



TINKOFF



Sustainability Report 2022

TCS GROUP HOLDING PLC

CONTENTS

A message to our stakeholders	3
Sustainability Initiatives and global standards	5
Our strategy	6
Financial well-being	7
Social value for employees and communities	12
Environmental performance	20
Governance and ethical behaviour	30
APPENDIX 1 – Sustainability Accounting Standards Board (SASB)	34
APPENDIX 2 – GRI Content Index.....	36
APPENDIX 3 – Performance metrics and indicators	40
Investor Information.....	45

On March 15, 2023, we published the TCS Group Audited Consolidated IFRS Results for fiscal year 2022. Then, on April 13, 2023, we released our 2022 financial statements on a standalone basis. These reports are available on our website and LSE pages, giving a comprehensive overview of TCS Group Holding Plc's business model, including its activities, value chain, and business relationships, as well as access a list of entities included in the reporting process. The included CMR in the financial statements provides valuable insights into the roles and responsibilities of our Board and its committees, along with an analysis of the main risks.

A fuller description of TCS Group holding plc's activities can also be found in Annual Reports for prior years at tcsgh.com.cy

The report covers TCS Group Holding plc's operations for the fiscal year ended Dec. 31, 2022, 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

TCS Group Holding PLC is a Cyprus-based digital provider of online financial and lifestyle services via its ecosystem. The Group has developed a full range of in-house proprietary technology solutions and services, including retail financial services, brokerage, acquiring and other merchant solutions, insurance and much more.

When executing sustainability strategy, we want to make sure that all our stakeholders understand how Tinkoff DNA is inextricably linked to sustainability.

Tinkoff's DNA

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.



A MESSAGE TO OUR STAKEHOLDERS

Dear stakeholders,

I am delighted to present our 2022 Sustainability Report which vividly reflects our ongoing commitment to Sustainability and stakeholder engagement.

We remain unyielding in our dedication to stakeholder engagement, realizing that reciprocal relationships with customers, employees, communities, regulators, investors, and shareholders are key to our long-term sustainability. Our sustainability agenda emphasises on operational and financial performance, robust risk management, data privacy and security, business ethics, responsible financing, financial well-being, and human capital development. We also focus on climate change, financial inclusion, community engagement, responsible sourcing, resource efficiency, and the measurement and assessment of social and environmental impacts. We continue our sustainability journey, aligning the pursuit of economic growth with a profound sense of social and environmental responsibility. In this respect, our Group has taken all required steps to ensure it remains compliant with all applicable restrictive measures (sanctions) relevant to our business.

The current climate, while challenging, provides an opportunity to fortify our commitments and continue our journey towards a sustainable future. These are but a few highlights of our progress. Your trust fuels our drive to continue on this path, making our Group a model for responsible and sustainable growth.

Yours sincerely,

Constantinos Economides
TCS Group Holding PLC

2022

HIGHLIGHTS

~29 mn
customers served
by the Group

8.5 mn
customers use
the mobile applica-
tion daily, reaching
a monthly audience
of over 21 million

120 mn
unique readers
of Tinkoff Magazine

1.6 bn
RUB invested
in communities

~5 mn
people studied
with Investment
Academy

80
out of 15,000 applicants
received our first STEM
Scholarship

~70,000
employees

#1
in employing people
with disabilities

32%
women
in the management
team

SUSTAINABILITY INITIATIVES AND GLOBAL STANDARDS

The United Nations Sustainable Development Goals (SDGs)

The Group is 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 goals where we can deliver the most value for our stakeholders.



United Nations Environment Program Finance Initiative (UNEP FI)

UNEP FI is a strategic partnership between the UN and the global financial sector. It aims to promote sustainable finance and embed environmental considerations into financial decision-making. Our Group utilizes UNEP FI as a framework for managing environmental risks, identifying sustainable opportunities, and contributing to a green economy, thereby reinforcing our dedication to sustainable development.



Greenhouse Gas Protocol

The Greenhouse Gas Protocol is the global standard for measuring, managing, and reporting greenhouse gas emissions. It enables organizations to construct effective strategies for emission reduction.

Our Group actively employs the GHG Protocol methodology to analyze our emissions. This practice allows us to monitor our environmental footprint accurately, guide our initiatives to reduce emissions, and demonstrate our proactive approach to mitigating climate change, thereby aligning our operations with a sustainable, low-carbon future.



Sustainability Reporting

Sustainability Reporting is a critical aspect of our Group's operations. We align with international accounting and reporting standards such as the Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI), Partnership for Carbon Accounting Financials (PCAF), and Task Force on Climate-related Financial Disclosures (TCFD). These guidelines enhance transparency, ensure robust disclosure, and promote environmental responsibility, mirroring our engagement with sustainability and societal wellbeing.



OUR STRATEGY

BUILDING TRUSTWORTHY PARTNERSHIPS AMIDST UNCERTAINTY

Throughout 2022, our main goal was to position ourselves as dependable and trustworthy partners for our stakeholders, even in the face of unpredictable geopolitical and macroeconomic challenges. We strategically concentrated on 9 key areas where we firmly believed the Group could have a genuine and substantial influence on our stakeholders. By prioritizing these areas, we effectively demonstrated our ability to navigate and control the situations, emphasizing our unwavering dedication to creating a positive and long-lasting impact.



GOES THE EXTRA MILE

We value the achievements, talent, and dedication of our teams

CARES ABOUT THE ENVIRONMENT

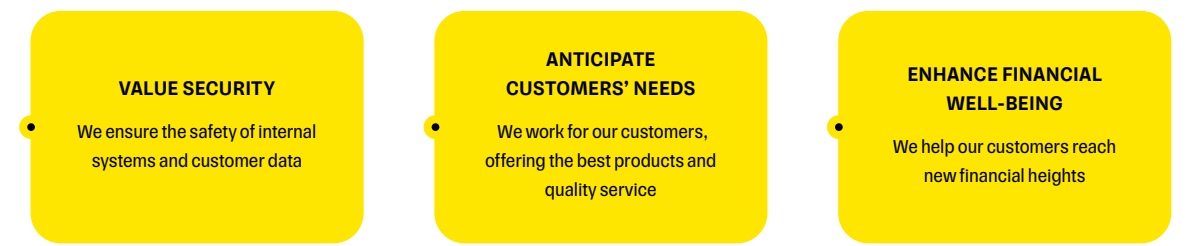
We optimize resource use, promote an eco-friendly lifestyle, and consider climate change risks

BEHAVES ETHICALLY

We adhere to the highest standards of business ethics, work with reliable partners and suppliers

FINANCIAL WELL-BEING

At Tinkoff, we prioritize responsible, customer-centric approaches to bolster financial well-being, ensuring accessible services for all. We uphold stringent data security, while continuously enhancing financial inclusion stability through a diverse portfolio of ESG products. Our dedication to innovation and digitalization propels us towards new frontiers in the financial services industry.



Management approach	Our priorities
The Information security and Ecosystem's Protection teams cover five main areas: • Application security • Operations security • Anti-fraud activities • Data privacy and protection • Infrastructure security	• Data privacy • Information security • Responsible lending • Financial well-being • Inclusive finance • Impact investments

Data Security

Data privacy and protection are crucial for maintaining the trust of our customers and users. As an online business, cybersecurity is vital to the Group, safeguarding all data types against unauthorized access, theft, and damage. These include sensitive information, personal identification details, health-related data, intellectual property, and governmental and industry information systems.

We have formalized and published our information security, data management, and privacy policies on our website. Additionally, Tinkoff has an internal policy that governs system operations, role and responsibility definitions, and customer, employee, regulator, and third-party interaction principles in case of security breaches. Group documentation outlines personal data collection, processing, and disposal methods.

We integrate data privacy and protection into our products and systems from their inception, working diligently on perimeter security, threat analysis, and ransomware and supply chain security. Tinkoff prioritizes information security culture development, and we have implemented a robust onboarding process for all new employees.

Tinkoff has identified the following most pressing information security risks:

- Remote access/user attacks
- Employee bribery for data sales.

We also recognize the following security risk trends:

- Encryption issues related to cash transactions
- Cryptocurrency-based extortion
- Ransomware attacks
- Supply chain attacks
- Crime as a service.

Furthermore, we safeguard Tinkoff Group members, employees, and customers against involvement in money laundering, terrorism financing, and the financing of weapons of mass destruction. We conduct customer due diligence through the Know Your Customer (KYC) principle, monitoring their activities and transactions.

In 2022, Tinkoff substantially improved its personal data protection and management processes by adopting a security-by-design approach. We also conducted ongoing compliance reviews to automatically check code safety.

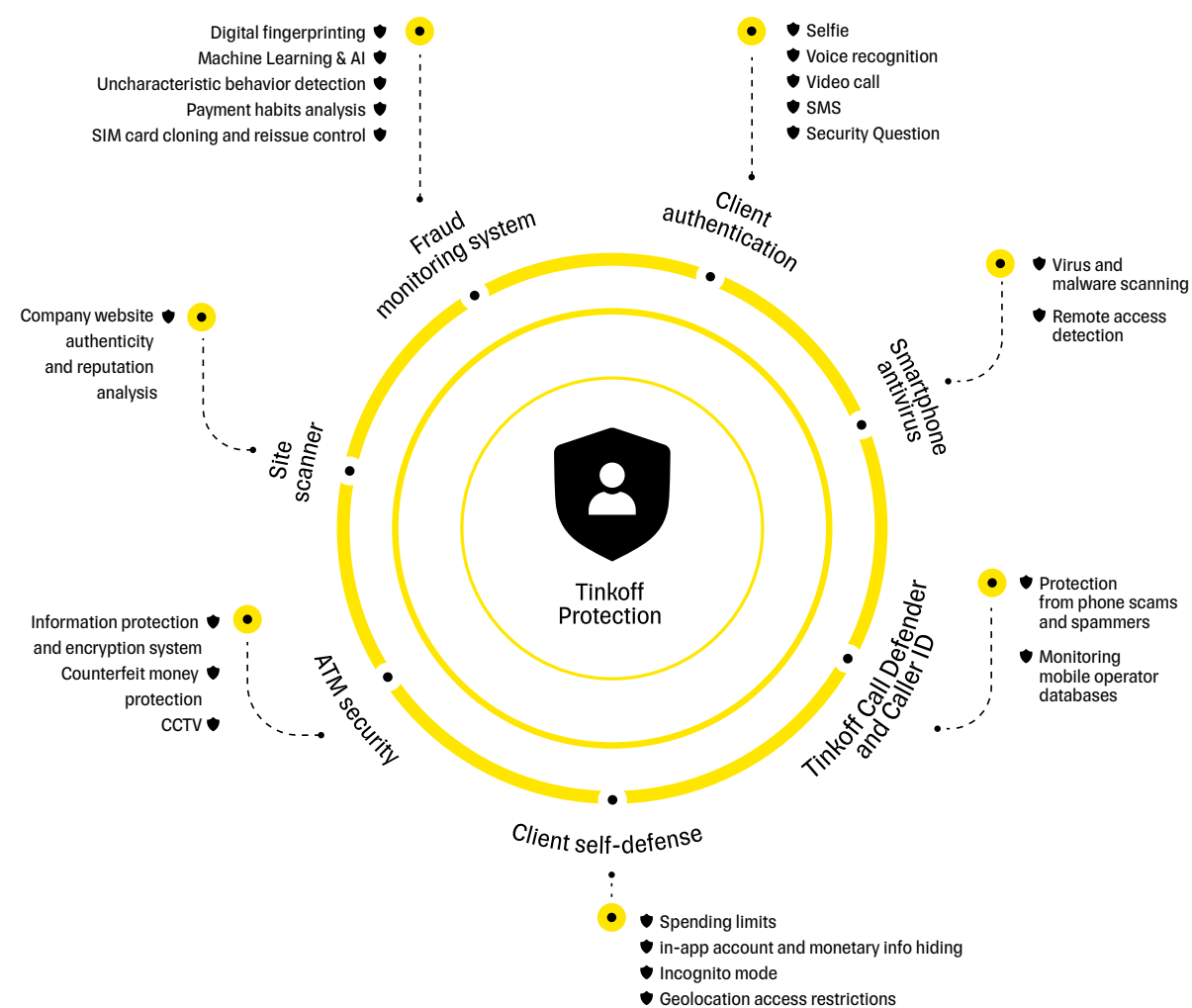
FINANCIAL WELL-BEING

Privacy bug hunting

There is a continuous process of bug hunting for data privacy. In 2022 Tinkoff has launched a public Bug Bounty platform, offering rewards for identifying vulnerabilities and errors in its systems. Any security researchers of the Eurasian Economic Union can participate.

