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ESG report

Mail.ru Group
Limited

2020

contents

Chief Executive Officer statement

The year 2020 was full of extraordinary events and unexpected outcomes for the whole world in light of the COVID-19 pandemic, with most countries nearly coming to a standstill due to the health crisis and related lockdowns, which were accompanied by a sharp economic downturn.

In this situation, our services became even more important in the day-to-day lives of millions of people in Russia and many other countries, with the sustainability agenda coming into even bigger focus for our company.

"

Few people could have anticipated in early 2020 that the COVID-19 virus would spread so rapidly around the planet, bringing such far-reaching effects for economies, the environment and our lives. Even ahead of the pandemic, technologies were continuously amending the ways we consume various services, receive training and education, work, entertain ourselves, make purchases and communicate with friends, co-workers and communities. COVID-19 and its related shocks have accelerated this process dramatically, placing even more responsibility on internet companies such as our Group on acting quickly but also responsibly, and placing equal priority on broadening our reach and the scope of services we offer and supporting our users and the communities in which we operate.

Boris Dobrodeev
CEO (Russia) Mail.ru Group

We strongly believe that technological innovation can continue to improve the environment we live in, support our well-being and increase prosperity. The services we offer help create a comfortable environment for communication, work, education and life overall. They serve to make our society more flexible, efficient, safe and adaptable to a rapidly changing and increasingly digital world, and aim to make digital experiences accessible, no matter where people live and work, or what level of education they have, regardless of their gender or income level. **Our mission is to improve people's lives by making technologies simple and accessible to all, and to distribute our technologies and services in a way that has the least possible impact on the environment.**

The events of the 2020 pandemic and subsequent developments in 2021 will, we expect, accelerate the shift towards covering a broader set of needs through online platforms: food delivery, e-commerce, including e-grocery, online socialising and entertainment, and online education are becoming an integral part of our lives and will continue to evolve and expand in the forthcoming years. Our core business, as well as our strategic partnerships, addresses the growing demand for these online services in a safe and smooth transition from offline to online. In the course of our evolution we have established a product range that covers most of consumers' key digital needs, and helps them navigate through their daily digital journey. The efficiency and safety of this journey is being further enhanced through our ongoing ecosystem development strategy, with the launch and development of products such as VK Connect, VK Combo, mini apps, voice technologies, and VK Pay.

One of our primary ESG focus areas is on improving the lives of people and communities through increasing the digitalisation of various use cases, and we are constantly working to ensure the security and safety of our users' digital experience. Our ESG strategy is to invest our technology and experience of creating advanced digital and technological services into the development of sustainable projects across the markets where we are active. In 2020 we increased our presence in EdTech and boosted our support and integrations with local, small and medium businesses and communities to support this goal.

As a Group, we remain committed to supporting our users and businesses at all times, and this has become even more acute during the pandemic. It used to take decades for people's behavioural patterns to change, but the pandemic has demonstrated that it now takes just months or weeks. Our ability to innovate, adapt, grow and become better each day has made us into one of the largest companies in the Russian segment of the internet market in terms of reach and time spent. We will continue to evolve and transform ourselves in order to continue bring value and support to millions of our users, with respect for their privacy and the data they share with us.

One of our major aspirations is to improve the accessibility of education in Russia. We believe that the COVID-19 pandemic has changed education forever, making people adapt to new types of learning, from school lessons to professional studies. Through our growing number of digital education projects we offer an increasing range of learning solutions, including online school classes for children, digital tools for teachers, digital academic degrees, and access to online professional education for adults. No matter where you live or your learning pace, we want education to be just a few clicks away. Our projects will not only provide us with new talent as a company, which is important for our competitiveness and sustainability, but serves a broader goal of improving the educational landscape across the markets we operate in.

We have added an additional major focus to support those in need. We will continue to cooperate with charities in Russia to make our world more open, sustainable and accessible through digital platforms, and raise funds for those who need it the most. Over the past several years we have launched services that provide users with easier access to charitable institutions, providing an access channel for those who want to help communities, people, animals or nature.

There is much in the past year that we can take pride in, but there is much more that can be done in the future to fulfil our primary goal: the welfare of our employees and customers, their families, local communities and local businesses, with the ESG agenda becoming increasingly important for our strategy, day-to-day operations and decision-making.

about us

Mail.ru Group Limited is incorporated in the British Virgin Islands, with the company's principal office in Limassol, the Republic of Cyprus. We create services to make our users' lives easier and better, we invest in technologies and promote entrepreneurship, we support talented people and charities, and we develop IT education and research.

102-6, 102-7 As of the end of 2020 our Group:
- Offered the top five global email services, with 46 mn monthly active users in Russia and 100 mn active accounts globally;
- Had a monthly reach of 88% of Russian mobile internet users and 92% of Russian internet users;
- Reached more than 2 million active SMBs on the VK platform, which remained the largest social platform in Russia, helping more than 73 mn of its monthly users in Russia to stay connected throughout the entire year, which was particularly in demand during lockdowns;
- Invested RUB 1bn in supporting SMBs with our solutions and added an extra RUB 200 mn in bonuses for promotion on the VK Business platform in order to help SMBs to run their businesses throughout the pandemic;
- Had launched 146 educational programmes on Geek-Brains and 319 educational products on Skillbox during the year to broaden the accessibility of professional education in Russia and help Russian-speaking users to move into new careers, including in digital;
- Reached 770 mn registered users worldwide across our games studios, with a total of 75% of revenue coming outside of Russia and the C.I.S, providing millions around the globe with safe and affordable entertainment options through our predominantly F2P games portfolio;
- Launched the integrated VK Connect sign-on platform, introduced across 12 of our services by the end of the year, makes usage of our services more convenient for millions of our users;
- Had 39 mn monthly active users within VK Mini Apps, providing our users with multiple additional digital use case options such as ordering taxis or food through a familiar VK interface, while also providing monetisation opportunities for thousands of local developers;

- Allowed 22% more monthly users (33 mn in total) to buy and sell goods and services through our Youla classifieds business, with access to safe contactless delivery options;
- Reached a total of more than 39,000 partners on the Delivery Club platform, having also supported >26 mn Russians in their e-commerce journey via AliExpress Russia, fulfilled 18 mn grocery orders via Samokat and 5.2 mn meal orders with Local Kitchen, and completed 185 mn rides with CityMobil. These services continue to provide millions of Russians with safe and efficient mobility and food consumption options, which has been particularly relevant in light of the pandemic.

102-4 We have offices in Russia (Moscow, St. Petersburg, Voronezh, Nizhny Novgorod), Latvia (Riga), the Netherlands (Amsterdam), and the U.S. (Los Angeles). We use two international data centres: in Amsterdam and in San Jose (California, U.S). They are aimed at serving the Group's European and North American users and currently host about 1,400 servers.

102-45 A list of the entities included in the consolidated financial statements and also covered in this report can be found in the "Financial Statements" section of our 2020 Annual Report.

We participate in several professional industry associations:

1. Big Data Association: a non-profit organisation that aims to create favourable conditions for technological development and product design in the Russian Big Data market. The association is engaged in the development of common principles and standards for the processing, storage, transmission and use of Big Data.

2. The Russian Association for Electronic Communications (RAEC): an organisation striving to build an information society with its own legal system and codes of professional activity that will be accepted by both users and companies operating on the Russian internet.

3. ANO Digital Economy: a non-profit organisation that provides services for the development of the digital economy, supporting significant initiatives and enabling interaction among the business community, research and development foundations, educational organisations and government authorities.

4. AI-Russia Alliance. In 2019 we, among other leading Russian tech companies, signed a cooperation agreement on the forging of an artificial intelligence alliance, called AI-Russia Alliance. We joined our efforts to create technology components spurring the development of AI solutions, facilitate the development of a dynamic AI market, as well as AI products and services, speed up technological evolution and develop an AI business community in Russia.

As of 31 December 2020 the shareholder structure of the Group was as follows (economic stakes):

4.8%
MFT

7%
Tencent

9.5%
Alibaba

25.7%
Prosus

53%
Others
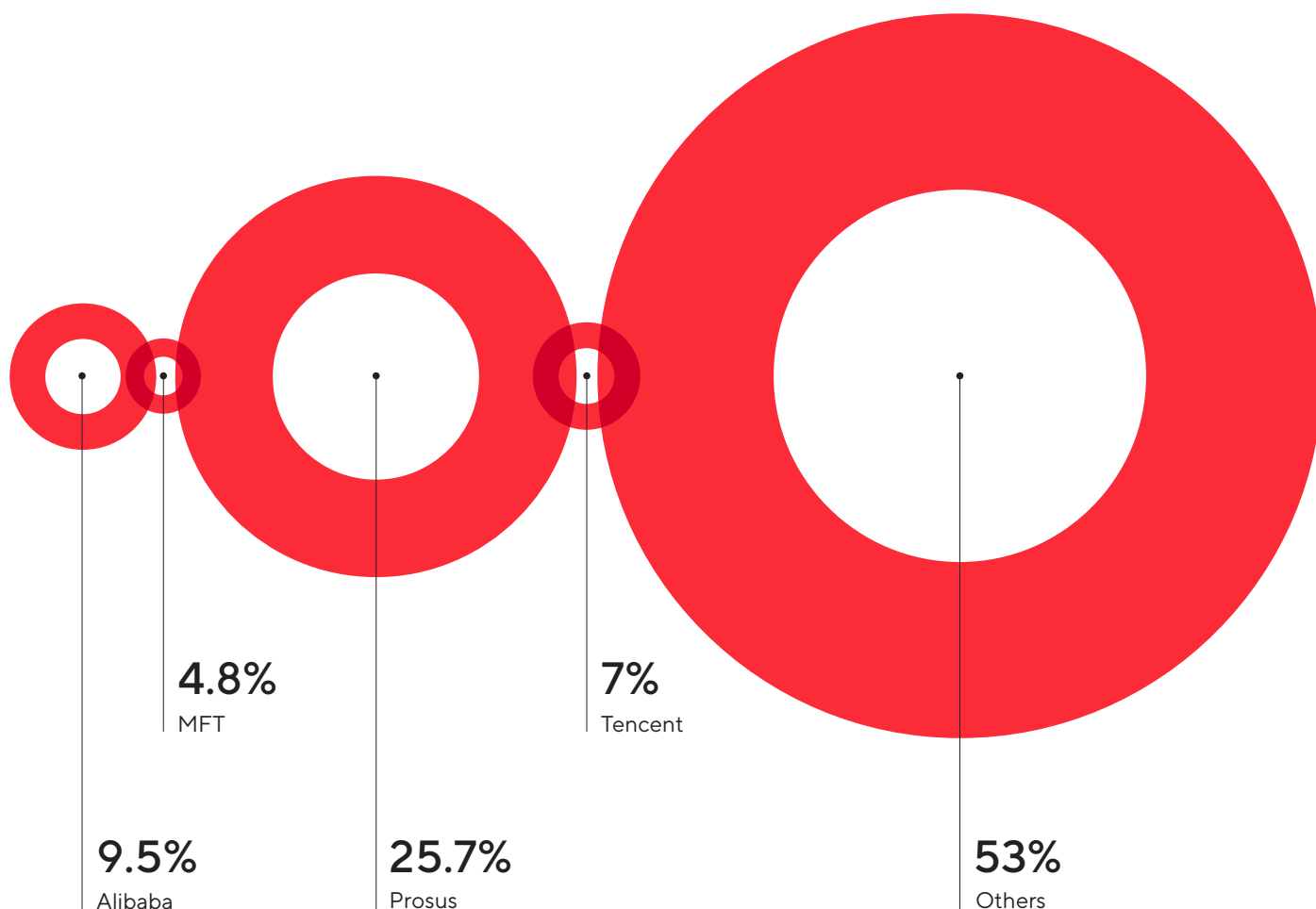
The Group did not pay dividends in 2020.

More detailed information on shares and share capital, including the options programme, can be found in the "Corporate Governance" section of our 2020 Annual Report.
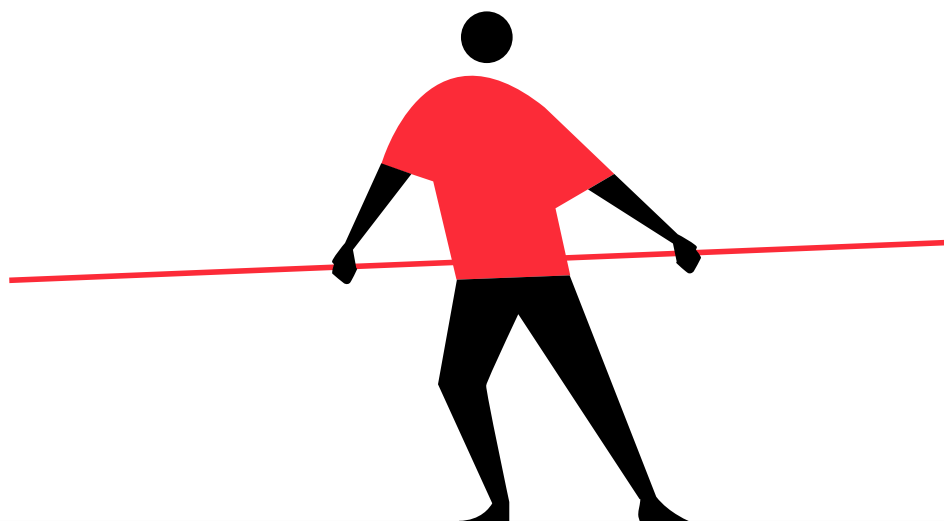
sustainable business strategy

102-16 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. The events of the past year have proven the increasing need for technology everywhere and for everyone. Our ESG strategy focuses our efforts on building a comprehensive ecosystem around the VK social network, where users are able to solve a vast variety of daily digital tasks with the advantage of a unified VK ID, while also enjoying the additional value provided by the VK Combo loyalty programme. We are also devoting significant efforts towards the development of EdTech in Russia.

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.

102-19, 102-20, 102-26 Our principal governing body for ESG is the Board of Directors and the Management Board of Mail. ru Group, whose responsibilities include the approval of ESG strategy and the integration of that strategy into the broader business strategy, as well as supervision of related implementation. The planning, consolidation and implementation of the Group's ESG initiatives is carried out by the Social Projects Director, HR Director, PR Director, and other responsible heads of business units.

Based on our analysis of trends and topics, we have defined several goals for our sustainability agenda:
- Improving users' quality of life with our products, enhancing opportunities and giving back to society and communities, including through assisting small and medium businesses;
- Developing education by providing digital and hybrid options throughout the entire educational journey: from pre-school and school lessons to professional courses for career development;
- Privacy and data security;
- High ethical standards and respect for human rights;
- Climate change and the sustainable use of natural resources.

Social

We believe that it is our duty to help society in its transformation from a traditional to a digital one. We are therefore investing our resources and efforts in charitable activities and IT education for a wide range of users: K–12 students, university attendees, teachers, professors and professionals, including in IT. What started as a short–term response to a rapidly changed environment hit by coronavirus will most probably result in a long–term transformation of education towards online and hybrid models, and there is much to be achieved for us and society in this area.

We believe that people are our greatest asset, which is why we offer our employees a variety of training opportunities in both hard and soft skills, as well as a comfortable and attractive working environment, including flexible working options and other support and social benefits. We also support many social initiatives proposed by our employees.

We support small and medium businesses, helping to create employment opportunities for many people. Our platforms provide business opportunities for entrepreneurs and merchants.

Privacy & data security

Though the digital world brings many benefits to users, we understand the growing concerns about personal data protection and privacy issues, as more and more sensitive personal data becomes digitalised and transmitted via global networks, with millions of new devices and millions of user accounts. As a leading internet company we take data security as our priority.
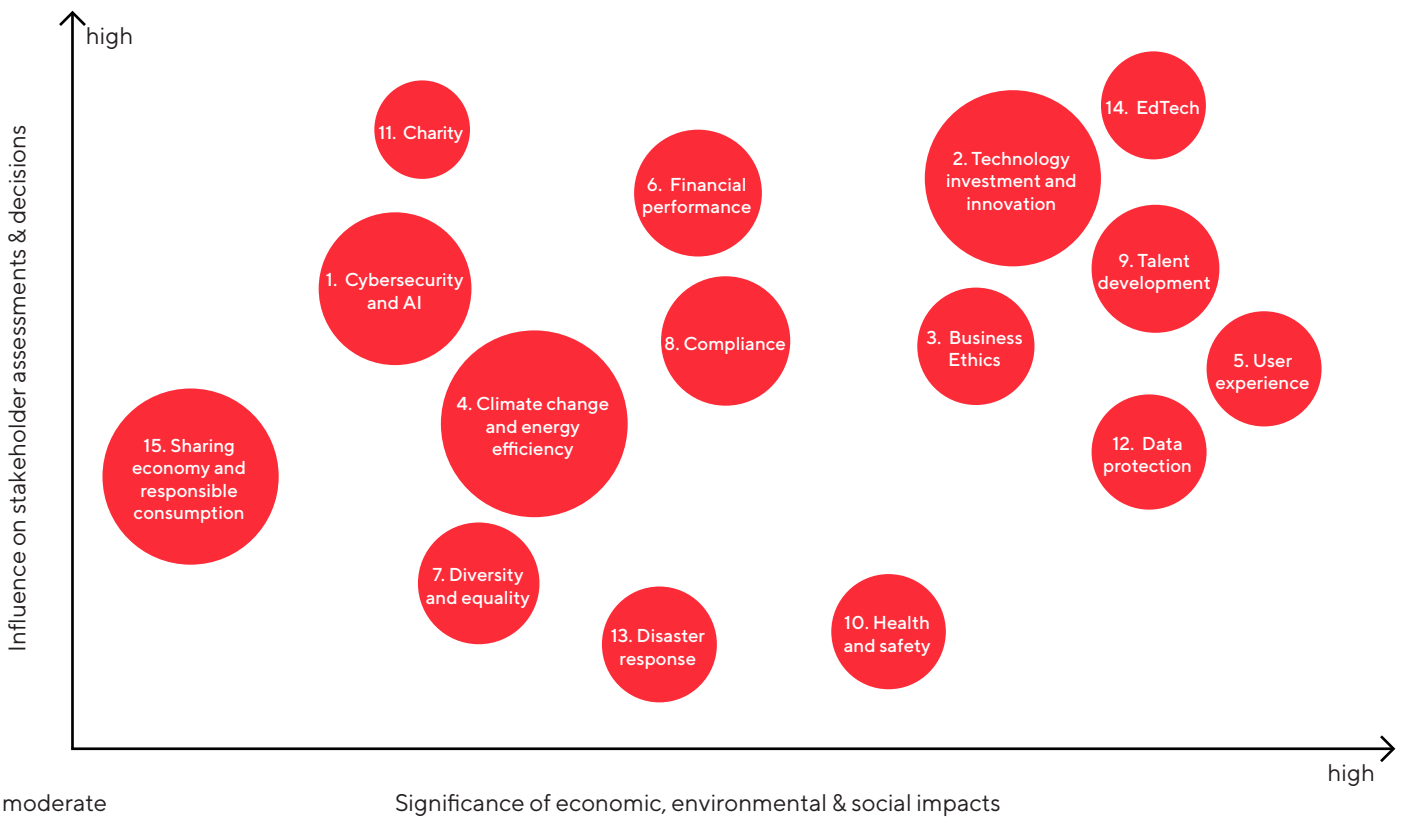
High ethical standards

We uphold high ethical standards in our own operations, being committed to principles of fair business practices and compliance with business ethics. We have transparent and robust procedures in place for selecting our suppliers. We encourage our employees to immediately inform us of any potential unethical issues directly or via an anonymous hotline. We adhere to meaningful transparency in providing users with access to the data we are collecting on them and which is stored on our servers.

Climate change & the environment

Climate change and reducing our carbon footprint are the most challenging global issues facing the world today. The sustainable management of resources, strong supply chains and a global economic recovery from the crisis are vital for our long–term development as a technology company. Apart from minimising our own impact on the environment (though it is indirect), we seek to help keep our users well–informed on climate issues, ecological and health initiatives, while also combating misinformation on these topics.

102-46 To ensure the relevance of our approach, we reviewed and renewed our assessment of sustainability-related activities. We conducted a formalised assessment through a survey of external and internal users, coupled with informal discussions with third parties and our other stakeholders to narrow our focus areas and evaluate how we can achieve them to meet the interests of all of our key stakeholders. The topics listed below were selected as material issues and prioritised according to economic/social/environmental matters of interest to stakeholders, as well as the business impacts of the issues (in terms of revenue, costs, and reputation).

In 2020 our stakeholders paid special attention to EdTech, compliance and corporate governance, and climate change, so these issues received renewed assessment. We also updated the wording of our educational focus area from IT education to the more comprehensive EdTech, since we have broadened our ambitions and no longer concentrate exclusively on professional training.

Influence on stakeholder assessments & decisions (vertical axis, high)

Significance of economic, environmental & social impacts (horizontal axis, moderate to high)

Bubble chart topics:
- 11. Charity
- 6. Financial performance
- 2. Technology investment and innovation
- 14. EdTech
- 1. Cybersecurity and AI
- 9. Talent development
- 8. Compliance
- 3. Business Ethics
- 5. User experience
- 4. Climate change and energy efficiency
- 15. Sharing economy and responsible consumption
- 12. Data protection
- 7. Diversity and equality
- 13. Disaster response
- 10. Health and safety

#	Topic
1	Cybersecurity and AI
2	Technology investment and innovation
3	Business ethics
4	Climate change and energy efficiency
5	User experience
6	Financial performance of the Group
7	Diversity and equality
8	Compliance

#	Topic
9	Talent development
10	Health and safety
11	Charity
12	Data protection
13	Disaster response
14	EdTech
15	Sharing economy and responsible consumption

We address our most material issues (upper right corner of the matrix) in this report, with the exception of financial performance, which is covered in more detail in our 2020 Annual Report and our charity and social support activities, which are covered in our special Social Projects report.

corporate governance

Charters and policies

102-18 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. This is followed by the Board of Directors; they are responsible for the general management of the Group, including coordinating strategy and general supervision. We also have an Audit Committee and a Remuneration Committee. Senior managers are responsible for the day-to-day running of the Group.

