

Our Contribution to Social Development and the Development of the Country

63

Our success is inextricably linked to social development in Russia and the sustainable development of the country. At Sberbank, sustainable development means not only economic growth but also the creation of favourable social and environmental conditions. Within our core business activities and through our voluntary work, we strive to contribute to sustainable development and also to inform the public about our progress in this area.

We are involved in numerous socially significant projects, sponsorship programmes and charitable activities as it is important for us that we develop as one with society and contribute to improving the quality of life for the population. By developing education, science, sport and assisting those in difficult situations, we are supporting our customers, employees and everyone around us. This is our investment in the future.

Sberbank maintains a constructive dialogue with the government in order to identify the most effective and mutually beneficial forms of cooperation. We understand that the development of the country is to a significant extent associated with the creation of modern infrastructure. We partner with the government in the implementation of projects to create a favourable business environment and comfortable living conditions for the population.

Although the banking business is usually considered relatively environmentally friendly, the scale of our operations means that we consume significant energy and resources. We recognise this and work to minimise the direct environmental impact of our operations, which helps us to both reduce costs and contribute to improving the environment.

Our vision: What is Sberbank to the country?

- The leading bank, a pillar of the country's financial system, its growth and prosperity.
 - A partner in the implementation of government initiatives.
 - A responsible bank that considers the implications of its decisions.
 - An active contributor to the economic and social development of each region, city and town.
 - A bank with proactive employees who care.
-

TRANSPARENCY IN OUR ACTIONS AND INTENTIONS

Sberbank is a transparent and open organisation. We realise that without being transparent in our actions and intentions, it is impossible for us to build and maintain relationships of trust with our partners. To keep the public informed about our activities, we actively engage with the media and use a range of channels and methods of communication.

In 2010, we continued to develop our Information Environment corporate project, which involves briefings and news conferences led by Sberbank's senior managers. The press events address a broad range of issues including those related to corporate social responsibility. For instance, some of the briefings held in 2010 dealt with our personnel development programme, the signing of a new collective bargaining agreement, our corporate innovation management system, the creation of the Universal Electronic Card, Sberbank's involvement in preparations for the Sochi Olympics and other issues. The Bank also uses mailing, podcasts and conference calls to inform stakeholders about its activities.

Herman Gref, Sberbank CEO and Chairman of the Management Board, regularly answers questions asked through the CEO's hotline, as well as holding public meetings and keeping a personal blog.

Sberbank's website is an important external communication channel. The structure, content and services offered through the website were improved in 2010. We added the possibility to view live videos of briefings and news conferences and the opportunity to ask speakers questions through the website.

In addition to working with the corporate website, Sberbank employees answer questions from customers and co-workers on the popular banking portal Banki.ru. We provide real-time support for our retail customers through our pages on the major social networks V Kontakte and Facebook. We also reach our most technologically-minded customers through our blog on the Habrahabr.ru website.

AS ONE WITH SOCIETY

Sberbank implements large-scale sponsorship and charity projects aimed at improving living standards in the country, helping people realise their potential and improving the social and investment climate in Russia.

The Bank's activities in this area are coordinated by the corporate Charity and Sponsorship Committee in accordance with special regulations. The Committee is chaired by Sberbank's CEO and Chairman of the Management Board. All charity projects must receive approval from the Management Board.

In 2010, the Bank implemented joint projects with Russian educational institutions and provided targeted aid to orphanages and other organisations. Sberbank also participated in the implementation of large projects such as Give Life, preparations for the Sochi Olympics and the Golden Mask Theatre Awards and Festival.

Investing in Education and Science

Sberbank has developed a model for strategic partnership with leading Russian universities. The aim is to attract young talented specialists to work at the Bank, thus supporting the country's future intellectual elite. As part of these efforts, we run a master's programme for graduates of leading Russian universities such as the Bauman Moscow State Technical University, the MIFI National Nuclear Research University and the Moscow Institute of Physics and Technology. The programme is based at Sberbank's Design and Training Institute and the Higher School of Economics.

We also cooperate with the Skolkovo School of Management, the Russian Presidential Academy of National Economy and Public Administration, the Lomonosov Moscow State University, the Financial University under the RF Government, the Moscow

Banking Institute and several regional universities. Through our charity programmes we provide support to a number of technology colleges in the Russian regions.

