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# ESG report 2021

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# About this report

# About this report

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VK is now publishing its third annual ESG Report, making it a pioneer among Russian Internet companies. The company has also been publishing [quarterly](#) ESG presentations since 3Q 2021.

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The annual report is published for a wide audience — it contains interesting facts for a general audience about our activity across the various ESG areas as well as specific disclosures for professionals.

The report has been prepared in accordance with the International Reporting Standards (GRI) and Sustainability Accounting Standards Board (SASB). Additionally, the Task Force on the Disclosure of Financial Information Related to Climate Change (TCFD) was used as a framework for ESG Risks disclosure. The report is now published in both Russian and English. It has been reviewed by the company’s senior management and the Board of Directors.

At the end of 2021 and early 2022, VK saw changes within its shareholding structure (at the MFT level), but with no change in the controlling shareholder — VK has no single controlling shareholder. Shareholder changes and other events triggered several changes to the composition to our Board of Directors since Q4 2021, which are reflected in this report. In December 2021, Vladimir Kirienko became CEO of VK (Russia).

## The information disclosed in the Report covers the activities of VK.

The Report covers the period from 1 January to 31 December 2021, unless otherwise indicated.

The terminology used to present quantitative data, as well as the accounting categories presented, may differ from the terms and classifications adopted in Russian legislation on similar issues. Unless otherwise indicated, the Report uses terminology and classification proposed by the GRI Standards, TCFD and SASB standards.

Forward-looking statements regarding the company’s plans and expectations of results are based on the introductory information available at the time of preparation of the Report. The final results may differ from the stated ones due to the occurrence of circumstances and risks unknown at the time of planning.

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# Key 2021 ESG highlights

## Environmental

1.04

The average annual PUE\* of a M-100 data centre using a liquid cooling system.

3,000

Employees covered by Personnel Electronic Document Flow within 3 months since launch (28% of total headcount).\*\*

61%

YoY growth in donations for environmental projects via Dobro Mail.ru.

## Social

RUB 188mn

Total amount of funds donated by VK and VK users – 30% more than last year.

130mn views

Coverage of the Day Against Cyberbullying.

28%/35%

Share of female senior managers and team leaders / women as a share of all hired employees in 2021.

## Governance

30%

Share of women on the Board of Directors.\*\*

1.3 min

Average response time of the VKontakte moderation team.

0

Substantiated reports of ethical violations.

\* PUE is a coefficient that describes how efficiently a data centre uses energy; in particular, how much energy is used by computing equipment.

\*\* as of 2Q 2022



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# CEO Statement



# CEO (Russia) Statement



**Vladimir Kirienko**

CEO, VK (Russia)



Sustainable development is a broad concept. For VK, following the principles of sustainable development means consistent effort to make the lives of our users, employees and other stakeholders more convenient and safer online as well as offline.

**People are our company's main asset.** In 2021, the number of people employed by the Group increased by nearly 18% to exceed 10,000. Diversity and inclusion (D&I) is an important factor in the formation of our team. Of more than 2,500 employees hired in 2021, 35% were women, which is a high percentage for the IT industry. In addition, last year an internal professional female community (VK Women) was created to further support our D&I efforts.

For our employees, we are actively developing training, medical insurance, and sports programmes. For new team members, we offer an adaptation programme and a welcome training sessions, during which we now also include a specific section on ESG.

Our main task is to create high-quality digital services for our large audience, which already exceeds 100mn

per month. The time spent by users on VK products and applications is also growing. For this reason, we are paying special attention to **information security and data protection**.

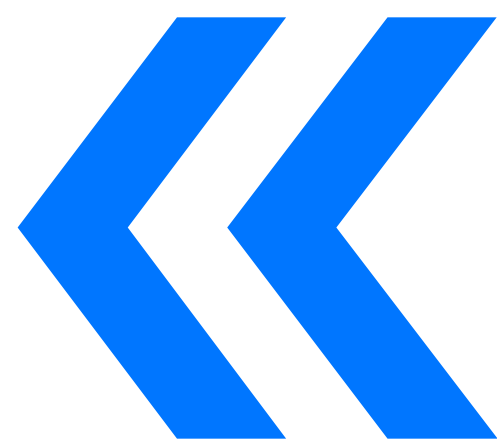
More than 62mn users were using VK ID outside of VKontakte as of the end of Q1 2022. In 2021, we launched a **Security Management Centre in the VK ID personal account**.

Its main objective is to increase the number of protected profiles, reduce the number of hacked accounts and subsequent locks. **We also launched the VK Protect programme**, which combines all the technical solutions that provide protection within the VK ecosystem, and helps people effectively manage their privacy and use tools to protect their information. The use of two-factor authentication has also been expanded.

In 2021, VK continued to implement its social strategy aimed at solving acute social problems by providing technologies, digital solutions and targeted support. In particular, 220 funds have now been registered



## CEO (Russia) Statement



on our Dobro Mail.ru charity platform. Since its launch in 2013, users of the service have collected almost RUB 471mn for the various charitable initiatives, which aim to support people of all age groups, as well as animals and nature.

It is very important for us not just to pay attention to social projects and do good deeds. We are actively working to make our approach systematic and integrate it into the strategic development of the company. Our employees, users, shareholders and other partners are constantly involved in this work. Using constant stakeholder engagement initiatives, we have identified and updated the most significant topics for our stakeholders as of the end of 2021, and these will be used as the basis for our future strategy in the field of sustainable development. The key focus topics include personal data protection, cybersecurity, responsibility for the quality of our services, innovation and digitalisation.

The dominant share of millennials among our users continues to expand. For this audience, the issues of sustainable development are especially important. With this in mind, we plan to further develop our ESG agenda in areas such as social and environmental issues. Speaking of ecology, we have started designing a new more energy-efficient data centre and plan

to introduce the concept of a «Green Office» across our offices in the very near future.

Overall, one of VK's key tasks in the context of sustainable development is to **help society, business and the state in their digital transformation. Here, our technological competencies and experience in the field of personal data protection come to the fore.** At the same time, the introduction of a systematic approach to ESG integration and development has a positive impact on different aspects of our business, such as attracting, retaining and engaging employees, creating appealing commercial products, expanding our audience and boosting their engagement with our services by adapting them for people with different needs and capabilities.

This year we are publishing our third annual report on sustainable development. It reflects not only the quantitative indicators of the projects we have implemented, but also our entire path in the development of environmental and social initiatives, as well as corporate governance practices.

We hope you continue to follow us and our new initiatives, as there are many social, green and other useful projects that we aim to deliver to our stakeholders!



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# About us



# About us



VK is incorporated in the British Virgin Islands, with its principal office in Limassol, the Republic of Cyprus.

VK is developing a services ecosystem to help millions of people get on with their day-to-day tasks online. The Company consolidates or participates in businesses that operate in the various internet segments, including social networking and other communication services, online games, education technologies, B2B services (including Cloud), online-to-offline services such as classifieds and e-commerce, and much more. The Group's services hold leading positions in Russia and C.I.S., with some also present in other countries.

In October 2021, the Company rebranded itself as as VK from Mail.ru Group, with «VK» now serving as a single user and corporate brand for the entire Group.

## We have offices in:

### Russia

- Moscow
- St. Petersburg
- Voronezh
- Nizhny Novgorod

### Latvia

- Riga

### Netherlands

- Amsterdam

### U.S.

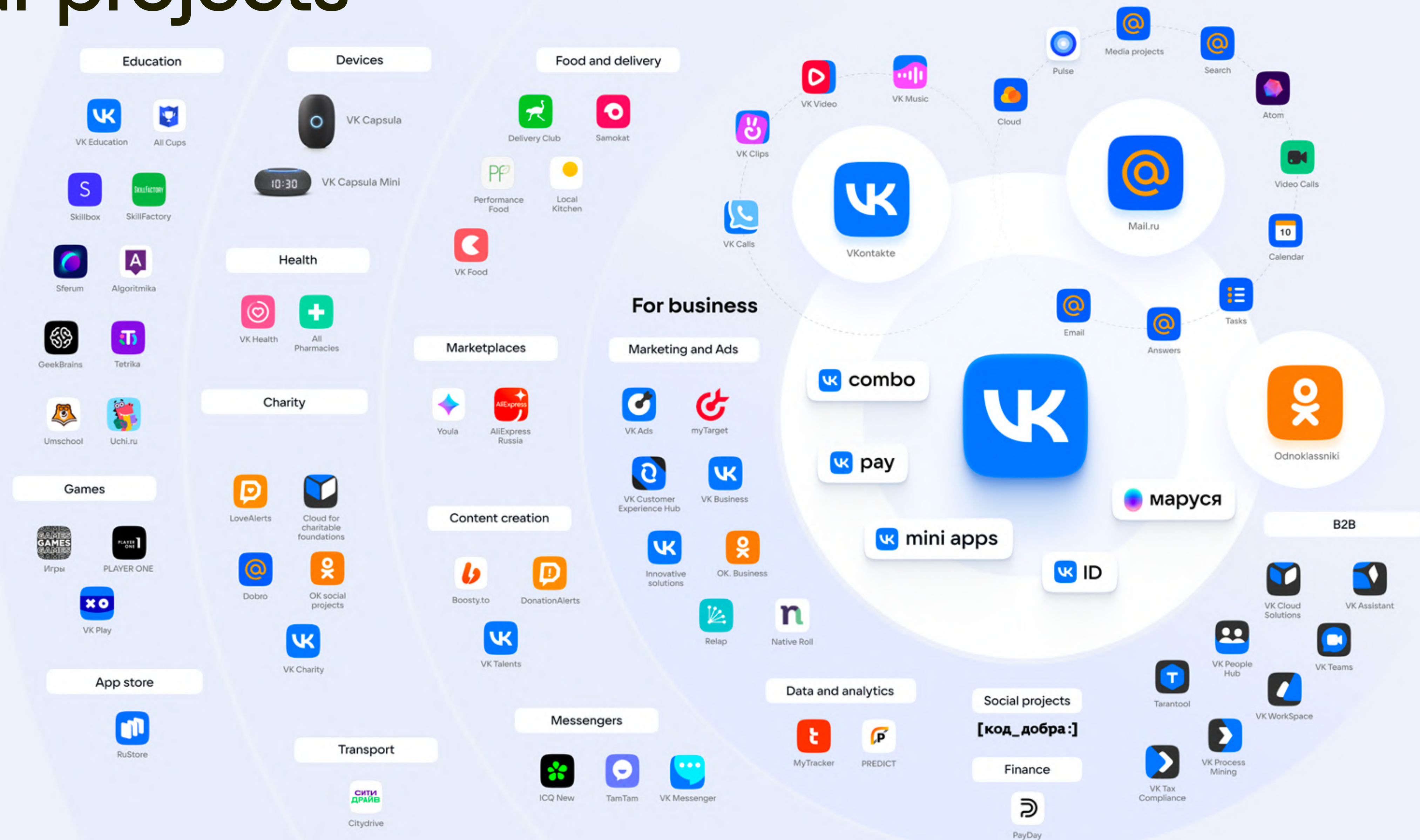
- Los Angeles

### Cyprus

- Limassol



# Our projects





# Reporting segments and key products

## Communications & social

Among other services, the segment includes the two leading Russian-language social networking services and communication platforms (VKontakte and Odnoklassniki(OK)), Russia's leading email service (Mail.ru), music and video services (VK Music and VK Video), media projects, content recommendation platforms\* and search functions.

## Education technologies

The segment is represented by Skillbox Holding Limited, which includes online education platforms such as Skillbox, GeekBrains, SkillFactory, Mentorama and Lerna. They offer hundreds of vocational education courses and programmes on a variety of subjects, from analytics and big data to cybersport and management.

## Games

Our Gaming department develops and publishes games across various genres and across devices (PC, console and mobile) for millions of players worldwide. The segment also includes services for online donations and streaming such as Boosty.to and Donation Alerts, along with the Cloud gaming business.

## New initiatives

The segment includes various experimental and early-stage products and services, including a location-based online classifieds service (Youla) and a range of B2B products (including Cloud), among larger products.

\*Pulse and Relap since 2022, previously these services were in New Initiatives



# VK – for users

**VK is developing its ecosystem with the mission to help millions of people with their day-to-day online needs. More than 90% of the Russian internet audience use our products every month.**

The ecosystem enables people to keep in touch (using the OK and VKontakte social networks, messaging apps and our email service), play video games, get and offer items and services (via Youla), master new skills (at GeekBrains, Skillbox and other educational services), buy and sell at AliExpress Russia, and fulfil other needs.

The VK ecosystem features a number of shared elements that bring the services together. Users can sign in to different services with a single VK ID account, pay and earn cash back with the VK Pay platform, get discounts and deals with VK Combo, access their favourite services via the VK Mini Apps platform –and the Marusia voice assistant can help with any task.

The company offers enterprises to employ its dynamic ecosystem to digitise their business processes, providing a range of solutions from online promotion and predictive analytics to corporate social networks, cloud services and enterprise automation.





\*you can learn more about our principles in the [VK Code of Ethics](#)



# Key financial highlights\*

## Group aggregate segment financial information

	2020	2021	YoY, %
<b>Group aggregate segment revenue, RUB mn</b>			
Online advertising	39,004	48,608	24.6
MMO games	35,862	37,918	5.7
Community IVAS	18,337	18,450	0.6
Education Technology services	6,099	10,422	70.9
Other revenue	7,071	10,354	46.4
<b>Total Group aggregate segment revenue, RUB mn</b>	<b>106,373</b>	<b>125,752</b>	<b>18.2</b>
<b>Group aggregate segment EBITDA, RUB mn</b>	<b>26,912</b>	<b>31,802</b>	<b>18.2</b>
margin, %	25.3	25.3	
<b>Group aggregate net profit from consolidated subsidiaries, RUB mn</b>	<b>9,964</b>	<b>12,429</b>	<b>24.7</b>
margin, %	<b>9.4</b>	<b>9.9</b>	
<b>Group aggregate net profit/(loss), RUB mn</b>	<b>-1,959</b>	<b>-6,486</b>	
margin, %	-1.8%	-5.2%	

\* Performance highlights are based on the Group aggregate segment financial information, which is different from IFRS accounts.

# Key financial highlights\*

## Operating segments performance

	2020	2021	YoY, %
<b>Communications and Social</b>			
Total revenue, RUB mn	52,685	60,381	15
EBITDA, RUB mn	24,565	27,315	11
margin, %	46.6	45.2	-1.4pp
<b>Games</b>			
Total revenue, RUB mn	39,655	43,808	10
EBITDA, RUB mn	6,335	10,357	63
margin, %	16.0	23.6	7.7pp
<b>EdTech</b>			
Total revenue, RUB mn	6,100	10,430	71
EBITDA, RUB mn	1,054	-1,606	n/m
margin, %	17.3	-15.4	-32.7pp
<b>New Initiatives</b>			
Total revenue, RUB mn	8,248	11,646	41
EBITDA, RUB mn	-5,042	-4,264	-15
margin, %	-61.1	-36.6	24.5pp
Eliminations, RUB mn	-315	-513	

\* Performance highlights are based on the Group aggregate segment financial information, which is different from IFRS accounts.

# Key operating highlights

72.5mn

Russia MAU in Q4 2021

VKontakte

76%

of the Russian internet audience visits VKontakte every month\*

VKontakte

38mn

Average Russia MAU in 2021

Odnoklassniki

45.4mn

Russia MAU in Q4 2021

Email Mail.ru

22.1mn

Average MAU in Q4 2021

Gaming business

\* Mediascope, Russia (all cities, age 12+), Desktop & Mobile



# Key operating highlights

>9.9mn

Cumulative registered learners  
as of the end of 2021

**Online Education**

349,000

Cumulative number of paying  
learners as of the end of 2021

**Online Education**

368mn

Average daily views in Q4 2021

**VK Clips**

RUB >3.3bn

Revenue in 2021

**VK Digital Tech B2B**

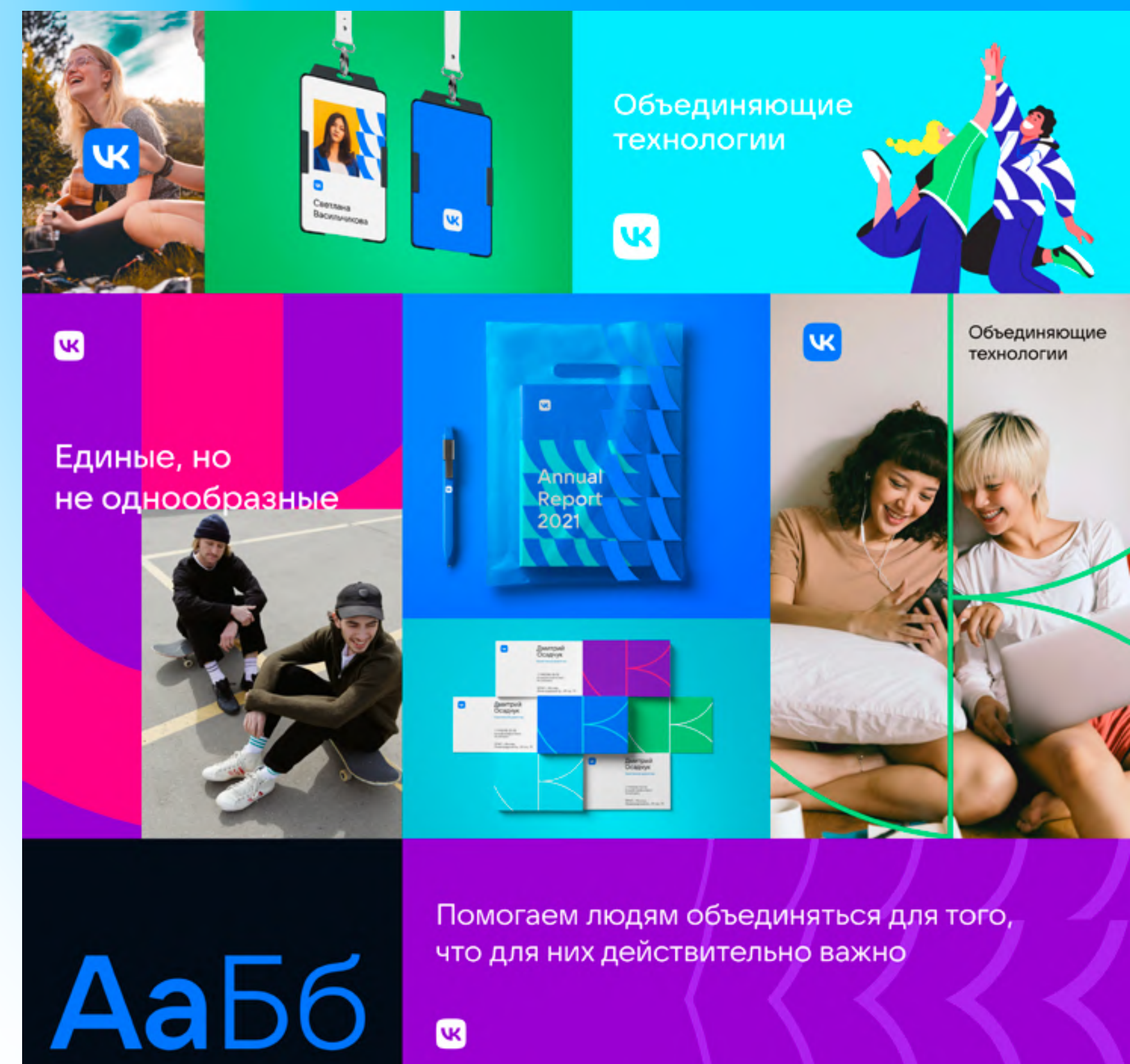
# Rebranding

**In October 2021 VK started a new chapter in its history, after rebranding from Mail.ru Group into VK.**

The rebranding came as a natural step in the process of our evolution into a leading internet ecosystem. To achieve this, the company should not only continue to launch high quality and convenient services for millions of users, but also needs to maximize links between own products and services. The VK brand was chosen as universal due to its association with our core social networking asset VKontakte, its major reach, high recognition and strong fundamental potential.

We prepared guidebooks for internal and external communication about rebranding, organised events and live streams for employees and journalists, a forum on HR issues, and many more polls for our personnel in order to ensure that the new brand is perceived equally by all parties.

Visual activities held across offices and changes were incorporated to our corporate merchandise following the rebranding. They feature our new company values along with the new logo and aim to support our corporate culture.







**Sustainability  
approach**

# Management of Sustainable Development

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**Technology and digitalisation continue to play a key role in enabling and developing a sustainable future. Our ESG mission is to improve people's lives by making technologies simple and accessible to as many users as possible.**

2-13

Our ESG strategy focuses our efforts on building a comprehensive VK ecosystem, where users are able to solve a vast variety of daily digital tasks.

**In 2021 cybersecurity and user data protection remained our priority ESG areas, with Education, Social Initiatives and care for our employees also a major focus.**

In 2022, we plan to start working on important aspects of our ESG approach, including through the development of Environmental as well as Human Rights Policies and the Supplier Code.

Overall, we aspire to create a more sustainable world through our web capabilities and core services, and we are doing this in a responsible way. We design, offer and support sustainable technologies that make a real difference to our users' lives and follow a responsible approach to the consequences and impact of our products on communities.

**We consider eco-education to be a very important direction**, so we plan to continue to develop our information campaigns aimed at increasing ecological and overall ESG awareness.



# Sustainable Development Management

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In Q12022 we established an internal Sustainable Development Working Group, which includes over 20 of the company's senior managers, who serve as the main ESG stakeholders at corporate level. Members of the Board of Directors are also involved in the group's work. The results of the working group meetings are reflected in the reports for the Board of Directors, with ESG topics presented at the Audit Committee meetings at least on a quarterly basis.

As a part of measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development, we include information about the company's ESG initiatives in reports for Board meetings. In 2022, **we also plan to develop a special ESG training course that will cover members of the Board of Directors and senior management, as well as the broader employee base.**



# Stakeholders and stakeholder engagement

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Opinions and feedback from our stakeholders allow the company to continue to evolve and come up with relevant and high-quality products and services. Many specialists (and sometimes entire departments) across the different business units are engaged in collecting feedback and building relationships with stakeholders.

**Key VK stakeholders have been identified as our employees, users, business partners, government authorities, NGOs, local communities and shareholders.**

Stakeholder groups were identified based on an understanding of bilateral dependency: both how significantly the company's activities affect each of the groups and how much their opinions influence internal decision-making.

For the convenience of our stakeholders, we have updated a special section of the corporate website: <https://vk.company/en/investors/esg>

In this section we collect sustainability reports, quarterly ESG presentations, policies and codes, ESG news and much more.