Mail.ru Group 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 with secondary trading also available on the Moscow Exchange, 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 Audit committees,
- the periodic re-election of Directors.

These standards are included in the corporate policies (articles of association, relevant committee policies) available on our corporate website. 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](#), the [Code of Ethics and Business Conduct](#), the [Directors' Right to Access Information/Documents Policy](#), the [Legal Compliance Policy](#), the [Charter of the Audit Committee](#), the [Internal Audit Charter](#), the [Remuneration Committee Charter](#), the [Risk Committee Charter](#), the [Risk Management Policy](#), the [Data Protection Policy](#) and the [Trading Policy for Directors, Senior Managers and Employees](#). These are all followed by the Group in all material respects.

More detailed information on the structure and composition of the Board can be found in the Management section of our [2020 Annual Report](#). See also our corporate website at corp.mail.ru for copies of all policies and charters (in the Corporate Governance section).

Internal controls

Our internal control system is based on a "Three Lines of Defence" model, to shield us against risks that might threaten the achievement of our goals. This model encompasses daily operational controls, risk management procedures and independent assurance.

The business operations side is fully responsible for all the risks in its area of activity and must ensure that effective controls are in place. In so doing, it ensures that the right controls are conducted in the right way, that self-assessment of the business side is of a sufficiently high standard, that there is adequate awareness of risk and that sufficient priority/capacity is allocated to risk issues.

Independent of the business side, the second-line risk and control functions formulate their own opinion regarding the risks confronting the Group. In this way, they provide an adequate degree of certainty that the first-line control function is keeping these risks under control, without needing to take over primary responsibility from the first line. In this regard, the second-line functions are tasked with identifying, measuring and reporting risks. The risk function has a veto right to ensure that it is respected. The second-line risk and control functions also support the consistent implementation of the risk policy, risk framework, etc., throughout the Group, and supervise how they are applied.

As the independent third line of control, internal audit is responsible for the quality control of the existing business processes. It performs risk-based and general audits to ensure that the internal control and risk management system, including the [Risk Management Policy](#), are effective and efficient, and to ensure that policy measures and processes are in place and consistently applied within the Group to guarantee the continuity of operations.

Code of Ethics and Business Conduct

102-16 We have a [Code of Ethics](#) that is applicable to all our employees, directors and management. We apply our Code of Ethics not just to our own employees, but also in our daily activities and business dealings with all our external stakeholders. Leadership oversight on ethics and compliance is provided by the Board of Directors through its Remuneration Committee. Compliance management is further supported by the compliance, legal, tax and risk management teams.

Our Code of Ethics sets down the key principles and practices of our ethical business approach and provides clear guidance to our employees. The high standards of our Code of Ethics allow us to build and maintain personal integrity across the company and protect our reputation. This can be summarised in the simple principles that run throughout everything we do and define how our employees are expected to behave:

- Obey laws, policies and regulations;
- Be fair and honest;
- Treat each other with respect;
- Declare conflicts of interest;
- Report any concerns promptly and seek advice where necessary.

We are committed to following and upholding the laws and regulations in all our activities. The Code includes basic legal guidance and information on key standards of ethical behaviour to help our employees make the right decisions in a variety of business scenarios they may encounter in their daily work. The Code is supplemented and strengthened with additional internal policies and procedures that address various detailed issues, including the Whistleblowing Policy, which encourages and enables employees to raise serious concerns when they realise that something is wrong or inappropriate.

Principles

Our corporate governance principles are aimed at:
- the protection of shareholders' rights;
- ethics in business;
- the enhancement of corporate rules for all newly acquired subsidiaries;
- transparency in communication with stakeholders;
- systematic robust controls over management activities.

Our corporate governance principles have a particular focus on anti-corruption and anti-bribery requirements as a significant element of our entity-level controls. We adhere to the following general principles in our compliance framework:

1. Risk assessment: We perform a periodic review of our exposure to external bribery risks via our annual mandatory conflict-of-interest reviews. The results are documented and thoroughly analysed. We also have in place an employee-only whistleblowing hotline as a tool for informing us of internal bribery risks. Employees can make anonymous reports.
2. Top-level commitment: Senior management is committed to preventing bribery by fostering a culture in which it is seen as unacceptable. Top management leads by example and enforces the following of procedures by lower-level management and employees.
3. Due diligence: We perform due diligence procedures with respect to each new prospective business acquisition to assess the risks related to that potential acquisition and for each new counterparty as part of our routine risk mitigation procedures in the purchases/sales cycle.
4. Clear, practical and accessible policies and procedures: Our policies are accessible via either the corporate website (the [Code of Ethics](#), [Trading Policy](#), [Legal Compliance Policy](#), etc.) or the internal restricted website (Conflict of Interest Policy, Purchase Policy, Labour Protection Policy, etc.), which reference our commitment to fair business practices; for each policy there are contact persons available to answer any related questions on adherence and compliance.
5. Effective implementation: policies are available on the external and internal web portals and are enforced to a certain extent upon employees. These include a mandatory annual conflict of interest update, local labour laws and labour safety updates and a mandatory purchase tender policy for daily operations.
6. Monitoring and review: we have in place a process for the regular review and update of policies on at least an annual basis. Additionally, the risk committee meets at least four times a year to discuss major risk-related issues.

As part of our corporate governance development process for 2021-22, we focused on and plan to further increase our employees' awareness of various aspects of corporate governance, and in 2020 we introduced the position of Vice-President of Compliance to facilitate this process.

Principles of remuneration for Board members and senior officials

102-35, 102-36 The remuneration of senior officials is defined by the decisions of the Remuneration Committee and meets the following principles:

- Continuous monitoring of market practice across the IT industry;
- Remuneration is linked to personal contribution and the Group's business results;
- Strong focus on business development targets in accordance with the strategic development approved by the Board of Directors.

The system of remuneration for senior officials includes elements of base remuneration and a variable compensation part:

- Fixed remuneration: monthly salary;
- Annual short-term incentive paid for achievement of key performance indicators (KPI) as well as functional goals;
- Long-term incentives (four-year) focused on increasing the Company's shareholder value as well as the long-term retention of management team members.

Key performance indicators for senior executives

Since 2020, our short-term incentives for senior executives have used three sets of goals across different Business units and functions in different proportions, reflecting the specifics of each role.

The first set of Financial KPIs includes revenue and EBITDA targets measured against approved budget values.

The second set of KPIs focuses on audience and includes monthly and daily average audience numbers for each given business or Group in general.

The third set includes specific goals related to key strategic initiatives and eco-system projects.

Long-term incentives

The long-term incentive programme for management is currently under further review to identify ways of ensuring even closer alignment with the interests of shareholders. In the meantime, all share-based employee incentive plans have been converted from RSU to PSU-based plans to ensure links to the execution of specific performance targets in all cases. We have also formally introduced clawback for PSUs granted under internal motivation programmes in case of a material error in financial statements and/or gross misconduct.

The remuneration paid to senior officials and BoD members is presented below (mn RUB):

Remuneration paid to BoD members

Remuneration paid to Directors	FY 2020	FY 2019
Salary	122	107
Bonuses, including RSUs	–	7
Cost compensations (business trips)	1	6
Other types of remuneration	–	–
TOTAL	**123**	**120**

Remuneration paid to key management personnel	FY 2020	FY 2019
Salary	428	315
Bonuses, including RSUs	1 183	992
Cost compensations	–	–
Other types of remuneration	268	119
TOTAL	**1 879**	**1 426**

Structure of remuneration for top management in 2020

37%
Basic remuneration

27%
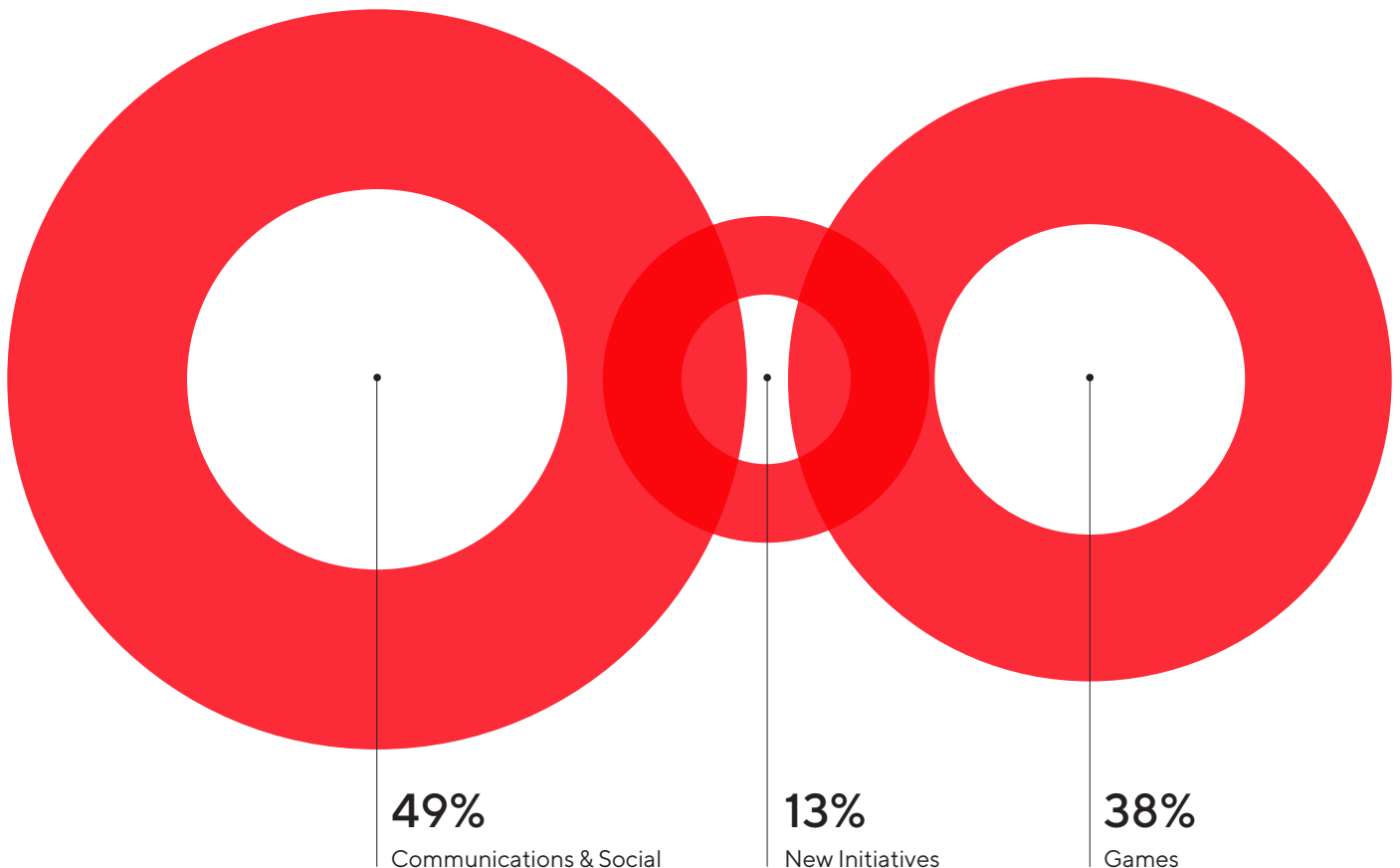Short term bonuses

36%
Long term bonuses
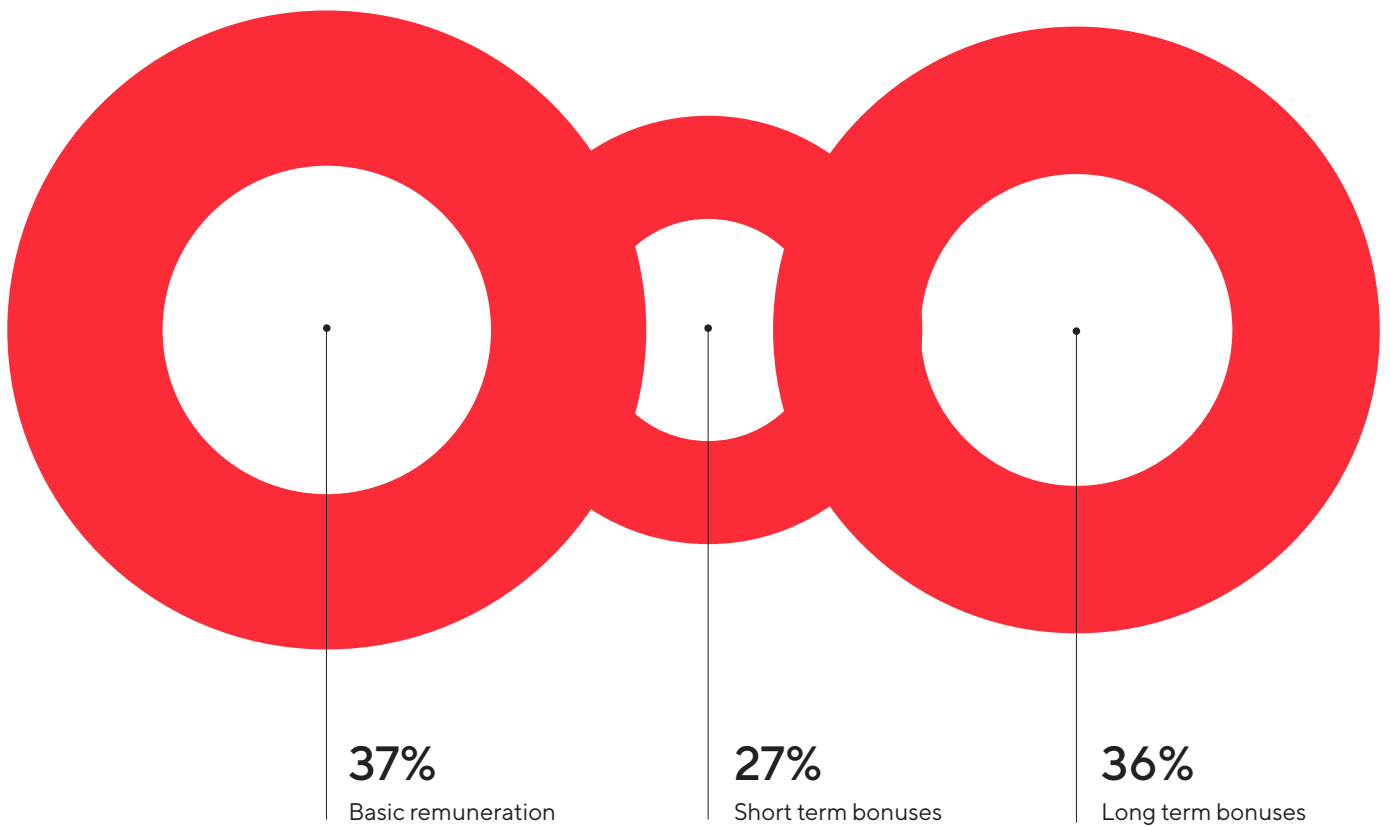
economic performance

Financial results

201-1 in 2020 Mail.ru Group earned its revenues primarily from the Communications & Social, Games and New Initiatives segments.

Consolidated revenue structure
management accounts

49%
Communications & Social

**13%**
New Initiatives

38%
Games

In reviewing our operational performance and allocating resources, our Chief Operating Decision Maker (CODM) reviews selected items from each segment's income statement, assuming 100% ownership in all of our key operating subsidiaries, based on management reporting. Management reporting is different from IFRS because it does not include certain IFRS adjustments that are not analysed by the CODM in assessing the business's core operating performance. For more details on management reporting and reconciliation to IFRS data, please refer to the Operating Segment section of our 2020 Annual Report.

Our revenues demonstrated solid growth throughout 2020 in all the key areas, increasing by 21%, while we continued to invest significant resources in a number of new projects, especially video products, EdTech initiatives and ecosystem projects,

where we see significant potential. Organic growth in our revenue, including online advertising and IVAS, was primarily driven by the highly engaged audience of our services and a leading market position in terms of reach. Advertising revenues also depend on the pricing of our advertisements and the availability and sell-through rates of our advertising inventory, as well as the ROI we can achieve, while IVAS revenue is also driven by paying user engagement and average revenue per paying user. Our games business produced very strong performance in 2020, with the international share also increasing to over 75% of our MMO revenues, demonstrating its further globalisation.

More detailed information on financial results and financial performance can be found in the Financial Review section of our 2020 Annual Report.

Consolidated revenues
management accounts, mn RUB

21 %

88 660	107 427
2019	2020
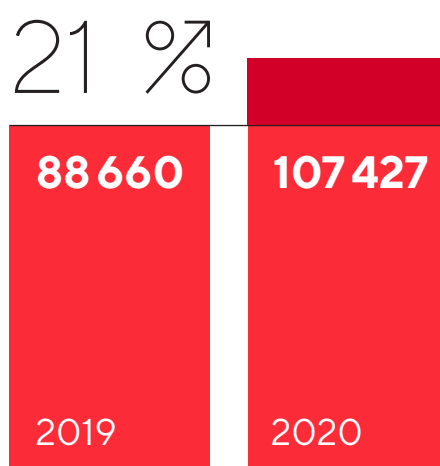
We are one of the leading Russian internet companies and have a significant direct and indirect economic impact on our stakeholders.

This direct economic impact includes our purchasing of goods and services from suppliers, the wages and benefits paid to our

employees, as well as the financial expenses paid to creditors, income taxes paid to the public sector, and community investments. We contribute indirectly to the economy in a variety of ways, though our greatest indirect impact results from the benefits provided by our ongoing development of technology and services.

Current income tax expense
IFRS accounts[1], mn RUB

3 370	4 241
2019	2020
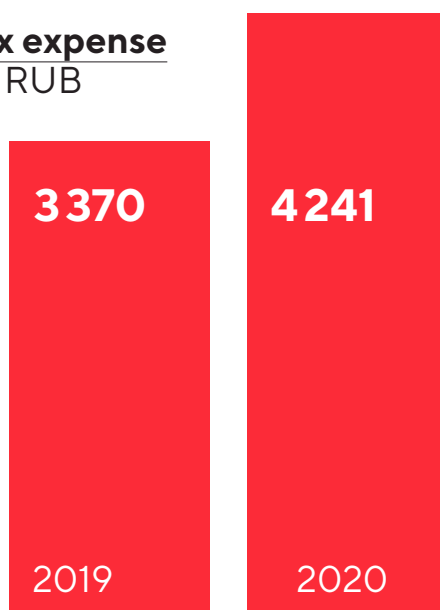
1 Current income tax expense is not separately reviewed by CODM, therefore the amounts presented are from IFRS accounts.

Our products and services

102-2, 102-6, 102-7 We offer a wide range of services to individual users, small and medium businesses and large corporate clients, and support communities with charity and educational activities.

Communications & Social

The Communications & Social segment includes email, instant messaging and the portal (main page and media projects). It earns substantially all revenues from display and context advertising. This segment also aggregates the social network Vkontakte (VK) and two other social networks (OK and My World) and earns revenues from (i) commissions from application developers based on the respective applications' revenue, (ii) user payments for virtual gifts, stickers and music subscriptions and (iii) online advertising, including display and context advertising. It also includes the Search and music services (UMA). These businesses have a similar nature and economic characteristics as they are represented by social networks and online communications, and their products and services are used by a similar type of customer and are regulated under a similar regulatory environment.

Games

The Games segment contains online gaming services, including MMO, social, PC/console/mobile games, game streaming and platform solutions operated by the Group under MY.GAMES. It earns substantially all revenues from (i) sales of virtual in-game items to users (f2p) or sales of digital copies of the games (b2p), (ii) royalties for games and gaming solutions licensed to third-party online game operators (iii) in-game advertising and (iv) revenues from streaming services and gaming platform services.

