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WE CREATE  
SUSTAINABLE  
VALUE

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RZB Group Sustainability Report 2011/2012

*Angela*



# RZB Group Sustainability Report 2011/2012

# Contents

<b>Foreword and interview</b>	<b>04</b>
<b>Overview</b>	<b>09</b>
About the report	09
The significance of cooperatives	11
Ownership relations and structure	12
About RZB AG	13
About RBI Group	14
Sustainable commitment, artistically realised	15
<b>Values and principles</b>	<b>17</b>
Solid fundamental values	17
RZB Group principles	18
<b>Strategy and stakeholders</b>	<b>25</b>
<b>Sustainability management and corporate responsibility</b>	
Sustainability vision	25
RZB Group sustainability strategy	27
Our identity as designers of sustainable development	29
Group-wide sustainability management	30
Organisational anchoring of sustainability	32
Materiality	33
Stakeholder involvement	38
Stakeholder Council	40
Stakeholder online survey	46
<b>Responsible banker</b>	<b>49</b>
Business strategy	49
Governance and compliance	50
Value creation	53

Responsibility in the core business	54
Product responsibility and ecology	60
Future outlook and sustainability programme	63
Reports from the Austrian participations	65
<b>Fair partner</b>	<b>71</b>
Fair business and operating practices	72
Human Resources	73
Responsible marketing and transparent disclosure	85
Stakeholder management	86
Inhouse ecology	87
Future outlook and sustainability programme	99
Reports from the Austrian participations	102
<b>Engaged citizen</b>	<b>105</b>
Sustainable entrepreneurship	106
Supported projects and initiatives	111
Corporate volunteering	125
The Raiffeisen Climate Protection Initiative	129
Future outlook and sustainability programme	134
Reports from the Austrian participations	136
<b>GRI index and certificate</b>	<b>139</b>
GRI content index	139
Assurance Statement	143
Glossary	145
Abbreviations	149

# Foreword

## Dear readers,

When Friedrich Wilhelm Raiffeisen founded the first cooperatives in the middle of the 19th century, his actions were already shaped by the principles of sustainability. He recognised early on that helping people to help themselves was a key factor for success. The goal in this was not short-term profit, but supporting the members. These efforts can be summarised in a single sentence: "The future is shaped by those who are willing to assume responsibility for it today."

The values of the social reformer Raiffeisen still form the basis for the RZB Group's actions today, both as a company and with respect to our social responsibility. For this reason, we are very pleased to present you with the RZB Group Sustainability Report for 2011 and 2012. The EU Commission's proposal for compulsory reporting of non-financial developments, projects and initiatives for companies with more than 500 employees is still at the draft stage, but for us, reporting on the RZB Group's sustainability achievements is an essential and well-established part of our dialogue with our stakeholders. In this report, we set out how we are currently meeting our corporate responsibility and how we intend to do so in the future.

Banks in particular, because of their core business – issuing loans and developing investment products – have significant leverage at their disposal, which they can use to actively participate in shaping society and the economy. The RZB Group, through its lending and investments, holds a key responsibility and at the same time has the opportunity to sustainably develop the regions in which it operates. Furthermore, within our sphere of influence, we are committed to the issues of environmental and climate protection, as well as the realisation and promotion of human rights.

The RZB Group's business activities are built on a customer relationship of trust and appreciation, a relationship that is a fair partnership. Our top priority is preserving the trust that our customers and stakeholders have placed in us.

Another important issue in this context is data protection. This is why we continuously invest in the security of all our customer data, so that we can do justice to the trust placed in us.

The RZB Group operates in a responsible manner, in order to safeguard and increase its company value in a way that is sustainable. We see an increase in value as being an all-encompassing creation of value, in which economic, ecological and social responsibilities form a unified whole, in line with our motto: "We create sustainable value".

For this reason, our longstanding commitment to sustainable business development has grown even more extensive and purposeful in recent years. We determined our focal points accordingly in 2011 and 2012, and laid the necessary organisational groundwork: in order to efficiently achieve our sustainability goals, the "Sustainability Management" department was established at Raiffeisen Zentralbank Österreich AG at the start of 2012. This department is now the central strategic and operational hub for our group-wide sustainability management. At the same time, the RZB Group Sustainability Council's role as an advisory body was strengthened. It is an organisational component of our sustainability governance and sustainability management, replacing the former "Extended CR Committee" as of October 2012, and supporting operational management in aspects of corporate responsibility relating to strategy and content. Additional focal points were an intensification of stakeholder involvement as an important core process of our sustainability considerations, as well as the continued systematic integration of sustainability aspects into all of our business activities.

So that we can also measure our progress in the area of sustainability, we are working on implementing a web-based sustainability monitoring tool. This will allow us to perform benchmarking in various segments in the future.

We also want to increase our employees' knowledge of the subject of sustainability. And so in the last year, for the first time, we developed and established an in-house sustainability training course which is specially tailored to the financial sector.

Last but not least, since 2010 we have been committed to the ten principles of the UN Global Compact, the largest corporate responsibility and sustainable development initiative in the world.

Banks today face a number of challenges. In a difficult environment, we have been, and still are, called upon to tackle the global and local challenges of sustainable economic and social development, and to integrate them into our business processes.

As the RZB Group, we have proved, not least in 2011 and 2012, that we still know how to cope with difficult underlying conditions, particularly the sharp increase in regulatory requirements. For example: in the autumn of 2011, the European Banking Authority instructed around 30 major European banks - including ourselves - to achieve a "hard" core capital ratio of at least nine per cent within seven months. Originally, according to the Basel III regulations, this level of capital did not have to be reached until 2017. For the RZB Group, this meant the not inconsiderable challenge of raising more than € 2 billion of additional capital on a short timescale. We succeeded - under our own steam, and without our customers suffering any disadvantage because of it.

It is clear from this example already: we have made it through some difficult years. Many economic indicators also suggest that the times ahead will not be much easier. However, the RZB Group has a stable foundation, thanks to our business model which is broadly diversified in terms of customers, products and regions.



This report testifies to our efforts to promote initiatives relating to sustainability in all three of these areas. In many cases we have already made great progress. But we are also aware that a long path lies ahead of us. And so we will continue to bear in mind that, in the words of Johann Wolfgang von Goethe: "Success has only two letters: DO."

And: we are counting on you to continue to accompany us on the path of sustainability!

We would also like to inform you of a change in the Managing Board of our most important subsidiary, Raiffeisen Bank International AG: on June 7, 2013, the Supervisory Board accepted Herbert Stepic's offer of resignation, for personal reasons, from the RBI Managing Board. Karl Sevelda, previously the Deputy CEO and board member responsible for corporate banking, was unanimously elected by the Supervisory Board to be the new Chief Executive Officer, with Johann Strobl, the board member responsible for risk, becoming his deputy.

Finally, I would like to thank not only the sustainability management team, but all those employees who ensure through their commitment that we continue to pursue the path of sustainability that we have chosen. As the Raiffeisen motto goes: Many can achieve what one alone cannot.

Walter Rothensteiner  
Chief Executive Officer and Chairman of the Managing Board  
Raiffeisen Zentralbank Österreich AG

# Interview

## Interview with the new RBI Chairman of the Managing Board Karl Sevelda

As the successor to Herbert Stepic, who tendered his resignation in May 2013, Karl Sevelda will head RBI AG until mid-2017. The following questions and answers outline what is important to him and how he will go about leading RBI AG as its new CEO.

**Your appointment will not have surprised many people. How long have you been active for the Group, and where has your focus been up to this point – what roles do you perform?**

I have been active in the Group for fifteen years now, and was Deputy Chairman of the Managing Board of RBI AG from 2010 onwards. I've been active in the banking sector for 35 years overall. My main focus has always been Austrian corporate banking.

**Who is Karl Sevelda? What do you do in your spare time?**

As for my personal life, I am married for the second time and have a daughter from my first marriage, and one grandchild. I keep myself fit and still feel "young" even at 63 years old. I am persevering, and can be stubborn. My hobbies include music (opera), cycling and hiking, and also travelling. Unfortunately there is never enough time to spend on these things.

**How would you describe your management style generally? What are you doing to remain down-to-earth as the head of RBI AG?**

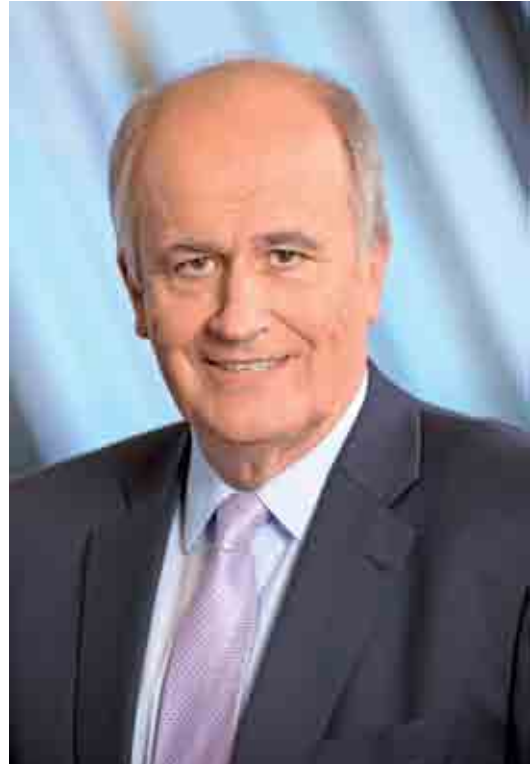
I always try to convince people to work on something collectively, so that everyone can contribute to it and ultimately make it a reality. I am a cooperative team player; I like to collaborate when I work on solutions to problems and implement them. Of course, this isn't always possible. Sometimes you need to make quick and clear decisions, on your own if necessary. Outside of the bank, I also have a close circle of friends who make critical comments and keep my feet on the ground when required.

**What is the most important aspect of your job?**

Banking is a service industry. So for me, it's people that are the most important aspect. Even as the boss, I still like to have two to three conversations with customers every week.

**You are known for your commitment to social causes. What significance do projects such as "Dialogue with Itete" (schooling for children and the development of an agricultural business in Tanzania) have for you personally?**

I see it as a great opportunity to transfer Friedrich Wilhelm Raiffeisen's principles to the present day. The project is a perfect fit for Raiffeisen because it helps people to help themselves, and so I have been very happy to attend to this project. The purchase of even a single tractor can provide the basis for sufficient and valuable nutrition for an entire village community. In the village of Itete, in the south of the country, there are many people living below the poverty line. Children whose parents have died of AIDS or malaria live in especially deep poverty.



### **Will you introduce a change in strategy for RBI AG?**

My selection as Chairman of the Managing Board is also a vote of confidence in the course that we have taken in recent years. After all, past decisions relating to the Group were taken collectively by the Managing Board as a whole, including myself. Herbert Stepic is one of this country's greatest bankers, and he has left the house in good order. Nevertheless, there are some issues that require our attention. In countries such as Austria, Russia, Poland and the Czech Republic, we would like to see the bank grow in future. In markets where I do not see any potential, there will be a reduction in the volume and the scope of business. On the cost side, we will make some areas less loan-intensive, and offer other banking products instead. The goal is to achieve a return on investment of 15 per cent in three to five years. It is also important for us to use synergies to greater effect.

### **What role does sustainability play in your considerations regarding RBI's future strategy?**

A vital one, without a doubt. Apart from the fact that the role of sustainable business will become increasingly important in future, there are already individual elements that we could not imagine being without today. Factors such as the evaluations made by sustainability ratings agencies play an increasingly significant role for investors. As a listed company, RBI AG is this year once again one of only 21 companies to be listed in the Vienna Stock Exchange's first Austrian sustainability index, the VÖNIX.

### **In future, as part of sustainability management, the focus will be placed on the core business. What do you think of this development?**

After 35 years in the banking sector, the core business is naturally a fundamental part of my remit. It's well known that if you don't evolve, you don't just stay put, you actually fall behind. I see it as a positive thing that the Sustainability Working Group is already working on developing a wide range of policies and guidelines. To begin with, the issue is to integrate criteria relating to sustainability into the lending process. Additionally, we want to produce a guideline document that sets out the way we handle over-indebted customers. If difficulties arise with servicing the loans, we look at each case individually and assess how the customer can be helped within financially justifiable limits.

### **In this report, the sustainability initiatives of the network banks are integrated more extensively than before. Is this a step towards viewing the sustainability agendas more as a single entity?**

Yes, definitely; we are continuously developing. Sustainability management is, and will remain, an on-going process. Just in the last year, we appointed Sustainability Officers in the network banks. Each officer acts as a point of contact between the operational departments at the respective network bank and the Sustainability Management team at our head office in Vienna. But the officers are also the contact persons for all sustainability-related issues, and they coordinate and communicate on these issues within the company.

### **In your new position, you are also member of the RZB Group Sustainability Council. Which of the planned measures do you particularly welcome?**

We have already implemented a great number of important projects in recent years. Of the measures that are now planned, the introduction of the web-based sustainability monitoring tool (called "MoNa" for short) is particularly close to my heart. Because it is well known that if you can't measure something, you can't manage it. It will be rolled out in German, and therefore only in Austria initially, but the network banks will follow soon after. Once it has been introduced we can perform benchmarking for the first time from Bratislava to Vladivostok.

### **How important for you is the involvement of stakeholders as part of a comprehensive approach towards sustainability management?**

With people playing such an important role in my view, I am convinced that you cannot act in a sustainable manner without dialogue with one's stakeholders. The Stakeholder Council, already a tradition in our company, will convene once again in 2013. And I am already looking forward to being available to hear and answer the questions of the stakeholder representatives. This forum for dialogue provides the framework for distilling the most essential issues and content on the subject of sustainable development and corporate responsibility. The wide-ranging perspectives of the stakeholders show us their very concrete expectations, which is an exciting thing. Ultimately this information provides us with the basis for determining our next steps.





USEFUL  
INFORMATION  
REGARDING THE  
SUSTAINABILITY  
REPORT

14"

# Overview

## About the report

In this Sustainability Report we assess the economic, ecological, and social impact of our business activities in 2011 and 2012, and set out our current activities in the field of sustainability. The goal of the report is to provide a comprehensive account of how the RZB Group has met its sustainability objectives during this reporting period, and what it plans to implement and improve upon in the future with regards to sustainability. The report sets out the new group-wide sustainability strategy, together with corresponding management approaches and measures, and describes specific sustainability activities that have been carried out during the reporting period. In addition, we present our sustainability programme for the next reporting period. The reporting period follows on seamlessly from the RZB Group report on social responsibility for 2009 and 2010.

The Sustainability Report is addressed to all stakeholders of the RZB Group, as shown on our Stakeholder map (see page 38). Many stakeholders were involved in selecting the most important topics for this report. We refer you in particular to the chapters on Stakeholder involvement, page 38, and Materiality, page 33.

The Sustainability Management department is your point of contact concerning this report. Comments, ideas and suggestions for improvements can be sent to the following email address: [nachhaltigkeitsmanagement@rzb.at](mailto:nachhaltigkeitsmanagement@rzb.at)

### GRI Level B+

This report was produced on the basis of the internationally recognised GRI G3 guidelines on sustainability reporting and fulfils the B+ Application Level. In addition, selected indicators of the associated Financial Sector Supplement are used (reporting guidelines version 3.0, financial sector specific supplement of 2008).

### Verification of the report's contents

The contents of this Sustainability Report have undergone external examination by Lloyd's Register Quality Assurance (LRQA) (see page 143). LRQA has examined the accuracy, completeness, comparability, clarity, and relevance of the environmental and social data in the Sustainability Report, in accordance with the GRI G3 standard.

### Materiality and presentation of the information

This report contains information describing the specific effects of a bank on the economy, society, and the environment. The contents of the report were selected using the principle of materiality. On the basis of a materiality analysis, which for the first time included a comprehensive online survey, we evaluated the internal and external sustainability requirements and expectations that the RZB Group is subject to, and combined them in a materiality matrix. The materiality analysis is intended to ensure that the contents of the report cover any themes and indicators that could influence the appraisals and decisions of internal and external stakeholders. In order to assess the report's materiality and determine its contents, the following aspects were considered by the RZB Group:

- Relevance to strategy and management
- The results of the dialogue with stakeholders and the online survey, which we combined in a materiality matrix
- Disclosure requirements set by financial analysts, ratings agencies, institutional investors, and the like
- The principles of the UN Global Compact

The report considers the subjects that we identified as essential, that reflect the expectations of our stakeholders, and that represented the focus of our commitment of the past two years.

## Scope of the report, and data gathering

We have expanded the scope of the report compared to the Sustainability Report of 2010. The report's scope includes Raiffeisen Zentralbank Österreich AG (RZB AG), Raiffeisenbank International AG (RBI AG) and the 15 network banks in Central and Eastern Europe (CEE). RZB AG is the central institution of the Raiffeisen Banking Group in Austria (RBG) and acts as group head for the entire RZB Group, including RBI AG. You can find more information on the structure of the entire RZB Group on page 12.

Compared to the 2010 Sustainability Report, we have increased the number of reported GRI indicators (by adding selected indicators from the GRI Financial Sector Supplement, amongst others) and report more comprehensively within the RZB Group on the key figures, particularly those of the network banks. We also make reference to specific topics and sustainability initiatives that were important during this reporting period. For instance we report on selected sustainability initiatives of the participations of RZB AG beyond RBI AG and its 15 network banks, where a significant and qualified influence exists. These holdings may not fall directly within the scope of the report, but they are of strategic importance. Furthermore, these companies are members of our most important sustainability platform – the Raiffeisen Climate Protection Initiative.

Operational key performance indicators are not considered because it is not currently possible to gather complete and standardised data for all companies in which the RZB Group has a participation.

### Economy

The information on economic circumstances which is contained in this report is primarily based on the information in the 2011 and 2012 annual financial reports of the RZB Group and the RBI Group. The information and data contained therein, from which parts were taken for this report, have been examined by external auditors. Further information can be found in the relevant annual financial reports.

### Ecology

Data relating to inhouse ecology contained in the report was gathered and consolidated for RZB AG and RBI AG with the help of the Standard for Environmental Reporting at financial service providers of the Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. [VfU, Association for Environmental Management and Sustainability in Financial Institutions] (VfU key figures gathering and calculation file, version of January 2011, updated October 18, 2010). For the first time, the relevant data from the RBI Group's 15 network banks was gathered as far as possible by means of a standardised questionnaire based on the VfU key figures form.

### Employees

Employee data is gathered using the Cognos software which is standardised across the Group. Additional data published in the report was gathered by means of standardised questionnaires and discussions with individuals.

## Comparability of the information

This Sustainability Report is the third such report to be published by the RZB Group. Comparability between the 2012 and 2010 reports is ensured in its essential aspects by our use of the GRI G3 Reporting Standards. We plan to increase comparability between the annual sustainability reports in future. With the gradual implementation of the new web-based sustainability monitoring tool "MoNa" which is currently planned, it will be possible to gather and present all essential GRI key figures. As part of this improvement to the comparability of data, we intend from 2013 onwards to publish the last three financial years in each case. This means that the reporting will feature an overlapping year, already included in the key figures of the previous report. This will make it easier for stakeholders to compare and evaluate our progress over the course of time.

## Wording

Where possible, terms are used that are not gender-specific, so as to preserve readability and the flow of the text. Where the male form is used (such as “he” or “his”), the female form is included implicitly in the meaning.

## Exclusion of liability

We have taken the utmost care in gathering the data contained in this report. Nevertheless, we cannot completely rule out the possibility of errors. Where statements are made concerning future developments, they are based on the information and forecasts available at the time of publication. Although great care is taken in producing these statements, there are many different influencing variables, not foreseeable at the time of publication, that can cause differences to emerge. The report contents were checked by the staff members who are professionally responsible for it.

# The significance of cooperatives

Raiffeisen in Austria is an association of companies organised along cooperative principles and spanning numerous other branches besides the financial sector. It includes around 1,600 independent cooperatives, with around two million members. More than 57,000 employees take care of around four million customers.

The significance of cooperatives for the future of humanity was also underlined by the fact that the UN made 2012 the “International Year of Cooperatives”. Globally around 900 million people are members of a cooperative. That corresponds to roughly 13 per cent of the world’s population. The global significance of Raiffeisen cooperatives today is underscored by some impressive figures: in more than 100 countries around the globe, more than 900,000 cooperatives with more than 500 million members operate according to the principles of Friedrich Wilhelm Raiffeisen. In many countries these cooperatives form an essential foundation for building up the economy, and offer people the chance to create their own means of existence.

The Raiffeisen Banking Group in Austria (RBG) – with 494 cooperatively structured, independent Raiffeisen banks – is the country’s strongest banking group. It has the densest network of banks in Austria and represents a good quarter of the domestic banking market. The RBG manages around € 88 billion of deposits belonging to domestic customers (excluding building society deposits) and around € 51 billion of savings deposits. In terms of financing, the emphasis is on small and medium sized businesses, tourism, and agriculture. The RBG has achieved this strong market position under its own steam, through healthy growth. The RBG employs around 25,000 staff throughout Austria.

Ombudsman offices at the “Raiffeisen-Revisionsverbände” (regional associations of internal auditors in the RBG) handle any proposals or complaints from members and customers of member cooperatives.

Raiffeisen, with its central institution RZB AG, has developed into an internationally successful banking group. A uniform brand identity signals strength, conveys competence and ultimately creates confidence. In 2012 the RBG once again concentrated on the values that have connected Raiffeisen to the people of Austria for more than 125 years: “safe, local, sustainable”.

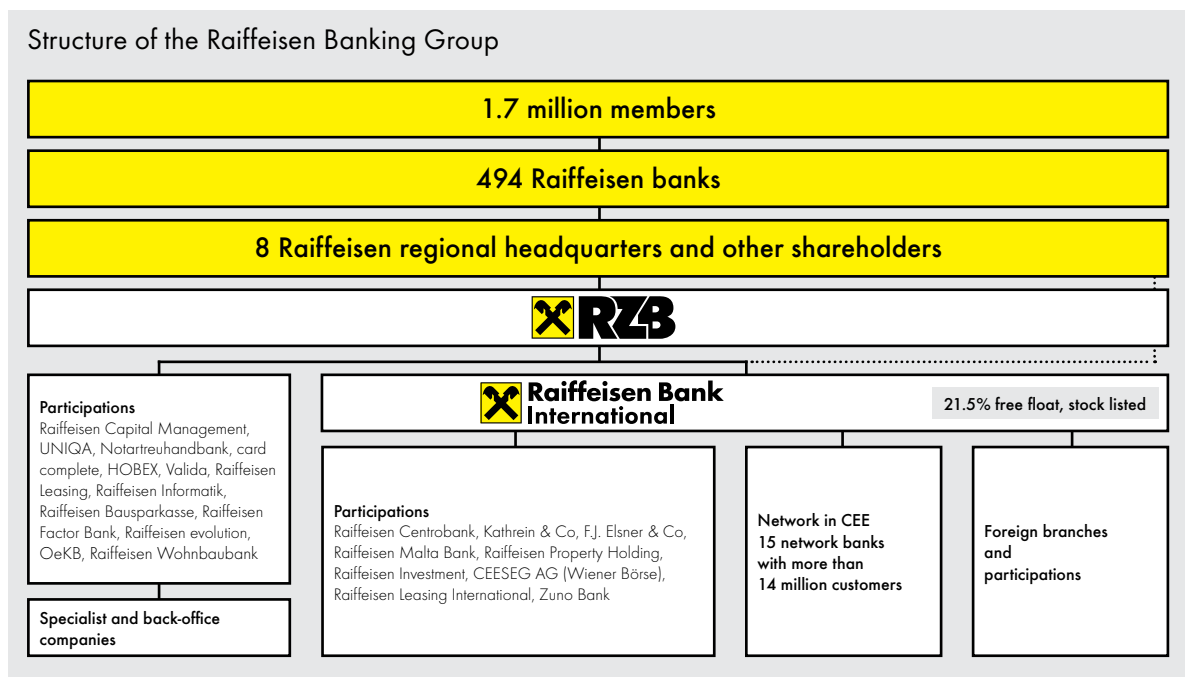
The RZB Group sees itself, like the Raiffeisen regional headquarters, as part of a cooperative organisation, and this is reflected in its fundamental strategies and decisions. The principles of Friedrich Wilhelm Raiffeisen apply to all levels of the Group, but also find expression in the fact that sustainability takes priority over unconditional maximisation of profits.

# Ownership relations and structure

RZB AG is the central institution of the RBG. It was founded in 1927 to provide liquidity equalisation for the agricultural cooperatives of Austria – and was known then as the “Girozentrale der österreichischen Genossenschaften” (Central Clearing Bank of the Austrian Cooperatives).

The RZB Group is the third-largest banking group in Austria. RZB AG is predominantly owned by the Raiffeisen regional headquarters (Raiffeisen Regional Banks and Raiffeisenverband) and is their central institution in accordance with the Austrian Banking Act. There are three levels to the RBG; it is made up of autonomous and locally active Raiffeisen banks (level one), the Raiffeisen regional headquarters, which are also independent (level two) and RZB AG (level three).

The 494 independent Raiffeisen banks (2011: 513) with their 1,671 branches (2011: 1,682), together with the Raiffeisen regional headquarters and special purpose companies, form an extensive and wide-ranging branch network. With a total of 2,199 branches in Austria, the RBG owns around 42 per cent of all Austrian bank branches. The Raiffeisen banks of each federal province are universal banks offering a full range of banking services, and at the same time are owners of their respective regional headquarters.



RZB AG has one of the largest banking networks in CEE, through its listed subsidiary RBI AG. RBI AG shares have been listed on the Vienna Stock Exchange since April 25, 2005 – until October 12, 2010 they were listed as shares of Raiffeisen International AG.

Its shares are represented in some of the most important national and international indices, such as the ATX and the EURO STOXX Banks. RBI AG is also one of only 22 companies to be listed on the Vienna Stock Exchange’s first Austrian sustainability index, the VÖNIX. RZB AG holds approximately 78.5 per cent. The remaining 21.5 per cent is in free float.

# About RZB AG

As the central institution of the Raiffeisen Banking Group in Austria, RZB AG performs important coordination and service functions to ensure efficient cooperation within a decentralised cooperative banking association. RZB AG's core business areas include its roles as the central institution of the RBG, as group head, and as the service unit for the RBG.

For example, RZB AG provides fundamental marketing services for the entire banking group and is responsible for strategic management of the "Raiffeisen" brand. Group-wide risk management, as well as internal and group auditing, are also an integral part of overall bank control.

RZB AG organises synergies and joint solutions between the RBG and RBI AG, as well as organising services, products and processes for the RBG. Central coordination and advisory services are also assigned to RZB AG as part of its cooperative association work for the RBG. This includes, for example, collaborating with the strategy and decision-making committees of the RBG, supporting joint projects, and providing advisory services on strategic or sales-related issues for selected sector institutions. In this capacity, RZB AG started a project during the last financial year to optimise cooperation within the RBG. This project affects the RBG on a national level. The goal is to create clearer processes, structures and decision paths. The process should lead to a sustainable increase in value creation overall.

Another of RZB AG's responsibilities is managing the sustainability agendas for the entire Group. Based on the principles and values of the Raiffeisen idea, the RZB Group is committed to sustainable business management and to the social responsibility associated with this.

RZB Group income statement (in millions of €)	2012	2011
Net interest income	3,531	3,585
Net fee and commission income	1,521	1,493
Net trading income	196	346
Other net operating income <sup>1</sup>	-41	-8
<b>Operating income</b>	<b>5,207</b>	<b>5,416</b>
Staff expenses	-1,663	-1,599
Other administrative expenses	-1,265	-1,214
Depreciation	-425	-396
<b>General administrative expenses</b>	<b>-3,353</b>	<b>-3,208</b>
<b>Operating results</b>	<b>1,854</b>	<b>2,208</b>
Net provisioning for impairment losses	-1,031	-1,099
Other results <sup>2</sup>	82	35
<b>Profit/loss after tax</b>	<b>905</b>	<b>1,144</b>
Income taxes	-274	-415
<b>Profit/loss after tax</b>	<b>631</b>	<b>728</b>
Profit attributable to non-controlling interests	-269	-256
<b>Consolidated profit/loss</b>	<b>361</b>	<b>472</b>

<sup>1</sup> Excl. impairment of goodwill    <sup>2</sup> Incl. impairment of goodwill

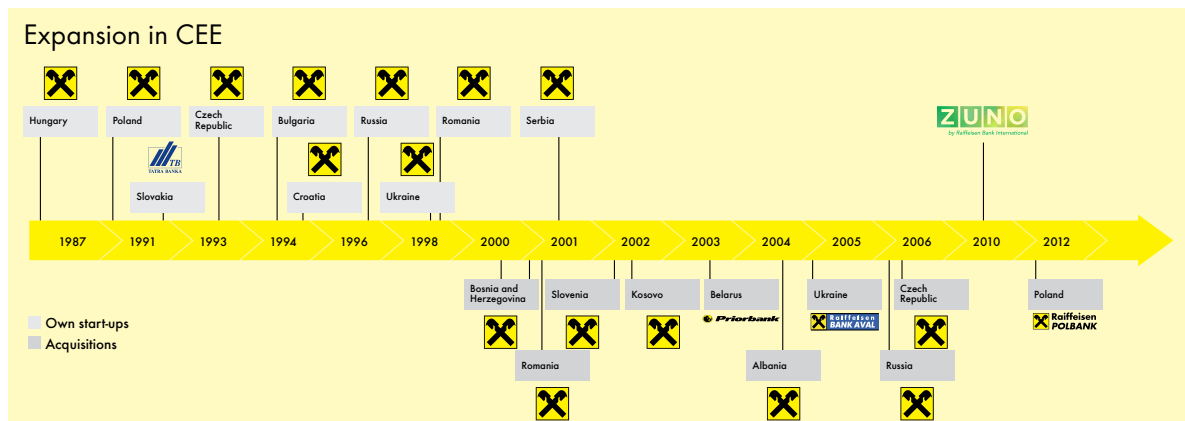
# About RBI Group

RBI Group is one of the leading banking groups in its home markets of Austria and CEE. Having been active in CEE for more than 25 years, it is considered to have played a pioneering role in the region. Today the RBI Group has a dense network of subsidiary banks, leasing companies and numerous specialised financial services companies in 17 markets in the CEE.

As a universal bank it is one of the top 5 banking institutions in 13 countries in the region, and holds a particularly strong position in Russia, the Group's largest market. This role is supported by the Raiffeisen brand, one of the best-known brands in the region. With its excellent access to private and commercial customers, as well as its comprehensive product range as a fully integrated corporate and retail banking group, the RBI Group is extremely well placed in CEE.

In Austria, RBI AG is one of the country's leading commercial and investment banks. It serves mainly Austrian customers, but also international customers and large multinational companies, particularly those that are active in CEE. In addition, RBI AG is represented in the world's major financial centres and operates branches, subsidiaries and representative offices in western Europe, the US and Asia. In total the RBI Group employed around 60,000 people at the close of 2012. These employees looked after 14.2 million customers in more than 3,100 business outlets, the majority of them in CEE.