# Stakeholders and stakeholder engagement

Stakeholder	Interests	Stakeholder \ Interests \ Interaction	Interaction
Users	Personal data protection, high quality of services, cost of services, eco-friendly initiatives, feedback, decent quality, price and quality compliance, comfortable environment (absence of cyberbullying, insults), data security.	Overall customer satisfaction, revenue dynamics, MAU/DAU; user engagement.	Informing through the media, corporate website, marketing and social campaigns, feedback via the internet, loyalty programmes, claims hotline, social research, customer surveys, customer service centres, consumer’s personal account; consideration of user complaints.
Employees	Stable wages; fair working conditions, training and development; gender balance, compliance with business ethics rules and anti-corruption, ensuring information openness and feedback, support during the pandemic, social package and guarantees, ensuring workplace safety and decent working conditions, career prospects.	<p>Improving the systems of remuneration, social support, career and professional growth, occupational safety and health of employees. Implementation of the plan by employees in the course of their activities to achieve the organisation’s goals.</p> <p>Indicators for staff turnover, the cost of recruiting new employees and professional development, the number of internal promotions, successful projects, labour productivity; for senior management, in addition to the indicators listed above, it is worth noting the manager’s rating and remuneration dynamics.</p>	Internal corporate website, training (professional development programmes, professional development, personnel reserve), newsletter distribution, personal meetings with management, hotline, VMI, partnership with educational organisations, satisfaction studies and surveys, management-employee dialogue, feedback.
Shareholders	Ensuring the stability of the company, participation in the development of policies for various directions, the level of profitability, financial performance, company strategy, information transparency, high credit rating, investment efficiency, information security; compliance with the rules of business ethics and anti-corruption.	The level of satisfaction of the shareholders’ interests and requirements, full and reliable disclosure of information, high level of corporate governance.	General Meeting of Shareholders, disclosure of information, compliance with regulatory requirements, management meetings and calls with shareholders, handling presentations, conferences, interviews, publications of useful information on the corporate website.



# Stakeholders and stakeholder engagement

Stakeholder	Interests	Stakeholder \ Interests \ Interaction	Interaction
NGOs, local communities	The company's compliance with legislation, environmental requirements, cooperation and partnership, financing of activities, changes in the company's environmental and social policy in accordance with the company's rights.	Implementation of joint projects in social, economic, environmental areas, social development; the amount of funding for such projects (funds for charity, the amount of social investment), the amount of the company's financial participation in the implementation of joint social projects; the number of signed agreements and memoranda (compared to last year), the amount of sponsorship.	Cooperation agreements, conferences, roundtables, meetings, joint programmes and research, membership in associations, NGO project fairs, sponsorship activities, memoranda, public speeches, participation in association events, disclosure of information, roadmap, projects within the framework of social partnership.
Business partners	ESG products, participation in industry development initiatives, openness to dialogue and cooperation, transparent procurement processes, information security, responsible fulfillment of financial obligations, long-term cooperation, mutually beneficial terms of interaction, price compliance with quality.	Transparency of procurement activities, long-term contracts, obtaining high-quality work and services. Number of renegotiated contracts, decrease in number of claims, proclamations. Increase in profitability of sales (sales dynamics indicator) thanks to cost optimisation. Quality control of suppliers' work.	Contractual relations, business negotiations, disclosure of information, use of competitive procurement procedures, exhibitions, conferences, forums, cooperation agreements, project activities, participation in industry unions and associations.
Government authorities	Compliance with legislation, deduction of taxes and fees to budgets of different levels, socio-economic development of the country, regions, environmental protection, strategic development of the country, global competitiveness of the company's industry.	Creation of additional workplaces, the number of projects implemented within the framework of public-private partnership, indicators for assessing the socio-economic effect and financial performance (including return on investment), the development of competition, the volume of tax revenues.	Participation in meetings and working groups, participation in federal and regional programmes, conferences, parliamentary hearings, cooperation agreements, drafting of normative legal acts, joint projects, signing of agreements on the development of regions, presentations for government representatives.

# Material topics

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The key areas of VK's sustainable development agenda and the essential topics of the Report were determined as part of an integrated process, which consisted of several stages.

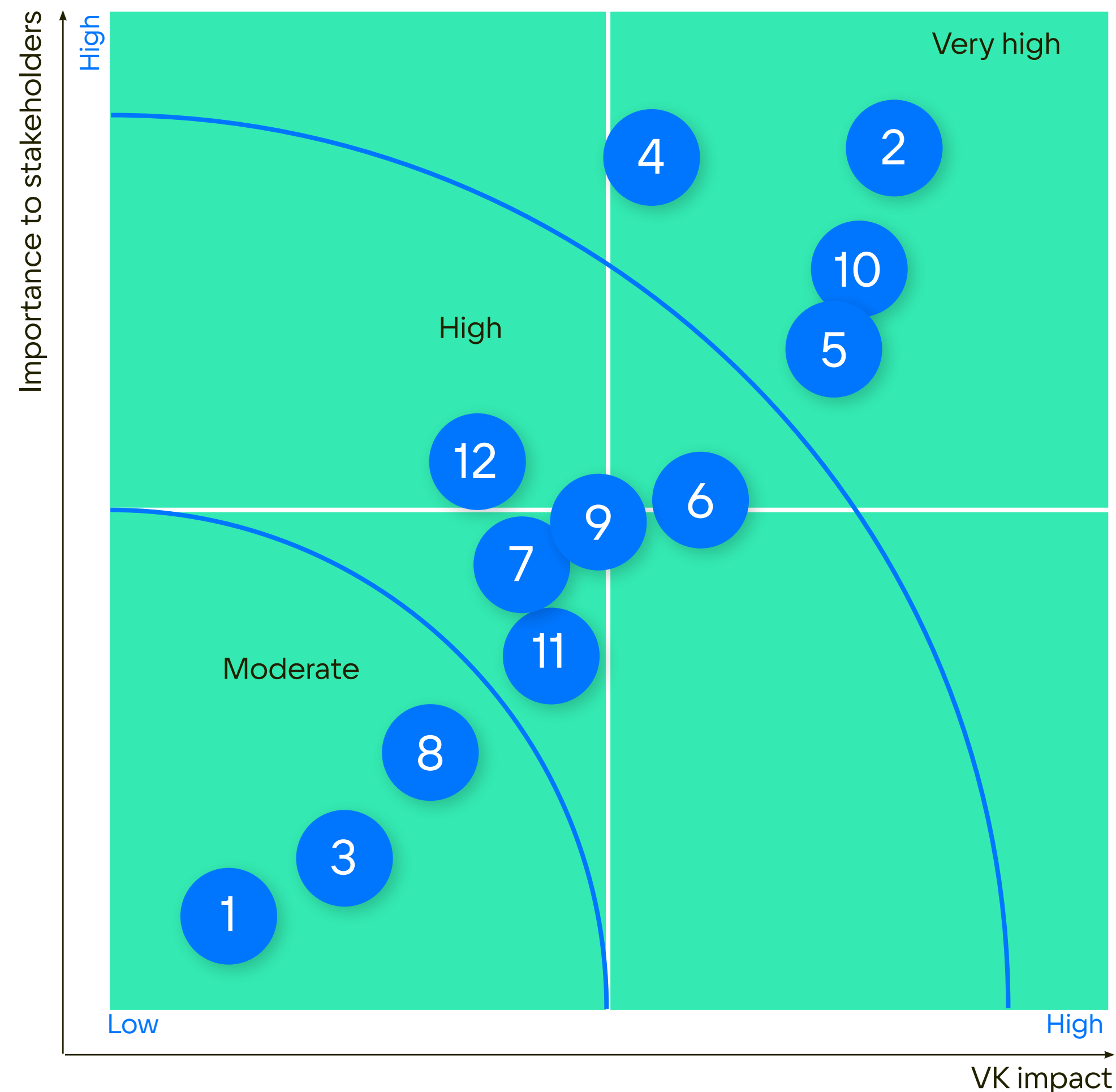
1. To identify material topics, we analysed the context in which the company operates. To do this, we studied the recognised practices of the IT industry, the criteria for evaluating IT companies used by the investment community the key areas of the sustainable development agenda, both in Russia and globally, as well as the SASB recommendations.
2. As a result, we combined a set of topics based on the best practices, recommendations and current projects of the company corresponding to the ESG directions.
3. Next, we compiled a survey that offered to evaluate each of the significant topics using two parameters: the impact of the company on it and the importance of the topic for the company's activities.
4. We sent this survey to the company's key stakeholders: users, employees, business partners, investors and NGOs.
5. As a result, we have obtained a matrix of material topics. The list and the priority of the material topics has changed since 2020.



# Materiality Matrix

3-2

## VK priorities

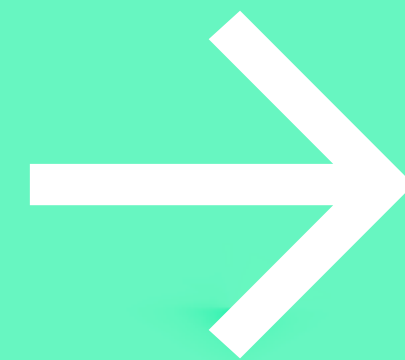


- 1. The impact of IT infrastructure (data centres) on the environment:** assessment and management of climate risks
  - 2. Personal data protection:** processing, storage and use of personal information, management of contracts and policies, personal data protection
  - 3. Resource efficiency (company office buildings, data centres):** energy consumption, water resource management
  - 4. Cybersecurity:** an approach to risk management and ensuring prompt measures in the event of IT system failures or incidents related to information security violations
  - 5. Innovation and digitalisation:** the process of product development and the development of innovative business models to adapt to digital trends
  - 6. Human capital:** working conditions and labour policy; attracting and retaining talents, remuneration
  - 7. Diversity and inclusion:** gender and cultural diversity, equal and fair opportunities, non-discrimination, including in relation to people with disabilities
  - 8. Measuring employee satisfaction and engagement:** conducting surveys, feedback forms
  - 9. Responsible approach to counterparties:** integration of social, ethical and environmental performance factors into the process of selecting counterparties
  - 10. Product quality responsibility:** development of customer-friendly, high-quality, affordable products; responsible marketing and pricing
  - 11. Initiatives to operate with educational institutions:** development of educational services accessible to a wide audience
  - 12. Assistance to the development of social and charitable organisations:** volunteer activities, interaction with NGOs

# Changes within the material topics in 2021 vs. 2020

2020

1. EdTech
2. Talent development
3. User experience
4. Technology investment and innovation



2021

1. Personal data protection
2. Product quality responsibility
3. Innovation and digitalisation
4. Cybersecurity



# UN Sustainable Development Goals (SDGs)

As part of our growing efforts to develop the ESG agenda in the company, we decided to identify priority Sustainable Development Goals (SDGs) for our company.

Firstly, the heads of VK business units, including those responsible for educational projects, personnel issues, ethics and compliance, risk management, information security, social projects, infrastructure management, etc., gathered all the key existing programmes and initiatives across the various areas of sustainable development.

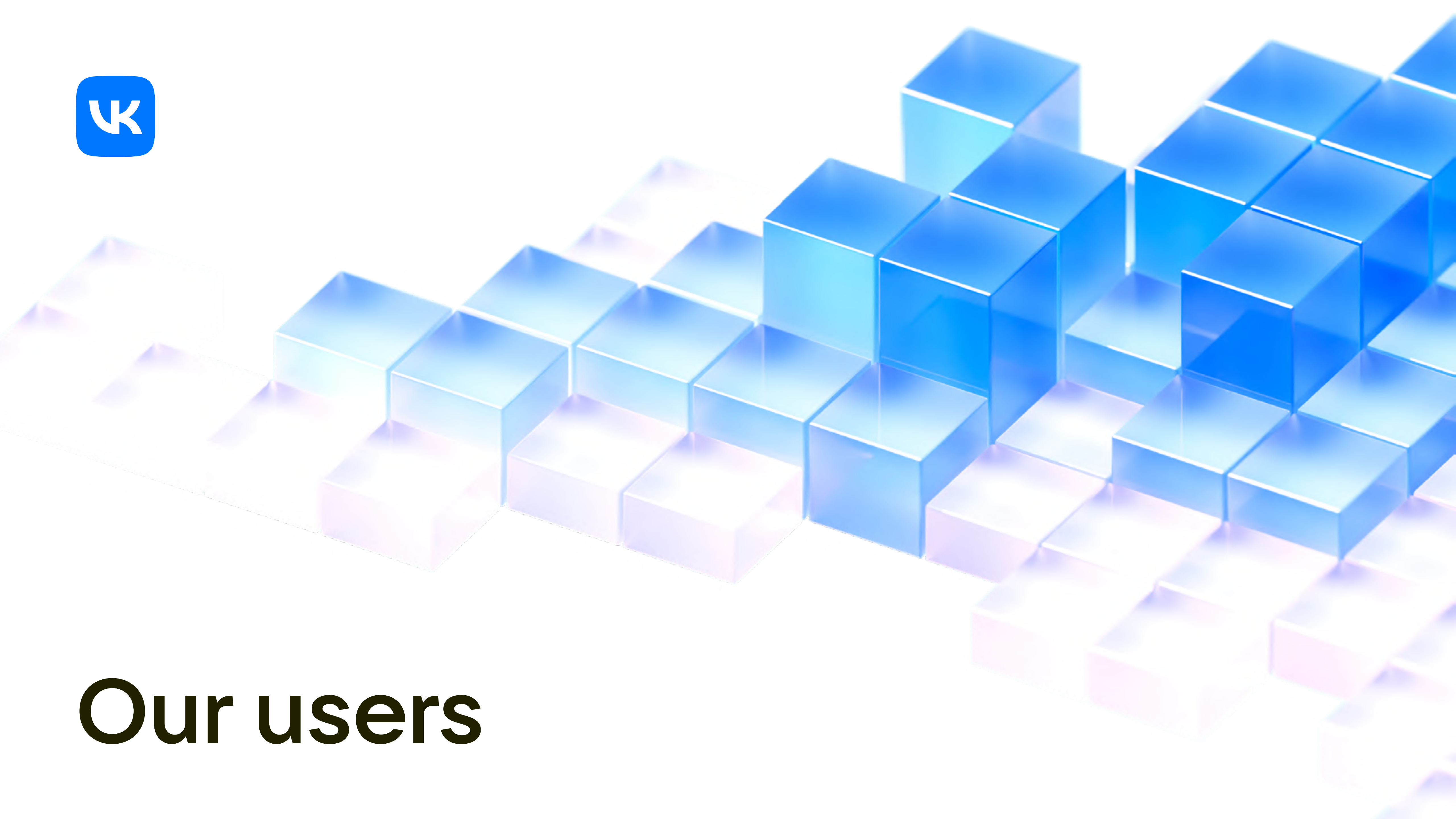
Next, we held an internal presentation for all the company’s employees, with an educational part dedicated to the SDGs and a part where we talked about our initiatives within each goal.

As a result, **more than 200 VK employees took a survey in which they divided the SDGs into “Priority”, “Important” and “Others”**. Later, the same survey was conducted by members of the internal Sustainable Development Group, with participation from certain members of the Board of Directors.

In the future, we plan to expand the coverage of the survey to other company stakeholders.







# Our users



# Our key focus is on privacy and information security

We strive to make the Internet safer, so we pay considerable attention to **information security**, user privacy, and also make efforts to prevent abuse, fraud, violations of the terms of service, bullying, harassment, and the dissemination of misleading information in VK products.

Information security is the provision of confidentiality, availability and integrity of information. Protecting user accounts from unauthorized access also applies to this concept.

Speaking about privacy, we primarily mean that users have the ability to control how their personal information is used.

Privacy protection is aimed at developing policies and procedures through which the collection and processing of users' personal information is carried out legally and taking into account reasonable expectations regarding the fair and fair use of data.





# Information security





# VK Protect – updated user data protection programme

**In 4Q 2021, we launched a large – scale initiative to protect user data – VK Protect.** It combines all the technical solutions that ensure information security in VK projects.

In 1Q 2022 we have announced the mandatory use of two – factor authentication for all large VKontakte communities. Thanks to the migration of all accounts in VK products and services to a single VK ID account, this option has become available to all users of the VK ecosystem.

In order to provide users with timely up-to-date information about the VK Protect initiative, we plan to reformat the official information security community on the VKontakte site and the Security Centre section in 2022. These communication channels have been used for more than two years to interact with VKontakte users: we talk about current threats to information security and the platform's capabilities to protect user data and ensure their privacy.



# VK ID Security

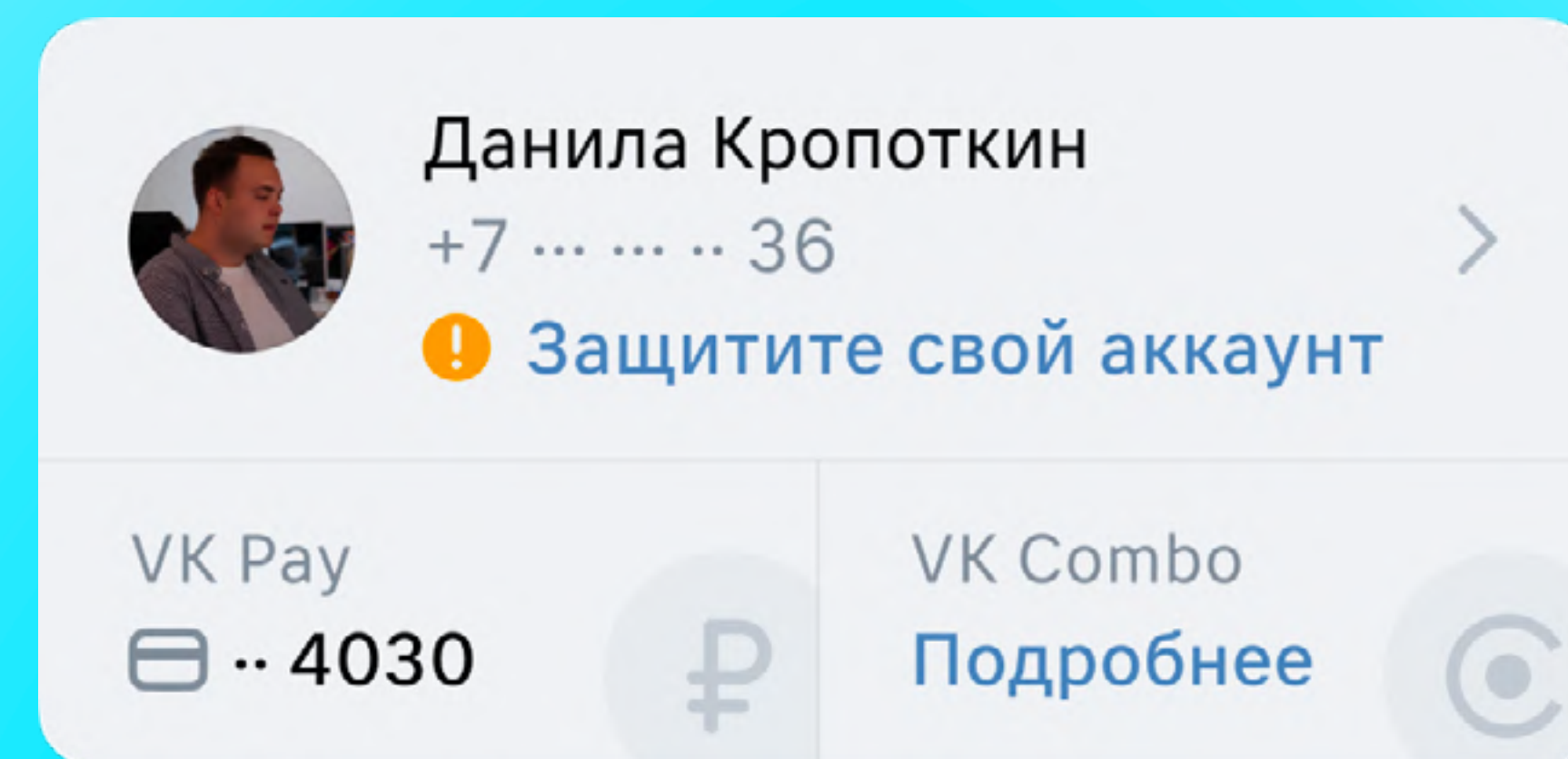
VK ID is a common authentication service for all VK projects. The service allows users to use VK services faster: order food, pay for purchases, register in new services.

In 2021, we launched a Security Management Centre in the VK ID personal account.

The main task is to increase the number of protected profiles and reduce the number of hacked accounts and subsequent locks. And, of course, we strive to consolidate the reputation of VKontakte as a safe platform.

The centre is located on the main page of the VK ID cabinet. Here the user can see an assessment of the security level of his profile and find recommendations for its additional protection. We give personalised advice, such as reminding you to update your password or enable login confirmation. A detailed FAQ section is also available to users.

There are three security levels: low, insufficient and good. Each has its own icon — red, yellow and green, respectively. This is how we draw the user's attention to problems with the security of his profile.





# Preventing potential threats

## TC-IM-230a.2

Since 2014, the vulnerability detection programme (Bug Bounty) has been running on the HackerOne platform in Mail.ru

Since 2014, we have had a vulnerability detection programme (Bug Bounty) on the HackerOne platform — first for Mail.ru, then for VKontakte and OK. In 2021, we increased the level of payments for vulnerabilities, and by the end of the year we paid more than \$ 500,000 to independent security researchers.

We have allocated an additional budget to increase the remuneration for researchers for VK ID. The increase took place at the beginning of 2022:

- a low level of danger — up to \$ 500;
- the average level is up to \$ 5,000;
- high level — up to \$ 10,000;
- the critical level is up to \$ 20,000 (more than 1.5 million rubles).

We also participate in the Google Play Security Reward Program (GSP), a vulnerability reward programme implemented by Google Play in collaboration with developers of popular Android apps. Both of our programmes are at level 1 GPSRP with an average first response time of less than one day and a resolution time of no more than one month.

To ensure the continuity of the vulnerability management process, VKontakte, among other things, accepts vulnerability reports from independent researchers on the VK Testers internal site.

# Independent audit of information security

At the end of 2021, according to the results of an independent audit, VKontakte and VK Cloud Solutions received their first certificates of compliance with the PCI DSS information security standard.

Tens of millions of payments pass through VKontakte every year, which is why regulators and partners impose the strictest security requirements on us (Level1). Obtaining a certificate is a confirmation that VKontakte payments comply with international standards, and our technological infrastructure guarantees a high degree of data and payment protection.

VK Cloud Solutions is a cloud provider, the certificate confirms that the services provided meet the requirements of the standard. This allows customers for whom PCI DSS compliance is mandatory to host their resources in our public cloud.





**Users privacy**

# Users privacy

TC-IM-220a.1

TC-SI-220a.1

418-1

The Internet is an open platform, but every user has the right to privacy.

Though the digital world brings many benefits to users, we understand the growing concern about personal data protection and privacy issues, as more and more data becomes digitalised and transmitted via global networks, with millions of new devices and millions of users.

As a leading internet company, we take the protection of user data as one of our top priorities.

# Information we process

We collect certain types of information about our users in order to be able to provide the highest level of services, and we do this without violating users' right to privacy. The types of information we collect about users depends on the specific product or application.

## Registration information and user content

We process the information that users provide when registering with our services, when they manage their accounts and profiles, the content that users upload, as well as certain metadata (for example, the time of content creation or geotags of uploaded photos).

We can collect information about users' contacts to help them find people on social networks or other services, if users opt to provide the service with access to their address books.

The personal data that is disclosed to us is treated as confidential information and is subject to protection in accordance with all applicable laws and regulations.

The Company has a personal data protection system, responsible individuals have been appointed to ensure the lawful and secure processing of personal data.