New Initiatives

The New Initiatives reportable segment represents separate operating segments aggregated into one reportable segment. This is done out of convenience since these are businesses with a similar profile: newly acquired or newly launched and dynamically developing. This segment primarily consists of the Youla classifieds, which earns substantially all revenues from advertising and listing fees, EdTech, B2B software & cloud, along with other services that are considered insignificant by the CODM for the purposes of performance review and resource allocation. EdTech, as the largest component of the New Initiatives reporting segment in 2020, has become a separate reporting segment starting from Q1 2021.
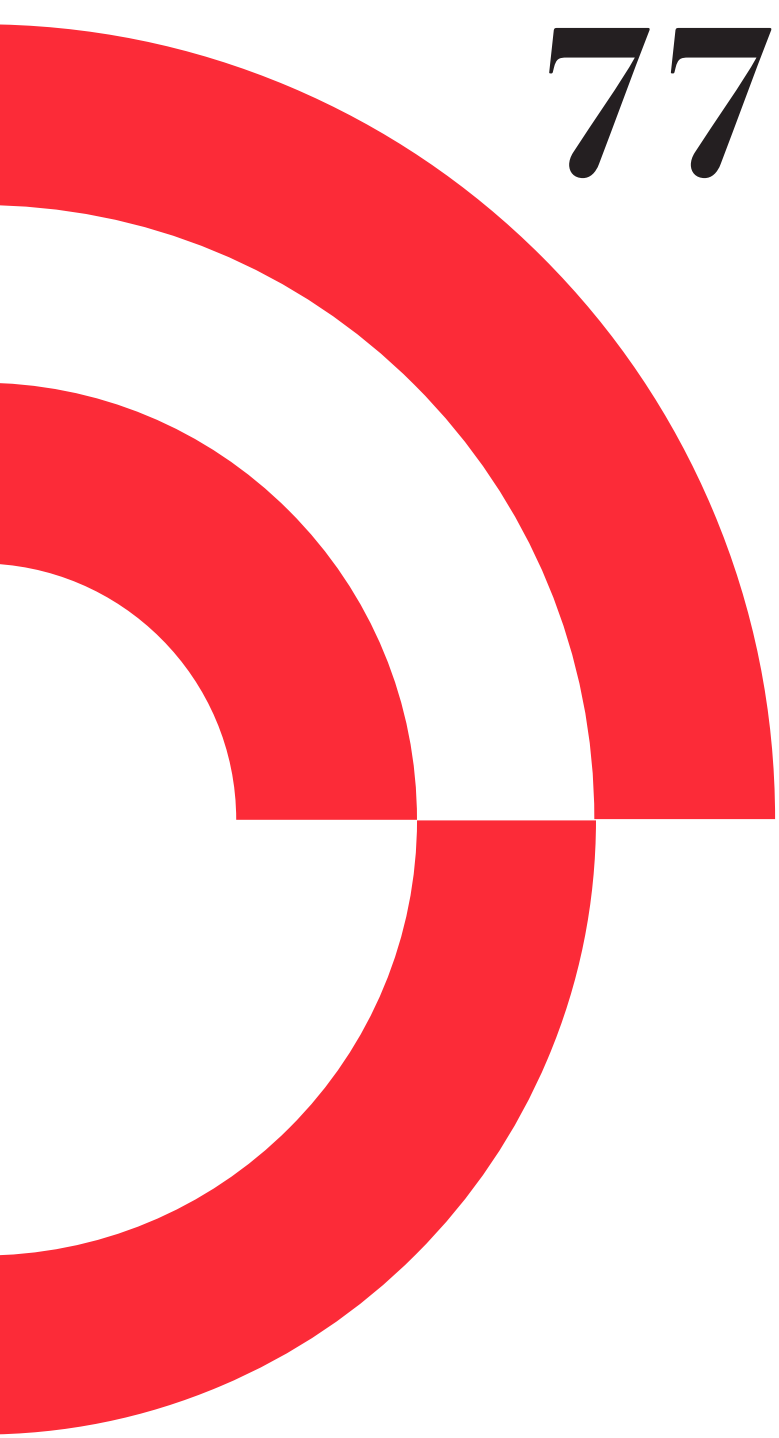
Supply chain

102-9 We have a Group-wide procurement policy in place, covering all aspects of the procurement process. The policy provides for a robust process for assessing and admitting new counterparties and contractors. There is a policy on admission, which prescribes an assessment of the contractor's quality in order to avoid the possibility of non-recoverable payments and possible tax evasion claims should the counterparty be viewed as a "mala fide" taxpayer. All suppliers should be registered via a tender purchases website in accordance with internal compliance procedure. Most IT equipment is purchased via competitive open tenders on our platform. Our purchases consist primarily of IT equipment, marketing expenses and agent and partner fees. To ensure the openness and transparency of purchase procedures, we maintain email channels for communications with our suppliers: the tender committee can be contacted at tender@corp.mail.ru, while internal audit and risk management functions are dealt with directly at risk@corp.mail.ru.

204-1 We choose our suppliers based on the quality of their products and services, market experience, competitive pricing and warranties. The Group also tries to give preference to local suppliers in each country where it has a presence: 94% of suppliers are local to the purchasing legal entity and pay local taxes respectively.

what we do
for our users

We aim for our products to enhance our users' lives and make them more comfortable. To achieve this, we constantly develop, amend and improve our products, while listening to our users and their needs.

21 **years**
the company has been
on the market
for the past two decades

770 **mn**
registered
MY.GAMES
users

2⁺ **mln**
active
SMBs
on VK

8,800⁺
employees

@ mail.ru
group

№ 1

in Russia

among internet companies
in terms of daily audience

Protecting users' safety and privacy

We have always supported a free and safe internet. We believe that people should enjoy freedom of expression, share their opinions and have easy access to interesting and valuable content. We aim at making this experience safe and controllable for all our users. There are several aspects we focus on to ensure that our users have a safe and enjoyable online experience.

Cyberbullying

Our 2020 survey showed that 85% of users believe bullying comments are unacceptable in any post, and almost half of the respondents (49%) noticed an increased level of aggression in Russian society during the pandemic. At the same time, compared to older generations, today's teenagers are more likely to experience bullying on the internet. We believe that it is highly important not to stay silent and to protect minors and those vulnerable to online attacks. To raise awareness of the issue, in 2019 we launched an anti-cyberbullying initiative, designating 11 November as an annual Cyberbullying Day in Russia – our Kiberbulling.net (No to Cyberbullying) initiative provides information on forms of bullying, offers advice and helplines for everyone. VK carried out an experimental "No Hate Speech Day" on 4 November 2020, when neural network helped filtering out abusive comments and hate speech, with the results used for subsequent neural network development.

We do not tolerate any form of bullying and immediately respond to any complaint by reviewing and assessing the potentially harmful comment or post. A user can opt to block a sender or manage comments on their own page.

Our initiative has been widely supported by many Russian companies, including MegaFon, Veon, MTS, Yota, Livejournal, Kaspersky Lab and others. The funds raised during our 2020 campaign were directed to charities that support victims of bullying.

Account safety

The simplest and most common requirement for protecting a user account is having a complex password, regularly updating it and opting for two-factor authentication. Users should also link pages, mailboxes and accounts to up-to-date and valid phone numbers and/or email addresses. We strongly recommend that our users do not use the same password across multiple services and apps, as this may lead to an account being compromised, and to review third-party services where users are logged in using their Mail ID, VK or OK account. Users are always advised not to click on suspicious links and to check their account activity history.

As phishing is an increasing problem in the digital world, we check emails in the Inbox with antivirus software to sort malicious messages from legitimate ones, thereby protecting passwords and accounts.

To raise awareness among our users and to help them better understand and manage the safety of their email accounts, we have launched a security highlights site with guidelines:

1. What we do to protect an email account:
   - Notify the user of unusual account activity (e.g. changes to account settings);
   - Block spam and phishing messages;
   - Verify any unusual login;
   - Offer a password-free login (token, fingerprint or one-time code);
   - Implement anti brute-force features for increased safety;
2. What a user can do to protect their own email account:
   - Monitor the list of devices with access to the account;
   - Add additional phone numbers and email address to facilitate account recovery;
   - Create a safe password;
   - Use up-to-date antivirus programs;
3. Life hacks
   - Useful reminders of simple steps to protect your account.

Our VK, OK, Money.Mail.ru and other services run similar safety centres.
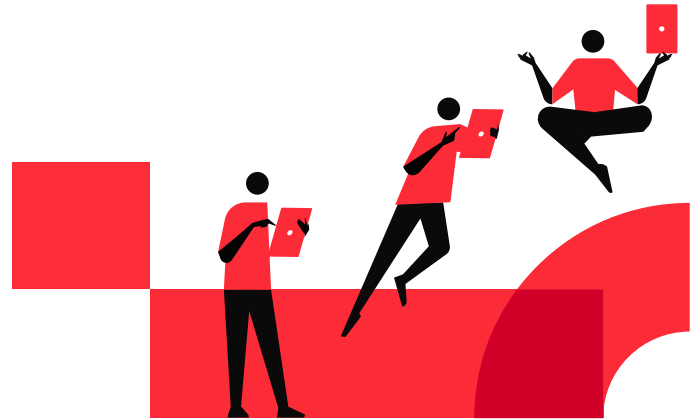
The information we process

We collect certain types of information about our users in order to be able to to provide services of the highest level, and we do so without invading users' privacy. The type of information we collect about users depends on the particular product or app.

Personal and other user information and user content

We process the personal information that users provide upon registering with our services, including transaction data on some of our apps, as well as certain metadata: the date of creation of content or the geographical location of the photos on some of our services. This information is processed automatically within our systems. Data processing is covered by our Policy on Personal Data Protection.

Usage patterns

Our systems log information on the duration, timing and frequency of the user's sessions, the types of content users engage with, the preferences they store, the features they use and the people they interact with.

Connectivity and device information

Users access our services from various devices. We can collect information about users' contacts to help them find people on social networks or other services, should the service request and users opt to provide such access to their address books. We also use this information for security purposes, to inform users of logins to their accounts from a new or unusual device. As a necessary part of providing our services, we collect and process information on:

- device types (PCs, tablets, smartphones), their manufacturers, operating system, hardware and software versions, browser type;
- unique identifiers, device IDs, and other identifiers, e.g. from games, apps or accounts used;
- data on cookies, including settings;
- Bluetooth signals and information about nearby Wi-Fi access points;
- voluntary settings such as GPS location, camera, internal storage space, etc.;

These types of information are necessary to provide increasingly personalised and highly useful services to our users, including personalised content, ads, recommendations, search functions and other features. We believe this approach to data collection provides us with the ability to deliver a tailored, relevant and consistent experience to each and every user. It also allows us to verify accounts and activities and to combat harmful conduct and content.

On some services we can access and store some of the information shared with us by our users for an extended period 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 a governmental investigation). For some services we are obliged under the Russian federal law "On Information, Information Technologies and Information Protection" to ensure Russian users' data has been stored within a set time limit.

Our social networks give users the option to customise the privacy of their data. Our services also allow users to choose the information they are willing to share. Our VK social network allows users to download a copy of their data at any time to review what types of data and content are stored and processed by the network.

Information sharing

Users' information can be shared with the public when users opt to make their posts or other information visible to other users, according to their preferences and settings. Some public information, which is marked as such, is available to anyone. 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 manner in our Privacy settings, so that users receive only relevant notifications, comments on their posts, and invitations.

Many third-party services allow logging in with a VK or OK account, in which case these services gain access to some information about that particular user. Such sharing requires the user's explicit confirmation. However, such services will not receive any redundant information about a user's friends, posts or other actions.

We work with third-party partners who help us provide tailored content and experience to our users. If relevant content and ads form part of a Mail.ru Group service, we provide advertisers with segments consisting of our user categories and preferences and how their advertisements are performing, without disclosing any personal information about particular users for such targeting purposes.

Certain aggregated anonymous statistics are provided to businesses and entrepreneurs to gain an understanding of how their official pages are performing and how their subscribers interact with posts, photos and videos.

Data protection and security

The internet is an open platform, but every user has the right to confidentiality.

We pay special attention to the protection of our users' confidential data. Personal data that is disclosed to us is treated as classified information and is subject to protection in accordance with all applicable laws and regulations. The security, integrity, and confidentiality of users' information are extremely important to us. We have introduced technical, administrative, and physical security measures that are designed to protect submitted information from unauthorised access, disclosure, use, and modification. We regularly review our security procedures to consider appropriate new technologies and methods. We are aware that, despite our best efforts, no security measures are perfect or impenetrable. We work hard to safeguard users' data privacy while supporting their right to freedom of expression.

The Company has a personal data protection system: responsible persons have been appointed to ensure the secure processing of personal data. We conduct security audits to review compliance with requirements on the safeguarding of data.

All of our products develop and constantly update effective security systems designed to protect user data from increasingly sophisticated cybercrime activities like hacking. This includes our email, social media projects, games, messaging services, e-commerce and all the other Mail.ru Group services.

We use advanced security technologies in our services, including the following:
- To protect our email users against phishing and spam we use DKIM and DMARC.
- We use "Secure" and "HTTPonly" flags in authentication cookies and offer two-factor authentication for the Mail.Ru Email and Cloud services as well as for VK and OK.
- For the email services VK and OK, we use HSTS and a Content Security Policy.
- VK Android and IOS apps also use Certificate Pinning.

In 2020 we conducted an external audit of our enterprise email service (Biz.mail.ru) – an on-premises version of our B2C Mail.ru service. The audit covered possible MITM attacks, built-in CSRF protection, authorisation and other areas, and its results have shown the high quality of our product and its safety.

Data encryption

To ensure the security of user data, our acting services encrypt user data using HTTPS and TLS protocols with PFS supported for all compatible clients.

Preventing potential threats

We operate a constant monitoring system for the security of our services as well as the infrastructure they are based upon. We work hard to protect users against spam, phishing, malware, viruses and other threats. In addition, in April 2014 we launched a Mail.ru programme to identify vulnerabilities on the HackerOne global platform, in order to constantly test the effectiveness of our systems. Mail.ru was ranked No. 7 (compared to No. 14 in 2019) in HackerOne's 2020 Top 10 public bug bounty programmes. We paid $841,533 in bug bounties over the 12 months ended in December 2020 for 982 reports, to reach a total payout of $1,854,825 for 4,257 reports since registering on the platform in April 2014.

VK launched its bug bounty programme with HackerOne in May 2015, with 792 reports resolved to date and $321,400 bounties paid.

We also participate in the Google Play Security Reward Programme (GPSRP), a vulnerability reward programme offered by Google Play in collaboration with the developers of popular Android apps, and both our programmes are listed in Tier 1 of the GPSRP, with average first response times of less than one day, and resolution times of less than or equal to one month. We do not legally prosecute or otherwise report bug reporters to any authorities.

Internal controls for data security

Our Audit Committee has the primary function of supporting the Board of Directors in its duties pertaining to supervising the effectiveness of the Group's internal control system, including that of internal audit and risk management functions in data protection. The Internal Audit Department performs IT audits, which include assessments of the security and effectiveness of the Group's information systems in relation to the confidentiality, integrity, and availability of data as well as data processing.

In 2020 we conducted an external audit for VK, OK and Games of:
- Data loss or data non-availability;
- Unauthorised access or data leakage;
- Data integrity corruption or unauthorised modification of the design, implementation and operating effectiveness of data controls during 2020.

We have a designated Data Protection Officer who ensures that our products comply with data protection principles. We also periodically and systematically arrange training programmes for our employees, related to data processing and data security.

We regularly work with our employees engaged in the processing of personal data to verify their knowledge of rules and policies and ensure that they follow them strictly. Each new employee undergoes a mandatory procedure of familiarisation with the rules of personal data processing after recruitment.

We duly process all complaints received via support channels from the personal data subjects concerning data processing, and inform them on the outcome of our review within the time limits prescribed by the law.

418-1 All cybersecurity issues are handled by our quick response team, which includes the Head of Information Security. We did not experience any major hacker attacks on our services in 2019-2020, and no personal data was stolen.

Removal of illegal and inappropriate content

While we support the idea of any user having free access to any information available online, we strongly believe that this content should be legal. We have put content-removal procedures in place for very specific cases. These include: violations of rules protecting children from harmful content; child abuse; the distribution of drugs; activity deemed extremist or the violation of intellectual property rights.

Any VK and OK user can report content they deem to be inappropriate or offensive using the "Report" button. We consider all complaints and react in reasonable time. If content is deemed to be in violation of the law or rules of the website, it is deleted, and offenders are blocked.

Responding to government requests

In certain cases, government agencies can legally override users' privacy rights should they need access to protected information to fight serious crimes, including terrorism. We have legal obligations to provide such information on formal request by the authorities. In the various countries where we operate we respond to requests from government agencies for specific data on selected users in accordance with the applicable laws. These requests are thoroughly reviewed by our legal teams. We reject requests that do not comply with the applicable legislation or do not follow the set formal request procedure.

We feel it to be our duty to support the fight against crime while still protecting our users' right to privacy. Our processing of government requests is described below.

We may be held liable for any failure to provide information to courts and law-enforcement authorities in response to an official request, and this liability may extend to criminal prosecution.

Processing government requests in the Russian Federation

In accordance with law, including laws relevant to Russian users such as the federal laws "On Police", "On the Investigative Committee", "On Operational-Search Activities" and others, government organisations and courts have the authority to request information from technology companies about their users. Our team has been following strict rules regarding how government requests are processed.

Who can apply for the information

The laws of the Russian Federation provide courts and law-enforcement authorities with the power to request information about users at different stages, i.e. in the cause of investigative activities, as part of the pre-investigation process, during preliminary investigations and during trial. Private messages cannot be passed to any government body without an accompanying court decision.

Various government agencies of the Russian Federation have the authority to request data:
- The Federal Service for Supervision of Communications, Information Technology, and Mass Media (Roskomnadzor) — according to para. 1 part 3 Art. 23 of the federal law "Concerning Personal Data"; para. 6.1. of Government Decree No. 228 of 16 March 2009 "Concerning the Federal Service for Supervision of Communications, Information Technology, and Mass Media".
- The Federal Antimonopoly Service (FAS) — according to Art. 34 of the federal law "Concerning Advertising", Art. 25 of the federal law "Concerning the Protection of Competition".
- The courts — according to Art. 57 of the Civil Procedure Code, Art. 66 of the Arbitration Procedure Code, Art. 63 of the Administrative Court Procedure Code, Art. 29, Art. 86 of the Criminal Procedure Code.
- Law-enforcement authorities (for example, the bodies of the Ministry of Internal Affairs, the FSB (Federal Security Service), the Investigative Committee of the Russian Federation, the Federal Customs Service, the Prosecutor's Office, etc.) — according to Art. 13 of the federal law "Concerning the Federal Security Service", Art. 6, 8 of the federal law "Concerning Investigative Activities", part 4 Art. 21 and Art. 86 of the Criminal Procedure Code, para. 4 part 1 Art. 13 of the federal law "Concerning the Police", para.1 part 3 Art. 7 of the federal law "Concerning Investigative Committee", part 1 Art. 22 of the federal law "Concerning the Public Prosecution Service", etc.

What kind of information the government can request and how

We review requests that are provided in writing and which conform to existing laws. Our specialists carefully verify whether there is a basis for the request for information. If the reasons for a request are unfounded, we will not provide the requested information. Before responding to a request, we also verify that the requested information will be received by an official government body or authorised person.

A request from a government organisation must have an official signature, the seal of the authorised body, a list of the specific user data that should be passed to them, and the reason for the request. The right to privacy of correspondence is guaranteed in Article 23 of the Constitution of the Russian Federation, therefore private messages cannot, under any circumstances, be passed to any government body without a court order.

By law, user data can be requested without a court order. This includes: personal page address, the time and IP address used when registering the profile, mobile phone number, email address, the history of changes to the user name and phone number, the time and IP address used when the content specified in the request was published, the history and list of IP addresses used for accessing the page.

Unfortunately, it is forbidden in most countries of the world, including Russia, to notify users that we have received such requests. In Russia, we, along with other services, are limited by Article 12 of Federal Law 144-FZ "On Operational-Search Activities", paragraph 15 of Russian Government Resolution No. 759 of 31 July 2014, and Article 161 of the Criminal Procedure Code. The very fact of receiving a request is considered to be confidential information, therefore we do not have the right to disclose it.

There is an understandable logic in this when it is applied to serious crimes. When talking about potentially dangerous criminals, such as people who have committed murder, are guilty of child exploitation, or are preparing to do something which threatens the life or health of themselves or others, notifying a user of the event may seriously impede the investigation of the crime or the capture of the criminals.

It is also possible to apply in writing with an official request to the legal addresses of our offices in Moscow and St. Petersburg:

- LLC "V Kontakte", located at prem. 1-N Khersonskaya St., Bldg. 12-14, Lit. A, St. Petersburg, 191024, Russia;
- LLC "Mail.ru", located at 39 Leningradsky Prospekt, Bldg. 79, Moscow, 125167, Russia.

The request must have the signature of the requesting official, the stamp of the authorised agency, and allow the sender to be verified to ensure that the response will be received by the authorised person.

Liability for failure to meet requirements:

We may be held liable, including criminally liable, for failure to provide information to the courts and law-enforcement authorities in response to official requests.

At the same time, in the vast majority of cases, the law-enforcement authorities do not inform us of the specific circumstances of cases, as the legislation does not contain such a requirement. The presence or absence of initiated criminal proceedings is immaterial as a matter of law: according to the law "Concerning the Police" and "Concerning Investigative Activities", we are obliged to provide law-enforcement authorities with the information they need for the execution of the powers vested in them.

The Criminal Procedure Code is clear on the punishment for ignoring or obstructing such judicial requests. According to paragraph 1 Art. 294 of the Criminal Code of the Russian Federation (obstruction of the lawful activities of a court), a penalty of up to RUB 200,000, or equivalent amount in the salary or other income of the convicted individual for a period of 18 months, or compulsory community service for up to two years, or arrest for a term up to six months, or imprisonment for a term of up to two years is automatically triggered.

In the event of the non-execution of a judicial act (for example, concerning the limiting of secrecy of correspondence), criminal liability is provided as follows: Art. 315 of the Criminal Code of the Russian Federation — a penalty of up to RUB 200,000, or

equivalent amount in the salary or other income of the convicted individual for a period of 18 months, or deprivation of the right to occupy certain positions or be engaged in certain activities for up to five years, or compulsory community service of up to 480 hours, or compulsory community service for a term of up to two years, or arrest for a term up to six months, or imprisonment for a term of up to two years.

As for the requests of courts and law-enforcement authorities (for example, the bodies of the Ministry of Internal Affairs, the FSB (Federal Security Service), the Investigative Committee of the Russian Federation, the Federal Customs Service, the Prosecutor's Office, etc.), the liability depends on the particular body or nature of the request. Here we have some examples:

- Art. 19.7 of the Code of Administrative Offences of the Russian Federation (general provision): a penalty of RUB 300-500 imposed upon officials; a penalty of RUB 3,000-5,000 imposed upon legal entities.
- Art. 17.7 of the Code of Administrative Offences of the Russian Federation (the prosecutor's, investigator's, interrogating officer's or administrative proceedings officer's requests): a penalty of RUB 2,000-3,000, or disqualification for a term of six months to one year, imposed upon officials; a penalty of RUB 50,000-100,000, or administrative suspension of activities for up to 90 days, imposed upon legal entities.
- Para. 1 Art. 294 of the Criminal Code (obstruction of the lawful activities of a court): a penalty of up to RUB 200,000 or equivalent amount in the salary or other income of the convicted individual for a period of 18 months, or compulsory community service for up to two years, or arrest for a term of up to six months, or imprisonment for a term of up to two years.
- Para. 2 Art. 294 of the Criminal Code (interference with the activities of a prosecutor, investigator or interrogating officer): a penalty of up to RUB 80,000 or equivalent amount in the salary or other income of the convicted individual for a period of up to six months, or compulsory community service for a term of up to 480 hours, or arrest for up to six months.