We are active in supporting business games, academic competitions and ideas contests for school and university students. One example of such an academic competition is the International Students' Commercial Bank Management Competition. Over 5,000 students representing 400 universities from 150 cities in Russia, Belarus, Ukraine and Kazakhstan took part in the event. Competition winners took part in Sberbank's personnel development programmes and were offered jobs with the Bank or its affiliates. We also supported the All Russian Financial Market Academic Competition for school students and the Battle of the Banks, an international academic competition for students. In addition, we helped organise Winter School 2010 for the School of Economics and Mathematics at Moscow State University.

In 2010, as part of our education and research support programmes, we provided support to the Institute of Legislation and Comparative Law under the RF Government, the Development Fund of the Association of Russian Lawyers, the New Economic Education Fund, the Fund for the Support of the School of Economics and Mathematics, the Fund of the European University in St. Petersburg, the Charity Fund for the Development of the Graduate School of Management at the St. Petersburg State University, the Finance and Development Fund for Economic and Financial Research and other organisations.

The Bank supports research projects at leading Russian universities. In 2010 Sberbank established five scholarships and grants for students, post graduates and young teachers at economics universities in the Kaluga region.

Helping Those in Need

The large number of orphans and children left without parental care is one of the most serious social problems in Russia. Sberbank recognises that addressing this problem requires significant efforts on the part of both the government and society to stimulate socio-economic development and improve the overall standard of living in the country. Although we contribute to this long-term objective

through our core business activities, we also help orphanages and children's homes overcome the challenges they face today.

Our Central Head Office and each regional bank have a number of child care facilities (including children's homes, orphanages and rehabilitation centres for children from abusive families) to which they regularly provide aid. In 2010, Sberbank employees took part in over one hundred charity events.

The funds collected at these events were spent on building playgrounds and purchasing vehicles, furniture, equipment, clothing, stationery and other necessary items. Our employees helped organise a number of projects, including volunteer events, tours, outdoor trips and festivals, as well as various sports and educational events to help children develop and to facilitate their adaptation into society.

A Helping Hand

In 2010, over 3,000 employees from the Bank's Central Head Office participated in various charity events. Their efforts helped achieve the following:

- through our Let's Prepare Children for School charity drive, we helped over 1,000 children obtain the supplies they needed for school;
- our employees collected and sent over 2,000 New Year presents to children;
- the Konakovo Infants' Home received a large amount of hygiene products, toys, linen and shoes for infants and toddlers;
- we also provided bed linen to children's homes supported by the office.

Hot Ice

In 2010, a group from the Dalnevostochny Regional Bank organised the Hot Ice hockey tournament for children at children's homes in the Russian Far East. Children and teenagers aged between 10 and 14 from Komsomolsk-on-Amur, Vladivostok, Khabarovsk and Blagoveshchensk met each other for the first time on the ice of the Platinum Arena in Khabarovsk.

The tournament included several games. Prominent players from the Amur hockey team played together with children in each team. The Hot Ice tournament will now be conducted annually by the government of the Khabarovsk region.

Helping the Snegirevs

In Novorossiysk the Snegirev family was struck by tragedy when their house partially burned down, killing the parents but leaving behind two children aged 6 and 11. As the house had been bought using a loan from Sberbank, liability to pay off the mortgage was passed to the young children in accordance with Russian law.

In October 2010, the Yugo-Zapadny Regional Bank initiated a campaign to encourage voluntary donations to help the Snegirevs. The loan was repaid in full thanks to money donated by Bank employees, representatives from a partner insurance company and a generous customer, who paid off a significant part of the loan.

Another pressing social issue in Russia is the creation of equal opportunities and conditions for those with disabilities. We have developed remote service channels, which improve the accessibility of our banking services. We are also cooperating with organisations that create infrastructure for those with limited mobility.

Library for the Blind

A youth group from a branch of the Severo-Kavkazsky Regional Bank actively contributed to organising a charity auction to raise money for a library for the blind in Cherkessk. Sberbank employees planned the event and collected and described lots at the auction which had been made by students from children's homes in the Karachay-Cherkess Republic. The auction was led by a Sberbank employee.