Data processing is governed by our [Personal Data Protection Policy](#).



# The information we process

TC-IM-220a.1

TC-SI-220a.1

418-1

## Service usage patterns

Our systems record information about the duration, time and frequency of user sessions, the types of content that users interact with, the preferences they store, the features they use and the people they interact with.

## Connection and Device information

Users get access to our services on various devices.

To provide our services, we collect and process information on:

- Device types (PCs, tablets, smartphones), their manufacturers, operating system, hardware and software versions, browser type
- Hardware, advertising and other identifiers, e.g. from games, apps or accounts used
- Data stored in cookies, including user preferences and settings

- Bluetooth signals and information about nearby Wi-Fi access points

- Data and device permissions that user has granted us access to, e.g. location, camera and mic access, internal storage space, etc.

The information we collect is necessary to provide our users with personalised services, including personalised content, advertising, recommendations, search functions and other facilities. We believe this approach to data collection gives us the opportunity to provide individual and relevant content to each user.

We also use this information for security purposes, to inform users of logins to their accounts from a new or unusual device, to verify accounts and activities, and to combat harmful behavior and content.

Vkontakte allows users to download a copy of their data at any time to review what types of information and content are stored and processed by the network.

# Storage and exchange of information

Information can become public if users decide to make their messages or other information visible to other users, according to their preferences and settings.

Some publicly available information, which is marked as such, is available to anyone. Our services allow users to choose the information they are willing to share.

**Users can change their visibility settings at any time and decide what they share and with whom.** We always provide information in a simple and understandable way in our privacy settings, so that users receive only suitable notifications, comments on their messages and invitations from other users.

A lot of third-party websites and services allow to log in with a VK ID or OK account, in which case these services can access some information about that particular user. Such access requires the user's explicit confirmation. Third-party service, however, will not receive any redundant information about a user's friends, posts or other actions.

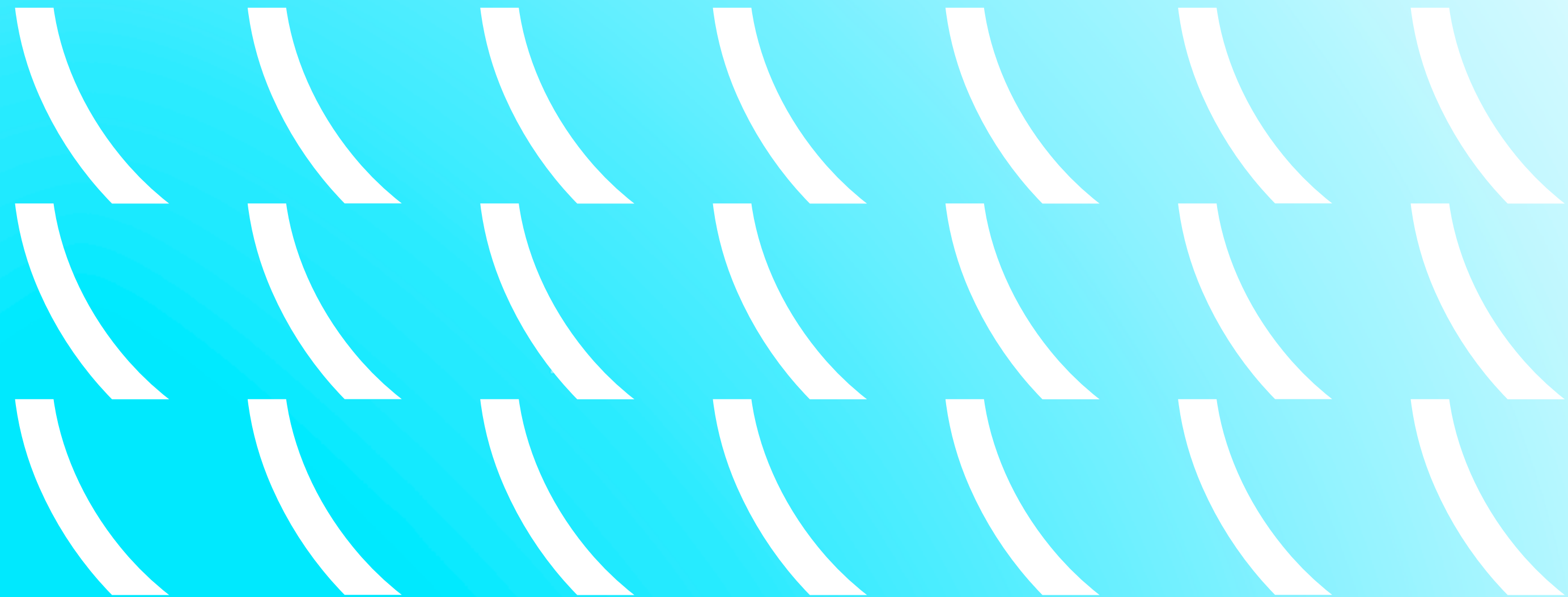
On some services we can store some of the collected information for an extended period of time, e.g. in order to provide users with an opportunity to regain access to an account after its deletion or when it is required by applicable law (e.g. when it is the subject of a legal request as part of an investigation by law-enforcement authorities).

For some services we are obliged under the Russian federal law "On Information, Information Technologies and Information Protection" to ensure that certain data on Russian users has been stored within a set time limit).

## Data leaks

In 2017–2021, there were no user data leaks among VK's consolidated assets.





**Safe internet  
experience**

# VKontakte moderation

TC-IM-220a.4

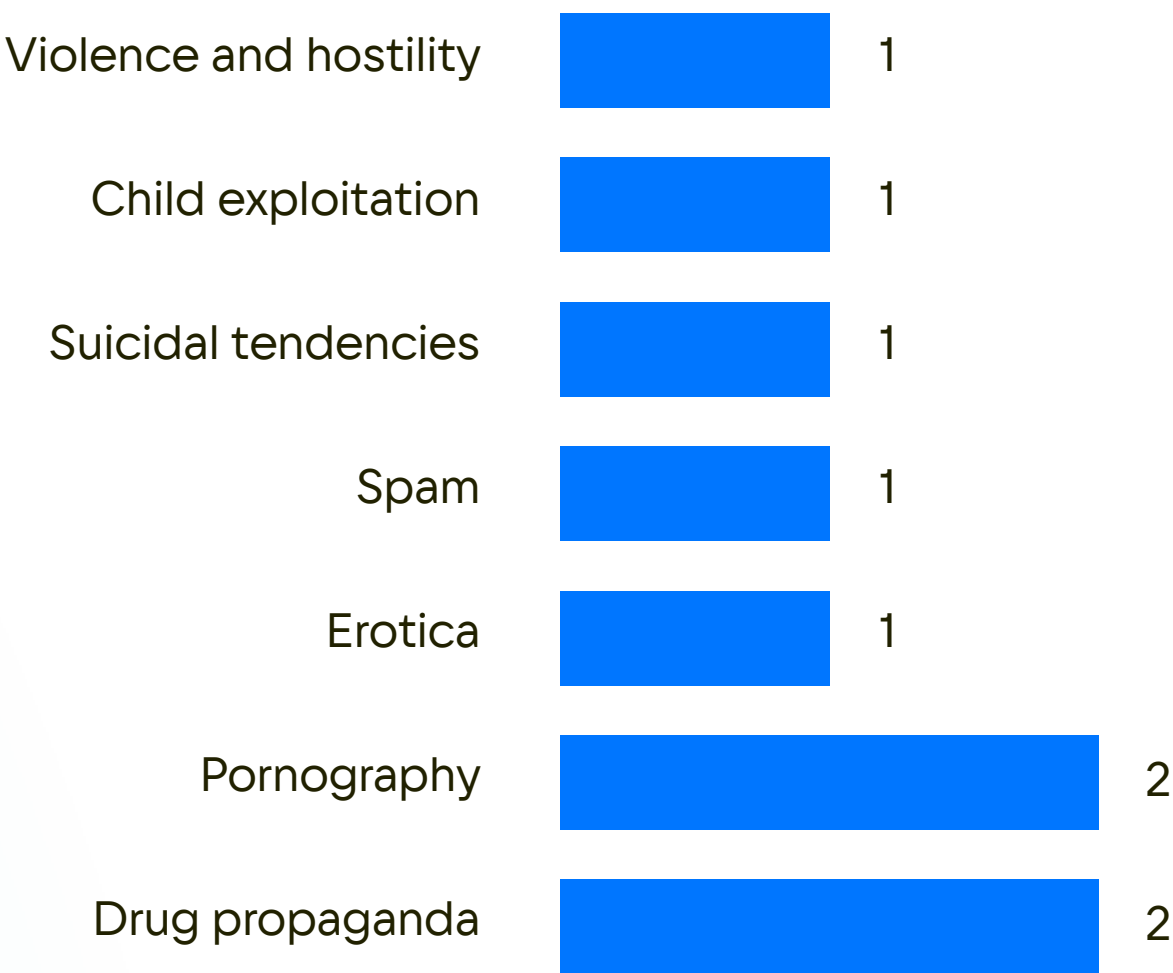
## Compliance with the norms of the VKontakte platform

We take our role in protecting VKontakte users from intruders seriously, and we try to ensure an extremely fair approach to content moderation.

We want users to feel safe and be able to receive reliable information. VKontakte does not accept harassment, threats of violence, propaganda of terrorism and drugs, child pornography and other materials that contradict the norms of legislation and the rules of the site. Users can easily complain about the questionable content: from the app or the web version.

We check every request. In most cases, it takes less than a minute from appeal to the moderator’s decision. If we block a profile or community after a complaint, we will inform the author of the appeal about it.

## Response time of the Vkontakte moderation team, in minutes





# VKontakte moderation

TC-IM-220a.4

## Processing of regulators' requests

In accordance with the legislation government organisations and courts have the authority to apply to technology companies with demands to block content and for information about users. We consider it our duty to assist in the search for real criminals, while protecting the privacy rights of our users.

For more than 15 years, our team has developed strict rules for processing government appeals. All requests are carefully considered by our legal teams. We reject requests that do not comply with current legislation or the established official request procedure. This process is described in detail in the section ["Data Security"](#):

The company may be held liable for refusing to block content or failing to provide information to regulators in response to their official requests, up to litigation. The legislation of some countries provides for punishment for such actions up to turnover fines or blocking of resources.

## Blocking illegal and unacceptable content

VKontakte promptly responds to user complaints and appeals from regulators. Our moderation team reviews incoming requests and conducts **proactive internal monitoring of malicious content**. Most of the materials that violate the norms of the platform are blocked before users see them. Technology helps us to do this 24/7

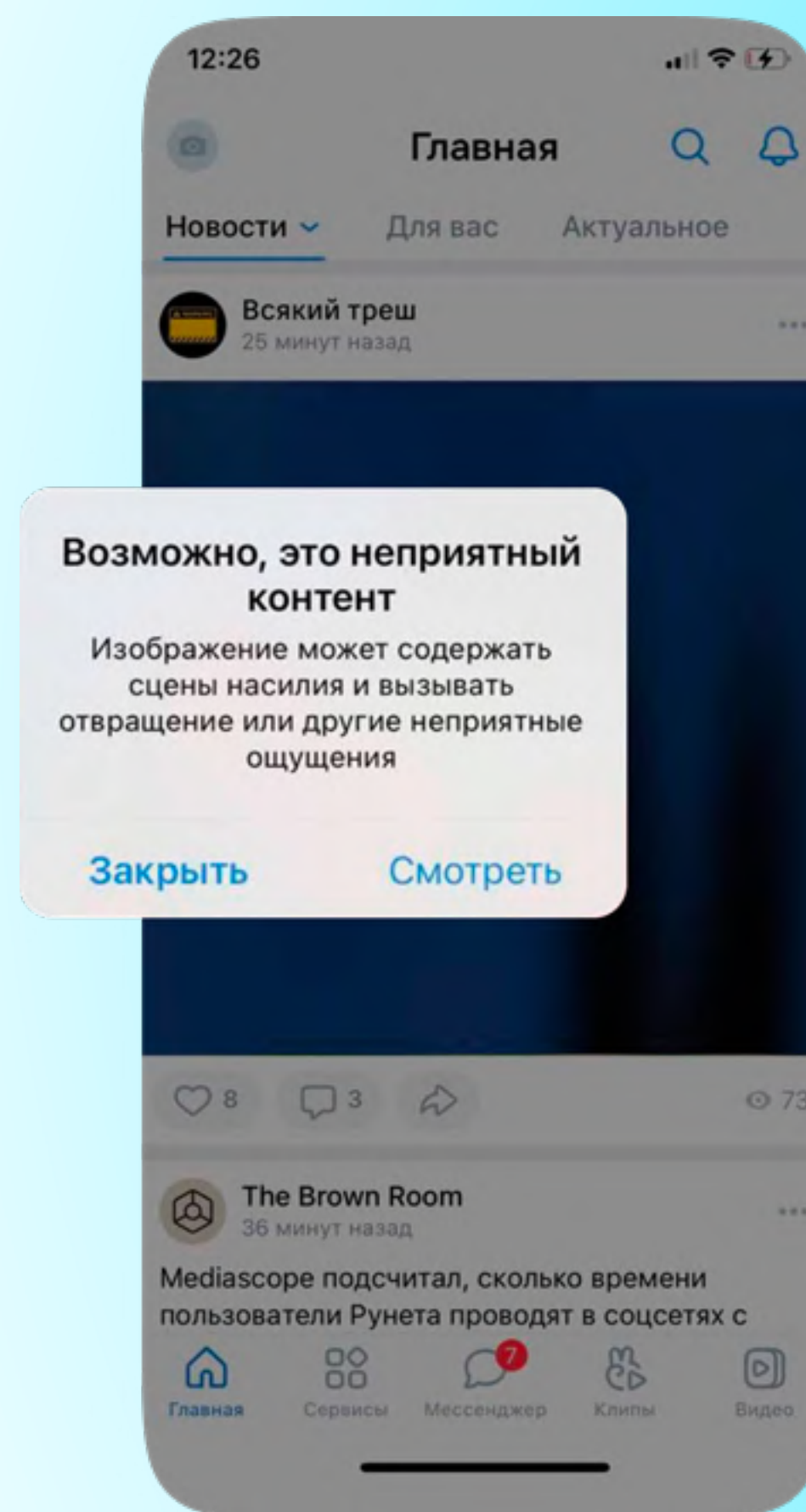
- VKontakte uses **a hybrid moderation method**. This is the most effective set of measures for the content platform, combining the expertise of moderators with modern technological solutions, for example, automatic search mechanisms and neural networks.
- **Digital fingerprint technology** is used to detect and block re-published content. This avoids the rapid spread of fake news, illegal or offensive materials, as well as content published in violation of the rights of copyright holders.

# VKontakte moderation

## Shocking content blur

VKontakte has started testing a new approach to displaying content for the safety and comfort of users. Images and videos that may seem shocking or difficult to perceive are now covered with a special plug with a warning.

Users can hide it and go to viewing the content — just click on the corresponding button. This solution will help users to better control the publications they want to interact with, and less likely to encounter unpleasant content for them.



## Redesign of filing complaints system

In 2021, VKontakte redesigned the complaint filing system. We resorted the categories of appeals and added the brief descriptions of violations.

- We have added descriptions of the reasons and links to relevant articles in the FAQ in each category of complaints about materials, profiles and communities.
- When sending a complaint, it became possible to immediately add the author to the blacklist — for this we made a special button on the same screen.
- A call to contact law enforcement agencies has been added to the description of the «Fraud» category. We consider such appeals and take measures, if possible, but we will not be able to help the user return the stolen money or other valuables, so it is important to contact the police on this issue yourself.

The redesign helped to simplify the path of users, reduce the processing time of requests by moderators and the number of false requests.



# Platform Compliance Report

In 2021, 5.6 billion content units were published on VKontakte. With the hybrid moderation method, most of the materials that violate the norms of the platform were blocked before users see them. In total, less than 1% of the total content was blocked.

	Child exploitation and pornography*	Propaganda and distribution of drugs*	Encouraging suicide	Encouraging violence in schools	Violence against people and animals	Threats and hostile statements
profiles	490 907	1 067 997	282 389	185	119 050	101 290
communities	10 173	3 083	806	349	938	125
content units	1 371 369	38 417 459	873 077	753 329	360 380	101 804
% of the total	0.02%	0.69%	0.02%	0.01%	0.006%	0.002%

\*83% of the total numers of blocks are links to third-party messenger applications.

# Odnoklassniki Moderation

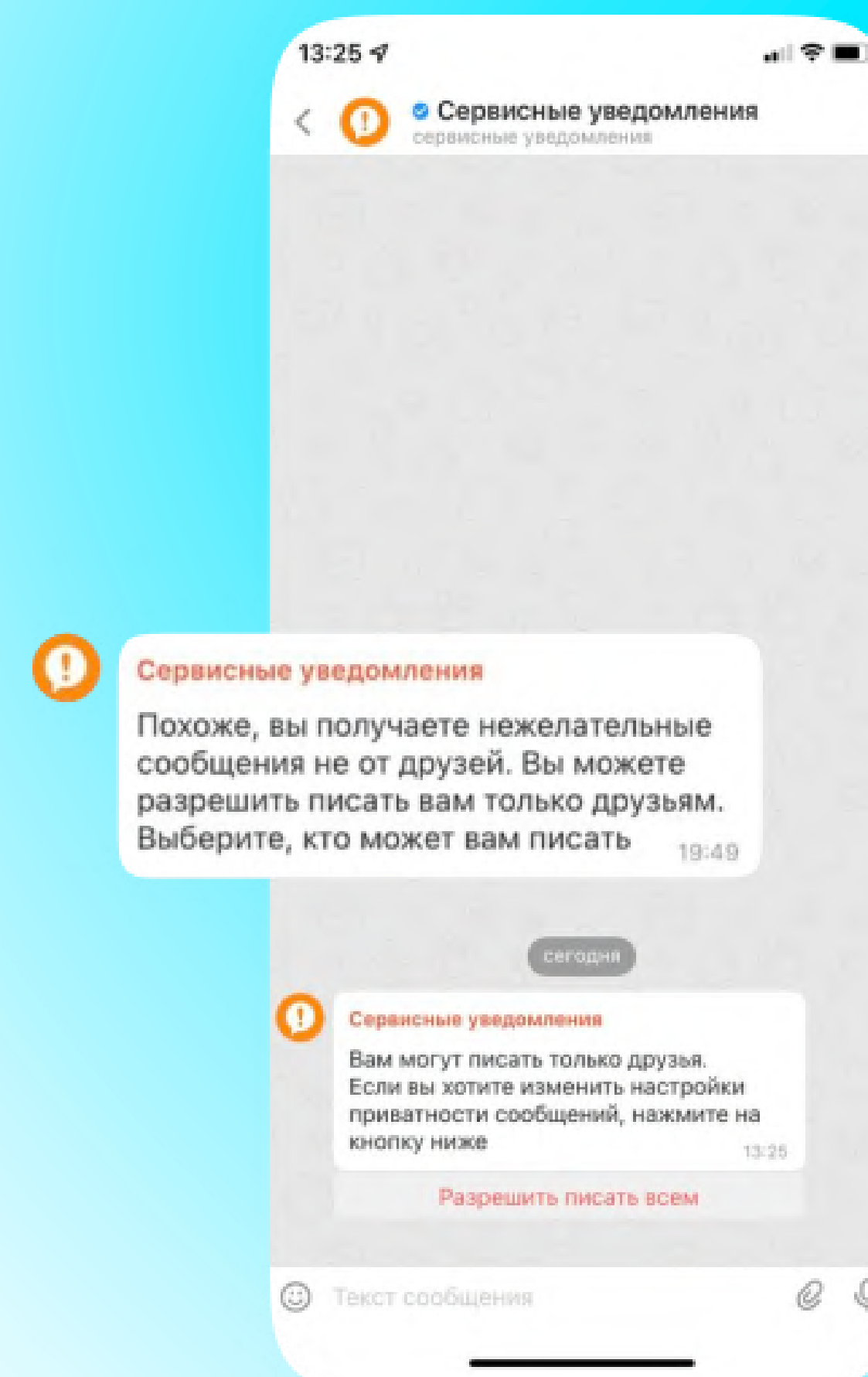
In 2021, the OK presented updated measures to protect against unwanted content in personal correspondence and a [Message Security Centre](#), which contains rules for safe and correct communication in the social network. Users will be able to get to the Security Centre through official service notifications in messages that will help set up the level of account privacy.

OK pays special attention to safe communication and constantly improves algorithms to counter fraudsters and unwanted acquaintances. From 2021, all photos with 18+ content from strangers in private messages will be automatically identified using neural network technology and «blurred». Recipients will be able to decide for themselves whether to open such content or not. Thanks to this, users will be protected from viewing such images. «Blurring» of images already works in the OK app on Android and in the desktop version of the social network, and will soon appear on iOS.

## **OK study: 69 % of users believe that it is easier to communicate online than in real life**

Odnoklassniki, Dobro.Mail.ru and the ResearchMe research centre conducted a survey about safe online communication. The study was conducted as part of the VK social strategy. 1,356 respondents aged 18 and over from 75 regions of Russia took part in the survey, the sample is representative of the Runet audience.

OK presented a [special portal on the topic of the rules of communication on the web](#) with the data obtained as a result of the survey, as well as expert comments: the authors of the podcasts «Super infuriates» and «Man, where are you going», as well as the psychologist of the project «You are not alone». It is dedicated to how to define personal boundaries in social networks and maintain eco-friendly communication with other users of social networks.





# Odnoklassniki Moderation

In 2021, the OK launched a neural network-based technology to combat aggressive statements and inciting discord in public comments. The neural network evaluates texts and images in comments for the presence of toxic content, after which it issues an assessment to moderators for verification.

All calls to incite hatred and xenophobia towards any nation or other group of people, including using obscene language, as well as threats to other users will be blocked. When analyzing images in the comments, the algorithm will determine the presence of shocking content and acts of violence, which will also be deleted after verification. The technology was launched as part of the global construction of the VK security system.

## Notifications from regulatory authorities to Odnoklassniki in 2021

OK regularly receives requests from government agencies regarding countering the dissemination of information recognized as illegal. The social network complies with the laws of the countries in which it operates, in accordance with local laws, OK removes materials if they violate the rules of the social network or if there is a decision of the court or an authorized body. The table below shows data related to Roskomnadzor requests for a number of content types, as well as requests from regulators in other countries.

## Notifications from Roskomnadzor to Odnoklassniki in 2021

Subject of request	Child pornography	Drugs	Pornography	Suicide	Total
Rejection	89	0	4	7	100
Deleted	1,649	107	46	126	1,928
Total	1,738	107	50	133	

## Notifications from foreign regulators

Rejection	437
Deleted	10,454
Total	10,891



# A safe and honest environment for gamers

The VK gaming department supports the values of fair play and strives to create a comfortable and safe environment for gamers, raise awareness of mental health and create an atmosphere of respect and support in all gaming communities.