Compliance with laws and regulations

We are committed to complying with the applicable data protection laws. As part of our General Data Protection Regulation (GDPR) preparation process, we have revised and updated all our internal processes and procedures, including data systems, the implementation of the Data Impact Assessment and documentation in order to ensure full compliance with the GDPR. We use technical and organisational measures to ensure data security by default. We have revised our privacy and cookie policies (conditions) for our end users as well as the wording of our consent forms and the independent processes used to obtain direct marketing consent, including clear opt-in mechanisms for marketing subscriptions. We use a clear and transparent notification system with the option to unsubscribe from any of our marketing materials. We always conduct data-protection impact assessments whenever processing is large-scale, can result in a high risk to the rights and freedoms of individuals, or includes data of a special category or pertaining to criminal records. In order to carry out impact assessments that comply fully with GDPR requirements, we have developed special assessment procedures that allow us to rank the risk posed by the processing activity and take mitigating measures to reduce the risk posed to the data subject(s). We neither obtain nor process any special category data purposefully. We notify our users in our privacy policies that they should avoid sharing this kind of information through our products and services. We provide easy access to our support services. Our support agents are always available to help our users exercise their individual rights. We respond to and fulfil requests from data owners with respect to their rights to data portability, access, rectification, and erasure. We also help exercise other data owner rights specified in the GDPR (e.g. the right to object to processing for the purposes of direct marketing where such direct marketing exists).

We follow Russian legislation on the processing of personal data:
- Federal Law No.152-FZ dd. 27 July 2006, "On Personal Data," including amendments related to the localised processing of the personal data of Russian residents in Russia;
- Enactment of the Government of the Russian Federation No. 1119 dd. 1 November 2012, "On the Approval of Requirements for Personal Data Protection During Processing in Personal Data Information Systems";
- Enactment of the Government of the Russian Federation No. 687 dd. 15 September 2008, "On the Approval of the Regulation on the Peculiarities of Personal Data Processing Performed Without the Use of Automation Tools".

The Group also has internal policies in place in each of its legal entities.

mail.ru group

E-mail services

Our e-mail service Mail.ru serves more than 100 mn users both in Russia and globally, helping them with their business and day-to-day activities. This is a multifunctional tool for handling messages, files and documents, making it quick and convenient to find any document and exchange information quickly. While mail service is at the heart of our product, it is supported by other useful tools, including Calendar, Contacts, Cloud, Calls, Tasks and Portal with Media, Pulse, VseApteki, Atom, Payment Centre and others.

Our mail offers unique features that make users' lives easier and more comfortable:

- Payment Centre – mail helps users save their time, plan expenditure and analyse spending. A user can instantly pay up to more than 8,000 different service providers, subscribe to automatic invoice receipts and monitor payment history via this platform.
- Managing mailing lists – Mail.ru helps to sort messages, navigate through the glut of information and avoid annoying mailings. Our service hides mailing lists by sorting them into two folders: one for social media messages and the other for miscellaneous emails. This allows a one-click simple unsubscribe option for unwanted lists.
- Smart Reply – this feature speeds up replying to business or personal messages by using machine learning technology. Our neural network suggests short phrases as replies based on the context of the dialogue. The user can click one of the suggested options without typing.
- Pulse – personalised recommendations on every page of media projects, desktop and mobile versions.
- Mail Safety – to raise awareness among our users we have issued a special checklist on personal data protection with our recommendations and instructions on how to protect their data and avoid scammers (see Account Safety above).
- Safe Access – to access their mailbox, a user can choose from several options: a password, an SMS code, a QR code or a physical token. A neural network regularly analyses user activity using 100+ parameters – time of access, surfing pattern, IP address – thereby creating a behavioural profile. If a scammer obtains access, the network recognises it as having an unusual pattern and blocks the mailbox instantly.
- Anti-spam and anti-phishing protection – our mailing service recognises the logos of popular stores, banks and other brands. These features prevent scammers from sending a phishing message to steal personal and bank data or passwords. All links contained in messages are automatically checked, and if a potential phishing risk is identified the system sends a warning to the user or blocks the link. An anti-spam algorithm uses machine learning technology and learns constantly by analysing the user's patterns to promptly segregate spam messages.

Advertising technologies

Mail.ru Group products serve more than 90% of Russian internet users. We develop technological and marketing solutions to assist our partners in communicating with the most relevant audiences, and to help bring our users the most interesting offers in suitable formats.

myTarget

myTarget is one of the leading ad platforms in Russia. It helps grow businesses through the audiences of VK, OK, Youla, 20+ Mail.ru sites and the myTarget network, both online and offline, by using various ad formats, including multi-format, video format and DOOH and indoor ads. We offer a simple and easy way to launch an ad campaign: choose the right format and add a title, call to action, image or a video to a provided template with 400+ targeting options and technologies in order to deliver ads to the right users.

We have launched a special guide website for myTarget with tutorials and online lessons on how to use the platform, as well as case studies and articles about advertising trends and technologies.

We offer pre-moderation of all ads to meet legal requirements and restrictions. All rules are publicly available through a special guidelines section, divided into advertising type and country.

Social advertising

In 2020 we, along with several other companies, signed a memorandum on the distribution of social advertisements. This initiative envisages the introduction of a 5% quota with regard to the online placement of social advertising, similar to the requirements already in force for TV ads; the placement of social advertisements on the internet is currently carried out on a voluntary basis. In 2021 an online media monitoring system and a single placement operator are to be created to enforce the new regulations; a not-for-profit organisation is to act as the operator, receiving estimates of advertising volumes from advertisers and placing social advertisements within the 5% quota. On July 13, 2021 the Government of the Russian Federation appointed the Internet Development Institute as the operator for social advertising.

Marketing solutions

We are contributing to the increasing transparency and measurability of digital marketing. In 2016, Mail.ru Group was the first Russian technology company to offer advertisers access to an independent assessment of ad visibility on our platform by Moat, one of the world's most reputable real-time analytics providers. Over the last several years we have significantly enhanced our own analytical instruments, including the ones in myTarget, and extended verification with third parties, including Moat, Adloox, Weborama, Adriver, etc.

In March 2020 we launched a platform to measure ad visibility in mobile ads, compliant with international ad visibility standards. Independent vendors can access anonymised advertising audience data through ad identifiers, and advertisers can obtain statistics on the visibility ratios of in-app placements through external verification systems.

We will continue developing these tools, as it is important to know that our partners view us as a high-quality and reliable partner.

VK

About VK

VK is the most popular social network and messaging service in Russia and the C.I.S., and the first superapp in Russia. We have more than 97 mn monthly users globally, who exchange 15 bn messages and give 1 bn likes every day, and more than 2 mn active small and medium businesses who conduct business through our products.

VK unites millions of people, helps them share interesting content and creative work, and opens up new business opportunities. VK's mission is to connect people, services and companies by creating simple and useful communication tools. We pay special attention to social responsibility and internet safety issues.

Social activities

We are the largest social platform for businesses and advertisers in Russia. In 2020 the number of active SMBs who carry out their everyday activities on the VK social network doubled, with more than 2 mn businesses receiving millions of requests from their customers. We offer a full range of tools for small and medium businesses: verified company pages, Multimarket, the VK Pay financial ecosystem, advertising campaign tutorials, 24/7 support, educational facilities, etc. In 2020 we focused on improving advertising technologies as a whole and special products for SMBs in particular. To achieve this, we sped up development during the pandemic and launched many new features for businesses on VK, including tools that promote e-commerce. This helped bricks-and-mortar businesses, whose revenue streams came to a halt, to bring their businesses online.

Entrepreneurs can opt to create a business page – a special type of community, offering a "main button" that can be programmed for a particular function – and can add a map to mark the locations of all their branches with addresses and opening times. These pages serve as a replacement for company websites and landings.

For those wishing to start or who are already managing their own business community on VK, we offer a special VK Business section with a wide range of business tools, useful advice on setting up and launching advertising campaigns, new features, online support, a partner search feature and other tools. The VK Business platform offers Site Constructor, which can be used to build websites in a few clicks based on a business page's data, with 550,000 sites created between launch in November 2020 and the end of June 2021. VK has also launched a Recommend button to help both businesses and content creators, with about 1 mn SMBs receiving at least one recommendation by the end of June after the launch of the feature.

In addition to Russia, VK has supported projects in Kazakhstan, where we opened our local office. We launched Kazakhstan Project Lab to introduce our grant and educational programme.

We regularly organise VK Digital Days for our partners, advertisers and business representatives, where they can find out about our advertising platform updates and useful features, as well as ask questions.

Key social projects in 2020

We regularly support charitable foundations through our events or sales of gifts and stickers, as well as by running special projects.

VK regularly runs special projects on various issues, including health, support throughout the COVID-19 pandemic, and environmental awareness.

- VK Fest – in May 2020, during the pandemic restrictions, we held our annual VK Fest online, with one week of concerts from the most popular artists and DJs.

- VK High school graduation ceremony – in June 2020 we streamed online interactive graduation ceremonies for school leavers from St. Petersburg and around Russia, with more than 16 million views.

- VK Health – in September 2020 we launched a health platform to help users develop healthy habits, keep track of how much they move, whether they drink enough water, and when to take medication. Users can also quit smoking and learn breathing techniques.

- On 29 September 2020, to mark International Heart Day, we increased awareness among our users on the prevention of cardiovascular diseases by adding World Health Organisation recommendations to our music player.

Protecting users' personal data

We work relentlessly on data safety and protection. To assist our users in managing their information, VK has introduced some important developments. All information is easily accessible through our VK blog.

In 2018 we introduced our Data Protection Principles and Data Management Rules, which meet GDPR requirements. VK reminded its users on how important it is to follow safety guidelines while sharing information on the internet. We revised our privacy principles and strengthened control over access to users' information.

Users were given the option to make their account completely private by selecting the appropriate settings, and could also choose to share information only among their close friends in order to protect their personal views and space. At the end of 2018 we launched a feature enabling users to download a copy of all data the network stores on them in a readable archive. To add safety to this feature we added an OpenPGP encryption key to the archive. In 2019 we added an option for the rapid archiving of old posts and photos, to conveniently hide outdated information from users' pages.

In 2020 we introduced a Close Friends option to give more protection to personal space: users can create a list of people they especially trust and share their inner thoughts and ideas only with this list.

Safety Centre

In 2018 we launched our VK Safety Guidelines to provide information on the appropriate steps users can take if they encounter abuse, threats or inappropriate content. We paid special attention to child safety by adding guidelines for children and parents and by providing information on how to combat bullying at schools and prevent suicide and child exploitation.

We regularly block inappropriate content by using a hybrid moderation approach, fighting spam and abuse to create a positive and safe environment on our social networks. We have added a psychological advice section, specially prepared for teenagers and their parents in cooperation with prominent psychologists.

Our monitoring system uses a neural network to automatically look for and block dangerous content. All hashtags related to these topics automatically appear in this system as soon as they are posted, meaning any calls to violence or any attempt to publish material relating to suicide will be instantly blocked. The monitoring system is constantly learning, and our algorithms are getting better every day.

Any content that is connected with child exploitation, including pornographic material and information regarding child trafficking or prostitution, promoting school violence or the distribution of drugs, is quickly deleted. This includes text publications, videos, photos and audio files. The majority of dangerous content is deleted before anyone even sees it. Posts can always be reported manually as well. We usually process these reports within a few minutes, if not quicker. In 2020 we expanded our efforts on hate speech and added a new "hate speech" category for the report button. In the first six months of 2020 we removed 520,000 items of content and blocked 1,340 profiles and 2,470 communities for hate speech and inciting hatred.

We have described our approach to content moderation in our new Platform Standards, where we outlined how we ensure that VK is a comfortable place for each user and stand up against the incitement of hatred and hate speech. In other sections of the Safety Guidelines, we have provided information for users on how to report offensive content and threats, protect their account against scammers and set personal boundaries on the platform.

We respond quickly to reports from users, government regulatory agencies and social organisations, as well as blocking the pages of users who use hashtags connected with "death groups". These efforts allow us to minimise the activity of such groups and hashtags. According to experts, frequent mentions of this topic in the media can often have the opposite effect and stoke the interest of teenagers who may be in difficult situations.

The modern technological world requires a certain understanding of basic safety rules, which are just as important to know as the rules for road safety or domestic safety. Children must be aware of the dangers of talking to strangers or joining unknown groups, and must be informed of the precautionary measures to take in order to avoid putting themselves at risk. VK always provides safety settings to prevent unwanted contacts or information sharing.

Our Getting Help section offers useful contacts for crisis hotlines and emergency services for difficult situations. We also offer some advice on helping those who worry about themselves or their friends and relatives having suicidal thoughts and who may be in need of psychological help.
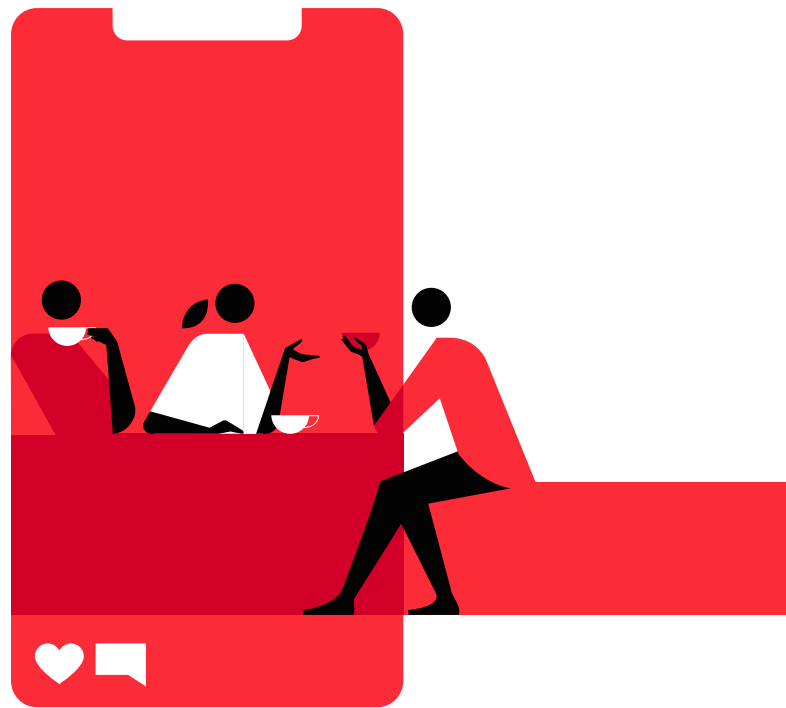
Odnoklassniki

About OK

Odnoklassniki is one of the largest social networks in Russia and the C.I.S. It has a monthly audience of about 40 mn users in Russia, who socialise with friends and share emotions with people they care about using various services offered by the network: messages, voice and video calls, gifts, cards and stickers. OK is also a content and service platform: users can watch broadcasts of major sporting and cultural events in 4K format, listen to the most popular audio tracks, buy goods and services, make money transfers to 18 countries and promote their own business. In 2020 broadcasts and videos exceeded 1 bn views each day.

Protecting OK users from negative content

Every day millions of users publish billions of units of content: photos, videos and texts. Our content moderation platform works diligently to review this vast amount of data and fight spammers and bots. Over the last 15 years our team has gained extensive and valuable experience and expertise in this area.

We launched our own content moderation and classification platform in 2017 and used neural network technologies to introduce computer vision and classification of texts and links. Coupled with the hard work done by our moderators, neural networks have contributed to minimising negative content levels – only 3% of users have complained about spam over the last three years.

In 2020 OK joined Russia's Cyberbullying Day (kiberbulling. net), by offering its users an online quiz on how cyberbullying can harm people and where they can find help and assistance should they encounter any form of bullying. In September 2020 we launched the first OK championship on the All Cups platform to develop an algorithm for identifying toxic comments within OK services. The best solution will be integrated into Robbie, an automated platform for content analysis based on neural networks and big data technology. OK also plans to transfer the finished algorithm to non-profit organisations and the media free of charge and thereby help reduce the cost of moderating comments on their resources.

Supporting developers and the IT industry

OK is one of the world's highest-loaded Java services. We are proactive in sharing our knowledge with the IT community and educating students. As part of our Technopolis educational initiative with the St. Petersburg Polytechnic University we offer a free course for students, with the best of them being offered an internship with OK.

- The Ok.tech project invites OK developers to share their experience with open-source decisions both within Mail. ru Group and externally at national and international conferences, meet-ups, round tables, and in our blog at Habr.ru.
- OK offers internships to those studying at technical universities. We currently work with 30 interns from major Moscow and St. Petersburg universities: ITMO, St. Petersburg State University, Moscow State University, the Bauman State Technical University, and the Moscow Engineering Physics Institute.

Supporting SMBs

We have dedicated our efforts of the last two years to creating an ecosystem for small businesses, where our services have helped entrepreneurs create efficient sales strategies and build communications with customers. We launched a business profiles platform, allowing users to do business from personal accounts with access to advertising. These advertising accounts help promote the sales activities of small and medium businesses producing clothes, hand-made goods, beauty products, etc. Users, groups and authors can find new audiences for their content. We have made settings for advertising campaigns friendly and simple for users with little experience: the system automatically suggests good rates and an optimal spending scheme to ensure the best results.

In 2020 we presented an internal business manager for SMBs, granting access to all essential business tools in one place, including ad and related statistics, group video calls, streams, chats, etc. which is even more important for businesses during the pandemic and the significant shift of activities online. We also launched context targeting for search phrases, which allows SMBs to improve the effectiveness of advertising campaigns and thereby show their ads to people with an already identified demand.

During the pandemic, OK and VK launched a support programme for small businesses by doubling their advertising budgets and providing additional information support, including training materials, tutorials, video courses for entrepreneurs, technical advice, etc.

By the end of 2020, more than 1 million SMBs ran their businesses in OK with SMB revenue doubling YoY in 2020.

MY.GAMES

About us

MY.GAMES is an international gaming brand and the leader of the East European online games market. We are a team of 12 offices in Russia, Europe, the U.S. and Asia, with 1,800 employees and 13 games studios. We develop games for PC, console and mobile, and boast a portfolio of more than 150 game titles. We have developed hits such as War Robots, Hustle Castle, Left to Survive, Skyforge, and Allods Online, and also operate other top titles: Warface, ArcheAge, Perfect World, Revelation, Conqueror's Blade, Lost Ark, and many others. More than 790 mn people worldwide were registered users of our games as of December 2020. We are actively developing our own media resources, the MY.GAMES Store and a separate investment division (MRGV).

We are constantly introducing innovations and solutions aimed at providing not only gaming experience, but also at solving the urgent social problems of online communication. Our initiatives are aimed at protecting gamers from emotional manipulations, harassment, bullying and other forms of online abuse; combatting fraud and ensuring fair play. To achieve this we employ certain barriers to prevent – and eliminate – negative behaviour by some individuals in game environments, clans, game chats, etc.

We believe that the virtual world should be a healthy and safe environment. We are launching our own initiatives and joining worldwide ones to make the online gaming experience safe and enjoyable.

Confronting toxicity

Toxicity is a social interaction that includes cyber-bullying, distracting other players, cheating, blaming others, using bad language and other disturbing behaviour. It is one of the biggest problems in the online community, both in Russia and the world. MY.GAMES provides the community in each of its games with a wide range of instruments to combat unwanted communications. Special teams of community managers respond to gamers' complaints and moderate gaming channels on social networks.

We joined the Fair Play Alliance, a global coalition of gaming professionals and companies committed to developing quality games. The alliance encourages healthy gaming communities that are free of discrimination, abuse and harassment, providing users with a safe environment in which they can express themselves through play.

We pay special attention to the mental health of our gamers and are striving to raise awareness on this issue. In 2020 we supported Mental Health Week in the United Kingdom and joined the cyberbullying initiative Kiberbulling.net. In June 2021 MY.GAMES launched a partnership with Safe in Our World, a mental health charity whose mission is to create a safe space within the games industry for mental health discussion and support.

We proceeded with our efforts by launching an international survey on this issue among gamers, which was supported by European, American and Russian social foundations. More than 21,000 players aged 14 and above from the U.S., EU and C.I.S. took part in the survey. Most of the respondents were weekly video game players. The survey was conducted to better understand how the COVID-19 pandemic was affecting the mental health of the global gaming community. We published the results of the study in February 2021. The study of the psychological well-being of our audience, in the wake of the effects of the pandemic, is an important step designed to draw attention to the topic of mental health.

Anti-cheating

We take fair play very seriously. Cheaters – gamers using unfair or prohibited methods to gain an advantage over other users – are one of the most malicious problems in any gaming community.

We are continuing our efforts to fight cheating, with our dedicated MRAC team, who constantly monitor all sites with a reputation for cheating, identify cheaters via complaints, and analyse new programs and scripts, updating our active anti-cheat systems instantly.

Play Apart Together

World's leading game developers and distributors have joined their efforts to combat the spread of the coronavirus in the Play Apart Together initiative, where we once again remind our users of the importance of staying at home and following the necessary restrictions. We joined more than 60 companies, including Activision Blizzard, Microsoft and Saga, to provide our gamers with special in-game features and bonuses, in-game activities and relevant information on the coronavirus.