Within the framework of the bug bounty program, white hat hackers will search for security gaps on the websites and mobile applications of the Group's main business and service directions. The bug bounty program covers only technical vulnerabilities. The size of the reward depends on the criticality of the vulnerability itself and the system in which it was discovered. Bug hunters can choose to donate their reward to charity. In this case, Tinkoff will increase the payment amount by five times and send it to one of the reliable charitable foundations of the researcher's choice. The list of foundations is provided in the Tinkoff app on the "Charity" page. All unclaimed rewards will also be directed to the verified funds.

Tinkoff Protection – our security platform



Enhancing financial well-being

Until 2022, financial education was not widely implemented in both middle and high schools, which has led to a lack of financial literacy among the general population. As a responsible company, we have invested in the development of financial literacy, making financial products and services more accessible since our inception.

Our goal is to ensure that our customers feel secure, achieve their financial objectives and improve their quality of life. We provide free education products that are available to everyone, from ordinary people to entrepreneurs and retail investors, regardless of their status, experience or initial training.

Tinkoff Magazine

For over 8 years, Tinkoff Magazine has been delivering quality personal finance management content, covering a diverse range of topics that include investments, interaction with banks, markets, taxes, and real estate. In 2022, we gained recognition as a top 10 most cited finance website, with 30 editorial teams producing over 10,000 articles. We had 1.55 million daily visitors and over 120 million annual visitors, with monthly numbers resting at 16-17 million users.

Since its launch in September 2022, the "Personal Finance" course has become the most popular course in the history of the Textbook.

The financial literacy scores of Tinkoff Magazine readers were shown to be **1.5 times** higher compared to the national average

The Textbook, an educational platform created by the Magazine, focuses on providing reliable and applicable courses. These courses cover personal finance, health, and career, aiming to improve people's quality of life. In September 2022, we launched two extensive financial literacy courses, integrating Tinkoff Magazine's knowledge base with psychological patterns that influence people's financial behaviour. These courses quickly became some of the most popular in 2022, demonstrating their relevance and significant demand.

In 2022, we also conducted a study among readers of Tinkoff Magazine to assess their level of financial literacy and compare it to the national average. The study involved 18 times more participants than in the official version, with nearly 30,000 individuals taking part. The financial literacy scores of Tinkoff Magazine readers were found to be 1.5 times higher than the national average.

Our Magazine's and Textbook's content is embedded in our mobile app, and we continuously customize it to meet individual customer needs and circumstances.

Financial literacy of entrepreneurs

In 2022 Tinkoff Business launched a large-scale educational project for entrepreneurs called the Business School. The online platform offers courses designed for both those starting their business and those planning to scale their existing one. All educational materials have been jointly prepared by experienced experts and renowned successful entrepreneurs.

The Business School is one of the key non-profit initiatives of Tinkoff Business, aimed at supporting the development of small businesses and increasing the financial literacy of entrepreneurs. The platform already provides access to more than 15 free practical courses that cover various aspects of running a business. All the knowledge gained can be immediately applied to practice during or after the training.

Investment Academy: free education for retail investors

In 2021, Tinkoff introduced the Investment Academy, a complimentary educational initiative focusing on investments. Currently, the Academy offers almost 40 courses tailored to various knowledge levels and investment experience. We consistently update our platform with new content and educational materials, catering to diverse groups including students, professionals, retirees, and those interested in finance and economics. The platform is accessible to anyone, not limited to Tinkoff Investment's customers.

Due to the tremendous success of our courses, enjoyed by nearly 2 million people, we launched a dedicated mobile app for all retail investors in 2022. By the end of that year, over 5 million individuals had participated in our courses across different platforms, showcasing the popularity and impact of our educational initiatives.

FINANCIAL WELL-BEING

Inclusive and accessible for all

From our launch in 2006 we have been offering financial services and products that are available and easily accessible to a wide range of individuals and businesses, regardless of their financial situation. We aimed at helping people manage their finances quick, secure, and convenient. The Group offers affordable and tailored financial solutions to meet the unique needs of all customers.

OUR PRIORITIES

- Anticipate customers' needs and deliver cutting-edge financial and lifestyle products with short time to market
- Reduce the barriers to financial inclusion by making it as easy as possible for people to use and be comfortable with digital services

The Group has always paid attention to responsible finance principles. 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 offer financial services and products that are accessible to all customers, regardless of their background or status, through our mobile app, web portal, and customer support service. Our processes are entirely digital, except for an initial onboarding meeting required by the regulator. Regular customer procedures do not require any offline interactions and are conducted remotely in a digital format, completely paperless. We value each customer equally and do not discriminate based on any criteria. To improve our customers' financial literacy and help them succeed in their investments or business ventures, we constantly produce helpful content such as webinars, articles, and help guides.

We use fair advertising policies and procedures and train relevant employees of responsible marketing and communication. To avoid risks arising from unethical practices or mis-selling financial products to consumers, the Group uses an approach based on thorough data analysis in the selection of potential customers and portfolio management.

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. The Group strictly adheres to legislative requirements and takes on additional obligations to prevent mis-selling, coercion, deception, misinformation, fraud, and the violation of consumer rights. We continuously analyze dishonest market practices that may not formally break the law but are inherently designed to circumvent it.

Among the practices that mitigate the risk of misleading consumers are: placing essential information on one side, using comparable font sizes, and avoiding graphic techniques that highlight promotional information while hiding other critical details from the customer.

Tinkoff embraces a methodical and user-friendly strategy in addressing customer grievances. Customer concerns (related to the Group's products, services, and other matters) can be conveyed verbally, in writing, or electronically. Feedback is promptly documented by the Group's employees and utilized to devise solution-driven action plans with definitive deadlines.

To retain customer loyalty, Tinkoff employs compensatory measures in the event of errors, which include monetary reimbursement, complimentary gifts, and preferential rates.

Responsible providers

At Tinkoff, we place a strong emphasis on cultivating sustainable and mutually beneficial relationships with our customers. Our products are designed to encourage responsible and suitable financial decisions based on each customer's unique circumstances, while also being flexible enough to meet their evolving needs as they continue their journey with us.

Furthermore, we understand that life can present unexpected challenges, and as a financial institution, we are committed to providing support to our customers during difficult times. Whether it's offering financial guidance, providing flexible repayment options, or extending personalized assistance, we strive to be there for our customers when they need us most. Our goal is not only to help them overcome their immediate difficulties but also to empower them to regain control of their financial well-being for the long term.

ESG products

Buy now pay later

"Dolyami," the BNPL (buy now pay later) service offered by the Group, provides customers with quick and convenient payment options for their low to medium-priced purchases. This BNPL service divides the cost of online and offline purchases into four equal parts without charging any commissions or additional fees. Upon making their purchase, customers pay 25% of the total price upfront, and the remaining 75% is automatically deducted from their payment card at fortnightly intervals until full payment is received.

In 2022, we improved our assessment process for determining customer repayment ability using big data. This has resulted in a more sustainable and transparent service while continuing to provide a convenient and commission-free customer experience. Our technologies utilize distributed data storage and decentralized digital identification, ensuring complete confidentiality for our customers.

Tinkoff Seller

In 2022 we launched Tinkoff Seller, which is an advanced platform for online businesses that is powered by cutting-edge artificial intelligence and machine learning technologies. With Tinkoff Seller, entrepreneurs can automate sales management. In just a few clicks, they can manage all their sales across different platforms, thus saving time and increasing efficiency.

With the incorporation of Tinkoff Seller algorithms, business owners can improve their business strategies, enhance unit economics and acquire recommendations on product sale and distribution across appropriate market platforms. Furthermore, our advanced big data analytics support entrepreneurs in their endeavor to excel in the modern digital commerce landscape, providing them with essential insights to make informed decisions.

Electronic document workflow system

In 2022 Tinkoff Business launched an electronic document workflow system for HR management. It helps businesses manage HR documents without duplicating them on paper. Transitioning to electronic document workflow optimizes business costs, reduces expenses on paper consumption, printing, and courier services. This solution accelerates employee onboarding by 30%, reduces a company's document workflow costs by half, and eases the workload on HR departments and accountants.

Free Counterparty Verification

In 2022, Tinkoff Business launched its own counterparty verification service to all users. The service collects real-time information from a variety of official sources. Verifying a counterparty before entering into a business relationship reduces the risks of dealing with a bankrupt, fraudster, or unscrupulous supplier. The service also helps to detect one-day firms and prevent possible issues with the tax authorities.

Previously, this counterparty verification service was exclusively available to Tinkoff Business clients, but from 2022 it can be used by anyone interested for free and without restrictions.

Reduced commission rates for entrepreneurs

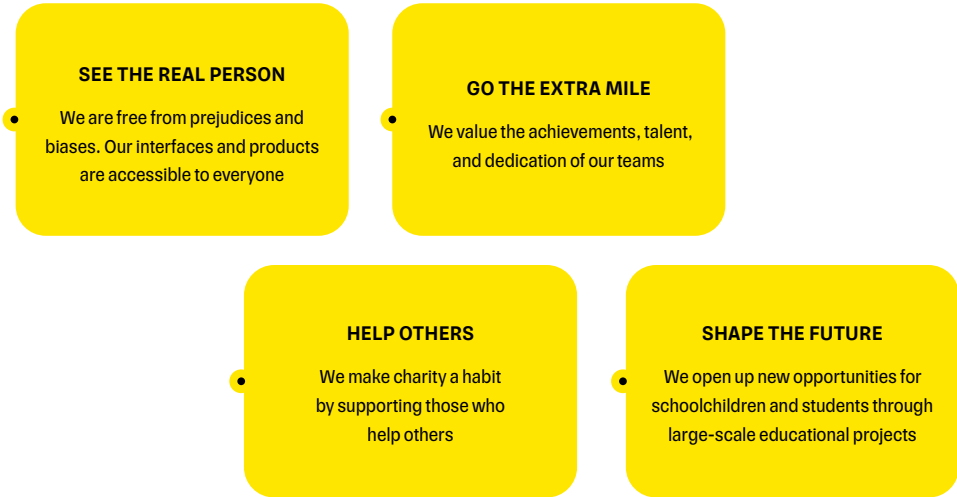
Tinkoff Checkout and Tinkoff Business reduced commission rates for socially significant businesses. They have reduced the rates to just 1%, whether the payment is made in-store or online. This move aimed to support entrepreneurs dealing with various services such as communication services, utilities payments, medical products and services, passenger transportation, education services, accommodations, and cultural services.

Products for retail investors

The Pulse is a social network devoted to money management that was created by Tinkoff Investments. It brings together private investors, major issuers, key stock market institutions, and leading economic universities. The community is open to everyone, not just Tinkoff Investment clients, and users and issuers can post content for all to see. Within the network, people discuss the latest news about companies and markets, share investment insights, and engage in conversations with public companies. In 2022, the community grew significantly, surpassing 4.5 million users per month.