- All our gaming communities are moderated for the appearance of hate speech, bullying, disruptive gameplay, obscene and discriminatory language which are all unacceptable to us.
- The VK gaming team has created its own anti-cheat solution, MRAC, that actively monitors the use of third-party programmes that affect in-game characteristics or automate the gameplay, and restricts access to players who gain an unfair advantage over others. Thanks to the work of the team, 50% of cheats do not reach the average user, as they are entered into the MRAC in advance.
- New cheat models are detected and removed in just 24 hours.
- The VK gaming team also strives to ensure the complete security of operations and protection against fraud in games with the help of special Anti-Fraud control.
- The VK gaming department is a member of the Fair Play Alliance: a global coalition of gaming professionals and companies committed to developing quality games. The Fair Play Alliance envisions a world where games are free of harassment, discrimination, and abuse, and where players can express themselves through play.





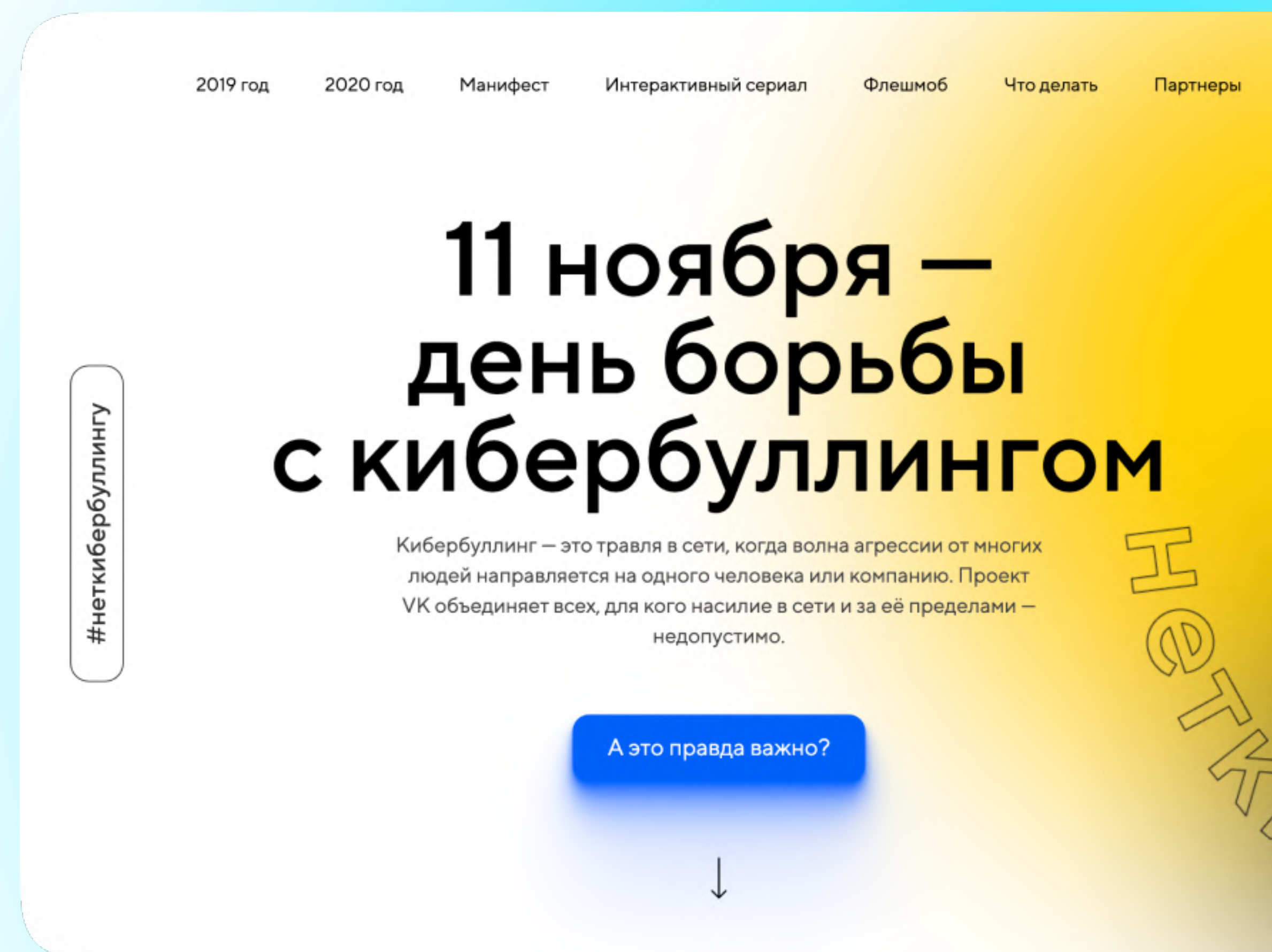
# Fight against cyberbullying

In 2021 VK held its key ecosystem social activity — the [Day Against Cyberbullying](#) — for the third time. In 2021 the project was supported by more than 70 brands, including VKontakte, OK, MY.GAMES, Skillbox, Sferum, Citymobil, Citydrive, AliExpress, Delivery Club, Lamoda, Kaspersky, MTS, Semrush, Megafon, Tinkoff, and the Alliance for the Protection of Children in the Digital Environment. On 11 November, each company and brand launched special projects dedicated to fighting cyberbullying. The Day Against Cyberbullying campaign coverage nearly doubled YOY and reached 130mn views.

An interactive series called “Nichego Strashnogo” (No Big Deal) about bullying in school was created as a part of the campaign by VK, thanks to the support of the Institute of Internet Development. The show is based on real stories of victims of bullying and the results of research into various types of bullying. This is a joint project organised by VK and the Lateral Summer studio, with the support of the Institute of Internet Development. A total of 4mn people watched the series in just two weeks.

VK has also conducted a large-scale study on the role of the bully, using its research platform with the VK UX laboratory and the consulting firm UXSSR.

In 2021 the researchers focused on studying the topic of misogyny and consumer terrorism. These issues were discussed at two open discussions: the Skillbox round table and a special FemFest session.





# COVID-19

In 2021, VKontakte continued to keep its user informed about COVID-19 and vaccination. Publications mentioning the pandemic, vaccines and treatment methods in the news feed were accompanied by a special label with a link to an integrated coronavirus information centre. The materials in it are based on the positions of leading international and local healthcare organisations.

VKontakte launched its unified coronavirus information centre in March 2020. Here, anyone interested can read key facts about COVID-19, see the latest news and statistics, find a hotline number and links to official resources. The information is based on the recommendations of experts, including the World Health Organisation (WHO), the Ministry of Health and Rospotrebnadzor (the Russian state consumer health watchdog).

In 2021 VKontakte and OK (in cooperation with the Ministry of Health) also created a service for users to share their personal experience of vaccination: “Herd Immunity”. . With the “Herd Immunity” mini app users can see vaccinated friends and ask them questions about COVID-19 and vaccination. The apps had 2.4 mn+ visits in 2021. The service also features experts’ answers to the most frequent questions.

Doctors used these taxis to travel for work, including visits to patients with coronavirus who were being treated at home. These dedicated taxis did not serve other passengers, they transported only medics. The free-taxi-for-doctors project was funded jointly by VK and Sber. The free taxi service for doctors was launched on 21 December 2020 and lasted till 1 February 2021.

More than

## 380,000

trips have been made by doctors in 12 Russian cities with the help of free taxis from VK and Sber

About

## 800

partner cars participated in the project, which transported doctors to more than 150 medical institutions

## 145 mn rubles

was allocated to pay drivers for trips and compensation in case of illness, as well as for means of protection against the spread of infection



# Educational initiatives

3-3

VK is developing education and providing support to users on their journey towards a career in IT, helping them improve their skills and explore new career paths. We take a comprehensive approach to developing online education services, ranging from preschool to vocational training.

The company has its own free-of-charge educational projects under VK Education. **The year 2021 marked VK Education's 10th anniversary.** Our journey started with the launch of an educational project with the Bauman Moscow State Technical University (BMSTU), providing classes and practice for future IT specialists. Today VK Education is involved in educational projects spanning all levels and ages, from schools all the way up to professional training.

VK also invests into educational business seeking to improve the education landscape in Russia. By the end of 2021, our ecosystem included a controlling stake in Skillbox Holding Limited (GeekBrains, Skillbox, SkillFactory, Lerna and

Mentorama), as well as stakes in Algoritmika, Tetrika, Uchi.ru and Umschool. VK's online educational platforms enable users to learn new skills online, honing their knowledge of school subjects or pursuing new qualifications.

VK supports many public educational initiatives. Together with the Federal Agency for Youth Affairs (Rosmolodyozh), the Russian Znanie ("Knowledge") society, the Russian School Movement, and other partners we hold large-scale educational marathons, lectures, hackathons and other educational initiatives.

**Our ultimate ambition is for ~10mn students to complete our various educational programmes by the end of 2023.**

# Initiatives for schools

To help high school pupils navigate through the various career trajectories in IT, **we run IT Knowledge Day, Data Lesson, VK Lessons** and other activities. For the last five years we have hosted IT Knowledge Day, with more than 9.7mn schoolchildren watching the online streams. In 2021, IT Knowledge Day, our career guidance campaign focused on game development, brought together 5,700 schools and more than 290,000 school pupils from Russia, Belarus, Latvia, Germany and other countries, with more than 3mn online viewers. We continued to participate in the Digital Lesson educational project, which enables schoolchildren to learn from top IT companies and improve their skills and competencies in the digital economy.

VK joined forces with Uchi.ru to hold a national online programming Olympiad, which attracted more than 577,000 schoolchildren. The Olympiad introduces children to the basics of programming, helping them to develop logical thinking and enhance their creative potential.

We also support the Bolshaya Peremena nationwide contest, which helps schoolchildren to discover their abilities. Since the launch of the Big Change communities in VKontakte and OK they have attracted more than 230mn content views and more than 590,000 likes and other positive reactions.

In addition, VK Education carried out many initiatives to support teachers and make the digital world more accessible for them. We named 2022 the “School Year with Marusia”, and invited teachers across the country to share their creative ideas on how voice assistants help them in the learning process. Teachers from 73 regions took part in the «2022 School Year with Marusia» national competition.

Over

## 3 mn children from 138 countries

**took part in the Digital Lesson on game development, which we prepared and hosted together with BIT.GAMES and Uchi.ru**

**In March, 2021 VK and Rostelecom launched Sferum, a learning platform for schoolchildren**, (as well as teachers and parents), which enables them to communicate and study online. The platform is designed to make learning, including distance learning, more flexible, technologically advanced and convenient. Sferum unites more than

## 3 mn

users across the country.



# Initiatives for universities

**More than 3,500 students annually attend VK educational centres and courses at 13 of Russia's leading universities**, including BMSTU, Moscow State University, the Higher School of Economics, the Moscow Institute of Physics and Technology, the MEPhI National Research Nuclear University, Peter the Great St. Petersburg Polytechnic University, and others. In 2021, VK and ITMO also expanded their cooperation in the field of education and research projects.

In cooperation with the Moscow Institute of Physics and Technology and BMSTU, VK holds the annual Technocup programming competition, with the winners given the possibility to enrol at the university without passing entrance exams. A total of 5,000 students from 70 regions took part in the Technocup in 2021. Together with the Federal Agency for Youth Affairs (Rosmolodyozh), the Russian Znanie ("Knowledge") society, the Russian School Movement, and other partners we held large-scale educational marathons, lectures, hackathons and other educational initiatives.

**Over the last four years we have been developing a community of ambassadors.** In 2021, 40 students and university employees from 27 universities and 10 regions acted as technology evangelists, promoting our brand and products. For junior students, we launched a summer internship programme — IT diving. The internship gives students an opportunity to dive in and explore the world of IT, to take a sneak peek at how the VK ecosystem project works. In 2021 the initiative attracted over 100 students.

In 2021 the VK gaming department helped with the launch of educational courses and internships at Russian universities, and also released a study in which it collected all educational gaming programmes in Russia.

# Initiatives for professionals

We also help tech professionals boost their skills. In 2021, we continued with the MADE Academy, our educational programme for experienced professionals. Over 224 graduates and 186 students joined the academy in 2021 and started studying Data Science, Machine Learning Engineering and Data Engineering. Over 120 students have successfully completed the training programme at the MADE Academy for Product Managers. They have made a qualitative breakthrough in the development of their products and become part of a closed community of VK product managers.

VK also partnered with MIREA —Russian Technological University and the Algoritmika educational platform to launch the Algoritmika Coding Bootcamp.

We continue to hold various IT competitions on the All Cups platform. The project brings together more than 300,000 people from 130 countries and allows them to search for talented professionals around the world. In 2021, more than 47,000 new users joined the platform and more than 121,000 solutions were uploaded.

The VK gaming department is actively developing educational initiatives about gaming business, making the industry even more accessible. In 2021, we held four events as apart of TBD PRO – a series of educational summits aimed at developing the gaming community in Russia and training young professionals.

**In 2022, one of our major aspirations is to improve the accessibility of education in Russia through development, including through the provision of digital and hybrid options throughout the entire educational journey.**





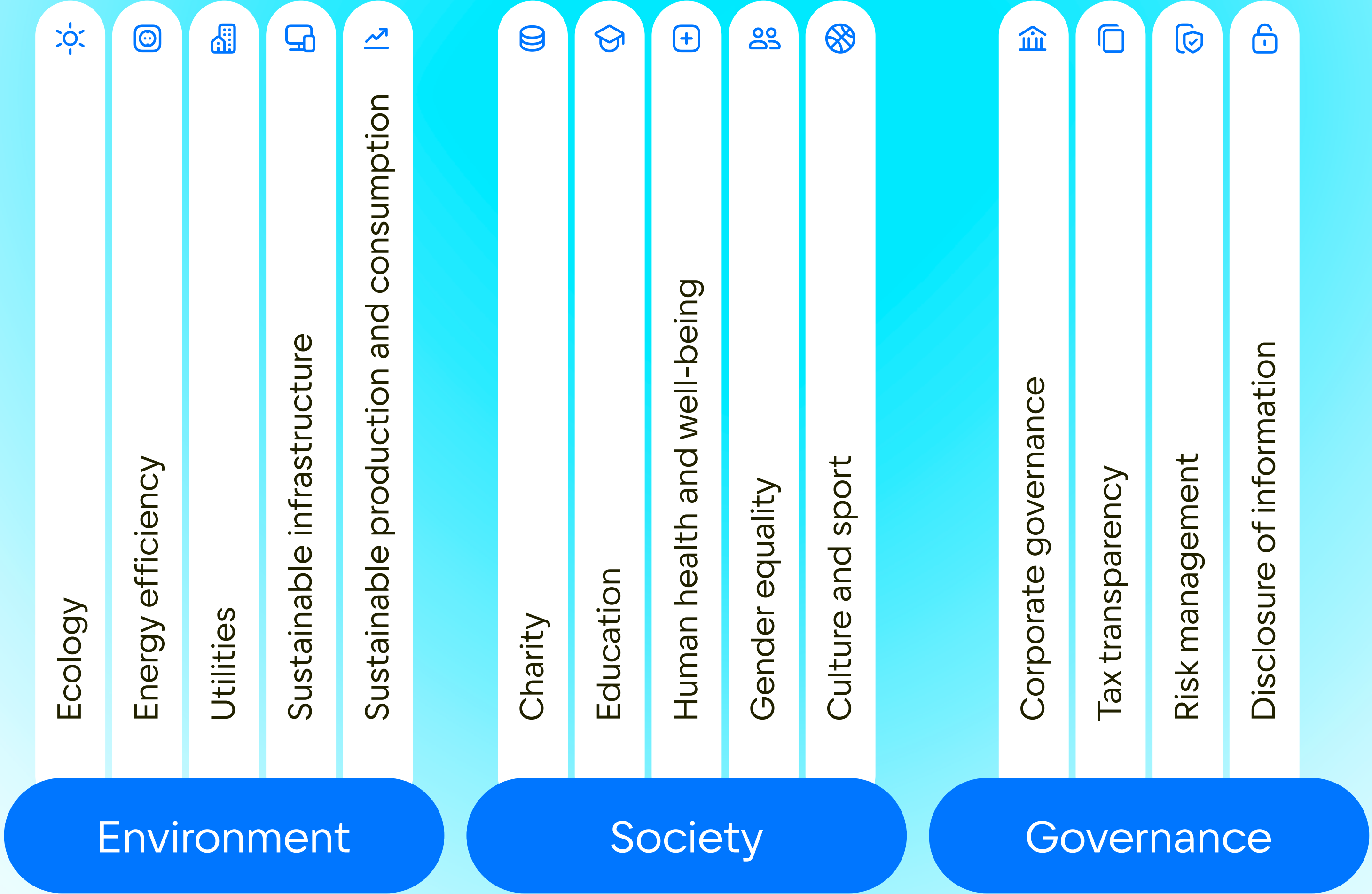
3-3

# Innovations and digitalisation



# Key ESG priorities of VK solutions

3-3



## VK Technologies

- Big data
- AI and ML
- Cloud technology
- Social networks
- Internet of Things

## VK tools for B2C communication

- Social networks
- Content delivery system
- Personalised communications
- Predictive analytics
- Social platforms



# VK's already released ESG solutions for businesses

As a large Russian IT company, VK sees Innovation and digitalisation as its mission. Therefore, we are developing ESG-oriented B2B products. Here are some of our products that allow other Russian market participants to use our best practices in the field of sustainable development.

## E

### Environmental

- Predictive models for optimising production, increasing resource efficiency
- IT platform for environmental monitoring
- Waste management
- Geoanalytics and cartography

## S

### Social

- Educational projects
- A platform for organising charity (personal and corporate)
- Communication tools for informing and involving users in the ESG agenda

## G

### Governance

- Tax Monitoring Platform for information disclosure
- Machine learning and artificial intelligence
- Predictive analytics



# Social Initiatives



# Dobro Mail.ru – VK's platform for charity

203-1



Dobro Mail.ru is a charity service that has been helping users to participate in charity projects throughout Russia since 2013. The service regularly collects donations in support of NGOs that help children, adults, animals, nature, ecology and culture.

The service helps users to participate in charity projects throughout Russia and makes charity easier and more accessible. In 2021, RUB 110mn was donated to funds. The number of regular payments made during the year was 19,205, reaching a total of RUB 7mn. More than 1.5mn people visited the Dobro Mail.ru site in 2021. Since 2013, Dobro Mail.ru users have collected almost RUB 471mn.

There are now there are more than 220 funds and 170 projects on the platform. Only non-profit organisations that have accepted the user agreement can participate in the project. It is important for us to work with experienced and professional NGOs, so we accept applications from organisations registered no later than January 2020.

We focus on the support and development of small charitable organisations from Russian regions. But we are also considering applications from Moscow funds that implement systemic projects in Russian regions or help people with rare diseases.

To be Dobro Mail.ru's partners:

- NGOs should have a website and a social media presence, and publish detailed annual reports;
- Targeted assistance NGOs should publish monthly financial reports;
- Multidisciplinary organisations offering targeted assistance should communicate with relevant NGOs and specialists to make decisions about supporting citizens;
- NGOs should not collect funds on employees' personal cards.

## Charitable collections, RUB mn

	2019	2020	2021
Funds donated to NGOs by VK	0.58	26.2	46.6
Funds collected by NGOs via VK	0.95	17.8	31.1
Funds collected via Dobro Mail.ru	76.30	99.8	110.3
<b>Total</b>	<b>77.83</b>	<b>143.8</b>	<b>188.0</b>



# VK Social projects

201-1

In 2021, VK continued to pursue its social strategy, which aims to solve acute social problems by providing technologies, digital solutions and targeted support.

**In 2021, VK launched the Charity Task, an intellectual volunteering project for VK employees, and VK also continued to work on its own fund «Kod Dobra».**

VK created the the «Kod Dobra» (Code of Good) foundation to increase the company's contribution to the creation of charity infrastructure in Russia. The foundation helps grow charities that are vetted by Dobro Mail.ru.

In 2021 the fund collected  
**RUB 96mn**  
for NGOs.

[report](#) for 2021

VK continues to pay close attention to the topic to inclusion and gender diversity. In 2021, the company conducted a study on the attitude of parents to children's further education as part of UN Girls' Day and gender differences. An annual study

was also conducted on the attitude of Russian parents to inclusive education.

Every year, VK supports information campaigns dedicated to **Down Syndrome Day** and **World Autism Awareness Day**.

**In 2021, we launched the "Need to Talk" information campaign, an online project about complex social issues.** The first topic was an open conversation about perinatal losses, the second one was a public discussion about the stigmatisation problem of breast cancer.

The Dobro Mail.ru service and ITT game studio held a joint campaign with the ORBI Stroke Foundation, which raised RUB 660,000. The money was used to equip an ergo room for post-stroke rehabilitation in Novosibirsk.

**VK's «Doing Good Better Together» New Year ecosystem campaign was held in order to support official charities.** As a result, the company transferred RUB 32mn to 22 charitable foundations. The campaign reached more than 20mn users.

# VK Social projects

201-1

## Social responsibility on social networks & in games



VKontakte is developing services to track news and up-to-date statistics about coronavirus and vaccination around the world. In October 2021, VK launched the Collective Immunity mini-app. It provides users with information about vaccination not only from official sources, but also by asking the opinion of close people and acquaintances. The app has attracted 2mn unique users since its launch.

In 2021, VKontakte continued to develop and support charitable activity through its platform. VKontakte's main areas of charity focus were support for NGOs, the development of charity culture, educational campaigns on sensitive social issues, and the integration of charitable initiatives into the platform's key activities. Thanks to such integrations, **in 2021 VKontakte managed to raise more than RUB 40mn to support charitable foundations.**

During one of the campaigns, more than 170,000 users donated to WWF Russia and collected RUB 29mn to support projects to preserve rare species of animals.

**More than 120 socially oriented NGOs received support from VKontakte in 2021** in the form of grants for conducting advertising campaigns and assistance in their implementation.

Substantial attention was also paid to educational projects for NGOs. Together with the Blagosphere Centre, a special course was launched for charities, which helped them master the process of creating and promoting podcasts to highlight their activities.



Every year, OK supports charitable foundations, social projects, and initiatives aimed at protecting the rights of women and against discrimination and violence. To counteract gender discrimination, on 25 November, 2021, OK posted a thematic illustration on authorisation page, showing the number of a national hotline for women who have become victims of domestic violence. As a result of the campaign, the next day the number of calls to the hotline doubled.



# VK Social projects

201-1

## Gaming

The VK gaming department does its best to share its experience and knowledge, drawing public attention to important social issues. For several years we have been working to raise awareness about mental health, helping gamers and game developers around the world to gain access to mental health resources.

The VK gaming department places ads for charities in its mobile games for free. The team provides an opportunity for foundations and non-profit organisations to post information about psychological support services, charitable and volunteer initiatives, as well as hotline numbers and helplines.

We regularly support global campaigns and initiatives, cooperate with non-profit organisations such as Play Apart Together and Take This, as well as the “Bright Morning” (Yasnoye Utro) psychological service, and many others.

**In 2021 the Gaming department supported UK-based organisation Safe in our World**, creating awareness for the charity and helping gamers and game developers worldwide access mental health resources while reaching over 200,000 users.

# Educational social projects

201-1

## Skillbox

In 2021, the Skillbox educational platform launched a programme of up to 90% discounts on all courses for wards and employees with Russian public organisations. In the first four months, the total amount of discounts reached almost RUB 8mn. Since 2019, together with ROOI Perspektiva, Skillbox has been developing a project called «The Future without Limits», which offers people with disabilities free education and employment. Within the first two years, 484 people have taken part in the initiative, 14% of whom are already employed.