The event raised over RUB 130,000.

Wheelchair Access at a School in Ulan-Ude

The Baikalsky Regional Bank supported the installation of a wheelchair access ramp at General Secondary School No.47

in Ulan-Ude. This is the third school in the city that has become wheelchair accessible.

Over 1,800 people are wheelchair-bound in the Republic of Buryatia, including many school-age children. In Ulan-Ude, there are some 800 access ramps, which make life easier for those with special requirements. At the end of 2010, some 90% of offices of the Buryat Branch of Sberbank had access ramps.

In 2010, Sberbank provided financial support to residents of the Nizhny Novgorod and Voronezh regions affected by forest fires, as well as humanitarian aid to residents of the Krasnodar region affected by floods.

Grant Life

We pay particular attention to children suffering from cancer and other serious illnesses. Insufficient funding may often mean that the medicine or medical equipment needed to save their lives is unavailable. We continue to address this issue in partnership with the Give Life charity foundation.

We have a joint programme with the Foundation through which we issue co-branded Give Life international Visa cards. For each payment made using such a card, the Bank donates three rubles to the Foundation, while another three rubles is donated by the cardholder. Our customers may also open a Give Life savings account. In addition to interest paid to the customer, a certain amount of money (calculated as interest at an annual rate of 0.3% for each deposit period) is additionally donated to the Foundation. Sberbank has also been a partner for annual charity shows organised by the Foundation.

Although individual donations are typically small, on a national scale the programme is able to make significant contributions to children's healthcare and treatment.

What is Give Life?

Under the programme, an international payment card is issued by Sberbank.

This card is associated with Give Life, a charity foundation to help children with cancer and other serious illnesses.

As of January 1, 2011, Sberbank had issued 225,000 Visa Give Life cards, including 7,000 Visa Gold cards and 71,000 credit cards.

In 2010, transactions made by Visa Give Life cardholders totalled RUB 3.3 billion, 2.5 times more than in 2009 (RUB 1.3 billion).

In 2010, through the card co-branding programme, the Give Life Foundation received RUB 22.2 million from Sberbank and over RUB 9 million from cardholders.

The Sochi 2014 Olympics

The Sochi 2014 Winter Olympic Games are an important event for Russia. They will not only help to attract investment to the region but also facilitate cultural and sporting development in the country. In April 2009, Sberbank signed a cooperation agreement with the Sochi 2014 Organising Committee, giving Sberbank the status of General Olympic Partner.

The Bank's main goal in this role is to create world-class innovative financial infrastructure in Sochi to meet the banking needs and requirements of local residents and those participating in and coming to watch the Winter Olympics. To this end, the Bank plans to open new offices in Sochi and modernise its existing centres. We will also train personnel and develop special products and high-tech services. Some of these objectives will be addressed in partnership with Visa, which signed a cooperation agreement with Sberbank in February 2010. This is the first example of partnership between a global sponsor and a national partner of the Olympic Games.

Sberbank is also providing financial support for the construction of two Olympic facilities – the ski jumping complex and the media village. The timing and quality of construction is being overseen by the Olympstroy State Corporation.

The Golden Mask

The Bank recognises the importance of supporting Russian culture. Since 2002, we have been the general sponsor of the Golden Mask National Theatre Awards, which were established in 1994 by the Theatre Union of Russia for productions in all genres of theatrical art: drama, opera, ballet, modern dance, operetta, musicals and puppet theatre. In 2010, the festival saw the largest number of

outstanding artists in its history and presented a total of 43 Golden Masks.

As well as the awards, the Golden Mask is also an All Russian Theatre Festival, presenting the most significant theatrical productions from various Russian cities and abroad in Moscow in spring each year. The Golden Mask initiated a number of significant theatre-related events, including the New Drama Festival of Contemporary Plays and the Russian Case international programme. The Golden Mask was also responsible for publishing a book titled The End of the Theatrical Age and for organising Bolshoi, Mariinsky and Maly Drama Theatre tours. Paying particular attention to facilitating theatre tours, the Golden Mask runs a programme called the Best Theatre Productions in the Cities of Russia and the Baltic States in collaboration with the Russian Ministry of Culture.