The RBI Group's consistent emphasis on quality, its financial successes and its significance for the region have been reflected in numerous distinctions from the leading publications of the financial industry. For example the RBI Group was voted the Best Bank in CEE in 2012 by no less than four renowned financial journals, "The Banker", "Euromoney", "EMEA Finance" and "Global Finance". "The Banker" and "EMEA Finance" also voted RBI AG the Best Bank in Austria.



# Sustainable commitment, artistically realised

This year the RZB Group began an initiative with its annual financial report that reflected its diverse commitments to socio-political, social and cultural interests. The intention was to give the 2012 annual financial report a socially-relevant character in addition to its main function of presenting the results of the past financial year.

The idea of offering the publication as a platform for art school graduates led directly to the University of Applied Arts in Vienna, and to a graduate of theirs, Michael Wegerer. The graphic designer Agnes Steiner designed the Raiffeisen Capital Management annual financial report.

This RZB Group Sustainability Report is illustrated by a young artist from Salzburg, Tina Greisberger. Her ink drawings with their intricate interconnecting lines are for us an artistic expression of our integral involvement in sustainability issues, and also our dialogue with our stakeholders. This collaboration also emphasises our motto: "We create sustainable value."

The goal is to continue with and expand this idea in future years, so as to offer as many young people as possible the opportunity to introduce themselves and present their work.

## Tina Greisberger – the artist



Tina Greisberger was born in Salzburg in 1989, and grew up there. In September 2011 she moved to Vienna to attend a class in Graphic Arts and Print Graphics at the University of Applied Arts. At the time, this class was run by Professor Jan Svenungsson.

In her work as a graphic artist, Tina Greisberger draws upon a mixture of traditional craftsmanship and new media. As a starting point she seeks to cast everyday objects in a new and humorous light. Using chocolate bars or peanuts, the artist asks herself questions which she then tries to answer through her art.


Alongside print graphics, drawing has a special significance for her, as it allows her to work directly and freely. Through exploring, examining and questioning these everyday items, the artist continually finds and invents new lines and possibilities to draw.

The RZB Group chose a series of ink drawings for the cover and the start of each chapter of this Sustainability Report. Created using reed pen on hand-made paper, they are made up of a sensitive

layering of colours, forms, lines and surfaces. This creates an energetic game of questions and answers, in which lines take on the role of words.

Ultimately the question of the meaning of the drawings presents itself. Because of their abstract forms and warm combinations of colour, the viewer is deliberately allowed to hold onto his individual perception – so that he can find his own personal, enduring answer. To quote freely from the famous artist Kiki Smith: "First it's a collaboration with the material, and when it's viewed, it's a collaboration with the world."





THE SOLID  
VALUES OF F. W.  
RAIFFEISEN HAVE  
LED TO THE RZB  
GROUP  
PRINCIPLES  
OF TODAY

# Solid fundamental values

*“Tensions within a cooperative organisation grow in relation to the decline in importance of its common system of values”*  
(Brazda/Schediwy, 1998)

Raiffeisen has operated successfully in Austria for more than 125 years. This long and prosperous tradition of the Raiffeisen Banking Group has as its basis the values of its founder Friedrich Wilhelm Raiffeisen (1818–1888); and sustainability – though the term was completely unknown at that time – was already deeply embedded in his ideas and his actions. The tried and tested principles have remained unchanged to this day, despite rapidly changing economic and socio-political circumstances.

Friedrich Wilhelm Raiffeisen believed in helping others to help themselves, and in the principles of charity, community and solidarity. His life was characterised by responsibility for the community. Now, as before, we build upon a powerful brand combining and embodying the principles of identity, self-administration, sustainability, subsidiarity, and business ethics based on solidarity.

- Helping others to help themselves: Willingness to provide mutual assistance.
- Self-administration: Members take their own decisions about their cooperative within a framework of democratic principles.
- Business ethics based on solidarity: With a common economic goal, based on being there for one another.
- Sustainability of cooperative success: The common goal is lasting economic improvement.
- Subsidiarity: The power of the cooperative is only deployed where the power of the individual is insufficient and therefore requires help.
- Principle of identity: Members of the cooperative are also customers at the same time.

The philosophy at the heart of the cooperative idea is timeless. In practice, these principles mean, for example, that members of the cooperative are able to participate and have a say in what happens. It also means being there for each other for the purposes of a common economic goal, or using the power of the cooperative when the power of the individual is insufficient and requires assistance.

The first Raiffeisen bank in Austria was founded in Mühldorf near Spitz an der Donau in 1886. Its members included farmers, craftsmen, workers and tradesmen. Prior to its founding, several congresses had been called which sought for solutions to the agricultural crisis. Numerous Raiffeisen banks were quickly founded with the support of the provincial parliaments, which were convinced by the idea.

## Socio-political involvement

People and the environment were extremely important to F. W. Raiffeisen; as mayor in Westerwald in Rheinpreußen, Germany in the early 19th century, he was very active in social and political issues. With cooperatively organised benevolent societies, he fought successfully against the dire hardship of the rural population, and in doing so created a basis for self-supporting livelihoods.

The first organisation (the “Society for Bread and Grain Supply”, 1846/47) was very much orientated towards providing for the poor, but the “Aid Society for the Support of Poor Farmers” that followed was already aimed at reducing the oppressive burden of debt that they struggled under.

With the founding of his third society, a loan union for the parish of Anhausen in the district of Neuwied, and the “Heddesdorf Charitable Society”, Friedrich Wilhelm Raiffeisen took the decisive evolutionary step: to a form of association where the funding of the capital base was raised to a significant extent by the affected people themselves. This provision of capital by means of purposeful saving allowed loans to be issued under fair terms, and was the prototype for the rural credit cooperatives.



F.W. Raiffeisen

# RZB Group principles

The RZB Group, with its international focus, is not a cooperative bank in its original form. However, even today, cooperative principles can be put into practice, independently of the Group's legal structure. To emphasise the main features of forward-looking, sustainable development, five principles were defined that form the framework for sustainable business and responsibility towards the people within the RZB Group.

Staff members who had known Raiffeisen for varying lengths of time and from a wide range of perspectives drew up these five principles five years ago, with the intention of characterising the Group by "reinterpreting" the original dogmas of Raiffeisen and "describing them in modern terms".

## A future always needs a past: Sustainability in the spirit of the founder

The Raiffeisen principles form the foundations of all Raiffeisen companies. For the RZB Group, as a group of companies which operates in a sustainable manner, they are an important support in the design of its corporate responsibility. As one of the first responsible bankers, Friedrich Wilhelm Raiffeisen showed that a sustainably managed circulation of money can create value and be meaningful for everyone involved. Social and responsible thinking and actions formed the basis of this strategy. Social solidarity, self-help and sustainability have always been the guiding principles for doing business at Raiffeisen.

The Raiffeisen values are the pillars of Raiffeisen's business model of "helping people to help themselves", and also a key part of our identity in which together we are stronger. The principle of community-based self-help is what has made cooperatives so successful on a long-term basis. Raiffeisen embodies local connectedness and international strength. The common goal is lasting economic improvement. Fast results do not always serve this goal. Community-based self-help is the basis for successful and sustainable business activities in difficult economic times in particular; it is an answer to crises – those of Friedrich Wilhelm Raiffeisen's time, but also those of our time – because communities build strength. What an individual cannot achieve on his own becomes possible when many like-minded individuals work together.



## The most trusted banking brand

The Gable Cross is part of the trademark of almost all companies of the RZB Group, in Austria and abroad. It represents two stylised horse heads crossed together on the roof gable of a house – an ancient European symbol of protection. The Gable Cross was chosen as a trademark while Friedrich Wilhelm Raiffeisen was still alive, and symbolises the protection and security enjoyed by members of the Raiffeisen banks through their self-determined cooperation. The Gable Cross is one of Austria's best known brands and is used throughout the world.

Raiffeisen is the undisputed number 1 in the Austrian financial services industry. The Reader's Digest "European Trusted Brands 2012" study named Raiffeisen as the most trusted bank brand for the eighth time in a row. Raiffeisen was distinguished with the Recommender Award four times in 2012.

Our employees' responsibility towards the brand is also reflected in the RZB Group Code of Conduct.

## Model with a future

The cooperatives have, for considerably longer than 100 years, put into practice the social market economy that has been advocated in Austria and numerous other countries for many years now. The significance of cooperatives for the future of humanity is also clear from the fact that the UN made 2012 the "International Year of Cooperatives". With the cooperative business model, we particularly want to appeal to customers who value strong and stable relationships, local support, and a feeling of connectedness.

Because of our deep roots within the communities and regions in which Raiffeisen is active in Austria, we have a very good understanding of our environment, the local economy and society, and the needs of the people. This gives our customers the trust and certainty of knowing that their affairs will be attended to, understood and well looked after on an individual basis. This trust in our brand also means that employees of the RZB Group have a duty to treat it responsibly, irrespective of their position, sphere of activity, or geographic location.



The RZB Group network

## We are here for creating lasting values

We feel responsible toward regions and people. Although our home markets of Austria and CEE have different starting positions, we apply the same fundamental approach of a sustainably orientated business operation. In CEE we have positioned ourselves as a fully integrated corporate and retail banking group with a comprehensive product range.

The RZB Group is a strong and consistent business group, with a stable ownership structure and development strategy that is geared towards the long term. With the principle of “creating lasting values” we want to express the sustainability inherent in our business practices. Because security, stability and being fit for the future are important to us, we pursue only long-term strategies at all levels, and give priority to sustainability over an unconditional maximisation of profits.

### A forward-looking approach

In terms of employment and economic markets, this means that our top priority is to establish lasting roots in a region and a lasting relationship with the people that live and are active there. Supporting a region, its businesses and its people is tremendously important to us. We endeavour to build up local expertise, to use regionalism and decentralisation to everyone’s advantage, and to create positive long-term prospects for us and our environment.

### Social engagement

At the same time we are aware that a bank’s success can only be truly sustainable in a country that is economically prosperous. However, as a pioneer in opening up markets, we have often come across underdeveloped regions. In these situations we feel we have a responsibility towards society and the common good, and so we use social engagement to actively strengthen the regions where we are represented. We endeavour to improve the economic and social situation of regions and national economies, and to achieve positive long-term effects for them.

We manage to deliver this impetus using many different approaches and measures. On the one hand we make financial resources available for infrastructure projects, and make fundamental investments. And we also help actively shape our environment through donations, sponsorship and volunteering. We support long-term initiatives, projects and organisations such as the Red Cross and the “Wirtschaft für Integration” (“Business for Integration”) association in Austria. Through the “H. Stepic CEE Charity”, a charitable association, we support people in need in Central and Eastern Europe (CEE) who find themselves in social, financial or health-related difficulties. As a member of the United Nations Global Compact (UNGC) we speak out against corruption, human trafficking and money laundering.

### Personnel-related measures to safeguard the future

By creating high-quality jobs we can help keep qualified members of the workforce in the country and help prevent a brain drain. 2012 saw the “International Young Potentials” programme start up for the second time; the programme supports individuals who show great potential from the network banks by means of trainee placements in other network banks. And exchange programmes for experienced employees, for example from the risk management or treasury divisions, were also expanded.

Our branches are not concentrated solely around a country’s built-up areas and economic centres, but also its rural regions. Furthermore, as a responsible, committed corporate citizen, we also have a duty towards the environment and the long-term preservation of our natural resources. We want to cultivate the careful use of resources in the regions and countries in which we are active, and we therefore endeavour to ensure that our operations and buildings are efficient in their use of energy and resources. In addition to this we also campaign for climate protection in the long term, through the Raiffeisen Climate Protection Initiative for example.

Accordingly, lasting value, stability and security relate to internal and external stakeholders at all levels. Thanks to decentralised and resilient organisational structures, we can and do maintain long-term customer loyalty and cooperation even in difficult times.

We will continue to work towards long-term and sustainable goals for us, the economy, society and the environment.

## Our clients' success defines our own success

A bank can only be successful if its customers are successful. Our top priority is to safeguard the success of our customers. In the knowledge that we will also become stronger as a result and be able to expand our revenues. As a banking group with a commercial and retail business, we contribute to the economic success and prosperity of our customers.

Success doesn't happen overnight; it is the result of ongoing efforts. It is the fruit of continuous ambitions in the direction of a common goal. We see success as having its foundations in functioning long-term customer relationships, and not in the short-term maximisation of profits. Our staff therefore support our customers as a service provider and as a partner.

On the one hand this ensures follow-up business; but it also leads to the challenge of mastering difficult times along with the customer. Immediately after the outbreak of the financial crisis in 2008, risk management was further intensified. In keeping with Raiffeisen's approach as a partner to its customers, non-performing loans were settled or restructured, as far as possible in the best interests of both bank and borrower. By employing measures such as extending the due date, reducing the interest rate, or agreeing to a repayment-free period, we were often able not only to maintain the customer relationship, but even to strengthen it for the future. This attitude and this proximity to the customer, and the unique relationship of trust between the customer and the bank, are an integral part of our corporate culture.



It is not without good reason that we are one of the leading financiers in Austria, and in our home markets in CEE. We are proud of this fact, without being complacent.

We have, however, internalised the realisation that long-term success is only achieved when financial, ecological and social effects are balanced. If we want success, we also have to want sustainability. Thus sustainability is rooted in our core business, and is the foundation of our banking activities. We demand of ourselves that we aspire to be a responsible banker, a fair partner, and an engaged citizen. And we try to do justice to this goal by endeavouring to consistently orientate our business activities towards long-term compatibility with the environment and society. The creation of a sustainability strategy as well as the establishment of a separate department for the ongoing development of sustainability work within the RZB Group means that these themes are carried steadily forward.

Our efforts to achieve success and sustainability are reflected in our investment evaluations, risk analyses and product innovations. For example we have voluntarily committed ourselves to only financing projects that are compatible with our Code of Conduct, consisting of the highest standards with regard to people and the environment. Financial products such as Raiffeisen Ethik Aktien and the promotion of renewable energy sources in product innovations demonstrate our commitment to the field of sustainability.

We had roughly 14 million customers in 2012, which goes to show that our efforts are appreciated. Our customers and employees have the right to comprehensive data protection, confidentiality of customer data, and access to secure products. Respecting a person's right to privacy is something that we take very seriously.

When advertising and marketing our products, we adhere to strict principles which have the purpose of protecting the customer. We provide our customers with information in a clear and helpful manner, with the intention of minimising any risks that may arise through the use of our products. The internet, and the websites of RZB Group companies in particular, play an important role in enabling open communication with the stakeholders.

Success and sustainability also go hand in hand for us when it comes to recognising and promoting sustainable entrepreneurship: that is, entrepreneurs who position themselves in the environmental and sustainability field and create green innovations, green jobs and sustainable growth.

## The best become better with us: the RZB Group as a responsible employer

A company's greatest potential is the commitment that employees invest in their work. And a bank's most important capital is its staff. From the City Park in Vienna to our easternmost branch in Kamchatka in Russia, we are dependent on the performance of our employees. For that reason we want the best, and for them to become even better with us!

We are committed to living by the performance principle and promoting team spirit. Accordingly, we have a great deal to offer our employees: responsibility, opportunities for further education (including in the field of sustainability), career prospects, and a respectful work environment. Up to this point, this is perhaps not all that different from what other banks have to offer. But where we truly stand out is that we stand by our employees if they have personal or health problems, or find themselves in difficulties not of their own making.

We recruit and hold on to our staff by positioning ourselves as an attractive employer. This is an especially important aspect in CEE, as there is a great deal of competition there to attract qualified workers. And so as well as good opportunities for further education and training, we take care to encourage a motivational working environment. This has to allow space for personalities to develop and mature, and has to foster a culture that values communication and leadership. It should also include the setting of clear goals, so that employees can track their own achievements and be pleased and motivated by them.

One recent measure taken with regard to talent management and the development of management staff was the identification of Best Practices by an international project team consisting of human resources experts from Group head office and the network, as well as external specialists; these were then made available to the other Group units.

In March 2011, a project to erect the Raiffeisen Campus was begun on behalf of the Raiffeisen Banking Group in Austria. The idea behind the Raiffeisen Campus is to develop further education and training programmes and personal development concepts that are as consistent as possible for the Raiffeisen companies, with the goal of strengthening Raiffeisen in the long term and taking advantage of synergies. The Raiffeisen Campus was developed with the involvement of those responsible for personnel matters for all Raiffeisen regional head offices, RZB AG and RBI AG, and numerous affiliated Raiffeisen companies, as well as all sector levels and various divisions. The Raiffeisen Campus also is intended to bridge the gap between the Austrian Raiffeisen banks and the subsidiary banks in CEE.

Moreover, team spirit and good social cooperation in the workplace foster employee satisfaction. We can only achieve our full potential as a team. As an employer we are well known for challenging, supporting, and collectively achieving.

Empowering and strengthening every single individual is another fundamental tenet of our treatment of our own employees. The motto here is "Empowering, not overpowering". With mutual trust, there is the space for independent and responsible action. This strengthens people's ability to think critically and independently, strengthens their social intelligence and their individuality, and prevents them from acting thoughtlessly.



Presentation of the Productivity Improvement Award at the RBI AG Group Meeting, June 2012 in Vienna

As part of the study "Top Companies for Leaders" carried out by the US magazine Fortune, in cooperation with two of the world's leading HR consultancy firms, Aon Hewitt and the "RBL Group", Raiffeisen Bank International AG was recognised as the number one Austrian company in 2011 for its efforts in this field, and took sixth place in the European rankings.

Criteria included the strength of a firm's management practices and culture, the development of management personnel on a global scale, the coordination of management and business strategies, and business performance and the reputation of the firm.

**Top Companies  
for Leaders 2011**

**AON** Hewitt  
**FORTUNE**  
The **RBL** Group

We know that we are on the right path with regard to the treatment of our staff, and in future we will continue with our emphasis on solid achievements, qualified and independently minded individuals, team spirit and employee satisfaction.

## A strong cultural mix: living out diversity and equality of opportunity

In recent years, we have become a group that can demonstrate cultural diversity and employees from a wide variety of nationalities. As RZB Group we are putting a Central and Eastern European community into practice, in an economic sense. We are making the new Europe a reality. Decentralisation, business activities amongst people on a local level, and subsidiarity can only function if both sides respect and value the other's idiosyncrasies and way of life.

The RZB Group embodies local connectedness and international strength. The goal here is to operate in a way that is responsible and interconnected on a local, national and international level. By promoting real openness, cultural exchange, and international networking on the one hand, and by respecting and actively preserving local and regional customs and traditions on the other, the RZB Group masters this balancing act in exemplary fashion. We see it as a fundamental principle of our corporate responsibility that we should cultivate cultural identity. Raiffeisen has always supported cultural diversity and traditions – and not just within the mainstream. This has allowed strong local roots to develop, and for the bank to identify with the people in its environment, and vice versa. It also enables target-market orientated products to be developed which address and cater to specific cultural needs and idiosyncrasies.

Equal opportunities go hand in hand with diversity. For us, real equality of opportunity in practice means making no distinction between people when it comes to pay or promotion prospects because of their origin or skin colour, their gender, their religious affiliation or ethnicity, their ideology, or any special needs they may have. Prejudice and discrimination have no place in our organisation. This is set out unequivocally in our Code of Conduct, which applies to every employee: we will not tolerate discrimination or harassment due to nationality, culture, religion, skin colour, gender, sexual orientation, age, or physical disability, for example.

In fact the opposite is true – through deliberate integration with local companies and real decentralisation, we have an open and inquisitive attitude towards other countries, cultures and religions. This is because we have understood that having employees with diverse cultural backgrounds and ways of thinking is an incredible advantage for a business. Only in this way can we achieve maximum success in widely differing markets across the world. In 2012, there were 449 employees working at head office in Vienna with a migration background (2011: 425) from 50 different nations (2011: 55). Ensuring the integration and smooth cooperation of this culturally very diverse employee structure can be a great challenge, but at the same time it offers many opportunities.



On a global level, the RZB Group is now present in more than 30 countries and employs just under 60,000 people from a wide range of nationalities. Know-how is being exchanged across borders; that much is clear from the annually increasing number of trainee placements and job rotations (mobility programme) at head office from the network banks. We need respect and curiosity for whatever is different and alien to us, and we need open eyes and ears if we want to become established as a company in other cultures and to operate successfully there. In order to be especially supportive towards families, but also to enable the best possible work-life balance, we offer an office kindergarten at both head office locations in Vienna 3 and Vienna 19. This educates and supports children from the ages of one to six years, in mixed-age groups. In addition, bilingual caregivers are available. All office buildings at our head offices are accessible for people with disabilities. "Appreciate rather than judge" is the principle that we want to continue to live by in future.

Sergey Isaev from Belarus, Priorbank, describes his experiences: *"My home bank benefits from my participation in the mobility programme, because I gain experience and develop new ideas for optimisation and modernisation. My biggest personal benefits: expertise in areas of concentrations, broadened knowledge in new fields and exchange of professional experience, as well as the cultural awareness that the RZB Group is very diverse."*





The background of the page is filled with a dense, chaotic pattern of overlapping, hand-drawn scribbles in various colors including yellow, pink, purple, green, and brown. The lines are thin and irregular, creating a complex, textured visual field. A solid yellow rectangular box is positioned on the right side of the page, containing the text.

IMPLEMENTATION:  
SUSTAINABILITY  
STRATEGY,  
SUSTAINABILITY  
MANAGEMENT  
AND  
COMPREHENSIVE  
STAKEHOLDER  
INVOLVEMENT

# Sustainability management and corporate responsibility

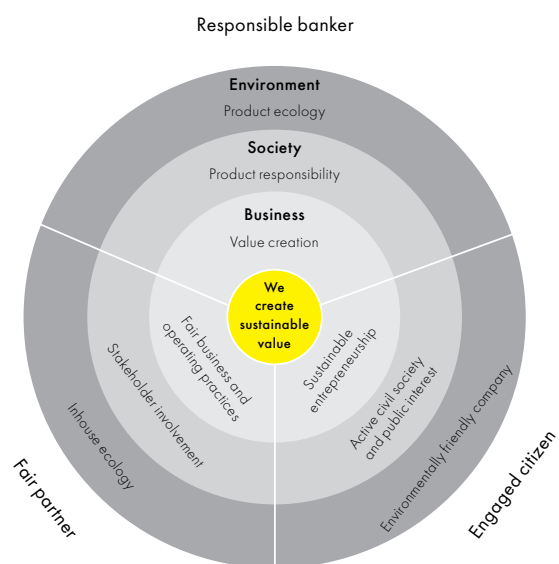
## Sustainability vision

**The RZB Group should become a leading group of companies with regard to sustainability and corporate responsibility in the medium-term.**

### Our approach

We believe that professional, systematic commitment to sustainability is necessary for us as a banking group to credibly provide our customers and stakeholders with essential financial services for the real economy. For over 125 years Raiffeisen has combined financial success with socially responsible trading. We understand sustainability to mean responsible corporate behaviour for long-term economic success in harmony with the environment and society. Sustainability is a key component of our business policy. There are new challenges and requirements that must be actively developed for a sustainable economy and society now and in the future.

We have traditionally been actively committed to sustainability with the objective of sustainably increasing the RZB Group's value. We therefore understand increase in value to be value added, where financial, ecological and social responsibility form a single unit: "We create sustainable value."



*Our approach as designers of a sustainable company and a sustainable society*

### Integrated business principle

The RZB Group is committed to sustainable corporate management and social responsibility. We achieve our objectives by making sustainability a fixed component of our business activities. This means that we take the principles of sustainability into account in our business activities. We also orientate our management structures and processes towards this position.

An essential component of our business activities is that we are responsible bankers, fair partners and engaged citizens. In these three areas, which are closely linked to our business activities, we endeavour to bring about sustainability in business and society and are making effective use of our values and competences in the best possible way.

### Strategic orientation

In our business activities, we pursue a strategic and integrated understanding of sustainability. We reflect this particular formal position of sustainability in our business activities where we require our sustainability strategy to be continually developed and implemented throughout the Group. Important progress that we have made in this reporting period:

#### New sustainability strategy

In order to fulfil our responsibility as a regional and international banking group in all criteria for sustainable development, we have made our commitment to sustainability broader and more complete. In 2010 we started to develop a systematic sustainability management system. The RZB Group sustainability strategy "We create sustainable value", developed in 2012, will be published in 2013. This will confirm the central role of our sustainability management and our integrated

approach to it. The strategy lays out our short, medium and long-term goals in the form of nine strategic and operational action points. It creates priorities and a focussed sustainability agenda, anchors the sustainability approach for our business activities and reflects our image as a financial services provider.

We particularly focussed on bringing together various approaches and activities specific to sustainability and our specialist areas in a Group-wide strategy process. In this way, we ensure better management, transparency and verifiability of our sustainability commitment. And we clarify how we create sustainable growth as a group.

## Stakeholder inclusion and materiality



The updated strategy is based on materiality requirements. In order to further include stakeholders we checked and evaluated important areas of activity for our sustainability commitment in 2012 and at the beginning of 2013. We asked stakeholders extensively about which sustainability issues were particularly important for RZB Group's business activities. We then integrated the results from the materiality process into the strategy.

## Adapted sustainability policy

In the course of developing and evaluating the sustainability strategy we also adapted our sustainability policy. Correspondingly, we took implications from the materiality process and priorities set on a thematic basis into account within the framework of the new sustainability policy. This defines the basic standards for our business activities. The principles formulated within it underline our commitment to sustainable business practices and social engagement. The sustainability policy creates a framework for sustainable business and demonstrates how we embed sustainability into the different areas that our business operates in: governance, core business, interaction with employees and customers, commitment to society, the climate and the environment. The sustainability policy is guided by important international initiatives and standards for responsible business, such as the United Nations Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises. The sustainability policy affects all transactions, activities and services offered by RZB Group or on its behalf.

## Professional sustainability monitoring

We have given ourselves a group-wide strategic framework that makes our sustainability mandate comprehensible and more efficient to manage. In 2012 we also began to develop a web-based sustainability monitoring and controlling tool together with our scientific partners. This enables uniform monitoring of our environmental performance. Additionally, social and economic data related to management and controlling of our sustainability performance are also summarised. The monitoring tool will make data management easier for creating sustainability reports. Additionally, it will create the basis for effective controlling and an overall image of sustainability effects. In summer 2013, we are starting to roll out the tool to the RZB Group and Raiffeisen Banking Group.

With this stringent and transparent management approach consisting of the strategy, the sustainability policy, the sustainability programme and the monitoring tool, we have developed a framework for managing and implementing sustainable projects and measures. We are therefore an important step closer to our objective of responsible action in the RZB Group's sphere of influence with regard to sustainability – of the economy, the environment and society. A differentiated representation of our sustainability commitment and our service as well as corresponding targets are set out clearly in this report for the individual activity areas of the strategy.

## Reorganisation of the sustainability agendas

We reorganised the central operating unit for our Group-wide sustainability management in 2012 and in so doing greatly increased its value. The department for Sustainability Management was established at the beginning of 2012 and located in RZB AG's General Secretariat in summer 2012.

With the establishment of the department, competences and commitment were brought together and the subjects of sustainability and corporate responsibility were tied more closely to our business strategy.

The department focusses on and coordinates the implementation of operating measures for RZB AG, RBI AG and the

network banks. It also functions as a centre of competence for sustainability agendas for the Raiffeisen Banking Group in Austria including affiliated companies and participations. The aim is to generate added value for all linked organisations in the RZB Group. This takes place through

- central coordination of the Group-wide sustainability strategy in order to fill it with life and results;
- development and implementation of diverse relevant sustainability guidelines;
- more efficient coordination of the core processes in sustainability management and implementation of corresponding measures;
- optimised application of available personnel and budget-related resources as well as
- increasing public awareness of our commitment to sustainability.

The RZB Group set up a top level “Extended Corporate Responsibility Committee” four years ago. This was renamed the “RZB Group Sustainability Council” at the end of 2012. This important sustainability body is a core organisational component of sustainability management. The RZB Group’s Sustainability Council advises on the development of sustainability agendas and evaluates their performance. This supports the definition of important action areas and focal points (materiality approach), setting targets and measures and provides recommendations on developing and establishing a yearly sustainability programme. The Sustainability Council brings together high level expertise in the areas of economy, environment and social issues. Internal and external persons are members of the Council. The members of the Sustainability Council are CEO Walter Rothensteiner (RZB AG), CEO Karl Sevelda (RBI) and Johannes Schuster (Member of the RZB Managing Board), experts from various fields and representatives of our stakeholders.

## Sphere of activity

The RZB Group distinguishes between areas of direct and indirect influence along the triple bottom line, and between the direct and indirect responsibilities that correspond to those areas. Areas of direct influence comprise internal responsibilities associated directly with the bank’s business operations. These include human resource management, operational ecology and business areas. In addition, the Group also exerts an indirect influence on society in the course of its core operations. Consequently, designing products and services in a way that generates added value in terms of sustainability is a key issue.

# RZB Group sustainability strategy

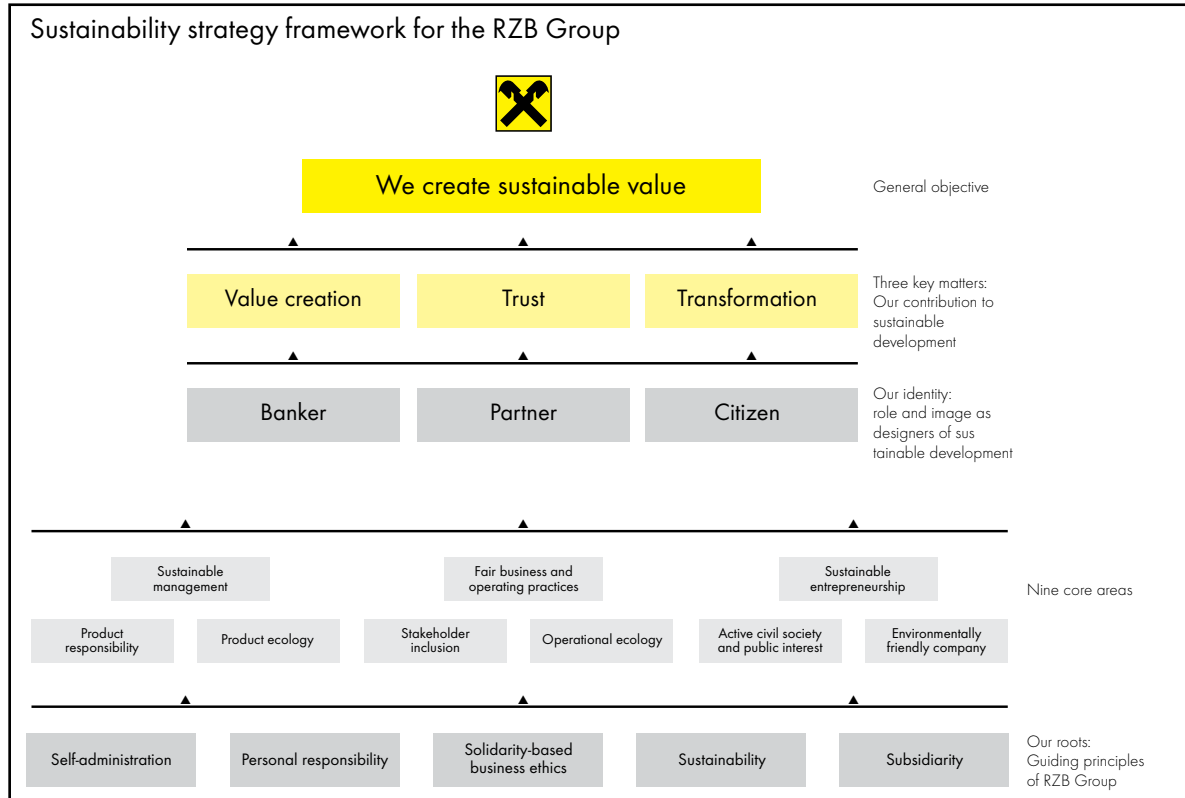
## Our contribution to sustainable development

The sustainability strategy published in 2013 entitled “We create sustainable value”, increases the effectiveness and scope of our sustainability commitment and underlines our short, medium and long-term objectives with regard to the whole RZB Group. We have an active tradition of commitment to creating extensive value and uniting economic, ecological and social responsibility. The sustainability strategy formulates the framework conditions and nine central sustainability core areas to be gradually implemented in the RZB Group. We focus on actions that have a large potential for effective sustainable development and which are considered to be important by both our stakeholders and the RZB Group.

