons of mass destruction, including due diligence and enhanced due diligence of the customer by the Know Your Customer (KYC) principle, including their activities and transactions.

The Group has other tools available to it to aid borrowers in difficulties. These include:

- Proactive conversion to instalment repayment (if the customer is in a high risk category or utilised over 100% of his/her credit limit)
- Pre-collections
- Remote channel notifications (SMS, mobile app, emails, among others).

Provide access to finance opportunities

We work with customers and experts to develop products and solutions that make our services and products simple and accessible for underbanked individuals.

In April 2021 Tinkoff launched Russia's first digital BNPL (buy-now-pay-later) service Dolyame.ru. Innovative for the Russian market, this new means of paying for purchases in online stores combines the advantages of online acquiring and installment plans. Buyers can pay for goods in installments without incurring interest, and sellers can immediately receive the full purchase price in their account without commissions or delays.

The Dolyame.ru service allows customers to split the purchase price into four equal parts. In order to make a purchase, they need only cover 25% of its price. The remaining three quarters is debited from the buyer's card on a bi-weekly basis until the full payment amount is received.

Payments through Dolyame.ru can be used to purchase FMCG products that are not usually sold on credit or in installments (clothes, shoes, cosmetics, accessories, and so on) from online stores.

Tinkoff Bank was recognised as the most convenient Russian bank for people with disabilities according to the DisQuestion study of the Everland inclusive project. Experts assessed the availability of remote and specialised services, the complexity and consistency of approaches to working with this category of customers, the availability and adaptability of special rates and offers, the internal policies of companies and personnel training. Yet, during accessibility audit in 2021, we identified a few areas for development to expand access to our services to people with visual impairments. We built a roadmap within our SuperApp design processes and planning to have all key processes fully accessible to people with disabilities.

Absence of risky loan offering to customers

We use fair advertising policies and procedures and train relevant employees of responsible marketing and communication. In Tinkoff we are taking the effort to mitigate risks arising from unethical lending practices or misselling financial products to consumers. The Group uses an approach based on thorough data analysis in the selection of potential customers and portfolio management. The Bank uses credit scoring models (which are regularly updated), ranking potential customers by the likelihood of fraud or default.

Tinkoff's lending approach is centered around ensuring a long-standing mutually beneficial relationship with its customers. Tinkoff rigorously applies a "low and grow" approach, offering the smallest possible credit limits and increasing them gradually only to borrowers with positive credit history. Debt-restructuring programs are implemented to retain bona fide customers. Margin lending in securities dealing is only offered to qualified investors and turned off by default. In 2021 we continued our own flexible loan restructuring packages for retail customers in parallel with those promoted by the Russian government to ease the impact of Covid-19 pandemic. In 2021 we provided nearly 138k restructuring programs (in 2020 there was around 500k), and nearly 38k customers refinanced their credits and loans in Tinkoff.

EXPANDING SERVICES FOR SMEs

SME banking runs deep into Tinkoff ecosystem. By the end of the year, Tinkoff expanded its information resources, including clarification of legislative measures, support and consulting for the state tenders, help with managing and adapting sales activity, and a blog with coverage of topics relevant to the work of SMEs: secrets.tinkoff.ru. Tinkoff helps businesses move online thanks to products like its website builder and online acquiring. Tinkoff also provides financial support in the form of lower fees, lower acquiring commissions, as well offered third party support credit lines.

In 2021 Tinkoff business launched a free legal help service for entrepreneurs and companies participating in state purchase contracts

The Group also calculates the debt burden per borrower (PTI hereafter), according to the rules established by the Central Bank of Russia. The PTI for a loan provided to a customer is calculated as the ratio of the average monthly payments for all loans and borrowings of the specific customer relative to his or her average monthly income. PTI is calculated to complement the decision of issuance of a new loan or for a credit limit increase. It also helps to ensure customers are not overwhelmed with a debt burden.

In early 2021, we launched Tinkoff Checkout, an online and offline payment service for legal entities, which operates as a one-stop shop, enabling companies to take care of all of their online and offline financial needs in one place.

The new payment platform will combine both existing payment technologies of the Tinkoff ecosystem and new solutions, including services provided by CloudPayments, a leading Russian online payments company and a part of Tinkoff Group.

Tinkoff Checkout will enable businesses to perform a wide range of tasks such as the following via a single platform:

- Accept payments in an online store
- Introduce fiscal cash registers
- Turn a phone into a payment terminal
- Provide customers with a POS loan or an installment plan online
- Set up sales analytics
- Get accounting workstreams organized
- Tailor Internet acquiring to the company's needs using open APIs

Any company can use Tinkoff Checkout solutions, regardless of whether it has a current account with Tinkoff or not. Tinkoff Checkout does not exclusively cater to small businesses, as it is also designed with medium-sized and large businesses in mind.

Tinkoff Checkout services include:

- Internet acquiring activated in one day, or three times faster than the market average
- Merchant acquiring
- Paying for goods and services provided by a business through the Fast Payment System offline and online, and instalment sales directly from the payment form
- Recurring payments activated in one day, or five times faster than the market average
- An ability to accept payments from abroad
- Connection of online cash registers
- CloudTips, a tipping and micropayments solution, designed by Tinkoff and CloudPayments
- An option of reserving cash for up to 30 days
- A unique Safe deal solution for individuals and intermediary companies
- Payments via social media and messaging apps
- Payments to businesses via the Tinkoff super app
- An auto payment system
- Integration with cash management services and other banking solutions for businesses (overnight loans, insurance services, etc.)
- Site scanning to check the protection and security of the websites

In 2021 our site scanner effectively reviewed

- 380,057 websites
- 40к scans per month
- 367 website were identified as harmful or containing dangerous information

Tinkoff Checkout customers will also get access to detailed analytics and the easiest-to-use sales launch solutions available on the market, which incorporate website builders. In addition, each customer will be assigned a personal manager whom they can contact by mobile at any time.
By the end of the year, one of the flagship service of Tinkoff Checkout, the Safe deal, grew threefold in volumes. Tinkoff checkout created a special payment procedure for the collected and recycled metals. As a result, the volume of transactions grew 18 times by December 31, 2021.

CloudTips, CloudPayments service, works with more than 700 NGOs, and more than 800 companies, including large federal retailers and restaurants. While studying transaction analytics, we noticed that with the advent of the pandemic, empathy increased: we see that people donate more to charity, and also support employees of various industries through online tips
CloudTips grew by 2.7 times in entities and in 2.6 times in revenues.

CONTINUED

RESPONSIBLE BUSINESS — CUSTOMER TRUST AND PROTECTION

ESG products and activities

OUR PRIORITIES

- Anticipate our customers needs and deliver cutting-edge financial and lifestyle products with short time to market
- Focus on providing customers with “jaw-dropping experiences”
- Reduce the barriers to financial inclusion by making it as easy as possible for people to use and be comfortable with digital banking services

CONSUMER FINANCE – ENCOURAGING SUSTAINABLE CONSUMPTION

In addition to the consumer protections and safeguards set by the consumer finance regulatory regime, the Company goes further, trying to protect customers from harm. These include borrower education and promoting financial literacy through our ‘Tinkoff Journal', and the excellent support available through our highly trained call centre staff.

Buy nothing day

In order to drive sustainable consumption during Black Friday deals we asked our clients to refuse making any purchases in the most overconsuming categories for one day

666,652 participants

603,431 succeeded

74,246,762 total reach

68.5M of total reach in TikTok

1.5 billion UGC in TikTok

PROMOTING ENVIRONMENTAL AWARENESS

Tinkoff has ambitious plans to raise awareness of environmental issues within the organisation, but also to the broader community. As for internal awareness, the Company is planning to launch training for employees on waste sorting, to be implemented either internally or with the involvement of external consultants. As an example of the external efforts, Tinkoff launched in May 2021 a campaign “Goodbye plastic bags – ecochallenge”, where Tinkoff rewarded customers that did not buy plastic bags for 30 days with 5% cashback for purchases in supermarkets. The campaign was complemented by several educational resources on how to be more environmentally conscious, including resources offered through Tinkoff Journal. More on this on eco.project.tinkoff.ru.