SOCIAL VALUE FOR EMPLOYEES AND COMMUNITIES

At Tinkoff Group, we embrace socially responsible business practices, with a focus on employment, talent acquisition, and adaptation. We value training and development and strive to cultivate a nurturing environment for the well-being of our team. Our competitive remuneration policies align with our dynamic corporate culture. Additionally, we actively invest in our community, providing consistent support to local initiatives.

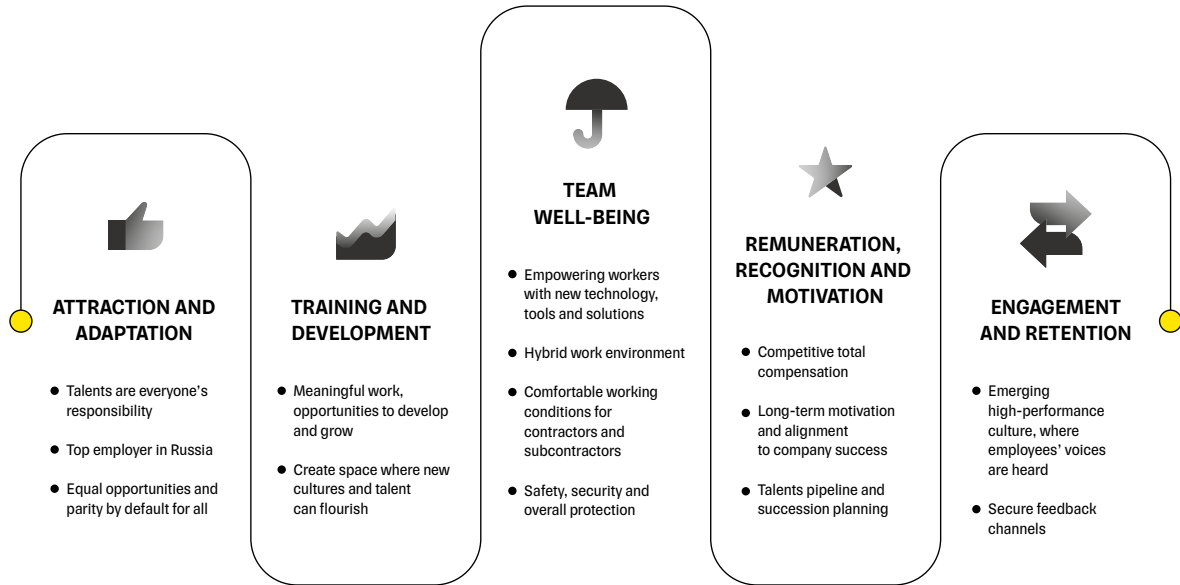


Employment and talent management

The Group is one of the major financial ecosystems with nearly 70,000 employees as of year-end 2022. Our objective is to provide favorable conditions to attract, grow, and develop the best talent in the market and to become the first-choice employer for both IT and non-IT candidates. In 2022, we significantly revamped our HR management strategy, adopting a product-oriented personnel management approach. This approach aims to create a seamless, comfortable, and understandable employee journey from hiring to end-of-employment.

Our compelling internal HR platform fosters fair remuneration and equal opportunities, as well as attractive working conditions that encompass fundamental rights protections. We also take special measures to support workforce diversity. In 2022, we remain committed to our longstanding and genuine promise of maintaining an innovative and entrepreneurial culture within the Group.

Our priorities and employee journey



Talent acquisition and adaptation

The Group's workforce has grown by 155.7% from 2019 to 2022, indicating a significant expansion across all businesses.

In 2022, we hired 3,773 individuals from a pool of over 150,000 candidates, and through our referral program "Bring a Friend," we received over 12,000 referrals, of which 861 were hired as employees. Our approach is to hire motivated talents and help them grow within Tinkoff. As such, we have launched new programs in computer science, mathematics, marketing, design, and investments at the largest universities in the country. With considerable growth in the under 30 and from 30 to 50 year categories, we maintain a youthful vibe with a mix of fresh perspectives and experienced guidance.

The Group is successful in attracting and retaining the younger workforce through innovative practices and work culture. To attract STEM candidates, we have seen tremendous success with Tinkoff Education. Nearly 15% of all junior specialists who joined our team in 2022 did so through Tinkoff Education programs, with 34% of Scala positions and 38% of machine learning positions being filled. We grew our net-work of engaged students by 2.4 times to 319,349 people and increased our number of hired candidates by 1.6 times to 638 employees.

Tinkoff Scholarship: Empowering gifted students

We pioneered the Tinkoff Scholarship Program in 2022, featuring academic and industrial pathways.

This enriching scholarship offers 25,000 rubles monthly stipend after taxes, expert mentorship in the chosen field, access to Tinkoff's educational sources: courses, lectures, knowledge bases, and deferred offers for internships or jobs at Tinkoff post-scholarship.

Our results

- Over **14,000** bright-minded students from Russia applied
- **230** underwent second-round interviews, with **120** top-notch portfolios assessed by an expert panel
- **80** exceptional scholars were chosen, receiving **25,000** rubles every month during the academic year while benefiting from mentorship, educative courses, and engaging activities

Tinkoff remains actively involved with scholars, granting them deferred offers

Tinkoff Group prioritizes a strong workforce pipeline and management tenure. We invest in talent development at all levels, ensuring a continuous supply of capable individuals. Our succession planning process identifies and nurtures high-potential candidates for future key positions. We value experienced leadership and support career growth. These practices contribute to our sustainable business practices and success in a dynamic industry.



SOCIAL VALUE FOR EMPLOYEES AND COMMUNITIES

Training and development

The goal of Tinkoff Group is to manage the growth, development, and career progression of its employees through comprehensive, quality, and systematic talent management. Our focus is on effectively managing employee growth and development by identifying their strengths and areas of improvement, providing them with targeted coaching and training, monitoring their progress, and creating opportunities for their career advancement. We are committed to delivering innovative HR practices that enable our people to reach their full potential, contribute to the company's success, and thrive in their roles.

102 average training hours per employee in 2022

Our internal training and development platform, Tinkoff Upgrade, specializes in assessing competencies and potential, developing soft and hard skills, professional training, performance management, and career advancements.

Key focus areas per employee category are

Operations	Management	HQ
- Systematic competency assessment through job profiles - Assessment conferences for BigOps leaders - Profiling for line employees	- Assessment and segmentation of managers for effective development - Pipeline for middle managers	- Tinkoff Growth program for IT professions with transparent career growth criteria - Competency matrices - Automated promotion application process

Throughout the year, we have observed several key drivers behind our talent and development activities, which include:

- Company growth, which has necessitated the need for us to sustainably and effectively manage the growth and development of our workforce.
- An increase in internal recruitment and promotion, which we believe is a testament to our commitment to actively cultivate the potential of our internal talent pool.
- Objective skills assessment for both employees and managers, which helps us to identify areas of strength and opportunities for growth, ultimately supporting employees' career progression.
- Focused employee development plans, which create targeted opportunities for skill building and growth aligned with business objectives.
- A uniform evaluation procedure across departments, so that every employee within the Group has equal access to opportunities for development and holistic evaluation of their performance.

A 360-degree survey is conducted annually, and it is mandatory for all HQ employees and heads of operating units. It includes evaluating executives as part of their performance review. Executives assess the achievement of results and also evaluate their managerial competencies using the 360° method.

Health and safety trainings

The Group collaborates with business units, HR, and Health & Safety departments to develop action plans, review health documentation, evaluate progress in health risk prevention, conduct internal inspections, receive external verification of HSE standards, and integrate H&S goals into management's performance appraisal. Compliant with labor laws, Tinkoff has a comprehensive labor protection management system, including working conditions assessment, medical evaluations, and appointed safety officers. All employees receive occupational safety training covering legal obligations, safety procedures, and hazardous factors, with a specific focus on managers.

Team well-being

Tinkoff places high importance on employee well-being and provides employees with various facilities and services to support their well-being, such as free cafeteria, fruits, coffee points, and other amenities in the offices, health insurance including vaccinations, trauma care, and critical illness coverage, free fitness club, sessions with psychologists, team coaching and facilitations, as well as services for tax, financial,

and legal advice. There are also financial literacy programs, sports communities, life and career coaching, professional literature and subscriptions, and job-related training with mentoring and tuition reimbursement opportunities for MBA programs. Volunteering and social activities are available through the Tinkoff Cares program. Tinkoff regularly assesses the user experience and feedback from employees to improve the efficiency and usefulness of its programs.

We use advanced internal artificial-intelligence-based solutions to monitor employee emotions and well-being proactively. This helps to prevent burnout and provides timely psychological support to employees who need it.

Finally, Tinkoff has adapted to the increased demand for remote work and flexible hours, and work schedules are indicated in employee contracts. Additionally, employees can relocate from one location to another and work from any of Tinkoff's over 20 Regional Technological Centers.

Remuneration

Tinkoff's performance compensation system is well-designed to provide fair and clear assessments for its employees, with a strong focus on "pay for performance."

The Group offers three types of compensation to its employees-salary, cash bonus, and long-term incentives. This is supported by a well-defined performance review process that is conducted through an automated HR system. The 360-degree feedback method is used to collect feedback on employee performance, and the results are evaluated by the manager who then meets with the employee to give feedback. This feedback is recorded in the HR system in the form of a comment from the line manager and an assessment of the employee's performance, which is visible to each employee. The "pay for performance" approach is implemented based on the assessment, which affects the wage revision and bonus amount.

All Tinkoff employees have objectives and key results (OKR) or key performance indicators (KPI). In 2022 the assessment system included goals for 96% of employees, with the remaining goals recorded in other employee-friendly systems.

Tinkoff ensures fair evaluation of employees by calibrating executive assessments in three levels-functional, cross-functional, and executive. The equity component provided to top management depends on their influence on the organization and their potential. Cash bonuses are paid based on the achievement of preset KPIs.

Corporate Culture

At Tinkoff Group, customer satisfaction is our top priority. We achieve this by anticipating their needs and providing pioneering products. Our culture promotes experimentation, open communication, and autonomy, fostering teamwork.

We embrace a culture that values mistakes as learning opportunities and encourages idea sharing and rapid testing. Striving for excellence, we celebrate collective successes and take responsibility for our actions.

Additionally, we are committed to sustainability, exceeding expectations, and inspiring others to join us in our pursuit of excellence. Through prioritizing customer satisfaction, fostering innovation, promoting collaboration, and continuously improving, we aim to set new standards and create a positive impact for our customers and communities.

Human rights

Management is steadfast in its commitment to safeguarding human rights. The Group's guiding principles and methodologies pertaining to human rights protection are encapsulated in our Human Rights Policy. 🌍

In a bid to promote transparency, foster open dialogue, and facilitate the efficient resolution of potential ethical concerns, we have instituted an anonymous hotline, available to both our employees and external stakeholders. Moreover, this dedicated channel can be employed to report instances of unethical conduct, corruption, infringements of antitrust legislation, conflicts of interest.

Throughout 2022, the hotline has not registered any incidents relating to human rights violations.

SOCIAL VALUE FOR EMPLOYEES AND COMMUNITIES

Diversity

Tinkoff values equal opportunity and treatment for all employees regardless of sex, race, religion or belief, age, disability, or sexual orientation. Recruitment, training, and promotions are merit-based, and employee involvement ensures fair application. This approach applies company-wide through our Corporate Code of Conduct, Human Rights Policy, and employment contracts. Employees can report issues anonymously via online platform, to HR business partner or to their manager directly for prompt evaluation. We also regularly conduct surveys to address employee concerns.