The strategy is built on Raiffeisen values and defines a clear path. The strategy creates a broad, structured framework for improving our sustainability performance. Quantitative and qualitative targets are also part of how we report on measures and progress transparently in sustainability reports compiled in accordance with the Global Reporting Initiative.

In order to create sustainable value for our stakeholders in times of global interdependence and highly variable social, ecological and economic framework conditions, we focus on three key matters, which we have formulated as our contribution to sustainable development: value creation, trust and transformation.

Value creation means we want to secure the long-term success of RZB as a regional and international banking and corporate group through sustainable value creation, and encourage the competitiveness and innovation capacity of companies, organisations and public institutes. We pursue this goal by increasing the effectiveness and efficiency of



existing structures and developing new structures for creating value. We combine successful economics with responsibility for the environment and society.

For us, trust is an important prerequisite for successful banking. We can build on the existing trust of our customers, employees, stakeholders and other key groups. There is, however, no guarantee. To maintain this trust requires effort and for it to be earned.

Sustainable management, fair and transparent business and operating practices and involving our stakeholder groups in sustainable development are central building blocks in this regard.

Transformation means that we want to play an active role in addressing major societal challenges, particularly where we can make a difference. Our role as a social stakeholder means enabling and maintaining sustainability and well-being in society as well as possible.

Through our commitment to sustainability as a socially responsible business, we want to contribute to the development of an environmentally friendly society and a civil society supported by sustainable entrepreneurship.

# Our identity as designers of sustainable development

Within the framework of developing our sustainability strategy we have clarified our image and role as stakeholders in sustainable business and societal development. We want to successively improve sustainability in all fields of activity and ensure implementation across the whole RZB Group. RZB Group trades in all business fields with the aim of being a responsible banker, a fair partner and an engaged citizen.

## Responsible banker

At our core, we are responsible entrepreneurs. This is reflected in our products, services and processes. We can be most effective in securing sustainable development in our core business. For us, this begins with sustainable management and business integrity. It also includes financial security, protection of customer data and the security of our products. It relates to the gradual development of our financial services and to a sustainable finance product portfolio. We see providing loans and investing money as being the central responsibility of RZB Group and the most important fields of activity for creating sustainable success and finance. In all fields of business, we try to create long-term effective business relationships, avoid social and environmental risks and use opportunities to improve added value, environmental protection and also raise social standards.

## Fair partner

We treat stakeholder groups (employees, customers, shareholders and other stakeholders) as fair business and dialogue partners. Within the framework of our business and operating practices we lay great value on responsibility and sustainability and consider ourselves partners that have fair and valuable interactions with its stakeholders. Transparency: reporting on our commitment to sustainability and publishing measurable targets, measures and achieved goals, is a central general management principle. Another is responsible and fair practices in marketing, sales and contracts. We foster and promote open and constructive dialogue with our stakeholders. We want to understand the expectations of our most important stakeholders and direct our opportunities accordingly.

## Engaged citizen

We consider ourselves to be an engaged citizen. As such, we are actively involved in the sustainable development of our society. The RZB Group's commitment to corporate citizenship extends beyond its core business to aims such as addressing social problems, promoting sustainable business and protecting the environment, as well as supporting cultural life and an open civil society. Diversity, tolerance and a strong focus on people are the mainstay of our efforts to bring about forward-thinking developments in society.

# Group-wide sustainability management

The “We create sustainable value” strategy defines nine core areas of action. For each of these areas, activities are established that have concrete measures and targets attached to them; together these create our sustainability programme. The main task of Group-wide sustainability management is to manage the goals and measures taken from the sustainability programme and to implement them in a way that they can be reviewed. The following table shows the nine key action points of our sustainability mandate:

Core areas of our sustainability strategy			
Sustainability matrix of the RZB Group	Economy	Society	Environment
Responsible banker	<b>Value creation</b>	<b>Product responsibility</b>	<b>Product ecology</b>
	Successful business through responsible management and business strategies, sustainable real and regional economic value creation and inclusion of sustainability aspects in core business.	Social responsibility for our products and services by taking consumer assets into account, consideration of social aspects in providing loans and financial products, protection of customer data and providing correct information.	Ecological responsibility for our products and services by guaranteeing national environmental provisions and recognised, international conventions as well as taking into account the environmental impact in project finance plans and financial products.
Fair partner	<b>Fair business and operating practices</b>	<b>Stakeholder involvement</b>	<b>Inhouse ecology</b>
	Fairness and transparency towards employees, clients and shareholders through exemplary behaviour in areas of influence as well as as an attractive employer and through transparent reporting.	Continual inclusion of stakeholders within the framework of sustainable company development as well as strengthening cooperation management in order to reduce business risks and make use of business opportunities.	Responsible handling of resources and the environment by reducing our environmental impact, increasing energy efficiency and sustainable use of resources.
Engaged citizen	<b>Sustainable entrepreneurship</b>	<b>Active civil society and public interest</b>	<b>Environmentally friendly society</b>
	Commitment to sustainable entrepreneurship and enterprise, as well as the creation of wealth by helping to establish a framework for sustainable finance as well as direct and indirect support for organisations and socially relevant initiatives.	Commitment to a sustainable civil society and responsible political cooperation by promoting public interest and knowledge about financial topics and voluntary work.	Working for the climate and the environment through environmental protection, protection of species diversity and conservation of different ecosystem functions and services.

The focus is on our sustainability mandate. This enables sustainability to be anchored as a business principle in the relevant normative, strategic and operative rules and measures. In order to establish sustainability performance and values, in our sustainability mandate we concentrate on areas of activity that are highly relevant for us and our stakeholders and have a high sustainability impact on our business activity and areas of influence.

As responsible bankers, fair partners and engaged citizens, we cover the three pillars of sustainability: economy,

environment and society. The links and interactions between complex economic, social and ecological aspects often do not permit simple solutions. Our mission is to clarify these challenges with our partners and stakeholders.

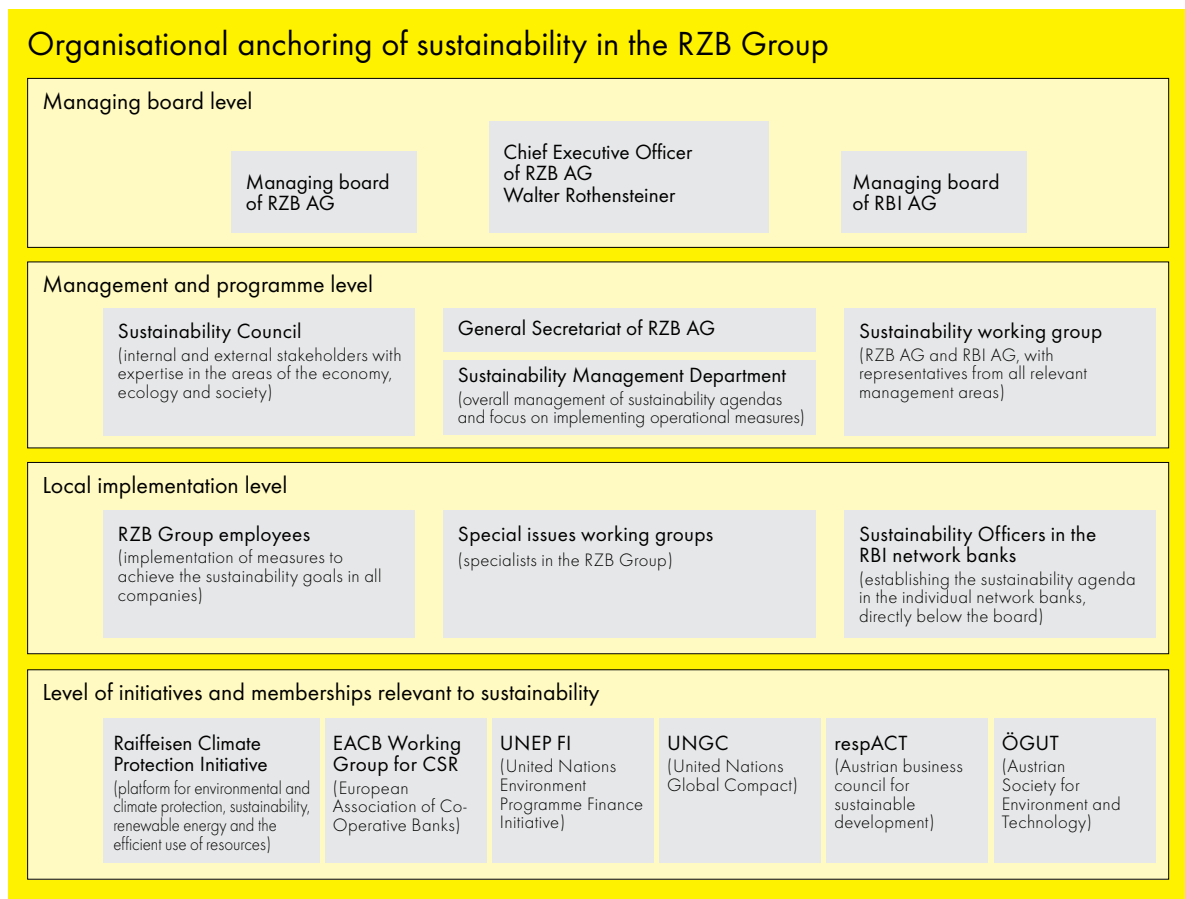
## Elements and key processes of our sustainability management

Our sustainability management is based on eight elements and key processes:

- **Sustainability strategy:** Wide-ranging strategic orientation with nine key action points that we implement gradually in the RZB Group.
- **Sustainability policy:** Defines the basic standards and principles for our business activities across the whole RZB Group.
- **Sustainability programme:** Goals, initiatives and measures taken from the strategy for continual improvement and increased precision of our sustainability performance.
- **Stakeholder management:** Continuous inclusion of the internal and external stakeholders linked to the company within the framework of importance analyses, increasing sustainability management and evaluating sustainability performance.
- **Issue management:** An element of systematic discussions within the RZB Group with expectations, changes and trends as well as risks and opportunities in business areas.
- **Transparent reporting:** Sustainability reporting on important sustainability themes and associated strategies, goals and measures as per the Global Reporting Initiative (GRI).
- **Sustainability monitoring:** Use of a web-based sustainability monitoring tool called "MoNa" for creating reports, monitoring, displaying RZB Group's sustainability performance and as a component part of data management for the reports.
- **Environment management system:** Systematic reports on, taking care with regard to and targeted reduction of our ecological footprint at all locations. The forerunner for this is the head office in Vienna, where environment management is undertaken in accordance with the regulations contained in ISO 14001.



# Organisational anchoring of sustainability



## Sustainability Management Department

The Sustainability Management Department was set up at the beginning of 2012. It was located in RZB AG's General Secretariat in summer 2012. The department is strategically responsible for all agendas relevant to sustainability and focusses and coordinates the application of operational measures for RZB AG, RBI AG and the network banks (see also page 26).

## RZB Group's Sustainability Council

RZB Group has created a Sustainability Council as a body anchored within the organisation to manage sustainability at the highest level. The Sustainability Council members are high level internal representatives and external experts from the fields of finance, the environment and social issues (see also page 27).

## Sustainability working group

The Sustainability working group is an internal body based at the company's head office. It works on the sustainability strategy and the connected objectives. It also attunes our sustainability policy as well as possible to company requirements and ensures that operational implementation of our shared goals and measures is promoted and guaranteed in all areas of the company. The group comprises representatives of the relevant board areas as well as the sustainability management team and creates provisions for individual working groups on specific subjects. The working group also develops and

coordinates all policies relevant to sustainability, such that all subjects are given appropriate levels of consideration and these fit with objectives and requirements for all company areas. The management and optimisation of the operational implementation of objectives relevant to sustainability currently takes place in individual departments. However, it is the task of the Sustainability working group to guarantee the effectiveness and revision of the defined goals and measures.

## Sustainability Officers

In order to guarantee optimal implementation of the sustainability agendas in the RBI network banks, at the end of 2012 Sustainability Officers were nominated in all network banks at the request of Herbert Stepic, who was CEO of RBI AG until 7th June 2013. The officers are directly subordinate to the CEOs of the network banks for their tasks in the area of sustainability management. These individuals function as an interface between the sustainability management team in the Vienna head office and the operational departments in the network banks. The sustainability officers are generalists with an interest in the topic of sustainability and come from diverse company areas. They are the contact person for all agendas relevant to sustainability, and coordinate and communicate these agendas within the company. They provide support for collecting and evaluating company data relevant to sustainability and take responsibility for the implementation of the RZB Group's sustainability policies as well as the defined goals and measures that result from these policies.

# Materiality

Managing sustainability and corporate responsibility is a continuous development process for us. To improve our sustainability management and to identify and expand on important topics of relevance to sustainability and possible courses of action, we engage in dialogue with our stakeholders. As part of the materiality analysis, we ascertain the topics that are particularly relevant for our stakeholders and their expectations of us as a banking group operating at an international level. Internally, we also define the subjects that are particularly important to the RZB Group for sustainable business success and bring this into our dialogue with stakeholders in a transparent fashion. When it comes to the identification and prioritisation of relevant issues, we look to the principles created by the Global Reporting Initiative (GRI) on materiality and the inclusion of stakeholders ("Stakeholder Inclusiveness").

## Topics relevant to identification

As a result of our role as responsible bankers, fair partners and engaged citizens, we have formulated nine core areas with the new sustainability strategy. We have divided these core areas into sustainability topics and activities that can be put into practice. The selection of important topics takes into account internationally recognised criteria such as those created by the GRI, as well as other standards and frameworks. It is also guided by feedback on the 2010 sustainability report, the yearly RZB Group Stakeholder Council, the 2012/2013 stakeholder online survey and evaluations of queries addressed to RZB Group by external stakeholders. One important criterion is the analysis of discussions with and comments made by individual stakeholder groups such as customers, employees, non-governmental organisations and sustainability experts, for example through surveys, work meetings or spontaneous exchange, as well as the company's strategic objectives. When identifying topics, we asked ourselves whether the topics influence company activities now or in the future and whether RZB Group is in a position to influence them directly or indirectly. The identified topics are assigned to the nine core areas of our sustainability strategy.

## Prioritisation with stakeholder involvement

To prioritise important topics we selected a new two-level approach. At the 2012 Stakeholder Council, we asked all internal and external participants to evaluate identified topics that from their perspective were of particular importance for effective sustainability management of the RZB Group.

In a second step, we took our materiality-based topic management and looked at it with objective evidence in mind. At the beginning of 2013 we also undertook an online stakeholder survey to prioritise sustainability topics and evaluate the perception of our sustainability performance for the first time. Internal and external stakeholders were asked about pre-selected sustainability topics with regards to relevance and the RZB Group's performance. There was also the possibility of specifying any topics that were not covered. Over a period of three weeks, more than 600 stakeholders were invited

to participate in the survey (for details of the online survey, see page 46).

The topics are dealt with in the report according to their relevance. We also orientated our sustainability management based on this prioritisation. The results of the prioritisation, particularly the online survey could not be fully taken into account for time reasons when creating the current sustainability programme, as is demonstrated in this report. Our sustainability programme will be updated accordingly in the next revision.

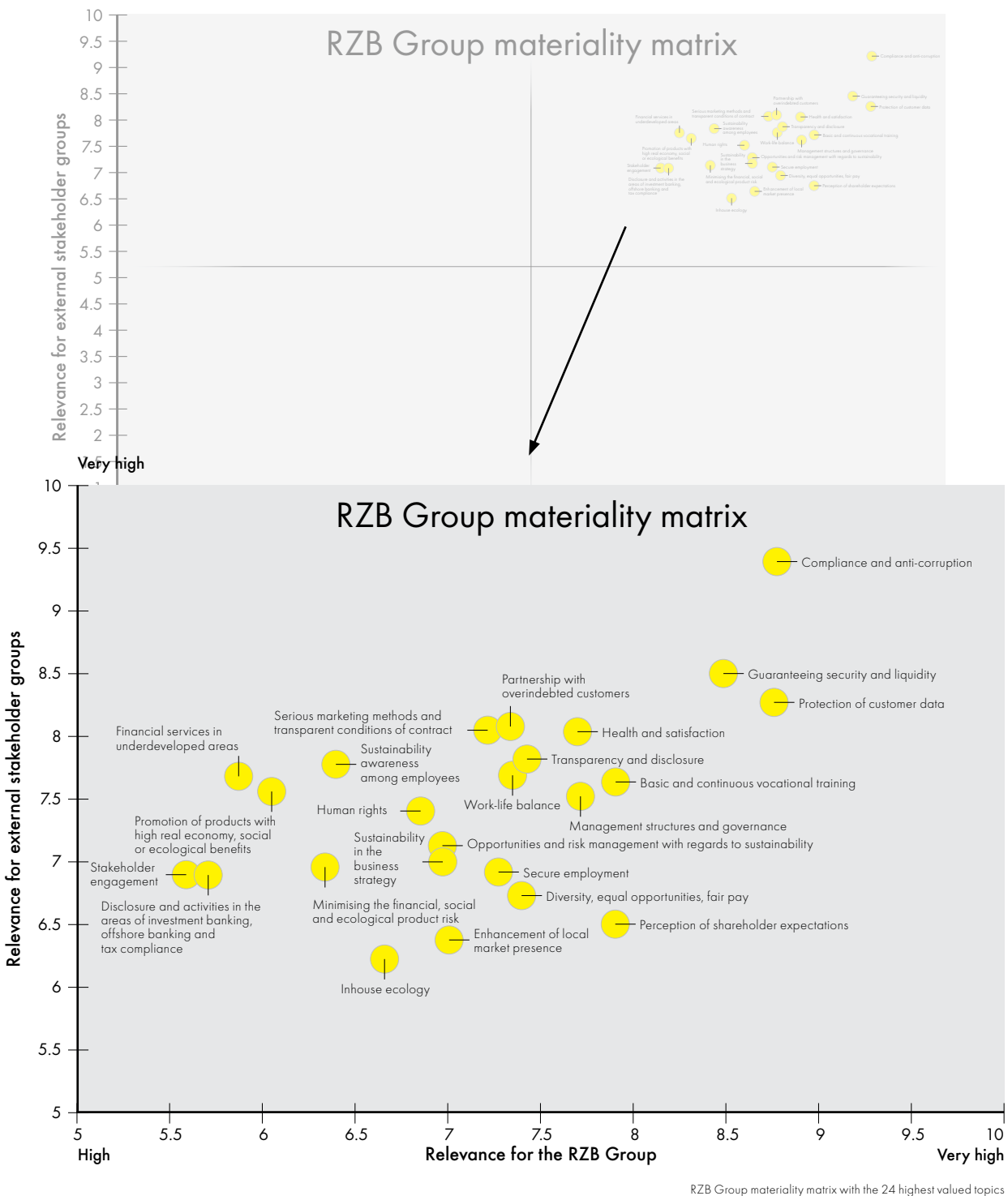
The topics that were identified as very important by stakeholders confirm that we are heading in the right direction. These topics had already been prioritised by us and have shown good performance. The topics that were identified as important in the survey and still require development are the promotion of sustainability in core business and raising employee awareness about sustainability topics. These topics will consequently be a significant part of the sustainability programme for the next few years.

## Materiality matrix

The results of the stakeholder groups survey were put into a materiality matrix. The matrix shows the 20 topics that were evaluated as most important by external stakeholders (Y-axis) and those named by RZB Group (X-axis). This resulted in a materiality portfolio of 24 topics. These topics are shown in the materiality matrix in terms of their relevance for external stakeholders against their relevance for the RZB Group. The top topics from the point of view of RZB Group were identified through the online survey for internal stakeholders as well as through consultation and reflection on the results of the online survey by internal sustainability committees.

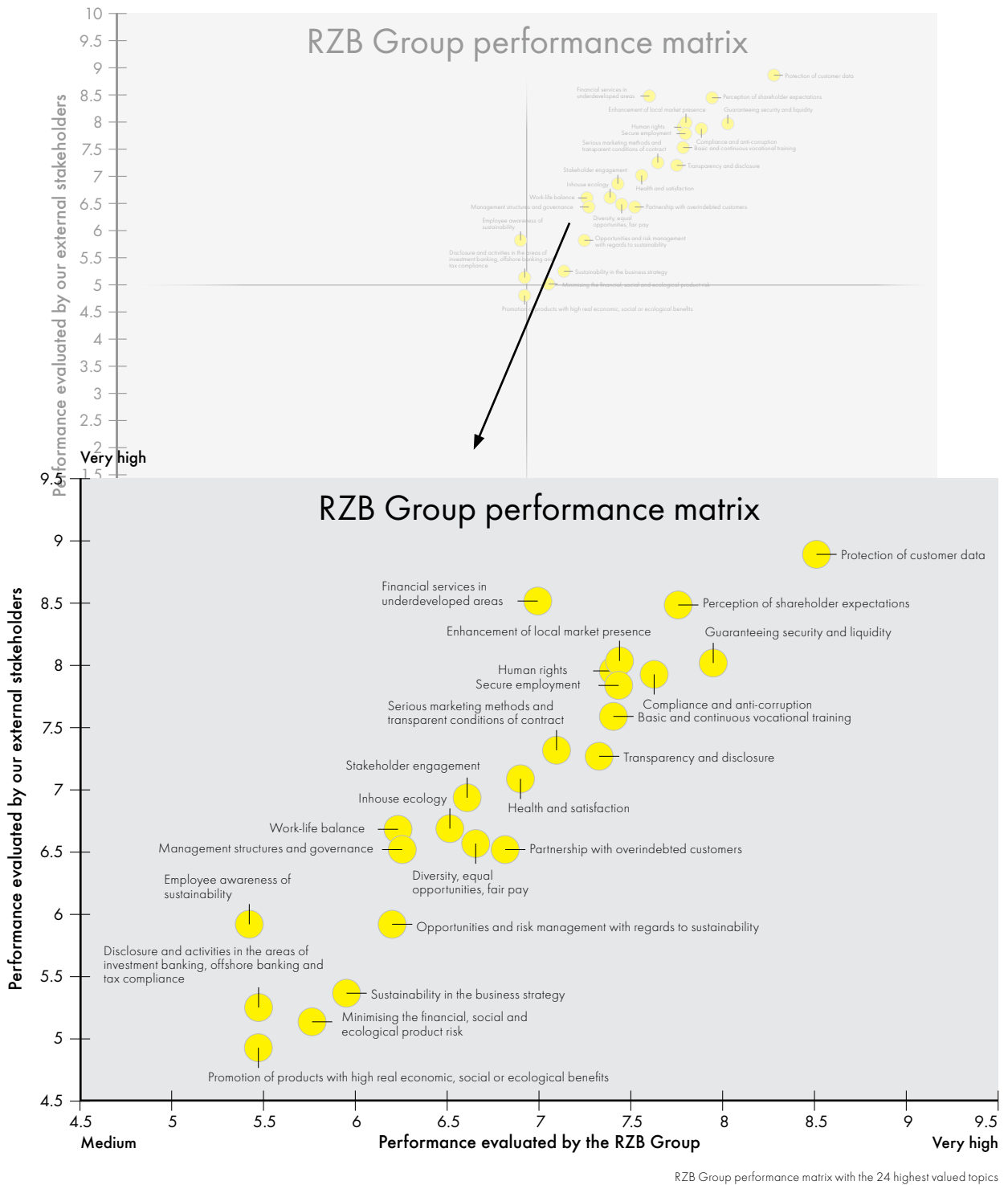
The materiality matrix demonstrates the relevant value of the topics. The priority of topics amongst internal and external stakeholders is only minimally different in that they individually tend to be valued slightly higher by external stakeholders. We see this as an indication that sustainability per se is already something that external stakeholders are more conscious of than internal stakeholders. You can find more information on the topics with the highest priority and performance in the section "Stakeholder Online Survey" or in the sections on the different sustainability topics.

All topic areas are important to us. Particular attention must above all be paid to those entries that are in or very close to the upper right quadrant of the matrix. We have therefore specifically orientated our sustainability strategy towards prioritising these topics. In the next period under review, our aim is, where necessary, to give the prioritised topics - corresponding to associated performance - more space and weight in the sustainability programme and report.



This page shows the RZB Group’s materiality matrix as a result of the online survey. The upper matrix shows the scale from 0 to 10 while the lower matrix only shows the relevant section from 5 to 10. A topic’s position on the scale reflects whether it is not significant (1) or very significant (10). The axes represent the external stakeholder group (Y-axis) and the internal stakeholder group (X-axis).

Of the 44 topics evaluated, the 20 topics valued most highly by the internal and the external stakeholders respectively are shown in the matrix. This gives a total of 24 topics.



The matrices shown on this page show performance evaluation. That is, the subjective perception of sustainability performance as seen by the RZB Group stakeholder groups. Not all 44 topics are included. Instead, the 20 topics considered most important by internal and external stakeholders, a total of 24 topics (see page 35, Materiality matrix) are shown.

The difference between the two matrices is not in the content but in the presentation. The upper matrix contains all possible evaluation grades from 1 to 10. To make the content more readable, the lower matrix starts at 4.5 on the evaluation scale and goes up to 9.5.

## Issue management for sustainability topics

The RZB Group places great value on continually improving sustainability performance. It is therefore important to identify among the large number of priority areas, and manage those economic, social and ecological topics and fields of action that are to be promoted in accordance with sustainable development. We should also focus on topics in the RZB Group's sphere of influence that represent significant financial, ecological and social opportunities and risks. With our new approach to sustainability issue and materiality management, we can continually identify and prioritise relevant and emerging topics through stakeholder involvement, tie these to the sustainability strategy and implement them into sustainability management.

We can also ultimately guarantee the evaluation of our sustainability performance by stakeholder groups, external evaluators and recognised ratings agencies. Issue management occurs in four phases:

- (1) Relevant and emerging topics are identified in a first step. We then closely involve a wide range of stakeholders and use different sources.
- (2) After this, each topic is evaluated using specific criteria in a defined process. For 2012 and 2013 we did this in a two stage process.
- (3) Decisions are made internally as to how and by which concrete measures the prioritised topics can be implemented into sustainability management and business practices. This decision-making process is carried out by the RZB Group's relevant sustainability committees (Sustainability management department, Sustainability Council, and Sustainability working group) and is approved by the Managing Board.
- (4) In the last phase of the management of sustainable topics and materiality, sustainability performance is analysed for reliability and credibility with internal and external checks. For this, we use the Sustainability Council, the Stakeholder Council and stakeholder surveys as well as reliability statements from external, independent inspection bodies.

### Issue management approach to RZB Group sustainability

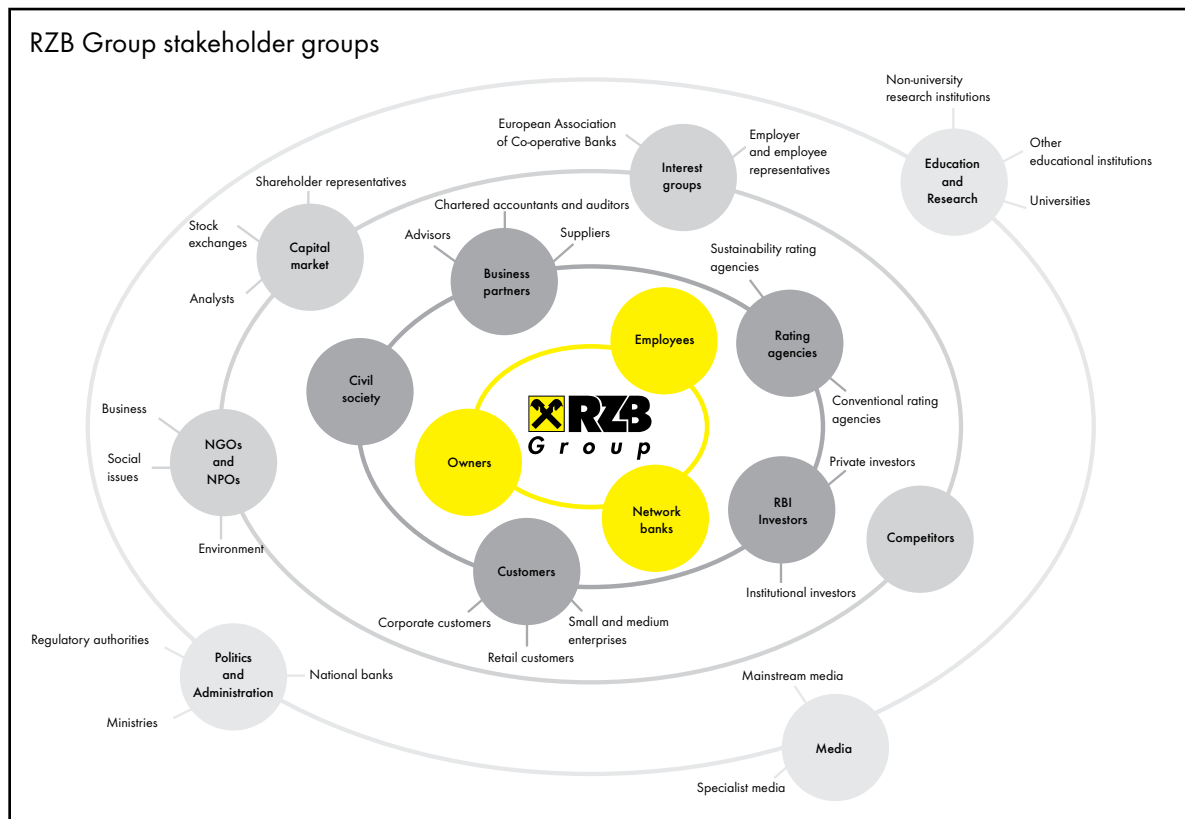


# Stakeholder involvement

Our business activities affect the interests of many stakeholder groups and people in different countries. We also recognise that we are only able to run our company sustainably if we are in frank and constructive exchange with our stakeholder groups and find common solutions to controversial topics. Involving our stakeholders is therefore one of the action points of the sustainability strategy and a core process of our sustainability management. We work hard to identify relevant sensitive issues through regular effective dialogue with stakeholders. In particular, this is the role of the RZB Group's Issue Management and Materiality analysis. In addition to regular dialogues with the different stakeholder groups, we analyse and evaluate topics every two to three years with regard to their relevance for stakeholders and the RZB Group. We process the results and controversial topics from stakeholder dialogues in our sustainability committees and derive corresponding concrete objectives and measures for further development of our sustainability management.