Goodbye plastic bags – ecochallenge

We motivated our clients to refuse buying plastic bags and rewarded them with 5% cashback. The project was supported with animated video and viral TikTok challenge in order to engage people and support their responsible choices.

224,000 participants

120,000,000 total reach

1,300 in the TikTok challenge

40% The number of purchased plastic bags reduced

INTEGRATING ESG IN OUR FINANCIAL PRODUCTS

In 2018 Tinkoff and the World Wildlife Fund (WWF) created partnership and started offering the Tinkoff-WWF credit card. Both parties share common views on creating resources for nature conservation and animal welfare, as well as values associated with a socially responsible, healthy lifestyle.

The Tinkoff-WWF Eco-Card is made from renewable, environmentally friendly materials, is easy to process and reduces waste. In 2021, Tinkoff-WWF cardholders donated RUB 8.8m through cashback on their purchases. Every year the WWF reports on the work it has accomplished, with Tinkoff customers having made great contributions to the processes of development and conservation of Russia’s biological and forest diversity, the principles of a green economy and climate change prevention.

RESPONSIBLE INVESTMENT SERVICES

In 2021 Tinkoff solidified its dominant position as it accounted for 68% of active accounts on Moscow Exchange, almost 5x ahead of the second largest broker.

Tinkoff Investments is consistently one of the largest traders on the St. Petersburg Exchange, topping the ratings in trading volumes, the number of registered and active customers, as well as customers’ assets. In 2021 Tinkoff signed a Cooperation Memorandum with the Non-Profit Association for the Development of the RTS Financial Market (NP RTS Association), a primary shareholder of the St. Petersburg Exchange. TCS ended up with 5% stake in the St. Petersburg Exchange from the NP RTS Association. The parties agreed to unite their efforts to extend the list of financial instruments traded on the St. Petersburg Exchange. Tinkoff and the NP RTS Association intend to boost the further development of the Russian securities market, both primary securities and derivatives, including options on international securities.

Tinkoff thoroughly analyses various groups of customers (size and frequency of topping up of brokerage accounts, vintage of the account, etc.), the level of diversification of their portfolios and any distortions. In the premium customer segment, there are business development managers who provide advice on portfolio construction and diversification.

In 2021 Tinkoff developed its investment education guides and integrated them into the Tinkoff Investments app. There is also a special educational app Tinkoff Investment Academy that accumulates information and materials for the retail investors. In addition, Tinkoff limits the use of high-risk instruments (margin lending, financial derivatives) and does not advertise them.

We continue to strengthen Tinkoff Investments by diversifying our investment offering. In 2021 Tinkoff Capital Management Company was licensed as a professional securities management operator. Leveraging the power of retail investors, we launched ECM and DCM advisory services. In 2021 Tinkoff Investments launched its ECM and DCM business line with a focus on new-economy companies.

Tinkoff Investments became the first broker in Russia to offer securities trading on weekends. Weekend trading is now available to customers of any Tinkoff Investments plan between the hours of 10:00 a.m. and 7:00 p.m. Moscow time.

Tinkoff Investments launched a social trading platform Signal operating in synergy with the largest social network for investors – Pulse, which allows investors to follow strategies based on the investment ideas from the market professionals.

Today Tinkoff Investments continues to develop its informational and educational services available both in the mobile app and on the corporate website tinkoff.ru. Since the launch of its Investment Guide, more than 4.3 million users started exploring its tasks. The Pulse social network maintained by Tinkoff Investments has 2 million registered users.

ENVIRONMENTAL PERFORMANCE — OUR PATH TO A LOW CARBON FUTURE

OUR PRIORITIES

- Assess the Company's carbon footprint and evaluate ways to reduce it
- Continue implementing energy efficiency initiatives across its offices
- Make the new HQ an example of an environmentally friendly workplace

Currently, our key document which covers environmental issues is a technical policy. It is (among others) mostly focused on energy and water efficiency technologies. It is considered a policy for internal use only as it contains strategic objectives. The policy also describes the major risk management activities regarding energy and water management, which are developed before design stage.

Tinkoff has a Department of Civil Engineering and Technical Support, headed by a Technical Director, who is responsible for energy and water management. This Technical director reports directly to Tinkoff's Chief Information Officer.

Board's oversight of climate-related risks and opportunities

The Group' Board is supported by two committees that share the oversight role on different climate issues and group actions with regard to them: Risk and Emerging Risk (Sustainability) and Strategy.

The Risk and Emerging Risk (Sustainability) Committee assists the Board in identifying, prioritizing, and executing the Group's strategic activities in the areas of Climate Risks and Opportunities, Decarbonization, Sustainable Finance, development of Social and Human capital, and Sustainability Governance (commonly referred to as 'ESG'). The Committee currently oversees work to incorporate climate risks scenario analysis into the Group's stress testing procedures.

The Strategy Committee assists the Board in assessing strategic development plans, major financing, and investment proposals. The Strategy Committee role is to oversee development of the Group's Climate Strategy including setting the decarbonization pathway to achieve Net Zero by 2050, which would include setting SBTi mid-term targets and establishing a plan to achieve those, and focusing on the transformation of the relevant Group processes.

The Audit Committee is additionally involved into the Climate Governance as it ensures the integrity of the non-financial statements of the Group prepared in accordance with the applicable sustainability and climate change accounting and reporting standards and guidelines, including SASB, GRI, PCAF, and TCFD.

Management's role in assessing and managing climate-related risks and opportunities

TCS Group management provides its strategic vision and supervise the Climate Strategy by driving of the relevant initiatives and allocating the necessary resources. The roles and level of involvement of the different management layers into the mentioned processes could be summarized as per following table.

Management role	Core functions	Interactions across businesses units – finance, risk management and ESG-specific functions etc.
CEO and Management Board	Overall responsibility for Sustainability Strategy and Performance.	Defining the Climate Strategy, decarbonization targets and KPIs
Head of Sustainability	Sustainability Strategy execution, project management and ESG-reporting	Supporting of the Climate Strategy and relevant disclosures, interactions with TCS Group stakeholders on the key relevant requests
Process owners –securities portfolio	Treasury functions, cash and liquidity management	Integration of the Climate Risk Management practices into investment portfolio, discovering the opportunities related to decarbonization of the relevant asset classes
Process owners – clients' portfolio	Development of retail and corporate credit and transactional products	Integration of the decarbonization practices into client offerings, portfolio management, and market positioning
Risk department	Risk management function	Integration of Climate Risk assessment into the Risk Management processes, maintaining of the relevant stress-testing by using scenario modelling

In order to realise our SBTi plans and Net Zero commitments TCS Group established internal transformation team to support the relevant developments and initiatives launch. The team is led by the Head of Sustainability and includes process owners from different business units such as Retail Banking; Risk Management; Treasury; Marketing as well as Public Affairs, Technology, Legal and Finance. We established this group to collectively build and develop TCS position and pathway to achieve Net Zero status in practical terms, implement TCFD provisions, inform decisions on our methodology, and ensure that information is flowing across different business units.