Mail.ru media projects

Our unique media resources include 12 projects: Sport, News, Hi-Tech, Auto, Deti (Kids), Lady, Home, Hi-Chef, Health, Kino (Movies), Pets, and Weather. Every day, millions of users read news feeds, search for sports results, follow fashion trends, choose pet names, look for new gadgets and technology updates, make their home more comfortable, cook, watch movies, order medicines and compare car models. Our team pays close attention to our users' interests in order to promptly inform, surprise, help and please them. The social mission of our media projects is to meet the information requirements of our society and to launch useful new resources. In 2020 the news agenda changed dramatically and we responded promptly. We:
- Launched special information projects on COVID-19;
- Rescheduled our teams to work 24/7 in periods when demand for information peaked;
- Created a new editorial e-commerce cash stream, integrated the CPA sales model in partnership with AliExpress for all media projects;
- Designed new sales development tools.

Pulse

We realise that users are receiving more and more information every day and find it difficult to pick out useful, interesting and relevant material from an overwhelming mass of information. In order to help them we have launched our recommendation system Pulse, which offers users a personalised feed based on their preferences. We use machine-learning technology to find relevant and interesting content from verified sources for each and every user.

In 2020 Pulse launched a platform for publishing user-generated content. Any user can become an author and monetise their content on our services, which was especially relevant during the pandemic due to restrictions. As of year-end, approximately 30% of authors receive the equivalent of more than one minimum monthly wage in monetisation income via the platform. Although the platform is in beta testing and will be available for free registration later in 2021, it has attracted a lot of attention from media and bloggers and the number of UGC copies in the Pulse feed exceeds 20%.

Marusia

Our virtual voice assistant Marusia helps users to study and learn new things, and solves their everyday problems. Marusia plays music and turns on the radio, answers questions, tells fairy tales, plays quizzes, reads weather forecasts, and informs users of cinema times and the price of flights and train tickets. Whether you need to find information from the past or want to learn something new, Marusia will always offer help.

Options for kids

Marusia is particularly good at communicating with family audiences. We are developing special educational and entertainment options for kids by adding more than 30 games and quizzes on educational and entertainment topics in children's mode, including quizzes on maths and English, special children's radio and fairy tales.

Mail.ru and Disney Russia & C.I.S. have entered into an agreement that will allow our young users to access Radio Disney content.

Integration with Mail.ru Group's products

We are actively introducing Marusia to our other projects. In addition to News.Mail.ru, our assistant also features in the Sport and Weather projects, inviting users to listen to the latest sports results or ask about the weather. Marusia also reads the daily news feed, which is updated online.

Marusia can repeat a user's latest food order from Delivery Club, read new letters from the mailbox or order a taxi from Citymobil. The voice assistant operates within the VK ecosystem, with options to send a message in a chat, call a friend, turn on VK music, open VK Food or call a VK taxi.

During the pandemic, Marusia delivered statistics on the number of sick and recovered people in different countries, answered popular questions about the virus and shared the most important news about COVID-19, based on the news feeds of selected media projects.

Capsula smart speaker

The Capsula is our smart speaker, with the Marusia virtual assistant built in. Capsula owners can enjoy all the features of the virtual assistant, including online calls, playlists from their VK page and working with RFID cards.

The Capsula offers entertaining and memory-training tools, with Marusia reading quizzes and interesting facts for adults and educational programmes for children of various ages. Marusia uses a neural network, so the virtual assistant is evolving its algorithms to better understand requests and tailor responses, thereby adding new features to the Capsula. The built-in Marusia virtual assistant operates home devices, electricity and other connections to smart home systems. The Capsula has also been serving as support for homebound users during the pandemic as they navigate through their daily tasks.

VseApteki

VseApteki.ru (All Pharmacies) is the largest aggregator of pharmacy chains in Russia, providing access to 66,000 drugs and pharmacy products, as well as comparing prices among 31,000 pharmacies in Russia. In 2020, the largest chain of pet stores was added to the service, broadening the aggregator's offering with veterinary products and drugs.

The service enjoys particular attention from pharmaceutical manufacturers; in 2020, VseApteki placed advertising campaigns for brands such as Bauer, Sanofi, Teva, J&J, and Abbot. At the end of 2020, the service was ranked third in the Health category among all Google Play mobile applications. The VseApteki mini app has been integrated with the VK Health platform.

Since October 2020, VseApteki has cooperated with Delivery Club and offers fast and contactless delivery of medicines.

Mail.ru Cloud

Mail.ru Cloud is one of the most popular cloud services in Russia. With its state-of-the-art data centres, geo-distributed storages and file backup, Cloud offers secure and safe storage for any data uploaded with in-built options for recognition of places and tourist attractions or documents powered by computer vision technology. To support users during the COVID-19 outbreak we have offered 64 GB of free storage space to all people working remotely.

B2B solutions and technologies

Mail.ru Group continues to focus on its B2B products to help partners and clients take a comprehensive approach to digital transformation and business needs. Our teams develop end-to-end technologies and solutions for a number of industries, including marketing, analytics, cloud services, the Internet of Things, machine learning, hiring and HR management solutions, production automation tools, education, etc.

Support for local businesses

2020 was a challenging year for users and businesses alike, but small and medium enterprises were hit hardest. To help them offset the losses caused by the pandemic and survive this crisis, Mail.ru Group made significant investments in SME support initiatives.

In March, we set up a crisis response centre and allocated RUB 1 bn to help entrepreneurs address a wide range of issues. Among other things, we gave them an opportunity to attract new customers by doubling budgets for promotion on VK and OK, sell their products and services on Youla, get online using Mail.ru's business services, look for potential hires on VK Jobs, and continue selling food through Delivery Club at a reduced fee.

Our platform Mail.ru Cloud Solutions (MCS) came up with special terms and conditions for using cloud-based resources by awarding RUB 100,000 in grants for deploying services powered by MSC infrastructure, providing gratuitous assistance in migrating to our cloud platform, and offering discounts for grant recipients so that they can continue benefitting from our services in the future.

In July, we joined forces with VEB.RF to launch an SME support programme. As part of this programme, we and the Far East Development Fund developed a joint project named Razvivay.rf | Business Online and invested RUB 230 mn to support SMEs in the Russian Far East and Arctic regions. The project builds on the capabilities of VK and Razvivay.rf, a marketplace for businesses. It enables entrepreneurs to create and launch a VK page for their business via the social network's mini-app at no cost. Moreover, they benefit from additional business promotion opportunities.

In October, we allocated another RUB 200 mn to provide support to businesses on VK. As part of this campaign, small businesses had an opportunity to claim back part of their social media promotion expenses to attract new buyers and stay in touch with existing customers. On VK alone, more than 160,000 businesses benefitted from these support measures during two campaigns during the year.

In 2020, many companies were abruptly forced to transform their businesses. Few of them were ready for this transformation, as they lacked both the required technologies and expertise. To help companies step up the development of digital skills, we launched a free Executive Digital MBA programme for 50 top-level managers from both large and small businesses, with preference given to the senior management of systemically important companies and the companies that were hardest hit by the pandemic.

Technologies designed to support businesses and users

Mail.ru Group develops technologies that are made available to non-profit organisations and the general public on a free or preferential basis. One of the first such projects was the Cloud for Charitable Foundations developed by Mail.ru Cloud Solutions. As part of the project, NPOs validated by Dobro Mail.ru are awarded the right to free use of cloud-based IT infrastructure. Today, some 50 charitable organisations use our services. For example, the technologies provided by Mail.ru Cloud Solutions helped Liza Alert scale up the LA Track mapping services to ensure nationwide coverage and enhance its regional missing people search-and-rescue operations.

Mail.ru Cloud Solutions also partnered with Git in Sky to help the largest online aggregator of sources and stories from World War II ensure website availability during the Victory Day celebrations in Russia. In a matter of days, we managed to improve the quantity and quality of the Immortal Regiment's IT resources on the Mail.ru Cloud Solutions platform, which helped handle traffic increases during peak days. As a result, the historical archive worked with no hitches and people enjoyed unhindered access to the data they were looking for on Victory Day.

MCS also makes investments to advance educational causes. As one example, Russia's largest educational platform for orphans, patronised by the Arifmetika Dobra charitable foundation, uses MCS cloud-based solutions for its operations. In April, MCS helped ensure the reliable and uninterrupted operation of the online education platform put in place by the Higher School of Economics in Moscow for its own students and students from regional universities.

In May, MCS joined forces with the National Base of Medical Knowledge and the R&D divisions of the Skolkovo International Medical Cluster, the Moscow Institute of Physics and Technology and the Semashko Research Institute to launch a grant programme designed to support digitalisation projects in the realm of healthcare. The finalists who made it through the competitive selection process received grants enabling them to use the Mail.ru Cloud Solutions resources.

We actively leverage the synergies of the Group's technologies and products for the benefit of society. During the pandemic, Mail.ru Group's division for Innovative Solutions partnered with Dobro Mail.ru, Pets Mail.ru and pet food manufacturer Purina to launch the Kindness in Shelters campaign. This comprehensive project was designed to aggregate useful content for pet owners and those who are keen to have a pet, as well as organise fundraising events to help animal shelters and provide pet food from Purina. It helped raise more than RUB 300,000 for animal shelters, while Purina donated shelters nearly 4,000 tonnes of food.

Donation Alerts

Created in 2015, Donation Alerts has become extremely popular among streamers in Russia and the C.I.S. Today streaming is the fastest growing form of UGC.

In 2020, we hosted over 20 charity streams with streamers, famous actors and artists. Our integration with all popular streaming platforms made charity broadcasts available to the streamer on the site of their choice. One of these events was the largest Russian stream #Thank YouDoctor, to assist doctors in combatting the COVID-19 pandemic. It was supported by the most prominent streamers and bloggers, and our users donated almost RUB 2 mn during this stream.

Our widgets help reach those who do not watch TV, but trust their favourite bloggers. Our corona-widget, which outlines the basic rules for preventing the spread of coronavirus, has been installed by thousands of streamers.

We strive to explain to Generation Z the importance of charity and good deeds, in a language they understand and with the help of influencers they trust. We bring together streamers and charitable foundations so that they can launch large-scale charitable activities themselves and be sure that the money is spent on exactly what the fundraising was for. We also share our expertise with foundations to teach them how to stream, organise interactive events and call for donations. Our foundations' wards often appear as guests on streams, play games or talk about the importance of curiosity, dreams and plans for the future.

We also support internal events – our Group-wide live broadcasts of dialogues with senior managers allow donations to a charity of the manager's choice.

Youla

Consumers today are increasingly choosing environmentally friendly consumption options, such as sharing economy solutions, and purchasing recycled, pre-owned or long-lasting products, because these allow them to reduce consumption costs as well as their environmental footprint. We believe that responsible consumption is one of the key approaches to tackling environmental issues and support the re-use and responsible use of goods. Allowing our users to resell or give away used or unwanted goods will minimise waste and create a positive experience.

The whole concept of Youla as a C2C-service is to give users the opportunity to pay less and earn more through the re-use of used goods — as opposed to general e-commerce marketplaces with newly produced goods, which cost more and where every sale increases the buyer's carbon footprint. The challenge with the C2C approach is that people are generally more sceptical about peer-to-peer communications, as it takes a lot of time to learn whom you can trust, and large brands have those connections well established.

Youla is solving these trust issues step by step, by introducing product features that increase trust between users and by constantly improving the safety of transactions. In 2020 we added safe in-app voice calls to protect users from spam calls and launched verification via VK Connect: the number of friends on VK is displayed to verify the user while the VK profile itself is hidden. To support our users during the pandemic we introduced video calls between users and free contactless delivery for both sellers and buyers in Moscow and the Moscow Region. Youla united with VK Rabota (formerly Worki) and launched automated cross-posting of vacancies on both resources to facilitate job hunting.

To help SMBs, especially during the pandemic, Youla launched Shops for SMBs, a simple way to set up an online shop on the platform with all the essential business tools. Our New Year project to support small businesses with craft merchandise offered free advertising on the main page. To participate in the project, shops were asked to offer an interesting hand-made product that could serve as a New Year gift, and introduce themselves. From 1,000+ applications, we selected 36 entrepreneurs from 18 Russian cities and featured their offerings in a special advertising campaign. Other participants received special terms for promotion, discounts and bonuses.

We do not tolerate certain goods, services and seller behaviour on the platform, so we have a large moderation team, which fights dishonest users day and night to maintain the integrity of the service. During the COVID-19 pandemic, Youla joined forces with its main competitor, Avito, to temporarily ban the sale of medical masks on both platforms, as they had become a lucrative stock for speculators. All misleading ads — like those for badges claiming to cure coronavirus — were also banned.

Youla also supported its users during the pandemic, by raising the number of free postings from 50 to 200 in certain categories, promoting users' ads for free with bonuses, creating a special option to mark services conducted remotely and giving such ads additional promotion to support the #stayhome movement.
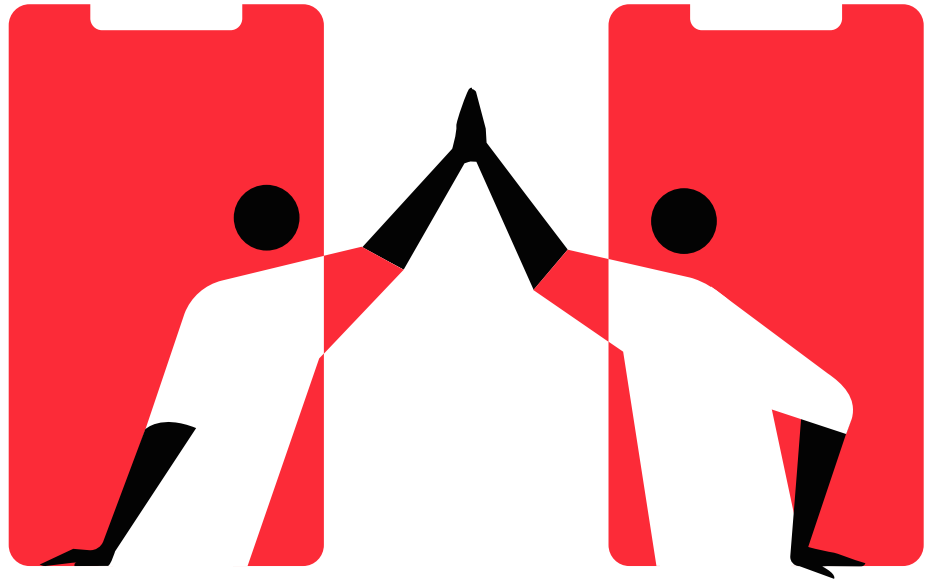
We have launched our own media, called Drop, to collect the stories of people who share our values and help them to reach a wider audience. We share the stories of how the love for one's hobby can overcome social stereotypes, how strange business ideas can find effective implementation, how old things can take on a new life, how outsiders can become winners, and how fantasies can become reality.

In 2020 Youla was integrated with VKontakte, so listings published on one platform are now cross-posted to the other to increase the audience and help buyers and sellers find each other faster.

VK Rabota (formerly Worki)

Lower and middle-income adults were the most affected by coronavirus-related lockdowns, job loss or pay cuts. As the number of cases and fear of contagion spread, so too did confinement measures. To facilitate social distancing, Russia, like most other countries, adopted either full or partial lockdown and self-isolation measures to prevent transmission. With things changing rapidly, people were actively hunting jobs and VK Rabota (formerly Worki) made it easier for the users of our social networks to succeed. We introduced new features to improve the process: we integrated job searches into VK and OK (via Youla classifieds), added video interview functionality, launched the option of conducting interviews directly on VK, and launched a VK app for employers.

To help our users throughout the pandemic we launched a special vertical called "Work in Quarantine", featuring vacancies for jobs that had shown the highest growth in demand since the beginning of COVID-19 restrictions: couriers, drivers, taxi drivers, storekeepers and cashiers.

The list of vacancies changed constantly, following changes in employer demand. We also introduced filters for search area, distance from home, salary per month/hour/shift, working schedule and working conditions. By launching "Work in quarantine", VK Rabota helped businesses cope with a sharp increase in demand for line personnel.

We also partnered with DIXY, one of the largest Russian retailers, in offering more than 300 vacancies for temporary part-time work for those who were temporally redundant. The jobs were available in 32 regions where DIXY has a market presence. This was a helpful option for those who were made temporarily redundant during self-isolation or were in need of additional income.

In December 2020, to mark the International Day of Disabled Persons, VK Rabota teamed up with the Perspective non-profit organisation and Best Friends foundation to launch the "Everyone Can Work" project, featuring information on hiring people with disabilities and creating inclusive workplaces.

In February 2021 Worki changed its name to VK Rabota.

Partnerships

In 2020 we continued our cooperation with major Russian and international companies to further extend our ecosystem and offer enhanced services through our O2O initiatives.

Samokat

Our foodtech initiative Samokat has an eco-friendly business model. Our warehouses and darkstores are within walking distance of our clients, and couriers deliver the orders on foot or by bike. As a result, much less fuel is spent on each order than in a traditional online store.

In the near future, the company plans to implement more green initiatives and will continue to develop urban infrastructure, making it more convenient and modern. In 2020, Samokat introduced recyclable fruit packaging and switched to returnable packaging from recycled materials. During the next year, we plan to change the packaging of goods under our private brand, making it more environmentally friendly.

We regularly participate in charitable projects. We teamed up with the Finnish food and drinks company Paulig for the "Thanks for the Rescue" campaign, which was aimed at supporting medical workers during the pandemic. We also created a limited collection of goods under our private brand with St. Petersburg's Uppsala Circus on the label, the proceeds of which were donated to support children and adults from social risk groups who perform for the circus.

Citymobil

We believe that using a taxi instead of a private vehicle is a good way to contribute to reducing air pollution and to promote responsible consumption. We offer our users and drivers a convenient and reliable service and are taking care of their needs by expanding the Citymobil ride-hailing service together with Sberbank through O2O JV.

To make rides safe, comfortable and enjoyable, we offer our users a range of services:
- Child boosters and safety chairs
- Accident insurance for each passenger and driver for up to RUB 2 mn. Insurance is automatically valid from the start of the ride.
- Pet transportation
- Non-smoking cars

We work with our drivers too, as their hard work powers our growth and our users' satisfaction. In 2017 we launched the "Taxi House" concept. These are comfortable premises that are open to all taxi drivers 24/7, irrespective of their principal aggregator. Here they can find training materials and support, make use of leisure and hygiene facilities (showers, snacks, board games), or just chat with other drivers. In addition to our four existing Houses in Moscow and the Moscow Region (including ones at the Domodedovo and Sheremetyevo airports) we opened our first regional Taxi House in Samara in 2020. We regard this project as an important social contribution to the taxi driver community, as drivers often lack spare time for training or leisure. So we conduct training sessions, offer film screenings and leisure activities not only for drivers, but for their families as well.

We actively contribute to charity with our Miles of Kindness (see also the Charity section below) to respond to our users' drive to help those in need.

During the 2020 coronavirus outbreak Citymobil introduced additional safety and care measures (see our Response to COVID-19 section below).

Citydrive (formerly YouDrive)

Carsharing is a modern solution to reducing congestion and pollution in cities by using fewer cars for the same number of people. An example of responsible communal urban living, it envisions a future in which carsharing users outnumber car owners in major cities around the globe.

To support these principles, we are developing our carsharing platform, allowing our users to travel in comfort whilst reducing the negative collective impact of car emissions and the deficit of parking space in cities. In 2020 our fleet increased by 72% compared to 2019. All our users automatically receive life and health and liability insurance, which is valid from the start of the ride.

The pandemic brought significant changes to the lives and habits of our users. To help them cope with working remotely during the first months of COVID-19 we introduced a special "I'm at the Office" tariff. For a rate of just RUB 1 per minute, a car can be used as a temporary office for conference calls or some quiet work.

The safety and health of our users is our priority while the world continues to fight the pandemic. We have taken measures to ensure the safety of our community:

- We have upgraded our car-cleaning service with antiviral and antimicrobial solutions. We have also promoted additional healthy hygiene and safety practices within the technical teams that work to care for our vehicles;
- We offer free antibacterial tissues in every car.

On the lifting of pandemic restrictions, we saw an increase of interest in our services. As the borders remain closed for international tourism, demand for internal travel has soared. To meet this demand, to boost motor tourism and to offer our users an extended service in addition to usual rides, we introduced special tariffs with unlimited mileage for periods from two hours up to seven days, as well as monthly subscription, which is valid for any car in service and can be applied in any region, and an option to rent a car for long trips (up to 2,000 km in any direction).

Citydrive (formerly YouDrive) actively participates in charitable activities: in December 2020 we repeated our New Year Gift initiative for Vera Foundation hospice patients. Each car received a specially marked box where passengers could leave a gift and send a message to the patients, with almost 3,000 gifts collected in total.

In April 2021, YouDrive was fully integrated into Citymobil and changed its name to Citydrive in order to become part of our new urban mobility platform, which is based on Citymobil.

Delivery Club

In today's world, customers want convenience and a wide range of choices at the click of a button. We are happy to participate in transforming the way the people eat and order food with our technologies and products and to deliver tasty and healthy food from local restaurants straight to the home. Ordering takeaway food delivery is no longer just an option for a special occasion, but has become an integral part of daily life. We offer reliable and fast delivery of takeaway meals from the most popular restaurants, with delivery easily tracked at any time via the user's mobile device. We attract the best local restaurants with a wide selection of cuisine to suit the tastes of our audience.

With this in mind, Delivery Club is trying to be of as much use as possible to all parties: users, partnering restaurants, and employees of other companies, especially couriers. Home food delivery proved to be one of the most vital and in-demand services during the pandemic. Delivery Club serviced 60 million orders in 2020, achieving more than double growth compared to last year. We also added an option to order food directly from VK, with integration with the VK Food mini app bringing around 10% of new users to Delivery Club.