Tinkoff received the platinum status in Forbes's 2022 HR ranking, which is a recognition of our commitment to our employees and society. We also ranked seventh in the 2022 RBC survey. These achievements reflect Tinkoff's values and efforts to create a fair and inclusive workplace that empowers employees to thrive and contribute to the community.

Community investments and support

The Group is committed to fostering the growth of the non-profit sector and championing private initiatives in various regions. Our objective is to nurture a culture of giving and community engagement by supporting those who lend a helping hand to others.

Our focus lies heavily on enhancing the infrastructure for donations and seamlessly integrating fundraising solutions into our mobile app. By the close of 2022, our customers had the flexibility to choose from over 600 funds, customising their donations while also participating in marketing initiatives designed to uplift the country's non-profit sector.

In 2022, the Group and its customers provided assistance worth over **1.6 billion rubles** (approximately \$22.7 million).

We're continuously exploring innovative formats to simplify the donation process and make charitable giving more accessible for businesses and customers alike. By thinking outside the box and forging strong community ties, we pave the way for a brighter, more sustainable future.

How communities can benefit from collaboration with the Group

- Direct fundraising: Customers can easily support NGOs through our mobile apps and internet banking platforms, enabling regular donations.
- Special projects: Initiatives incorporating charitable contributions to maximize impact.
- Direct donations: Offered in various formats, such as:
 - Participating in annual grant competitions.
 - In-kind donations, including equipment, furniture, and other items.
 - Hosting events promoting charitable giving, such as redirecting funds earmarked for corporate gifts towards philanthropy.
 - Engaging NGO services as experts or project partners.

Approach to community's engagement

Our collaboration with the non-profit sector primarily hinges on maximizing business value and driving social impact by adhering to the following guiding principles for joint projects:

- **Business relevance:** We rally behind causes that dovetail with our core business operations, stakeholder interests, and innate strengths, ultimately promoting the well-being of both society and the company.
- **Root causes:** We give precedence to tackling the fundamental social and environmental problems by sifting through assorted information sources to bring about a significant shift in outcomes.
- **Measurable impact:** We champion trailblazing leaders who pursue change with scalable, flexible solutions, addressing a broad range of social issues.
- **Technology and innovation:** We embrace leading-edge solutions as a means to tackle social and environmental challenges.
- **Collaboration:** We forge alliances with non-profit organisations, educational institutions, and other organisations, staying receptive to feedback to bolster our effectiveness.

- **Expert guidance:** We enlist external expertise as needed, sharpening our methods and solutions.
- **Transparency:** We willingly disclose successful practices and promote an atmosphere of candour in our operations.
- **Continuous impact evaluation:** We scrutinise our performance in terms of commercial, social, and environmental impacts.
- **Ethics and responsibility:** We distance ourselves from projects or teams connected to human rights abuses, emotional and physical assault, money laundering

The Group's social and philanthropic efforts embrace three formats, blending aspects of community involvement and business collaboration to achieve clear, result-oriented outcomes. Each of these approaches is carefully crafted for maximum success:

1. Social investments: This approach encompasses long-term initiatives designed to address critical social and environmental challenges. These projects are typically undertaken in partnership with non-profit organizations, academic institutions, and scientific communities, fostering a spirit of collective action for the greater good.

2. Charitable contributions: This multifaceted strategy involves offering a broad range of support to non-profit organizations, including financial, in-kind, professional, and administrative assistance. Charitable donations take various forms:

- Monetary donations: Direct funding, grants, and matching initiatives involving customers and employees.
- Time donations: Employee volunteering during business hours, harnessing our workforce's expertise and dedication.
- Material donations: The provision of resources such as IT equipment, office supplies, and promotional spaces.
- Administrative support: In-house developmental efforts, expert consultations, and advocacy for various projects.

3. The Group also actively engages in **business initiatives and products** aimed at improving social well-being. By partnering with charities and community-based organizations, we take advantage of synergies between our corporate and brand identities to foster positive change. Our focus areas include:

- Ecosystem services and products that streamline donations from individuals and corporate entities.
- Cause-related marketing and initiatives.
- Support for universities, research providers, and non-profit organizations connected to our business, addressing pressing social, educational, and humanitarian challenges.

Through these targeted efforts, the Group demonstrates its commitment to making a tangible difference in our communities while promoting collaboration, innovation, and civic responsibility. This bolsters the Group's efficiency and sustainability.

Tinkoff Education

Educational initiatives have reached over 30,000 individuals and include programs for children, students, and aspiring professionals. With Tinkoff Education's programs, we're constantly working to improve STEM education and competences in the **Tinkoff Generation** offers free courses and events for schoolchildren, while also providing preparation for Olympiads in mathematics, informatics, and data analysis.

Tinkoff Academy includes various educational projects at the universities, such as specialized courses, departments dedicated to analytics and development, scholarship, and hands-on project labs.

Tinkoff Start offers paid IT internships where interns work on real-world business issues during the summer. In 2022, the number of applicants doubled. We'd seen a 38.9% increase in interns, and about 74% of them secured full-time positions within the company.

CONTINUED

SOCIAL VALUE FOR EMPLOYEES AND COMMUNITIES

Cashback for charity

The "Cashback for Charity" program enables Tinkoff customers to regularly donate their cashback rewards to charitable foundations. The primary goal of this feature is to offer a convenient and straightforward tool for those who wish to support others by making regular contributions to trustworthy charitable organizations.

In 2022, the Cashback for Charity feature facilitated donations of nearly RUB 77 million (about \$1.1 million) to non-profit organizations. This remarkable achievement underscores the program's effectiveness in connecting community-minded individuals with causes they are passionate about, fostering positive change and lasting impact.

Pass the Ball

The Pass the Ball initiative is a grant competition aimed at proactive individuals dedicated to promoting public projects that enhance the well-being of their local neighborhoods, communities, and districts. The program's objective is to bring residents together through mutual interests, fostering enhanced communication, and driving engagement within the community.

What we achieved in 2022

530+ applications received (**2.7 times** higher than expected)

10 successful winners

56 million people reached across the communities

Spanning **9 regions** of Russia, with **5 projects** implemented in urban areas and **5** in rural locations

Organizational support for NGOs

The "Support will Come" initiative is an annual grant competition for non-commercial organizations. This project is dedicated to improving organizational non-profit processes and enhancing resilience within the non-profit sector, including enhancing IT infrastructure and resources, optimizing business processes, investing in employee training and development, fostering fundraising capabilities.

Direct and indirect impact of "Support will Come"

368 applications received from various foundations and NGOs, with **21** grants awarded

32 million rubles raised during **40** fundraising events in the course of project implementation

16 million rubles gained by organizations through private donations

10 websites developed and updated, showcasing participants programs and initiatives

6 organizations set up new databases to efficiently track beneficiaries, donors, and partners

3 NGOs embraced software solutions to streamline their internal procedures and operations

12,000 new donors attracted, bolstering the winning organizations' support network

Each ruble invested in NGO development through grants **yielded a sixfold return in external funding**, emphasizing the power of giving

Close to the Heart

Within the framework of the "Close to the Heart" project, any Tinkoff client could receive a personalized selection of charitable funds that may be of interest to them. Tinkoff's aim was to draw attention to small regional funds that often go unnoticed due to the activities of more prominent organizations.

The "Close to the Heart" project's software is entirely built upon an AI technology that anonymously analyzes more than 105 million user data records, including birthdate, name, purchases, transaction regions, and travel information. Based on this data, the algorithm suggests three verified charitable funds tailored to the user's personal interests and lifestyle.

What we achieved by the end of the year

Over **500,000** participants

16 million RUB in donations

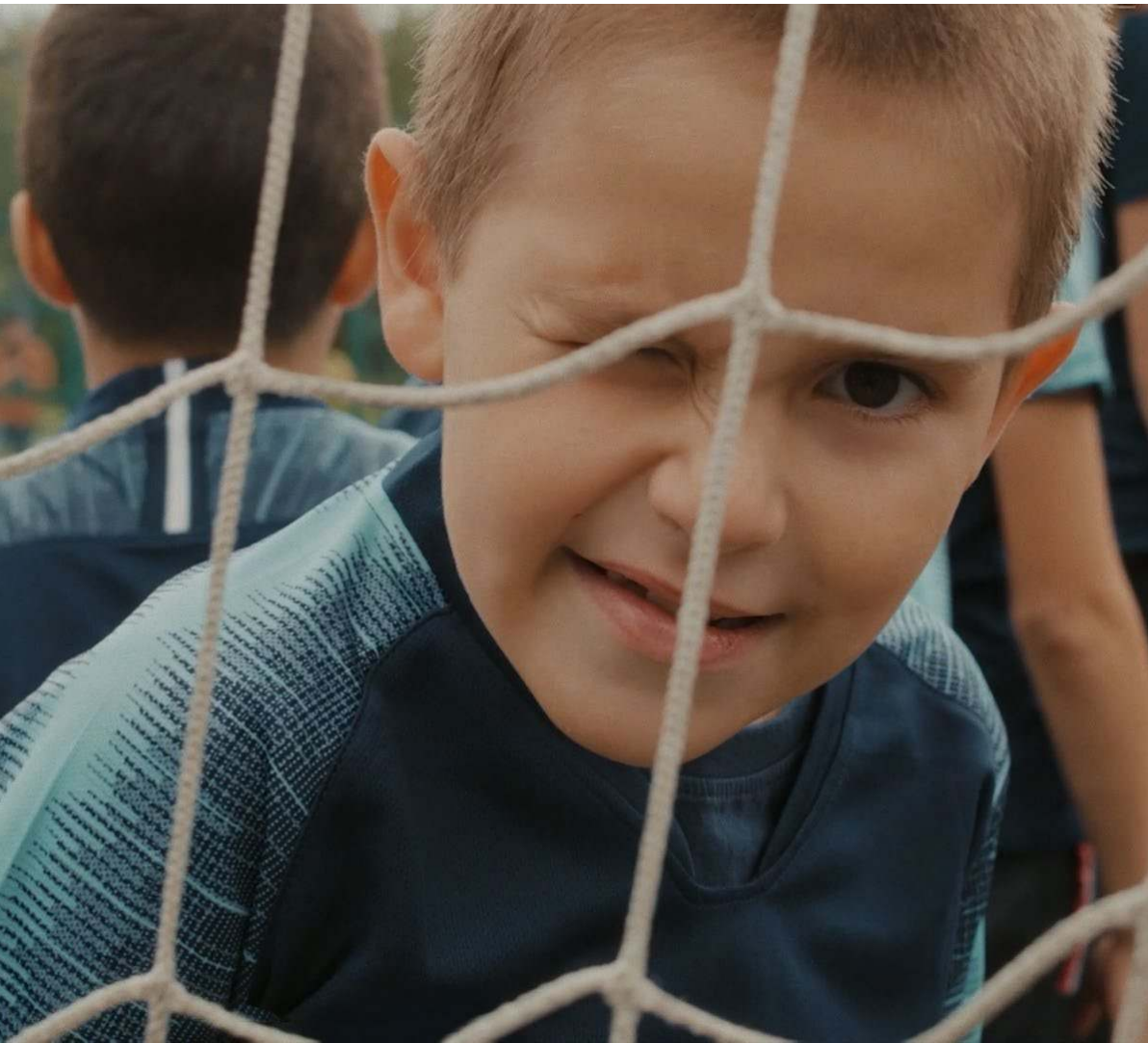
27% of donations became recurring payments

10 million people reached overall

The "About the Important" Programme

Since 2021, the Tinkoff Magazine has implemented the charity support programme called "About the Important". We select socially significant topics and publish stories about those who need assistance and those who provide it. As part of the programme, we have published stories centred around the work of trusted foundations, the lives of their beneficiaries and significant social projects in the country, with the ultimate aim of attracting as many supporters and funds as possible to the nation's social causes.