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ENVIRONMENTAL PERFORMANCE — OUR PATH TO A LOW CARBON FUTURE

Our climate strategy: priorities and targets

Addressing Climate Change is a major element in the TCS Group's Sustainability strategy that is integrated into key business practices, policies, processes, and initiatives that ensure the long-term sustainability of the Group business. Since 2021 the Group became signatory to the UN Principles for Responsible Banking, has joined the Science Based Targets initiative (SBTi) and committed to set 1.5°C medium-term and 2050 Net Zero emission targets. TCS Group plans to assess portfolio-related decarbonization options, identify the applicable pathways for SBTi targets setting, and conduct portfolio Climate stress-testing and Scenario Analysis toward Climate Risks Assessment in 2022-23.

The Group intends to employ the following approach to achieve its Climate targets:

MANAGE OF SCOPE 1 AND 2 EMISSIONS	MANAGE OF SCOPE 3 PORTFOLIO EMISSIONS	MANAGE OF SCOPE 3 SUPPLY CHAIN & PRODUCTS EMISSIONS	PURCHASE CARBON OFFSETS
Manage the inventory GHG emissions from own operations Implement internal mitigation strategies such as: • Building retrofits and improvement of Group's offices energy efficiency level • Switching to EV and low carbon transportation / delivery services • Purchasing low carbon electricity and investing in renewable onsite power	Implement Scope 3 portfolio metrics into credit and finance processes Estimate emissions from different credit portfolio categories, insurance, and treasury Implement mitigation strategies such as: • Phasing out investments into carbon-intensive sectors • Supporting clients in selecting low-emission and zero carbon options • Offering a portfolio of green finance products • Investing in carbon negative projects	Manage the inventory of supply chain GHG emissions Implement mitigation strategies such as: • Choose suppliers with lower value chain emissions • Choose lower-emitting alternatives when procuring equipment, materials, and fuels • Develop incentives to facilitate supplier emission reductions	Use carbon offset credits to compensate for any remaining unmanageable direct GHG emissions, and major sources of emissions from supply chain & use of its financial products

TCS Group approach to achieving climate targets

Supporting our clients

To support its Climate strategy and follow relevant targets TCS Group is strategizing its dedicated solutions for the different portfolio categories, considering support low-carbon options and offering green investments for personal banking, introducing low carbon mortgages, green vehicles finance, and dedicated climate related insurance products.

To realize our climate ambitions, we are working to align our business model by transforming core front and back-office processes, and integrating climate criteria into TCS internal targets and compliance system.

Climate-related risks

TCS is implementing a climate risk assessment process that covers both physical and transitional risks. The assessment is made based on the country and sectoral context of their likelihood and consequences. We assume that initially established Group's climate risk assessment methodology will constantly improve due to strengthening understanding of sectoral climate risk factors, and growing amount of information on effects and outcomes.

Physical risks

The major exposure from the physical risks in relation to the TCS Group key business areas could be summarized as follows:

- Retail Banking (Credit card loans, Cash loans, Secured loans, POS loans, Car loans, SMEs) – increased probability of default in case of acute climate-related event, and impact onto the collateral value;
- Insurance – Property, Health, Car insurance – increasing probability of insurance payouts, leading to necessarily raising premiums and ultimately making certain insurance segments unaffordable for the clients or unfeasible for the Group;
- Investments in securities – national and subnational sovereign bonds, corporate bonds – changes in their Net Asset Value considering sectoral and regional impacts and adaptation efforts.

Within current climate related data availability and relevant mid- and long-term forecasts TCS Group identified a number of physical risk parameters and their relevance to the major regions of presence and investing:

- Flooding;
- Water availability, drought and fires;
- Temperature extremes;
- Wind loads and storm events;
- Permafrost melting;
- Biodiversity loss;
- Sea and groundwater level.

We are still discovering the materiality of the mentioned risks in relation to our operations and portfolios. The table below presents main physical climate change parameters that are relevant for Russia where majority of our current portfolio is located, and that will be analyzed in our risk management processes. Regional scope of analysis will also be expanded as needed.

Physical risks country context – Level of influence for the most relevant physical climate risks for the key regions of presence/investing (Russia only)

Region	Flooding	Water availability, drought and fires	Temperature extreme (high / low)	Wind loads and storm events	Permafrost melting	Biodiversity	Sea level and groundwater
Russia – North of the European Part and Western Siberia	Moderate	Significant	Significant	Moderate	Significant	Low	Moderate
Russia – Northern part of Eastern Siberia and Yakutia	Potentially high	Moderate	Significant	Moderate	Potentially high	Significant	Moderate
Russia – Chukotka and the north of Kamchatka	Significant	Low	Significant	Moderate	Significant	Significant	Moderate
Russia – Center of the European Part	Moderate	Significant	Low	Low	Low	Significant	Low
Russia – Center and south of Western Siberia	Moderate	Significant	Moderate	Low	Low	Moderate	Low
Russia – Center and south of Eastern Siberia	Moderate	Potentially high	Moderate	Low	Potentially high	Moderate	Low
Russia – Far East	Significant	Significant	Significant	Moderate	Significant	Potentially high	Moderate
Russia – Altai and Sayans	Moderate	Significant	Moderate	Low	Low	Low	Low
Russia – South of the European Part	Moderate	Potentially high	Low	Moderate	Low	Potentially high	Moderate

Color code	Type of Risk
	Not relevant (N/R) or Not Available (N/A)
	Low
	Moderate
	Significant
	Potentially high

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ENVIRONMENTAL PERFORMANCE — OUR PATH TO A LOW CARBON FUTURE

We consider **RCP8.5 IPPC AR5 scenario**[1] as the current and most likely for the mid-term (till 2030 and further till 2040) physical climate change.
We believe that due to the locations and business model of our **Operations** short- and mid-term physical risks would not be material for those.
We have considered potential effects from the physical risk on our portfolio. For **Retail Banking**, we expect that concentration of the Russian population and our client base in the areas of lower to moderate acute physical risks would lead to **negligible** climate physical risks short-term.
For **Insurance** business, similarly, aggregated short-term climate physical risks would be **low** although we would consider factoring in climate risk in mortgage valuation in certain regions more susceptible to physical risk damage to residential property.
For **Securities** held we do not expect that physical climate risks would reflect significantly on the value or liquidity of sovereign or corporate bonds we hold short-term due to their quality. We thus believe short-term physical climate risks for our securities portfolio are **low**. We might consider these risk factors for the medium term for further investment and portfolio diversification.

Physical Climate risks – Level of impact on our operations within selected scenario

Business area	Impact level for different time horizon		
	Short-term	Mid-term	Long-term
Operations	Low	N/A	N/R
Retail banking	Low	N/A	N/A
Insurance	Low	N/A	N/A
Securities	Low	N/A	N/A

Transitional risks

TCS Group business model has strong focus on the retail business in **banking and Insurance**. The **retail banking and insurance** segments will not be directly impacted by climate transition risks in any other way than through macroeconomic impact on overall disposable household income, which in turn would reflect how economy is adopted to the transition scenarios and decarbonization. At present, the Group sees these segments as sufficiently **resilien**t to the **transitional risks** short term, and also opening business opportunities for the Group to provide climate-conscious solutions to its clients.

The Group **investments in securities** that include national and sub-national sovereign and corporate bonds, will be impacted based on the relevant sectoral and regional exposure to the transition climate risks.

Among the broad context on the changing national and national climate-related regulatory environment TCS Group determined the following most significant areas of impact to monitor and assess, considering major TCFD categories:

TCFD Category Policy and Legal Risks

- **Carbon price** – potential fiscal regulatory measures, implemented via cap-and-trade, carbon tax, border adjustment, or hybrid schemes, at the national and international level that might be used to incentivize the sectoral decarbonization efforts.
- **Rising costs for purchased resources and materials,** caused by the relevant carbon regulatory or related policies, or market shifts.
- **Fines and Litigation** that may primarily arise for the entities covered by climate regulation due to improper reporting or violation of other compliance procedures.