As for couriers, we try to create the most flexible working conditions for them. They are able to put together their own schedule: they can consider this job their principal form of employment or use it as an additional source of income. They themselves determine when it is convenient for them to start the working day. In fact, for a certain type of individual in the labour market, this is the form of employment that best suits the rhythm of their life and their needs.

We use our machine-learning technology to manage the logistics process in order to improve the distribution and assignment of orders, based on the location of couriers, restaurants and our customers. In each zone where we deliver there is a senior courier who is an experienced mentor, helping beginners to adapt, interact with restaurant employees, etc. Delivery Club uses AI technologies to predict demand and the number of couriers, and to determine logistics zones and other operational processes. In 2020, over 150 developers, specialists in AI and data science were recruited by the company.

In April 2020, as part of our Support Local initiative, we launched a programme to support non-network restaurants. On a special landing page, residents of any city could share their favourite restaurants, local coffee places, pastry shops and other places that they missed having online access to. Our managers contacted these places and invited them to join the platform so they could receive orders from delivery users for free. We believe this initiative is helping local restaurants to survive in the face of the ongoing pandemic restrictions and continue their operations.

We believe that a company's social responsibility does not extend only to caring for its users, employees and partners. For this reason, we also try to participate in projects that raise awareness of important social problems.

In May 2019, a function allowing users to opt out of plastic cutlery appeared on the Delivery Club application as a way of minimising the use of plastic. And in October 2020, Delivery Club released belt bags made from recycled courier thermal backpacks for its grocery order pickers.

Local Kitchen

Many surveys today show that there has been a rise in sustainability consciousness among consumers over the past several years. Sustainability is especially important for the younger generations (people aged 15-35). These young people are aspiring to create value for society as a whole, and are therefore striving to engage in responsible consumption, minimising the impact of this consumption on nature.

In 2020, we opened more than 20 kitchens in Moscow, bringing the number to almost 50 kitchens in total, and servicing more than 1 mn people. Despite this growth, Local Kitchen has never had a minimum order amount, and delivery remains free, regardless of the amount and volume of the order. We use data science to optimise our menus and sales plans to avoid excessive supplies. This approach allows users to order exactly as much as they can eat in one meal, thereby preventing unnecessary food waste.

Local Kitchen was one of the first companies in Russia to offer its users an option to exclude plastic cutlery from the order. To date, more than 30% of our users use this option, thereby saving more than 3 mn plastic cutlery items from going to waste.

We aim to ensure that all utensils, including cutlery, can be recycled. To date, 95% of all packaging materials we use can be recycled. Despite such a high rate, we are in constant dialogue with manufacturers to develop new types of more environmentally friendly packaging to replace non-recyclable materials.

Local Kitchen promptly reacts to its users' requests: we modify our menus, adding new and in-demand dishes, as well as vegan and fitness meals.

In 2020, together with PolyER, we launched our own packaging design. The new packaging contains 20% less plastic than previous packaging and consists of 100% recyclable polypropylene with no added pigments or dyes. Polypropylene is a safe and durable plastic that can be used dozens of times, heated, frozen and, of course, recycled safely. The partner factory was chosen based on our requirements for responsible production: PolyER is the only Russian company in its industry that has received and confirmed ISO 14001: 2015 certification.

After the successful launch of our own packaging, we received many requests from other businesses and decided to open a B2B line for the sale of lunchboxes. We developed a design and started sales. By doing this, Local Kitchen can directly influence the ecological footprint of foodtech businesses: in 2020, more than 150 companies in Europe and the C.I.S. bought more than 1 mn packaging units. In 2021, Local Kitchen plans to achieve 500% growth and expand its geographical coverage for lunchbox sales.

We care about our couriers, whom we call riders: no delivery is made on foot and all riders receive e-bikes, company uniform and competitive remuneration. We provide rest facilities with changing rooms, showers and snacks. Local Kitchen introduced online tips for riders in 2019, and in 2020 our users paid more than RUB 4 mn in tips.

In 2021 Local Kitchen will continue its work based on the principles of sustainable development, profiting from cooperation with other O2O initiatives.

AliExpress Russia

The modern pattern of consumption centres on selecting and ordering goods online without visiting physical retail premises. As more and more customers join this online experience, we believe that the technologies and expertise that we and our partners can offer will bring valuable experience to both customers and retailers, contribute to growth in the digital economy and make it easier to do business.

AliExpress Russia is one of the top 10 most visited websites on the Russian internet. More than 8.8 mn people use the platform daily, and we have a monthly audience of more than 29 mn people. We offer a secure and reliable service that safeguards our customers' payments through escrow accounts: when a purchase is made the seller does not initially receive any payment, but receives a notification to ship the goods, while the money is deposited in an escrow account. Payment is transferred to the seller only after confirmation of receipt and after the 15-day period for disputes has elapsed.

We contribute significantly to the local economy through supporting small and medium companies alongside corporate ones, leading to Russian sellers being present in almost all categories on the platform. The number of Russian sellers grew seven times in 2020, with a total of 35,000+ companies and individual entrepreneurs offering more than 5 mn items. In 2020 a number of major Russian sellers joined AliExpress: the household appliance and electronics vendors Svyaznoi and Sima Land, and the international brands Lego, Puma, and Tom Tailor, among others.

AliExpress offers favourable business terms: sellers can store their goods for free for 60 days in AliExpress Russia partners' warehouses, have their first orders delivered free, and subsequently use fixed rates for delivery across Russia. All this results in the majority of orders being delivered for just RUB 69 net of VAT. We have also launched a sales training course on the platform with videos and tutorials.

AliExpress Russia has launched a grant programme for SMBs. Any local manufacturer can receive assistance through monetary support and promotion on the marketplace as part of the Good Things project. In addition, we released a documentary film called Good Things to support folk craft enterprises. In 2020, AliExpress added a "Made in Russia" vertical featuring handicrafts. We also supported Russian SMBs through advertising videos with entrepreneurs and sellers in the lead role as part of the "Made in Russia – Sold on AliExpress" project.

We deliver goods all over Russia: only 18% of orders come from Moscow and St. Petersburg and more than 30% are from remote locations. A network of 18,000+ automated parcel stations (Postamats) and Cainiao pick-up points are currently available for Russian buyers and sellers. In April 2020 we launched the AliExpress Plus service for express delivery from local and international sellers. This service ensures that parcels from China are delivered within 15 days and are delivered across Russia within 4.5 days. In August 2020, we launched "Yest!" (Eat!) – a service for the sale and delivery of groceries and consumer goods in cooperation with Samokat as a strategic partner. Yest! provides the necessary assortment of goods and express delivery within 15–30 minutes.

We support ecological activities for our employees and participate in the Good Cups charity project and a battery recycling initiative.

giving back to society

Supporting charity development in Russia

Technologies for Charity

413-1 We use our technologies and expertise to improve people's lives in Russia through charity empowerment and volunteering. In 2020 we continued to develop Dobro.Mail (Kindness) and our other charity projects, which help charities boost their fundraising efforts through our platform.

We believe that today's innovative technologies make a significant contribution to improving the quality of life, so our priorities are the charitable projects in which our technologies, products and services can help achieve this goal.

We are ready to cooperate with the government authorities, non-profit organisations, and business community representatives in the organisation of joint charitable projects that are compliant with our social policy and charity policy, performed on equal part-nership terms and subject to the condition that the legislative and other restrictions applicable to the Group are observed.

Throughout this past year we expressed our support and grat-itude to all the doctors who helped us fight the pandemic, and all our services were engaged in various activities to support medical workers. Our users were with us and donated money for personal protective equipment for doctors, as well as to many other funds and projects that faced sharp decrease in financing due to lockdowns.

We issued our first Social Projects Report for 2020 with the spe-cific results and highlights of our activities over the past year.

We are grateful to our users for raising funds:

Dobro Mail.ru

413-1 Mail.ru Group operates Dobro Mail.ru, a service dedi-cated to smart charity activities that was launched in 2013. The service makes participating in charitable projects across Russia accessible through one-time or regular donations online.

Its smart search system enables users to make donations to projects across more than 180 local foundations. Every charity foundation is verified by Mail.ru Group and publishes financial reports on the completion of every project.

Although 2020 was a difficult year for the majority of Russians, we were pleased to see that donations grew both in volume and quantity: we experienced 31% growth in donations compared to 2019. We completed 369 charitable projects in 2020, which marked a 15% YoY increase.

What our users donated to:

| 58% Children | 8% Elderly | 1% Nature | 6% Animals | 27% Adults |
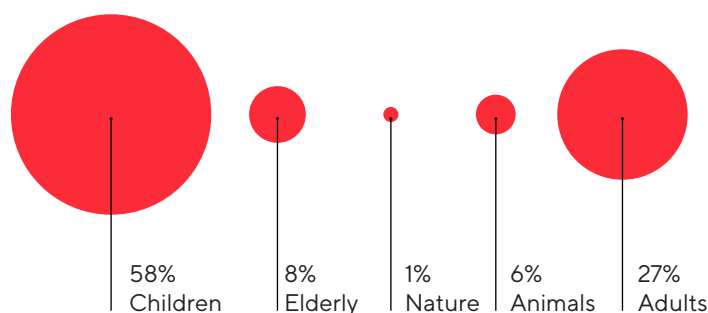
In 2020 we saw the amounts of donations to adults with serious medical conditions double as compared to 2019, and donations to the elderly rise by 19%. We also launched our Help for Nature initiative, to divert donations to ecological initiatives.

Year	Donations, mln RUB	Number of donations	Partner charities	Successful projects
2019	76.4	200,578	187	322
2020	99.8	256,306	197	369

In 2020 our donors were:
- 50% female and 50% male;
- mainly aged 25–40;
- mainly from Moscow, St. Petersburg, and the Republic of Tatarstan;
- making most donations from 8 a.m. to 12 a.m. (with Thursday the most popular day);
- willing to subscribe to regular donations (23% growth YoY);
- participating via desktop (52%) and mobile (48%) devices.
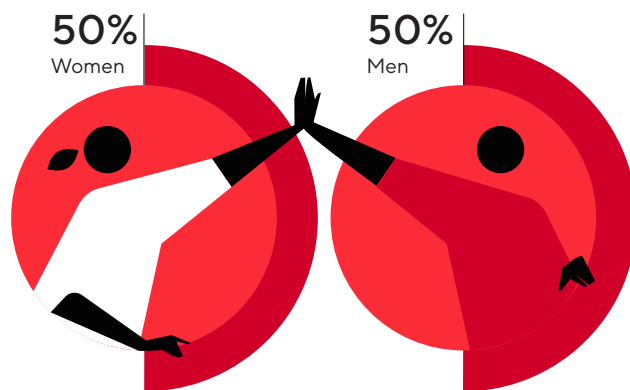
Below are the top 10 foundations in donations collected in 2020 (in RUB):

50%
Women

50%
Men

14,831,000

The Sunflower charity foundation supports children with immune system disorders

14,122,000

AdVITA foundation, St. Petersburg

13,637,000

The ORBI foundation works to raise awareness of the prevention and treatment of strokes

13,354,000

Nasten`ka foundation, Moscow

12,967,000

Fight Leukemia, Moscow

10,047,000

Foundation for Helping Children with Cancer, St. Petersburg

8,565,000

Protect Life, Novosibirsk

8,015,000

Kislorod foundation, Moscow

7,756,000

Pramvir foundation, Moscow

7,625,000

Starost v Radost foundation

Within
25–40
age group

Featured projects, successfully completed in 2020:
- The Pravmir foundation, with RUB 3.8 mn collected for personal protective equipment for doctors and delivered to 12 hospitals in various Russian cities;
- The Starost v Radost (Old Age to Joy) foundation received RUB 72,393 for hygiene products and computers for elderly people in nursing homes, since these were closed for visits during the pandemic;
- The Safe Home foundation, with RUB 100,000 for counselling sessions for women who are survivors of domestic abuse;
- A Helping Hand for Stray Animals collected RUB 426,000 for equipment for a new shelter.

More details on charity can be found in our Social Projects Report for 2020.

VK

413-1 VK provides full support to non-commercial entities, offers them free access to advertising tools, develops special tools on request, and organises free events. In the first half of 2020 we enhanced our support for charity foundations engaged in preventing coronavirus and related health activities – our advertising professionals provided support for promotional campaigns and creative ideas for advertising, and fully financed those activities. In the second half of 2020 we distributed RUB 5 mn among 119 charity foundations.

In 2020 we launched a regular subscription feature in our VK Pay service. A user can opt to donate RUB 10-15,000 monthly to any of the verified foundations in our Good Deeds tab.

To mark our 14th birthday in October 2020 our users donated RUB 15.8 mn to the Podari.Life foundation to help children fight cancer.

We donated the proceeds from charitable stickers on International Children's Day (1 June) and a New Year gift to several charities on 25 December: Dom s Mayakom, Anton Tut Ryadom and Svet.

Skillbox

413-1 In 2019 Perspektiva, a Russian non-governmental organisation (NGO) for the disabled, and Skillbox launched the charity project Future Without Limits, to support people with disabilities in completing professional training in the in-demand fields of SMM, data analytics, game design, programming, etc. Our aim was to overcome employers' prejudice that a person with a disability is less productive, requires additional monitoring and learning, may be ill a lot and needs additional holiday time. The first wave began in February 2019 with 400 applications received, out of which we selected 181 participants. By the end of the course 28 participants had received employment proposals. We launched the second wave in February 2021 with 500 applications and 287 participants selected, and are very optimistic about the prospects, as the pandemic led to remote work for most companies, thereby expanding employment opportunities for people with disabilities.

Odnoklassniki

413-1 Odnoklassniki (OK) is a social network where people of different generations and social groups can communicate and share emotions. It is important to OK that all users receive equal opportunities, and that topics of social importance are widely publicised. To do this, OK regularly organises social projects and charitable initiatives in partnership with non-profit organisations and large media companies.

OK pays close attention to social and charity initiatives. We use all our available tools and technologies to inform users about important issues. OK has been working with UN Women since 2017. The same year the social network organised a campaign against gender-based violence (#японротивнасилия) where users could share their stories and thoughts through anonymous streaming. Every year we organise live chats, round tables and online discussions on gender-based violence to keep our audience alert and continue to fight against it.

In 2020 we teamed up with So-edinenie (Connection), a support foundation for the deaf-blind, to launch an inclusivity project to mark World Sight Day and raise awareness of blindness and vision impairment as public health issues.

Since people of all ages are important to us, we believe it is our duty to help combat the negative perception and lack of appreciation shown to the elderly. In 2020 OK released a special online comic called At This Age!, dedicated to the manifestations of ageism in society. We demonstrated how important it is to maintain a correct and positive attitude towards elderly people. We cooperated with the Starost v Radost foundation at Dobro.Mail.ru to raise funds for laptops for elderly people to help them stay in touch with their loved ones.

Comfortable communication and sharing emotions are extremely important as we welcome all generations, and parents often chat with their children. In 2020 we launched the second year of our #меняволнует (#Icareabout) project, in which we discuss how to build harmonious relationships with children and help them through difficult times. This year the project has become larger and more diverse with many publications in media. Our "I Care About" application hosted broadcasts of webinars and round tables with experts, and also published useful articles and tutorials on various aspects of the parent-child relationship.

OK regularly supports various social activities and initiatives, including a round table on Down syndrome, a seminar on polite and ethical communications and a mass awareness event on World Stroke Day.

Citymobil

We have continued our cooperation with Dobro.Mail.ru and run a joint social project called Miles of Kindness. After each trip, users in Moscow have the opportunity to donate miles to charitable foundations straight from the app. The user simply chooses how much they would like to donate at the end of their journey on top of the regular fare. For example, an individual who has come to Moscow to receive treatment will now be able to afford a ride from the railway station to the hospital and back. To date, Citymobil users have driven more than 2 million "miles of kindness": the foundations use the donations to transport their wards and volunteers. The non-profit partners of the project are the Konstantin Khabensky Charitable Foundation, Life is Like a Miracle, Give Life and the Live Now Foundation for helping people with ALS. We plan to further develop this initiative by expanding the area covered and the number of foundations involved.

Delivery Club

In April 2020, we launched a joint charity project with the Anton Tut Ryadom centre, which is dedicated to helping those with autism. On World Autism Awareness Day, the Delivery Club app showed drawings by adult students from Anton Tut Ryadom instead of images of groceries. On that day 20% of each purchase was donated to the centre.

Local Kitchen

In 2020 we supported four charity foundations with RUB 5 mn in donations. Apart from monetary contributions, Local Kitchen also provided 4,000 kg of free meals to Night Bus, a Nochlezhka foundation initiative to support homeless people.

Local Kitchen took part in WWF Russia initiatives, including Earth Hour and the New Year Marathon of eco-promises, donating RUB 690,000 for ecological programmes.

We actively develop inclusivity options in our employment. Recently we started cooperation with the Civil Cooperation foundation to explore employment opportunities for refugees and labour migrants.

Other projects

- VK Fest contributed more than RUB 2.1 mn to several funds in 2020 by offering a special gift for purchase featuring an image of Senya, a hamster.
- Donation Alerts offers an option to convert any stream into a charitable one for any of the funds listed on Dobro.Mail.ru. During 2020 we helped collect more than RUB 2 mn for personal protective equipment for doctors.
- Mail.ru Cloud Solutions offers free IT infrastructure to pre-approved foundations, like Liza Alert. To date almost 50 foundations have benefitted from this offer.
- VK Rabota (formerly Worki) launched a non-commercial project called Everyone Can Work to inform employers about opportunities to hire disabled people.
- GeekBrains donated part of its proceeds to charities to finance tutors at orphanages.

Promoting smart volunteering among employees

Since 2019 Mail.ru Group has supported the CharityTask project: employees from various departments in the company offer their expertise in solving tasks for the benefit of non-profit organisations, and help them pro bono with IT solutions for development, boosting efficiency, and developing strategies to promote projects.

Granting non-profit organisations access to Mail.ru Group technologies

Mail.ru Group is developing technologies and offers them to non-profit and social organisations either free of charge or under favourable terms.

One of the first projects in this domain was a cloud service for charity foundations, by Mail.ru Cloud Solutions. The company offered free cloud IT infrastructure to non-profit organisations verified by Dobro Mail.ru.

Promoting IT education

203-1, 413-1 For the last 10 years, Mail.ru Group has been supporting and developing IT education in Russia. We enrich standard education programmes by bringing IT expertise to schools and universities and offering free courses for a wide range of IT professions. We regularly invest in people and teams, helping to transform education and make it digital and increasingly accessible, especially in times of crisis.

We believe we can serve the world through learning and education, so that everyone has the opportunity to change and enhance their lives through obtaining new knowledge.

The events of 2020 prove that this mission has never been more necessary, urgent and relevant to the circumstances. The shift to a digital world is undeniable and irreversible, making the demand for digital skills and their constant update and development a prerequisite for life and successful careers. While the world is still adapting to the "new normal" we see that the approach for school, university and professional education has already changed, shifting increasingly to online platforms. The internet has opened up new possibilities for education, transforming conventional classrooms and lecture halls into livestreaming studios, and we are here to offer our technological solutions to build connections, offer improved content and deliver a quality and personalised educational experience.

The Group has its own educational projects and continues to invest in related services that seek to improve the education landscape in Russia. By the end of 2020 we had invested approximately RUB 7.5 bn in education initiatives and our education ecosystem included controlling stakes in GeekBrains and Skillbox, as well as stakes in Algoritmika, Tetrika, SkillFactory and Uchi Group, an educational platform bringing together 8 mn students and 350,000 teachers.

By 2023 we are expecting to see 10 mn students complete our programmes.

We believe online learning is the future of education:

1. It offers a variety of programmes, as many schools, universities and corporations offer online versions of their curriculums and courses. There are options for all types of pupils and students to get their diploma, degree or certificate without physically attending a classroom. Today people do not forget about their studies as soon as they receive a diploma, but continue to obtain new skills and knowledge, as the digital world evolves fast.
2. It is accessible from everywhere in the world and only requires a reliable internet connection and a mobile or a desktop device, without the need for a daily commute to and from classroom or having to follow a strict study schedule.
3. It is more cost-effective, as it is usually less expensive than traditional education and very often offers better budget management through payment by installments or payment per course. It also saves money by eliminating commuting costs and quite often saves on the cost of textbooks.
4. It delivers a tailor-made learning experience – every student can set their own study pace according to their own learning abilities, available time and individual requirements. Students can opt for online lessons, one-to-one classes with tutors, group discussions, pre-recorded videos, e-books, etc. – all available at any time to meet students' personal requirements.
5. It is flexible, as it allows a customised schedule based on the student's balance of life, work and studies. It usually fits a student's agenda better than conventional classroom studies.
6. It gives more autonomy in setting up one's own learning goals and requires new responsibilities from both student and tutor, with virtually unlimited options for domestic and international studies.

Mail.ru Group is developing an educational ecosystem by expanding its range of educational services for children and students, as well as adults looking to gain new skills and improve the ones they already have. This is important, since in many professions continuing education will increase a person's chances for promotion, open the path to a higher salary or facilitate the ability to make a career transition and improve one's professional image and lifestyle.

SkillBox

As of the end of February 2021, the platform had:
- 589 tutors
- 400+ programmes
- 143,000+ students
- 162 professions
- 7 higher education programmes

Skillbox's mission is to provide everyone with the opportunity to become relevant and in-demand specialists, regardless of their age and location.
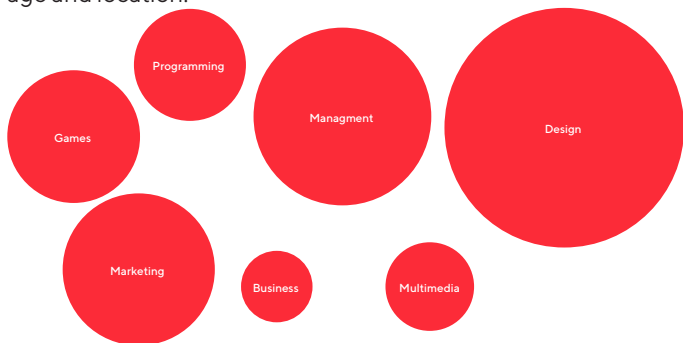
Skillbox offers:
- A flexible study schedule – all pre-recorded courses are available 24/7 via a personal account;
- Tutors who are well-known and experienced professionals, deliver courses and help in solving practical cases;
- Courses are prepared in cooperation with top market players to deliver the best and most relevant experience;
- Study cases are based on real-life examples;
- Graduate work is assessed by active professionals from top brands in the respective industries;
- Employment assistance is provided for students of long-term (12+ month) programmes through the internal Career Centre.