TOGETHER WITH THE GOVERNMENT

Together with the government, we strive to ensure that the country's social development meets the needs, requirements and desires of the societies of today and tomorrow. We want to build an environment that is modern, mobile and creative, while at the same time providing stability and prosperity.

We support the government's aims to modernise the economy and social sector and to create new modern infrastructure for public and government services. At the same time, we believe that all parties involved in the modernisation process should benefit from participation and it is our view that in addressing social development issues, we should not harm the Bank's commercial interests.

In partnership with the government we implement a number of projects across wide-ranging sectors, including: improving public access to government services through the use of information technologies; the reform and modernisation of the housing and utility sector; improving the transparency of state and regional procurement; supporting Russian car manufacturers; the development of carbon finance; and other important areas. The Bank has signed cooperation agreements covering various aspects of socio-economic development with the governments of most Russian regions.

The Search for a Common Denominator

Sberbank participates in the promotion and implementation of measures facilitating the development of the banking industry, both within Russia and internationally. In 2010, we held meetings with the Russian Government, the Ministry of Economic Development, the Ministry of Finance and the Bank of Russia, at which we discussed the introduction of the Universal Electronic Card. Sberbank also participated in various meetings organised by government bodies and in the activities of working groups to draft the federal laws On the National Payment System and On Electronic Signatures. The Bank also contributed to the preparation of amendments to the federal law On Protecting the Rights of Legal Entities and Individual Entrepreneurs in the Exercise of Governmental Oversight (Supervision) and Municipal Control.

Sberbank was actively involved in amending the federal law On Privatization, which helped to establish a legal foundation for electronic trading and the use of electronic trading platforms. We also provided input on amendments to the second part of the Russian Federation's Tax Code, with the aim of developing the Russian coin market.

In addition, throughout 2010 Sberbank participated in the preparation of draft amendments to the federal law On Advertising. On several occasions, specialists from the Bank discussed proposed amendments with senior officials at the Bank of Russia and the Federal Anti-Monopoly Service (the main agency responsible for drafting the amendments), presenting not only the Bank's position but also suggestions from other financial institutions.

Herman Gref, Sberbank CEO and Chairman of the Management Board, is a member of the Russian Presidential Commission for the Modernisation and Technological Development of the Economy. At twelve Commission meetings held in 2010, members discussed important issues such as improving access to financing for high-tech companies, the introduction of energy efficient technologies, enhancing the quality of professional education and the development of information technologies.

In order to improve Russia's investment attractiveness of Russia and to demonstrate the latest achievements in the area of banking

technologies, we sponsor or participate in various events (round tables, conferences, exhibitions and forums) at the international, federal and regional levels. The most significant events attended by Sberbank's management in 2010 included the St. Petersburg International Economic Forum, the 9th International Sochi 2010 Investment Forum and the World Economic Forum Annual Meeting in Davos.

The Universal Electronic Card

We are involved in the development of a Universal Electronic Card (UEC) in Russia. This is a public-private partnership project, which is implemented by OJSC Universal Electronic Card, a federal organisation authorised to coordinate and implement the project, and a pool of banks. The shareholders of OJSC Universal Electronic Card include Sberbank, Bank Uralsib and AK Bars Bank. Our investment in the project so far has reached USD 20 million and will continue to grow.

Each and every Russian citizen will be issued a UEC. It will serve as proof of identity (as defined by law), a mandatory medical insurance certificate, a mandatory pension insurance certificate and a payment card among other functions. In short, the card will allow people to access virtually all government services.

On Sberbank's innovative initiative, ATMs and payment terminals will be used to process the UEC. In addition, the Bank suggested using the card for payment, which will open new opportunities for its holders. For example, cardholders will be able to pay fines or obtain micro financing immediately using the card. Overall UEC technology will considerably increase public access to banking services and improve the population's quality of life.

The UEC project relies on our experience gained when implementing Social Card projects in a number of regions. A Social Card is a multi-purpose card issued to residents with the right to certain social benefits. The card is used as proof of identity and also serves to automatically confirm the holder's right to benefits, as well as accounting for the actual use of these benefits.