## Our stakeholders

RZB Group defines its stakeholders as those people or groups of people that have a justified interest in the company through their direct or indirect business activities. Stakeholders are therefore employees, customers, owners, subsidiaries and participations, suppliers and business partners of the RZB group. There are also several other stakeholder groups with regular mutual relations.



## Forms of dialogue

It is important for us to provide stakeholder groups with different opportunities to get to know our commitment to sustainability and get involved. For the active involvement of our stakeholders, we use a wide range of forms of dialogue: website, blog, intranet, newsletter, print media, workshops and interactive events, surveys, training and participation in local, national and international discussions on sustainability and sustainability initiatives. Our main form of dialogue is the yearly Stakeholders Council with various important internal and external representatives of our stakeholder groups.

The RZB Group's selected forms of dialogue			
Forms of inclusion	Information	Dialogue and consultation	Participation
<b>Objectives</b>	<b>Creating transparency, providing information</b>	<b>Open exchange and dialogue on perspectives, expectations and possibilities for solutions: listening and learning</b>	<b>Active participation, cooperation, setting out initiatives, implementing projects</b>
	Sustainability Report according to GRI standard	Stakeholder Council (annual)	Active initiation of sustainability initiatives (e.g. through the Raiffeisen Climate Protection Initiative)
	UNGC report "Communication on Progress"	Surveys and opinion polls on sustainability topics (e.g. online survey)	Cooperation in international initiatives (e.g. respACT, ÖGUT working groups and projects)
	Participation in Carbon Disclosure Project	Training and further training (e.g. internal sustainability training sessions)	Cooperation in international initiatives (e.g. UNEP FI, UNGC, EACB, VFU)
	Sustainability information on the company website	Internal Raiffeisen blog on sustainability and corporate responsibility	Supporting projects (e.g. SEA, cooperation with universities)
	Public relations and internal (e.g. current contributions in the employee magazine INSIDE) and external communication	Ad hoc dialogue with policy makers and diverse specialised lectures (e.g. at universities) and participation in public discussions	Involving external stakeholder groups in internal company committees (e.g. the Sustainability Council)
	Participation in agency sustainability ratings (e.g. oekom research, Sustainalytics, VIGEO)	Organisation of events (e.g. RKI networking events, ICEP conferences)	Regular meetings (e.g. Group meeting)





understanding with which the company perceived its corporate responsibility. In concrete terms, the Council looked at how this understanding can be developed with regard to the expectations and demands of the RZB Group stakeholders. The participants were required to be actively involved and to work on concrete ideas and recommendations as to how the RZB Group can improve performance in individual sustainability areas.

The 2012 Stakeholder Council brought to light new understanding, not just because of the numerous inputs from participating stakeholders. We also use this understanding in the visualisation of our strategy. Stefan Schütz, a graphic designer at the company gugler\* was present throughout the whole event and recorded the most important elements of our strategic direction in a graphic recording. It is important for us to anchor the strategy and its messages in the minds of our stakeholders, particularly when it comes to our employees. We consider the additional emotional element of the drawing to be a significant support and a possible tool. For this reason we have also used individual icons from the graphic recording for the image elements of this report.

It is clear that the visual preparation is taking effect as even people who were not at the Council feel affected by it.

The active inclusion of all stakeholders is one of the key tasks of sustainability management. For this reason, perspectives and expectations from all stakeholder groups with regard to important subjects in the area of “sustainable management and corporate responsibility” can be identified and discussed. The aims of the event are open and constructive exchange, learning together about the relevant topics as well as the development of solutions. We therefore have the opportunity to reflect on and continually develop our sustainability strategy and performance directly with stakeholder groups. The Stakeholder Council involves a dialogue form that promotes continual exchange with stakeholder groups within the context of an event.



Welcome at the Stakeholder Council 2012

Herbert Stepic said in his welcome speech: “Despite a financial situation that continues to be strained, we continue to do our best to manage the flow of money, the economy, loans and investments for all participants in a way that creates value and makes sense. However, our basic pillars – the Raiffeisen values – have remained the foundation for our business model through all the changes and alterations.”

Following this, the representatives of the stakeholder groups looked briefly at our current sustainability topics and performance through ad hoc statements from Johannes Schuster (Managing Board of RZB AG), Peter Lennkh (Managing Board of RBI AG) and Ernst Rosi (Senior Advisor to the Managing Board of RZB AG). These were based

on the three areas of activity of the sustainability strategy “responsible banker”, “fair partner” and “engaged citizen”. The RZB Group works according to this strategy in all business areas.

There were then responses to the statements from external stakeholders. Reinhard Friesenbichler (Executive director of rfu Unternehmensberatung/ Business Consulting), Michael Fembek (Essl Foundation and Initiator of the CSR Yearbook) and Karin Küblböck (Austrian Research Foundation for International Development, economist and co-founder of ATTAC Austria) countered the ad hoc statements in their short replies.

Following this, three round table discussions corresponding to the RZB Group’s strategy areas took place. In these discussion workshops, the stakeholders’ expectations of topic areas deemed particularly relevant were identified and concrete options for action to be taken were developed for each topic.

For this, the working groups were asked the following initial questions:

- Does the RZB Group consider the relevant topic one that is worth prioritising?
- With regards to this sustainability topic, what are your recommendations and ideas for how the RZB Group can improve in this area?
- What can the RZB Group do in concrete terms?

Our ambition is to pursue these ideas and recommendations within the framework of sustainability management with due care and determination.

Feedback from the stakeholders is included in Issue and Materiality management and affects our sustainability communication. We documented the Council to that effect.

On the next page, you can read the most important of the recommendations that were developed at the Stakeholder Council.

In the “Responsible banker” working group, it was communicated to us that we should focus on the provision of loans and implement criteria relevant to sustainability in this area. The fact that we take our dialogue partners and their inclusion in our strategy seriously is also shown in the fact that we have already tackled this topic and integrated it into our sustainability programme for 2013.

We don’t just have Stakeholder Councils because this is seen as a part of professional sustainability management. It is far more the case that we see these dialogues as a useful instrument for optimising our approach to opportunities and risks. We also recognise the potential for innovation that these offer.

At the 2013 Stakeholder Council, there will be reports on measures taken and progress made in the topic areas. Additionally at the Stakeholder Council 2013, we intend to focus on sustainability topics that are of particular relevance to us and our stakeholders.

And we plan to develop particularly relevant topics into “workstreams” involving our internal and external stakeholders.

In keeping with our sustainability mandate, the Stakeholder Council was certified as a “Green Meeting”.



Johannes Schuster, Managing Board of RZB AG:  
*"Sustainability is a part of our self-image and has a high level of strategic significance for the RZB Group. Raiffeisen is an all-purpose bank that is active locally with solid core business that is simple, transparent and expandable. Our relationship to day-to-day business is based on our Raiffeisen values, the Code of Conduct and on adhering to the corresponding compliance regulations that are integrated into our business processes."*



Reinhard Friesenbichler, CEO of rfu Unternehmensberatung:  
*"What is still missing is a transformation of values. It would be good to see the values of sustainability transformed to the process of lending. It would be good for a bank like Raiffeisen to see the values of its savers and shareholders and transform these into service principles and concrete banking services. The next steps at Raiffeisen should aim to focus on the positive elements of business and not just on avoiding the negative."*



Peter Lennkh, Managing Board of RBI AG:  
*"Even the word 'partner' implies fairness, an interest in others, dialogue and public opinion. In a dialogue, you also want to listen, to create something together. RZB Group has been able to sustainably win about 60,000 employees and 14 million customers."*



Michael Fembek, Essl Foundation and initiator of the CSR Yearbook:  
*"To be a fair partner to employees means among other things, doing nothing that contradicts valuing your employees and the defined values. Diversity means supporting lateral thinking, integration and inclusion, even where this is not in the immediate interest of the company. More is possible than one thinks."*



Ernst Rosi, Senior Advisor to the Managing Board of RZB AG:  
*"Commitment has always been part of Raiffeisen's identity both in Austria and in Central and Eastern Europe. For us, it matters how and in which direction our company develops; whether opportunities are created or diversity is threatened and whether we live in a culture of cooperation and solidarity. Communities create a better world. That is the idea. And, if we are successful in growing our idea, that will be an essential contribution."*



Karin Küblböck (Austrian Research Foundation for International Development, economist and co-founder of ATTAC Austria):  
*"Banks play an important role in society. They manage customer deposits and make credit available. Traditionally, they know the businesses that they provide credit to well and maintain long-term relationships with them. Additionally, banks such as Raiffeisen are also active in a socio-political way. In the last few years, banks have, however, often distanced themselves from their core tasks and have taken risks that had to be shouldered by society."*



Excerpt from the recommendations of the RZB Group's Stakeholder Council 2012		
Dialogue and working groups	Sustainability topic	Important recommendations and ideas
Responsible banker	Sustainability in the products	<p><b>Guideline for the lending process (including criteria relevant to sustainability)</b></p> <ul style="list-style-type: none"> <li>Product policy comes top when it comes to anchoring sustainability entirely and strategically in the company. For this reason, the ecological and social dimension should be taken into account as well as possible through defined criteria as part of the provision of credit.</li> </ul>
	Structure of the business model	<p><b>Data collection for added value</b></p> <ul style="list-style-type: none"> <li>Quantifying and publishing RZB Group's sustainability contribution (ecological, social and economic dimension).</li> </ul>
	Compliance and anti-corruption	<p><b>Inclusion of compliance in how the bank functions</b></p> <ul style="list-style-type: none"> <li>The bank should incorporate compliance throughout.</li> <li>The compliance system should be highly effective internally. This means that the number of problem cases that are not caught in this filter should be as low as possible.</li> <li>Promote communication about measures and effectiveness.</li> </ul>
Fair partner	Fairness with regard to the stakeholders	<p><b>Bonus-malus system</b></p> <ul style="list-style-type: none"> <li>Optimise and publish customer policy when it comes to overindebtedness.</li> <li>Establish a bonus-malus system for loans.</li> </ul>
	Transparency	<p><b>Integrated reports and a "report light"</b></p> <ul style="list-style-type: none"> <li>Integrated report: incorporate the economic, ecological and social dimensions.</li> <li>One objective could be to create a report that is easy for customers to understand. Creation of a "light" version of a business and sustainability report as a serious instrument for information, transparency and communication.</li> </ul>
Engaged citizen	Political involvement	<p><b>Tackling political issues, promoting rational discourse and strengthening ties</b></p> <ul style="list-style-type: none"> <li>Work on future topics/challenges with a large scope for action (e.g. training, mobility, area planning, energy resources). As an important player in society, Raiffeisen could itemise this process in order to create meaningful social discussions.</li> <li>Focus discussions on the key topics of a bank and involve the bank more such that banks can concentrate on their core tasks again. This requires changes to framework conditions (e.g. new laws regarding hedge funds).</li> </ul>
	Cooperation, sponsorship and donations	<p><b>Quantification and communication</b></p> <ul style="list-style-type: none"> <li>Monetary quantification</li> <li>Measuring hours for social commitment (incl. corporate volunteering and voluntary activities)</li> <li>Communication of financial and human social contribution</li> </ul>



Dialogue circles in workshops at the Stakeholder Council 2012

# Stakeholder online survey

At the end of 2012, we planned a detailed survey based on the output of the Stakeholder Council. This was carried out in February 2013. The aim was to get stakeholders to reflect on our sustainability strategy, to prioritise important sustainability topics and to evaluate our sustainability performance (see page 33 "Materiality"). Over a period of three weeks, over 600 internal and external stakeholders were given the opportunity to participate in the survey.

## Stakeholder online survey approach

The key Austrian and international RZB Group stakeholders contacted by us for this survey comprised a total of 608 representative individuals from the following areas:

- Employees
- Owners
- Affiliated companies
- Customers and business partners
- Civil society (including NPOs and the media)
- Politics and institutions

For each sustainability topic, we asked the stakeholders how important the topic was on a scale of 1 to 10. To avoid simply prioritising important issues, we also asked the stakeholders about perceived sustainability performance for the topics (also on a scale of 1 to 10). For us it is important to work on the right topics, those that are really essential. Asking whether we are currently doing the essential things well demonstrates that our focus is not just on strategy but also on the operational elements of our work.

The priority areas were divided according to the three pillars of our sustainability strategy: responsible banker, fair partner, engaged citizen. In total, 44 individual topics were assessed for materiality and performance. The topics included the following elements, focussed on sustainability:

- Compliance and management structure
- Strategic significance of sustainability
- Opportunities and risk management
- Bonus systems
- Sustainable products
- Advertising and marketing
- Employees
- Customers
- Shareholders
- Other stakeholders
- Social commitment
- Environment with a focus on operational ecology

The response rate of around 20 per cent shows our stakeholders' high level of interest in communicating with us. The survey was prepared in 2012 amongst other things because of the results and feedback from the Stakeholder Council 2012. It was carried out at the beginning of 2013. It can therefore be considered to represent an evaluation and assessment of services in the period under review and be used to derive future measures.

## Results

The findings from the survey were directly incorporated into the materiality analysis and were displayed in the materiality matrix (see page 35). For the presentation in this report, we limited ourselves to the twenty topics considered most important by internal and external stakeholders respectively. None of the topics were considered to have low importance and our medium-term task is clear: closely monitoring all agendas relative to sustainability and embedding them in the strategy.

The performance evaluation provides us with a framework for further categorising the topics and bundling our measures according to the highlighted issues.

The following three topics were considered the most important by both external and internal stakeholders:

- Compliance and anti-corruption
- Protection of customer data
- Guaranteeing security and liquidity

All three topics were also attested to have very high performance. These topics are therefore treated in our report in corresponding detail. The topic of compliance and anti-corruption is given particular attention. It has its own sub-chapter in this report as the topic was also specified as very important at the Stakeholder Council. The fact that the RZB Group takes this subject seriously is also shown in the very extensive regulations published at the end of 2012 in combination with the transparency package. Details of the Group-wide Code of Conduct (CoC) regarding dealing with customers, business partners and employees can be found on page 52.

The high importance afforded to the protection of customer data shows that confidence in the security of the money entrusted to us is an issue that is taken seriously. Our stakeholders' favourable evaluation of performance in this area reflects the results of numerous market surveys and corporate values that have already been successfully put into practice.

Interestingly, the fourth most important topic for internal stakeholders is the perception of shareholder expectations such as returns, security and liquidity. This shows a high degree of identification both as shareholders and as employees that understand that an appropriate profit is a prerequisite for a secure job. This topic is looked at with respect to shareholders in the chapter "Fair partner".

Naturally, internal stakeholders considered topics linked to Human Resources as being slightly more important than external stakeholders considered them to be.

The top 10 most important topics for internal stakeholders were:

- Basic and continuous training of employees and employee development
- Employee health and satisfaction
- Diversity, equal opportunities and fair pay
- Work-life balance and combining professional and family commitments

The fact that well-trained employees are the basis for professional high-quality banking services at the RZB Group is also reflected in the high valuation of perceived performance. In the chapter "Fair partner" we describe in detail the numerous initiatives that have been undertaken in the period under report to further improve employee competence.

Our employees still see room for improvement regarding the topic of work-life balance. This is an issue that is currently changing in the world of work. Studies show that flexibility is increasingly important for employees and days working from home already have same importance as salary increases (source: Study: "Unified Communication & New World of Work 2013", HMP management consultancy, IMC Krems, Report Verlag, February 2013). The RZB Group provides its employees with many opportunities to optimise their work-life balance and takes the subjects of dealing with stress and preventing burnout very seriously. Our measures for maintaining motivated employees who continue to perform well long-term are outlined in the chapter "Fair partner".

Bringing more sustainability into core business is one of the RZB Group's most important topics for the future. Our stakeholders have confirmed this and given us a clear mandate for further development. In the chapter "Responsible banker", we outline the many innovative products that already exist in our affiliated companies, as well as the future measures that are already anchored in the strategy. This is how we aim to contribute to being a leading corporate group in the area of sustainability. A sustainable company needs employees that have a broad awareness of sustainability and corporate responsibility. All stakeholders have given us the mandate to further develop ourselves in this area. In the chapter "Fair partner", we demonstrate in detail how we are giving this topic the attention it warrants and explain the initiatives developed in 2012 and are already being implemented.



The background of the page is a complex, abstract watercolor composition. It features a dense network of overlapping, thin lines and washes of color in various hues, including teal, dark blue, black, pink, orange, and yellow. The lines are somewhat chaotic and organic, resembling a tangled web or a network of paths. A prominent yellow rectangular box is positioned in the upper left quadrant, containing the text. The overall aesthetic is artistic and textured.

FIELD OF  
ACTION  
'RESPONSIBLE  
BANKER': FOR  
SUSTAINABILITY  
IN THE CORE  
BUSINESS

# Responsible banker

The RZB Group is a responsible group of companies, which is also reflected in our products, services and processes. The core business is the most effective lever for sustainable development. The RZB Group therefore believes that the granting of loans and investment of funds represent a primary responsibility and the most important fields of action for creating sustainable success and economies. In all of our areas of business and products, we strive to build long-term profitable business relations, while avoiding social and environmental risks, embracing opportunities to improve environmental protection and social standards.

**RESPONSIBLE  
BANKER**

## Business strategy

### Vision and Mission



The long-term vision of the RZB Group is as follows: "RZB Group is the leading banking group in Austria and Central and Eastern Europe". In addition, our sustainability vision includes the ambition to become a leading group of companies in terms of corporate responsibility. We have long considered it to be part of our mission to develop long-term customer relations and to offer the highest possible standards of financial services in our core market. As such, we aim for an above-average return on equity, as economic success

is an important prerequisite for sustainable business operations. Our focus is on customer business, so the needs of our customers are placed at the very heart of our activities. We are committed to the delivering services of the highest possible quality, with the greatest possible flexibility. Each and every success of our Group of companies is based on the performance of our employees. We believe that motivation and training are important prerequisites for such successes. We promote and support entrepreneurial thinking and own initiative, and practise an open corporate culture. At the same time, we always keep in mind the long-term interests of our shareholders. All of our activities are based upon fundamental ethical values (see also page 17).

### Fields of action

As per the 'triple bottom line' of sustainability, we carry responsibility in the fields of economy, society and environment (see page 25, graphic). These give us clear fields of action for our banking group, enabling us to develop concrete measures. In the field of economy, these measures are aimed at successful economic activities through responsible business management and commercial strategies, sustainable real and regional economy value creation, and integration of sustainability principles into the core business. Where society is concerned, our responsibility lies in the field of our products and services – by noting the concerns of customers, considering social aspects of lending and other financial products, protecting customer data and communicating accurate information. With regard to the environment, it is our task to take on responsibility for our products and services, by adhering to national environmental regulations and recognised international conventions, as well as by taking into account the ecological consequences when financing projects and providing financial products.

### Sustainable business strategy

RZB AG is, on the one hand, a central institution and service unit of the Raiffeisen Banking Group (RBG); on the other, it concentrates primarily on financial services through the RBI Group, targeted at the Central and Eastern Europe region (CEE). In selected Asian markets, it acts as a niche player. The RBI Group has been active in CEE for more than 25 years, and is a pioneer in the region. Today, RBI AG has a dense network of subsidiaries, leasing companies and a series of specialised financial services companies in 17 CEE markets. This strong position is supported by the Raiffeisen brand, which is one of the most recognisable brands in the region. As a universal bank, RBI AG is focussed on business and private customers. In Austria, it concentrates on the business customers with the highest turnover, as well as on their private banking activities (through their private banking subsidiary company, Kathrein Privatbank).

For RBI AG, as one of the few international banks with a presence in practically every market of Central and Eastern Europe, the diversification into so many markets has resulted in a natural reduction of the risks that are, by definition, associated with banking: profitable markets or banks compensate for any setbacks in other markets. The RBI Group has a broad and secure base when dealing with customer groups. By analogy, customer diversification eventually gives rise to risk spreading by products.

In those countries where we are active, we place value on shaping investments and businesses in such a way that they can contribute to sustainable development of the regions and economies. We are aware of our direct and indirect roles in value creation and employment. This is because investments generate impetus for growth, and banks have a key role through their function as lenders of capital.

## Classification of segments

The markets in Central and Eastern Europe are grouped into regional segments, in which it is possible to group together countries with comparable economic characteristics and similar long-term expectations for development. Business activities outside of Central and Eastern Europe are defined according to areas of business. The following seven segments are derived from this:

- **Central Europe** (Poland, Slovakia, Slovenia, Czech Republic and Hungary);
- **Southeastern Europe** (Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Croatia, Romania and Serbia);
- **Russia**;
- **CIS other** (Belarus, Kazakhstan and Ukraine);
- **Group Corporates** (Business with Austrian and international corporate customers of RBI AG, managed from Vienna, wholesale business with Central and Eastern European customers and multinational customers with relations in CEE, further corporate customers of our branches and finance companies, respectively, in selected markets in Asia and the USA);
- **Group Markets** (capital market-related customer and proprietary trading of RBI AG, business with banks, institutional customers, states and communes, business of the Raiffeisen Centrobank and the Kathrein Privatbank);
- **Corporate Centre** (primarily services provided in various areas which are central to the Group)

More detailed information can be found in the RBI Annual Report 2012.

# Governance and compliance

## Corporate Governance

The RZB Group places great value on responsible and transparent business management, to strengthen and maintain the understanding and trust of its stakeholders. This is a prerequisite for the performance of our banking group. The traditional Raiffeisen Values provide the basis for this (see page 17), as does the Code of Conduct which is applied across the Group (see page 52). Long term value creation is our primary strategic objective. In addition, RBI AG is a listed company and so undertakes to comply with the Austrian Corporate Governance Code (ÖCGK), as per its currently valid version of July 2012. (This can be found on [www.corporate-governance.at](http://www.corporate-governance.at) and also at [www.rbinternational.com/Investor Relations/Corporate Governance](http://www.rbinternational.com/Investor Relations/Corporate Governance).)

As in previous years, the Company commissioned an external evaluation in both 2011 and 2012, which was carried out by Univ. Prof. DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH. In both years, this confirmed that RBI AG had adhered to the rules of the ÖCGK, as contained within the declaration of commitment. (The report is available to the public at [www.rbinternational.com/Investor Relations/Corporate Governance/Evaluation of the CG Code](http://www.rbinternational.com/Investor Relations/Corporate Governance/Evaluation of the CG Code).) The Managing Board of RZB AG comprised three members in the financial years of 2011 and 2012: Walter Rothensteiner (Chairman), Johannes Schuster and Johann Strobl. The Managing Board of RBI AG comprised seven members: Herbert Stepic (Chairman), Karl Sevelda (Vice-Chairman), Aris Bogdaneris, Patrick Butler (until 15 April 2012), Klemens Breuer (from 16 April 2012), Martin Grill, Peter Lennkh and (in a dual role) Johann Strobl. The procedure for appointments at the Managing Board level and B-1 is regulated in a Group Directive. There are job

descriptions for all management roles in the RZB Group, and these define the specific requirements for each position (education, experience, technical and personal abilities and skills). These profiles form the basis of candidate selection. Information concerning the qualifications profile and experience of the members of the Managing Boards of RZB AG and RBI AG can be found on the respective Company websites.

The Supervisory Boards of both RZB AG and RBI AG comprised 15 members in financial years 2011 and 2012, of which four (RZB AG) and five (RBI AG) of these respectively were posted there from the Staff Council. The independence of the RBI AG Supervisory Boards is ensured through compliance with the criteria which have been defined (in the sense of C Rule 53 of the ÖCGK) and explained in the RBI Annual Report 2012 (page 26). Both the Managing Board and the Supervisory Board of RZB AG and RBI AG are obliged to disclose any potential conflicts of interest.

The Managing Boards of RZB AG and RBI AG lead the Companies under their own responsibility, according to clearly defined targets, plans and guidelines, in the sense of business management based upon sustainable, forward-thinking and modern corporate principles. As such, they always pursue the interests of the company and consider the interests of stakeholders and employees, pursuant to our values (customer focus, professionalism, quality, mutual respect, initiative, teamwork and integrity). Meetings of the Managing Board are held on a weekly basis, and are used to exchange information and to take decisions on all matters which are to be approved by this body. The Rules of Procedure of the Managing Board and Supervisory Board, and its committees, contain information and reporting commitments of the Managing Board, as well as an official catalogue of all measures which require the approval of the Supervisory Board. Specific tasks are assigned to the committees for work, audits, remuneration and staff.

The Working Committee approved all business transactions and measures that are not only subject to the approval of the Supervisory Board. In the previous year, this particularly concerned the establishment and restructuring of subsidiaries and the acquisition of shares up to a certain book value, as well as the taking over by members of the Managing Board of functions of bodies from other companies, or the appointment of persons to Managing Board and supervisory bodies of Group financial institutions. Furthermore, the Working Committee approved the, assumption of operational banking risk above a certain level.

The Personnel Committee dealt with the remuneration of members of the Managing Board, and the content of their employment contracts. In particular, they approved the allocation of bonuses and of shares from the 'Share Incentive Programme' to members of the Managing Board.

The Audit Committee monitored the accounting process and the effectiveness of the Company's internal checking, revision and risk management systems. Likewise, it audited the proposal for distribution of profits, and the Corporate Governance Report. In addition, the Audit Committee discussed the content of the Management Letter (final report of the auditor to Top Management), and of the report on the reliability of the risk management and internal control systems.

In particular, the Remuneration Committee determined the general principles of Company's remuneration policy and practices, as per the Austrian Banking Act (Bankwesengesetz, BWG), and under consideration of the relevant provisions of the Corporate Governance Code, including the establishment of principles for granting of profit or revenue shares and pension benefits to executives within the meaning of the Companies Act, and the approval of a programme for the transfer of company shares. Further tasks concerned the monitoring and regular checking of the remuneration policy, remuneration practices and the incentive structures related to remuneration.

The presentation of the total remuneration paid to the Managing Board of RBI AG was restructured in the 2012 Annual Report. For the first time, the board members' salaries and emoluments had to be reported on an individual basis. The bonus allocations to the Managing Boards of RZB AG and RBI AG are connected to the achievement of company objectives with regard to profit after tax, return on risk adjusted capital (RORAC) and cost/income ratio, as well as the achievement of annually agreed personal targets. Assessment of the performance of the Managing Board is part of the Standard Performance Management Process. Achievement of objectives is assessed for all Managing Board members on an individual basis by the Chairman of the Managing Board, who in turn is assessed by the Supervisory Board.

The amounts of fixed and performance-related remuneration reported in the 2012 Annual Report of the RBI Group were reduced by € 2 million to € 11.8 million, due to a voluntary repayment by the Chairman of the Managing Board. The high values - due, among others, to the significantly higher-than-expected results based upon the performance criteria and share price development, which triggered an unusually large share-based remuneration - were significantly higher than

those reported in 2011. Furthermore, there was also a board change in the field of Markets, which temporarily raised the number of directors eligible for benefits from seven to eight. Further information can be found in the 2012 RBI Annual Report.

In 2010, the FMA accused the members of the Managing Board of the former (RI) Raiffeisen International AG – of which four are now members of the Managing Board of RBI AG – of not having promptly disclosed preparations in connection with the merger between RZB AG and RI AG via an ad-hoc release, and of not having promptly informed the FMA and Vienna Stock Exchange prior to issuing this ad-hoc notice. This is countered by the legal viewpoint of RBI AG that at the time when the project was discussed by the RZB Managing Board, it was not yet possible to initiate actual implementation of the merger, and that to inform the general public without hard facts would have meant a serious economic disadvantage for the company. The obligation to furnish an ad-hoc notice only arises once there is sufficient probability of the underlying event taking place. In the course of administrative penal proceedings of the FMA, the appeal decision of the Independent Administrative Senate (UVS) was delivered to the members of the Managing Board concerned, the entire content of which was entirely in line with the view of the FMA. Those concerned have filed an appeal of last resort to the Administrative Court. The case currently remains open.

## Compliance

The business model of the RZB Group places people at its core. The Code of Conduct (CoC) for dealing with customers, business partners and employees, which is applicable across the Group, is a binding regulatory framework for all employees and, accordingly, is available on all websites of the RZB Group in the respective national language. It is based on the fundamental Raiffeisen values and is orientated towards the specific requirements of everyday business at home and abroad. As an integral part of our corporate responsibility, it goes beyond the legal framework. The Code of Conduct provides the staff with clear orientation in their business, ethical and social actions. The CoC includes guidelines for ethical behaviour of all employees, with regard to principles, workplace and employees (conflicts of interest, data protection etc.), bribery and corruption (gifts and invitations, donations etc.), dealing with customers and business partners ('Know Your Customer', money laundering etc.), market abuse (insider dealing, fair competition), accounting and finances (book-keeping and financial reporting etc.) and sensitive fields of action (human rights, nuclear power, weapons etc.). Further information is available at: [www.rzb.at/About us/Sustainability Management/Sustainability Report/CoC](http://www.rzb.at/About us/Sustainability Management/Sustainability Report/CoC)

The ten principles of the UN Global Compact	
<b>Human Rights</b>	
Principle 1	The RZB Group supports and respects the protection of international human rights within its sphere of influence.
Principle 2	The RZB Group ensures that it does not become complicit in human rights violations.
<b>Labour</b>	
Principle 3	The RZB Group safeguards the right of association and effective recognition of the right to collective bargaining.
Principle 4	The RZB Group supports the elimination of all forms of forced labour.
Principle 5	The RZB Group supports the abolition of child labour.
Principle 6	The RZB Group supports the elimination of discrimination in the hiring and subsequent employment of staff.
<b>Environment</b>	
Principle 7	The RZB Group takes a preventive approach to dealing with environmental problems.
Principle 8	The RZB Group takes initiatives to create a greater sense of responsibility for the environment.
Principle 9	The RZB Group promotes the development and proliferation of environmentally friendly technologies.
<b>Anti-corruption</b>	
Principle 10	The RZB Group opposes all types of corruption, particularly blackmail and bribery.