SkillFactory joined forces with the WWF to launch the «Unforgettable» project, which aims to protect endangered species. SkillFactory students helped ecologists in the conservation of Red Book animals by using Data Science tools and studying data analytics, and the school itself transferred 7% of the cost of each purchased course to WWF Russia conservation projects.

SkillFactory also created a data analysis training programme on Python for people with autism spectrum disorders (ASD). It has been completed by several students of the "Anton is Right Here" Foundation.



Marusia not only entertains but also educates users and highlights important social issues. Together with funds and NGO specialists, the voice assistant published information about breast cancer diagnostics, told a story about kids with autism, provided a guide for helping homeless pets and supported the VK ecosystem charity project.



# Educational social projects

201-1



The Sferum platform team has created a series of projects for education professionals. Sferum and Variant (an online psychological support service for those employed in the education sector) launched a service of free anonymous psychological consultations for teachers. Professional psychologists helped to solve challenging situations that arose between teachers and children and their parents, and also answered questions about self-development within the profession. More than 700 education professionals applied for consultations.

The Sferum team created the Institute of Digital Education Ambassadors, which at the beginning of 2022 included 45 teachers from 23 regions in Russia. With the participation of ambassadors, more than 700 educational events for teachers were held.

The platform also launched a refresher course called “Digital Transformation of Education: Profile of a Modern Teacher”. Since November 2021, 35,000 education workers have received free training.





# B2B & Social initiatives

201-1

In 2021 VK and “My Business” launched a support programme for SMBs on the VK Business platform. The main goal of the programme is to help entrepreneurs to improve their digital skills and support them in promoting businesses on the VKontakte social network.

The VK Cloud Solutions platform launched a cloud-based speech recognition and text-to-voice generation service, which helps businesses introduce voice control, empowering visually impaired people to use services and applications.

Using the expertise of VK EdTech business unit we collaborated with Dobry (a juice and nectar brand) and developed an online educational platform for children aged 3-12, called Academy Super. Here they can develop their skills in four main areas: software engineering, financial literacy, blogging and environmental issues.

**DonationAlerts and Dobro Mail.ru launched LoveAlerts**, the world’s first project to help influencers and bloggers facing stalking and domestic violence. According to a survey, 60% of influencers have encountered these issues and most of them have not told anyone about it due to the fear of misunderstanding or judgement. A total of 39% of bloggers have had their home address “leaked” into the public domain. Working together with psychologists from the «You Are Not Alone» project and lawyers, we have developed recommendations that will help to find a solution.

At the beginning of 2021, Youla presented its 33mn audience with a project to support small businesses. Youla advertised the products of the best self-employed

craftsmen from all over Russia on the main page of the app, its website and social networks.

Youla launched an advertising campaign with these entrepreneurs to draw potential buyers to handicrafts made by people from different parts of Russia, including people with disabilities. Over a week, more than 1,000 applications came from entrepreneurs from all over Russia. The best entrepreneurs received advertising support, special store conditions, discounts and bonuses.

Youla also actively supported socially oriented businesses in 2021 and launched a number of charitable projects. For example, Youla and Barking Store released exclusive clothes that were sold on the service. Half of the profits from the sale of this limited merchandise went to support an animal shelter in Tomsk.

## Pulse and media projects

During the VK New Year campaign the Pulse recommendation system encouraged bloggers and content creators to publish social content and stories. Users shared ideas on how to do good deeds on New Year’s Eve. During the campaign, more than 100 articles about helping animals, selections of topical films and books, and biographies of historical and contemporary philanthropists were published.

The media projects DetiMail.ru, Lady Mail.ru and others actively participated in VK’s social project, providing informational and media support.





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# Our people

# Our team

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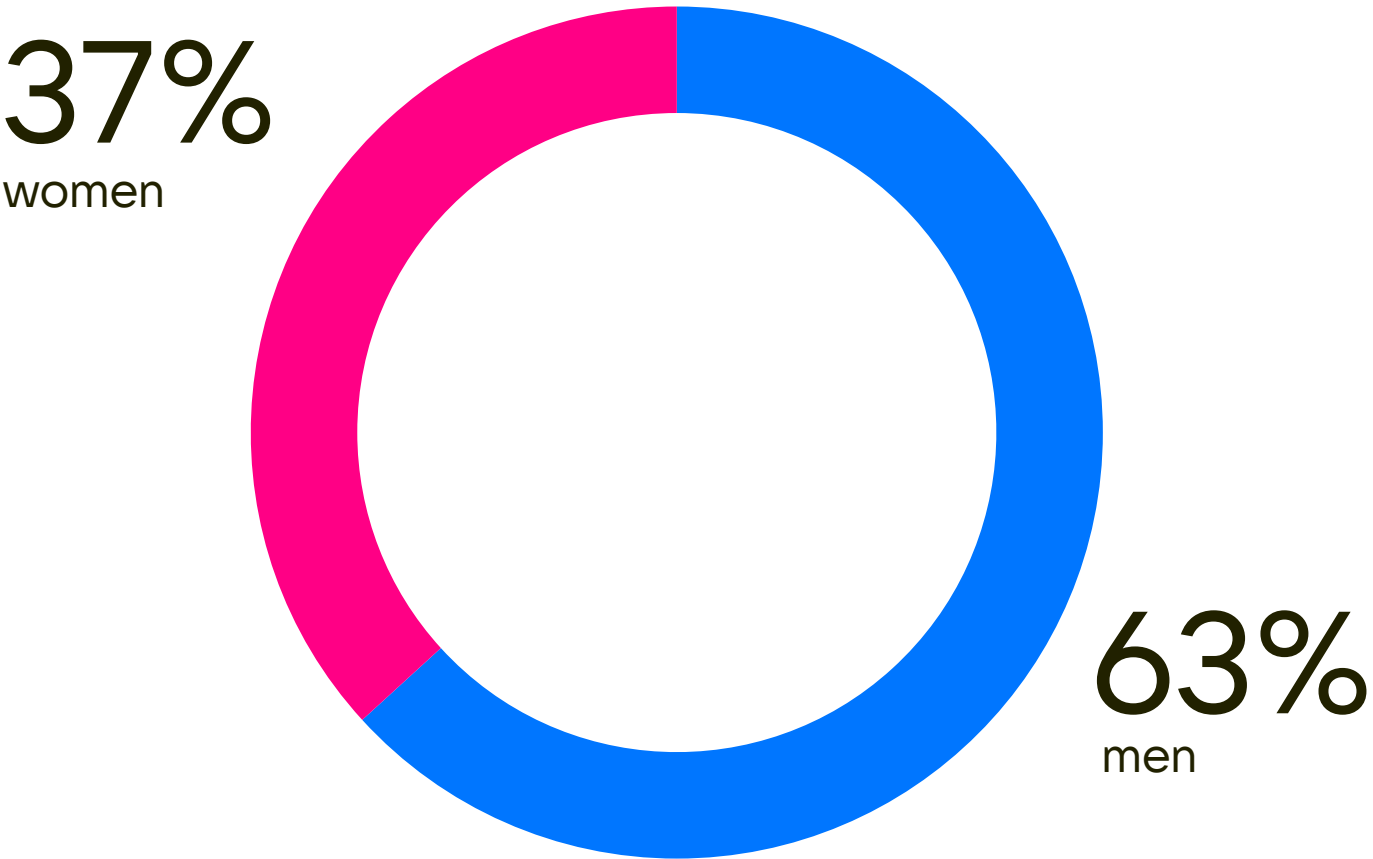
Our team is our main value. The success of our business depends on the dedication, professionalism and enthusiasm of our employees. We are interested in every team member's development, so we help them grow professionally and discover new talents. Within VK, employees are encouraged to develop upwards by obtaining internal promotions as well as moving to other teams and projects, while also being able to learn and gain new knowledge and skills through internal as well as external learning platforms.

We want all employees to be encouraged and feel that they are contributing to the achievement of common goals, to feel their own importance as well as the importance of achieving corporate goals. We highly welcome idea-sharing and mutual support within teams. We value a variety of opinions and expertise: we provide jobs for talented, to create new valuable products for a mass audience while helping to enhance and support existing products and services.

The total number of employees at the end of 2021 was 10,392. The proportion of women among our employees was 37 %, with women representing 28% of senior managers and team leaders.

48 % of our employees are under 30 years of age, with the youngest being 17 years old, and the oldest being 71.

We provide flexible work options to all our employees assigned the hybrid working mode introduced in 2021. At the end of 2021, 46% of our employees were working completely remotely, with 35% spending part of the week at the office as part of a hybrid mode, and 19% at the office full-time.



10 392

Total number of VK employees at the end of 2021

48%

of VK employees are <30 years old



# Personnel structure

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## Employees by employment type, gender and region (2019–2021)\*

	2019	2020	2021
<b>Russia</b>	<b>6,178</b>	<b>8,604</b>	<b>9,624</b>
Employees with a permanent employment contract	6,142	8,540	9,506
Women	2,210	3,257	3,478
Men	3,932	5,283	6,028
Employees with a temporary employment contract (part-timers)	36	64	118
Women	12	27	60
Men	24	37	58
<b>Other countries</b>	<b>156</b>	<b>238</b>	<b>768</b>
Women	61	93	293
Men	95	145	475
<b>Total</b>	<b>6,334</b>	<b>8,842</b>	<b>10,392</b>
Total growth, %	-	40%	18%

To drive business growth, VK also involves outsourcers, individual entrepreneurs, and self-employed professionals. The work process and the functionality of non-staff personnel are regulated daily by direct functional managers. Monthly payments are monitored. Each employee's status is selectively checked and updated quarterly by HR. All employees are audited annually to confirm their status, and contractors are checked by the security service, also on an annual basis.

\* By the end of the year

# Personnel structure

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Employee structure by position and gender

405-2

(2019–2021) <sup>1</sup>

	2019	2020	2021
Senior management	37	36	33
Women	7	6	6
Men	30	30	27
Management	926	1,294	1,739
Women	275	419	494
Men	651	875	1,245
Employees	5,371	7,512	8,620
Women	2,001	2,952	3,329
Men	3,370	4,560	5,291
Total	6,334	8,842	10,392

<sup>1</sup> Senior management includes the managers who make corporate/strategic decisions (vice-presidents, directors and above). Management includes employees in senior positions responsible for Financial Responsibility Centres/business units/functional oversight/groups of employees. Employees include line staff..

Remuneration structure (2021)<sup>2</sup>

	Base salary	Bonus	Total remuneration
Management	86%	14%	100%
Women	85%	15%	100%
Men	87%	13%	100%
Employees	90%	10%	100%
Women	90%	10%	100%
Men	90%	10%	100%

<sup>2</sup> Remuneration structure shows the proportion of basic salary as part of total remuneration for women and men in each worker category.



# Personnel structure

405-1

## Employee structure by age (2021)

401-3

	Employees	%
<b>Senior management</b>	<b>33</b>	<b>0.3%</b>
under 30 years old	0	0%
30-50 years old	31	93%
50+ years old	2	7%
<b>Management</b>	<b>1,739</b>	<b>16.7%</b>
under 30 years old	473	27%
30-50 years old	1,246	72%
50+ years old	20	1%
<b>Other employees</b>	<b>8,620</b>	<b>82.9%</b>
under 30 years old	4,469	52%
30-50 years old	4,062	47%
50+ years old	89	1%

VK’s special Family project organises special events and provides employees with tips on how to spend time with their nearest and dearest. We created the Family project so that employees could relax more often with their relatives.

## Parental leave statistics (2021)\*

	Quantity
Employees on leave as of the end of the year	228
Employees taking parental leave during the year	78
Employees who returned to work after the end of parental leave	46
Employees who returned to work after the end of parental leave, who were still working 12 months after their return to work	21

\* For employees returning from parental leave in 2020

In Q1 2022 our Voluntary health insurance programme was further enhanced and now covers all employees’ children.

**We also give VK employees a gift on the birth of a child — a developmental mat and RUB 50,000 in financial assistance.**

# Hiring

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- Our hiring policy is based on the principles of equal opportunity, openness in communication and fair assessment. Interviews are conducted only by qualified employees, in person or via teleconference.
- We do not discuss our applicants with other applicants or employees
  - We provide complete and up-to-date information during the interview process with respect to requirements, the selection process, the terms of employment and the timeline of the selection procedure
  - We obtain legal consent from applicants to process their personal data and other information
  - We do not disclose confidential information to applicants
  - We do not tolerate negative or offensive comments about other employers, previous or current, including our competitors
  - We do not ask applicants questions that are discriminatory or irrelevant to the vacancy

- We operate an Employee Referral Programme, which allows our current employees to invite potential candidates for open positions and receive a special bonus upon the successful completion of a probation period by such candidates

Professionalism is one of the key characteristics of VK employees. Therefore, during the recruitment process, the company selects those candidates who can best cope with the tasks set. Gender, age, nationality and other characteristics that are not related to professional skills do not matter.

The IT industry is predominantly associated with men working in programming, designing and testing services, games and apps. While working with future generations in our educational programmes we strongly encourage female students to take IT classes and join our community.

## Employee turnover, % (2019-2021)\*

	2019	2020	2021
Involuntary staff turnover	9%	7%	8%

\* Voluntary staff turnover has changed marginally versus 2020



# Hiring

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## Total number of new employees by age, gender and country (2019-2021)

	2019	2020	2021
<b>Russia</b>	<b>1,039</b>	<b>1,431</b>	<b>2,561</b>
<30 years old	441	816	1,499
Women	199	326	589
Men	242	490	910
30-50 years old	589	610	1,050
Women	245	197	299
Men	344	413	751
50+ years old	9	5	12
Women	4	2	5
Men	5	3	7
<b>Other countries</b>	<b>22</b>	<b>28</b>	<b>54</b>
<30 years old	9	14	29
Women	6	6	10
Men	3	8	19
30-50 years old	13	14	25
Women	5	4	13
Men	8	10	12
50+ years old	0	0	0
Women	0	0	0
Men	0	0	0

In 2021

2,561

new employees joined VK,  
compared to 1,431 in 2020

35%

of new hires were women

# Adaptation

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Hundreds of new employees join VK in one week. On the first day, the newcomer receives a laptop along with other necessary equipment, a welcome set of merchandise and a VK Combo subscription. All newcomers also participate in the «Welcome Training» event, where senior managers and other current staff talk about the company, its operations, strategy, internal processes, values and traditions. Starting from 2022, the «Welcome Training» also includes information about VK’s ESG focus areas.

During the pandemic, the adaptation process has changed a little. Couriers delivered all the necessary equipment to employees’ homes, while the Welcome Training event moved to an online format. In recent months, Welcome Training has again begun to offer an offline participation format. New employees gain access to all the necessary onboarding materials: distance courses, a website for beginners, welcome letters, instructions and support chats. They also get assigned a mentor («Buddy»), who helps with any initial work-related or other onboarding issues.

Each VK employee also has a dedicated HR business partner — a colleague from the HR team who accompanies the business unit. Working together with the heads of business units, an HR business partner forms a team and business development strategy and selects tools to achieve each team’s goals.

## How an HR BP helps in the organisation of HR processes in the business unit:

- Looks for channels to attract talent and forms a plan for the development of the employer’s brand;
- Participates in the selection and adaptation of employees to form a strong team;
- Works on the involvement of the team: forms a system of motivation and evaluation;
- Creates an atmosphere of mutual understanding for the development of talents in VK business projects, so that colleagues in the team understand their development prospects and opportunities;
- Forms effective communications in the team so that important information reaches every colleague.

In 2021, HR BP support was enhanced with artificial intelligence tools — #marusynarabote (the Marusya at work chat bot) is now able to answer a large number of HR-related questions, freeing up HR BPs to spend more time on live communication with employees and other staff-related tasks.

## Duration of work of VK employees as of 31 Dec., 2021

	%	Employees
0–3 years	63%	6,548
3–5 years	18%	1,871
5–10 years	13%	1,350
10+ years	6%	623



# Social package and comfortable working conditions

403-6

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VK is a team of >10,000 people. We not only work on developing almost 200 VK projects together, but also constantly study, exchange ideas — and enjoy leisure time with each other.

And for this, the company has everything one might need: doctors take care of all employees, we can play sports in teams or alone, develop professionally and personally through courses and training, use corporate discounts, and much more.

Our well-being programme combines all the available opportunities to make it easier for us to find what we need. And that means relevant offers are always at hand.

**The VK well-being programme can be divided into four blocks:**

- Mental health
- Physical health
- Finances
- Recommendations, Coins and other support





# Social package and comfortable working conditions

## Mental health

- A psychologist's office has been created for employees. There are four psychologists, with whom the company cooperates on an ongoing basis, who take shifts in the office on different days of the week. So our employees have been familiar with office psychologists for a long time, trust them and give them high marks for their professional activities
- In addition to in-house psychologists, our VMI programme provides employees with the opportunity to receive an unlimited number of consultations with psychologists from the "I Understand" service. Once an employee contacts the service, a consultation will be organised within 24 hours. Consultations are held online, and are completely free for employees
- Since the end of February 2022, an anonymous hotline has been available, offering VK employees emergency psychological assistance. Employees can call it 24/7 from any city in Russia. Employees based in nearby countries can use the hotline through a widget on the «I Understand» partner portal.
- On our internal corporate training platform, employees can take thematic training and attend lectures and master classes on topics such as burnout, productivity and resourcefulness, coping with stress at work; and leading a generally healthy lifestyle. Our programme now offers more than 14 types of training.





# Social package and comfortable working conditions

## Physical health

- Voluntary health insurance programme. Every year we conduct a survey about the quality of the current VMI programme.
- VK has a corporate insurance programme, which allows employees to receive payments in case of critical diseases (Cancer, AIDS, heart attack, kidney failure, and others).
- In the end of 2021 VK had 11 teams in nine sports: football, volleyball, basketball (including women's), hockey, running, cross-country skiing, triathlon, swimming, and table tennis. More than 1,500 employees take part in the various internal sport teams. For amateur teams in Moscow, 50% of training costs is subsidised, and the company also pays for sports kit, participation in competitions, and prizes for the most active members of corporate teams.

- We have gym and equipment rental at the head office.
- Subsidised sporting activities. The company covers the costs of sporting activities — classes at a fitness club, individual training, participation in competitions — for an annual total of RUB 35,000 per employee.
- Discount programmes. We cooperate with major fitness chains across the country, which offer preferential conditions for the company's employees. More than 2,000 employees use the discount fitness programme.
- Training lectures, seminars on sporting topics and healthy lifestyle.
- VK's central office has a therapist's office and a massage room.





# Social package and comfortable working conditions

## Finances

- The VMI package includes additional services not related to health: professional, legal and financial advice.
- The company regularly conducts free online consultations with a realtor.
- With the help of the PayDay service created by our colleagues, employees don't need to wait for the scheduled payment date of an advance or salary — they can receive the share of their salary earned to date.

## Recommendations, Coins and other support

- VK has a recommendation system, where employees can recommend a friend for an open vacancy and get a financial bonus.
- VK has an internal rewards programme. Employees can earn Coins (our internal digital currency) for giving talks at conferences, helping newcomers to adapt, shooting a video clip of a VK product, etc. Employees can spend Coins in our special internal store: they can buy corporate merchandise or donate it to charity.
- The company provides financial assistance to employees in the case of the birth of a child (RUB 50,000) or the death of a close relative (RUB 100,000).



# COVID-19

Due to the COVID-19 pandemic, we have established a hybrid work format that involves three options: Office mode (involves working in the office five days a week); Combined mode (some days working from home, some from the office); Remote mode (a classic remote working mode). At the end of 2021, 46 % of our employees were worked completely remotely, with 35% spending part of the week at the office as part of hybrid mode, and 19% at the office full-time.

In 2021, each employee was able to get vaccinated and revaccinated against COVID-19 in the office, and take an antibody test. In addition, we have organised full support for employees who have fallen ill, under the VMI. This includes a home visit by a doctor, online support, CT scan, and hospitalisation at the company's expense. We have a hotline that any employee and his relatives can contact at the slightest suspicion of COVID-19 and get all the necessary support.

**In 2021, our employees took 166,437 Covid-19 tests.**

## Health insurance programmes, percentage of employees (2019–2021)

	2019	2020	2021
Employees insured under life insurance programmes	—	100%	100%
Employees insured under health insurance programmes	100%	100%	100%

## Participation in other benefits, employees (2019–2021)

	2019	2020	2021
VMI programme	6,334	8,842	10,392
VMI telemedicine programme	—	—	3,020
Psychologist's consultation	—	—	615
Pregnancy and childbirth management	—	—	44
Child insurance	—	—	3,100
Visit to psychologist's office	138	251	208
COVID-19 vaccination	—	—	5,754
In-house massage service	991	365	464

# Occupational safety

403-8

Despite the fact that VK's activities as an IT company are not associated with health risks, occupational safety is an important part of caring for the well-being of our employees and applies to all full-time employees of the company, regardless of the type of activity.

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**We carry out the assessment of occupational risks at each workplace with the partial involvement of an external counterparty.** The assessment methodology used has been approved by the Ministry of Labour. During the assessment, we identify dangerous areas and take measures to mitigate the risks.

**Employees can learn about safety rules on special courses created with the involvement of specialised training centres that have the appropriate license.** The courses are hosted on the internal platform Study. Additional information is included on the digital assistant #marusyanarabote in VK Teams (our corporate messenger). The programme covers 100 % of VK employees.

The education programme describes the actions of employees in emergency situations, including a complete ban on working in unsafe conditions. Employees are obliged to report any violations of safety requirements to their manager, occupational safety service or HR business partner. This obligation is fixed at legislative level and applied to all VK's business units.

**Employees can also report about a violation of safety requirements anonymously via a [helpline](#).**

The occupational safety management system also includes provisions on the specifics of accounting and investigation of industrial accidents, micro-injuries (microtrauma) and occupational diseases.

The accounting and investigation of such injuries involves documentation of each case and the participation of state supervisory authorities (the Labour Inspectorate, Prosecutor's Office, etc.).



# Labor Protection Commission

403-3

The development and approval of documents on labour protection and safety is carried out by the Labour Protection Commission and representatives of related departments in compliance with legislative requirements. The company updates these documents as the technological components change, but at least once every five years. The current documentation is publicly available to all employees of the company on internal resources.

The composition of Labour Protection Commission may vary depending on staff and structural changes, as well as business units needs. The commission consists of representatives/employees of the administrative and production departments, with the participation of legal and financial services. The number and frequency of meetings depends on needs and demands, but they take place at least once a year.

**There have been no work-related injuries at VK in the past five years.**



# Employee learning and development

404-2

The company provides various tools for continuous improvement of employees' level of knowledge and expertise. As a main resource we offer an internal learning experience platform, Study. All employees have free access to the platform and all its content. More than 200 courses are available for different needs.

- Free access for all employees.
- Content on the platform is linked with corporate competencies — certain professional and personal skills that are necessary for effective work.
- Personal development track: any employee can form an individual training plan according to their competencies or the result of their peer-to-peer evaluations.
- Self-registration for regular corporate training and events.