TCFD Category Technology Risk

- **Additional investment (CAPEX) for decarbonization and best available techniques** required by the sectoral standards or decarbonization pathways.

TCFD Category Market Risk

- **Changes of the sectoral / products demand** – shift in consumer attitudes towards the carbon-intensive and zero carbon products, demand substitution and changes in market expectations with alternative products or differentiated products with lower direct or indirect carbon footprint values.

TCFD Category Reputation Risk

- **Strengthening of the stakeholders' requirements and regulations** – following the strict requirements of stakeholders toward climate related targets setting and availability of climate strategies and policies in place to ensure access to the affordable finance and premium, or regulated markets.

Overall, we consider **RCP2.6 IPPC AR5 scenario**[2] as the ambitious scenario for mid- and long-term transitional climate risk assessment. At this stage, we have focused on short-term (2030) transitional risks that are applicable to key sectors of Russian economy and budgets on national and subnational level, under an **ambitious but feasible** scenario.

Under this scenario, short term, effects from the following climate transition risk factors are considered:

- **Carbon price** — EU Carbon border adjustment mechanism (CBAM) is implemented and affects Russian exports primarily in steel and fertilizer sectors. The costs of the CBAM may be at least partially absorbed by the EU consumers. Russian national carbon emissions regulation is introduced in the cap-and-trade format, with gradual carbon price increase that would still remain significantly lower than in the EU.
- **Rising costs for purchased resources and materials** are affected by decarbonization efforts and carbon price primarily in the energy, chemicals, and metals sectors.
- **Fines and Litigation** on national level remain immaterial.
- **Additional investment (CAPEX) for decarbonization and best available techniques** is growing, primarily in oil and gas, bulk inorganic chemicals/fertilizer, and metals sectors, but lead to increase in value and long-term viability in the investing companies.
- **Changes of the sectoral / products demand** – demand for oil export decreases, and demand for coal is shifted short term towards Asia, where it stabilizes, and metallurgical coal.
- **Strengthening of the stakeholders' requirements and regulations** – overall preference for low carbon sectors and decarbonization finance, which helps carbon-intensive industries to finance their transition.

Considering quality of the securities portfolio, and lower impact on bond market we believe that the short-term climate transition risks will be low. We plan to further investigate the mid-term climate risks in the stress test exercise planned for 2023.

Transitional Climate risks – Level of impact on our operations within selected scenario

Business area	Impact level for different time horizon		
	Short-term	Mid-term	Long-term
Operations	N/R	N/A	N/A
Retail banking	N/R	N/A	N/A
Insurance	N/R	N/A	N/A
Securities	Low	N/A	N/A

[1] As regional forecast data become available for mid-term and longer term, the Group may choose more recent SSP3-7.0 or SSP5-8.5 IPPC AR6 scenarios.

[2] As macroeconomic forecast data become available for mid-term and longer term, the Group may choose more recent SSP2-2.6 IPPC AR6 scenario as ambitious, or select a published Paris-compliant regional scenario for our analysis.

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ENVIRONMENTAL PERFORMANCE — OUR PATH TO A LOW CARBON FUTURE

Climate-related opportunities

We are considering that the **following opportunities aligned with our products and services** might be applicable for our client offerings, and treasury function.

Product Group	Specification
Low carbon finance for individual clients	Specialized products and programs related to the credit cards and POS finance on order to support low carbon consumer shifting preferences, including special rates, cashback and grace periods. Green Mortgages –targeting residential buildings with higher energy performance indexes. EV and green mobility – providing of the finance for the low carbon individual transport and relevant mobility solutions.
Low carbon finance for SMEs	Dedicated business loans to support decarbonization and climate resilience improvements of SMEs
Treasury and portfolio management	Investing into the low carbon businesses Investing into the carbon negative projects to balance its residual emissions from clients and investees in its portfolio

TCS Group is currently discovering the relevant areas to identify the potential market share, demand and synergy with existing service and product offerings for our clients. We are also monitor national regulatory context to identify and support opportunities to structure and provide low carbon finance for our clients.

The following list of opportunities applies to the Group **operations**, and relates to emission reductions and improved productivity:

- **Improvement of energy efficiency and supplying low carbon energy** for offices and data centers – this will bring value not only from decarbonization but also improve cost efficiency in mid- and long-term perspective;
- **Continue to develop our eMobility and digital workforce** initiatives to reduce relevant transport related emissions and improve productivity of our personnel;
- **Recycling and reuse of plastic, envelopes, and other materials** used for banking products and client's merch to reduce relevant indirect emissions related to the supply chain and supporting our marketing activities to strength our position as a responsible brand.

Approach to perform climate stress-testing

TCS Group plans to conduct a climate stress testing to assess the mid- and long-term impact of climate risks on its financial portfolio. Climate stress testing will include an assessment of those transition and physical risks that may significantly affect the activities of the borrowers, value of investments and, as a result, the financial performance of the Group.

It is expected the climate stress testing will be based on the following scenarios developed by the Intergovernmental Panel on Climate Change:

- **RCP2.6 IPPC AR5 scenario**[3] – Scenario of Carbon regulation strengthening (significant impact of transition risks);
- **RCP8.5 IPPC AR5 scenario**[4] – Scenario of Climate Change consequences (significant impact of physical risks).

Conclusions of scenario modelling provided will be used in the future for the areas of emerging risk and where necessary impact investment or credit policies.

Integration of the Climate Change into the Risk Management practices

During 2022 we started the initiative **on integration of Climate related** issues into the **Group's broader risk management system.**

Climate-related risks management procedures are becoming a part of TCS risk management system and are considered based on the risks type identified by the Group: Credit risk, Market risk, Operational risk, Interest rate risk of the banking book, Liquidity risk, Strategic and reputational risk, Regulatory risk, Country risk, and Concentration risk.

Our Net Zero transformation team has the central objective of building climate risk management capabilities and integrating climate risk into existing governance, risk processes and controls.

[3] As macroeconomic forecast data become available for mid-term and longer term, the Group may choose more recent SSP2-2.6 IPPC AR6 scenario as ambitious, or select a published Paris-compliant regional scenario for our analysis.
[4] As regional forecast data become available for mid-term and longer term, the Group may choose more recent SSP3-7.0 or SSP5-8.5 IPPC AR6 scenarios.

This Group is focusing on risk identification, risk assessment, scenario analysis and stress testing, data and analytics, governance and advocacy related to the climate-related risks. The team is supported by the banking experts providing the insights in integrating climate-related risks in the processes of risk management system such as identification, assessment (e.g., scenario analysis, stress-testing), risk mitigation and monitoring. **The key focus is assessing, collecting and analysis of the Climate data** elements such as **GHG emissions**, assessing clients' and **TCS's exposures** on the Climate-related risks and Climate Change mitigation and adaptation plans for assets we are investing into.

Metrics used by TCS Group to assess climate-related risks and opportunities and to manage performance

TCS Group confirmed its ambition to achieve Net Zero and set mid-term SBTi targets, and is currently working to elaborate the pathway and integrate relevant climate change aspects into internal business processes and various operational layers.

Thus, the current metrics and targets for the transitional period could be summarized as following.