Today Skillbox offers online courses in design, marketing, coding, management, gaming and multimedia. In 2020 the number of new products exceeded 300, which was 35% more than planned for that year, with 21 departments created as of the end of 2020. The top three subject areas sales-wise in 2020 were programming (30.5%), design (28%) and marketing (16.4%). Skillbox collaborates with more than 90 industry partners in designing online courses, preparing graduation projects and providing employment assistance to students (Sberbank, Perekrestok, PwC, Sibur Holding, Mail.ru, Tinkoff, MTS and others).

As of February 2021 the total number of students is 143,000, compared to 45,000 in February 2020. A total of 88% of Skillbox students seeking employment assistance succeeded in getting jobs. The number of registered users interested in any Skillbox product is more than 49,800 MAU (monthly active users) which marks a 320% increase year-on-year (15,600 MAU in February 2020). As of December 2020, the total number of website visitors was 4.7 mn. In 2020 the Skillbox team held ~1700 online lectures with more than 1 mn participants.

Skillbox was No. 2 in the RBC[1] EdTech company rating for 2020. According to Interfax Academy research[2], Skillbox is the leader in the further adult vocational education market. According to the Employer Rating compiled annually by the largest Russian online recruiting platform hh.ru, Skillbox is No. 9 on the list of the most appealing employers in the "IT and the Internet" category[3].

1 RBC Trends
2 https://academia.interfax.ru/ru/analytics/research/4257/
3 HeadHunter, https://rating.hh.ru/history/rating2020/

GeekBrains

Our mission is to encourage users to learn new things, change their professional path, and find themselves.

GeekBrains offers courses spanning eight in-demand educational areas for adults, sets of IT courses for schoolchildren, and B2B education.

In 2020, the total number of students enrolled in all paid programmes reached 52,000, and the number of registered portal users reached 6 mn. GeekBrains launched 146 new programmes, focused on programming, design, marketing, management, analytics and creative professions, as well as a Digital MBA and coding courses for children. The most popular programmes include the Python Development, Testing, Web Development, Data Science and Product Management programmes. In 2020, over 170,000 students registered for 1,450 webinars held during the year.

GeekBrains offers courses from market professionals and full support to its students.

Programming
100 courses

Design
33 courses

Analytics
21 courses

Game development
33 courses

Marketing
62 courses

Management
25 courses

Creative
6 courses

Business
3 courses

50+ research studies annually – we conduct studies to develop and improve our programmes.

963,926 students graduated with in-demand professions and are on a successful career path.

100% of alumni who applied to our Career Centre found a job in their selected profession.

70% of studies are webinars where students can address questions to tutors.

Uchi Group and Sferum

In 2020 we invested in Uchi Group, a subscription-based online education platform across the K-12 education market segment in Russia, where school students study subjects in an interactive form. The Uchi.ru platform contains more than 50,000 interactive tasks prepared by professional curriculum developers. The system adapts the educational trajectory to the individual characteristics of each student, so they can learn at their own pace. During the period of self-isolation imposed during the pandemic, Uchi Group ranked in the top two most visited educational resources in the world. In 2020, more than half of Russia's school students (10 mn users) and over 400,000 teachers have used Uchi Group services. The number of new student registrations and paying users grew by 133% and 116% respectively in 2020, compared to 2019.

In early 2021 we officially launched a digital education platform called Sferum, a joint venture with Rostelecom, Russia's national telecommunications operator. Powered by Vkontakte software technology, the platform is aimed at distance learning and provides a full range of services encompassing all forms of school communication among pupils, teachers and parents – from online lessons and exchanging learning materials to class chats and school communities.

By 1 July 2021 more than 360,000 students across 30 regions of Russia and over 10,000 schools in total had joined Sferum, since their conventional education services had been disrupted by school closures.

Sferum facilitates integration with public information systems and is supported by the Ministry of Education and the Ministry of Digital Development, Communications and Mass Media. It is designed to make learning more flexible and interactive, facilitated by media and educational technology. The service will be accessible online and via iOS and Android apps.

Mail.ru Group Education projects

It all started 10 years ago with the launch of Technopark in collaboration with the Bauman University. Today almost every seventh employee is a graduate of one of our joint programmes with universities. We believe our joint programmes with leading universities are not only a way to train future IT professionals, but also an opportunity to showcase ourselves and our advantages as an employer, since these universities attract top talent and highly motivated schoolchildren from all over Russia. Thanks to our own educational programmes and preparatory courses, the Group was ranked the sixth most attractive employer by the FutureToday rating[1] in 2020, compared to No. 12 three years earlier. While universities provide fundamental education, IT corporations are more flexible in adjusting to the fast-changing requirements of the digital world and can complement education with the most relevant skills, e.g. big data, neural networks, AI and game development, in order to achieve mutual benefit.

Mail.ru Ambassadors programme

Our Ambassadors programme is an example of smart volunteering and aims at a much wider audience of regional higher education institutes and university students, post-graduates and professors, creating a community of IT evangelists across Russia.

The first ambassadors joined us in 2018 with 40 ambassadors, and the third round of enrolment took place in 2020 with 49 ambassadors from 30 major Russian universities and 12 Russian regions.

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1   https://rating.fut.ru/

Mail.ru IT championships has welcomed 300,000+ participants from 130 countries in total

IT Championships

We first launched our championships back in 2011 and have been enhancing opportunities for professional development for IT specialists from all over the world ever since. In 2020 we launched the [All Cups](#) unified platform as an open crowdsourcing and educational platform with practical solution databases for various disciplines, where specialists and experts from the information technology industry can develop and exchange experience by solving complex and fascinating problems in IT championships.

By the end of 2020 we had 300,000+ participants from 130 countries, making it possible to find expertise and share knowledge all over the world for machine learning, artificial intelligence, sport programming, high-load services, etc.

MADE Academy

The IT industry is developing and changing rapidly, and there is a shortage of highly-qualified product managers and data scientists.

In 2019 we launched the MADE Academy educational vertical for experienced specialists. Courses are free, but require preliminary testing.

The Big Data Academy is a 1.5-year training programme on data analysis with in-class and distance learning options in three specialities: Data Scientist, Machine Learning Engineer and Data Engineer. In 2020, 110 students graduated from our first wave of enrollment, having studied 24 courses with practical master-classes from 50 IT experts, covering 735 training hours.

In February 2020 we enrolled 200 new students for the second wave of this programme.

Professional orientation for pupils

We help tens of thousands of pupils to learn something new about modern IT professions and technologies, how they affect our lives and where to study them.

- IT Knowledge Day is an annual international professional orientation day, where our employees and ambassadors, alongside other IT companies, visit schools and meet teenagers to discuss IT professions.
  - » In 2019 more than 185,000 teenagers from 4,000 schools in six countries joined our online lessons via VK and OK broadcasts, and 486 schools welcomed lecturers in person.
  - » In 2020 we joined more than 5,500 schools for this day, achieving 260,000+ pupils during the live broadcast and 2.5 million views overall.
- The Digital Lesson initiative started in December 2018 and has been supported by many other IT companies and government authorities, including the Russian Ministry of Education. In 2020 we were happy to provide our infrastructure and the facilities of the VK network to support more than 2 mn schoolchildren who used Digital Lesson, which was dedicated to neural networks, their principles and use on VK and OK.

Educational initiatives for technical students

We have developed several new programmes for technical university students in cooperation with major universities:

- The MISIS National University of Science and Technology and SkillFactory launched the first Russian open programme management (OPM) online master's degree in Data Science;
- We cooperated with the Immanuel Kant Baltic Federal University in launching a Unity games development course.

We hold TechnoCup, an international programming contest for 8th-11th year pupils. The winners have the chance to become students of major Russian universities without the need to take entrance exams.

TechnoCup helps us to find and support the most talented and dedicated pupils from Russia and the C.I.S., opening up new opportunities and providing them with the best possible education. In 2020 we welcomed more than 500 participants in this annual event.

IT Knowledge Day gathered 5,500+ schools and 260,000 pupils during live broadcast

Our TechnoSphere initiative, supported by Moscow State University (MGU), switched to an online format, making it available not only for MGU students, but for wider audiences. The programme is organised by machine learning tutors from SkillFactory.

VK

Soon after the start of the pandemic we offered VK services to schools, universities and parents for distance learning. To facilitate the process we launched @edu for distant – a set of recommendations, available to all teachers and parents, on how to use VK for study, exchanging study materials and teacher-to-student communications.

We offered 5th-11th year schoolchildren an option to take classes with the online MAXIMUM-Education school. Classes were organised as free-of-charge streams, available live or on record, with homework and tests. In September 2020 we launched free unlimited video calls for groups of 100+ participants for studies and work.

VK regularly supports talented developers through competitions, contests and educational programmes:
- **VK Fellowship**
  In February 2020 we launched the third VK Fellowship, a scholarship programme for tutors who have created and are using their own computer science or programming course. This year we invited authors of online courses to participate, even if they do not work in an educational institution.
- **VK Fresh Code**
  In April 2020 we launched our first grant and educational programme VK Fresh Code, to reward the most talented developers of mini-apps. The prize money amounted to RUB 15 mn in total.

- **VK Education**
  In May 2020 we began cooperation with the Moscow Institute of Physics and Technology and St. Petersburg State University's Graduate School of Management by launching machine learning courses for informatics tutors.
- **VK Hackathon**
  In September 2020 we held the Vezdekod, the largest Russian two-week online hackathon for talented programmers. The five best teams won laptops, mobile devices and accessories.
- **VK Internship programme**
  Enrolment for VK's internship programme takes place on an annual basis. Successful candidates receive the opportunity to work with the VK team for a two-month period to gain new skills and to implement their own ideas. The internship is open to anyone, irrespective of age, background or IT experience, and the sole requirement is that a candidate successfully pass an exam. Interns receive remuneration, a completion certificate and souvenirs, and the best of them are offered permanent employment. The third year of internship was launched in an online format in order to expand the audience of our participants and adhere to COVID-19 restrictions.

COVID-19 pandemic response

The COVID-19 pandemic has changed our lives, businesses, economy and habits significantly and irreversibly. Throughout 2020 and 2021 all our business lines have devoted their efforts and funds to combatting its consequences and meeting government health protection requirements.

VK

During the COVID-19 pandemic, VK aimed at providing the most relevant and accurate information about the coronavirus, protect its users from fake news, and provide them with the necessary tools for entertainment, work and studies. Our team developed and launched more than 65` projects on these topics.

VK launched a specific news feed dedicated to COVID-19, which offers related news content from credible resources, like the Ministry of Health, the Russian Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing (Rospotrebnadzor), verified media, etc. The World Health Organisation launched its first official Russian public group on VK on 16 April 2020.

VK has developed a separate mini-app containing doctors' recommendations, hotline numbers, official statistics and answers to the most popular questions on the pandemic and related issues. It also lists some of the platform's services that might be helpful during the lockdown, including food orders through VK Food, games through VK Play, VK Taxi and other services.

During the lockdown period, around 20 million people visited our news feed and mini-app weekly.

OK

In March 2020, amid the COVID-19 outbreak, OK launched several initiatives to help its users get quick and reliable information on the pandemic and protection against it, and offered services to help users make the most of their time indoors:

- We launched a coronavirus news feed from verified OK groups. Only news from the Russian Ministry of Health and other official groups and official media was published on this news feed.
- Both networks joined their efforts to offer broadcasts of online concerts by both recognised artists and amateurs. In addition, artists performed regularly via OK Live.
- To support and appreciate all those staying at home, MY.GAMES, VK and OK launched various initiatives, such as the #PlayAtHome campaign, the #CookAtHome initiative, and virtual online tours of major Russian museums.
- We offered a list of online services that could be especially helpful to users during the self-isolation period, including distance learning options such as the "Online School" video service for broadcasting lectures, together with supplementary materials.
- To help small and medium businesses throughout the quarantine period, we have offered tutorials for group conference calls of up to 100 participants; and virtual call centres for group administrators.
- In August 2020, OK made it possible, in cooperation with the Doctis telemedicine centre, for users to receive a free online consultation from a therapist. All Russian citizens, including from the most remote towns, can receive high-quality medical assistance. Access to such assistance is especially relevant during the flu season and the COVID-19 pandemic. Our voice and video calls platform provides technical solutions for such video consultations.

MY.GAMES

Online games, social networks and other online resources have become the only means of communications for billions of people around the world. During the latest COVID-19 related lockdowns, MY.GAMES joined other gaming companies around the globe to support its users during these tough times.

- On 23 March 2020, together with VK and OK, we launched the #PlayAtHome initiative to remind users of the importance of staying at home. The units dedicated resources totalling RUB 200 mn, ensuring 60 mn users received bonuses and daily awards in dozens of games on the Mail.ru platform.
- The MY.GAMES Store introduced new tools for distance communications: we launched Multiprofile, allowing users to connect several accounts if several family members are playing games simultaneously.

Citymobil

During the period of self-isolation imposed in response to the spread of the coronavirus, Citymobil organised free disinfection of cars in Moscow and some other cities. Around 100,000 cars in total have been served at our disinfection points and we are continuing to offer this service. In Moscow we installed more than 500 special plastic screens in our partners' car fleet to give both driver and passenger additional protection. Citymobil also distributed 510,000 sets of medical masks, 170,000 sanitisers, 1 mn antiseptic wipes and 115,000 pairs of medical gloves free of charge to its partners in all cities where it was active.

In spring 2020, during the first wave of the pandemic, Citymobil launched a financial support programme for drivers who had to self-isolate due to contracting the virus or contact with an infected person.

Since December 2020, Citymobil has organised free online medical consultations for drivers of its partners in all regions where it is active. If the driver is feeling unwell or has the ARVI symptoms typical of the coronavirus infection, they can contact the service support service and get expert advice from a specialist online.

From 21 December 2020 to 31 January 2021, we provided free taxi rides to doctors in 12 Russian cities. We organised 800 partner cars, which brought doctors to appointments in compliance with the necessary safety measures, including to patients with coronavirus who were undergoing home treatment. Special vehicle fleets were operational in 12 cities: St. Petersburg, Yekaterinburg, Ufa, Omsk, Kazan, Rostov-on-Don, Yaroslavl, Saratov, Ulyanovsk, Chelyabinsk, Krasnoyarsk and Volgograd. In the month and a half that the initiative was active, doctors made more than 380,000 journeys.

Since March 2020, Citymobil has helped donors of blood and its components to get to 24 medical institutions in Moscow, St. Petersburg, Kazan, Rostov-on-Don, Krasnodar, Omsk and five other cities. We provided free trips to volunteers who had recovered from COVID-19, allowing them to travel to blood centres to donate plasma with antibodies. We also helped medical personnel to travel to and from work in Moscow, the Moscow Region and the Nizhny Novgorod Region free. In total, we have distributed more than 50,000 promo codes for charity trips for donors, health workers and volunteers of charitable foundations during the pandemic.

Delivery Club

During the self-isolation period imposed during the COVID-19 outbreak, food delivery became not only a way to save time, but also an opportunity to comply with the preventive measures imposed to limit the spread of the coronavirus. In March 2020, a contactless delivery function was added to the Delivery Club application, followed by the cancellation of cash payments – orders could be paid online only. As an additional support measure, at the beginning of 2020, it became possible to make cashless tips via the app.

On 6 April 2020, Delivery Club began checking couriers for coronavirus. For this, the service launched mobile teams in Moscow, who monitored the health of couriers working in different parts of the city. If at the time of the medical examination a courier displays symptoms of the disease, they will not be able to work until they have fully recovered. All couriers, regardless of the presence of symptoms during examination by the mobile groups, have been tested for coronavirus during the pandemic. In addition, Delivery Club has been aiding those diagnosed with the virus or who have been in contact with those at risk by keeping them on full pay.

In 2020 Delivery Club launched delivery of over-the-counter (OTC) drugs to its customers in cooperation with VseApteki.

More than
380,000

Citymobil

free taxi rides
for doctors

Local Kitchen

In early 2020, the industry faced unprecedented difficulties caused by the coronavirus pandemic. Local Kitchen launched Foodmarket, where we cooked and delivered food from our partner restaurants that were closed due to coronavirus measures. Part of the sales proceeds were transferred to the restaurants: 15 partners took part in the project and Local Kitchen donated more than RUB 2 mn to help them.

To support our users during the coronavirus, we promptly launched several initiatives. In April 2020 we switched to contactless delivery, and started selling "social sets": daily sets of food at an affordable price in two versions: for RUB 492 and for RUB 792. These sets have become so popular with users that we have kept them on the menu. In addition, we started selling masks and antiseptics on the app (with delivery within 15 minutes) and launched a website where we talked about what safety measures we take in our production to reduce the risk of spreading the coronavirus.

AliExpress Russia

Since the start of the pandemic, AliExpress Russia has been supplying the necessary protection and disinfection equipment. We donated 1 mn free masks and 50,000 disinfectants to the employees of Russian Post, supplied protective equipment for Russian doctors, cooperated with Citymobil to donate warm clothes and protective equipment to the Nochlezhka fund, sent 500,000 disposable protective masks to Dagestan for use by hospital staff, volunteers and doctors, and transferred protective equipment to hospitals in the Moscow Region, as well as to employees of TV channels who continued to work during lockdown (NTV, Dozhd, Moscow 24). In April 2020 we launched cooperation with the MIR payment system to donate RUB 1 from each purchase with a MIR card to the Live foundation, which provided regional doctors with personal protective equipment.

In mid-March, due to the increased demand for medical masks and disinfectants, a large number of sellers with inflated prices for essential goods appeared on various sites acting in bad faith. AliExpress Russia made an appeal to its sellers and peers to stop price manipulation.

Following the start of the self-isolation period in Russia we experienced a 60% increase in the 65+ audience. In cooperation with the chief geriatrician of the Russian Ministry of Health, we launched the #сидимдома (#stayathome) vertical for the elderly to stay safe and healthy while at home.

As part of our AliExpress Plus service we teamed up with Russian Post to offer contactless delivery for the duration of the pandemic.

Supporting SMBs

Supporting local businesses throughout the pandemic was our key priority during 2020. We invested RUB 1 bn in supporting SMBs with our key solutions, including doubling ad budgets across the VK and OK social networks. In addition, we launched a mutual project with VEB.RF for the Far East and Arctic regions. In collaboration with the Far East Development Fund we invested RUB 230 mn to support local businesses and help them grow. In October we invested an extra RUB 200 mn in order to help SMBs to develop their businesses, with bonuses for promotion on the VK Business platform.

Supporting education during COVID-19

We launched a collaboration with the Russian Ministry of Education to help schools and universities make a smooth transition to online education during the coronavirus outbreak, using the various tools that exist within our communication platforms.

These included group and messaging functionality, which allowed users to communicate, allocate tasks, broadcast live streams, hold polls, issue notifications, exchange and read files, including Microsoft Office files, without having to make any specific downloads, etc. There is also a way to set up a calendar to manage class routines, with more functionality available through a mini apps platform. OK also has functionality to hold group video calls with up to 100 participants, with audio and video call functionality available on both social networks.

Geekbrains and Skillbox have launched a number of free courses across various disciplines for students throughout the COVID-19 pandemic. The Algoritmika EdTech platform, in which MRG holds a minority stake, has done the same. Additionally, webinars and other tools will be available for teachers and students.

To assist teachers and tutors with any issues they might have with distance learning through our services, we launched dedicated hotlines on both the OK and VK social networks.

We continue to offer our help in tackling the effects of the coronavirus outbreak for communities and society as a whole, as well as the longer-term consequences, both in the business realm and beyond. These may become evident only after the virus fades from the spotlight.

our people

People are our greatest asset and our success depends on the talent, engagement and professionalism of our teams. To support their individual development, we provide them with a range of opportunities and resources to develop their skills and improve their wellbeing.

We want every employee to feel they are contributing to common goals, to feel valuable and engaged by sharing their ideas and receiving support. We see value in diversity and aim to provide an inclusive workspace for everyone. We strive to recruit people who are talented, interested in what they do, ready to create new things, curious and open to learning. The share of women among our employee base has risen from 36% in 2019 to 38% in 2020, with women representing nearly 17% of senior managers. A total of 48% of our employees are under 30 years of age, with the youngest being 17 years old, and the most senior 82 years old.

The number of total training hours has soared during the period of the pandemic to more than 1.7 mn and has shifted completely to online training.

	2019	2020
Total number of employees	6,334	8,842
Men	4,051	5 465
	64%	62%
Women	2,283	3,377
	36%	38%

	2019	2020
Average training hours per employee	3.4	193

Total number of employees by position, age and gender, for 2020:

	men		women		Aged under 30		Aged 30–50		Aged 50+	
	Number	%	Number	%	Number	%	Number	%	Number	%
Top management	30	83%	6	17%	1	0%	33	0%	2	0%
Management	875	68%	419	32%	318	4%	964	11%	12	0%
Employees	4 560	61%	2 952	39%	3 880	43%	3 582	41%	50	1%
Total employee headcount	5 465	62%	3 377	38%	4 199	47%	4 579	52%	64	1%

As of the end of 2020, approximately 5% of our total employees worked part-time. Our employees work on permanent labour contracts in our offices in Amsterdam, Limassol, Moscow, Nizhny Novgorod, Riga, St. Petersburg and Voronezh.