During the year, we published 66 articles supporting charitable foundations, which garnered 434,000 views and elicited 1,900 positive user comments.



ENVIRONMENTAL PERFORMANCE

Tinkoff Group Environmental Position

CARE ABOUT THE ENVIRONMENT

- We optimize resource use, promote an eco-friendly lifestyle, and consider climate change risks

Tinkoff Group, an online-only financial institution, prioritizes addressing climate change and integrating sustainability into our business practices. We also abide by the precautionary principle, taking proactive measures to minimize potential environmental impacts and ensuring responsible decision-making in the face of uncertain or emerging risks.

As of December 31, 2022, we considered the RCP8.5 IPCC AR5 scenario as the current and most likely scenario for mid-term (until 2040) physical climate change. We also plan to conduct climate stress testing to evaluate the mid- and long-term impact on our financial portfolio.

Tinkoff Group follows the Partnership for Carbon Accounting Financials (PCAF) and the Task Force on Climate-related Financial Disclosures (TCFD). We employ the GHG Protocol methodology to analyze emissions.

Tinkoff Group is committed to environmental conservation and climate action, contributing to sustainable business practices and a healthier planet.

Governance

Board’s oversight of climate-related risks and opportunities

The Group’s Board is supported by two committees that are accountable for overseeing various climate-related matters and the corresponding group actions: the Risk and Emerging Risk (Sustainability) and the Strategy Committees. These committees play integral roles in guiding and executing the organization’s climate-focused initiatives.

- The Risk and Emerging Risk (Sustainability) Committee assists the Board in identifying, prioritizing, and implementing the Group’s strategic activities pertaining to Climate Risks and Opportunities, Decarbonization, Sustainable Finance, development of Social and Human capital, and Sustainability Governance (ESG).
- The Strategy Committee assists the Board in evaluating strategic development plans, major financing, and investment proposals. Its primary role lies in overseeing the development of the Group’s Climate Strategy.

Additionally, the Audit Committee is involved into the Climate Governance as it ensures the Group’s non-financial statements are prepared in accordance with the relevant sustainability and climate change accounting and reporting standards and guidelines, such as the Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI), Partnership for Carbon Accounting Financials (PCAF), and Task Force on Climate-related Financial Disclosures (TCFD).

These committees collectively contribute to the Group’s comprehensive approach to climate-related issues and governance, supporting the Board in fulfilling its responsibilities effectively and ensuring the organization’s commitment to sustainability and climate action.

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

The Group management oversees the Climate Strategy by guiding relevant initiatives and allocating the required resources, thus contributing to its strategic vision. The following table summarizes the roles and extent of involvement of various management layers in these processes.

Supporting our customers

In order to achieve our climate ambitions, we are actively aligning our business model by transforming core front and back-office processes, and integrating climate criteria into TCS’ internal targets and compliance system.

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 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

To effectively complete our SBTi plans and fulfill our Net Zero commitments, TCS Group has established an internal transformation team dedicated to supporting the implementation of relevant initiatives and driving necessary developments. This team, led by the Head of Sustainability, consists of process owners from various business units including Risk Management, Treasury, Marketing, Public Affairs, Technology, Legal, and Finance. The purpose of this group is to collaborate in constructing and advancing TCS Group’s position and roadmap towards achieving Net Zero status in practical terms. Additionally, the team aims to implement the recommendations provided by the Task Force on Climate-related Financial Disclosures (TCFD), facilitate informed decision-making regarding our methodology, and ensure seamless information flow across different business units.

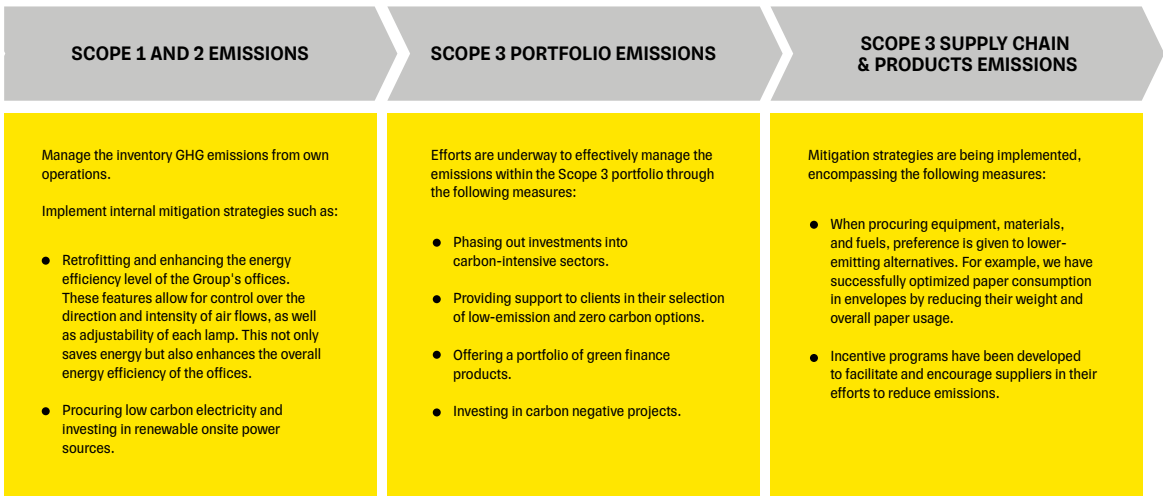
ENVIRONMENTAL PERFORMANCE

Strategy

Priorities and targets

Addressing Climate change constitutes one of the fundamental components of TCS Group's sustainability strategy, embedded within pivotal business practices, policies, processes, and initiatives aimed at securing the Group's enduring sustainability. Since 2021 the Group has formally endorsed the United Nations Principles for Responsible Banking, joined the Science-Based Targets Initiative (SBTi). Given the considerable level of uncertainty pervading the financial market this year, the Group meticulously assesses its plans and adapts them to ensure success in reaching the SBTi targets.

The Group aims to implement the following approach in order to attain its Climate targets:



Climate-related risks

The Group conducts assessments of both **physical** and **transitional** climate risks. This procedure entails evaluating the country and sector-specific context in terms of their likelihood and impacts. The existing methodology used to assess the climate risks within the organization is being revised and enhanced, aligning with a more comprehensive understanding of the industry's factors influencing climate risks and information concerning their consequences and outcomes.

Physical risks

The primary exposure arising from physical risks concerning the TCS Group's key business areas could be summarized as follows:

- **Collateral arrangements:** There is an elevated likelihood of defaults in the event of acute climate-related incidents, which in turn affects the value of the collateral.
- **Insurance** (Property, Health, Car insurance): The probability of insurance payouts is increasing, necessitating the adjustment of premiums. Ultimately, this may render certain insurance segments unaffordable for customers or unviable for the Group.
- **Investments in securities** (national and subnational sovereign bonds, corporate bonds): Changes in the Net Asset Value

of these investments are anticipated due to sectoral and regional impacts as well as adaptation efforts.

The TCS Group draws attention to the potential indicators of physical risk that hold significant relevance to the major regions of presence and investing, namely:

- Flooding incidents;
- Extreme temperature variations;
- Restricted availability of water resources;
- Drought conditions and fire hazards;
- Wind loads and occurrences of severe storms;
- Permafrost melting;
- Diminishing biodiversity;
- Escalation in sea level and groundwater levels.

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							
Russia – Northern part of Eastern Siberia and Yakutia							
Russia – Chukotka and the north of Kamchatka							
Russia – Center of the European Part							
Russia – Center and south of Western Siberia							
Russia – Center and south of Eastern Siberia							
Russia – Far East							
Russia – Altai and Sayans							
Russia – South of the European Part							

(common heatmap legend, may be placed once or copied in the report for every heatmap)

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

We consider **RCP8.5 IPCC AR5 scenario** as the current and most likely for the mid-term (till 2030 and further till 2040) physical climate change.

In the short term, we anticipate negligible climate physical risks resulting from the concentration of population and our customer base in regions with lower to moderate acute physical risks. However, we should take into account climate risk in mortgage valuation for certain regions that are more susceptible to physical risk damage to residential property.

Regarding our holdings, we do not expect significant effects on the value or liquidity of our portfolio due to physical climate risks in the short term, given the quality of our assets. However, we will consider these risk factors for medium-term investment decisions and portfolio diversification.

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.

ENVIRONMENTAL PERFORMANCE

We consider the **RCP8.5 IPPC AR5 scenario**⁴ as the prevailing and most probable physical climate change scenario for the foreseeable future, specifically until 2030 and potentially extending to 2040.

Taking into account the geographical locations and operational structure of our business, we do not anticipate significant short- and mid-term physical risks.

We have conducted a thorough assessment of the potential impact of physical risks on our portfolio. Considering the concentration of our customer base in regions with lower to moderate acute physical risks, we anticipate minimal climate-related physical risks in the short term. Similarly, for our other business activities, such as mortgage valuation in vulnerable regions, we will take into account climate risk factors to address potential physical damage to residential properties.

Furthermore, we do not foresee significant effects on the value or liquidity of our short-term portfolio holdings, which include sovereign and corporate bonds, due to physical climate risks. This can be attributed to the high quality of these investments. As a result, we consider the short-term physical climate risks for our portfolio to be low.

Nevertheless, we may assess these risk factors in the medium term for further investment decisions 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 financial products	Low	N/A	N/A
Insurance	Low	N/A	N/A
Securities	Low	N/A	N/A

Transitional risks

The TCS Group's business model has a strong focus on the financial services sector. It is important to note that these segments will not directly encounter climate transition risks, except for potential macroeconomic implications on household disposable income. Such implications would mirror the economy's ability to adapt to transition scenarios and decarbonization. Currently, the Group perceives these segments as adequately resilient to short-term transitional risks. Moreover, they present opportunities for the Group to offer climate-conscious solutions to its customers.

However, the Group's **investments in securities**, including national and sub-national sovereign and corporate bonds, will be subject to impact based on their relevant sectoral and regional exposure to transition climate risks.

Within the broad context of the evolving national and international climate-related regulatory landscape, the TCS Group has identified the following key areas of impact for careful monitoring and assessment, aligning with the major categories outlined by the

TCFD Category Policy and Legal Risks

- **Carbon pricing mechanisms:** Potential fiscal and regulatory measures such as cap-and-trade systems, carbon taxes, border adjustments, or hybrid schemes at the national and international level that aim to incentivize sectoral decarbonization efforts.
- **Escalating costs for procured resources and materials,** caused by carbon-related regulations, policies, or shifts in the market that influence their availability and prices.
- **Potential fines and litigation:** Primarily affecting entities subject to climate regulations due to inadequate reporting or non-compliance with other regulatory procedures.

TCFD Category Technology Risk

- **Additional capital expenditure (CAPEX) requirements:** To facilitate decarbonization efforts and adhere to sectoral standards or prescribed decarbonization pathways, necessitating investments in advanced techniques and technologies.

TCFD Category Market Risk

- **Changes in sectoral/product demand:** Shifting consumer preferences towards low-carbon or carbon-neutral alternatives, substituting demand and altering market expectations for products with reduced direct or indirect carbon footprints.

TCFD Category Reputation Risk

- **Strengthening stakeholder expectations and regulations:** Encountering stricter requirements from stakeholders concerning the establishment of climate-related targets, the implementation of climate strategies and policies, and ensuring access to affordable finance, premiums, or regulated markets.

In general, we regard the **RCP2.6 IPPC AR5 scenario**² as an ambitious framework for assessing transitional climate risks in the medium and long term. Currently, our focus lies on short-term (2030) transitional risks applicable to key sectors of the Russian economy and national and subnational budgets, under this **ambitious yet feasible scenario**.

