

About the Report

This Vnesheconombank Group Sustainability Report 2014 (the «Report») has been prepared in line with the G4 Sustainability Reporting Guidelines («Core» disclosure level) and Financial Services Sector Supplement of the Global Reporting Initiative (GRI). The Report discusses Vnesheconombank Group performance in achieving the UN Global Compact's principles on human rights, labour, environment and anti-corruption.

The Report has been prepared using the AA 1000 series of standards and content elements of the International Integrated Reporting Standard, as well as in line with the Regulations on Vnesheconombank Group's Sustainability Report as approved by Vnesheconombank's Order No. 630 of 8 July 2014 (the «Regulations»).

For the purposes of this Report, Vnesheconombank Group¹¹ includes Vnesheconombank and Vnesheconombank's subsidiaries operating to implement specific provisions of Federal Law No. 82-FZ «On Bank for Development» dated 17 May 2007:

- ✓ JSC Russian Bank for Small and Medium Enterprises Support ('SME Bank');
- ✓ GLOBEX Commercial Bank, Joint Stock Company ('Globexbank');
- ✓ OJSC AKB Sviaz-Bank ('Sviaz-Bank');
- ✓ Bank BelVEB OJSC ('BelVEB');
- ✓ PSC Prominvestbank ('Prominvestbank');
- ✓ OJSC VEB-Leasing ('VEB-Leasing');
- ✓ JSC Russian Agency for Export Credit and Investment Insurance ('EXIAR');
- ✓ LLC VEB-Engineering ('VEB-Engineering');
- ✓ LLC Investment Company of Vnesheconombank 'VEB Capital' ('VEB Capital');
- ✓ JSC Federal Centre for Project Finance ('FCPF');
- ✓ Russian Direct Investment Fund ('RDIF') managed by LLC RDIF Management Company;
- ✓ North Caucasus Development Corporation ('NCDC');
- ✓ The Far East and Baikal Region Development Fund;
- ✓ VEB-Innovations Fund; and
- ✓ VEB Asia Limited ('VEB Asia').

The Report's boundaries have been changed as compared to the previous reporting period. Now, the Report also discloses performance of VEB Asia that joined Vnesheconombank Group in April 2013. The Report does not disclose performance by Eximbank of Russia as in November 2014 100% equity less 1 share of Eximbank of Russia were divested to EXIAR. Quantitative data for 2012–2013 is shown in the Report within the reporting boundaries of previous periods.

When determining the Report's scope, we used GRI Guidelines and followed best non-financial reporting practices of Russian and foreign development institutions.

As part of the Report's drafting, we held a public hearing on the Report's concept. The exercise involved a survey of internal and external stakeholders of Vnesheconombank Group, the results of which were used to map out key topics and define the boundaries of GRI Material Aspects. 'The Stakeholder Engagement' section provides more details on how we interacted with stakeholders when drafting the Report, defined the Report's scope, and chose key topics and boundaries of Material Aspects under GRI Guidelines.

The public hearing on the Report's concept helped us determine the Report's key focus, i.e. realization of Vnesheconombank's functions of the national financial institution for development in a turbulent international political and economic context. The Report takes into account stakeholders' suggestions to specifically focus on embedding responsible financing principles into the Bank's investment lending operations, supporting environmentally significant projects and disclosing financial performance of Vnesheconombank Group.

In line with the Regulations, the Report has been audited by the Internal Control Service of Vnesheconombank and independently corroborated by an independent auditor, LLC Ernst & Young — Valuation and Advisory Services (EY) (see Appendix 11). The Report has also been assured by the Non-Financial Reporting Council of the RUIE (see Appendix 12). To certify that Vnesheconombank Group's performance indicators are disclosed in line with the GRI Guidelines, the Report has also been subject to a GRI-check (see Appendix 13).

The report has been examined by the Management Board of Vnesheconombank (DATE) and approved by Order (NUMBER) of Vnesheconombank (DATE).

1: Vnesheconombank Group¹ - The definition of «Vnesheconombank Group» does not match either the definition of «bank group» or «financial and industrial group» under Russian laws, or the definition of «Vnesheconombank Group» in financial statements prepared under the Russian Accounting Standards and the International Financial Reporting Standards.