A pilot Regional Social Card project was launched in 2009 in the Astrakhan region in partnership with the Pension Fund of Russia and the regional government. In 2010, the approach was replicated in the Krasnodar and Krasnoyarsk regions and the Chuvash

Republic. The number of participants in the project and the possible applications of the card are continuously expanding. It is intended that citizens will be able to apply for the card from 2012.

Reform and Modernisation of the Housing and Utility Sector

The reform of the housing and utility sector affects the interests of most Russians and carries great significance in the socio-economic development of the country. To contribute to this reform, the Bank has created a special unit — the Directorate for Housing and Utility Sector Projects — and has adopted a Housing and Utility Services Market Strategy. The Strategy pays particular attention to the Bank's participation in the implementation of the federal Integrated Programme for the Reform and Modernisation of the Housing and Utility Sector for the Period 2010–2020.

Within this programme, we modify existing products and technologies and create new ones for those involved in the housing and utility services market. We also attract strategic investors and invest in regional utility companies ourselves, as well as providing information and consultation on the reform. Sberbank's projects and approaches are first piloted in selected regions and then replicated across the country.

One of our projects in 2010 to develop the housing and utility sector financed the creation of an integrated waste management system in the Astrakhan region and invested in a company developing utility billing technologies in Belgorod. We also launched a pilot project for letter-of-credit payments for parking spaces sold through the Public Garage programme in a division of the Moskovsky Regional Bank.

In 2010, in collaboration with our partner organisations, the Bank published a booklet called *The A–Z of Housing and Utility Services. Questions and Answers*, which explained the sector's reform to the public.

Sberbank's plans for 2011 in the reform and modernisation of the housing and utility sector include providing loan financing for integrated regional utility development programmes in pilot regions and the replication of this experience in other regions.

The Electronic Trading Platform

In order to improve and optimise its procurement practices, Sberbank formed a dedicated Procurement and Tender Directorate,

which oversaw the creation of CJSC Sberbank-AST, an electronic trading platform. At the beginning of 2009, the platform was selected as one of the five platforms for state and regional procurement through electronic tenders, and received five-year accreditation as a national electronic trading operator. In this way, Sberbank helps to improve the transparency of state and regional procurement and promotes fair competition.

In 2010, we published the Rules of the Electronic Trading Platform. According to the document, potential contractors and suppliers are accredited and participate in tenders free of charge. A fee is paid by the winner of a state or regional contract. CJSC Sberbank-AST runs practical workshops to educate potential participants about recent changes in relevant legislation and practical tips for using the platform for state and regional procurement. Similar workshops are held for foreign suppliers in order to ensure equal opportunities for all companies eligible to participate in trading.

In December 2010, CJSC Sberbank-AST was named Company of the Year 2010 at the National Business Awards in the Information Technology (Electronic Trading) category.

Supporting the Russian Car Industry

Sberbank partnered with the government in its 'Cash-for-Clunkers' programme launched in March 2010. The programme aimed to support Russian car manufacturers and improve the affordability of new cars. Through the scheme, people could scrap their old cars for a 'scrapping premium', which could be used to partially pay for a new Russian-made car.

We were the first Russian lending institution to offer special vehicle loan terms and conditions to programme participants. When applying for a loan at a car dealership, customers were able to use their scrapping certificate or authorisation to scrap their car as part of their down payment on a new vehicle. This measure made it easier for customers to buy new cars.

Since 2009, we have been involved in an incentive programme to encourage people to buy Russian-made automobiles by providing car loans at preferential interest rates. In 2010, the Bank provided a total of RUB 13.3 billion worth of loans through this programme.

Developing Carbon Finance

In 2004, the Russian Federation ratified the Kyoto Protocol to the UN Framework Convention on Climate Change, an international agreement defining approaches towards the reduction of greenhouse gas emissions. In 2009, the Government of the Russian Federation appointed Sberbank as an agent for implementation of the economic mechanisms defined by Articles 6 and 17 of the Kyoto Protocol.

Through a specifically created unit, the Directorate for Management of Energy Efficiency and Environmental Projects, the Bank performs the public function of an 'operator of carbon units' on a commercial basis. Our activities are aimed at protecting the interests of Russian investors implementing energy efficiency projects, and at expanding the Bank's loan portfolio and enhancing its quality.