Under this scenario, we take into account the following climate transition risk factors in the short term:

- **Carbon price:** Implementation of the EU Carbon border adjustment mechanism (CBAM) impacts Russian exports, primarily in the steel and fertilizer sectors. The costs

associated with CBAM may be partially borne by EU consumers. Additionally, Russia introduces national carbon emissions regulations in the form of a cap-and-trade system, gradually increasing carbon prices that still remain considerably lower than those in the EU.

- **Escalating costs for purchased resources and materials:** Decarbonization efforts and carbon pricing primarily affect the energy, chemicals, and metals sectors, leading to increased expenses.

- **Fines and litigation** on a national level remain insignificant.

- **Additional investments (CAPEX) for decarbonization and the adoption of best available techniques** are rising, particularly in the oil and gas, bulk inorganic chemicals/fertilizer, and metals sectors. These investments contribute to enhanced value and long-term viability for the companies involved.

- **Shifts in sectoral and product demand:** The demand for oil exports decreases, while the demand for coal experiences a short-term shift towards Asia, where it stabilizes, particularly for metallurgical coal.

- **Strengthening of stakeholder requirements and regulations:** There is a general preference for low-carbon sectors and decarbonization financing, which aids carbon-intensive industries in funding their transition.

Overall, our evaluation focuses on the aforementioned short-term transitional risks and their implications within the described scenario.

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 financial products	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.

CONTINUED

ENVIRONMENTAL PERFORMANCE

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 customers	Specialized products and programs, aimed at supporting the preferences of environmentally conscious consumers. This includes offering special rates, cashback incentives, and grace periods.
	Green Mortgages targeting residential buildings with higher energy performance indexes.
	Financing solutions for electric vehicles (EVs) and other green mobility options, facilitating low carbon individual transport.
Low carbon finance for SMEs	Dedicated business products designed to support decarbonization efforts and climate resilience improvements of small and medium-sized enterprises (SMEs).
Treasury and portfolio management	Investment in low carbon businesses to align our portfolio with sustainability objectives.
	Investment in carbon-negative projects to offset residual emissions from both our customers and investees, ensuring environmental sustainability within our portfolio.

At this point **TCS Group** determines relevant areas to identify the potential share of market, demand and synergy with existing service and product offerings for our customers. We also track on national regulatory context to find and support opportunities to structure and provide low carbon financing for our customers.

These opportunities apply to the **operations** of TCS Group and lead to emissions reduction and productivity improvement:

- **Energy efficiency improvement and provision of low carbon energy** for data centers and offices. That in addition to the effect from decarbonization will raise cost-efficiency in mid-term as well as in long-term;
- **Continuation on developing of our digital workforce** initiatives to reduce transport related emissions and raise personnel productivity;
- **Reuse and recycling of plastic, envelopes and other materials** used for our products and client's merch. That will reduce indirect emissions of the supply chain and support our marketing activities to strengthen our position of a responsible brand.

Approach to perform climate stress-testing

We plan to perform a **climate stress testing** to evaluate the mid-term and long-term impact of climate risks for our financial portfolio. These procedures will include an assessment of respective transition and physical risks that can affect the active behaviour of our customers and the value of investments, as a result the financial performance of the Group.

Stress testing is expected to be based of the following scenarios developed by the Intergovernmental Panel on Climate Change:

- **RCP2.6 IPCC AR5 scenario³** – Scenario of Carbon regulation strengthening (significant impact of transition risks);
- **RCP8.5 IPCC AR5 scenario⁴** – 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 our business policies.

Integration of the Climate Change into the Risk Management practices

In 2022, we launched an initiative on integrating Climate-related issues into the Group's broader risk management framework.

Climate risk management procedures become part of the TCS risk management system and are considered based on the types of risks identified by the Group:

- Credit risk,
- Market risk,
- Operational risk,
- Interest rate risk,
- Liquidity risk,
- Strategic and reputational risk,
- Regulatory risk,
- Country risk and
- Concentration risk.

The main goal of our Net Zero transformation team is to build climate risk management capabilities and integrate climate risk into existing governance, risk management and controls processes.

The team focuses on risk identification, risk assessment, scenario analysis and stress testing, data and analytics, climate risk management and advocacy. The team is supported by banking experts who provide information on integrating climate-related risks into risk management processes such as identification, assessment (eg scenario analysis, stress testing), risk mitigation and monitoring.

The focus is on the assessment, collection and analysis of climate data elements such as GHG emissions, assessing customers and TCS's exposure to Climate-related risks, and Climate Change mitigation and adaptation plans for the assets in which we invest.

³ As macroeconomic forecast data become available for mid-term and longer term, the Group may choose more recent SSP2-2.6 IPCC 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 IPCC AR6 scenarios.

CONTINUED

ENVIRONMENTAL PERFORMANCE

Metrics and targets

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

We reviewed our commitment to achieving Net Zero and set medium-term goals for SBTi, and now working on pathfinding and integrating relevant aspects of climate change into internal business processes and various operational levels. Thus, the current metrics and targets for the transition period can be summarized as follows.

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 2024
Climate Risks Scenario Analysis	Integration of the Climate Scenario analysis into the stress tests made by TCS	By the end of 2024
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 2024
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 2024
Low carbon electricity for own operations	Supplying 100% of electricity from low carbon energy sources	By 2030
Integration of the climate aspects into the Group's business processes	Integration of Climate Change aspects into all key and corporate processes	By the end of 2024

Greenhouse gas emissions intensity	Scope 1-2	Scope 1-3
per revenue, t of CO2e / USD 1MM	3,01	2 499,99
per customer, t of CO2e / thousand customers	0,48	396,37
per employee, t of CO2e	0,21	172,42

TCS Group GHG emissions for 2019-2022, ton of CO2e

Indicator	Units	2019	2020	2021	2022
Total GHG Emissions (Scope 1 + Scope 2)	t of CO2e	12 645	12 961	9 038	13 783
Total GHG Emissions (Scope 1 + Scope 2 + Scope 3)	t of CO2e	1 161 958	1 974 583	5 754 060	11 454 970
Direct GHG emissions (Scope 1)	t of CO2e	466	446	353	430
Refrigerants	t of CO2e	352	356	268	331
Mobile fuel combustion	t of CO2e	108	87	83	90
Stationary fuel combustion	t of CO2e	6	4	2	8
Indirect energy-related GHG emissions (Scope 2)	t of CO2e	12 179	12 515	8 685	13 353
Electricity supply from grid	t of CO2e	7 879	7 876	5 928	9 762
Central heating	t of CO2e	4 300	4 639	2 757	3 591
Other indirect GHG emissions (Scope 3)	t of CO2e	1 149 313	1 961 622	5 745 022	11 441 186
Category 1: Purchased Goods and Services & Category 2: Capital Goods	t of CO2e	40 058	36 502	26 308	67 967
Category 3: Fuel- and Energy-Related Activities	t of CO2e	2 214	2 238	2 554	1 721
Category 4: Upstream Transportation and Distribution	t of CO2e	20	57	144	395
Category 5: Waste Generated in Operations	t of CO2e	25	22	15	11
Category 6: Business Travel	t of CO2e	2 113	271	4 321	8 603
Category 7: Employee Commuting	t of CO2e	3 366	2 024	3 066	5 308
Energy consumed by the laptops of remotely working employees	t of CO2e	1 231	1 400	2 442	3 222
Category 8: Upstream Leased Assets	t of CO2e	4 572	5 703	4 216	9 549
Electricity supply from grid for ATMs	t of CO2e	1 272	2 076	4 030	8 637
Category 9: Downstream Transportation and Distribution	t of CO2e	7 891	9 832	21 221	31 535
Category 10: Processing of Sold Products	t of CO2e	-	-	-	-
Category 11: Use of Sold Products	t of CO2e	-	-	-	-
Category 12: End-of-Life Treatment of Sold Products	t of CO2e	473	661	1 385	2 197
Category 13: Downstream Leased Assets	t of CO2e	89	106	-	-
Category 14: Franchises	t of CO2e	-	-	-	-
Category 15: Investments	t of CO2e	1 088 491	1 904 206	5 681 793	11 313 901
Listed equity and corporate bonds	t of CO2e	1 048 983	1 843 528	3 090 266	4 532 214
Motor vehicle loans	t of CO2e	39 508	60 677	217 244	255 032
Personal credit card transactions	t of CO2e	-	-	2 374 283	6 526 655

GOVERNANCE AND ETHICAL BEHAVIOUR

Corporate governance

Tinkoff Group's governance is underpinned by a robust business strategy, solid corporate governance, and stringent ethics and compliance mechanisms. Our corporate governance principles ensure transparent and accountable decision-making. We uphold high ethical standards and comply with regulatory norms

BEHAVE ETHICALLY

We adhere to the highest standards of business ethics, work with reliable partners and suppliers

Board of Directors

The company's business is managed by its board of directors, who have the authority to exercise all company powers that are not mandated by Cyprus Companies Law or the Articles of Association to be exercised by shareholders in a general meeting. This authority is subject to any provisions in the Articles of Association, Cyprus Companies Law, and any directions given by the general meeting through an ordinary resolution. Any prior act of the directors remains valid even if there is a subsequent alteration to the Articles of Association or a new direction from the company's general meeting.

Directors of the company are appointed by the shareholders' general meeting through an ordinary resolution. These appointments can either fill vacancies or add additional directors. However, no director can be appointed without being nominated by the board of directors, a committee authorized by the board, or a shareholder or group of shareholders who collectively hold or represent at least 5% of the voting shares in a general meeting.

The board of directors may appoint any person as a director to fill a vacancy or serve as an additional director. Such directors hold office only until the next annual general meeting and are not considered when determining which directors should retire by rotation. At every annual general meeting, one-third of the shall retire by rotation. Directors holding an executive office are exempt from retirement by rotation.

The board of directors and senior executives are crucial in shaping, approving, and updating the Group's purpose, values, mission statements, strategies, policies, and sustainability goals. They supervise due diligence and other processes to identify and manage impacts on the economy, environment, and society while actively engaging with stakeholders.

Additionally, the board of directors evaluates the effectiveness of sustainability-related processes. Through regular reviews, they ensure adherence to established standards, international guidelines, and a continuous commitment to sustainability.

Committees of the Board of Directors

The company has established four board committees: the Audit Committee, the Remuneration Committee, the Strategy Committee, and the Risk and Emerging Risk (Sustainability) Committee.

Shareholder Information

The company is required to hold an annual general meeting each year at a date and location determined by the directors. However, no more than 15 months should elapse between annual general meetings.

The board of directors or any director can convene general meetings. They will also convene extraordinary general meetings of the company upon the request of a shareholder or group of shareholders who, collectively, hold at least 5% of the total.

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.

Ethics and compliance

Our success is directly linked to the trust of our customers, which stems from our ability to deliver high-quality products and services in the right manner. 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 behavior.

Management approach to Compliance and Business Ethics

Our Compliance Department consolidates various functions from operating companies and bolstering resources to adhere to best practices. The Department consists of the Financial Monitoring Service (supervising anti-money laundering, control methodology, identification of public officials, reporting to regulators, and detecting illegal activities), Operational Compliance, Sanction and Counter-sanction Control, Compliance Risk Monitoring, Foreign Account Control and Sanction Compliance, and Methodology (updating internal regulations, monitoring regulatory risk, anti-corruption, and conflict of interest policies).

Additionally, the Internal Audit Department is responsible for evaluating the effectiveness of risk management processes and ensuring the organization's compliance with laws and regulations.

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. 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 whistleblower hotline, which is also available to external partners and contractors.