TCS Group Climate related Metrics and Targets

Area	Metrics	Targets
Climate Risks Assessment	Integration of Climate Risks assessment into the RM procedures	By the end of 2023
Climate Risks Scenario Analysis	Integration of the Climate Scenario analysis into the stress tests made by TCS	By the end of 2023
Operational emissions – Scope 1 and 2	Decreasing of the GHG emissions from TCS operations (Scope 1 and 2) from the base year level	Following SBTi pathway, to be further detailed by the end of 2023
Operational emissions – Scope 3	Decreasing of the GHG emissions from TCS operations (Scope 3) from the base year level	Following SBTi related pathway, to be further detailed by the end of 2023
Portfolio related emissions – Scope 3	Decreased of the GHG emissions related to TCS portfolio from the base year level	Following SBTi related pathway, to be further detailed by the end of 2023
Low carbon electricity for own operations	Supplying 100% of electricity from low carbon energy sources	By 2030
Integration of the climate aspects into the bank's business processes	Integration of Climate Change aspects into all key and corporate processes	By the end of 2023

TCS Group Climate related Metrics and Targets

Greenhouse gas emissions		2019	2020	2021
Total GHG Emissions (Scope 1 + Scope 2)	t of CO2e	12,645	12,961	9,038
Total GHG Emissions (Scope 1 + Scope 2 + Scope 3)	t of CO2e	1,161,958	1,974,583	5,754,060

Our explanatory note provides clarifications on the GHG calculation for TCS Group Holding plc and includes general information about how the GHG calculation was performed. The document contains a description of the calculation methodology selected, the accounting approach, an explanation and justification of the calculation boundaries, and a brief description of the calculation processes. It also contains references to the guidelines and factors used and specifies other sources of information required for the calculation.

ETHICS IN RELATIONS AND BUSINESS

Corporate governance

In 2021 TCS Group Holding PLC announced new governance enhancements and changes to the composition of its governing bodies. The changes underscore the Group's commitment to developing and promoting its outstanding talent, deepening the management bench and continuing to strengthen the Group's corporate governance, as it maintains its trajectory of fast and profitable growth.

Key changes in the corporate governance system in 2021

- The conversion of Class B shares to Class A shares completed
- Each shareholder of the Company has equal rights to any other holder of shares of the Company (1 share – 1 vote)
- Oleg Tinkov's voting rights decrease from 84,38% to 35,1% via Tinkov family trust
- The majority of directors were independent as of 31 December 2021
- The Risk and Emerging Risk ('Sustainability') Committee and the Strategy Committee launched

Board of directors

The business of the Company is managed by the directors, who are empowered to exercise all such powers of the Company as are not, by the Cyprus Companies Law or by the Articles of Association, required to be exercised by the shareholders in general meeting, subject nevertheless to any provisions of the Articles of Association, of the Cyprus Companies Law and of any directions given by the general meeting by ordinary resolution; but no alteration of the Articles of Association and no direction made by the Company in general meeting shall invalidate any prior act of the directors which would have been valid had that alteration or direction not been made or given.

The directors of the Company are appointed by the general meeting of shareholders with the sanction of an ordinary resolution. Such an appointment may be made to fill a vacancy or as an additional director. But no director may be appointed unless nominated by the Board of directors or a committee duly authorized by the Board of directors or by a shareholder or shareholders together holding or representing shares which in aggregate constitute or represent at least 5% in number of votes carried or conferred by the shares giving a right to vote at a general meeting. The Board of directors may at any time appoint any person to the office of director either to fill a vacancy or as an additional director and every such director shall hold office only until the next following annual general meeting and shall not be considered in determining the directors who are to retire by rotation.

One third of the directors (or if their number is not a multiple of three, the number nearest to three but not exceeding one-third) shall retire by rotation at every annual general meeting. Directors holding an executive office are excluded from retirement by rotation.

Directors may be removed from office by the shareholders at a general meeting with the sanction of an ordinary resolution, subject to giving 28 days' notice to that director in accordance with the Articles of Association.

The Articles of Association of the Company provide for the retirement by rotation of a number of directors at each Annual General Meeting. At the AGM on 19 November 2021 one director retired by rotation and he was duly re-elected to the Board. A number of other directors, whose initial appointment was made by the Board, also retired then and were duly reelected to the Board.

Composition of the Board of directors significantly changed during 2021. Those changes were being made as part of the programme of enhancements to TCS Group Holding plc corporate governance. Please review the Board of directors and other officers Consolidated Management Report for further details.

Committees of the Board of directors

The Company has established four Committees of the Board of directors: the Audit Committee, the Remuneration Committee, the Strategy Committee and the Risk and Emerging Risk (Sustainability) Committee. The Audit Committee and the Remuneration Committees were formed in October 2013, whereas the other two were formed during 2021. The Board reserves the right to amend their terms of reference and arranges a periodic review of each Committee's role and activities and considers the appropriateness of additional committees. The current terms of reference of all Committees can be found on the Group's websites and in the Consolidated Management Report.

Tinkoff Bank Management Board

Tinkoff has survived a number of crises in its life. Even though these crises have all been 'different', the Tinkoff business model has always been and remains highly flexible, very resilient and led by a skillful management team which has proved true this time around too. We have been working in the decentralised, horizontal organisational structure that empowers our employees and moves quickly.

Tinkoff Bank Management Board consists of people on the following positions: Chairman of the Management Board, Group Risk Director, Chief Financial Officer, Chief Accountant, Chief Legal Counsel, Chief Operational Officer, Head of Payment Systems.

Shareholder information

The Company is required to hold an annual general meeting each year on such date and at such place as the directors may determine provided that not more than 15 months should elapse between annual general meetings.

The Board of directors or any director may convene general meetings. The board of directors will also convene extraordinary general meetings of the Company on the requisition of a shareholder or shareholders together, holding or representing in aggregate, shares which constitute or represent at least five per cent. of the total number of votes carried or conferred by the shares.

Dividend and distribution rights

The Ordinary shares have the right to an equal share in any dividend or other distribution paid by the Company, and any dividend or other distribution may only be declared and paid by the Company to the holders of all shares together.

AGM results in 2021

Copies of the resolutions passed at the AGM (other than resolutions concerning ordinary business) have been submitted to the UK Listing Authority, and were available for inspection at the UK Listing Authority's National Storage Mechanism which is located at https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

Ethics and compliance

Our success is tied in part to the trust that people place in us to deliver our products and services in the right way. For us, acting ethically and responsibly is not only the right thing to do, but also the right way to do business. Our strategic goals could be achieved if only we act as a responsible and transparent company, setting the bar for corporate behaviour in Russia and beyond.

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ETHICS IN RELATIONS AND BUSINESS

Code of conduct

The Group and its subsidiaries strive to maintain the highest level of general business ethics. We are proud of our culture and values, and it is important for us to work with those who share them. Up to 2021, our values and principles have been laid out in an internal document – the Corporate Code of Conduct of Tinkoff Bank. While we have been guided by these principles internally throughout our work, we have not really shared them publicly – at least, not officially. In 2021 we introduced Tinkoff Group's updated Corporate Code of Conduct to a wider audience and to our stakeholders, with a few important changes. We would like to explain these changes and the reasons behind them.

Our core values remain the same. The Tinkoff DNA is made up of five key principles that have grown out of our approach to work and the suggestions of our employees.

- We are customer-centric
- We are one team
- We are trendsetters
- We have an ownership mindset
- We love what we do

In recent years, the Group has evolved to be much more than a bank, and aiming at being present wider in global markets. Therefore, it is important that the new Code of Conduct applies to all employees across the entire group – both in Russia and abroad. We are growing and expanding, and we need to uphold our values in each part of the world where we operate.

The second important change is that the Code of Conduct will address a wider audience. In addition to covering employee and other internal relationships, it will also spell out our approach to external stakeholders such as partners, authorities, suppliers and, of course, our customers. We are beginning to gradually extend the Code to apply to all stakeholder relationships.

Thirdly, we have expanded our current approach to ethics and responsible business practices to place a renewed focus on upholding the highest standards of corporate behaviour and ways of doing business.