We also provide the opportunity of participating in external professional events as either a visitor or a speaker. For those, who need to read, we have a corporate library in both formats – a large paper library available in our Moscow office and an online library with free access to all employees, which includes more than 200,000 books on various topics. We also encourage new language learning. For example, our employees have the opportunity to learn English in three formats: joining a speaking club, studying at an English language school individually, or studying in a group.

## Total number of training hours (2021)

	Hours
Management	1495
Men	834
Women	661
Employees	6,575
Men	4,208
Women	1,515

For some highly specialised skills and knowledge, employees can submit an application for education – training sessions, books, mentoring.

## Education requests from employees (2021)

	Number of requests	% of the total
Applications to attend a conference	4,085	53
Applications for training	1,263	16
Book orders	964	12
Applications to learn a foreign language	448	5



# Employee assessment

404-3

In 2021, 360 competency assessment activities were carried out for 6,900 employees and career expectations were collected.

Upon completion of the evaluation, managers were trained to provide feedback on the evaluation results and scheduled meetings with employees for feedback. An automated report was generated for each employee with defined strengths and areas for development.

## Classroom (online & offline) training (2021)

	Number of events	Number of participants	Total hours of training
For managers	132	838	1,303
For all employees	157	3,183	1,311

## Self-learning training (2021)

	Average duration, hours	Number of completed courses	Training hours
Videos	2	1,050	2,100
Articles	0.5	2,725	1,362
Online courses	1	1,489	1,489

# Employee engagement surveys

404-3

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The survey is conducted annually on the external platform of the Happy Job provider and measures three key criteria:

- **Loyalty** is commitment to the organisation. Employee loyalty affects the desire to work productively and stay with the organisation now and in the future.
- **Satisfaction** is a state in which employees are satisfied with their work, working conditions and working atmosphere in the company, according to five metrics.
- **Engagement** is a physical, emotional, and intellectual state in which employees strive to do their job as well as possible. The results for engagement are presented in 10 key metrics, each of which contains an additional five submetrics.

Surveys are conducted in compliance with the principle of anonymity, and an external provider (Happy Job) is used for this. Employees receive individual links, while reports are generated only for those teams in which seven or more people have filled out questionnaires — these reports are not available for other people.

Employees are asked to answer 57 closed questions and one open question in order to collect comments and ideas.

**In 2021, the survey was conducted on 8-28 June. A total of 5,159 people (60%) took part in it and left 1,596 detailed feedback comments.**



# VK Women

In 2021 we launched the internal VK Women initiative. This is a corporate professional female community aimed at creating a safe and supportive environment for the growth and development of every one of the Group's female employees as part of our growing efforts to promote diversity and inclusion..

The goal of the community is to provide girls from different fields and BUs in our company with the opportunity to share their experience and knowledge with each other.

Over 380 participants have joined the initiative since its launch.

- Our mentorship programme was launched in Q4 2021.
- During the quarter we ran five workshops in partnership with Google on the I AM REMARKABLE programme. Now we have own certified corporate trainers for the programme.
- Now we have a special section about parent leave on the corporate portal to support future mothers and fathers.
- We started to support Prenatal care in corporate insurance for employees in Q4 2021.
- There are now special places for disabled employees and parents with baby strollers in the parking area at VK's Moscow headquarters.

**Varvara Jaffa, who runs the VK Women project, was named «Manager of the Year” at the “People Awards”, our internal «Oscar» ceremony.**





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# Environmental



# Environmental impact

302-4

VK operates core business models that are not particularly carbon-intensive or environmentally damaging. However, we try to reduce our impact to the best of our efforts and take steps to improve our environmental footprint.

Our environmental approach is based on the following principles:

- Compliance with existing laws and regulations in countries where we have a presence;
- Ensuring environmental information about the company is transparent and available;
- Raising awareness among our employees of environmental issues and supporting internal environmental activities;
- Supporting significant external environmental activities.

As part of this approach we have opted to purchase only high-quality IT equipment for our data centres, allowing us to meet high energy efficiency standards and ensure low electricity consumption. We swiftly replace old and used equipment, using service organisations that specialise in recycling IT equipment.

**We have not received any penalties and sanctions for failure to comply with local environmental laws in the past five years.**



# VK data centres

302-4

A data centre is a facility with thousands of servers that store information and processing user requests.

Data centres work 24/7 and consume a lot of electricity. This energy powers servers and industrial air-conditioners that cool these servers. As of the end of 2021 VK had two data centres: M100 on Varshavskoye highway and ICVA in the Leningrad Region. We are also now building a new data centre in Domodedovo.





# Expansion of the liquid cooling installation

**In 2021, we scaled our liquid cooling system by 5x** (the amount of heat that our liquid cooling system is able to dissipate increased from 20kW to 100kW) while achieving the desired level of redundancy (availability of excess components in the system) to allow uninterrupted operation and 24/7 maintenance of the servers. Today, it provides heat dissipation from hundreds of high TDP (thermal design power) CPUs (central processing units) and GPUs (graphics processing units) in the production environment, i.e. the system is able to cool highly heated processors under a real-life load. The GPUs, for example, are actively used for distributed training of deep neural networks and, in particular, our Marusia voice assistant.

**The average annual PUE\* for our liquid cooling system did not exceed 1.04 in 2021, and the maximum peak value reached is 1.10.**

**We have managed to reduce the consumption of electrical energy spent on heat removal by 6-12x** (depending on the operating mode) vs traditional freon systems.

\* PUE is a coefficient that describes how efficiently a data centre uses energy; in particular, how much energy is used by computing equipment. The lower the PUE value, the more efficient the power consumption. The ideal PUE is considered to be a value equal to 1: at this value, all the energy consumed by the data centre is used for calculations.

# Designing a new data centre

301-1

TC-SI-130a.2

In 2021, we unveiled the design of a new data centre, the first stage of which is designed for a total capacity of 5 MW.

The first results of thermal tests carried out in our new laboratory allowed us to significantly increase the permissible operating temperature of the equipment, which was taken into account at the design stage when choosing the solution.

**The peak calculated PUE on the new data centre should be only 1.15**, which means for us a reduction of up to 28 % of the data centre's total consumption with identical computing power relative to, for example, a classical freon system.

In order to ensure the construction of a "green data centre", we chose a location that can provide the installation of overall energy-efficient ventilation machines. Further expansion of the facility is planned.

# Heat laboratory

In 2021, we designed, built and launched our own heat laboratory for testing server and network equipment under various types of loads in a wide range of operating temperatures and at different air flow rates.

The potential for a mass transition to energy-efficient freecooling technology, which we are currently researching, may allow us to save significantly in the future when building our own data centres, as well as increase their reliability by simplifying the air cooling system relative to freon or chiller variations.

Together with the liquid system, we plan to get an impressive density of computing resources per rack, while ensuring almost the highest cooling efficiency in the industry, as well as a payback for construction costs during service life. This can allow us to significantly reduce the specific consumption of electricity per unit of useful productivity.



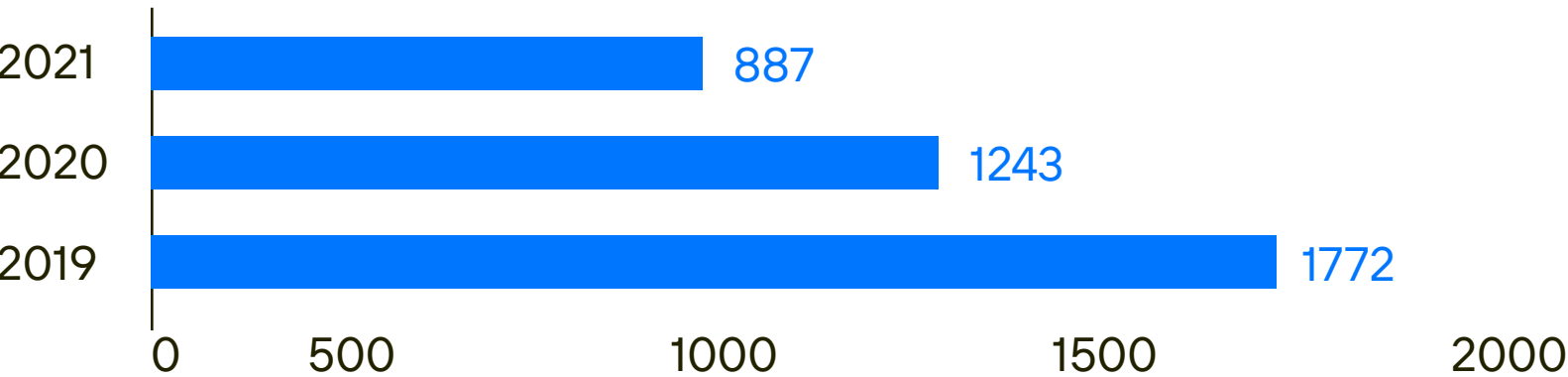
# Data centre consumption\*

302-1

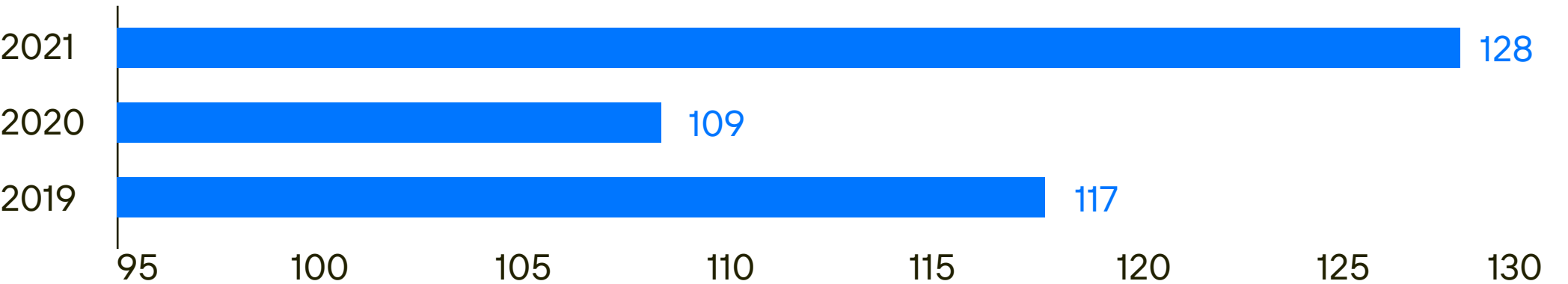
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303-1

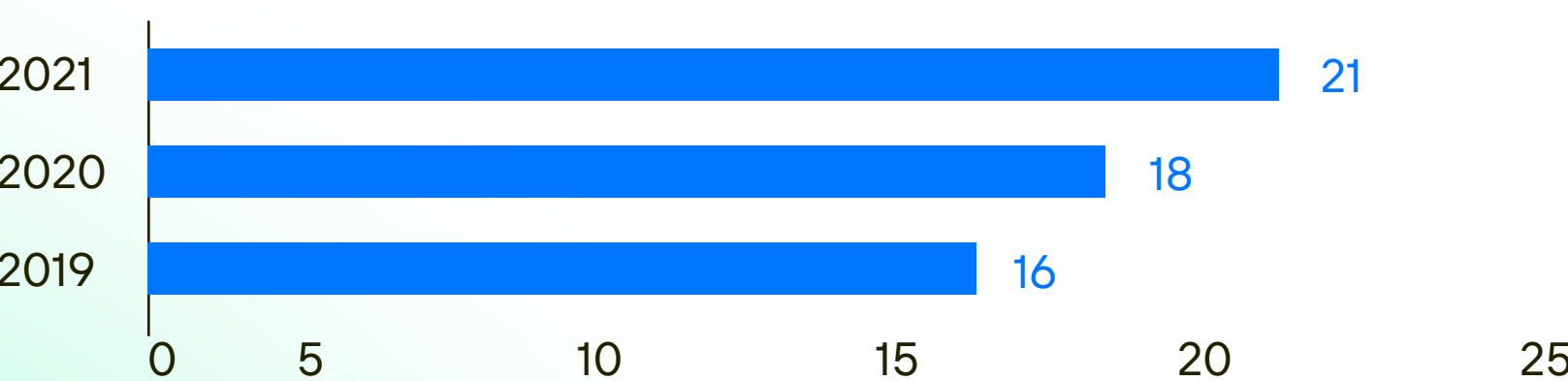
Diesel fuel consumption, litres\*



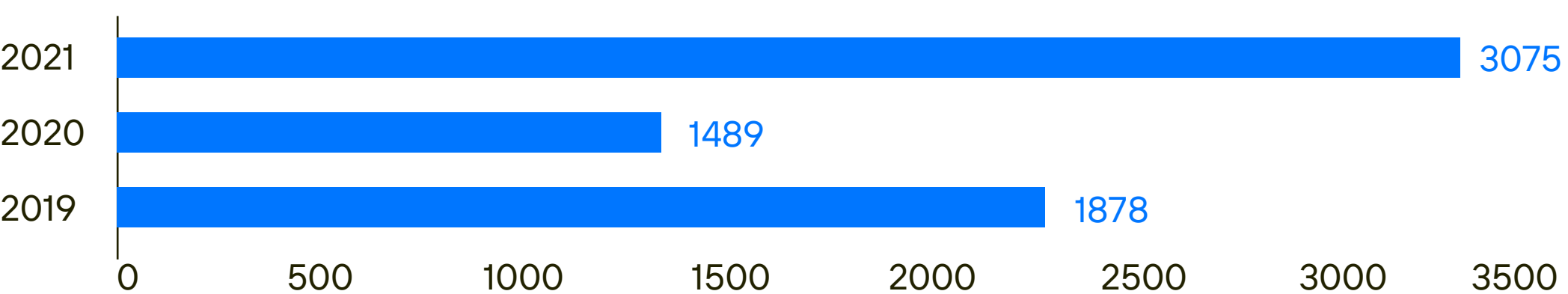
Heat energy consumption, Gkal



Electricity consumption, mn kWh\*\*



Water consumption, m³ \*\*\*



\* The reduction in diesel fuel consumption is associated with the optimisation of electrical equipment maintenance and the stabilisation of electricity supply from urban electrical substations.

Conversion factors for Diesel fuel, Electric power, Heat energy:

1 ton of diesel fuel = 42.267 GJ

1 kW/h = 0.003 GJ

1 Kcal = 4.186 Kj

We do not use natural gas, but when converted we get 1 m3 = 9.45 kW/h = 0.028 Kj.

These conversions mean that we would receive the same amount of energy in gigajoules if we burned or consumed the described substance (gas, water, electricity, diesel).

\*\* The increase in energy consumption is connected with the modernisation of the data centres and, as a result, a more compact layout for the server equipment.

Wastewater is completely on the balance of the landlord. We do not have any equipment to which additional requirements apply for wastewater treatment before dumping it into the general sewer. The main document is a Russian government decree on cold water supply and sanitation (29.07.2013 N 644, ed. of 30.11.2021).

We also do not conduct water intake in areas with water stress.

\*\*\* The increase in water consumption is connected with a hot, long summer and, as a consequence, the constant operation of the irrigation systems in external air conditioning units.

# Waste in data centres

- 306-1
- 302-2
- TC-SI-550a.2

The removal and disposal of waste is handled by the office managing company or landlords. They have signed direct contracts with regional operators and removal of the waste is included in the rental price. For data centres, the main waste is construction debris, plastic, lamps, and waste paper. According to the construction contracts, all waste is the responsibility of the contractors, i.e. they must dispose of the waste by their own means and at their own expense in accordance with state legislation.

For the disposal of mercury lamps, a separate contract has been signed with a specialist company, LLC «Clean World», which deactivates mercury and disposes of lamps.

In the case of waste transfer, management is regulated only by the lease agreement (with reservations on waste transfer) and disposal agreement. We also hand over office equipment, hard drives, batteries, waste paper to specialised contractors for recycling.

## Waste in data centres (2019–2021)

	2019	2020	2021
Non-hazardous, tonnes	880	1,336	1,240
Hazardous, number of mercury lamps	99	99	98

# VK offices

“Green” standards are gradually becoming a part of VK office life. The company strives to strengthen waste transfer practices for reuse or disposal, and also promotes sensible energy consumption in offices. This activity is coordinated by the office management company.

**In Q1 2022, we conducted an environmental audit** from Sphere of Ecology, a Russian company operating in the waste collection and processing sphere. As a result of an audit and a survey of employees about their readiness to switch to Green Office approaches, we have planned measures to reduce non-recyclable waste, switch to separate waste collection, and replace light bulbs with energy-efficient ones. All activities will be accompanied by employee training, and be implemented in 2022. They will be the first step in creating an Environmental Policy.

**Also in 2022, we launched a Personnel Electronic Document Flow, which covered 3,000 employees in Q1 2022.**



# Energy consumption

303-1

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All VK offices are currently leased. The energy and water consumed in these offices are purchased from third parties: energy companies and municipal services. The company strives to efficiently use resources on leased office space.

## Electricity consumption, mn kWh



\* **2021** data provided: Moscow — 5 offices; St. Petersburg — 3 offices; Regions — warehouse in Domodedovo, office and warehouse in Nizhny Novgorod, office in Perm, office in Belgorod, office in Sochi.

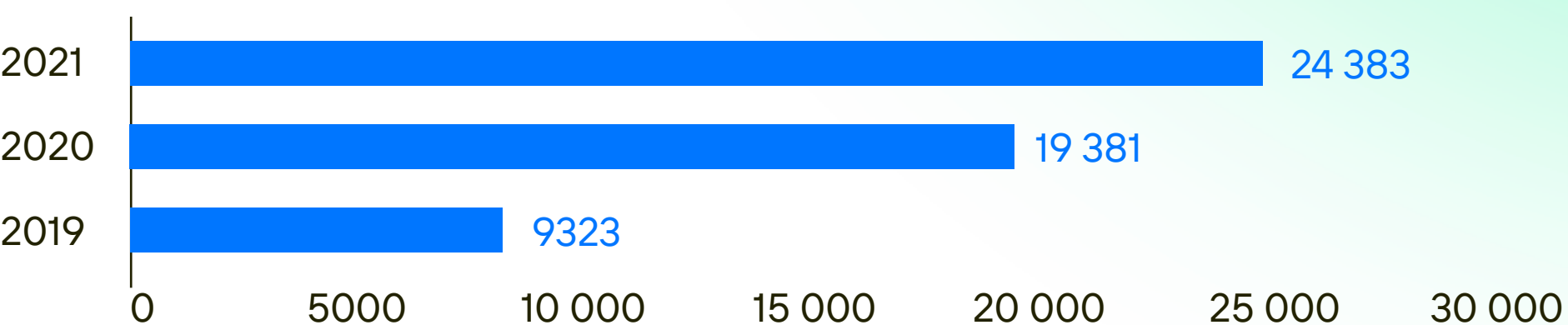
**2020** data provided: Moscow — 3 offices; St. Petersburg — 3 offices; Regions — offices in Nizhny Novgorod, Kazan, Voronezh, Sochi, Perm, Belgorod.

**2019** data provided: Moscow — 4 offices; St. Petersburg — 2 offices; Regions — offices in Nizhny Novgorod, Kazan, Voronezh, Belgorod.

# Water consumption

VK uses water only for everyday purposes, i.e. it is used in toilets and showers, as well as after filtration for drinking and cooking. Water is supplied directly from municipal services. Drains are also only used for everyday purposes. Waste water is also collected in the car park - it is channelled into special pits and then discharged into the city's general sewage system. VK does not conduct a special impact assessment. The company only keeps records of water consumption, without additional environmental impact analyses. There is no record of sewage effluents.

## Water consumption\*, m³



# Waste

306-1

The main waste produced by VK offices is solid waste (paper, cardboard, plastic, food waste, batteries, electrical equipment, lamps, hard drives).

Some fractions are collected separately in the offices: waste paper, batteries, cardboard, plastic bottles and lids, small electrical devices. According to the construction contracts, all waste is the responsibility of the contractors, i.e. they must dispose of the waste by their own means and at their own expense in accordance with state legislation.

The removal and disposal of waste is handled by the office managing company or the lessors of the office premises. They have signed direct contracts with regional operators, and waste removal is included in the rental price. Specialist contracting organisations handle the processing. For the disposal of mercury lamps, a separate contract has been concluded with a specialised company, LLC “Clean World”, which deactivates mercury and disposes of lamps.

## Waste in offices, tonnes

	2021
<b>Waste</b>	
Non-hazardous	250
Hazardous	17.5
<b>Recycling</b>	
Non-hazardous	7*
Hazardous	17.5**
<b>Amount spent on waste disposal (RUB)</b>	<b>90,000***</b>

\* Waste paper

\*\* Batteries, data for Moscow (batteries, hard drives, laptops, office equipment)

\*\*\* The removal of solid waste is included in the rental price. The cost of recycling/disposal of office equipment, hard drives, waste paper, batteries is indicated.

**2021** data provided: Moscow — 5 offices; St. Petersburg — 3 offices; Regions — warehouse in Domodedovo, office and warehouse in Nizhny Novgorod, office in Perm, office in Belgorod, office in Sochi.

**2020** data provided: Moscow — 3 offices; St. Petersburg — 3 offices; Regions — offices in Nizhny Novgorod, Kazan, Voronezh, Sochi, Perm, Belgorod.

**2019** data provided: Moscow — 4 offices; St. Petersburg — 2 offices; Regions — offices in Nizhny Novgorod, Kazan, Voronezh, Belgorod.



# General environmental indicators (2019–2021)

## Energy

		2019	2020	2021
Diesel fuel	Litres	11,708.65	12,752.2	15,813.61
	GJ	0.32	0.35	0.44
Electricity	kWh	23,223,621	24,262,563	28,234,518
	GJ	107,644	75,583	84,703
Heat energy	Gcal	39,095	5,641	8,674
	GJ	489	23,616	36,310

## Water

	2019	2020	2021
Water consumption in data centres (m³)	1,878	1,489	3,075
Water consumption in offices (m³)	47,882	22,350	24,383
Total water consumption	49760	23,839	27,458

**2021** data provided: Moscow — 5 offices; St. Petersburg — 3 offices; Regions — warehouse in Domodedovo, office and warehouse in Nizhny Novgorod, office in Perm, office in Belgorod, office in Sochi.

**2020** data provided: Moscow — 3 offices; St. Petersburg — 3 offices; Regions — offices in Nizhny Novgorod, Kazan, Voronezh, Sochi, Perm, Belgorod.

**2019** data provided: Moscow — 4 offices; St. Petersburg — 2 offices; Regions — offices in Nizhny Novgorod, Kazan, Voronezh, Belgorod.

# Emissions of greenhouse gases

305-1

Emission of greenhouse gases, CO<sub>2</sub>, tones, (2019–2021)

305-2

	2019	2020	2021
Direct emissions (CO <sub>2</sub> ) – Scope 1	460	473	479
Indirect emissions (CO <sub>2</sub> ) – Scope 2	80,158	82,425	83,041

Our carbon footprint is measured in accordance with the Greenhouse Gas (GHG) Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). We applied the GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition), 2015. The GHG Protocol defines the following scopes:

- Scope 1 — direct emissions, from sources owned or controlled by the Group.
- Scope 2 — indirect emissions, from the consumption of purchased electricity, heat or steam.