Ultimate responsibility for the CoC lies with the Managing Board of RZB AG, whose chairman is also the highest authority on issues of sustainability. Organisation of the section of sustainability management is also assigned to his executive division. Operational responsibility for implementation of the CoC in all global units of the Group lies with the RZB Chief Group Compliance Officer. The Officer is also responsible for all issues concerning compliance with legal requirements, in addition to and as part of the internal control system. In addition, all members of management are responsible for ensuring compliance with the CoC in their own area of responsibility. Third parties, who are commissioned to work on behalf of/in the name of the RZB Group, are also obliged to comply with the CoC.

Furthermore, the RZB Group is one of the signatory companies of the UN Global Compact (UNGC), and is therefore committed to consistently complying with the ten UNGC principles of responsible business. These principles include the core areas of human rights, labour standards, environmental protection and combating corruption. The concomitant attitude of global responsibility is expected of all staff and managers, as well as of partners and suppliers. In addition to the Sustainability Report, an annual Communication on Progress (COP) is published in accordance with the Agreement to join the UNGC. Further information is available at: [www.unglobalcompact.org](http://www.unglobalcompact.org)

## Value creation

The countries in which the RZB Group is active create an economic environment in which the bank can be successful.

Key figures of the RZB Group, by segment (in millions of €)								
	Total assets 2012	Change vs previous year	Total assets 2011	Profit /loss after tax	Customers	Business units	Employees at Reporting Date	Deposits from customers
Poland	13,428	82.2%	7,368	1	871,102	416	6,656	7,901
Slovakia	9,667	-0.2%	9,682	37	840,728	163	3,827	7,233
Slovenia	1,612	-6.9%	1,732	-25	68,593	17	310	495
Czech Republic	8,938	1.7%	8,789	78	486,261	132	3,066	6,319
Hungary	7,155	-2.3%	7,320	-174	622,990	125	2,865	4,927
Reconciliation	-13	-68.0%	-40	68	-	-	-	0
<b>Segment Central Europe</b>	<b>40,787</b>	<b>17.0%</b>	<b>34,852</b>	<b>-15</b>	<b>2,889,674</b>	<b>853</b>	<b>16,724</b>	<b>26,875</b>
Albania	2,289	-1.7%	2,330	37	273,486	105	1,388	2,037
Bosnia and Herzegovina	1,983	-8.6%	2,170	19	496,107	98	1,561	1,526
Bulgaria	3,486	-5.3%	3,681	10	791,751	183	3,119	2,156
Kosovo	629	-7.6%	680	13	273,486	52	688	514
Croatia	5,097	-6.7%	5,465	45	479,399	79	2,066	3,040
Romania	5,982	-5.9%	6,359	86	1,974,315	527	5,486	3,781
Serbia	1,883	-14.7%	2,207	47	550,790	85	1,769	1,139
Reconciliation	-4	-94.1%	-64	8	-	-	-	0
<b>Segment Southeastern Europe</b>	<b>21,346</b>	<b>-6.5%</b>	<b>22,827</b>	<b>267</b>	<b>4,839,334</b>	<b>1,129</b>	<b>16,077</b>	<b>14,194</b>
<b>Segment Russia</b>	<b>15,635</b>	<b>10.0%</b>	<b>14,218</b>	<b>473</b>	<b>2,288,175</b>	<b>186</b>	<b>8,155</b>	<b>9,609</b>
Belarus	1,355	10.8%	1,223	26	691,925	100	2,190	872
Ukraine	4,922	6,697.8%	5,467	33	0	1	11	2,646
Reconciliation	47	-5,332.7%	71	2	-	-	-	0
<b>Segment CIS Other</b>	<b>6,324</b>	<b>-6.5%</b>	<b>6,761</b>	<b>61</b>	<b>3,721,349</b>	<b>926</b>	<b>16,050</b>	<b>3,518</b>
<b>Segment Group Corporates</b>	<b>18,997</b>	<b>-16.8%</b>	<b>22,843</b>	<b>247</b>		<b>8</b>		<b>9,660</b>
<b>Segment Group Markets</b>	<b>20,243</b>	<b>-21.3%</b>	<b>25,732</b>	<b>191</b>	<b>447,542</b>	<b>3</b>	<b>3,078</b>	<b>2,103</b>
<b>Segment Corporate Centre</b>	<b>47,341</b>	<b>-12.1%</b>	<b>53,835</b>	<b>-268</b>		<b>1</b>		<b>-</b>
Reconciliation	-34,557	1.4%	-34,083	-208	-	-	-	-
<b>RBI Group total</b>	<b>136,116</b>	<b>-7.4%</b>	<b>146,985</b>	<b>748</b>	<b>14,186,074</b>	<b>3,106</b>	<b>60,084</b>	<b>66,297</b>
RBG	16,037	-5.5%	16,977	128	-	8	610	142
Other participations	4,868	-2.6%	5,000	-45	-	0	-	-
Reconciliation	-11,066	-41.4%	-18,875	-200	-	1	-	-
<b>RZB Group total</b>	<b>145,955</b>	<b>-2.8%</b>	<b>150,087</b>	<b>631</b>	<b>-</b>	<b>3,115</b>	<b>60,694</b>	<b>66,439</b>

The segments reflect the organisational structure and responsibilities of the countries and business areas.

In return, we also contribute to the public sector. We strive to shape investments and businesses in such a way that they can contribute to sustainable development of the regions and economies where our companies are active. We take the great responsibility of our direct and indirect role in value creation seriously. Our financing enables investments to be made which enhance the competitiveness and innovative capacity of companies and public bodies, while providing an impetus for economic market development, and so promoting economic growth in these regions.

We are also aware of our importance as a regional employer and taxpayer. The RZB creates high-quality jobs and so contributes to reducing the 'brain drain' from the region.

The following table displays the value contribution generated by the RZB Group for its various stakeholders.

Financial flows of the RZB Group to stakeholders in millions of €	2012	2011
<b>Owners – Dividends (only RBI AG)</b>	<b>20</b>	<b>20</b>
<b>Employees – Wages and salaries</b>	<b>1,274</b>	<b>1,239</b>
<b>Economy – Investments and operating costs</b>	<b>1,265</b>	<b>1,214</b>
<b>Public authorities</b>		
Income tax	274	415
Compulsory social security contributions	301	291
<b>Equity as per reporting date</b>	<b>12,172</b>	<b>11,489</b>

*Economic value of the RZB Group, directly generated and distributed*

Responsible banking and investment forms the basis of our business. Sustainably managed financial circulation creates the greatest value for all participants. Our active commitment enables us to contribute to the sustainable development of both the company and society. Our core business offers the greatest number of opportunities for this. For this reason, we continue to work to implement sustainability aspects even more comprehensively in our core business.

Many developments and innovations in the energy industry and environmental engineering were first made possible by investors who recognised the relevance of ethical and environmental components, and were convinced of their long-term success. The RZB Group believes that the granting of loans and the investment of funds are the primary responsibility and the most important fields of action for creating sustainable success. In all of our areas of business and products, we strive to build long-term profitable business relations, while avoiding social and environmental risks and embracing opportunities.

- We are committed to responsible lending.
- We strive to integrate social and environmental aspects of sustainability into the investment business.

## Responsibility in the core business

### Credit policy

Our business model is focussed on the sustainable creation of value and competitiveness of our markets and customers. Responsible lending is a significant component of the RZB Group business model. We accomplish this through our credit policy, which is based on continuity. We remain a fair and reliable lender to businesses with future prospects, even in difficult times. And we hold a clear position regarding the handling of 'sensitive' areas of business. The Code of Conduct (CoC) is part of our Credit Policy. All employees involved in lending are accordingly obliged to act responsibly and also to carry out their supervising duties with great care. Likewise, the reputation of our Group must be considered in all activities and decisions. The executives of our company is responsible for compliance with these standards in their respective areas of responsibility.

It is clearly defined in our CoC that the RZB Group shall not finance – neither directly nor indirectly – companies, projects or parties which use forced or child labour, or which contravene the European Human Rights Convention, the legal

working and social obligations of their respective countries, the applicable regulations of international organisations and, in particular, the relevant UN conventions and rights of the local population or native peoples.

The financing of, or participation in, transactions or projects which threaten lasting environmental damage (e.g. deforestation of the rainforests or environmental and water pollution) does not form part of the RZB Group business policy. Our employees are determined to ensure that when auditing financing and projects, the company being financed is using resources in a way that ensures compliance with the respective regional and EU environmental legislation, as well as with the international agreements on protecting the environment. Furthermore, the RZB Group does not participate in the building of, or transactions with, nuclear power stations or their operators. Experience shows that the environmental and human risk associated with nuclear power stations is currently too difficult to manage.

Likewise, we are not involved in business transactions with weapons and other military goods, or with materials of repression in countries where there is, or is expected to be, military conflict or political unrest. The RZB Group does not participate in activities with companies that produce military goods or weapons. Financing and other transactions with military companies are strictly restricted.

In addition, the RZB Group complies with international standards on financial sanctions and trade restrictions. Our participation in the United Nations Global Compact should be mentioned again at this point.

Areas where we see particular opportunities include:

- environment and climate with renewable energies, energy efficiency, water and waste water technology and
- promoting economic development in structurally weak regions

See financing projects and sustainable initiatives on the following pages.

## The credit decision process

The credit decision process is performed on a case-by-case basis, following standardised principles and guidelines. As such, there is a clear personnel and functional separation between the business activities and all risk management activities. The Compliance Office is responsible for all issues concerning compliance with legal requirements.

In addition to these regulations, some of our network banks have adopted local, internal guidelines and policies for individual areas of lending. To varying extents, these consider the social and environmental risk strategies of the respective banks, define essential criteria or define the exact procedure for compliance with all defined principles.



## RBI AG financing with sustainable aspects

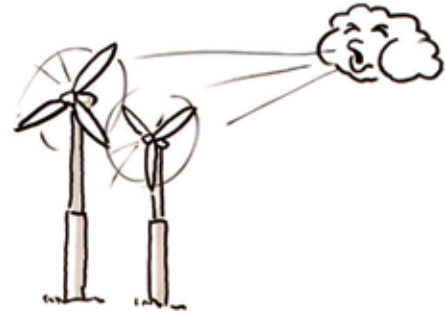
During the reporting period, our financing projects have once again made numerous sustainable business initiatives possible. In Austria, RBI AG carried out various financings of projects, with positive effects on the environment and climate, or research and development (R&D):

- Infrastructure for production facilities which produce heat exchangers, fresh water modules, heat pumps and solar heating systems;
- Building of a hydroelectric power station in Salzburg;
- R&D project "CO<sub>2</sub>-optimised drive systems" (reducing emissions, reducing consumption, improving noise behaviour are also accorded great importance in the field of conventional propulsion technology. This is because electric mobility will replace established vehicle technology by only 3 to 5 per cent by 2020, according to EU estimates.);
- R&D project for further development of the workability and range of properties of polypropylene, in order to expand possible applications. (Due to its chemical structure, the material polypropylene has good environmental compatibility.);





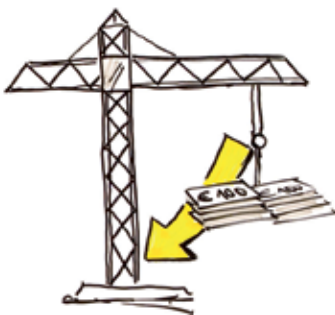
- Financing of an R&D project – engineering and automation of laboratory facilities. This was carried out together with local companies specialising in automatic control engineering and systems engineering;
- R&D project for the development of medication for the therapeutic treatment of cancer patients;



In Bulgaria, RBI AG has financed the acquisition of two wind farms of Raiffeisen Energy and Environment (REE) in the north-east of the country, near to the Black Sea. The wind farms consist of 20 wind turbines and have a total capacity of 40 MW.

Other noteworthy projects – with positive effects on the real economy, infrastructure or regional development and environment – included the financing of low-emission buses for public transport and the financing of a project that contributes to raising awareness among the population of a regional development area, with regard to species-appropriate animal husbandry, organic products and Fair Trade (both in Austria).

Also notable are the numerous development aid credits which have been issued by RBI AG to countries/regions that have been supported by the Republic of Austria. This enabled, for example, the financing of the renovation of a hospital, as well as of numerous investments in medical facilities in China and Vietnam. Likewise, there have been investments towards improving infrastructure (building bridges, railways), with positive impacts on the environment (drinking water preparation facilities, photovoltaic systems, water and waste water technology), society (redevelopment of cultural facilities), education and research (modernisation of a university, building of a training centre) in Bosnia, Armenia, Ghana, Senegal and Tunisia. All of these measures have greatly contributed to improving living standards for inhabitants of the regions concerned.



With regard to real estate financing, we can refer to several large projects which are an example to the industry, as a result of their high sustainability and energy efficiency. In 2012, the 'Euro Plaza Building Phase 5' office building at the Wienerberg site in Vienna, which was financed by us, was awarded the Gold standard by ÖGNI (Austrian Society for Sustainable Real Estate). A further office project in Vienna, the 'Rivergate' Office Centre at Handelskai, was certified with LEED Platinum (LEED: Leadership in Energy and Environmental Design is a system for classification of ecological construction, which was developed by the U.S. Green Building Council). In addition, an office and logistics complex near to Sofia Airport – which was financed in conjunction with the Raiffeisen Bank of Bulgaria and completed in 2012 – received LEED Silver certification.

## Sustainability initiatives of our network banks in Central Europe

### Poland: Raiffeisen Bank Polska S.A. (Raiffeisen Polbank)

Raiffeisen Bank Polska S.A. (Raiffeisen Polbank) is one of the leading banks in the field of financing renewable energy sources, especially wind energy, in Poland. In total, projects with an overall capacity of approximately 100 MW were financed in this segment in the period under review. Poland in particular has a great need to advance the use of renewable energies, as the majority of the country's electricity needs are currently covered by brown coal power plants. Apart from promoting environmental protection, this will also reduce the country's dependence on conventional energy sources. In addition, an initiative for the conversion from paper to electronic account statements has been implemented.



### Slovakia: Tatra banka, a.s.

In Slovakia, a team of experts for the financing of projects in conjunction with renewable energy such as photovoltaics, biomass, biogas, hydro plants, etc. has been established at Tatra banka, a.s. This team has implemented specific financing projects in a biomass plant, a hydro power plant as well as multiple photovoltaic systems.

### Czech Republic: Raiffeisenbank a.s.

In the Czech Republic, Raiffeisenbank a.s. has financed photovoltaic systems for many years and has a great deal of experience in this field. Thanks to comprehensive subsidies for the industry (which are borne by electricity end consumers) and stable legal framework conditions, Raiffeisenbank a.s. has, to date, always been able to offer attractive long-term repayment arrangements. Beginning in 2012, state support became increasingly restricted. After three plants in 2011, only two solar power plants could be financed in 2012. Naturally, Raiffeisenbank a.s. works in conformity with all existing, relevant environmental guidelines on both the national and EU level, especially with regard to the CO<sub>2</sub> footprint.

### Hungary: Raiffeisen Bank Zrt.

In Hungary, a financing agreement exists between Raiffeisen Bank Zrt. and the European Investment Bank (EIB). Their goal, amongst others, is to finance projects that increase energy efficiency and contribute to the provision of renewable energies to small and medium-sized businesses in Hungary. With the concept "Bank der Armen" (bank of the impoverished), Raiffeisen Bank Zrt. provides impoverished people with small loans (micro lending). This model was launched in 2009 by the former CEO of the company and is especially aimed at the Roma minority in the poorest regions of the country. Private associations are also involved in the initiative, and business expertise is offered.

## Sustainability initiatives of our network banks in Southeastern Europe

### Albania: Raiffeisen Bank Sh.a.

In Albania, the focus of Raiffeisen Bank Sh.a. in the period under review is on the financing of hydro power. A separate internal unit within the bank was founded for this purpose. There is also an in-house credit policy for special financing measures. To date, eight corresponding project financing deals for renewable energy projects have been conducted and three of these are still under construction. All hydro power financing projects have been subjected to an environmental compatibility study, examined by the local representative of the Ministry of the Environment and are continuously monitored by external experts who report to the bank. Within the bank, the work was assessed by the managers and the credit controlling department.



### Bosnia and Herzegovina: Raiffeisen BANK d.d. Bosna i Hercegovina

In Southeastern Europe, our network bank Raiffeisen BANK d.d. Bosna i Hercegovina has checked all financing projects for positive and negative effects and has provided recommendations for the improvement of the standard. Alongside the local environmental standards, there are also internal bank guidelines for the ongoing monitoring of the overall investment and credit portfolio of the bank. Occupational safety standards and the concerns of the local communities are also taken into consideration. In addition, the bank has offered special loans since 2010 with a focus on energy efficiency and CO<sub>2</sub> reduction. These are refinanced by the Kreditanstalt für Wiederaufbau (KfW) and the European Bank for Reconstruction and Development (EBRD). One category is concerned with "Energy Efficiency Loans for Special Purpose". These are intended for construction measures in residential areas and in commercial buildings for improving thermal insulation and other energy efficiency increasing measures. The other category is "Energy Efficiency Commodity Loans" for businesses. These loans are provided with better terms for the customers, especially an interest rate advantage, in comparison with standard financing offers. In the retail sector, an initiative was started to reduce paper account statements that aims to raise the awareness of customers with regard to the unnecessary consumption of resources.

### Bulgaria: Raiffeisenbank (Bulgaria) EAD

Raiffeisenbank (Bulgaria) EAD (RBBG) in Bulgaria has launched multiple financing initiatives to support ecologically and socially responsible projects. One of these took place within the framework of an EIB global loan. On the one hand, selected urban projects were supported with the goal improving the availability of long-term financing for infrastructural investments. On the other, projects were supported for the purpose of restructuring, upgrading and modernising energy production, and for improving energy efficiency. Additional financings occurred within the scope of the KfW EEF-Energy Efficiency Finance Facility, whereby the end-borrowers can profit from subsidies of up to 15 per cent of the investment volume of their energy efficiency project.

Also worth mentioning are financings to individual persons, households and residence owner associations for the purposes of improving energy efficiency within the scope of a "Residential Energy Efficiency Credit Line" (REECL Extension) of the EBRD and financings to small and medium-sized businesses within the scope of an "Energy Efficiency and Green Economy Programme" (BEEECIFF) also offered by the EBRD. These were established by the Bulgarian Ministry of Economy, Energy and Tourism. In addition, a framework agreement for the financing of investments by micro, small and medium-sized businesses to create jobs has been concluded with the Council of Europe Development Bank and correspondingly implemented.

Five project financings, four photovoltaic plants and one wind energy plant, are also worth mentioning.

#### **Kosovo: Raiffeisen Bank Kosovo J.S.C.**

Raiffeisen Bank Kosovo J.S.C. supports various energy saving projects with the support of the KfW. The corresponding agreement was extended in 2011 for an important key customer.



#### **Croatia: Raiffeisenbank Austria d.d.**

In Croatia, Raiffeisenbank Austria d.d. provides favourable loan conditions for energy efficiency measures in the development of residential real estate with the title "Flexi GREEN Housing Loans". The "Flexi current account for pensioners" is also worth mentioning; pensioners are not only provided with better conditions, but payment of the pension on the first day of the month is also guaranteed.

#### **Romania: Raiffeisen Bank S.A.**

In Romania, Raiffeisen Bank S.A. offers "Energy Efficiency Loans" with the help of the EBRD. It also financed four small hydro power plants in 2011 and 2012.

#### **Serbia: Raiffeisen banka a.d.**

Raiffeisen banka a.d. in Serbia can also refer to its "Green Loans". These are intended to support private individuals in making replacement investments for inefficient household appliances (refrigerators, washing machines, etc.) by acquiring new energy-saving class A devices. The Kreditanstalt für Wiederaufbau offers loans to increase energy efficiency for businesses.

### **Sustainability initiatives of our network banks in the segments Russia and CIS Other (Commonwealth of Independent States)**

#### **Russia: ZAO Raiffeisenbank**

In Russia, ZAO Raiffeisenbank has financed an Electro Business Centre in St. Petersburg that meets all requirements of a class A office project pursuant to the BREEFAM standards (one of the best-known evaluation standards for the environmental requirements for buildings).

#### **Belarus Priorbank JSC**

Priorbank JSC in Belarus offers multiple sustainable products for private customers. These are primarily aimed at pensioners, who number amongst the poorest sector of the population, and offer favourable conditions and various additional services.

#### **Ukraine: Raiffeisen Bank Aval JSC**

In Ukraine, it should be mentioned that electronic banking is strongly on the rise thanks to a campaign by Raiffeisen Bank Aval JSC. In doing so, the savings made in paper provide a significant contribution to helping the environment.

Environmental risks are also taken into consideration at Raiffeisenbank Aval JSC in every transaction or loan application. Special environmental standards exist in the various industries and activities. Environmental risks are assessed by Risk Management.

## Sustainable investments

The core business of RBI AG also includes the investment of customer funds.

The most important sustainable investment products are two funds (for details, see pages 65 and 66, "Reports from the Austrian participations") of the 50-per cent subsidiaries of RZB AG, the Raiffeisen Investment Society (Raiffeisen Kapitalanlage Gesellschaft m.b.H). (Umbrella brand: Raiffeisen Capital Management).



This company has worked with ethically-sustainable investments for over 10 years, in accordance with the Raiffeisen philosophy.

Sustainability funds from local asset management companies are available within individual network banks. Notable here is, for example, a "Socially Responsible Fund" from Tatra Asset Management, created exclusively for retail customers.

## Other products and services

### Raiffeisen BioCard™

In conjunction with the Raiffeisen Climate Protection Initiative (RKI), RBI AG introduced the new Raiffeisen BioCard™ in Austria in autumn 2012. The idea for an alternative card production technology was first submitted back in 2010 as part of the Raiffeisen Climate Protection Challenge, an internal employee competition of RKI, and awarded second place. As a card issuer of VISA and MasterCard cards, RBI CardService evaluated solutions made from renewable and degradable raw materials together with the firm Gemalto, a world-leading expert in digital security. The card is made from compostable organic polymer based on corn starch. It comes packaged in cardboard. Both main components are therefore 100 per cent biodegradable. The cards were issued as VISA Preload Cards in an exclusive RKI limited edition in Austria during October 2012.

### Special accounts

Many institutions within the RZB Group offer preferential terms for accounts of charitable organisations, and/or process donations to these accounts free of charge. Account packages with favourable conditions are also offered to customer groups such as pensioners or students.

### Services for people with disabilities

Under the heading "New Style Guide" on the RZB and RBI websites, various accessibility requirements have been taken into account: These measures, such as freely scalable pages and hyperlinks at the beginning of the page that are not visible to normal users, have simplified the use of screen readers for the blind. Use of the "title" attribute simplifies usage, as do the labelling of page titles or the introduction of "ARIA landmarks". This has improved the user guidance and orientation for blind people, as they can directly control sections such as navigation, search or main content at all times.

In Slovakia, ATMs are equipped with headphones over which the operating instructions can be heard as a service for the blind. The keyboards are readable in Braille.

There is also an initiative in Belarus within the framework of the "Local Urban Programme for Creating a Comfortable Living Environment for People with Disabilities 2011-2015", where most of the terminals have already been equipped for blind users.

Also worth mentioning is an initiative of Raiffeisen BANK d.d. in Bosnia and Herzegovina: In order to improve the service to customers with disabilities, measures to raise awareness of the topic and to promote newer, positive standards have been implemented. An educational programme entitled "Promoting the Incorporation of the Topic of Disabilities in the Procedures of the Bank" is offered. This covers topics relating to social competencies in communicating with people with sensory, mental or physical disabilities. The key personnel in sales have been trained to adapt the services and information of the bank to the needs of people with disabilities.

## Product responsibility and ecology

The RZB Group is committed to an outstanding service culture which regularly seeks to exceed the expectations of customers. As such, we only offer a service or product when we have the necessary licence, specialist knowledge and infrastructure. Our aim is always to strive to the best possible results for our customers. We also ensure that when making recommendations, the customer is adequately informed about the risks and that the recommendations are given in an honest and fair manner.

False or misleading advertising is something we feel is unacceptable. Abuse of position as a professional market participant affects confidence in a functioning capital market, and has serious consequences for both the RZB Group and for the employees involved. The need for integrity also applies in the fight for market share. As such, no unauthorised agreements should be made, and it is necessary to abide by the rules of fair competition and the standard international rules of market behaviour (MiFID). Within the timeframe of the report, there were no complaints on this matter in either RZB AG or RBI AG. We are aware of five complaints made in our network banks, in connection with anti-competitive behaviour or monopolisation, of which two have already been rejected as unjustified, or where the practice has been stopped.

By granting financial resources, banks have a significant lever to actively shape sustainable development which is fit for the future. A prerequisite for this is the consideration of environmental and society standards and criteria within the core business of the bank. This means that we strive to offer products which offer a specific use to society, environment and real economy. Conversely, it is necessary to minimise the range of products on offer which present a risk to society or to the environment.

The Raiffeisen brand is the undisputed number 1 in Austria within the financial services industry. It is also one of the most recognisable brands in the Central and Eastern European region. The Reader's Digest study "European Trusted Brands 2012" judged Raiffeisen to be the most trustworthy banking brand for the eighth time in a row. Raiffeisen won four Recommender Awards in 2012. This confirms the high level of confidence that customers have in Raiffeisen.

### Protection of customer data and product security

The RZB Group carries a particular responsibility for correct business practices. This means that we sometimes find ourselves in an area of conflict between data protection and transparency. Our customers and staff have a right to comprehensive data protection, customer data confidentiality, and a right to have access to secure products. The right to privacy is a valuable asset for us. While no such violations were recorded in RZB AG and RBI AG, there were a total of 51 cases of complaints in our network banks with regard to violation of customer data protection. Although this should, in relation to the total number of customers in Central and Eastern Europe (14.2 million), be considered as a very low figure, we always strive to improve customer data protection and internal processes.



Many of our services and products also allow a kind of basic service to be provided for free movement of finance. Security is something we seek to guarantee, together with ensuring that our customers benefit from a processing service which is user-friendly and free of risk. At the same time, we must also create transparency, in order to prevent money laundering, insider dealing and corruption. We run a central Compliance Organisation (see page 52), in order to give our employees security in such cases, as well as to effectively combat money laundering and fraud.

## Responsible lending

The RZB Group is committed to responsible lending. Alongside transparent and fair marketing of products, we seek to lend customers only as much as they will be able to pay back. If customers nonetheless fall into financial difficulties, we support them as best as we can, through information and advice. Our principles in this regard – which have already been put into practice – are defined in our ‘Guideline for avoiding the overindebtedness of borrowers and for dealing with overindebted borrowers’ (which were still in the coordination phase at the time of producing the report).

These include our target to provide the clearest and most comprehensible information possible concerning our credit products. We pay particular attention to the design, introduction and sale of bank products in order to rule out, as far as possible, foreseeable negative effects on our customers, the environment and society from the outset. We endeavour to provide customers with clear and comprehensible loan conditions as well as comprehensive information in this regard. This includes the necessary explanations of the entire process, the precise steps involved as well as the responsibilities and risks associated with a credit agreement. Before signing the agreement, the RZB Group explains the main loan conditions such as, in particular, the costs of credit, amount repayable (i.e. monthly and total amounts), timescale (i.e. the exact dates), liabilities and the number of instalments.

### Avoiding overindebtedness

Preventing our customers from taking on too much debt is an even more important issue. We take this into account, for instance, through modern creditworthiness procedures based on clearly defined assessment criteria for the issuing of loans. The risk of a possible default should be avoided from the outset in order to prevent our customers from suffering financial cuts in their living situation and living standards. Subjective selection factors, such as gender or religion, play no role when deciding whether to issue a loan. Before issuing the loan, the customer’s creditworthiness is checked.

For the purpose of reaching an unbiased and transparent decision on the loan, a customer’s creditworthiness is objectively tested. This test can include a scoring process, although the decision on whether to issue the loan is not based solely on the results of this process. The prerequisite for a proper creditworthiness assessment is that the customer provides all the necessary data and information. The RZB Group aims to offer the customer a suitable and tailored offering based on the available information and results of the creditworthiness assessment of the customer.

### Dealing with customers with payment difficulties

Dealing carefully and sympathetically with customers who are experiencing payment difficulties is a natural part of our banking operations. The RZB Group deals with customers’ payment difficulties in an experienced, professional and respectful manner. As soon as the RZB Group notices the first visible signs of payment difficulties, the RZB Group supports its customers with personalised advice. Furthermore, it tries to find a suitable solution for the situation at hand within the scope of its options and the financial situation of the customer. If difficulties arise with servicing the loans, the RZB Group looks at each case individually and assesses how the customer can be helped by means of deferments, payment holidays, credit restructuring etc. within financially justifiable limits. In the event of payment difficulties, the RZB Group endeavours to work with the customer to find a fair solution, such as restructuring the loan transaction. In doing so, particular attention is paid to the changed circumstances of the customer. In the event of a conflict, the RZB Group operates a fair and professional complaints procedure.

### Consideration of customer concerns and financial security

Considering the requirements and concerns of our customers plays an important role in shaping, selling and using products and services in our company.

The security of our customers is a central concern of ours, alongside the security of our products. Along with access to relevant information regarding products and services, this includes the verifiability of claims, information about possible risks and rights of products or services, as well as appropriate information on risk reduction. It should be mentioned again that we seek to observe all laws, rules and regulations at all times, to the best of our knowledge, with regard to the provision and use of products and services. Despite this, complaints were made in four network banks concerning breach of laws or regulations in the provision or use of products or services. The total amount of estimated fines was around € 1.02 million, of which around € 663,000 have been appealed (decision pending). Moreover, another

network bank had to pay a fine of approximately € 2.03 million due to a breach of other legislation (this is still in dispute, however). In addition, non-monetary sanctions were imposed upon a network bank by a federal agency responsible for consumer protection on a total of 43 occasions. There were no such violations within RZB AG and RBI AG. Where possible, we also inform customers about sustainability aspects regarding our products and services. Any complaints which are brought to us are checked carefully and answered as soon as possible. We strive to provide comprehensive disabled access to our financial services, as well as access for people in social and financial difficulties.

### **Customer satisfaction**

Our customers' satisfaction is our top priority. This is therefore measured regularly within the RBI Group, both in the retail and corporate businesses, in order to enable appropriate reactions to be taken. Customer satisfaction and service quality in retail business have been measured in all network banks for several years. The Net Promoter Score (NPS) has been used as the key indicator for satisfaction since 2012. This is based upon the following question: "How likely is it that you would recommend Raiffeisenbank to a friend or colleague?" This measurement is performed twice per year. The results are used by each network bank individually, and form an integral part of variable remuneration. An aggregated group representation would be less meaningful, however.

Direct customer feedback is also an important indicator within the corporate business. Therefore, a customer satisfaction survey was once again carried out in 2012, among the major corporate clients. On the basis of focus groups, structured questionnaires and customer consultations (qualitative data collection), it was clear that the customers of RBI AG were consistently very satisfied with the quality of our advice and expertise. Our customers considered partnership and trust to be the most important parameters. In this regard, customers particularly valued long-term customer relations and continuity, the good foundations on all levels of the Group, and our commitment in difficult times. In addition, RBI AG also took part once again in the study "Banking connections in Austria 2012 - Medium-sized and Large Companies", carried out in spring 2012 by Schwabe, Ley and Greiner (carried out every two years).