In 2010, Sberbank signed a number of memoranda with foreign companies determining the procedure for further cooperation in the preparation of emissions trading contracts. In the same year, the Bank conducted two tenders to select projects for the joint implementation mechanism (Article 6 of the Kyoto Protocol). The first tender was announced in February 2010 and the second in September 2010. Projects were selected on a number of criteria, including energy efficiency and environmental performance, technological and financial potential and economic and social effect.

	1st tender	2nd tender	Total
Number of applications	40	58	98
Number of projects approved	15	18	33
Total reduction through approved projects, tonnes	29,992,993	29,970,000	59,962,993

To create a framework for the implementation of projects conditional to the reinvestment of carbon revenues in new emission reduction and energy efficiency projects, in 2010 Sberbank drafted model agreements between the 'operator of carbon units' and project investors. Jointly with investors, Sberbank participated in the preparation of project design documents for projects relying on loan financing from the Bank.

In October 2010, on behalf of the Government of the Russian Federation, Sberbank paid Russia's outstanding fees to the UN Secretariat. This removed the obstacle for Russia's inclusion in the International Transaction Log, which is a necessary condition for participating in the economic mechanisms defined by Articles 6 and 17 of the Kyoto Protocol.

We plan to expand the range of services we offer to investors in the emissions trading market, a new segment for Russian business.

The Government as a Customer

Federal and regional governments often face the need to attract funds from sources other than their respective budgets for the implementation of investment projects or to cover current expenditures. Sberbank has traditionally partnered with the government in addressing this objective, acting as an underwriter or lender.

In 2010, the Bank arranged the sale of four regional/sub-federal bond issues totalling RUB 4 billion and co-arranged a sale of bonds issued by the Republic of Belarus (Sberbank's participation was worth RUB 3.025 billion).

As of January 1, 2011, the balance of the Bank's loans to the governments of Russian regions amounted to RUB 127.9 billion and RUB 24.9 billion to municipal districts. In addition, we invested RUB 149.4 billion in Russian sub-federal and municipal bonds.

Sberbank's regional banks provide banking services to regional governments and regional administrations, electoral commissions, branches of the Federal Treasury and the Federal Pension Fund. Sberbank serves budget accounts in areas in which the Bank of Russia is not represented through its own institutions.

Sberbank helps to improve the transparency of the targeted use of budgetary funds by opening special purpose accounts for general contractors and subcontractors in public projects significant to the development of Russian society and the country's economy.

One such project is the reconstruction of the M4 Don federal motorway, which connects Moscow and Novorossiysk, passing through Voronezh, Rostov-on-Don and Krasnodar. In July 2010, an opening ceremony was held for several sections of the road. Other

public projects overseen by the Bank in a similar manner include the reconstruction of the second stage at the Mariinsky Theatre in St. Petersburg and the construction of facilities at the Far East State University and the Conference Centre on the Russky Island in Vladivostok.

TOWARDS ENVIRONMENTAL EFFICIENCY

As our business develops and we improve the quality of our customer service, we inevitably need more technology to support this. However, these technologies use more power and overall energy and resource consumption becomes a significant factor in terms of both environmental impact and cost.

We take steps to minimise our direct environmental impact. It is also a management objective to reduce our indirect environmental impact by providing loans to companies and projects with outstanding environmental performance indicators.

Responsible Consumption

Reducing Our Environmental Footprint

We employ the following measures to reduce our impact on the environment:

- we perform energy audits and energy efficiency assessments at the Bank's facilities;
 - we have introduced initiatives to save energy and minimise our environmental impact;
 - we develop and implement systems to monitor energy consumption and to monitor and review the effectiveness of steps taken to improve efficiency;
 - we increase employee knowledge and improve skills in the field of energy saving and efficiency.
-

By promoting advanced banking products and instruments, such as Sberbank Online, Sberbank Business Online, Mobile Bank and self-service terminals, we can help reduce the consumption of paper and other resources. Our objective is to develop and roll out such technologies to allow our business to develop further while securing the minimum increase in the use of non-renewable resources.

Power consumption in 2010	2,594,444.2 GJ
Heat consumption in 2010	3,710,618.71 GJ

Energy Efficient Lamps and Motion Sensors

In 2010, 1,400 LED lamps and 16 motion sensors were installed on the premises of the Corporate University and a Bank branch in Odintsovo. Estimated annual savings compared to traditional fluorescent lamps amount to 864.82 GJ (a 56% reduction in energy consumption).