No substantial emissions of greenhouse gases are produced as a result of our core business, since we have no production of our own. Our direct impact on the environment is limited to the use of fuel to support our uninterrupted operations with diesel generators. Our indirect emissions result from the consumption of electricity from power grids.



# Environmental initiatives

**VK pays close attention to environmental issues and the protection of nature.**

**In 2020, we launched a section dedicated to environmental protection on Dobro Mail.ru, and over the past year the number of donations has increased by 61 % (from RUB 1,989,433.96 in 2020 to RUB 3,205,179.13 in 2021).** We conducted an annual [study](#) on the eco-habits of Russians and supported the global Earth Hour campaign, as well as a number of initiatives with the WWF and other specialised NGOs:

- In summer 2021, Dobro Mail.ru and the WWF collected more than RUB 500,000 to fight fires in the Sakha Republic (Yakutia). The donations collected almost covered the cost of tyres for TRAKOL all-terrain vehicles. In addition, the foundation bought chainsaws that helped to remove fallen burnt trees.
- In 2021, Dobro Mail.ru collected RUB 200,000 for a Greenpeace project, which helped in the creation of a new forest nursery in the Kaluga Region. The money raised was used to buy equipment for the care of 400 maple saplings and 1,000 ash seeds.
- Thanks to the support of Dobro Mail.ru (RUB 300,000) the Delpha Foundation was staffed by teams to assist dolphins in coastal cities in Russia's Krasnodar Territory.
- Dobro Mail.ru users collected RUB 162,000 for the purchase of equipment that helped in the processing of old synthetic clothing into new pens. In addition to pens, the purchased equipment helps to create laptop cases from sweaters, and shopping bags from T-shirts.

VK's gaming department supports local programmes and initiatives aimed at preserving the environment.

Panzerdog Studio cooperates with the Ruin Keepers organisation in Kaliningrad, which is engaged in the study, restoration and preservation of valuable historical ruins in the Kaliningrad Region. The BIT.GAMES studio supports the local eco-community «EkoVes». In 2021, the studio's team helped to clean up the area around the Sursk reservoir in the Penza Region. As a result, a team of volunteers cleaned the territory and sent 82 m<sup>3</sup> litres of water for recycling.

We also practice environmental initiatives in our offices:

- Every year in the company's offices we hold "ElectroAutumn" and "ElectroSpring" events to collect equipment for recycling, with the active participation of our employees.
- Our offices are actively switching to LED lighting: the office in the Alcon Business Centre has completely switched to LED, while the Skylight Business Center has moved partly to LED, and plans to complete the transition by the end of 2024. The offices in Nizhny Novgorod and at the Renaissance Business Centre in St. Petersburg have switched completely to LED. The office in Volgograd plans to make the change by the end of 2022.



2-9

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# Corporate governance



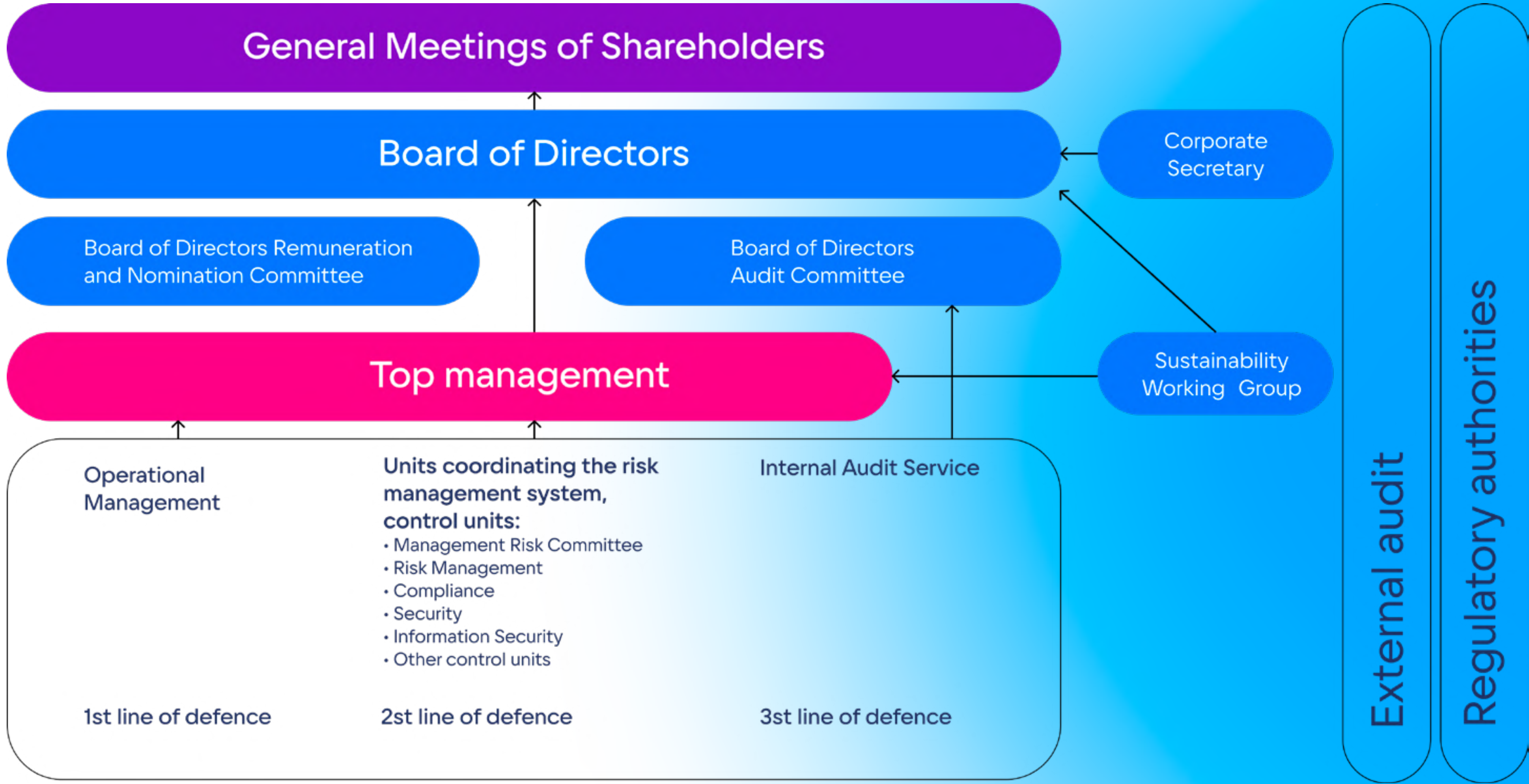


# Corporate governance structure

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# Governance structure

2-9

In accordance with the Memorandum and Articles of Association of the Company and applicable BVI law, our ultimate decision-making body is the shareholders' meeting. Any action that can be taken by the members at a meeting may also be taken by a Resolution of Members.

2-10

## Board of Directors

The Board of Directors is responsible for the general management of the Group. The Board of Directors' duties are more particularly set out in its Charter and include strategic direction and general supervision.

The Memorandum and Articles of Association specify that there shall be 10 Directors — eight of whom shall be nominated and elected by shareholders (the "Elected Directors") and two of whom shall be independent directors (the "Independent Directors").

The Elected Directors are appointed by a members' vote, with each proposed candidate being put to the members for a vote, with voting on each candidate being treated as a separate vote and with each member being entitled to vote on each proposed candidate (to the effect that the eight candidates who attract the highest number of votes shall be elected as the eight Elected Directors) for a period from the date of their appointment until the second AGM after that date. On expiry of their term, Elected Directors must resign, but are eligible for re-election.

This is followed by the Board of Directors. The Board as a whole is collectively responsible for the success of the Company. The two permanent committees thereof are the Audit Committee and the Remuneration and Nomination Committee. In the meantime, operational management is involved in the day-to-day running of the Group.

Any shareholder, or group of shareholders, who holds, in aggregate, no less than 5% of (a) the total number of votes attached to the issued shares; or (b) the total number of the issued shares, is entitled to nominate candidates for election by the shareholders as Elected Directors to the Board of Directors. Such nomination must be made not less than 21 days before any AGM at which any Elected Director is due to resign.

The two Independent Directors are nominated by the Board of Directors and appointed by a resolution of the Board of Directors. Independent Directors serve for the period fixed in their terms of appointment, as specified by the Board.

The Board of Directors elects one of its members to act as the Chairman of the Board.



# Powers of the Board of Directors

2-9

The Board of Directors has the authority to make the decisions relating to, among other things, the following:

- The right to issue shares and other securities (except as otherwise required by the Company’s Memorandum and Articles of Association)
- The approval of the annual budget and annual financial statements of the Company
- The declaration of any dividend
- The convening of any shareholders’ meeting
- The appointment of the Group’s auditors
- The appointment of any committee of the Board of Directors, including the Company’s Audit Committee and Remuneration and Nomination Committee
- The exercise of all rights of the Company in relation to ICQ LLC
- The approval of any proposal under which the Company or any direct subsidiary delegates any substantial management authority to any other entity

30%

Of BoD members are women

60%

Of BoD members are non-executive directors

- The approval of any transaction that the Managing Directors are not empowered to approve under the Memorandum and Articles of Association, but that is not a Substantial Transaction;
- The exercise of any rights that the Managing Director is not empowered to exercise under the Memorandum and Articles of Association and that does not require any kind of Resolution of Members.

The Board of Directors, or any committees thereof, meet when and how the Directors determine to be necessary or desirable. Meetings are held in the Company’s principal office or wherever the majority of the Directors agree.

A resolution at a duly constituted meeting of the Board of Directors or of a committee of Directors is approved by a simple majority vote of the Directors. A resolution consented to in writing is approved by an absolute majority of all the Directors. For the purposes of establishing a majority, the Chairman of the Board (or chairman of the meeting as the case may be) has a casting vote in the event of a tie.

# Audit Committee

The Audit Committee is appointed by the Company's Board of Directors and meets on a regular basis, but at least once every quarter.

The purpose of the Audit Committee is to assist the Company's Board of Directors in fulfilling its responsibilities in respect of:

- the quality and integrity of the Group's integrated reporting, including its financial statements;
- the Group's compliance with key applicable legal and regulatory requirements as relating to financial reporting;
- the quality and independence of the Group's external auditors;
- the performance of the Group's internal audit function and external auditors;
- the adequacy and effectiveness of internal control measures, accounting practices, risk management, information systems and audit procedures;
- monitoring compliance with the Company's code of ethics.

The Audit Committee is responsible, among other things, for:

- reviewing annual financial statements and interim financial results;
- regular internal reports to management prepared by the internal audit department, and management's response;
- consideration of external auditors' reports — including the receipt and review of reports, which furnish, in a timely fashion, information related to various accounting matters — and matters relating to internal controls if applicable, emphasising reported unadjusted audit differences and disagreements between the external auditors and management;
- annually reviewing and reporting on the quality and effectiveness of the audit process; assessing external auditors' independence, deducing whether they have performed the audit as planned and establishing the reasons for any changes; obtaining feedback about the conduct of the audit from key members of the Group's management, including the CFO;
- reviewing the performance of the external auditors and evaluating the lead partner and discharging and replacing, in consultation with the Board, the external auditor or lead audit partner when circumstances warrant;
- presenting the Committee's conclusions in respect of the external auditors to the Board;
- evaluating and providing commentary on the external auditors' audit plans and scope of findings, identifying issues and reports, and approving non-audit services performed by the external auditor.



# Remuneration and Nomination Committee

2-20

The Remuneration and Nomination Committee is responsible for approving the terms of appointment and remuneration of the Group's senior managers as well as for the approval of options or RSUs\* to be granted under incentive plans.

The Remuneration and Nomination meets on an as-and-when-appropriate basis.

## Reporting violations and whistle-blowing

2-25

Employees are encouraged to report any actual or suspected violations of the Code of Ethics or labour laws.

2-26

We operate an ethics hotline for this very purpose, though employees and other whistleblowers can also report violations by email and through the Company website and intranet portals.

Responsible staff are required to review all reports and follow up in accordance with internal procedures. Reports via the ethics hotline can be made anonymously; moreover, an employee acting in good faith will not face any form of penalty even if a violation cannot be proven to have taken place. The Company guarantees confidentiality of any report.

In 2021, the company registered 17 claims of different Code of Business Ethic violations. The company took appropriate steps to review, investigate and take corresponding corrective measures.

Following the further development of internal Compliance the Company has also renewed the Code of Business Ethics in 2022.

In addition to the whistle-blowing channels for employees, the Company operates a reporting channel for business partners and other third parties.

\* RSU — a form of compensation issued by an employer to an employee in the form of company shares.

# Corporate governance code

2–23

VK Company Limited, as a BVI incorporated limited company with a listing of Global Depositary Receipts on the Official List maintained by the UK Listing Authority, which are admitted to trading on the London Stock Exchange and Public Joint-Stock Company «Moscow Exchange MICEX-RTS», is not subject to any corporate governance code, nor has it voluntarily decided to apply any corporate governance code.

However, the Company does apply corporate governance standards, including: the appointment of two Independent Directors to its Board of Directors; the appointment of Remuneration and Nomination and Audit committees; and the periodic re-election of Directors. This goes beyond the requirements of national law.

The Board of Directors has adopted various policies and charters relating to the Company's governing bodies. These include the Board Charter, Code of Ethics and Business Conduct, Directors' Right to Access Information/ Documents Policy, Legal Compliance Policy, Charter of the Audit Committee of the Board of Directors, Internal Audit Charter, Remuneration and Nomination Committee of the Board of Directors Charter, Risk Committee Charter, Risk Management Policy, Policy on Access to Inside Information and the Trading Policy for Directors, Senior Managers and Employees.

Policies and other details of the Company's corporate governance practices can be found on [our corporate site](#).

The VK Code of Ethics was updated in 2022: it now contains provisions on non-discrimination, human rights, inclusion and diversity, antitrust and anti-competitive behaviour.

In 2022, we also plan to train employees on the revised Code of Ethics and issue policies on human rights, as well as diversity and inclusion.



# Risk Management system

2-24

VK Company Limited is subject to certain risks that affect our ability to operate, serve our clients, and protect our assets. Controlling these risks through a formal programme is necessary for the well-being of VK Company Limited. The Group is committed to identifying and managing risk, in line with international best corporate governance practice.

Effective and adequate risk management and internal control systems are crucial to the achievement of business strategies. To ensure the effectiveness and efficiency of both these systems the Group has adopted the “three lines of defence” model, which comprises day-to-day operations and management, risk management function and independent assurance.

The existing risk management system operates as follows:

- the Board of Directors has the responsibility to ensure that it has dealt with the governance of risk comprehensively;
- the Board is also responsible for overseeing the risk appetite, i.e. the level of risk the Group is willing and is ready to take;
- the CEO is accountable to the Board for the enterprise-wide management of risk;
- management is responsible for assessing and managing risks in accordance with approved plans and policies;

- the Risk Management Committee assists the management in carrying out its responsibility for the governance of risk, ensuring that an appropriate enterprise-wide risk management system and process is in place with adequate and effective risk management processes that include strategy, ethics, operations, reporting, compliance, IT and sustainability processes;
- the Audit Committee assists the Board in its responsibility for overseeing the risks, including financial reporting risks and internal financial controls, as well as fraud and IT risks as they relate to financial reporting, the overall adequacy and effectiveness of risk management;
- internal audit provides independent assurance on the adequacy and effectiveness of the risk management process across the company.

The Risk Management Committee consists of the main operational management of the Group (heads of the main business units), appointed by the CEO or his deputy.

The Risk Management Committee is headed by the Deputy Director General. The Risk Committee, considered as a whole, should consist of persons with the skills and experience of risk management.

# 3 Lines of Defence model

2–24

## Key aspects of the 3 Lines of Defence Model

102–15

102–17

- To effectively achieve its goals, the company has implemented a risk management and internal control systems based on the «Three Lines of Defence» model. This model defines roles of each line of defence and assigns specific responsibilities for risk management and internal control to the company's business units.
- This risk management and internal control systems cover both external external risks — market, political, regulatory, social — and internal risks — strategic, infrastructural, sustainable development and ESG, cybersecurity, HR risks, etc.
- The Board of Directors ensures that the company has an effective risk management and internal control system, of the company, determines and controls the acceptable level of risk for the company in order to effectively achieve strategic goals. Supervises the effectiveness of the risk management and internal control system.
- The Audit Committee of the Board of Directors assists the Board of Directors in matters of risk assessment and management, and oversight of the effectiveness of the risk management system and internal control.
- As part of the process of monitoring effective risk management, the company maintains a corporate risk register, which reflects key risks, risk factors, and measures for their management.
- The company regularly conducts a risk assessment together with the unit heads in order to update the corporate risk register. This insures that the key risks to the company's goals are recognised.
- As part of the risk assessment, both the company's external risks — market, political, regulatory, social — and internal risks — operational, personnel, cybersecurity, etc. — are assessed. The Risk Committee and the Audit Committee of the Board of Directors are regularly informed about the key risks and the risk management status.



# 3 Lines of Defence model

## The first line of defence

The first line of defence deals with the operational management of the company as well as employees who are the owners of risks and controls and manage them daily by virtue of their functions and job responsibilities. The heads of blocks and structural divisions are responsible for achieving results and the effectiveness of their processes, ensuring the effectiveness of the risk management system and internal control in the processes through their proper organisation, formalisation and control. The control procedures executors perform the control functions in accordance with their job descriptions and the established regulatory documents of the company.

## The second line of defence

The Risk Management Committee assists management in risk management and monitors the effectiveness of the company's risk management system.

As part of the second line of defence, individual units of the company coordinate the risk management and internal control process, develop and improve the methodological base for the risk management and internal control system.

Individual control units monitor and control key risks within their area of competence: Risk Management, Compliance, Security, Information Security, and other control functions.

## The third line of defence

The Internal Audit Service conducts an independent assessment of the effectiveness of the company's risk management and internal control system, identifies deficiencies in the activities of the first and second line of defence, makes recommendations on improving the risk management and internal control system and monitors the implementation of corrective measures to improve the risk management and internal control system identified during the audit.

# ESG Risks

205-1

207-2

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201-2

ESG criteria	Name of risk	Risk management measures
Environmental	Risk of violation of environmental standards	VK has implemented strict procedures for monitoring compliance with legislation and requirements in the field of environmental standards. The company's specialised departments conduct regular inspections of compliance with the standards of work.
Environmental	Risk of negative impact on the environment	VK conducts activities that are not directly related to the negative impact on the environment. Nevertheless, the company has implemented processes for monitoring the regulatory framework (including sanitary norms and rules) in order to ensure that the processes comply with environmental standards. In 2021, VK designed an energy-efficient data centre that will reduce the impact of IT infrastructure on the environment. In the first quarter of 2022, VK conducted an environmental audit with the help of the company «Sphere of Ecology», working in the field of waste collection and processing. We also conducted a survey of employees on their readiness to switch to a «green office». Based on the results of the audit and survey, VK has planned measures to reduce non-recyclable waste, switch to separate garbage collection and replace light bulbs with energy-saving ones. All measures will be implemented in 2022. Employees will also be trained in 2022. All this will be the first step in creating VK's environmental policy. Since 2022 VK implemented the personnel electronic document management.
Environmental	Risk of negative impact of natural and climatic factors on operating activities	VK has implemented processes to ensure continuous operation for stable operation of products and services. The company regularly conducts briefings and tests to restore key elements of VK infrastructure in case of natural anomalies, work plans are developed and checked in various conditions.



\*Все риски указанные в данной главе находится на контроле у менеджмента в рамках стандартного процесса управления рисками компании, таким образом, принимаются все необходимые меры, исходя из имеющихся ресурсов для снижения данных рисков до приемлемого по мнению компании уровня необходимого для достижения соответствующих стратегических целей компаний ВК.

ESG criteria	Name of risk	Risk management measures
Environmental	Risks of inefficient use of energy resources in the operational activities	VK has implemented energy efficiency management processes to achieve the lowest possible levels of energy consumption. VK offices are actively switching to LED lighting: the office in the Alcon business centre has switched to it completely, and the Skylight business centre — partially (it is planned to complete the process by the end of 2024). Offices in Renaissance business centres in Nizhny Novgorod and St. Petersburg have been completely switched to LED. The office in Volgograd is planned to be relocated by the end of 2022. In 2021, VK designed an energy-efficient data centre that will reduce the impact of IT infrastructure on the environment.
Social	The risk of a lack of qualified personnel in the labour market	VK has implemented personnel development and training processes in the most popular areas in order to improve the skills of existing employees and train new qualified specialists.
Social	The risk of interruption of the company's products and services with a negative impact on customers	VK has implemented processes to ensure continuous activity for stable operation of products and services. The company regularly conducts briefings and tests to restore key elements of the VK infrastructure in case of natural anomalies, work plans are developed and checked in various conditions.
Social	The risk of underestimating the importance of the company's request for socially responsible business conduct due to an inefficient social responsibility management process	VK has implemented the social strategy. VK is developing the Dobro Mail.ru and his own charity organisation «Code of Good». VK regularly conducts surveys of users, including their attitude to social responsibility practices.
Social	Risk of companies' products not meeting users' expectations	VK continuously monitors user satisfaction in order to study their needs and expectations. The survey results are used in the development of new products and the refinement of existing solutions.
Governance	Risk of cyber threats and compromise of users' personal data	VK regularly conducts internal and external audits and adheres to the best international practices. Information security is a key priority for VK. In 2021, the company took a number of steps to strengthen this direction. In 2021, VK launched an information security system reform and an updated VK Protect user data protection programme. The programme combines all technical solutions that provide protection within the VK ecosystem, and helps people effectively manage privacy and use tools to protect information. In 2022, the company has many plans for the development of this programme and information security in general.



В данной главе указаны только риски которые по мнению Компани имеют прямое или косвенное влияние на ESG повестку компании, при этом данный список не является конечным и может включать и другие риски. Так же необходимо учитывать, что данный список рисков не является исчерпывающим для принятия каких-либо инвестиционных решений по отношению к ценным бумагам компании.

ESG criteria	Name of risk	Risk management measures
Governance	Risk of conflict of interest	VK has implemented processes for identifying and controlling conflicts of interest, fraudulent actions, and violations of ethical principles by employees in the performance of official duties. We have a whistleblowing system — <a href="#">VK Hot Line</a> — independent, confidential and anonymous communication channel, for inquiries about whether VK and its employees comply with ethical and other standards.
Governance	Risk of violation of workers' rights	VK has implemented processes for identifying and preventing violations of employees' rights, harassment on some basis in the workplace. In 2022, VK issued an updated code of ethics, which outlines the company's basic principles, including those related to the protection of human rights. In 2022, it is also planned to start training employees on the topic of corporate ethics. We have a whistleblowing system — <a href="#">VK Hot Line</a> — independent, confidential and anonymous communication channel, for inquiries about whether VK and its employees comply with ethical and other standards.
Governance	Risk of infringement of intellectual property rights of VK	VK has implemented processes to monitor compliance with the intellectual property rights of third parties. In particular, the process of working with requests from copyright holders has been introduced to promptly resolve problems when they arise. We have a whistleblowing system — <a href="#">VK Hot Line</a> — independent, confidential and anonymous communication channel, for inquiries about whether VK and its employees comply with ethical and other standards.
Governance	The risk of non-compliance with the legislation by counterparties	VK has implemented processes for monitoring compliance with legislation and other requirements applicable to the company by the exchange and regulatory authorities. The relevant services conduct comprehensive checks on the reliability of counterparties. VK also provides in contracts for liability for violation of the law in any form. In case of violations, the company takes the necessary corrective measures.