The above-average customer loyalty and high recommendation rates among large banks can be assessed as indicators of high customer satisfaction. Furthermore, the expertise and quality of processing within RBI AG - both adjudged to be very important criteria - were assessed as being above-average.

### **Environmental responsibility in products and services**

The RZB Group is committed to complying with all applicable environmental regulations in each country, with regard to its business operations and service sectors.

It acts in an environmentally-conscious manner and continually strives to improve its own environmental balance (see page 89), as well as the environmental balance attributable to its product and services portfolio. The financing of, or participation in, transactions or projects which demonstrably and continually harm the environment does not conform to the RZB Group company policy.



We continue to develop our products and services which contribute to sustainable development, and also prioritise these areas (see page 55 et seq.).

### **Critical financing in the period under review**

Responsible action also means that it is necessary to deal with critical projects. In certain cases, this means that controversial decisions should, and will, be taken. For example, when a project could reduce the risk to the environment.

Last year, in contrast to our overall anti-nuclear policy, one project was financed to improve the safety of a nuclear power station. Prior to making the lending decision, all pros and cons were carefully considered and checked. The decision to make this exception and undertake this financing was made because a noninvestment could have presented an environmental hazard.

# Future outlook and sustainability programme

The RZB Group is aware of the risks presented by climate change. These include, alongside numerous other aspects, the increased frequency of weather phenomena. This will play an increasing role, for instance in decisions on financing, industry and location decisions. We must be as flexible as possible to deal with on-going changes to the regulatory environment, rapid changes in the needs of our customers, and changes in the competition. However, we also see great opportunities due to increasing amounts of investment in projects and measures to protect the climate, and the increasing public interest in such matters. An estimation of the financial effects of climate change on the RZB Group is not possible at this time.



Further development of our sustainable products conforms not only to our value philosophy, but is also demonstrably a trend for the future. The market for sustainable investments reached a volume of € 5.6 billion in Austria in 2012. This represents growth of 17 per cent in comparison with 2011. Even though momentum has tailed off compared to previous years, providers of sustainable investments in Austria still expect sustainably managed assets to grow by up to 50 per cent in the next three years. (Source: Market Report on Sustainable Assets 2013, Forum Nachhaltige Geldanlagen).

In order to react to important trends and developments in this area in a timely manner, it is necessary to continue observing and recognising these developments in the future. For this reason, we are in frequent contact with experts from the field of sustainability, national (e.g. respACT – Austrian Business Council for Sustainable Development) and international organisations (e.g. UNEP FI – United Nations Environment Programme Finance Initiative), our stakeholders and the members of the Raiffeisen Climate Protection Initiative. We are involved in five working groups concerning the latter. These deal with the issues of construction and renovation, sustainable financial products, internal company measures, transport and fuel, and communications (see also page 106 et seq.). It is also worth mentioning our participation in various working groups such as the insurance sector of the Austrian Society for Environment and Technology (ÖGUT, Österreichische Gesellschaft für Umwelt und Technik) and also a further working group of the German Association of Environmental Management and Sustainability in Financial Institutions (VfU, Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V.).

Within the framework of our membership of the European Association of Co-operative Banks (EACB), we deal with issues of Corporate Social Responsibility, and the opportunities and risks of climate change. In addition, we work to develop and improve sustainability standards within cooperative banks.

We see a need for optimisation within certain areas of the RZB Group in the future. We believe that implementation of a comprehensive sustainability policy will be an important step for the future of the RZB Group. Appropriate drafts have, already been drawn up, and are currently in the coordination phase within the relevant departments.

Furthermore, we are working to integrate criteria which are relevant to sustainability into the lending process. It is our objective to be better able to assess the opportunities and risks in this respect in the future, when agreeing financing.

In addition, we strive to fulfil the following objectives:

- better knowledge of the actual environmental and social impacts of our business activities (active monitoring of sustainability). We will incorporate the financial services sector supplements which are the most significant for us into our sustainability monitoring tool, which will be implemented in 2013.
- strict assessment of emissions of (sustainable) investment products in selected key sectors (e.g. environment, resources, climate protection, energy etc.).



Extract from the 2013 Sustainability Programme					
Strategy area	Content and aim	Departments involved/ Organisations	Details of task	To be performed up to	Status 30/6/2013
<b>Total</b>  Responsible banker, fair partner, engaged citizen	<b>Implementation of a sustainability policy</b>	Managing Board, Sustainability Working Group, Org & ICS, General Secretariat, NHM		Q4 2013	ongoing
		NHM	Design of a draft policy	02/2013	completed
		Managing Board, General Secretariat	Board approval for development of a Group-wide policy/ coordination with the General Secretariat	02/2013	completed
		Sustainability Working Group, NHM	Assessment and Discussion of draft policy	07/2013	in discussion
		NHM	Production of the final version of the policy	08/2013	
		Managing Board	Approval of policy	09/2013	
		NHM	Publication of policy	10/2013	
		NHM, Org & ICS	Setting of a timetable for development of a procedure to ensure compliance with policy	12/2013	
<b>Responsible banker</b>  Product responsibility/ responsible lending and financial security	<b>Implementation of a guideline for avoiding the overindebtedness of borrowers and for dealing with overindebted borrowers</b>	Managing Board, Sustainability Working Group, Legal & Compliance, Risk Management, Org & ICS, General Secretariat, NHM		Q4 2013	ongoing
		NHM	Design of a draft guideline	02/2013	completed
		Managing Board, General Secretariat, NHM	Board approval for introduction of a corresponding guideline/coordination with General Secretariat	02/2013	completed
		Legal & Compliance, NHM	Assessment and revision of draft guideline	05/2013	completed
		Sustainability Working Group, Risk Management, NHM	Assessment and Discussion of draft guideline	07/2013	in discussion
		NHM	Production of the final version of the guideline	08/2013	
		Managing Board	Approval of guideline	09/2013	
		NHM	Publication of guideline	09/2013	
		NHM, Org & ICS	Setting of a timetable for development of a procedure to ensure compliance with guideline	10/2013	
		<b>Responsible banker</b>  Product responsibility and product ecology	<b>Implementation of criteria which are relevant to sustain- ability into the lending process</b>	Managing Board, Sustainability Working Group, Group of Experts, General Secretariat, NHM	
NHM	Design of a suggested procedure			02/2013	completed
NHM	Design of a set of criteria for the relevance of loans to sustainability			02/2013	completed
Managing Board, General Secretariat	Board approval for introduction and vote on procedure/vote with General Secretariat			02/2013	completed
Sustainability Working Group, NHM	Presentation of project on Introduction of planned procedure			05/2013	completed
Group of Experts (Corporate Customer, Mass Banking Institutional Clients, Legal & Compliance, Risk Controlling, Credit Management Corporates, Retail Risk Management, Financial Institutions, IT)	Development of a possible procedure (including review of technical connections)			11/2013	
Sustainability Working Group, Group of Experts, NHM	Finalising of procedure			12/2013	
Managing Board	Approval of procedure			12/2013	
Group of Experts	Implementation of procedure and start of pilot phase			Q2 2014	
NHM, Sustainability Working Group	Analysis of results of pilot phase and decision of further steps of project			Q3 2014	

Abbreviations: Org & ICS: Organisation & Internal Control System; IT: Information Technology; NHM: Sustainability Management (Nachhaltigkeitsmanagement)

# Reports from the Austrian participations

## Raiffeisen Bausparkasse Gesellschaft m.b.H.

Saving with a building society, which is one of the most popular forms of saving and financing within Austria, is systematically orientated towards sustainability and social responsibility. The cooperation between many savers, who, in turn, make their deposits available to other savers in the form of favourable loans, enables cost-effective fulfilment of housing needs, but also of education and care projects. The closed saving and funding cycle protects savers from the fluctuations of the money and capital markets during turbulent economic times. This means that building societies provide a form of saving that offers high security, calculability and predictability. The building society system should be effective in supporting initiative and personal responsibility in solving housing problems.



Commitment to the environment: Raiffeisen Bausparkasse has made € 27 billion of financing volume available to its customers for various housing policies during the 52 years of its existence. The proportion of this made available for renovations and redevelopment has gained significantly in importance. As such, 30 per cent of all loans provided in 2012 were concerned with improving building structures. This is the pleasing result of many measures of communication which contribute to raising awareness of thermal redevelopment, energy conservation and climate-friendly living.

Among other things, this is being achieved by the customer magazine "Raiffeisen Wohnwelt", which reaches many social sections of the population with a readership of nearly two million readers, as well as the ORF promotional programme "Lebens(t)räume" (ORF 2) and "Bei mir zuhause" (ATV), which often discuss issues related to conserving resources within building and housing topics, and also present interesting examples of housing.

Free processing of the refurbishment check: When shaping its products and conditions, Raiffeisen Bausparkasse also takes into account the needs of homeowners who wish to improve their quality of life. By carrying out refurbishment checks free of charge, thousands of homeowners and flat owners are given access to the most advantageous state subsidies for energy-saving investments. Here, the Raiffeisen Bausparkasse works closely with the Raiffeisen banks on-site, which carry out not only the submissions, but also individual consultations. The Raiffeisen Banking Group is therefore the most important point of contact for initiatives financed by the Austrian Federal Ministry of Economy and the Federal Ministry of Agriculture, Forestry, Environment and Water Management: Almost every other submission is made through the Raiffeisen Banking Group.  
[www.bausparen.at](http://www.bausparen.at)

## Raiffeisen Capital Management (Raiffeisen Kapitalanlage Ges.m.b.H.)

Raiffeisen Capital Management is the asset manager of the Raiffeisen Banking Group in Austria. The core function of Raiffeisen Capital Management – management of customer funds on the basis of mutual funds and asset management products – is based on trust.

With the Raiffeisen Ethik Aktien and the Raiffeisen Österreich Rent, Raiffeisen Capital Management offers its investors two specific funds which place value on ethical investment.

**Within the asset strategy of the Raiffeisen Ethik Aktien, it is possible to invest to a significant extent in derivatives\*. Due to the composition of the fund or the management techniques used, the funds are subject to increased volatility, i.e. the share values are subject to large upward and downward fluctuations within a short period of time, meaning that capital losses cannot be ruled out.**

\* Derivatives are innovative financial instruments whose values are dependent on or derived from the progression of other financial products or reference values. The price (rate) of these instruments is essentially dependent on the market object upon which it is based (reference value). The prices are determined by the rate fluctuations or price expectations of other instruments. This means that the default risk may be increased with regard to the fund assets. Derivatives can, however, also be used to hedge against e.g. rate and currency risks.

Raiffeisen Capital Management offers security and real estate investment funds to institutional and private customers both at home and abroad, as well as investment management products. The company is the market leader in Austria, with a managed fund volume of € 28.5 billion, and a market share of nearly 20 per cent. If advisories (mandates to third parties) are included, the Assets under Management (AuM) totalled € 31.2 billion at the end of 2012. Around € 1.0 billion are managed in the business sector of asset management for premium customers.

The selected procedure for our ethical products limits the investment universe in advance, and our limit testing ensures that investment decisions are made within the permitted limits. No quantifiable check is carried out for any of the other product groups which are not subject to the stringent guidelines of ethical products. However, value-orientated investment generally also implies that companies should act with a sustainable, long-term approach, and also that the success of a business is significantly dependent upon environmental and social influences, among others.

The universe of 'bottom up investing' is made available through oekom research AG, one of the leading global rating agencies in the sustainable asset segment. It incorporates around 1,000 large and mid-cap enterprises, which are assessed using a scientifically prepared set of criteria that takes into account their sustainability. The company rating assesses the responsibility of the company with regard to the people affected by the company's activities (social compatibility), society and cultures (cultural compatibility) and the natural environment (natural compatibility). Furthermore, the asset universe is determined by the Ethical Advisory Committee, which comprises eight members of religious and global organisations – all of whom are independent of Raiffeisen Capital Management – and which determines the exclusion criteria (negative criteria).

At the end of the last century, the debate on sustainability within the financial industry gained a particularly significant impetus from a United Nations initiative. The Raiffeisen Investment Company has also worked with ethically sustainable investments since 2002, in a way which is entirely consistent with the philosophy of the Raiffeisen organisation. In 2002, the Raiffeisen Ethik Aktien – a global equity fund whose choice of titles is based on ethical/sustainable criteria – were issued.

Using this approach in Raiffeisen Ethics Equities takes place on several levels: On the one hand, by cooperating with the Munich-based ratings agency oekom research, which boasts many years of expertise in the field of sustainability analysis. Their ratings of companies and nations form the basis of the 'Best in Class' approach, where fund investments are focussed on international companies which fulfil sustainable investment criteria.

In addition, the Ethical Advisory Committee – which is independent of the investment company – plays a central role. Its members come from, among others, religious or non-profit institutions with high levels of competence in such issues. This Advisory Committee advises on general issues of ethical-sustainable investment, and, in particular, defines the specific exclusion criteria. Building on this, individual stock selection is carried out by the fund management of Raiffeisen KAG, within the scope of a proven investment process.

Finally, the funds are certified on an annual basis by oekom research, with regard to compliance with the criteria. Each year, Raiffeisen KAG makes a portion of the retained fund administration fee available for 'social sponsoring', i.e. for social and sustainable initiatives. In turn, assessment and selection of submitted projects is the responsibility of the Ethical Advisory Committee.

In 2006, these ethical/sustainable criteria were also included within an existing bond fund, the Raiffeisen Österreich Rent, in addition to the existing trustee status.

The Fund Regulations of the Raiffeisen Österreich Rent were approved by the FMA. The Raiffeisen Austria Bond can invest more than 35% of the fund assets in securities/money market instruments of the following issuers: Austria, or one of its Federal Provinces.

While some specific SRI funds (Socially Responsible Investment fund) were offered 10 years ago, the current development is towards an integration of ESG (ESG – Environmental and Social Corporate Governance) into all areas of the business, especially into asset management. This is also being discussed in Raiffeisen KAG, and the current status of the evaluation has the objective of signing the 2013 UN-PRI (Principles for Responsible Investment).

Furthermore, information and training activities have been carried out on a more frequent basis in recent years, dealing with the issue of sustainability or socially responsible investments. These have included information events in the Raiffeisen sector, on the campus (formerly the Raiffeisen Academy) or at university facilities.

Brochures and customer information documents can be found at [www.rcm.at](http://www.rcm.at)

## Raiffeisen Centrobank AG

**Responsible investment banking:** The attitude of Raiffeisen Centrobank (RCB) is characterised by conscious and consistent planning with regard to innovation and expansion, and by the fact that the real economic needs of customers and investors are always kept in focus. As such, the commitment of RCB to correct, sustainable investment banking remains at the very heart of all considerations. Its understanding of ‘pure investment banking’ was also made a key topic within the RCB 2012 Annual Report.

**Sustainable products:** RCB also makes it possible for private investors to invest in a green future and to profit from the development of renewable energy shares. RCB offers wide-ranging investment opportunities with 1:1 participation or a 100 per cent capital guarantee, with certificates based upon various indices, which are compiled based on environmental criteria. The indices of the renowned German index calculator ‘Solactive’ are used as basis values.

The Solactive Klimaschutz Index consists of three sub-indices (50% Solactive Alternative Energien Index, 30% Solactive Nachhaltige Forstwirtschaft Kurs-Index, 20% Solactive Wasser Kurs-Index), and thus represents the most broadly diversified benchmark. Each of the three sub-indices can be traded with certificates. For investors who wish to invest in a specific industry within the field of ‘green energy’, the RCB has also issued certificates based on the indices of Solactive Bioenergie, Solactive Natural Gas, Solactive Solar and Solactive Wind. The range of products therefore covers a very broad spectrum of the industry, through to targeted investment opportunities in individual industry sectors.

For safety-conscious investors who wish to profit from the issue of climate protection, guarantee certificates represent an ideal opportunity for investment. The Solactive Alternative Energien Winner, Winner 2 and Solactive Klimaschutz Winner certificates from the Raiffeisen Centrobank enable investors to invest in the development of the index with 100 per cent capital guarantees.

[www.rcb.at](http://www.rcb.at)

## Raiffeisen evolution project development GmbH

Raiffeisen evolution stands for resource-conserving construction and sustainable development of real estate. In 2006, the pioneering housing concepts of ECO-BASE®, WOHN-BASE® and HUMAN-BASE® were developed in conjunction with experts. The ECO-BASE® concept represents practical energy efficiency with high levels of comfort. Raiffeisen evolution only builds low-energy houses with heating requirements below those of typical new builds (around 30 kWh/m<sup>2</sup>). In 2009, the first – and at that time, tallest – passive residence was built in the Leopoldstadt area of Vienna in Austria, and this was certified with the klima:aktiv badge the following year. Trends such as solar systems for the preparation of warm water, E-Car and/or E-Bike charging stations etc. are considered on an individual project basis.

After looking through and evaluating the international national certification systems, Raiffeisen evolution decided to use a certification procedure based on the guidelines of the Austrian Society for Sustainable Real Estate Economy (ÖGNI).

In total, three buildings have been (pre-)certified to this date, and have received either Gold or Silver awards.

The 'ezone', which was completed in 2006, was recertified in 2011 and obtained Silver status. This is a sign and confirmation for the company that the early considerations and measures have paid off. Subsequently, the Promenada project (Shopping and Entertainment Centre, Bucharest) was 'pre-certified' with Gold in May 2011, and the '2nd Central Office am Park' commercial project in Vienna was pre-certified with Silver. The Moscow project - Leninskiy Prospekt 119 - will also be certified. This elaborate process is currently on-going.  
www.raiffeisenevolution.com

## Raiffeisen-Leasing GmbH

'Alternative Drive' campaign: In order to offer SMEs, in particular, the opportunity to make an active contribution to climate protection and sustainability, Raiffeisen Leasing started a targeted campaign in 2012: The Company offered financing for compressed natural gas (CNG) vehicles to SMEs until May 2013. Particularly notable was the fact that Wien Energie guaranteed fuel prices (1.10 €/kg) throughout the entire lease term (48 months). This means that cost fluctuations are a thing of the past, with no more variable costs for customers when running their fleet, when compared with before. This campaign financed NGVs (natural gas vehicles) from brands such as Opel, Iveco, VW, Mercedes and Fiat. Depending on model and consumption, NGVs offer potential cost savings in terms of fuel costs of up to 60 per cent, when compared to diesel or petrol-powered vehicles. NGVs also reduce pollution from particulates: They create up to 90 per cent fewer particles, up to 20 per cent less CO<sub>2</sub> and almost no emissions of particulates.

'E-commuters in Lower Austria': E-mobility is of great importance at Raiffeisen Leasing. Within the model region 'E-commuters in Lower Austria', Raiffeisen Leasing, as an important project partner in collaboration with EVN and Wien Energie, is contributing to the development of this important future model. Nearly 300,000 residents in 49 municipalities situated between Vienna and Wiener Neustadt are benefiting from this new vision of commuter transport. The project focusses on optimising connections between public transport and personal electric vehicles, as well as on reinforcing and developing alternative mobility concepts, and supplying these with renewable energies. The programme is promoted within the scope of the 'Model regions: E-mobility' development programme of the Climate and Energy Fund. The Federal Province of Lower Austria is a co-financier of this project.

Sustainable and energy-efficient construction: When developing and constructing its own real estate projects, Raiffeisen Leasing places the greatest value on sustainability and energy efficiency. For example, all buildings in a project undertaken at Krottenbachstrasse in Vienna have a maximum of four residential floors with wheelchair-accessible lift. The houses are connected through a shared underground garage, where there are also charging points for electric vehicles. A photovoltaic system is installed on the roof of one of the buildings, which significantly contributes to improving the energy balance of the property. The entire property is heated by low-temperature heating, which is supplied by a heat pump facility.

An environmentally friendly heat pump is used for heating and for preparation of hot water at a housing project at Laimburggasse in Graz. This also provides a modern cooling system for the penthouse apartments on the top floor. Electric bicycle and car batteries can be recharged at the bicycle storage areas or at any of the 73 car parking spaces in the underground garage.

A further Raiffeisen Leasing project, at Jacquingasse in Vienna, offers state-of-the-art climate protection technology: Generation of electricity using its own photovoltaic system, preparation of hot water using a solar thermal system, and e-mobility charging stations.  
www.raiffeisen-leasing.at

## Valida Holding AG

Valida Pension Management invests managed assets in a way that conforms to environmental and ethical principles as closely as possible. Last year, Valida explored new grounds in investment and invested € 20 million in care homes, € 21 million in microfinance funds and € 22 million in social housing projects. Valida continues to explore new opportunities for ethical investment.

Within Valida Pension AG, the financial data provider software-systems.at determines and observes the ethically dynamic share of the securities of an investment and risk association.

Within Valida Plus AG, Valida Plus Sustainability defines the basic structure, criteria, methodology, processes and responsibilities for sustainable investment, for 100 per cent of the assets invested. The Mag. Reinhard Friesenbichler Unternehmensberatung (rfu) business consultancy firm regularly observes the portfolio, in accordance with ethical criteria. The Austrian Society for Environment and Technology (ÖGUT) awarded Valida Plus AG with the Silver sustainability certificate in both 2011 and 2012, as a result of continued improvements in sustainable investment. Valida Plus AG received the ÖGUT Gold certificate for the first time in 2012.  
[www.valida.at](http://www.valida.at)



FIELD OF ACTION  
'FAIR PARTNER':  
IN DIALOGUE  
AND RESPECTFUL  
INTERACTION  
WITH OUR  
STAKEHOLDERS

# Fair partner

The RZB Group is a fair business and dialogue partner to all stakeholders. As a partner, we interact in an open and respectful manner with staff, customers, suppliers, shareholders and other stakeholder groups. Transparency – that is to say, the disclosure of measurable objectives and the reporting of measures taken and the success in meeting their targets – is a central general management principle.

We maintain and support open and constructive exchange with our stakeholders. Likewise, we are required to recognise the needs of our most important stakeholders, and to act appropriately based on our opportunities.

Economic success and corporate responsibility go hand in hand, and the two work both ways. Our success is also that of our stakeholders, and is based primarily upon fair partnership.

**FAIR PARTNER**

As a fair partner, the RZB Group places great value on fair business and operational practices. This includes fairness and transparency towards staff, customers and shareholders. We believe that exemplary behaviour within our area of influence is extremely important. In our Code of Conduct, we have clearly stated that in our pursuit of profit, there must be no violations of law or of the Code itself. We therefore forgo business which can only take place through such practices. The rules of fair competition clearly apply to the RZB Group, and we are committed to an outstanding service culture strives consistently to exceed the expectations of our customers. We ensure that when making recommendations, the customer is adequately informed about the risks and that the recommendations are given in an honest and fair manner. False or misleading advertising is unacceptable to us.

The RZB Group stands for transparent disclosure and responsible marketing. Our reporting of business activities and on sustainability is conducted transparently and comprehensively, based upon recognised and authorised international standards (such as the Global Reporting Initiative). As such, our communication with stakeholders goes beyond the legal requirements.

At a time when banking is more than ever an issue of trust, the reception that our customers have given us shows that our fair approach is the correct one. This trust is based on our deep roots in the countries and our relationships with their people, and also on the efforts made by our staff every day to deepen this trust. Present in Austria for more than 125 years, and in CEE for over 25 years. Our customers and we have a common goal: Success. We have internalised this company principle and we put it into practice every day, such as in the way we actively offer our customers tailored, personalised solutions based upon their requirements.

Our employees are our most important assets and are the key to the success of the RZB Group. Numerically, they represent the second largest group of stakeholders, just behind our customers. We encourage them, but we also demand excellence from them. We commit ourselves to live the principle of performance, and to encourage team spirit. We are dependent on the performance of our staff, from Stadtpark in Vienna to our most easterly network bank in Kamchatka, Russia. This means that we want the very best people, who will become even better with us. But we also give something: systematic further training, attractive career opportunities and a working atmosphere characterised by team spirit.

We work closely with our shareholders and see them as both dialogue partners and consultants. In addition, we share an open dialogue on many levels with representatives of our stakeholders, and we are active participants in various forums such as the United Nations Global Compact, United Nations Environmental Programme Finance Initiative, Transparency International, the Global Reporting Initiative and respACT – Austrian Business Council for Sustainable Development.

However, we also view environmental and climate protection as part of our responsibility to society, and we see ourselves as a fair partner to the environment. The direct environmental impacts of our operational activities are limited compared to those of production industries. Despite this, it is the aim of the RZB Group to minimise negative environmental impacts at all of its sites to the greatest possible extent, and – where possible – to go beyond basic compliance with legal requirements and demands. We strive to consider environmental concerns in all of our activities, asset management operations and other business decisions in all markets.



# Fair business and operating practices

## Corruption and money laundering

We are active in tackling all forms of corruption, including blackmail and bribery. A pre-requisite in our business and operational practices is the fair, ethical and legally compliant behaviour of all members of staff. Our Code of Conduct (CoC) forms the basis for this practice, enshrining among other points, the avoidance of corruption, bribery and money laundering, avoidance of any conflicts of interest and market abuses, compliance with data protection standards, and other sensitive issues (see page 52, 'Compliance'). As a main component of our corporate responsibility, it consciously goes beyond formal and legally arranged behaviour and describes how we deal with customers, business partners and employees. It ensures compliance with the highest possible standards, which are based on the moral concepts of customer focus, professionalism, quality, mutual respect, initiative, teamwork and integrity.

Each new employee of the RZB Group must attend training classes dealing with these topics. These cover, for example, all aspects of preventing corruption, as well as appropriate measures and rules concerning internal obligations to report. Basic training is compulsory for all employees. In addition, there are also numerous special training classes for management staff and those sectors where there are particular risks associated with corruption. The terms of the CoC apply worldwide, for all employees of the RZB Group. In 2012, 38 per cent of managers and 55 per cent of employees across the Group were trained on the issue of preventing corruption.



Measures taken and activities to prevent corruption are guided by the principles of the UK Bribery Act 2010. These include the obligation of management staff of all units of the RZB Group to shape a corporate culture in which each and every form of fraud is unacceptable. Assessment and evaluation of the risk of fraud takes place periodically, and is documented accordingly. Persons who provide services for us are subject to due diligence. The relevant procedures for avoidance of fraud are communicated clearly and put into practice effectively. Monitoring and review of these procedures takes place on a regular basis.

Each member of staff is obliged to report serious violations of the CoC – such as fraud, theft, bribery or corruption. This can be done in the form of an email to Compliance, a telephone conversation with a Compliance employee, in writing, or via an external telephone hotline, run by a service provider in the United Kingdom (Group Whistle Blowing). All allegations will be investigated. The Group reacted immediately to previously reported occurrences of corruption, carrying out appropriate disciplinary action in accordance with Group regulations, up to and including dismissal. We continue to work to find and close any existing loopholes in the regulatory framework, to minimise future risks to the greatest extent possible.

The auditing process, developed in conjunction with Group Compliance and an internationally renowned consultant on the basis of international Best Practice, was used in 2011 and 2012 across the Group, under the leadership of Group Compliance. The results and recommendations, which covered all 15 network banks in CEE including their branches, showed a strong commitment to well established procedures and regulations, and also continuous efforts to maintain the highest possible standard. Discussions on the topic of better identification of all sectors exposed to corruption risks are usually carried out at Board level, or with the second level of management, and ensure appropriate awareness. The necessary measures and on-going efforts to provide in-depth training are being implemented with the support of local Compliance departments. These also play a key role in avoiding corruption and anti-corruption controls, as well as in business activities in sensitive areas.

The RZB Group does not give either financial donations or donations in kind to political parties, politicians or their related institutions. Clear regulations in this regard are enshrined in the Code of Conduct, and are monitored by Compliance. There have been no incidents in this regard since 2009.

## Fairness with shareholders

It is a key part of our corporate culture to engage in an active exchange with our shareholders. We work closely with our shareholders and see them as both dialogue partners and consultants. This enables us to ensure that their feedback, inputs and results feed into our strategies and business activities. As a result of this, we form a joint value creation system for product development and marketing. The shareholders of RBI AG exercise their rights as per the principle of "one share, one vote", by voting at the Shareholder Meeting. All shareholders have entirely equal rights, and can exercise their right to vote in person or by proxy. The opening and the speech of the Managing Board at the Annual General Meeting is streamed live on the Internet, and can also be watched there afterwards.

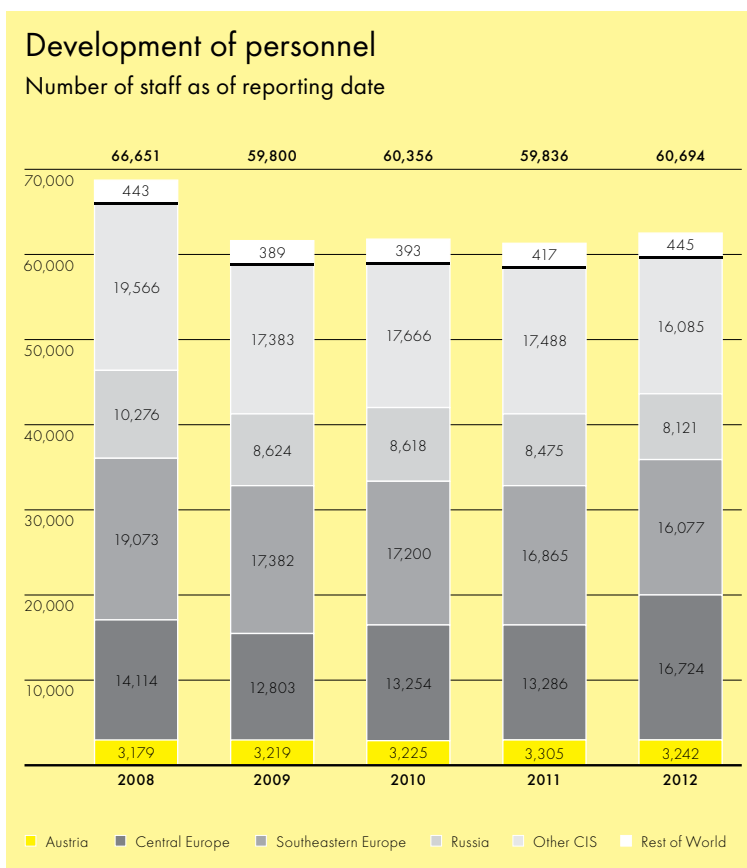
The RZB Group adheres to three principles in each financial operation: yield (share price and dividend policy), security of investment and availability of capital.

We also, of course, have a great responsibility to our shareholders, which means that the optimisation of shareholder value is part of our Corporate Vision. It's not just about short-term creation of value. Good profitability, which we can use to build up equity from within, and a long-term profitable development of the RZB Group are not only good for owners and shareholders, but also for all other stakeholders, because they safeguard our common existence.