- We have expanded our policies for dealing with insider information, conflicts of interest, anti-corruption, anti-money laundering and related-party transactions.
- We expect everyone to be a responsible and conscientious social media user in order to safeguard sensitive and confidential information, as well as uphold and improve our reputation.
- We have publicly committed to the highest social, environmental and governance principles and best practices, including in the following ways:
  - ◊ we have formally committed to continuing our policy of not financing unethical or socially dangerous industries, projects and programmes, including the tobacco, weapons, and drug industries
  - ◊ we set higher standards and expectations for promoting equal opportunity employment and non-discrimination in the workplace, and will continue to expand our diversity and inclusion initiatives within this value chain.

To ensure transparency and oversight, we expanded our dedicated Ethics Committee to ensure an independent review. We encourage everyone to share their concerns, questions or information on unethical behaviour or any suspicions thereof as soon as they arise via our hotline at whistleblower@tinkoff.ru, which is also available to external partners and contractors.

AML

Full compliance is essential to maintain the confidence of customers in the Group and its products and of regulators and to protect the Group's brand and reputation. Tinkoff Bank JSC also operates under Russian law No. 115-FZ "On countering legalisation (laundering) of the proceeds of crime and the financing of terrorism". In order to comply with the requirements of this legislation and the Central Bank of Russia regulations, Tinkoff Bank has developed an internal regulation 'Concerning the Counteraction of the Legitimisation (Laundering) of the Proceeds of Crime and the Financing of Terrorism'. Tinkoff is active in anti-money laundering and is a member of all expert groups established under the Central Bank, Rosfinmonitoring, Federation Council and associations.

Tinkoff Business (SMEs) has a monitoring department whose specialists ensure that relations are established and transactions carried out only with companies and businesses that act in compliance with the law. The Group monitors transactions and identifies suspicious ones, which may be associated with cash or other illegal activities.

Tinkoff recently approved updated and expanded Internal Control Rules for the purpose of countering the risk of legalisation (laundering) of the proceeds of crime, the financing of terrorism and the financing of weapons of mass destruction.

As a member country of the FATF, Russia adopted the Anti-Money Laundering Law. Subsequent to the adoption of the Anti-Money Laundering Law, the CBR promulgated a number of anti-money laundering regulations specifically for the banking sector.

The Group has adopted internal regulations on anti-money launder- ing that are based on, and are in full compliance with, the requirements of the Russian anti-money laundering regulations, related instructions of the CBR and international standards. The supervision of the Russian anti-money laundering regime is shared by the CBR and the FSFMT.

The Group has created a specialised unit and appointed an authorised officer who coordinates activities aimed at preventing money laun- dering and terrorism financing. The Group conducts identification and review of its customers, customer's representatives, beneficiaries and beneficiary owners, money laundering and terrorism financing risk management, personnel training as well as daily analysis of banking operations, verifies information on operations that are subject to monitoring and sends all required information to the relevant state authorities. Employees of the Group have to take mandatory training on the Group's policies and proce- dures for preventing money laundering and terrorism financing both as part of the initial training after being hired and as part of the subsequent training activities.

Mandatory internal control checks are conducted by the Group's Internal Control Service. External control is provided by the CBR and, within an annual audit, by a statutory auditor.

The Group cooperates with the FSFMT by timely addressing their requests regarding certain entities or operations.

The Group and its subsidiaries take bribery and corruption issues extremely seriously. The Bank has internal and external policies mandating that we strive to avoid bribery and corruption at all our operations. Employees of the Bank must not accept, demand or receive any gifts or remuneration in monetary or non- monetary form and help from a third person party directly or indirectly related to the performance of their official duties. In particular, due caution must be taken to avoid any expressions of seeking or accepting any help from a potential or actual business partner of the Bank

Anticorruption

The Group and its subsidiaries take bribery and corruption issues extremely seriously. The Bank has internal policies mandating that we strive to avoid bribery and corruption at all our operations. Employees of the Bank must not accept, demand or receive any gifts or remuneration in monetary or non- monetary form and help from a third person party directly or indirectly related to the performance of their official duties. In particular, due caution must be taken to avoid any expressions of seeking or accepting any help from a potential or actual business partner of the Bank.

The Bank is actively concerned with customers, partners and third person parties operating under the law of the Russian Federation and outside. In addition to the general standards of behaviour expected of every director, officer and employee of the Group, the Group has adopted certain specific policies in relation to countering corruption and bribery. In addition, the Group has specific rules, policies and guidelines covering:

- Gifts and gratuities; bribes and kickbacks
- Prohibition of fraudulent conduct and misappropriation; disciplinary procedures
- 'Whistleblowing' and reporting procedures; insider trading
- Conflicts of interest.

Compliance and internal audit system

From March 2021, the Bank has a centralised Compliance Department (CD), which consolidates previously created functions in different units of the operating companies and increasing its resources. In this way the structure of compliance was brought into line with applicable best practices.

Currently, the CD includes the following structures:

- Financial Monitoring Service (compliance with anti-money laundering legislation, development and implementation of control methodology, identification of public Russian and foreign officials, reporting to Russian regulators, detection of illegal drug trafficking, illegal transactions in casinos, cryptocurrencies).
- Participation in three "pilot projects" with Rosfinmonitoring on early stage detection of proceeds of illegal drug trafficking, terrorist and extremist activity and cryptocurrencies.
- Operational compliance – on line financial monitoring for compliance with anti-money laundering legislation.
- Sanction and counter-sanction control, FATCA, CRS.
- Methodology (development and updating of internal regulatory documents and regulations.
- Monitoring of regulatory risk, anti-corruption and conflict of interest policies.
- The plans include the development of a broader international compliance function.

Responsible sourcing

As a rule, Tinkoff works with large suppliers who can guarantee delivery to all regions, although occasionally Tinkoff is supplied by local suppliers. Among our suppliers there are foreign companies that deliver to our offices, subject to similar requirements related to price, quality, commercial terms, reputation, and information security.

Tinkoff complies with legal requirements in terms of taking into account environmental aspects and verifies that the purchased goods have the necessary certificates. The Company also conducts tests when a small batch of products is purchased in order to assess its quality.

CONTINUED

ETHICS IN RELATIONS AND BUSINESS

Tinkoff minimises the risks associated with interactions with unscrupulous suppliers. Tinkoff runs extensive checks on its new suppliers and does not work on prepaid basis with unverified companies.

At the moment, Tinkoff does not perform external audits of suppliers. The Company carries out its own compliance procedure, within which it requests financial statements, legal information, analyses public information about a potential supplier and checks whether the purchased products have the necessary certificates.

Tinkoff understands that an uninterrupted supply of required products and services is of paramount importance to ensure business continuity and superior employee and customer engagement. Tinkoff's key suppliers include:

- Suppliers of stationary
- Provision of office space (cleaning, catering, kitchen equipment, etc)
- Providers of cards

The selection of suppliers is carried out in tender format, which is organised on an annual basis and includes the following stages:

- Holding a tender with full description of our conditions and requirements, depending on the business problem
- Verification of statutory documents, as well as of reviews on the market
- Conclusion of a contract with the supplier
- Test purchase
- Purchase of large volumes

In many fields, the choice of supplier is limited, and Tinkoff has already entered into agreements with all major suppliers that do not require further verification. On that basis, suppliers are then chosen based on most commercially sensible terms.

When choosing a supplier of plastic cards, the Company uses the same principles (price, quality, terms), as well as cross-checking for reliability, as well as checking information security for violations.

Tinkoff does not provide formal training for suppliers. Company employees attend supplier events where the product is showcased. That said, Tinkoff adapts services to the specifics of the business – for example Tinkoff carries out its own training for cleaning service employees.