# Supply chain

204-1

**We have a Group-wide procurement policy** covering all aspects of the procurement process.

The policy provides for a reliable process for evaluating and accepting new contractors and contractors. There is an admission policy that prescribes an assessment of the contractor's quality in order to avoid the possibility of non-refundable payments and possible claims for tax evasion if the counterparty is considered an "unscrupulous" taxpayer.

All suppliers must be registered through the tender procurement website in accordance with the internal compliance procedure. The IT equipment is purchased through competitive tenders on our platform.

The main types of our suppliers (>1000 suppliers from Russia, China, the EU and other countries) are wholesalers, retailers, contractors, consultants, vendors and official representatives of vendors.

Our purchases consist mainly of IT equipment, consulting services, construction and installation work, commissioning, marketing expenses and commission agents and partners. In order to ensure the openness and transparency of procurement procedures, we maintain e-mail channels for communication with our suppliers.

We choose our suppliers based on the quality of their products and services, market experience, competitive prices and guarantees. The Group also tries to give preference to local suppliers in each country where it is present: 94 % of suppliers are local to the buyer's legal entity and pay local taxes accordingly.

VK expects that all third parties, in particular suppliers, contractors, consultants, agents and other contractors supplying goods or services to VK, will adhere to the basic principles of the Rules of Business and Corporate Ethics, including the requirements of applicable anti-corruption legislation. Suppliers can report any alleged violations of business ethics to the [VK Hotline](#).

In 2021, there were no significant changes in VK's organisation and supply chain.

**In 2022, we plan to start working on a Supplier Code in addition to our supplier verification procedure.**



# Appendices and tables





# GRI Standards Index

GRI Standards Indicator	Description	Section of the report	Additional comments
<b>GRI 2: General Disclosures 2021</b>			
2-1	Organisational details	<a href="#">About us</a>	
2-2	Entities included in the organisation's sustainability reporting	GRI Standards Index	The non-financial information presented in the Report covers the consolidated subsidiaries of VK Company Limited. The full list of consolidated subsidiaries is presented in the Note 10 to the Consolidated Financial Statements of VK Company Limited for the year ended 31 December, 2021. The Report does not contain non-financial information related to investments in equity accounted associates and joint ventures that are listed in Note 11 to the Consolidated Financial Statements.
2-3	Reporting period, frequency and contact point	<a href="#">About this report</a>	
2-3-c	Publication date	GRI Standards Index	The report was published on 15 August, 2022
2-6	Sector	<a href="#">About us</a>	
2-7	Employees	<a href="#">Our people</a>	
2-9	Governance structure and composition	<a href="#">Corporate governance</a>	
2-10	Nomination and selection of the highest governance body	<a href="#">Corporate governance</a>	
2-11	Chair of the highest governance body	<a href="#">GRI Standards Index</a>	The chair of VK's highest governance body is not also a senior executive
2-12	Role of the highest governance body in overseeing impact management	<a href="#">Sustainable business strategy</a>	
2-13	Delegation of responsibility for impact management	<a href="#">Sustainable business strategy</a>	
2-14	Role of the highest governance body in sustainability reporting	<a href="#">About this report</a>	
2-17	Collective knowledge of the highest governance body	<a href="#">Sustainable Development Management</a>	
2-19	Remuneration policies	GRI Standards Index	The total monetary remuneration of the members of the Board of Directors is reflected in the company's <a href="#">Annual Report</a> .
2-20	Process to determine remuneration	<a href="#">Remuneration and Nomination Committee</a>	Detailed information on the Remuneration and Nomination Committee of the Board of Directors is available on the company's corporate website.



GRI Standards Indicator	Description	Section of the report	Additional comments
2-21-a	Ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees	GRI Standards Index	8.6
2-21-b	Ratio of the percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual)	GRI Standards Index	0.68
2-21-c	Contextual information necessary to understand the data and how the data has been compiled	GRI Standards Index	<p><b>The annual total compensation ratio was calculated using the following formula:</b></p> $\frac{\text{Annual total compensation for the organisation's highest paid-individual}}{\text{Median annual total compensation for all of the organisation's employees excluding the highest-paid individual}}$ <p><b>The change in the annual total compensation ratio can be calculated using the following formula:</b></p> $\frac{\text{Percentage increase in annual total compensation for the organisation's highest-paid individual}}{\text{Median percentage increase in annual total compensation for all of the organisation's employees excluding the highest-paid individual}}$
2-22	Statement on sustainable development strategy	CEO (Russia) statement	
2-23	Policy commitments	<a href="#">Corporate governance code</a>	
2-24	Embedding policy commitments	<a href="#">Corporate governance</a>	
2-25	Processes to remediate negative impacts	<a href="#">Reporting violations and whistle-blowing</a>	
2-26	Mechanisms for seeking advice and raising concerns	<a href="#">Reporting violations and whistle-blowing</a>	
2-27	Compliance with laws and regulations	<a href="#">GRI Standards Index</a>	In 2021 there were no significant instances of non-compliance with laws and regulations

GRI Standards Indicator	Description	Section of the report	Additional comments
2-28	Membership associations	GRI Standards Index	<p><b>1. Alliance for the Protection of Children on the Internet + «Digital Ethics of Childhood» Charter</b>  The Digital Child Protection Alliance was launched in September 2021. Its mission is to develop a safe internet space for children, where they, regardless of age and location, can communicate and make friends, learn and develop, discover new opportunities and entertainment.  The «Digital Ethics of Childhood» Charter was developed by leading IT and media companies such as Kaspersky Lab, MegaFon, MTS, VK, and Yandex. The Alliance of Media Market Leaders aims to establish a dialogue with children and adolescents in order to better understand their needs in the digital world and their interests in obtaining information. This will help to more effectively respond to new challenges, and jointly develop clear rules of conduct and moral guidelines in the digital environment.</p> <p><b>2. AI Alliance + AI Code of Ethics</b>  This brings together leading technology companies to jointly develop their competencies and accelerate the introduction of artificial intelligence in education, research and business practices.  The Code of Ethics proclaims a human-oriented and humanistic approach to the development of AI technologies, the principles of nondiscrimination, data and information security, the identification of AI in communication with a person and respect for the autonomy of human will, and responsibility for the consequences of using AI. Adherence to the code of ethics will become a key element of the social responsibility of companies developing and implementing AI technologies in Russia.</p> <p><b>3. Big Data Association + Data Ethics Code</b>  The association is engaged in the creation of uniform principles and standards for the processing, storage, transmission and use of big data. Joint developments by the members of the Association will form the basis of each member company of the Association's Big Data handling policy.  The priority tasks of the organisation are the development of a business-oriented strategy for the development of the big data market, improvement of the technical and operational efficiency of interaction between industry participants and the formation of a code of ethics for the use of big data to protect the users' interests.  The Code of Ethics for Data Use, developed by data market participants in conjunction with the government and members of the public, is a set of industry standards for professional and ethical conduct that participants, acting in good faith and reasonably, voluntarily recognise and undertake to comply with. It is aimed at consolidating the basic principles of interaction between stakeholders (state, citizens, business), creating a basis for subsequent regulatory initiatives in the data field, as well as formulating universal rules that define the boundaries of acceptable behaviour for the entire professional community. The provisions of the Code apply to the circulation of all types of data (from user to industrial) and contain the principles of professional ethics in their collection, processing, use and storage.</p> <p><b>4. Memorandum on the fight against fakes</b>  Adopted for the systematic fight against false information on the internet, the creation of a safe information environment, and the development of uniform rules for checking and labelling false information, as well as the formation of best practices to counter the spread of fakes.</p> <p><b>5. Anti-piracy memorandum</b>  A registry of links to pirated content has been created. Search engines are required to check the registry every five minutes and remove links that appear in it within six hours. The registrar checks the legitimacy of the links sent by the right holders.</p> <p><b>6. Memorandum on the openness of digital markets</b>  The memorandum outlines the principles of honest behaviour in the market in relation to the development of competition and in compliance with Russian legislation. These include a neutral attitude towards competitors, the prevention of dubious wording in platform rules, and free access to information about how search rankings are compiled.</p>



GRI Standards Indicator	Description	Section of the report	Additional comments
2-29	Approach to stakeholder engagement	<a href="#">Stakeholders and stakeholder engagement</a>	
2-30	Collective bargaining agreements	GRI Standards Index	None of our employees are covered by collective bargaining agreements
<b>GRI 3: Material Topics 2021</b>			
3-1	Process to determine material topics	<a href="#">Material topics</a>	
3-2	List of material topics	<a href="#">Materiality matrix</a>	
3-3	Management of material topics	<a href="#">Cybersecurity</a> <a href="#">Data Privacy</a> <a href="#">Safe internet</a> <a href="#">Environmental</a> <a href="#">Education</a> <a href="#">Our people</a> <a href="#">Innovation and digitalisation</a> <a href="#">Social initiatives</a>	
<b>GRI 202: Market Presence 2016</b>			
201-1	Direct economic value generated and distributed	<a href="#">Key financial highlights</a>	
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">ESG Risks</a>	
<b>GRI 203: Indirect Economic Impacts 2016</b>			
203-1	Infrastructure investments and services supported	<a href="#">Charitable collections</a>	
<b>GRI 204: Procurement Practices 2016</b>			
204-1	Proportion of spending on local suppliers	<a href="#">Supply chain</a>	
<b>GRI 302: Energy 2016</b>			
302-1	Energy consumption within the organisation	<a href="#">Data centre consumption</a>	
302-4	Reduction of energy consumption	<a href="#">Environmental impact</a>	

GRI Standards Indicator	Description	Section of the report	Additional comments
<b>GRI 303: Water and Effluents 2018</b>			
303-1	Interactions with water as a shared resource	<a href="#">Water consumption</a>	
<b>GRI 305: Emissions 2016</b>			
305-1	Direct (Scope 1) GHG emissions	<a href="#">Emissions of greenhouse gases</a>	
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Emissions of greenhouse gases</a>	
<b>GRI 306: Waste 2020</b>			
306-1	Waste generation and significant waste-related impacts	<a href="#">Waste in data centres</a> <a href="#">Waste</a>	
306-2	Management of significant waste- related impacts	<a href="#">VK Offices</a>	
<b>GRI 401: Employment 2016</b>			
401-1	New employee hires and employee turnover	<a href="#">Hiring</a>	
401-2	Benefits	<a href="#">Social package and comfortable working conditions</a>	
401-3	Parental leave	<a href="#">Parental leave</a>	
<b>GRI 403: Occupational Health and Safety 2018</b>			
403-1	Occupational health and safety management system	<a href="#">Social package and comfortable working conditions</a>	
403-2	Hazard identification, risk assessment, and incident investigation	<a href="#">Occupational safety</a>	
403-3	Occupational health services	<a href="#">Health insurance programmes</a> <a href="#">Labour Protection Commission</a>	
403-4	Worker participation, consultation, and communication on occupational health and safety	<a href="#">Occupational safety</a>	



GRI Standards Indicator	Description	Section of the report	Additional comments
403-5	Worker training on occupational health and safety	<a href="#">Occupational safety</a>	
403-6	Promotion of worker health	<a href="#">Social package and comfortable working conditions</a>	
403-8	Workers covered by an occupational health and safety management system	<a href="#">Occupational safety</a>	
403-9	Work-related injuries	<a href="#">Occupational safety</a>	
<b>GRI 403: Training and Education 2016</b>			
404-1	Average hours of training per year per employee	<a href="#">Average number of hours of training</a>	
404-2	Programmes for upgrading employee skills and transition assistance programmes	<a href="#">Education</a>	
404-3	Percentage of employees receiving regular performance and career development reviews	<a href="#">Employee engagement surveys</a>	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>			
405-1	Diversity of governance bodies and employees	<a href="#">Staff structure by age</a>	
405-2	Ratio of basic salary and remuneration for women and men	<a href="#">The ratio of basic wages and remuneration of women and men for each category of worker</a>	
<b>GRI 406: Non-discrimination 2016</b>			
406-1	Incidents of discrimination and corrective actions taken	GRI Standards Index	In 2021, no confirmed cases of discrimination were registered at VK
<b>GRI 408: Child Labour 2016</b>			
408-1	Operations and suppliers at significant risk of incidents of child labour	GRI Standards Index	The legislation of the countries in which VK operates prohibits the use of child labour. VK exercises due diligence and carries out the necessary checks on the reliability of suppliers. VK expects all counterparties to comply with the Rules of Business and Corporate Ethics, and includes the applicable clause in its contracts.

GRI Standards Indicator	Description	Section of the report	Additional comments
<b>GRI 409: Forced or Compulsory Labour 2016</b>			
409-1	Operations and suppliers at significant risk of incidents of forced or compulsory labour	GRI Standards Index	The legislation of the countries in which VK operates prohibits the use of forced labour. VK exercises due diligence and carries out the necessary checks on the reliability of suppliers. VK expects all counterparties to comply with the Rules of Business and Corporate Ethics, and includes the applicable clause in its contracts.
<b>GRI 414: Supplier Social Assessment 2016</b>			
414-1	New suppliers that have been screened using social criteria	<a href="#">Supply Chain</a>	
<b>GRI 418: Customer Privacy 2016</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<a href="#">Data Privacy</a> GRI Standards Index	In 2021 no fines or other types of liability were imposed on the company for violating personal data legislation..





# SASB Standards Index

Indicator	Description	Section of the report	Additional comments
<b>SASB Internet Media &amp; Services 2018</b>			
TC-IM-130a.1	1) Total energy consumption, (2) percentage of grid electricity, (3) percentage of renewable energy	<a href="#">Data centre consumption</a> <a href="#">Office consumption</a>	
TC-IM-130a.2	1) Total water intake, (2) total water consumption and the percentage of each indicator in regions with severe or particularly severe water scarcity	<a href="#">Water consumption</a>	
TC-IM-130a.3	Consideration of environmental aspects in strategic planning of data centre needs	<a href="#">Designing a new data centre</a>	
TC-IM-220a.1	Description of policies and practices related to targeted advertising and privacy of users' personal data	<a href="#">Data Privacy</a>	
TC-IM-220a.4	1) Number of requests from government agencies for information about users, (2) number of users whose information has been requested, (3) percentage of users whose information has been disclosed	<a href="#">Safety. Removal of illegal and inappropriate content</a>	
TC-IM-230a.1	(1) Number of data leaks, (2) percentage of leaks concerning users' personal data, (3) number of affected users	SASB Standards Index	In 2021 no fines or other types of liability were imposed on the company for violating personal data legislation.
TC-IM-230a.2	Description of the approach to information security risk management	<a href="#">ESG Risks</a>	
TC-IM-330a.2	Percentage of employee engagement	<a href="#">Employee engagement surveys</a>	
TC-IM-330a.3	Percentage of employees broken down by gender and belonging to ethnic/ racial groups and by position (managers, technical specialists, other employees)	<a href="#">Personnel structure</a>	
<b>SASB Software &amp; IT Services 2018</b>			
TC-SI-130a.1	1) Total energy consumption, (2) percentage of grid electricity, (3) percentage of renewable energy	<a href="#">Data centres consumption / Offices consumption</a>	
TC-SI-130a.2	(1) Total water intake, (2) total water consumption and the percentage of each indicator in regions with observed severe or particularly severe water scarcity	<a href="#">Water consumption</a>	
TC-SI-130a.3	Consideration of environmental aspects in strategic planning of data centre needs	<a href="#">Designing a new data centre</a>	



Indicator	Description	Section of the report	Additional comments
TC-SI-220a.1	Description of policies and practices related to targeted advertising and privacy of users' personal data	<a href="#">Data Privacy</a>	
TC-SI-220a.4	(1) The number of requests from government agencies for information about users, (2) the number of users whose information has been requested, (3) the percentage of users whose information has been disclosed	<a href="#">Safety. Removal of illegal and inappropriate content</a>	
TC-SI-230a.1	(1) The number of data leaks, (2) the percentage of leaks concerning users' personal data, (3) the number of affected users	SASB Standards Index	In 2021 no fines or other types of liability were imposed on the company for violating the legislation on personal data.
TC-SI-230a.2	Description of the approach to information security risk management	<a href="#">ESG Risks</a>	
TC-SI-330a.2	Percentage of employee engagement	<a href="#">Employee engagement surveys</a>	
TC-SI-330a.3	Percentage of employees broken down by gender and belonging to ethnic/ racial groups and by position (managers, technical specialists, other employees)	<a href="#">Personnel structure</a>	
TC-SI-550a.2	Description of the risks associated with ensuring the smooth operation of systems	<a href="#">ESG Risks</a>	



# **VK's contribution to achieving UN SDGs**





## SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

VK Education is an ecosystem of online education services that includes preschool and school studies, higher education courses from prestigious universities, qualification training and various skills development courses. More than 3 million students are already studying monthly on the educational platforms of the VK ecosystem.

SDG targets	VK contribution
4.1. By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes	VK ecosystem projects such as Uchi.ru, Algorithmika, Umschool and Tetrika are aimed at educating schoolchildren. In 2021, 577,000 schoolchildren took part in the programming competition in collaboration with Uchi.ru. More than 3 million schoolchildren joined the “Digital Lesson” on game development in 2021.
4.3. By 2030, ensure equal access for all women and men to affordable, high-quality technical, vocational and tertiary education, including university	Projects such as VK Education, Skillbox, GeekBrains, SkillFactory and other VK educational platforms are focused on higher and professional education. 3,500 university students study at educational centres and VK courses annually. Over 290,000 students took part in the IT Knowledge Day career guidance campaign in 2021. A variety of opportunities for training and professional development have been created for the company’s employees, for example, the Study platform, the organisation of training on demand, a corporate library, English courses, etc. A total of 8,500 VK employees use Study, a platform offering free courses, training and lectures.
4.4. By 2030, substantially increase the number of young people and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	Projects like VK Education, SkillBox, SkillFactory and GeekBrains are focused on developing professional skills. VK regularly runs internships for young professionals — in 2022, over 7,000 applications were accepted for VK internships in 30 IT areas.

SDG targets	VK contribution
4.5. By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including individuals with disabilities, indigenous peoples, and children in vulnerable situations	All online education initiatives make education accessible to a large number of people, including residents of remote areas, people with disabilities, and others.
4.7. By 2030, ensure all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship, and appreciation of cultural diversity and of culture's contribution to sustainable development	VK runs ecosystem awareness campaigns such as Down Syndrome Day, Autism Awareness Day, Anti-Cyberbullying Day and others. VK supported the UN International Day of the Girl. The educational platform Skillbox and WWF Russia released a joint course on climate change in support of Earth Hour, the world’s most popular environmental action. In 2022, more than 915,000 students in Year 1-6 took part in an online Olympiad devoted to environmental awareness with Uchi.ru. In 2022, VK plans to launch an environmental education campaign based on the company’s projects.
4.a. Build and upgrade education facilities that are child-, disability- and gender-sensitive and provide safe, non-violent, inclusive and effective learning environments for all	All online education initiatives make education accessible to a large number of people, including residents of remote areas, people with disabilities, and others.



# SDG 3: Ensure healthy lives and promote well-being for all at all ages

VK contributes to this goal through the implementation of employee care programmes, as well as through information and educational activities aimed at reducing morbidity and mortality.

SDG targets	VK contribution
3.8 Achieve universal health coverage (UHC), including financial risk protection, access to quality essential health care services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all	<p>VK cares about the health of its employees and, starting from 2022, is expanding the voluntary medical insurance programme not only to employees, but also to their children. Pregnancy management programmes were also included in the VHI programme.</p> <p>VKontakte and Odnoklassniki have created an integrated coronavirus information centre.</p>
3.13. Strengthen the capacity of all countries, particularly developing countries, for early warning, risk reduction, and management of national and global health risks	<p>VK has projects dedicated to stigmatised diseases - in the #needtotalk project, we talked about breast cancer and perinatal losses. Media coverage of the #needtotalk projects reached in excess of 24 million people.</p>





## SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

VK is working to expand its team by attracting the best personnel, improving the working conditions of its employees, developing its remuneration system, etc.

SDG targets	VK contribution
8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services	<p>As of the end of 2021, more than 10,300 employees worked at VK, while at the beginning of 2020 the company had a staff of only about 6,300 people.</p> <p>VK provides employees with a transparent and decent remuneration system, including wages, bonuses and social benefits.</p> <p>VK has a referral programme where employees and external specialists can recommend friends and acquaintances to the team and receive a financial bonus for a successful recommendation. In March 2022, a record 755 recommendations were received, four times more than a year ago.</p>
8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and those with disabilities, and equal pay for work of equal value	Targeted recruitment of employees with disabilities in VK is scheduled to begin in 2022.
8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, particularly female migrants, and those in precarious employment	VK has created safe working conditions, thanks to which the injury rate at the workplace is 0%.



## SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation

VK supports business development by providing services for entrepreneurs and SMEs.

### SDG targets

9.3. Increase the access of small-scale industrial and other enterprises, particularly in developing countries, to financial services, including affordable credit, and their integration into value chains and markets

9.b. Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities

### VK contribution

VK provides various services for small and medium businesses: more than 2.4mn entrepreneurs promote their goods and services on VKontakte; entrepreneurs place ads under their own brand on Youla using the Shops service. In March 2022, a VK public council was created to support small and medium-sized businesses. Its main goal is to help SMEs adapt to new conditions and take into account their interests in business development as much as possible.

Using more than 20 years of experience in the development of digital services and open-source technologies, the company creates highly competitive technological solutions to improve the efficiency of business partners, in particular through its B2B solutions. VK is developing a line of products and services for the digitalisation of business processes - from online promotion and predictive analytics to corporate social networks, cloud services and enterprise automation.

VK actively supports small and medium-sized businesses, the development of which should contribute to the diversification of the economy. VK has signed an anti-piracy memorandum and joined the Artificial Intelligence Alliance.





# SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

VK promotes a culture of respect for human rights, openness and equality of opportunity among its employees. Thanks to its projects, VK also draws attention to the global problems of violence, corruption, etc.

SDG targets	VK contribution
16.1. Significantly reduce all forms of violence and related death rates everywhere	Since 2019, VK established Anti-Cyberbullying Day in Russia. Now every year we talk about the problem of cyberbullying and what people can do to stop it. In 2021, the campaign's reach exceeded 130 million.
16.5. Substantially reduce corruption and bribery in all their forms	For VK employees there are: <ul style="list-style-type: none"><li>• Trust Line - an independent, confidential and anonymous communication channel for questions, complaints and appeals regarding compliance with the norms of law and ethics,</li><li>• Code of Ethics,</li><li>• Risk and Compliance departments,</li><li>• Sustainability Working Group.</li></ul>
16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements	In 2021, VK launched a new user and data protection programme - VK Protect. The programme will bring together all the technical solutions that provide protection within the VK ecosystem and help people effectively manage privacy and use tools to protect information.



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