A combination of prudent company policy based on diversification, and the very early embracing of saving and efficiency measures, have helped to ensure that the Group was able to overcome the crisis of the last few years as well as possible.

## Human Resources

Motivated employees form the basis of the success of the RZB Group. They act with a sense of responsibility, have a first-class education, are committed and motivated. With more than 60,000 employees, we are an important employer, especially in the CEE region. A good third of these jobs have been created by the opening of new banks and organic growth. Our employees demonstrate a high degree of customer focus and have the necessary vision to think in terms of opportunities. We have become a Group that can demonstrate cultural diversity and employees of the most varied nationalities. As the RZB Group, we are helping to create a central and eastern European economic community, and we can be very proud of this. We are a stable and reliable employer and fulfil our values in a dynamic environment. As a 'Top Company for Leaders', we identify top performers through our Performance and Talent Management programmes, and we invest in the further development of our management staff and specialists.



Human Resources at RBI is responsible for ensuring that personnel resources are deployed throughout the company in a sustainable manner and operates between the conflicting priorities of short and long-term initiatives. As such, 2012 was characterised by cost reduction programmes that have an immediate effect, but also by development measures with the aim of safeguarding the future of the Company.

As of 31 December 2012, the RZB Group (whole Group) employed 60,694 members of staff (measured in full-time equivalents, divided into 88 per cent of employees with fixed contracts and 12 per cent with temporary contracts), 1.4 per cent or 858 more staff than in 2011. This is based on the initial allocation of Polbank employees; without this effect, there would have been an overall reduction of 5 per cent. The absolute largest reduction, based on the number of employees in the country, was in Ukraine. The average age of the staff was relatively low, at 36.68 per cent of the employees were university graduates, demonstrating a very high level of qualification among staff.

A particular challenge for the HR department was the merger of Raiffeisen Bank Polska with Polbank EFG. Alongside the cultural merge of the two banks – aided by joint workshops – there was also a fair selection procedure for future management staff of the target organisation. Standardised HR instruments and processes should form the basis of good cooperation within the merged bank.

While the figures obtained in the HR sector in the 2010 Sustainability Report generally only included RZB AG and RBI AG, work has been undertaken during the reporting period to extend the quantity of indicators obtained, and also to involve the 15 network banks in the collection of data. It should be noted that Polbank EFG, which has been merged with Raiffeisen Bank Polska, has not yet been incorporated into the figures (apart from the total number of employees).

Fluctuation rates of staff, by age and gender in % of employees per company, total								
	2012				2011			
	RZB AG	RBI AG	NWB	Total	RZB AG	RBI AG	NWB	Total
Employees under 30 years of age	0.9%	1.6%	9.1%	<b>8.8%</b>	1.1%	1.5%	8.0%	7.8%
Employees between 30 and 50 years of age	8.3%	9.9%	9.3%	<b>9.3%</b>	6.9%	5.6%	7.4%	7.3%
Employees over 50 years of age	0.9%	1.8%	1.7%	<b>1.7%</b>	1.1%	1.1%	1.3%	1.3%
Women	5.6%	4.1%	13.2%	<b>12.9%</b>	4.6%	3.1%	10.9%	10.6%
Men	4.6%	9.3%	6.9%	<b>6.9%</b>	4.6%	5.0%	5.9%	5.9%

*Fluctuation rates of staff of RZB AG, RBI AG and NWB by age and gender, in %, based upon the total number of employees*

Fluctuation rates of staff by regions in % of employees		
	2012	2011
Central Europe	4.0%	3.8%
Southeastern Europe	3.1%	3.1%
Russia	7.8%	5.7%
Other CIS	4.5%	3.7%
Austria, Rest of World	0.5%	0.3%

*Fluctuation rates of staff of RZB AG, RBI AG and NWB by regions, in %, based upon the total number of employees*

The fluctuation includes movements of staff within the Group, maternity leave and departures.

## Talent management and development of management staff

Satisfied, engaged and empowered employees are more productive and produce better-quality work, and are loyal to the Company. This means that it is an important objective to create the necessary conditions for long-term partnership between the Company and its employees, with a clear personal development perspective. Development does not, however, necessarily have to mean advancing in one's career. It is equally important to give people attractive and secure positions as experts in their field.

In contrast to many global companies, we pursue a relatively decentralised approach. Within a Group-wide framework that sets the standards and methods for performance management, talent management, succession planning and development of management staff, the network banks have developed practices tailored to their specific local requirements, so that they can attract, develop and retain talented employees.

Our 'RBI Group Management & Leadership Development Policy' sets out the principles for such an approach. As a Group, we require common core elements within our culture of management and leadership. We need to be able to fill vacancies mainly from within, and to be able to prepare the next generation of top managers. This policy guides management staff and HR specialists, and supports them in their efforts to further develop management staff already in office, and to continue to develop our future leaders. As a policy, it is also set out to build an ultra-modern system of enterprise and leadership development.

In 2012, a Group-wide initiative to further improve the integrated talent management system was launched, based upon the results of the 'Top Companies for Leaders' study (see page 22, 'The best become better with us'), which in 2011 rated RBI AG as the top company in Austria. In this context, a project team of HR experts from within the Group worked together with external specialists to analyse implementation of the talent management procedures in 12 of the 15 network banks, and in Vienna. The established 'Good Practices' have been made available by other Group units, and have been supported by concrete measures to implement these as required. In 2013, a particular focus will be placed upon continuing to develop particularly talented members of staff, through both cross-departmental and international assignments.

### Career paths

Revision and stronger structuring of specialists careers was begun at the head office in Vienna during 2012, with the aim of offering employees an attractive alternative to careers in management, as well as demonstrating perspectives for their further professional development which are targeted at our most valuable experts, so that they commit their futures to the Company. To fulfil these objectives, career paths were initially designed for selected positions, and possible development measures were elaborated. This information will be made available to all employees and management staff during 2013, enabling them to develop personalised career designs.

## Performance management

Adaptation of Performance Management processes (PM) to the relevant CRD-III guidelines (Capital Requirement Directive) was a key priority in 2011 and 2012, along with defining new terms of reference from the Austrian Banking Act. These amendments have been incorporated into the Group Directives. Particular attention was paid to the connection between individual performance assessment and the payment of variable, performance-related salary components. Our procedures are regulated in two Group Directives.

The "Standard Performance Management" directive forms the framework for regional guidelines which are adapted to the requirements of individual countries. Performance management is a procedure which offers a transparent breakdown of the Company's objectives, in such a way that all contributions from management staff and employees are aligned to the overall objectives of the organisation. It defines a Group-wide framework plan for the structure and procedure of performance management. It describes the way in which performance is defined and measured, as well as how organisational objectives are broken down at the level of the individual, and, finally, how performance management is linked with other procedures of personnel policy, such as compensation or development.

During the period under review, the temporal and substantive coordination of the planning and budgeting process with the target-setting process has been improved, and the key performance indicators (KPIs) have been revised and more stringently defined. In doing so, particular attention was paid to the verifiable implementation of the corporate strategy within the individual performance objectives of management staff and employees. The integration of personal skills (Cultural Key Competencies) into the Performance Agreement was also a new aspect for many employees. This enables the behaviour of employees in accordance with the Group Values to also be taken into consideration during assessment. Intensive training courses were provided to management staff, in order to give them the necessary capabilities.

As such, all employees are incorporated into the Performance Management process in Austria (2012: 94 per cent, 2011: 95 per cent. The deviation from 100 per cent is the result of the fact that employees who have not yet been employed by the company for three months are not obliged to be included in the Performance Management process.). Within the network banks, all management staff participated in the process, as well as all employees in most cases (2012: 54 per cent, 2011: 51 per cent).

## Education and training

The RZB Group offers its staff attractive opportunities for qualifications and further training. Alongside specialised programmes, there is also a wide range of programmes in areas of personal development.

The Raiffeisen Campus project was started in 2011, commissioned by the Raiffeisen Banking Group. The strategic objective is to develop the greatest possible number of standardised, mandatory and systematic training programmes, as well as to develop personal development concepts for all divisions and sector levels, including associated companies, so enabling intensive cooperation in training with RBI AG and its subsidiaries in CEE. This enabled the new Raiffeisen Campus to reinforce the outstanding potential and commitment of Raiffeisen staff.



Average number of training hours for employees, by position								
	2012				2011			
	RZB AG	RBI AG	NWB	Total	RZB AG	RBI AG	NWB	Total
B-1	n/a	20	42	40	n/a	16	35	33
B-2	n/a	30	41	40	n/a	25	48	46
Other employees	n/a	37	47	46	n/a	38	32	32
<b>Per employee, total</b>	<b>n/a</b>	<b>36</b>	<b>46</b>	<b>46</b>	<b>n/a</b>	<b>37</b>	<b>33</b>	<b>33</b>

The RZB Group is actively continuing to develop the Raiffeisen Campus, for instance through the launching of sustainability courses and training programmes. It is our aim to train our employees in the field of sustainable and ecological finance, so that they can assess, decide and act in a responsible manner when lending credit and investing money. Likewise, we want to make knowledge on the issue of sustainability accessible and applicable to our staff, customers and other relevant stakeholders.

## Professional Development

During 2011 and 2012, particular attention was paid to effective support of the implementation of Group strategies in professional development programmes. As such, a comprehensive training programme on capital market products and risks was developed and rolled out during 2011 to consolidate consultation expertise among our corporate account managers. Other areas of focus during both years included training programmes in risk management for debt collection and Premium Banking. Numerous training initiatives on the issue of 'Lean' gave management staff and

employees the necessary tools to streamline processes and therefore increase efficiency. The fundamental knowledge was conveyed via E-learning, with practical implementation facilitated, in particular, by visits to Group units where the Lean methodology had already been successfully implemented. To improve the effectiveness of Group-wide training initiatives, 'master trainers' were developed in all network units, who can now disseminate knowledge among their respective workforces at any time.

## E-learning

E-learning, as a key component of training programmes for RZB AG and RBI AG and its subsidiaries, was also expanded further: In 2011, around 800,000 applications for online courses and tests were registered across the Group, to support training on standard topics and also regional or Group-wide initiatives as fully as possible. There were around 1,000,000 applications across the Group in 2012. This increase in usage and acceptance was made possible, for instance, by developing the technical infrastructure and improving user-friendliness.

## Young Professional Potentials (YPP) programme in Austria

Selected RZB and RBI staff once again successfully took part in this Vienna-based programme in 2011 and 2012. Within the programme, young 'High Potentials' gained wide-ranging opportunities for personal development, on topics such as presentation technique, time management and teamwork, as well as the opportunity to network with employees from the most diverse branches of the Company. The programme, which has developed an above-average number of management staff in the past, is completed with a cross-departmental project and a stay abroad.

## International Young Professional Potentials (IYPP) Programme

Promoting cross-border knowledge and sharing of experience remains a key objective for us. As such, the International Young Potentials programme was launched in 2011 between three network banks, and after a successful conclusion, it was repeated in 2012 with five participating network units. The aim is to nurture 'High Potentials' from the network banks through targeted trainee placements in other network banks. Professional exchange programmes for experienced employees, e.g. from the Risk Management, Treasury and Quality of Service sectors, were also launched or expanded. They focus on the joint exchange of experiences through "good practices and lessons learned". In addition, the residence of one to six months strengthens the collaboration and team spirit in the Group. Networks are established and expanded; participants get to know one another, improve together, add to the overall know-how within the Group and thus ultimately increase business success.

*"Our traineeship programme is an excellent platform for building long-term relationships. It is a fantastic opportunity for risk managers and credit analysts within our network to develop and extend their knowledge. We also benefit from the programme, as we really get to know our colleagues, the local unit and their country."* Zsolt Kaposi, Director Credit Risk Management "Consumer Cyclical & Industrial" (CCI) and Tutor in the CMC International Traineeship Programme



*"I shared my knowledge with colleagues from other network units, familiarised myself with the appropriate procedures, and I was provided with materials, guidelines and policies. These materials will help me, my colleagues and my superiors to implement best practice within Raiffeisen Bank Albania."*



Nertila Gjakova, Raiffeisen Bank Albania

*"The number of participants has risen by nearly 20 per year in recent years. For 15 years now, the CMC International Traineeship Programme has been the training centre for the RBI Group's corporate risk staff. During the three-month real-life traineeship, all participants receive full and tailored attention and feedback from their tutors, hand-picked risk experts with other ten years of experience in banking and risk management, and a unique source of special knowledge for individual participants. In addition, it is an opportunity to gain direct personal contact and to take part in technical discussions with the relevant members of RBI Board Members, along with other high-ranking decision-makers. It is a unique opportunity for the participants to broaden their horizons and experience."*

Andreas Engels, Head of Credit Management Corporates (CMC)



## Sustainable further training

We believe that it is important to train our employees to the best possible standards in the field of sustainable finance, i.e. in the responsible lending of credit and investment of money. This concerns introducing them to issues relevant to society and the environment, and making them aware of these accordingly. Therefore, we are now offering a personal training programme in the field of sustainability management for the first time, a programme that consists of multi-day basic and advanced seminars. These have been developed together with Raiffeisen Campus and plenum, the society for holistic and sustainable development. The first basic seminar took place during 2012. This gives our employees the necessary tools to collectively make the RZB Group one of the leading groups of companies in dealing with issues of sustainability and corporate responsibility.

## Further training initiatives in our network banks

The Albanian Raiffeisen Bank Sh.a. organises training programmes which deal specifically with corporate ethics. These are intended for management staff, developing their communication skills and business ethics.

Raiffeisen BANK d.d. Bosna I Hercegovina Sarajevo (Bosnia and Herzegovina) offers a practical training course for working with the disabled people. This covers topics related to social skills in the field of communication with people with sensory, mental or physical disabilities. These training classes have been attended by the sales staff. Working instructions, videos and demonstration methods for possible communication scenarios are used in these sessions.

A training course on energy efficiency, offered by Raiffeisen Bank (Bulgaria) EAD, provides an introduction to the energy efficiency credit guidelines, as well as information on the specific details of energy efficiency credit products.

The two-day training course on stress management, offered by Raiffeisen Bank Kosovo J.S.C., aims to improve awareness and knowledge of the effects of stress in the workplace and in general life. The programme demonstrates the best techniques, practices and exercises for reducing stress. 44 sessions have already been held, with 72 per cent of employees having been trained. The main focus of the 'Positive Thinking' course is placed upon explaining the effects of positive thinking on a healthy lifestyle, and on its use as a 'tool' for the easy resolution of problems. 25 per cent of employees have already taken part in this training course since it launched in 2011.

Training courses on fighting corruption and promoting security, offered by Raiffeisen Bank S.A. in Romania, also deal with the issue of human rights. All employees were trained on this issue during 2012.

Raiffeisen banka a.d. in Serbia offers a wide range of courses, covering issues ranging from the development of entrepreneurial skills to cooperative management styles, and from development of customer responsibility through to the working environment. There are courses on stress management, teamwork and cooperation, team management and problem-solving, conflict management and dealing with difficult customers.

## Diversity management

As a company active on an international basis, cultural diversity and equal opportunities form important cornerstones of a successful company culture. Diverse teams are more motivated, more creative and more productive. However, these are not the only reasons why prejudice and discrimination of other nationalities or cultures have no place in the RZB Group. Therefore, we actively promote equality, irrespective of origin, gender, age, language, income, religious convictions or disability. Commitment to cultural diversity also includes the transfer of management responsibility to regional staff, and promoting exchange between employees of different nationalities. Striking the balance between work, family and free time is not easy for many employees. The RZB Group supports its staff through suitable programmes.

The importance of this issue is also underlined by the fact that we have stated in our Code of Conduct – which must be complied with across the Group – under the heading of “Mutual Respect, Honesty and Integrity” that we will not tolerate any form of discrimination. In fact, it is part of our culture that we respect the opinions, personal dignity, privacy and personal rights of others. The Code also states that recruitment, promotion and assessment of employees based exclusively on performance-related criteria such as achievement of agreed targets, or professional experience.

The principle of offering equal opportunities for equal performance is very important to us. This starts from our structured selection procedure at head office, where it is ensured that all applicants are assessed to the same standards. It continues as a result of the classification of all positions in accordance with the Towers Watson Global Grading System method, which was started in 2010 and has now been completed across the Group. This has become an important fixed component of the HR instruments used. These assessments of positions are built upon by the implementation of a salary and title structure which is objective and appropriate to the market, and also by the creation of development plans and career paths.

Furthermore, salary structures and bonus systems correspond to the new guidelines of the Austrian Banking Act regarding the principles of remuneration policies and practices. As such, we have ensured that all employees with the same or similar areas of responsibility are remunerated according to standards which conform to those of the market, irrespective of gender, age or other differentiating factors.

Around 35,000 female employees were working within the RZB Group during 2012 (2011: 37,000). This represents a quota of 65 per cent in 2012 (2011: 67 per cent). As such, it is particularly important to us, as an employer, that work and family are compatible with each other. We therefore offer various working models within the Company. The quota of part-time employees within RZB AG and RBI AG was 12 per cent in 2012 (2011: RZB AG 8 per cent, RBI AG: 13 per cent), 2 per cent in the network banks and 3 per cent across the entire Group.

Quota for women in %								
	2012				2011			
	RZB AG	RBI AG	NWB	Total	RZB AG	RBI AG	NWB	Total
B	0%	0%	17%	16%	0%	0%	17%	15%
B-1	8%	8%	43%	40%	0%	11%	42%	39%
B-2	25%	25%	49%	48%	17%	23%	51%	49%
Other managers	0%	16%	44%	43%	0%	17%	42%	42%
<b>Managers, total</b>	<b>12%</b>	<b>18%</b>	<b>44%</b>	<b>43%</b>	<b>4%</b>	<b>18%</b>	<b>44%</b>	<b>43%</b>
<b>Employees, total</b>	<b>47%</b>	<b>46%</b>	<b>66%</b>	<b>65%</b>	<b>46%</b>	<b>44%</b>	<b>68%</b>	<b>67%</b>



Minority groups in %								
	2012				2011			
	RZB AG	RBI AG	NWB	Total	RZB AG	RBI AG	NWB	Total
Employees with disabilities	0%	1%	2%	1%	0%	1%	1%	1%
Employees with foreign citizenship	9%	25%	0.5%	1%	11%	21%	0.5%	1%
Managers with foreign citizenship	1%	3%	0.1%	0.1%	0%	2%	0.2%	0.2%

Employees by age group, in %								
	2012				2011			
	RZB AG	RBI AG	NWB	Total	RZB AG	RBI AG	NWB	Total
Employees below 30 years of age	5%	10%	33%	32%	5%	15%	36%	35%
Employees 30 to 50 years of age	81%	79%	58%	59%	79%	77%	55%	56%
Employees above 50 years of age	15%	11%	9%	9%	16%	9%	9%	9%

## Staff surveys

Staff surveys were also carried out in many units in 2011, including in Austria, but also within the Raiffeisen Banks in Albania, Kosovo, Croatia, Poland, Romania and Serbia. In Austria, just over 70 per cent of employees took part in the survey. Alongside questions on the working situation, cooperation, information, communication and satisfaction, a particular focus was devoted to the issue of leadership.

Following analysis of the results, more than 60 projects were developed and implemented from 2011 onwards. In addition, measures were put into place to improve internal information and communications, and various details of the performance management and compensation systems were adapted. The staff survey previously took place every two years, and from 2013 onwards, it will be carried out to a Group-wide standard for the first time.

## Active participation of staff

We believe it is extremely important that the concerns of our staff are taken seriously and listened to. During internal events, employees are regularly asked by the Managing Boards to contact them directly if necessary (Open Door Policy). In addition, all members of the Managing Board of RBI AG regularly make tours of their respective areas of the business ('Walk the Talk').

Furthermore, ideas and comments can always be brought to the Staff Council, which can address concerns during monthly meetings with the Chairmen of the Managing Boards (RBI AG and RZB AG). In order to appreciate the different issues as well as possible for the employees, there are, for example, working groups at the Head Office in Vienna which have the objective of embracing and encouraging the economic, social, health and cultural interests of the employees within the company. The working groups enable the Staff Councils, employees and specialists to sustainably ensure that these targets are met, for instance by working together with company physician, Human Resources and Facility Management. Some working groups are set up to work on a permanent basis (e.g. workplace conditions/health, job/family, nutrition or mobbing/stress/burnout). Others are put together at short notice and work on a project-by-project basis. However, cost-intensive issues are only rarely discussed here. Often, it is simply a case of picking up a brilliant idea and putting it into practice. In total, around 200 measures are developed each year - meaning that working groups are always an important breeding ground for sustainable improvements.

## Equal treatment

While implementing the EU Directive against discrimination, a Company Agreement was concluded in 2011 on the issue of 'Fair behaviour in the workplace', demonstrating that discrimination of any sort has no place in our Group. To lend even more weight to the seriousness of this issue, and in cooperation with the Staff Council, several employees undertook a training course in Vienna and became 'harassment representatives'; these employees are now the first point of contact for their employees if problems arise with regard to this issue. Expertly trained members of staff also provide competent points of contact on the issues of stress and burnout.

## Equal work – equal pay

Salaries are regularly analysed within the RBI Group. As a result of on-going efforts in previous years to give equal pay for equal work, irrespective of gender, there are no significant differences between the salaries of men and women within the Group.

50 per cent of the Group employees are covered by collective bargaining agreements.

## Quotas for women

A significant proportion of the management positions within the RZB Group are held by women. Targeted promotion of the individual skills of our employees has enabled us to create a good mix of male and female management staff within the Group. At the B-1 management level, women make up 40 per cent of staff across the Group. Out of the 125 Managing Board membership positions in 2012, 20 of these are occupied by women. This represents a quota of 16 per cent. The quota for women at Board level in the network banks is 17.4 per cent, that is 20 of the 115 positions.

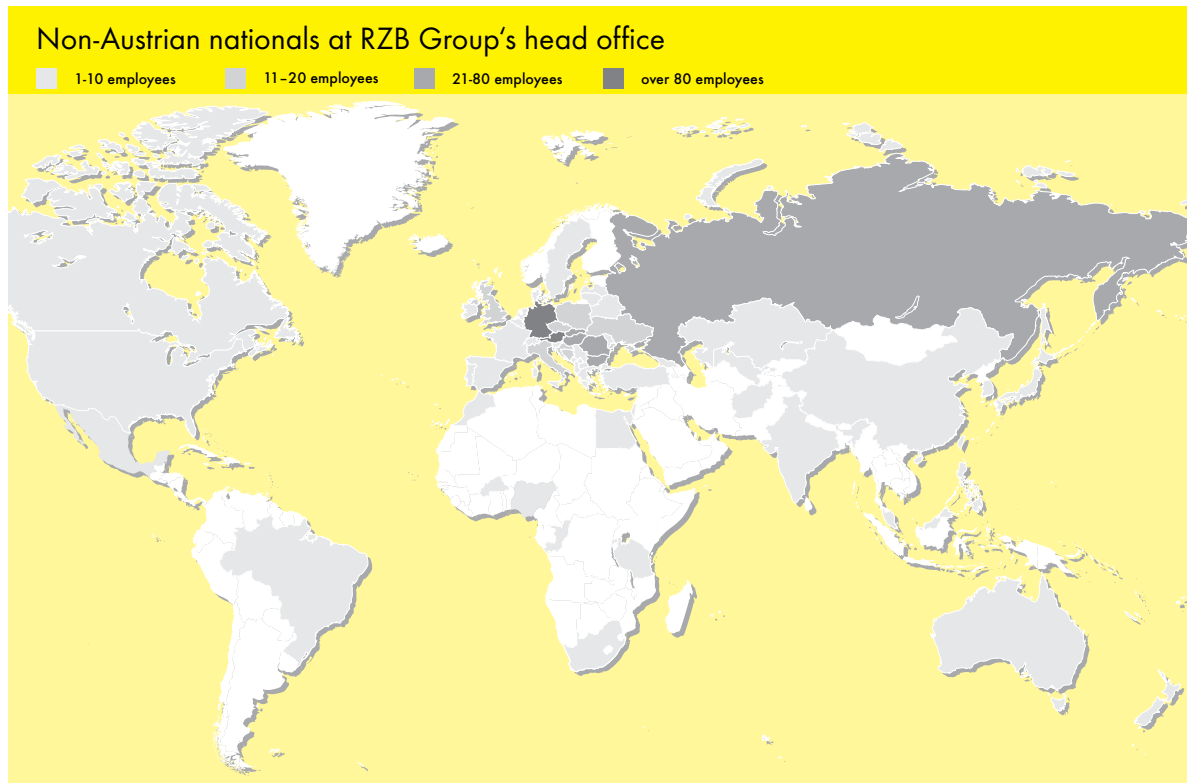
By comparison: Men hold around 90 per cent of the highest decision-making positions within the top companies of the European Union. The situation has barely improved in recent years, with the exception of a few countries. In Austria, the trend has stagnated, and has even reversed in some cases. Even in the USA, a pioneer in gender equality, women only represent around 16 per cent of the positions on Boards of Directors, with only 2.6 per cent holding the position of Chair (source: Office of the Federal Chancellor: 'Women in Managerial Roles' Report 2011).

Targeted education and further training programmes are offered and accepted positively, with the aim of developing leadership skills. 25 per cent (2011: 26.7 per cent) of the participants of the Group-wide top management programme 'Execute' were women. The newly-created 'Advanced Leadership Training for middle management' programme saw women make up 64 per cent of the participants (2011: 49 per cent).

## Diversity at the Vienna site

The quota for women at the Vienna site was 47 per cent in 2012 (2011: 46 per cent). It is particularly important to us as an employer that work and family are compatible with each other. We therefore offer various working models within the Company. Our employees appreciate flexible working hours, part-time and remote working. There are also many small organisational measures implemented by management under their own responsibility.

In 2012, 449 employees with a migrant background were working at the Head Offices in Vienna (2011: 425), from 50 different nations (2011: 55). Integration and seamless cooperation within this culturally diverse employee structure is always a great challenge for us, but at the same time, it also offers many opportunities.



At our site in Vienna, we offer a day care centre with employee-friendly opening times. For some time, fathers in Austria have had the option to remain at home with the mother for a period of one month following the birth of a child. This offer was claimed by nine fathers at the RBI AG head office in Vienna during 2012, compared with five during 2011.

As a Company, it is also important to us to support our employees in reducing emissions of CO<sub>2</sub>. For this reason, we cover the majority of the cost of an annual season ticket for our employees for use of public transportation in Vienna, to help encourage transition to this method of travel, making it more attractive. In addition, we also make bicycle storage and parking facilities available to our employees, at the front of the company building. There are a number of company bikes with locks and panniers which are available for our employees to use for service duties.

## International Dinner

The International Dinner was first held by employees four years ago. It was intended as an opportunity to get to know the various cultures of colleagues (in total, 50 different nationalities are represented within the company) and, in turn, their cuisine and associated traditions and customs. The regular dinner evenings have become extremely popular events. The evening spent in a relaxed atmosphere guarantees new culinary experiences and exchange between colleagues in a very different environment from the one in the bank building. One colleague acts as a host on each occasion. He or she determines the cultural theme for the evening and chooses the restaurant.



The initiators (Daniela Tsoneva, centre and Sandeep Singh, left) of the International Dinner



New culinary experiences at the International Dinner

## Diversity initiatives in our network banks

Raiffeisen Bank Polska S.A. (Raiffeisen Polbank) in Poland offers specific support for women during pregnancy, and during the period leading up to the first birthday of their child, as part of the 'Mother Care Programme'. Fathers also receive days off, alongside the opportunities for part-time working, flexible working hours and remote working for parents, especially for mothers.

Tatra bank s.a. in Slovakia pays special attention to the work-life balance. Employees have the opportunity to take a sabbatical, depending on the number of years of employment with the company. 350 employees have already used this opportunity since 2010. A day care centre is available for use by children aged three years or older.

Raiffeisen Banka d.d. in Slovenia offers part-time working opportunities to parents with children younger than three years of age. In addition, there are programmes in place which enable staff to take breaks for study.

Raiffeisenbank a.s. in the Czech Republic was the first Czech company to set up a day care centre. 'Zirafka' is the name of the nursery school, and as of the end of 2012, cares for 96 children.

On the occasion of the International Day of Persons with Disabilities, Raiffeisen Bank d.d. Bosna i Hercegovina (Bosnia and Herzegovina) received the prestigious award

of 2012 'Employer of the Year for Disabled Persons'. In order to support persons with disabilities, measures to raise consciousness about the topic and to promote newer, positive standards have been implemented. Raiffeisen Bank d.d. Bosna i Hercegovina has introduced a further training programme entitled "Encouraging the inclusion of disability issues into the bank's procedures". The bank employees have been trained to adapt the services and information of the bank to the needs of people with disabilities. They have also introduced new procedures for business contacts with customers with specific disabilities. At Raiffeisen Bank d.d. Bosna i Hercegovina, there are currently 23 employees with disabilities.



Presentation of the award for 2012 'Employer of the Year for Disabled Persons', Raiffeisen Bank d.d. Bosna i Hercegovina (Bosnia and Herzegovina)

Raiffeisen Bank (Bulgaria) EAD has provided around 150 positions for persons with disabilities; currently disabled workers comprise 0.8 per cent of the total workforce.

Raiffeisen Bank Kosovo J.S.C. offers employees at its head office a nursery school for their children, but also covers the majority of the costs. Raiffeisenbank Austria d.d. in Croatia offers employees the option to take unpaid leave. All rights and obligations arising from the employment relationship are suspended during the period of leave, and the employee can then return to his position afterwards.

In 2012, Raiffeisen banka a.d. in Serbia introduced flexible working hours, offering employees the opportunity to work in such a way as their own commitments allow. This is currently intended for all employees not working in branch offices. Since 2011, employees in the Legal department have had the opportunity to take paid leave, to enable them to prepare for legal examinations.

## Health

Our health management programme is intended to maintain performance, by encouraging and supporting self-responsible behaviour. We therefore supply our employees with health information via the Intranet, the employee magazine or during our annual health day. We regularly focus on a particular issue (e.g. heart health). In addition, we are actively involved in sport and mobility programmes in the public domain, for all age groups. In addition to the legally prescribed measures, the health of our staff is promoted through numerous voluntary activities such as health checks, dietary advice and vital checks.



The absence rate was 3 per cent during the report period. Regrettably there were two fatalities during 2011, both as the result of a road traffic accident. The ILO occupational disease rate was 1, and 9 for injuries, of which the majority were not directly related to practice of occupational activities, but which took place during working hours or on the way to work.

## Healthcare measures at the Vienna site

Healthcare is ensured at the Vienna site by the company physician. Employees also have access, at their own cost and in their own time, to acupuncture, craniosacral therapy, nutritional counselling, Hara Shiatsu, massages, osteopathy, physiotherapy, sound and hypnosis therapy, all of which are provided on the Company's premises.

Ergonomically designed offices create the conditions for healthy work. In order to keep making improvements in this area, we offer workplace inspections on request, in cooperation with our company physician. A UNIQA health insurance grant is awarded for employees and their dependants (spouse, partner, children).