Our Policy Approach

Tinkoff Group follows responsible business conduct through our ESG-related policies. We minimize our carbon footprint, prioritize employee welfare, fight corruption, and promote diversity. These policies shape our activities and are integrated throughout our operations. Our organization is committed to sustainable practices, fair employment, ethical conduct, and diverse representation. With this comprehensive approach, Tinkoff Group strives for a more sustainable, inclusive, and ethical business environment.

The Group also continuously reviews its policies, ensuring their relevance and alignment with best practices while accounting for practical experience. These policies are widely disseminated and supported by comprehensive training programs. In 2022, Tinkoff launched mandatory Code of Conduct training for all employees.

Code of conduct

The Group takes the utmost care in ensuring the integrity of its employees, stakeholders, and counterparties and is dedicated to eradicating any activities that could be considered illegal, unethical, or inappropriate within the Group.

A cornerstone of the Group is its Code of Conduct, which elucidates legal regulations and emphasizes Tinkoff's high standards across its operations. The Code assists every Tinkoff employee in:

- Choosing the right behavioural strategy,
- Making informed decisions in challenging situations, and
- Identifying actions that contravene our ethical principles.

The Code outlines rules of engagement, key principles, and public commitments made by the Group in relation to the following areas:

- Corruption and bribery
- Discrimination
- Confidentiality of information
- Conflicts of interest
- Antitrust/anticompetitive practices
- Money laundering and insider trading/dealing
- Environment, health, and safety
- Whistleblowing

Tinkoff fosters equal opportunities for employees and avoids discrimination based on gender, age, marital status, race, skin color, nationality, ethnicity, disability, religion, beliefs, pregnancy, or childcare responsibilities.

An essential part of the Code is the approach to handling relationships with customers, business partners, government representatives, and competitors. A dedicated hotline is available for both employees and external parties to report suspicions and

alleged violations, such as bribery, fraud, conflicts of interest, corporate ethics breaches, or infringements on personal rights and freedoms through **the whistleblower hotline**. On the rare occasions when alleged or actual improper conduct arises, management thoroughly investigates the matter and implements necessary changes to processes, organizational structure, and training to minimize the likelihood of recurrence. Management remains unyielding in its commitment to rooting out bad practices, violations of company policies, breaches of the law, and any threat to the public interest.

Overall, Tinkoff's proactive and forward-looking approach to addressing any potential issues bolsters its reputation as a responsible and conscientious corporate citizen.

Approach to money laundering and terrorist financing

Tinkoff Group's full compliance is crucial for maintaining customer trust and its reputation. To counter money laundering and terrorist financing, the Group developed internal policies, participates in expert groups, and established a specialized unit for coordinating preventive activities. Tinkoff performs customer identification, risk management, personnel training, and operation analysis, reporting to relevant authorities as needed.

Internal control checks are conducted by Tinkoff's Internal Control Service, while external control is provided by the CBR and auditors.

- Customer due diligence (CDD) involves formal policies and procedures for customer verification, beneficial owner identification, and ongoing due diligence.
- Non-face-to-face CDD includes certification of documents and independent contact with customers.
- Terrorist financing policies involve checking against relevant authority-issued lists.
- Politically exposed persons (PEP) procedures cover identification, review, and monitoring.
- Senior management approves PEP or high-risk customers.
- Record keeping is in place for all anti-money laundering and terrorism financing-related documents with a specified retention period.

The group cooperates with the FSMT to ensure legal compliance. Updated Internal Control Rules are followed to counter money laundering and financing of terrorism and weapons of mass destruction. As a FATF member, Russia follows the Anti-Money Laundering Law and the CBR's sector regulations, with Tinkoff's practices meeting these standards under CBR and FSMT supervision. All employees of the Group have to take mandatory training on the Group's policies and procedures 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.

GOVERNANCE AND ETHICAL BEHAVIOUR

Anti-corruption policy and initiatives

The Group and its subsidiaries prioritize strict anti-bribery and corruption measures. We enforce policies to eliminate such practices in all our operations. Employees must not accept, request or receive gifts, monetary or non-monetary benefits, or support from third parties directly or indirectly related to their duties. Extra care must be taken to prevent seeking or accepting assistance from potential or existing business partners of the Group.

Stakeholder engagement

Stakeholder engagement plays a pivotal role in ensuring our long-term sustainability. We are committed to meeting responsibilities while fostering relationships with customers, employees, communities, regulators, investors, and shareholders.

Through stakeholder consultation, the board addresses and manages economic, environmental, and social matters, as well as their impacts, risks, and opportunities. By recognizing the most relevant issues for diverse stakeholders, the Group can focus efforts and resources, guaranteeing the formulation of pertinent sustainability objectives and the successful execution of associated actions. Such prioritization fosters clear communication, allowing the entire organization to rally behind a unified sustainability agenda.

Our ESG reporting underscores subjects considered vital by stakeholders when evaluating environmental, social, and governance issues. Annually, we perform a materiality assessment to pinpoint the Group's most significant impact areas. Although not conducted in 2023 due to Tinkoff Bank's inclusion in the EU sanctions list, the material aspects identified below serve as the bedrock for our sustainability strategy and objectives, as well as for promoting further integration of sustainability principles within our business. Both the Board and management acknowledge the importance of constructive, reciprocal relationships between the Group and stakeholders for sustained success.

Our first priority focuses on key areas such as operational and financial performance, robust risk management, ensuring data privacy and security, maintaining cybersecurity measures, upholding business ethics, promoting responsible financing and financial well-being, and enhancing human capital development.

In the second priority tier, we aim to address climate change, support financial inclusion, actively engage with communities, and enforce responsible sourcing practices across our supply chain.

Finally, our third priority emphasizes the importance of measuring and assessing social and environmental impacts, refining our corporate governance structure, and pursuing resource efficiency across the organization.

Responsible sourcing

Tinkoff prioritizes responsible sourcing by mainly partnering with large suppliers who guarantee seamless delivery across all regions. Occasionally, the company engages local suppliers to meet certain expectations in terms of price, quality, commercial terms, reputation, and information security.

To maintain high standards, Tinkoff adheres to environmental legal requirements, verifies product certifications, and conducts quality assessments. The company diligently minimizes risks associated with unscrupulous suppliers by thoroughly vetting potential partners and avoiding prepaid transactions with unverified companies.

Although formal external audits of suppliers aren't conducted, Tinkoff implements an in-house compliance procedure that examines financial statements, legal information, public data, and product certifications. Ensuring an uninterrupted supply of goods and services is crucial for smooth business operations and fostering excellent employee and customer engagement.

Supplier selection follows an annual tender process incorporating multiple stages such as verifying statutory documents and market reviews. In certain fields where supplier options are limited, Tinkoff collaborates with major suppliers on the most commercially viable terms.

Due Diligence Processes

Tinkoff Group conducts thorough risk assessments and client verifications to understand our customers and partners better. We prioritize due diligence by evaluating potential business partners' principles, behavior, and alignment with human rights. This process ensures compliance with anti-money laundering regulations and mitigates reputational and financial risks. Our approach includes formal procedures for customer verification, identifying beneficial owners, and ongoing risk assessment. Through these measures, Tinkoff Group demonstrates its commitment to operational integrity and safety while delivering excellent service to our valued clients.

APPENDIX 1 –SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)

We have prepared our 2022 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 Group.

TOPIC	ACCOUNTING METRICS	SASB CODE	RESPONSE & REFERENCES
COMMERCIAL BANKS			
Data Security	(1) Number of data breaches (2) percentage involving personally identifiable information (PII) (3) number of account holders affected	FN-CB-230a.1.	In 2022 there were no significant cases of PII breaches
Data Security	Description of approach to identifying and addressing data security risks	FN-CB-230a.2.	Data Security
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	FN-CB-510a.1.	No material fines or other sanctions were imposed on the Group in 2022 for improper activities
Business Ethics	Description of whistleblower policies and procedures	FN-CB-510a.2.	Ethics and compliance
INTERNET MEDIA & SERVICES			
Environmental Footprint of Hardware Infrastructure	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	TC-IM-130a.1.	Environmental Performance – Metrics and targets Appendix 3 - Performance metrics and indicators
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	TC-IM-130a.2.	Tinkoff does not operate in regions with high or extremely high baseline water stress
Data Privacy, Advertising Standards & Freedom of Expression	Description of policies and practices relating to behavioural advertising and user privacy	TC-IM-220a.1.	Inclusive and accessible for all – Transparent information and fair advice

TOPIC	ACCOUNTING METRICS	SASB CODE	RESPONSE & REFERENCES
INTERNET MEDIA & SERVICES			
Data Security	(1) Number of data breaches (2) percentage involving personally identifiable information (PII) (3) number of account holders affected	TC-IM-230a.1.	In 2022 there were no significant cases of PII breaches
Data Security	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	TC-IM-230a.2.	Data Security
Employee Recruitment, Inclusion & Performance	Employee engagement as a percentage	TC-IM-330a.2.	Engagement rate is 67%
Employee Recruitment, Inclusion & Performance	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	TC-IM-330a.3.	Appendix 3 - Performance metrics and indicators
Intellectual Property Protection & Competitive-Behaviour	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	TC-IM-520a.1.	No material fines or other sanctions were imposed on the Group in 2022 for improper activities in social and economic areas

APPENDIX 2 – GRI CONTENT INDEX

DISCLOSURE	LOCATION	COMMENTS
2-1	Organizational details	TCS Group Holding PLC, a Public Limited Company, is the parent company of a group of companies. The scope of this report covers entities included in the consolidated financial statements of TCS Group Holding PLC for FY2022. The Group's business operations are primarily conducted in Russia, although 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 organization's sustainability reporting	This report covers legal entities that are controlled or significantly influenced by TCS Group Holding PLC in accordance with the IFRS approach.
2-3	Reporting period, frequency and contact point	TCS Group Holding plc has reported the information for the period January 1, 2022 to December 31, 2022 with reference to the GRI Standards. Email: administration@tcsgh.com.cy
2-4	Restatements of information	Due to the unstable geopolitical and economic situation, we have revised the previously set timelines for the implementation of our SBTi commitment.
2-5	External assurance	There was no external assurance of this report
2-6	Activities, value chain and other business relationships	TCS Group' Audited Consolidated IFRS Results for fiscal year 2022, and 2022 financial statements on a standalone basis. These reports provide a comprehensive overview of TCS Group Holding Plc's business model. They include information about its activities, value chain, and business relationships. Additionally, they provide access to a list of entities included in the reporting process A fuller description of TCS Group holding plc's activities can also be found in Annual Reports for prior years at tcsgh.com.cy
2-7	Employees	Social value for employees and communities Appendix 3
2-8	Workers who are not employees	Appendix 3
2-9	Governance structure and composition	Corporate Governance The governance structure of TCS Group Holding Plc, including its committees, is described in detail in the Consolidated Management Report in the financial statements. This report provides valuable insights into the roles and responsibilities of our Board and its committees, as well as an analysis of the main ESG risks and opportunities.
2-10	Nomination and selection of the highest governance body	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 governance body	The governance structure of TCS Group Holding Plc, including its Chair, is described in detail in the Consolidated Management Report in the financial statements. For further details: tcsgh.com.cy