Customer relationship management

Tinkoff employs a structured and customer-friendly approach to dealing with customer complaints:

- Customer complaints (regarding products and services provided by the Group, as well as other issues) can be submitted to the Group verbally, in writing, or electronically
- Complaints are recorded by the Group's employees in real time upon receipt, and then processed to create action plans with specific timeframes to resolution
- Decisions on the complaints are then communicated by the Group's employees to the customer through remote banking services
- In order to preserve customer loyalty, in case of mistakes Tinkoff employs several compensatory techniques including monetary compensation, gifts, and improved/preferential tariffs.

Our Tinkoff help platform had 29m+ unique users, 48.1m visits and more than 107m views in 2021

Indicator	2020	2021
Incoming calls	33.8m	48.7m
Incoming emails	2.1m	2.15m
Incoming chat messages	27m	40.1m
Chat bot queries	11.3m	16m
Voice bot queries	1.9m	4.4m
Successful meetings	8.5m	17.7m
Reviews on the website banki.ru	10.7k	32.7k
Reviews on website sravni.ru	11.5k	48.2k
Social networks mentions	21.15m	28.2m

Tinkoff also monitors all customer reviews in the App Store and Google Play, as well as on social networks. There is a team that collects innovative customer ideas for improvement and communicates the most relevant ones to Tinkoff developers who aim to implement them.

TRANSPARENT INFORMATION AND FAIR ADVICE

Tinkoff is committed to preventing any form of unfair conduct among employees involved in the marketing and sale of products and services. For example, the Company has developed a special guide for Tinkoff Business employees, which describes the principles of small and medium-sized businesses from various industries, united by the common idea that the main goal is not to sell as much as possible, but to help the customer solve his problems as effectively as possible.

The importance of push channels

For the sale of credit products and services, Tinkoff emphasises the use of push channels rather than pull channels. This helps the Company avoid adverse selection, avoid lending to more vulnerable parts of the population, and allows it to underwrite consumers it understands better and that have reasonable credit risk.

SASB

We have prepared our 2021 Sustainability Report taking into consideration the recommendations of the Sustainability Accounting Standards Board (SASB). Our disclosures have been prepared drawing on the recommendations of two industry standards: Commercial Banks (FN-CB) and Internet Media & Services (TC-IM). In this Report we do not disclose all metrics included in the standards but continue to monitor further developments in SASB standards and will evaluate them in the future for potential additional disclosures by the Company.

SASB CODE	TOPIC	ACCOUNTING METRICS	RESPONSE & REFERENCES	SOURCE
COMMERCIAL BANKS				
FN-CB-230a.1.	Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	In 2021 there were no significant cases of breaches of Tinkoff customer data.	p.22
FN-CB-230a.2.	Data Security	Description of approach to identifying and addressing data security risks		p. 20-22
FN-CB-510a.1.	Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	No material fines or other sanctions were imposed on the Group in 2020 for improper activities in social and economic areas.	p. 38-39
FN-CB-510a.2.	Business Ethics	Description of whistleblower policies and procedures		p.38-39
INTERNET MEDIA & SERVICES				
TC-IM-130a.1.	Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable		https://tinkoffgroup.com/corporate-governance/esg/
TC-IM-130a.2.	Environmental Footprint of Hardware Infrastructure	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress*	*Tinkoff does not operate in regions with high or extremely high baseline water stress.	
TC-IM-220a.1.	Data Privacy, Advertising Standards & Freedom of Expression	Description of policies and practices relating to behavioural advertising and user privacy		p.24-25
TC-IM-230a.1.	Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	In 2021 there were no significant cases of breaches of Tinkoff customer data.	p.22
TC-IM-230a.2.	Data Security	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards		p.20-22
TC-IM-330a.1.	Employee Recruitment, Inclusion & Performance	Percentage of employees that are foreign nationals		p. 10-11, 14
TC-IM-330a.2.	Employee Recruitment, Inclusion & Performance	Employee engagement as a percentage		Engagement rate - 76% Wellbeing rate – 77%
TC-IM-330a.3.	Employee Recruitment, Inclusion & Performance	Percentage of gender and racial/ethnic group representation for (1)management, (2) technical staff, and (3) all other employees		Top management – 30% female, 70% male. 21,2% proportion of women among technical staff p.10
TC-IM-520a.1.	Intellectual Property Protection & Competitive Behaviour	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	No material fines or other sanctions were imposed on the Group in 2021 for improper activities in social and economic areas.	

GRI
CONTENT INDEX

DISCLOSURE		LOCATION	PAGE	COMMENTS
GRI 2: GENERAL DISCLOSURES 2021				
2-1	Organizational details			TCS Group Holding Plc Public limited company (Plc) TCS Group Holding Plc is headquartered in Limassol, Cyprus. JSC Tinkoff Bank is headquartered in Moscow, Russian Federation. The Group's business operations are carried on almost entirely in Russia though the Group does have offices in Cyprus where the holding company is headquartered and operates home call center and software development businesses.
2-2	Entities included in the organiza-tion's sustainability reporting			This report covers the Tinkoff Group (hereinafter referred to as the Group), including TCS Group Holding PLC, Tinkoff Bank JSC, Tinkoff Insur-ance JSC, Tinkoff Mobile LLC, Tinkoff Software DC LLC, ANO FPE (Autono-mous Not-for-profit Organisation for Further Professional Education) Tinkoff Education, as well as other legal entities controlled or significantly influenced by TCS Group Holding PLC in accordance with the IFRS financial statements
2-3	Reporting period, frequency and contact point			Year ended December 31, 2021 Annual Sustainability report CSR@tinkoff.ru
2-4	Restatements of information			
2-5	External assurance			There was no external assurance of the report
2-6	Activities, value chain and other business relationships			Further details on scale of the organisation, including financial results and capitalisation, can be found on the Company website https://tinkoffgroup.com and in the Annual report 2021
2-7	Employees	Social value	p.10-11	
2-8	Workers who are not employees	Social value		Partially disclosed. The Company does not disclose separately the total number of employees by employment contract (permanent and temporary)
2-9	Governance structure and composition	Ethics in relations and business	p.36-37	https://tinkoffgroup.com/corporate- governance/tcs-group-hold-ing-plc/ Further information can be found in the 2021 Annual Report
2-10	Nomination and selection of the highest governance body	Ethics in relations and business	p.36-37	Nomination and selection processes for the highest governance body and its committees is described in the TCS Group Holding Plc Memorandum of Association and Articles of Association. Further information on the nomination and selection processes can be found in the 2021 Annual Report
2-11	Chair of the highest govern-ance body			The detailed information on the members of the Board and its chair as of 31.12.2021 presented in the 2021 Annual Report
2-12	Role of the highest govern-ance body in overseeing the management of impacts	A message to our stakeholders Environmental performance Ethics in relations and business	p. 4-7 p.28-29 p.36-37	https://tinkoffgroup.com/corporate-governance/tcs-group-hold-ing-plc/
2-13	Delegation of responsibility for managing impacts	A message to our stakehold-ers Environmental performance Ethics in relations and business	p. 4-6 p.28-29 p.36-37	
2-14	Role of the highest govern-ance body in sustainability reporting	Environmental performance	p.28-29	The Chair of the Board is responsible for reviewing and approved the reported information. The Sustainability Committee reviews the adequacy of the organization's internal controls to strengthen the integrity and credibility of the reporting
2-15	Conflicts of interest	Ethics in relations and business	p.36-39	Further information can be found in the 2021 Annual Report and on the website https://tinkoffgroup.com/corporate- governance/tcs-group-holding-plc/
2-16	Communication of critical concerns	A message to our stakehold-ers	p.5-6	
2-17	Collective knowledge of the high-est governance body			External educational activities, regular meetings and deep dives with the management team
2-18	Evaluation of the performance of the highest governance body	Ethics in relations and business	p.36-37	Approach to evaluation of the performance for the highest govern-ance body and its committees is described in the TCS Group Hold-ing Plc Memo-randum of Association and Articles of Association.
2-19	Remuneration policies	Social value	p.12-13	Further information on remuneration can be found in the 2021 Annual Report and on the corporate website
2-20	Process to determine remu-nera-tion	Social value	p.12-13	Independent Remuneration committee oversees the process for determin-ing remuneration
2-21	Annual total compensation ratio			The information on the remuneration is confidential
2-22	Statement on sustainable devel-opment strategy	Our strategy	p.7	
2-23	Policy commitments	Ethics in relations and business	p.38-39	
2-24	Embedding policy commit-ments	Ethics in relations and business	p.38-39	
2-25	Processes to remediate nega-tive impacts	Ethics in relations and business	p.38-39	There are dedicated grievance mechanisms established to provide feedback.
2-26	Mechanisms for seeking ad-vice and raising concerns	Ethics in relations and business	p.38-39	

