

Sustainable Development

In the context of current global challenges the concept of sustainable development becomes even more important. All over the world new approaches of business to management resources, risks and all types of influence on economy, society and ecology are being formed. National strategy is being actively formed in Russia; it combines goals on achieving economic efficiency, social equity and environmental safety.



United Nations (UN) created seventeen icons on Sustainable Developments Goals (SDGs) to increase visual public awareness about sustainable development and its goals. Hereinafter UN SDGs' icons are used.

VTB Bank, among other companies with best Russian business practices, established and extends effective practices in the field of corporate ecological and social responsibility, system charity and volunteering and other.

In 2019, VTB Bank's Supervisory Council adopted new Development Strategy for 2019–2020, including renewed mission, vision and values. After adoption of the new business strategy VTB Bank came close to a complex introduction of sustainable development elements in its activity.

Since 2008, VTB annually releases non-financial reports devoted to different aspects of corporate social responsibility. Selected indicators in the field of sustainable development, published in the social reports for 2012–2018, were independently audited.

In the Sustainability Report for 2018 VTB Group declared its commitment to the UN formulated strategy to meet 17 *Sustainable Developments Goals* till 2030. In 2019, the Bank determined its 8 priority goals of sustainable development, achieving of which will be paid a great attention.

The key VTB Group results and achievements for 2019 in the field of personnel development, social projects realisation and management of resource consumption and recycling are provided in the section.

PERSONNEL



STAFF QUANTITY DYNAMICS



- VTB Bank employees
- Employees of other VTB Group companies

As of 31 December 2019, VTB Bank employed 59.6 thousand people (compared with 58.2 thousand as of 31 December 2018), while VTB Group employed 82.3 thousand people (compared with 77.2 thousand of 31 December 2018). The main drivers behind the increase in the Group's headcount were the takeover of two new banks – *Sarovbusinessbank* and *West Siberian Commercial Bank* – and the increase in the number of IT staff at VTB Bank.



82,250
employees
work at
VTB Group

59,602
employees
work at
VTB Bank

Additional information can be found in [VTB Group's Sustainability Report for the year of 2019](#).

INCENTIVE AND REMUNERATION SYSTEM

VTB's actual incentive and remuneration system is designed to motivate employees to perform their duties at a high level and to be results-oriented.

In 2019, work continued on improving the remuneration system. In particular, the Bank implemented a project to develop and introduce a grade system, the main purpose of which is to make the remuneration system more competitive externally and more fair internally. The grade system will enable the Group to respond to market changes faster and in a more flexible manner in the course of its regular monitoring of the labour market and to take a more balanced approach to establishing competitive wages, while taking into account the Bank's financial position.

One of the Bank's highlights in 2019 was the unification of its retail and corporate networks; in terms of personnel management issues, special attention was paid to the harmonisation of remuneration in the Bank's unified regional network.

CORPORATE CULTURE

Achieving the ambitious goals of VTB Group's new Development Strategy is largely dependent on developing a corporate culture aimed at increasing client-centricity, improving cross-functional interaction and holding individuals more accountable for achieving results. That is why the Group's management considered it necessary to update VTB's mission, vision and values.

The top management of VTB Group played an active role in determining the priorities for the development of corporate culture. Employees were given an opportunity to express their opinions through a survey about VTB's mission that was conducted in February 2019, which gathered the opinions of more than 17 thousand people. As a result of the survey, VTB Group developed and adopted an updated mission and vision and renewed values.

During the year, a large-scale information campaign was conducted for Group employees in various regions of the Russian Federation about the new Development Strategy and updated values. Considerable attention was also paid to strengthening and developing internal communication channels in 2019. For example,

an updated intranet portal was launched, a survey was carried out on the engagement of personnel in Russia and abroad, which was conducted for the first time using a single methodology for all Group companies participating in the survey. The Group employee engagement index was 83 %, which, according to the research methodology, indicates that employees understand the strategic goals, mission, vision and values of VTB Group, are ready to undertake additional efforts to achieve these goals and have the necessary resources to do so. The results of the survey also revealed strengths and areas for improvement, an analysis of which will provide a road map for suitable initiatives.

PERSONNEL ASSESSMENT AND STAFF RESERVE

According to the Bank's performance management procedure, employees set, at the beginning of the year, individual goals for their activities and goals for the development of their behavioural competencies for the year. Then, at the end of the year, managers evaluate how well they have achieved their goals and the degree to which their behavioural competencies have developed. The performance management procedure helps employees, in a dialogue with their supervisors, identify priority areas for implementing the VTB Group Development Strategy, criteria for evaluating results and areas for developing behavioural competencies; at the end of the year, it enables them to receive feedback and outline areas for further development. The goals are set and the results are evaluated in the automated performance management system, which makes the process transparent and produces a clear picture of the results that are expected from each employee.

In 2019, projects for evaluating management teams were implemented in which both senior and middle managers took part. The evaluation results made it possible to identify strengths and areas for development that formed the basis for the establishment of programmes for the further development of managerial competencies.

For participants of the staff reserve for positions in middle and line management in 2019, comprehensive development programmes were implemented that were adapted to the appropriate managerial level.



VTB GROUP EMPLOYEES

36 years old
average age

5.5 years
average term
of employment
at VTB Group

72%
women

28%
men

84%
of employees
have higher
education