The start of the COVID-19 pandemic in March 2020 resulted in all our HR processes shifting online within just one week. At the start of the pandemic we switched all our offices to remote operations in order to ensure the health and safety of our employees. We continued to work remotely throughout the year 2020, and in early 2021 we launched a hybrid office programme, where we offered our teams several options of organising their work – full office work, hybrid work or full distance work.

Our HR policy

The market for professionals in our industry is highly competitive and we expect this competition to intensify, fuelled by the increasing mobility of highly skilled programmers, designers and managers. We believe it is essential for us to create, maintain and improve our corporate culture and a working environment that fosters creativity, quality, achievement and continuous learning, in order to meet the challenges we face.

Core people practices:
- Rewards – we pay competitive salaries and offer high-class social and other benefits to our employees; our incentive programmes reward high performance and focus our people on business results and teamwork.
- Working hours – we take the work/life balance very seriously and provide special activities to help manage this, including a comfortable office and remote work opportunities.
- Non-discrimination – we have zero tolerance for discrimination in any form, and this includes the process for the hiring, promoting, terminating, assessment and development of our employees. We respect all employees regardless of their gender, race or religion, and maintain a working environment of mutual respect, equality and inclusiveness.
- Development – we take the development of our people very seriously and invest money and effort to provide our teams with a maximum of useful and efficient training.
- Health and wellbeing – we aim to provide our people with a comfortable, friendly and safe office space and enhance their stay with us with additional benefits such as facilities for fitness, sport and wellbeing.

Hiring

Our hiring policy is based on the principles of equal opportunity, openness in communication and fair assessment for all candidates:
- Interviews are conducted only by qualified employees, in person or via teleconference;
- We do not discuss our applicants with other applicants or active 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.

The IT industry is predominantly associated with men working in programming, designing and testing services, and 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. In 2020, 42% of our new hires were women.

We actively invite students and graduates to become Mail.ru Group interns or employees. Our partnerships with major technical universities and IT championships allow us to work with bright and talented young people and to offer them competitive employment.

Since March 2020 we have hired approximately 3,400 newcomers through online-only procedures, under which job interviews, paperwork, onboarding sessions and equipment distribution were carried out remotely.

Thanks to all our efforts, turnover in 2020 declined to 12% versus 14% in 2019.

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401-1 Total number of new hires by position and gender:

	2019				2020			
	men		women		men		women	
	Number	%	Number	%	Number	%	Number	%
Top management	3	60%	2	40%	3	100%		0%
Management	134	69%	59	31%	120	57%	90	43%
Employees	1 371	63%	801	37%	2 161	58%	1 550	42%
Total employee headcount	**1 508**	**64%**	**862**	**36%**	**2 284**	**58%**	**1 640**	**42%**

406-1 To our knowledge, our Group has had no incidents of discrimination, nor have we had to take any action in response to an incident of discrimination.

Learning and development

We believe that learning is essential to maintain highly motivated and happy teams, so we support our employees' learning initiatives and organise various internal meet-ups, training sessions, conferences and seminars for our people, with the goal of nurturing talent for our future development needs.

To facilitate this process in 2020 we launched an internal learning platform called WORK ("Internal Learning and Development with the Company"), where all training courses are summarised according to area, and each employee can construct their own learning path.

Training sessions include not only professional skills, but also soft skills and foreign languages.

In 2020 we re-launched our mentoring programme, under which each new employee can be assigned a "buddy" – an experienced employee to help with adaptation and further career development.

401-1   Number of learning hours by position for 2020:

	2020			
	men		women	
	Number	%	Number	%
Top management	5 853	83%	1 171	17%
Management	168 952	68%	80 964	32%
Employees	880 070	61%	569 675	39%
Total learning hours	**1 054 875**	**62%**	**651 810**	**38%**

As a result of the pandemic and subsequent self-isolation periods we shifted all learning to exclusively online formats, delivering 107 company-wide training sessions and 102 training sessions for managers, totalling 3,942 participants in 2020. Our people used the pandemic period and time saved on commuting for additional training and development, especially management skills, time management, expert knowledge and foreign languages.

Employee assessment

404-3 An annual performance assessment is in place for certain teams and employee grades. Assessment procedures are used for annual promotions and bonus programmes. In 2020 we remodelled our assessment process to an online–only format, as our employees communicated the importance of ongoing feedback during this especially hard period. Managers provided feedback to 38 teams and 3,090 team members (35% of the total employee headcount) on a regular basis.

Compensation and benefits

401-2 We provide significant benefits to all our employees. Our compensation package includes:
- Health insurance for all employees, with a voluntary health insurance plan available for relatives and children at corporate rates
- International travel insurance
- Free consultations with a physician, masseur and psychologist at the Moscow office; with a physician at the St. Petersburg office
- Corporate tariffs for mobile phones
- Paid annual leave (28 calendar days)
- Maternity leave in accordance with local labour regulations, regardless of the length of service
- Reimbursement for the costs of professional certificates, licenses, and external courses
- In-house courses in foreign languages
- Comfortable office kitchens with refrigerators, microwave ovens and coffee machines (cookies, tea, coffee and milk are free of charge)
- Juice bar with fresh fruit, vegetables and juices
- Office gym and showers
- Parking slots for personal cars
- Laptops, monitors and other IT equipment for employees
- Employee discount programme (education, health and beauty, shops, fitness clubs, dry–cleaning, children's activities, concerts, etc.)
- Corporate parties and events for employees' children, with corporate gifts
- Opportunities for distance work with online IT support

We have put in place a Performance Stock Unit (PSU) plan for our employees, which is governed by our Mail Employee Benefit Trust (see also the Board and Management Remuneration section in our 2020 Annual Report).

401-3 We support our employees while they are on maternity leave and encourage their return to work. The total number and ratio of employees returning to work after parental leave are as follows:

	2019	2020
Number	40	46
%	65%	61%

Lifestyle, health and sport

403-6 As all offline activities, including sports and team events, came to a halt in 2020, we shifted our efforts to online activities. We carried out 500 family events with more than 5,000 attendees from April to December 2020. More than 10,000 participants in total attended online sports lessons.

More than 3,000 employees participated in 54 online team-building events. We organised 11 major online events for our people: we played theme quizzes, cooked breakfasts with Eggsellent, discussed movies with the Russian film critic Anton Dolin, and streamed our birthday and New Year parties online, with more than 5,000 employees attending.

During the COVID-19 pandemic we added new ways of support for employees, continuing to date, including:

- Legal and finance support hotline for all employees
- 14 days of fully paid sick leave
- Paid taxi costs for all employees officially required to work from the office
- Extended medical insurance programme to cover critical illnesses
- Online consultations with specialist doctors
- Online counselling sessions with psychologists
- Support hotline for COVID-19 issues for employees, including constant monitoring of all infected employees and assistance with hospitalisation. Employees could use hotline for assistance for their family members as well.

Our HR team monitors job safety and compliance with labour protection requirements. There have been no job-related injuries or illnesses among our employees over the last three years.

Listening to our people

102-43 We are constantly open to feedback from our people on various topics, from office life to charity initiatives. Our HR team responds quickly to requests, ideas, complaints and suggestions. We welcome all ideas, requests and suggestions from our employees via our intranet service and always update the initiator on the status of the request.

In 2020-2021 we carried out six Group-wide pulse surveys to assess the mental health and wellbeing of our employees and get their feedback on the effectiveness of business processes and workflow management, teamwork effectiveness, involvement and loyalty, additional needs and requirements for remote work. We organise town hall meetings with senior management to discuss the most relevant issues – from distant work to vaccination – and hold 360Degree sessions with heads of various business units to give our employees more details on the operations and plans of these units.

Employees can contact the Service of Trust Hotline to solve any issues related to compliance with the Code of Business Conduct and Ethics and corporate conflicts, receive assistance in cases when an employee has suffered from abuse of office, and report violations of the requirements of the Compliance Policy or the Conflict of Interest Management Policy. When contacting the whistleblowing hotline, employees may choose not to submit their data (e-mail) for feedback purposes. Informants benefit from our protection against all forms of persecution. The whistleblowing hotline is operated by a reputable third-party provider that guarantees the anonymity of all messages submitted. Reports are reviewed by the risk committee, which appoints an assignee for each report and follows up on the results. The hotline reports we receive generally relate to HR and interpersonal issues and are dealt with appropriately.

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environment

Environmental impact

Our Group 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.

The majority of the data centres we own or rent are of Tier III level. We use uninterruptible power supplies (UPS) for our servers of level 80+ Platinum and above only.

In 2020 we launched our first installation with direct chip cooling for 200 high-TDP CPUs. We hope this advanced technology will help us effectively adopt the latest CPU and GPU generations with a TDP of more than 300W. We are planning to scale this system by 400% in 2021.

In January 2020 we put into operation a warehouse heating system for 1,600 sq. metres, which uses low-grade heat from server equipment.

307-1 We have not received any penalties and sanctions for failure to comply with local environmental laws.

Energy

The amounts of data carried across various networks, both national and cross-border, have increased immensely over the last two decades as more and more digital services appear in our lives. This increase will inevitably continue for the foreseeable future as the growth of digital communications speeds up. We will use more energy to meet growing demand from our users as we invest in our infrastructure.

We depend on on-grid power sources for all our energy needs, and most of these generating stations burn fossil fuels to produce electricity for our data centres, office buildings and other premises.

In order to compensate for the growing demand for energy, we are introducing new energy-efficient equipment and implementing energy efficiency programmes. In our efforts to reduce power consumption, we:
- are switching to LED lamps in our office premises;
- regularly replace equipment for more energy efficiency;
- use energy-efficient IT equipment and UPS of at least 80+Platinum level.

302-1 Volume of energy resources used:

Consumption Energy consumption:	2019	2020	units
electricity consumption[1]	173,474	178,381	MWt*h
heating consumption	57,140	80,216	Gkal
diesel fuel	18,572	15,459	litres

1   As part of our process of improving data collection procedures we collected more accurate information on electricity, fossil fuel and refrigerant consumption. For this reason we have restated comparative amounts for 2019.

This data is presented for core business only and excludes joint ventures.

Water consumption

Our operations do not have a direct impact on water intake; water is used for office needs only. The YOY decrease in consumption in 2020 is a result of the shift to out-of-office work.

Water consumption	2019	2020	units
I. from natural resources	1,579	–	m3
II. from water service companies	50,448	22,306	m3
III. water discharge through service companies	52,023	22,306	m3

Emissions of greenhouse gases

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. GHG Protocol defines the following scopes:
- Scope 1 – direct emissions, from sources owned or controlled by the Group (combustion of oil and gas within our facilities);
- 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.

305-1 EMISSIONS OF GREENHOUSE GASES[1]

Emissions	2019	2020	Units
Direct emissions	460	473	CO2, tonnes
Indirect emissions	80,158	82,425	CO2, tonnes

This data is presented for core business only and excludes joint ventures. The types of gases included in the GHG emissions assessment were CO_2, CH_4, N_2O and HFCs (hydrofluorocarbons). Calculation of biogenic CO_2 emissions and calculation of other greenhouse gases are not relevant to our operations. For Scope 2 emissions assessment a location-based method was used due to the regional limitations on data availability for a market-based method.

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1   GHG emissions were calculated in accordance with the requirements of GHG Protocol Corporate Accounting and Reporting Standard, and GHG Protocol Scope 2 Guidance. The sources of emissions factors used for GHG emissions calculation were 2006 IPCC Guidelines for National Greenhouse Gas Inventories and the IEA 2020 emission factors. The GWPs were retrieved from the IPCC's Assessment Report 5.

Waste

306-2   We have contracts with domestic waste disposal companies, which are responsible for the full cycle of processing waste after it is removed from our offices: sorting and secondary raw material production, recyclable waste management, providing reporting documentation. The YOY decrease in numbers in 2020 is a result of the shift to out-of-office work.

Waste	2019	2020	units	Circulation method
Hazardous (luminescent lamps)	720	119	Un.	Utilisation through third parties
Medium-hazardous: used cartridges, batteries, discs	703	500	Kg	Utilisation through third parties
Low-hazardous	150	61	Kg	storage at landfill site
Non-hazardous	1,105	482	m3	storage at landfill site
Recycled waste (paper and cardboard)	1,775	870	kg	recycling

Disposal of equipment

When disposing of equipment, we usually either sell the obsolete devices to other companies on a competitive basis or make agreements with specialised recycling companies. These specialised service providers take the equipment from our premises and data centres to dedicated facilities, where it is disassembled and sorted. The final metal scrap is sold by a recycling company, which will take charge of its further recycling. In 2020 we transferred approximately 77.6 tonnes of used equipment to such recycling companies and sold 8,832 units to third parties.

Environmental initiatives

While designing the new phase of our data centre in St. Petersburg (planned for launch by the end of 2021) we applied direct free cooling technology in combination with DX. Free cooling is a highly efficient method that uses outdoor air to cool the data centre, considerably reducing total energy consumption. The projected PUE (power utilisation efficiency) level for this new phase at its full capacity will not exceed 1.3. In 2021 we also plan a test run of an unrivalled closed-loop cooling system. Later this may help us to create our own high-density rack solution.

In all our offices we have introduced containers to collect recyclable paper and used batteries, we use energy-saving light bulbs and have opted for biodegradable cutlery and coffee cups in our office kitchens.

We are also making efforts to consume less paper in our daily operations: we have switched to signing documents confirming updates in labour legislation electronically.

Please refer to the Partnerships section above for a description of our foodtech ecological initiatives.

about this report

Reporting principles

`102-46, 102-51, 102-54` The purpose of the report is to inform our wide circle of stakeholders of the Group's targets and sustainability efforts. In our reporting, we aim to expand both our transparency and our coverage. To help ensure compatibility with other organisations, our report has been prepared in accordance with the Global Reporting Initiative's GRI Standards, Core Option, with industry specifics and best industry practices.

`102-52` The data published in this report has been collected through various internal reporting systems and consolidated on an annual basis for the purposes of sustainability reporting.

`102-46` While writing this Report, we followed the Reporting Principles for defining report content as contained in the GRI Standards by:
- Approaching stakeholders and responding to their interests and expectations in this report;
- Disclosing information on the Company's practices in a broad sustainability context;
- Covering all the defined material topics;
- Providing enough information to reflect the economic, environmental, and social impact of the Company.

Reporting boundaries

`102-50` All information presented in this report, except Chapter "on Environment", covers Mail.ru Group and its subsidiaries as described in the consolidated entities list in the Group's financial statements and covers the period from 1 January 2020 to 31 December 2020. Environmental and personnel data is presented for core business only and excludes joint ventures.

Stakeholders

`102-40, 102-42, 102-43` We consider all parties influencing our Company or affected by it to be our stakeholders. We frequently engage with stakeholders in ongoing dialogue, including with employees, counterparties, shareholders, governmental and nongovernmental organisations, and users. We believe that working with stakeholders who represent diverse perspectives enhances our ability to identify opportunities and find solutions to some of our most active challenges, to learn what is important to them and how they would like to see us tomorrow. In March 2020 we held a meeting of the Board of Directors to discuss our interaction with stakeholders and confirm the principal vectors of our ESG approach.

We report on the development of ESG matters to the Board of Directors and its committees.

`102-40, 102-42, 102-43, 102-44` The table shows whom we view as stakeholders and how each of them influences our decision-making process.

Stakeholder	Key Concerns of Stakeholders	Communication Channel	Our Strategy
Users	Service quality	Email correspondence with user support services	Open communications with our users on various issues
	Personal data security and privacy	Comments on forums and official pages	Prompt responses to requests – addressing users' voices
	Cost of services		Provision of information on privacy and security via our websites
Shareholders & Investors	Financial results	Investor relations meetings & conference calls	Stable financial results generation
	Risk and opportunity	General shareholder meetings	Regular and prompt information updates via corporate website and mailings
	Information sharing and transparency	One-on-one meetings	
	Sustainability issues	Corporate website	
Employees	Employment, remuneration and social benefits	Internal corporate website	Comfortable work environment
	Training and career development	Newsletters	Open and honest organisational culture
	Workplace health and safety	Reporting systems (conflict of interests, whistleblowing hotline)	Satisfaction surveys
	Labour relations		
Suppliers & Partners	Fair trade	Supplier and partner meetings	Open access to our tender platform
	Transparent procurement procedures	Procurement hotlines	Policies and procedures for suppliers
			Clear pricing rules for partners
Communities & Society	IT education initiatives	Interaction with schools and universities in person and online	Enhancement of existing and development of new educational projects
	Charity and other benevolent activities	Public announcements and charity newsletters	Charity promotion activities
	Local recruitment		
Government authorities	Financial results and growth	Personal meetings	Compliance with laws and regulations as prescribed by laws of relevant jurisdiction
	Compliance with laws and regulations	Participation in industry meetings	Active participation in industry associations
	Industry initiatives for developing digital initiatives	Membership in industry and related associations	

We interact with all our stakeholders on a regular basis in order to swiftly identify and properly address any issues, initiatives and related consequences.

Contact information

102-53 All requests with regard to the information contained in this report and related ESG activities should be addressed to Tatiana Volochkovich, director of investor relations, at +7(495)7256357 and esg@corp.mail.ru

Availability of this report

This report was published in August 2021 and is only available via our corporate website. We have opted not to issue the report in any paper formats.

GRI Contents Index

102-55 The following index refers to the Global Reporting Initiative's standards, which provide a set of voluntary indicators on the economic, environmental, and governance impacts of a company's performance.

Number of disclosure	Title of disclosure	Location of disclosure	Additional comments
102-1	Name of the organisation	Front page	
102-2	Activities, brands, products, and services	Our products and services	
102-3	Location of headquarters	About us	
102-4	Location of operations	About us	
102-5	Ownership and legal form	About us	
102-6	Markets served	Our products and services	
102-7	Scale of the organisation	People; Our products and services; Financial results	Find details on financial and operating results in the 2020 Annual Report.
102-8	Information on employees and other workers	People	
102-9	Supply chain	Supply chain	
102-10	Significant changes to the organisation and its supply chain		There have been no significant changes in the Company's size, structure, ownership, or supply chain within the last year.
102-11	Precautionary principle or approach	GRI Contents Index	The Company integrates a precautionary approach in its risk management system.
102-12	External initiatives		We are a signatory member of the Anti-Piracy memorandum.
102-13	Membership of associations	About us	
102-14	Statement from senior decision-maker	Chief Executive Officer statement	
102-16	Values, principles, standards, and norms of behaviour	Sustainable business strategy	
102-18	Governance structure	Charters and policies	

Number of disclosure	Title of disclosure	Location of disclosure	Additional comments
102–19	Delegating authority	Sustainable business strategy	
102–20	Executive-level responsibility for economic, environmental, and social topics	Sustainable business strategy	
102–26	Role of highest governing body in setting purpose, values, and strategy	Sustainable business strategy	
102–40	List of stakeholder groups	Stakeholders	
102–41	Collective bargaining agreements	GRI Contents Index	The Company does not have collective agreements.
102–42	Identifying and selecting stakeholders	Stakeholders	
102–43	Approach to stakeholder engagement	Listening to our people; Stakeholders	
102–44	Key topics and concerns raised	Stakeholders	
102–45	Entities included in the consolidated financial statements	About us	
102–46	Defining report content and topic boundaries	Sustainable business strategy; Reporting principles	
102–47	List of material topics	Sustainable business strategy	
102–48	Restatements of information	GRI Contents Index	
102–49	Changes in reporting	GRI Contents Index	
102–50	Reporting period	Reporting boundaries	
102–51	Date of most recent report	Reporting principles	
102–52	Reporting cycle	Reporting principles	
102–53	Contact point for questions regarding the report	Contact information	
102–54	Claims of reporting in accordance with GRI Standards	Reporting principles	
102–55	GRI content index	GRI Contents Index	
102–56	External assurance	GRI Contents Index	Internal quality control performed by the Company. The Report has not been externally assured.
201–1	Direct economic value generated and distributed	Financial results	Find details on financial and operating results in the 2020 Annual Report.
203–1	Infrastructure investments and services supported	COVID-2019 pandemic; Promoting IT education	

Number of disclosure	Title of disclosure	Location of disclosure	Additional comments
204-1	Proportion of spending on local suppliers	Supply chain	
302-1	Energy consumption within the organisation	Energy	
303-3	Proportion of spending on local suppliers	Supply chain	
303-4	Water withdrawal Water discharge	Water consumption	
305-1	Water withdrawal	Water consumption	
	Water discharge	Water consumption	
305-2	Direct (Scope 1) GHG emissions Indirect (Scope 2) GHG emissions	Greenhouse gas emissions	
306-2	Waste by type and disposal method	Waste	
307-1	Non-compliance with environmental laws and regulations	Environmental impact	
401-1	New employee hires and employee turnover	Hiring	The Group analyses data by gender only. No analysis is performed by age group or region.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and benefits	Benefits are provided to all employees regardless of their employment type.
401-3	Parental leave	Compensation and benefits	
403-6	Promotion of worker health	COVID-19 pandemic; Lifestyle, health and sport	
404-1	Average hours of training per year per employee	Learning and development	
404-3	Percentage of employees receiving regular performance and career development reviews	Employee assessment	
405-1	Diversity of governing bodies and employees	People	
413-1	Operations with local community engagement, impact assessments, and development programmes	Supporting charity development in Russia; Promoting IT education	

Number of disclosure	Title of disclosure	Location of disclosure	Additional comments
415-1	Political contributions	Responding to government requests	Mail.ru Group remains politically neutral. At no time do we support, directly or indirectly, any political party or ideology. In the event that we believe certain legislative initiatives should be reconsidered, we are dedicated to providing an evaluation of the issue to the authorities, based upon our expertise.
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Internal controls for data security	

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