DISCLOSURE		LOCATION	PAGE	COMMENTS
2-27	Compliance with laws and regula-tions	Ethics in relations and business	p.38-39	
2-28	Membership associations			UNEP Finance Initiative Science-Based targets Initiative
2-29	Approach to stakeholder engage-ment	A message to our stakeholders	p.4-6	
2-30	Collective bargaining agree-ments			There is no collective agreement
GRI 202: MARKET PRESENCE 2016				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage			Partially disclosed. The Moscow region is considered a significant location of operations for this disclosure. Tinkoff provides equal entry level wages for both men and women within a particular department.
GRI 203: INDIRECT ECONOMIC IMPACTS 2018				
203-1	Infrastructure investments and services supported			Partially disclosed. The Company is not actively engaged in infrastructure investments. The majority of the Company's social investments are made on a non-commercial basis, some are made in-kind (e.g. donation of com-puters to charity), and some of them are pro-bono. Tinkoff has plans to assess current or expected impacts on communities and local economies in the future.
GRI 204: PROCUREMENT PRACTICES 2016				
204-1	Proportion of spending on local suppliers			Partially disclosed. For 'local supplier' and 'significant locations of operations' for this disclosure, the Company means supplies made in the Russian Federation from the suppliers based in Russia. Further information can be found in the IFRS Consolidated Financial Statements 2021
GRI 205: ANTI-CORRUPTION 2016				
205-3	Confirmed incidents of corruption and actions taken			In 2021 there were no confirmed incidents of corruption, including those in which employees were dismissed or disciplined, or contracts with business partners were terminated or not renewed. Also, there were no public legal cases regarding corruption brought against the organisation or its employees during the reporting period.
GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016				
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices			There were no legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which the organisation has been identified as a participant.
GRI 207: TAX 2019				
207-1	Approach to tax			Russian and Cypriot tax Please review IFRS Consolidated Financial Statements 2021
207-2	Tax governance, control, and risk management			Please review IFRS Consolidated Financial Statements 2021
207-3	Stakeholder engagement andmanagement of concerns related to tax			Please review IFRS Consolidated Financial Statements 2021
GRI 302: ENERGY				
302-1	Energy consumption within the organisation			Please review the website https://tinkoffgroup.com/corpo-rate-governance/esg/
GRI 306: WASTE 2020				
306-2	Management of significant waste-related impacts			Partially disclosed. At present waste generated by Tinkoff in its own activities is managed by landlords, which manage waste disposal in line with contractual obligations.
GRI 401: EMPLOYMENT				
401-1	New employee hires and employ-ee turnover	Social value	p.9-10	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018				
403-1	Occupational health and safety management system	Social value	p.11-12	
403-3	Occupational health services	Social value	p.11-12	
403-5	Worker training on occupational health and safety	Social value	p.11-12	
403-6	Promotion of worker health	Social value	p.11-12	
GRI 404: TRAINING AND EDUCATION				
404-1	Average hours of training per year per employee	Social value	p.11	
404-2	Programs for upgrading employee skills and transition assistance programs	Social value	p.11	Partially disclosed. At present Tinkoff does not disclose transition assistance programs as a separate area of development training. Tinkoff provides sabbatical leave for employees. The Company also provides severance pay, which takes into account employee age and years of service. Severance packages are determined on an individual basis.
404-3	Percentage of employees re-ceiv-ing regular performance and ca-reer development reviews	Social value	p.11	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY				
405-1	Diversity of governance bodies and employees	Social value	p.10	Top management are 30% female, 70% male. The board of directors as of 31.12.2021 was presented by 36% of women
405-2	Ratio of basic salary and remuner-ation of women to men			The ratio was between 92% to 100% depending on business unit.

DISCLOSURE		LOCATION	PAGE	COMMENTS
GRI 406: NON-DISCRIMINATION				
406-1	Incidents of discrimination and corrective actions taken			In 2021 there were no reported incidents of employee discrimination at Tinkoff.
GRI 413: LOCAL COMMUNITIES 2016				
413-1	Operations with local community engagement, impact assessments, and development programs			Partially disclosed. Tinkoff conducts internal assessments of social impacts generated and has plans to arrange external assessments in the future.
413-2	Operations with significant actual and potential negative impacts on local communities			The Company does not conduct activities that could have a negative impact on local communities.
GRI 414: SUPPLIER SOCIAL ASSESSMENT				
414-1	New suppliers that were screened using social criteria			Tinkoff does not apply social criteria to screen new suppliers.
GRI 417: MARKETING AND LABELLING				
417-3	Incidents of non-compliance con-cerning marketing communica-tions			Tinkoff does not apply social criteria to screen new suppliers
GRI 418: CUSTOMER PRIVACY				
418-1	Substantiated complaints concern-ing breaches of customer privacy and losses of customer data			There were no substantiated complaints received concerning breaches of customer privacy. No material cases of leaks, thefts, or losses of customer data were identified.

DISCLAIMER

Any financial information referred to in this Non-financial and diversity statement is derived from the consolidated financial statements of TCS Group Holding Plc and has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of Cyprus Companies Law, Cap 113, which are for the year ended 31 December 2021.

Market data used in this Non-financial statement have been extracted from official and industry sources TCS Group Holding Plc believes to be reliable and is sourced where it appears. Such information, data and statistics may be approximations or estimates. Some of the market data contained in this Non-financial statement has been derived from the official data of Russian government agencies, including the CBR, Rosstat and the FSFM. Data published by Russian federal, regional and local governments are substantially less complete or researched than those of Western countries.

Certain statements and/or other information included in this Non-financial statement may not be historical facts and may constitute ‘forward looking statements’. The words ‘believe’, ‘expect’, ‘anticipate’, ‘intend’, ‘estimate’, ‘plan’, ‘target’, ‘forecast’, ‘project’, ‘will’, ‘may’, ‘should’ and similar expressions may identify forward looking statements but are not the exclusive means of identifying such statements. Forward-looking statements include statements concerning our plans, expectations, projections, objectives, targets, goals, strategies, future events, future revenues, operations or performance, capital expenditures, financing needs, our plans or intentions relating to the expansion or contraction of our business as well as specific acquisitions and dispositions, our competitive strengths and weaknesses, our plans or goals relating to forecasted operations, reserves, financial position and future operations and development, our business strategy and the trends we anticipate in the industry and the political, economic, social and legal environment in which we operate, together with the assumptions underlying these forward looking statements. We do not make any representation, warranty or prediction that the results anticipated by such forward looking statements will be achieved.

Nothing in this Non-financial statement constitutes an invitation to invest in securities of TCS Group.

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2021