Where possible, we purchase paper produced without the use of bleaching agents hazardous to the environment. For example, the Bank purchases some 400 tonnes of unbleached paper forms per year. In parallel with this, we are gradually expanding the use of electronic forms, thus reducing overall paper consumption.

Sberbank takes steps to improve environmental awareness among its employees. One example from our internal environmental initiatives is the recycling of waste paper, which began at our Central Head Office in 2009. Over two years, 628 tonnes of used paper and cardboard was sent for recycling. In 2010, Sberbank began promoting this practice at its regional banks.

Where practical, the Bank employs the principles of 'green construction' when building new or re-constructing existing facilities. Construction contractors involved in such projects are required to provide a note explaining the resource and energy efficiency techniques that are to be employed, along with a justification detailing why such techniques were selected.

In 2010, Sberbank continued to oversee construction works carried out by its contractors in order to minimise associated environmental impacts. We paid attention to the use of small construction machinery for loading and unloading operations to minimise idle time, as well as the use of environmentally friendly and certified materials and the sending of construction waste to appropriate specialised companies for disposal.

Green COSCs

In the design and construction of our new Customer Operation Support Centres (COSCs), we relied on the principles of 'green construction'. Buildings feature large windows to ensure the maximum possible level of natural light at workplaces and a number of energy efficient engineering solutions. The first COSCs were launched in Moscow and St. Petersburg (in 2008 and 2009, respectively). Another two centres in Perm and Krasnoyarsk began operations at the end of 2010. In 2011, we plan to launch six more COSCs.

By 2014, Sberbank plans to build the largest data processing centre in Europe. The super energy efficient facility will host 5,000 square metres of computing and data storage equipment.

It is important that we identify and assess problems that give rise to the risk of legal and financial liabilities for environmental damage in good time. In 2010, we drafted the corporate Regulations on Operational Environmental Monitoring. Once the document is approved in 2011, we plan to begin implementing an environmental management system, which will help reduce both environmental impacts and respective expenditures.

Currently the Bank is developing a list of environmental requirements that will apply to contractors involved in the construction or modernisation of its facilities.

In addition, we plan to develop and roll out an automated environmental information management system at our branches. The system will collect quarterly information on the environmental impact of all Bank divisions: harmful gas emissions, effluent discharges and waste generation, recycling, processing and disposal. The information obtained through the system will help us undertake a comprehensive analysis of our environmental activities and identify approaches for the reduction of our overall environmental footprint.

Energy Efficiency Projects

In Russia, the amount of excess energy consumed through inefficiency is roughly equal to the energy consumption of a number of European countries. There is huge potential to improve energy efficiency but this will require both public and private investments.

Sberbank implements a number of projects to improve energy efficiency. Among the most prominent examples are the Energy Efficient Neighbourhood projects supported by the Zapadno-Sibirsky and Volgo-Vyatsky Regional Banks.

Energy Efficient Neighbourhoods

The Energy Efficient Neighbourhood project in Tyumen involves developing an area in the city centre of some 430,000 square metres using state-of-the-art energy and resource efficiency techniques. The city administration intends to achieve an average reduction of 25–30% in energy and resource consumption on the base indicator without reducing comfort levels. This will also help households cut their utility bills.

Within the framework of its cooperation agreement with the city administration, Sberbank acts a financial partner and consultant on the project. We jointly developed a project implementation schedule with the city administration, as well as an action plan for the promotion of energy efficiency among businesses and households through the media. Sberbank specialists suggested creating a special information portal on housing and utility services which would include, among other resources, an energy savings calculator. The system will help households to estimate in advance their savings from the installation of energy efficient lights and other equipment. In addition, Sberbank prepared a proposal for a special retail loan product called Energy Saving.

At meetings with residents in Kazan and through work with the city and district administrations, Sberbank actively promoted its services aimed at improving the energy efficiency of housing and public facilities in the selected project area and at providing financing for corporate energy consumers and suppliers.

Energy Efficient Neighbourhoods can be expanded further in Kazan or Tyumen and the successful experience can be applied in other Russian cities.