DISCLOSURE	LOCATION	COMMENTS
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate governance
2-13	Delegation of responsibility for managing impacts	Corporate governance
2-14	Role of the highest governance body in sustainability reporting	Corporate governance The governance structure of TCS Group Holding Plc includes the Sustainability Committee within the Board of Directors. This committee is responsible for reviewing internal controls to enhance reporting integrity. The Chair of the Board reviews and approves reported information.
2-15	Conflicts of interest	Ethics and compliance
2-16	Communication of critical concerns	A message to our stakeholders Ethics and compliance
2-17	Collective knowledge of the highest 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	Approach to evaluation of the performance for the highest governance body and its committees is described in the TCS Group Holding Plc' Memorandum of Association and Articles of Association.
2-19	Remuneration policies	Social value for employees and communities Further information can also be found in the annual reports for prior years and audited consolidated financial statements
2-20	Process to determine remuneration	Social value for employees and communities Independent Remuneration committee oversees the process for determining remuneration
2-21	Annual total compensation ratio	The information on the remuneration is confidential
2-22	Statement on sustainable development strategy	Our strategy
2-23	Policy commitments	Ethics and compliance Tinkoff Group prioritizes responsible business conduct through our ESG-related policies, focusing on environment, social welfare, anti-corruption, and diversity. These principles underpin our operations, contributing to sustainability and ethical practices.
2-24	Embedding policy commitments	Ethics and compliance
2-25	Processes to remediate negative impacts	Ethics and compliance There are dedicated grievance mechanisms established to provide feedback.
2-26	Mechanisms for seeking advice and raising concerns	A message to our stakeholder Ethics and compliance
2-27	Compliance with laws and regulations	Ethics and compliance
2-28	Membership associations	UNEP Finance Initiative Science-Based Targets Initiative

DISCLOSURE	LOCATION	COMMENTS
2-29 Approach to stakeholder engagement	A message to our stakeholders	Channels of communication include customer service lines, social networks, chat bots, voice assistants, hotlines, smart couriers, employee engagement surveys, HR platforms, intranet, online and offline events, co-branded programs, investor updates and presentations, meetings with suppliers, monitoring procedures.
2-30 Collective bargaining agreements		There is no collective agreement
202-1 Ratios of standard entry level wage by gender compared to local minimum wage		Partially disclosed, Tinkoff ensures equal entry-level wages for both men and women within specific departments, promoting pay equity.
203-1 Infrastructure investments and services supported		Partially disclosed. The Group does not actively engage in infrastructure investments. Tinkoff Group's non-commercial investments prioritize public goods and services for communities. This includes educational initiatives, community investments, and long-term partnerships with NGOs, all with a steadfast dedication to enhancing social welfare.
204-1 Proportion of spending on local suppliers		Partially disclosed. Information on the topic can be found in the IFRS Consolidated Financial Statements 2022
205-3 Confirmed incidents of corruption and actions taken		In 2022 there were no confirmed incidents of corruption. Also, there were no public legal cases regarding corruption brought against the Group or its employees during the reporting period.
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 Group has been identified as a participant.
207-1 Approach to tax		Information on the topic can be found in the IFRS Consolidated Financial Statements 2022
207-2 Tax governance, control, and risk		Information on the topic can be found in the IFRS Consolidated Financial Statements 2022
207-3 Stakeholder engagement and management of concerns related to tax		There are dedicated grievance mechanisms established to provide feedback.
302-1 Energy consumption within the organisation	Appendix 3	
306-2 Management of significant waste-related impacts		Partially disclosed. Currently, Tinkoff relies on its landlords to manage the waste generated by its own activities, ensuring that waste disposal is carried out in accordance with contractual obligations.
401-1 New employee hires and employee turnover	Appendix 3	
403-1 Occupational health and safety management system	Social value for employees and communities	
403-3 Occupational health services	Social value for employees and communities	
403-5 Worker training on occupational health and safety	Social value for employees and communities	
403-6 Promotion of worker health	Social value for employees and communities	

DISCLOSURE	LOCATION	COMMENTS
404-1 Average hours of training per year per employee	Appendix 3	
404-2 Programs for upgrading employee skills and transition assistance programs	Social value for employees and communities	
404-3 Percentage of employees receiving regular performance and career development reviews	Social value for employees and communities	
405-1 Diversity of governance bodies and employees	Appendix 3	
405-2 Ratio of basic salary and remuneration of women to men		The ratio was between 92% to 100% depending on business unit.
406-1 Incidents of discrimination and corrective actions taken		In 2022 there were no reported incidents of employee discrimination at Tinkoff.
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.
414-1 New suppliers that were screened using social criteria		The Group employ a screening process for new suppliers based on social criteria. This includes factors such as labor practices, ethical business conduct, and reputation.
417-3 Incidents of non-compliance concerning marketing communications		There were no such incidents in 2022.
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Appendix 3	

APPENDIX 3 – PERFORMANCE METRICS AND INDICATORS

REPORTING PERIOD	2019	2020	2021	2022
The total number of employees and contractors				
Total	25 969	33 918	53 403	66 438
Head Office	3 927	5 304	8 355	11 791
Operations	22 042	28 614	45 048	54 647
By gender				
Male	13 171	16 572	27 566	31 805
Female	12 798	17 346	25 837	34 633
By age				
<30 y.o.	14 391	19 241	29 367	34 313
30-50 y.o.	10 626	13 649	22 644	30 744
>50 y.o.	952	1 028	1 392	1 381
Full-time employees				
Male	8 131	8 694	14 658	17 863
Female	5 897	6 993	15 202	19 240
Part-time employees				
Male	6	35	104	521
Female	1	14	61	773
Temporary employees and contractors				
Male	5 034	7 843	12 804	13 421
Female	6 900	10 339	10 574	14 620
Workforce with employment contracts (full-time and part-time employees)				
Number of employment contracts	14 035	15 736	30 025	38 397
Permanent contracts				
Male	8 131	8 694	14 658	18 219
Female	5 897	6 993	15 202	19 897
Temporary contracts				
Male	6	35	104	165
Female	1	14	61	116

REPORTING PERIOD	2019	2020	2021	2022
The average tenure within the workforce that holds employment contracts, years				
Average tenure within the Group	2,4	2,6	1,9	2,0
By gender				
Male	2,2	2,5	2,0	2,2
Female	2,6	2,6	1,7	1,8
By category				
Top management	8,0	8,4	8,1	8,7
Middle management	5,3	5,4	4,8	4,4
Specialists	2,3	2,4	1,6	1,7
Employees with disabilities				
Percentage within the workforce with employment contracts	0%	1%	2%	2%
Interns				
Accepted	N/A	187	428	706
Became a full time employee	N/A	90	222	523
Percentage within the workforce with employment contracts	N/A	0,6%	0,7%	1,4%
Total number of employees during reporting period who				
entitled to parental leave				
Male		2	7	459
Female	269	286	420	783
took parental leave				
Male	N/A	3	14	17
Female	N/A	346	468	1 403
returned to work				
Male	N/A	16	6	5
Female	N/A	112	156	197
employed for 12 months after thei return				
Male	N/A	1		2
Female	N/A	80	17	124

THE DIVERSITY WITHIN THE WORKFORCE THAT HOLDS EMPLOYMENT CONTRACTS

By gender	Top management	Middle management	Specialists	
Male	68%	56%	47%	
Female	32%	44%	53%	
By age				
<30 y.o.	4%	29%	60%	
30-50 y.o.	86%	71%	39%	
>50 y.o	11%	1%	1%	
REPORTING PERIOD				
	2019	2020	2021	2022
The total number of new and departed employees within the average annual headcount				
New hires	53%	46%	108%	55%
By gender				
Male	32,5%	24,2%	48,4%	54,0%
Female	20,5%	22,3%	59,3%	55,7%
By age				
<30 y.o.	45,0%	36,5%	77,0%	64,2%
30-50 y.o.	7,9%	9,8%	29,6%	42,9%
>50 y.o	0,2%	0,1%	1,0%	25,2%
By business units				
HQ	11,0%	12,5%	16,9%	45,7%
Operations	42,0%	34,0%	90,8%	58,3%
By category				
Top management	0,0%	0,0%	0,0%	0,0%
Middle management	0,3%	0,4%	2,0%	14,0%
Specialists	52,7%	46,1%	105,7%	59,1%
Departed employees	42%	35%	40%	34%
By gender				
Male	44,1%	35,7%	37,5%	37,9%
Female	39,9%	33,8%	42,4%	34,3%
By age				
<30 y.o.	47,6%	41,0%	46,7%	43,3%
30-50 y.o.	27,3%	21,9%	26,7%	26,3%
>50 y.o	13,8%	13,9%	34,1%	30,9%
By category				
Top management	0,0%	0,0%	0,0%	0,0%
Middle management	12,5%	12,6%	6,6%	11,7%
Specialists	43,2%	35,7%	43,1%	38,6%

NUMBER OF TRAINING HOURS	2019	2020	2021	2022
Average number of training hours	128	113	124	102
By gender				
Male	116	103	118	102
Female	140	122	129	101
By category				
Top management	1	0	11	7
Middle management	3	134	62	49
Specialists	143	92	32	92
Temporary employees and contractors	114	130	199	119

DATA SECURITY AND FRAUDALENT ACTIVITIES, # OF CARDS AFFECTED

Type	2018	2019	2020	2021	2022
Total number of fraud incidents	68 251	100 034	137 245	311 627	638 826
Account takeover fraud	16 979	38 294	65 674	96 191	116 899
Card-not-present fraud	29 605	32 471	44 774	122 314	192 117
Card lost & stolen fraud	7 387	12 301	10 707	1 961	38 886
Fraudster fraud	376	40	435	8 284	10 871
Counterfeit card fraud	436	595	196	152	97
Other fraud	101	733	7	7	19
Loss to the group as a result of fraudulent incidents	RUB 8.3m	RUB 8.6m	RUB 8.8m	RUB 29.5m	RUB 80.1m

Energy	Units	2019	2020	2021	2022
Total energy consumption	MWh	40 691	41 678	34 818	47 669
Electricity purchased for consumption	MWh	25 960	25 949	22 061	30 252
Heat purchased for consumption	MWh	14 168	15 285	12 328	16 926
Primary fossil fuel consumption	MWh	563	443	428	491
Diesel consumption by standby generators	l	2 500	1 600	1 000	3 200
Diesel consumption by transportation	l	19 218	18 403	17 379	21 136
Gasoline (petrol) consumption by transportation	l	24 925	16 817	17 195	16 544

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 FSM. 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.

INVESTOR INFORMATION

Detailed below are contacts and various addresses investors may find useful.

More up to date investor information, including the Group's current and historic share prices, corporate news, latest operational and financial results, presentations and other updates, is available on the TCS Group corporate websites.

More up to date information can be found at the TCS Group Holding corporate website at www.tcsgh.com.cy.

TCS Group Holding PLC
(registered number HE 107963)

Telephone: +357 2505 0668
Email: administration@tcsgh.com.cy

Registered office address: 5th floor Berengaria 25
Spyrou Araouzou 25
Limassol 3036
Cyprus
Mail to: PO Box 56356, 3306 Limassol.

Principal business premises:
INTERLINK HERMES PLAZA
Ayiou Athanasiou Avenue 46,
Office 301B,
Limassol, 4102, Cyprus

Telephone: +357 25050668
administration@tcsgh.com.cy

Investor Relations
ir@tcsgh.com.cy
stakeholderengagement@tcsgh.com.cy

PR
pr@tcsgh.com.cy

Company Secretary

Caellion Secretarial Limited (registered number HE351260) 4th floor
Berengaria 25
Spyrou Araouzou 25
Limassol 3036
Cyprus

Telephone: +357 2504 0404
Fax: +357 2504 0415

Depository

Existing investors are encouraged in the first instance to speak to their brokers/custodians, and then direct queries and questions through the Depository's contacts page on adr.com

<https://adr.com/contact/jpmorggn>

Custodian

HSBC Bank plc
(acting by way of its Athens branch)
HSBC Bank plc (Greece)
via its department
HSBC Securities Services, Greece
109-111, Messoghion Ave.
11526 Athens
Greece

Auditors

Kiteserve Limited
City House, 6 Karaiskakis Street
CY-3032 Limassol
Cyprus

tcsgh.com.cy