To protect and promote the health of employees, our Company supports various sporting activities by taking over the cost of, or making available, facilities for such activities. Efforts to promote good health are rounded off by the offer of health examinations, which are offered during working hours on the Company's premises. These cover the entire spectrum which is covered by health insurance. Nearly 40 per cent of our employees at head office have already made use of this offer, which, as of 2013, is carried out on a yearly basis (previously every two years) in cooperation with the Health & Life healthcare organisation.

At our site in Vienna, employees and their families have access to the company 'consentiv'. This company offers advice on work-related issues (stress, coaching, mediation etc.) and on personal concerns (family counselling, grief counselling, mediation etc.). The Company covers all costs accrued from this service.

Furthermore, all employees have the opportunity to claim two packets every six months over a two-year period, with each packet containing five vouchers for IBOS therapy units - 'IBOS - Institute for Burnout and Stress Management'. The vouchers are administered and issued by the company physician, who is obliged to maintain medical confidentiality.

## Healthcare initiatives at our network banks

Raiffeisen Bank Polska S.A. (Raiffeisen Polbank) in Poland operates several healthcare initiatives. Employees are granted health insurance coverage with a private medical centre. The scope of insurance coverage is dependent upon the employee's position, but all members of staff receive basic access to all specialist care required. The 'multikarta sport' card offers free or reduced access to many gyms and fitness centres. Skiing and surfing trips are partially covered by one of the social funds set up by the bank.

Since 2012, all employees of Raiffeisen Banka d.d. in Slovenia have been able to take part in anti-stress workshops. There is a specific programme for all management staff to help promote a work-life balance.

The 'healthy business' project of Raiffeisenbank a.s. in the Czech Republic is run in cooperation with the largest health insurance company in the country. All members of staff are insured with the company. In 2012, 1,145 employees made use of medical healthcare examinations and offers for boosting vitamin intake, as part of an initiative.

At Raiffeisen Bank Zrt. in Hungary, an annual healthcare check for management staff has been in place for more than a decade. The Staff Council offers a programme which offers reduced prices for participation in sporting activities. Voluntary social benefits include a healthcare programme and additional health insurance. From 2013 onwards, all employees will be offered courses on avoiding burn-out, and to help them learn relaxation techniques.

Raiffeisen BANK d.d. Bosnia i Hercegovina Sarajevo (Bosnia and Herzegovina) offers one-time financial support for expensive treatments or in the event of an illness. In addition, all employees are offered free access to a training facility.

At Raiffeisen Aval JSC in Ukraine, around 50 employees took part in seminars on workplace safety, and have become experts in healthcare and workplace safety, supporting and monitoring more than 25 regional offices and around 800 bank branch offices. Around 2,200 employees who work in at-risk categories (such as cashier and money

courier) are offered personal accident insurance.

Compulsory annual health checks for employees in Russia are paid for by Raiffeisenbank ZAO. The company's voluntary health insurance programme, which is free of charge for employees, includes a wide range of medical services at the best clinics in all regions where the bank runs offices or regional centres.

Since 2011, Raiffeisen BANK d.d. Bosna i Hercegovina Sarajevo (Bosnia and Herzegovina) has run sessions on crisis intervention. Licensed psychotherapists from the Human Resources department offer intervention to employees of branch offices who have been victims of armed raids. The aim is to help victims to deal with post-traumatic issues and to help them to reintegrate into everyday life and work.

Regular health checks and examinations are part of the voluntary social benefits offered by Raiffeisenbank Austria d.d. in Croatia.

Raiffeisen Bank S.A. in Romania offers all employees private health and personal accident insurance, as well as annual health checks.

Raiffeisen banka a.d. in Serbia offers employees financial assistance in the event of illness. This can be made in the form of one-time support payments, or monthly payments made equivalent to the full amount of salary. The healthcare services offered include yoga classes, football and choir sessions, to facilitate a better work-life balance and to help prevent burnout. Since 2012, ergonomically designed workstations have been made available to 902 employees at the new head office building.

## Staff marketing

Good employees form the basis of all successful companies. For several years, we have taken part in the 'Career Calling' graduate jobs fair – the largest of its kind in Austria – in order to inspire the very best to join us after completing their studies. In addition, we are seamlessly continuing our long-term and successful cooperation with universities, technical colleges and other relevant educational institutions. In doing so, we focus on sponsoring, on the active organisation of courses, guest lectures, supporting seminar papers and relevant professional internships, and attending various job fairs.

Inquiries and surveys amongst university graduates regularly reveal the network banks of RBI to be amongst the most popular employers. That is not least due to the excellent reputation of the Group.

# Responsible marketing and transparent disclosure

Money matters are also matters of trust. Studies have shown that trust is the most important criterion used when choosing a bank. Raiffeisen continues to be unrivalled in this regard – surveys regularly demonstrate that the Raiffeisen brand is the most trusted in Austria. We focus on information and transparency – from the description and identification of our products, through to their advertisement and marketing.

The RZB Group strives for clear and transparent identification of products and services for all customers and stakeholders. When advertising and marketing our products, we align ourselves with strict principles which are intended to protect customers. We inform our customers in a clear and helpful manner, with the intention of minimising any risks which may arise from the use of our products. In addition, we carry out promotion in accordance with the ethical and moral principles of the code of ethics of the Austrian advertising industry, and are committed to complying with quality criteria agreed jointly with the advertising industry, which go beyond the legal terms of reference.

For this reason, the Raiffeisen Banking Group (and therefore also RZB AG and RBI AG) have been awarded the Pro-Ethics Seal of the Austrian Advertising Council. Due to our strict compliance guidelines, we can also rule out the

possibility that marketing is being abused for activities connected to corruption within the RZB Group. In this regard, there have been no violations or incidents of non-compliance with the voluntary rules of conduct.

Economic consequences are not the only risks posed by failing to appreciate the risks of climate change, the scarcity of many resources or the violation of human rights. This also increasingly concerns risks to reputation. We see the increased requirements for transparency as entirely positive, so that we can actively communicate our services in an industry which is important to a viable future economy. Our reporting of business activities and on sustainability is conducted transparently and comprehensively, based upon recognised and authorised international standards (such as the Global Reporting Initiative).



Pro-Ethics Seal

# Stakeholder management

## Active dialogue with all stakeholders

The crisis of both finance and trust has transformed the expectations which our stakeholders have of banks. To systematically find out more about their social, environmental and economic concerns, we place great importance on professional stakeholder management. During the reporting period, the focus was placed on a stakeholder online questionnaire which, together with numerous contacts and discussions with our stakeholders, was aimed at aligning the most significant issues with our sustainability programme. In addition to the dialogue with selected representatives of the relevant stakeholder groups, through our third RZB Group Stakeholder Council (see page 40 et seq., 'Management of sustainability and corporate responsibility').

## Sustainability with suppliers

We view our suppliers as partners in shaping our business to be more sustainable. It is therefore important that when making procurement decisions, we consider the added value of the products and services received and their holistic quality, based upon the three 'pillars' of sustainability. Regional procurement and value creation are important factors in procurement decisions.

When making purchases, we seek to ensure that products are as environmentally and socially responsible and resource-efficient as possible. We recognised that our social, ethical and environmental impacts are just as present within our supply chains as within our own business activities. In the medium-term, it is important for us to ensure that important suppliers contribute to sustainable supply chain management in the future.

# Inhouse ecology in Austria



When running its office locations, the RZB Group consistently puts into practice its aims of keeping environmental impacts as low as possible. This is no longer a matter of merely fulfilling legal requirements or standards, but one of optimising usage of energy and resources, and as such, a task of sustainable resource utilisation.

In order to further efforts and activities being undertaken by the RZB Group to reach state-of-the-art standards in the environmental sector, the Company has associated itself with several initiatives, such as the 'Money and Insurance Industry' working group of the Austrian Society for Environment and Technology (ÖGUT) and the Carbon Disclosure Project. The aim is to improve reporting, benchmarking and transparency for our stakeholders in this field. The 'Benchmarking for financial services providers' project of

the ÖGUT documents progress in the field of environmental business management on an annual basis, and makes this available in a transparent manner to all market participants through a variety of platforms (e.g. [www.cdproject.net](http://www.cdproject.net)). This makes it possible to collate, compare and publish industry-relevant inhouse ecology figures. Benchmarking contributes to the identification and further development of examples of best practice within the industry. Here, the RZB Group contributed experience from the use of solar panels and photovoltaic modules in the building of the Sky-Conference facility on the roof of the main building at the Vienna site.

The Carbon Disclosure Project pursues the objective of bringing greater transparency into reporting of greenhouse gas emissions. Since 2011, RBI AG has also voluntarily provided information on its CO<sub>2</sub> emissions, the climate risks associated with its business activities, and its reduction targets. The best companies are summarised in the Carbon Disclosure Leadership Index. This uses values to bring together the 30 companies that have obtained the highest scores based on the criterion of the completeness of their reporting. RBI AG scored 84 out of 100 points in 2011, achieving 13th place in the table, and thus representing the best company listed on the Austrian Traded Index (ATX). In 2012, RBI AG obtained 79 points. In addition, RBI AG became the first Austrian member of CDP Reporter Services in 2013.

In order to continue developing our internal reporting procedures, the development of the sustainability monitoring tool called 'MoNa' was started in 2012, in cooperation with the 'Raiffeisen Climate Protection Initiative (RKI)' association and 'ZHS Office & Facility Management GmbH'. This web-based tool includes around 30 performance indicators of the Global Reporting Initiative (GRI), in the fields of environment, economy, employees and society. It will be available in German and subsequently also in English. Furthermore, a handbook is planned which will simplify use of the tool, along with personal training. The tool should be used by the highest possible number of RKI members. This method of data collection will ensure benchmarking in the future, and will simplify the reporting of various projects. The environment figures will make it possible to create time series as well as CO<sub>2</sub> and water footprints. The individual companies which use this tool will also have the added value of being able to use their researched data as a basis for creating their own sustainability report.

On an international level, the RZB Group is working with in Banken, Sparkassen und Versicherungen e.V. "Verein für Umweltmanagement und Nachhaltigkeit" (VfU, Society for Environmental Management in Banks, Saving Banks and Insurance). The association, which has its headquarters in Germany, particularly deals with issues of environmental management with financial service providers. In this regard, a standard for determining and evaluating operational effects on the environment caused by financial service providers has been developed – the 'VfU key figures'. The international version was published in its current form in January 2011.

The basis for the corporate environmental protection is formed by the environmental policy. In terms of their responsibility for environmental measures, the Managing Boards of RZB AG and RBI AG appointed an Environmental Officer and a business Environmental Committee, which meets at least twice a year.



## Focus areas and projects

A study carried out in 2010, in cooperation with the Sustainable Europe Research Institute (SERI), forms the quantitative base for all target definitions and measures pertaining to environmental policy. This takes into account the climate-relevant aspects of businesses with regard to environmental statistics, but also the way in which these companies use natural resources during their life cycles.

This assessment, which was carried out for head office in Vienna, determined and assessed greenhouse gas emissions, as well as the direct and indirect use of biotic and abiotic material, water consumption and use of land.

The result of the investigations was that 65 per cent of greenhouse gas emissions at the Vienna head office are attributable to energy consumption (electricity and heating), with a further 13 per cent attributable to business travel. Biotic materials accounted for 70 per cent of the energy consumption (97 per cent of which was electricity), and 29 per cent of materials used (of which 96 per cent was paper). Abiotic materials accounted for 58 per cent of the materials used (96 per cent of which for IT equipment), 20 per cent of the building infrastructure (cables, concrete and reinforcements etc.), and 18 per cent of energy consumption (93 per cent of which attributable to electricity consumption). 69 per cent of water usage resulted from energy consumption (99 per cent of which for electricity) and a further 21 per cent from use of materials (54 per cent IT equipment, 43 per cent paper). 74 per cent of land use was attributable to material use (95 per cent of which to paper), and 22 per cent to the generation of energy (98 per cent of which was electricity).

The following measures were introduced at the Vienna site, on the basis of these results:

- Energy (electricity): Launch of consumption reduction projects; use of renewable energy sources
- Business travel: Promoting more environmentally friendly alternatives
- Paper: Reducing consumption, using recycled paper
- All courier consignments at the Vienna site have been shipped to CO<sub>2</sub>-neutral standards since 2012

These measures have resulted in a significant reduction in the CO<sub>2</sub> emissions per employee.

CO <sub>2</sub> emissions of RZB AG and RBI AG (Vienna sites)	2012	2011
<b>Total CO<sub>2</sub> emissions in kg/employee</b>	<b>2,277</b>	<b>3,286</b>
CO <sub>2</sub> emissions SCOPE 1, 2	357	1,804
CO <sub>2</sub> emissions SCOPE 3	1,920	1,482

### Legend

Scope 1,2 All emissions directly associated with combustion within our own facilities, as well as emissions associated with energy purchased from external sources (e.g. electricity, district heating)

Scope 3 Emissions from services provided by third parties, and purchased inputs (e.g. transport services provided by third parties)

## Waste

The main intention of all efforts made in the field of emissions, waste water and waste is to use resources more carefully, as well as to reduce waste and emissions. As such, we place particular importance on the material recycling of all types of waste, so that they can be used again as recyclable materials within production processes. There is a high volume of recyclable paper waste within financial services providers.

The volume of paper and cardboard waste increased in 2012, as the archive holdings were reduced in size during the move to the new site 'space2move' in Vienna.

The volume of scrap computing equipment has increased due to the conversion to more efficient IT end user devices. The volume of waste oil can be explained by the long interval when disposing of oil separators at the Stadtpark site garage.

In order to improve the emission values of waste water, a new fat separator was introduced in 2012 for the canteen at the Stadtpark site.

Waste generation of RZB AG and RBI AG (Vienna sites)	2012	2011
<b>Total recyclables in kg</b>	<b>247,727</b>	<b>227,936</b>
Paper waste	193,910	187,194
Cardboard	31,160	21,622
Glass	5,375	4,343
Scrap metal	3,045	2,985
Plastics	4,165	5,414
Fat separator	7,668	5,104
Scrap IT equipment	2,353	1,274
Polystyrene	51	0
<b>Total hazardous waste in kg</b>	<b>3,682</b>	<b>860</b>
Waste oil	2,702	0
Batteries	252	73
Fluorescent lamps	417	492
Refrigerating and air conditioning systems	11	113
Fixers, developers, ammonia solutions	261	182
Oil-smearred workshop waste	26	0
Medicines, not hazardous for water	8	0
Hazardous medicinal waste	3	0
Compressed gas containers	2	0
<b>Total of other waste in kg</b>	<b>113,351</b>	<b>114,274</b>
Residual waste	79,108	79,291
Bulky waste	34,243	34,983
<b>Total waste produced in kg</b>	<b>364,760</b>	<b>343,071</b>
<b>Waste produced in kg/employee</b>	<b>188</b>	<b>170</b>

## Energy consumption

Participation in the 'EffiCent' project was a concrete measure taken to reduce energy consumption. The aim was to create greater transparency regarding the energy consumption of service buildings, and in doing so, to make particularly clear the number of kilowatt hours of electricity arising from usage outside regular hours. As part of 'EffiCent', over 200 audits were carried out in the Raiffeisen Banks in Austria, RZB AG and RBI AG, in order to quantify and visualise potential for savings. In doing so, it was calculated that there were possible savings of over 3,000,000 kWh per year. This corresponds to around 900 tonnes of CO<sub>2</sub> per year. The 2011 energy management objectives were based upon this information.

Significant starting points for achieving these energy efficiency objectives include the adjustment of heating and air conditioning settings, as well as the optimisation of lighting.

However, not only the consumption of energy – and especially of electricity – is decisive in determining the extent of environmental impacts. The origin of such energy is also a key factor, and as such, all electricity at the present office sites in Vienna has been entirely sourced from hydroelectric power since 2011. These sites have solely been supplied with green electricity from small hydroelectric plants, wind power, biomass, geothermal energy and photovoltaics since January 2013.

Location policy also plays an important role in maintaining low energy consumption at office sites. On the one hand, this is a matter of optimising the amount of floor space required per workstation. However, energy consumption per m<sup>2</sup> must also be kept as low as possible.

Existing inefficient rental space was identified during a thorough site analysis in 2010. The 'space2move' site was developed as a result of this analysis – a total office space of 46,000 m<sup>2</sup> built to the best low-energy standards (Class A - 20 kWh/m<sup>2</sup>a).

The air conditioning system – powered by district cooling – is particularly innovative. This reduces CO<sub>2</sub> emissions by around 70 per cent compared to conventional air conditioning systems.

In the field of energy consumption, an extensive energy management system has been developed. This pursues the objective of continuing to improve environmental performance at our sites in Vienna.

As a result of various projects, such as those cited above, energy consumption per employee and per year has fallen continuously in recent years, for the two energy sources of electricity and district heating.

Energy consumption of RZB AG and RBI AG (Vienna sites)	2012	2011
Electricity consumption in kWh/employee	5,147	5,526
District heating in kWh/employee	2,175	2,241
<b>Total in kWh/employee</b>	<b>7,322</b>	<b>7,767</b>

## Material consumption

Resource-saving paper is used throughout the entire printed material inventory. This is CO<sub>2</sub>-neutral 100-per cent recycled paper from Austrian production.

For years, efforts have successfully been made to reduce the amount of printer and copy paper used. Various measures have significantly reduced the amount of paper used per employee and per year in recent years.

Increased efforts to raise awareness among customers and employees have also led to a saving of 1,632 kg in printing and mailing activities, as a result of the procedure of sending documents electronically.

Paper consumption of RZB AG and RBI AG (Vienna sites)	2012	2011
Paper consumption in sheets/employee	4,353	5,265
<b>Total paper consumption in sheets</b>	<b>8,449,173</b>	<b>10,614,240</b>
Percentage of recycled paper	100%	100%

## Water

Water consumption includes use of the employee restaurant and the watering of green spaces. Due to a burst water pipe, used for irrigation, consumption of water increased significantly in this area in 2012. Any defects in the system should be detected more quickly in the future, thanks to the extension of monitoring equipment facilities around the grounds.

Water consumption of RZB AG and RBI AG (Vienna sites)	2012	2011
Water consumption in m <sup>3</sup> /employee	16.02	12.93
<b>Total water consumption in m<sup>3</sup></b>	<b>31,095</b>	<b>26,067</b>

## Mobility and transport

Transport, and in particular the daily commute of employees to and from work, is an additional significant contributor to emissions. A significant factor in location policy is, therefore, that office sites can easily be accessed by public transport (subway, suburban trains). At the start of 2013, travel allowances for employees were therefore extended to the Vienna central zone.

In addition, efforts were made to use renewable fuels within our company vehicles and to promote e-mobility, which led to a reduction in CO<sub>2</sub> emissions per vehicle of 15 per cent in the last two years, to 179g CO<sub>2</sub>/km. The aim is to reduce average CO<sub>2</sub> emissions to 150g/km. The provision of company bicycles and cycle parking spaces, so that we can support the use of bicycles, remains a matter of course.

Despite the use of new methods of communication such as telephone and video conferences, the figures within business operations continue to rise. Measures for reducing these figures are being evaluated.

Business trips of RZB AG and RBI AG (Vienna sites)	2012	2011
Business trips in km/employee TRAIN	103	101
Business trips in km/employee PLANE	7,338	6,755
Business trips in km/employee CAR	848	835
<b>Business trips in km/employee, total</b>	<b>8,289</b>	<b>7,691</b>

## Compliance with legislation

As far as compliance with legislation is concerned, there were no issues with environmental law in 2011 or 2012 at the Vienna sites. There were neither judicial nor administrative proceedings or convictions due to violations of environmental protection regulations.

## Certifications

Our efforts in the field of climate protection concern both office and event matters at the sites. This has enabled us to fulfil the criteria of 'Venue', in accordance with Guideline 62 of the Austrian Ecolabel for the licensing of 'green events'. The first event to be held at the Vienna head office following Ecolabel certification was the fifth anniversary of the Raiffeisen Climate Protection Initiative on 4 October 2012. In addition, the November 2012 Stakeholder Council was held as a 'green meeting', in accordance with Guideline 62 of the Austrian Ecolabel.

The environmental management programme at the Vienna site was certified as compliant with the ISO 14001 requirements as early as 1998. Certification as per ISO 14064 was awarded for the first time in 2013, for the Carbon Disclosure Project.

# Inhouse ecology of the CEE network banks

Not all of the network banks were able to fully report all of the environmental statistics requested of them. Below, we highlight the countries (grouped into regions) which have made a particularly positive contribution to the environment through various projects.

Furthermore, we have summarised the environmental statistics obtained. These can be found below each region. In addition, it is important to note that some network banks were able to provide detailed information in relation to the entire company, including branch offices. Others, however, could only provide information for their head offices. The mentioned details can be found in the text relating to the overview of individual regions.

## Central Europe

### Poland: Raiffeisen Bank Polska S.A. (Raiffeisen Polbank)

After introducing the GoGreen! programme with a focus on saving electricity, the bank is now focussing on increasing the use of bank statements in electronic form.

### Slovakia: Tatra banka, a.s.

Tatra banka places particular value on professional environmental management. This is demonstrated by the use of recycled paper, and in the measures that have been taken to reduce paper consumption. A state-of-the-art, environmentally friendly lighting system has been installed to reduce electricity consumption. In addition, only the most modern, environmentally friendly lighting systems are used. Monthly reports ensure effective management of electricity, gas and water consumption in all of the Bank's activities. Wash basins have been fitted with a pressure regulator in order to reduce the volume of water.

Biofuels are blended with diesel and petrol, at rates of 7.0 per cent FAME to diesel and 5.2 per cent ETBE to petrol.

Environmental statistics, Tatra banka, a.s.	2012	2011
Percentage of recycled paper	17.6%	19.0%
Percentage of blending of renewable fuels	5.2%-7.0%	5.2%-7.0%

### Slovenia: Raiffeisen Banka d.d.

Various measures have been implemented to reduce environmental impacts: Waste separation was introduced at the start of 2012. Paper is now collected separately and recycled. Printer cartridges are also refilled. To reduce electricity consumption, the warm air produced in the data processing centre is used to heat the building, for example. Furthermore, energy-efficient light bulbs are being used, and new company vehicles with reduced CO<sub>2</sub> emissions have been used since 2012. Telephone and video conferences receive preference over business travel.

### Czech Republic: Raiffeisenbank a.s.

Raiffeisenbank has pledged to make a contribution to protecting energy resources. The company operates an extensive environmental management system, which has led to measures to separate paper and plastic waste, and measures to dispose of solid waste and waste water in an environmentally friendly manner. The latest technology is used for the lighting and climate systems. Further measures include the reduction of paper and electricity consumption.

### Hungary: Raiffeisen Bank Zrt.

Numerous environment-specific measures are being implemented by Raiffeisen Bank Zrt. The office buildings in Budapest are heated and the back-office headquarters cooled using geothermal energy. Furthermore, filtered groundwater is used for sanitation. Raiffeisen Bank Zrt. has started to use recycled paper and has introduced a selective waste system. Video conferences are convened on a more regular basis to reduce the need for business trips. The Raiffeisen Bank offers its employees the use of a free shuttle bus service, with the aim of reducing the need for individual transport.

Environmental statistics, Raiffeisen Bank Zrt.	2012	2011
Percentage of recycled paper	0.7%	1.1%
Percentage of electricity from renewable energy sources	13.2%	13.2%

Around a quarter of the paper used in Central Europe is recycled. However, there is no significant usage of electricity from renewable energy sources. All Raiffeisen banks in Central Europe (CE) reported environmental statistics for their head offices and branches. However, the indicators of heating consumption, waste and travel were not comprehensively collected from all network banks, which is why the values are slightly lower in some cases.

Environmental Statistics, Central Europe region	2012	2011
<b>Material</b>		
Total mass of paper used in kg	657,997.3	663,860.5
Total mass of recycled paper in kg	150,292.8	170,674.5
Percentage of recycled paper	22.8%	25.7%
Paper consumption in sheets/employee	10,717.4	10,843.9
<b>Direct energy consumption</b>		
Total amount in tonnes	1,641.3	1,604.2
Direct energy consumption in kg/employee	137.0	134.4
<b>Indirect energy consumption</b>		
Electricity consumption in kWh	33,462,878.0	33,233,725.0
Heating consumption in kWh	5,366,870.0	5,478,058.0
Total energy consumption in kWh	38,829,748.0	38,711,783.0
Indirect energy consumption in kWh/employee	4,157.4	4,102.6
<b>Water</b>		
Total volume of water consumed in m <sup>3</sup>	83,748.0	92,625.0
Water consumption in m <sup>3</sup> /employee	9.0	9.8
<b>Waste</b>		
Hazardous waste in tonnes	3.0	4.4
Non-hazardous waste in tonnes	307.2	325.5
Total waste in tonnes	310.2	367.4
Waste in kg/employee	33.4	39.4
<b>Travel</b>		
Km with own vehicles	13,033,712.0	14,023,109.0
Km with leased vehicles	9,046,840.0	8,178,821.0
Km with rented vehicles	4,609,260.3	4,668,446.1
Km with train	n/a	n/a
Km with plane	477,168.6	335,637.1
Total kilometres	27,166,980.9	27,206,013.2
Business trips in km/employee	2,212.5	2,222.0

## Southeastern Europe

### Albania: Raiffeisen Bank Sh.a.

The bank has introduced an energy and environment management system with the aim of using energy and raw materials more efficiently and achieving financial savings. Around 98 per cent of electricity is obtained from hydroelectric power.

Environmental statistics, Raiffeisen Bank Sh.a.	2012	2011
Percentage of electricity from renewable energy sources	98.1%	96.7%

## **Bosnia and Herzegovina: Raiffeisen BANK d.d. Bosna i Hercegovina**

Among other initiatives started in 2011, the transition from printed to electronic bank statements was begun, with the aim of enhancing environmental awareness among customers and reducing the consumption of printed materials. This enabled paper consumption to be reduced in this area by around 50 per cent in 2012. Generally, the paper used has been issued with an EFC environmental label. The server room and technical rooms have been cooled in winter with fresh air since 2009. New head office buildings came equipped with a control and management system for the central heating and climate control system, which helps to reduce energy consumption.

## **Bulgaria: Raiffeisenbank (Bulgaria) EAD**

Numerous measures have been introduced since 2007 with the aim of improving environmental protection. Used printer cartridges are collected and sent for recycling, as are paper waste and other waste products. Raiffeisen (Bulgaria) EAD uses printers and photocopiers with double-sided printing functions to reduce paper consumption. In addition, the Bank has reduced electronic bank statements and is encouraging customers to switch to paperless banking. To assist with this, a mobile banking app has been introduced for smartphone users. All branch offices have been fitted with automatic time switches to reduce electricity consumption. In addition, the Bank sends decommissioned IT equipment to specialist recycling companies. With regard to the IT and office equipment, the facilities fulfil the environmental standards of the 'ENERGY STAR' energy efficiency distinction. The climate and environmental protection initiatives of the bank have led to a saving of 2.7 million pages of paper in the last year, as well as a saving of 439,000 kWh of electricity during the same period.

## **Kosovo: Raiffeisen Bank Kosovo J.S.C.**

Continuous improvements are being made within Raiffeisen Bank Kosovo J.S.C. with regard to waste management. A project has been initiated to use LED lighting panels for illumination, with the aim of reducing energy consumption. The project was launched in 2013. Raiffeisen Bank Kosovo J.S.C. is also striving to fulfil high environmental standards when maintaining electronic devices. The use of environmentally-friendly technology and measures to save paper and other office materials, are just some of the measures which have been introduced to increase the environmental awareness of the employees.

## **Croatia: Raiffeisenbank Austria d.d.**

One of the most important milestones was the development of a waste disposal and environmental protection system. Key measures to reduce environmental impacts have been defined within internal procedures. These relate to the waste management system, where waste is disposed of in a professional and environmentally friendly manner. Further measures include the use of environmentally friendly technologies and initiatives, with the aim of saving paper and other office materials.

## **Romania: Raiffeisen Bank S.A.**

The Bank has been cooperating with the local non-profit organisation MedioOrg since 2008, with the aim of recycling overall paper waste. Recycling is carried out in accordance with regional regulations. Furthermore, a programme was launched in 2011 to reduce energy consumption. In the field of transport, fuel consumption was reduced by almost 18 per cent during 2012. Raiffeisen Bank S.A. provides bicycles for its head office employees. These measures are also being introduced at the Brasov branch office. Furthermore, Raiffeisen Bank S.A. is continuing the bicycle sharing programme, which is being offered in five Romanian cities and is run in cooperation with Green Revolution ([www.greenrevolution.ro](http://www.greenrevolution.ro)).

## **Serbia: Raiffeisen banka a.d.**

Raiffeisen banka a.d. strives to run its business operations in a way that complies with environmental principles. Environmental protection was a key consideration when building the head office. Attention was also paid to the use of renewable energy sources, as well as the resource-efficient use of heating and cooling equipment. Specifically, room thermostats were installed to regulate the ambient temperature, and also came with a 'saving mode' to conserve

energy. These ensure, for instance, that the climate control system switches itself off as soon as windows are opened. The air coolers in the data centre are equipped with a free cooling mode to save energy at low outside temperatures. Raiffeisen banka a.d. obtains 30 per cent of its electricity from renewable sources. Additional initiatives include recycling of printer cartridges and waste paper, as well as the recycling of all IT equipment.

Environmental statistics, Raiffeisen banka a.d.	2012	2011
Percentage of electricity from renewable energy sources	30%	30%

The Raiffeisen banks which have reported environmental statistics for their head offices and branches are Albania, Bosnia and Herzegovina, Bulgaria, Kosovo and Romania. Croatia and Serbia only reported statistics for their head offices. However, the indicators of heating consumption, waste and travel were not comprehensively collected from all network banks, which is why the values are slightly lower in some cases.

Environmental Statistics, Southeastern Europe region	2012	2011
<b>Material</b>		
Total mass of paper used in kg	1,121,800.6	1,279,610.8
Total mass of recycled paper in kg	0.0	0.0
Percentage of recycled paper	0.0%	0.0%
Paper consumption in sheets/employee	16,399.4	17,706.0
<b>Direct energy consumption</b>		
Total amount in tonnes	1,255.1	1,454.7
Direct energy consumption in kg/employee	134.0	151.1
<b>Indirect energy consumption</b>		
Electricity consumption in kWh	58,367,130.1	58,350,603.3
Heating consumption in kWh	18,167,390.0	16,394,749.0
Total energy consumption in kWh	76,534,520.1	74,745,352.3
Indirect energy consumption in kWh/employee	5,594.2	5,171.3
<b>Water</b>		
Total volume of water consumed in m <sup>3</sup>	167,086.0	153,798.0
Water consumption in m <sup>3</sup> /employee	12.9	11.2
<b>Waste</b>		
Hazardous waste in tonnes	146.7	112.9
Non-hazardous waste in tonnes	27.0	34.0
Total waste in tonnes	173.8	146.9
Waste in kg/employee	18.5	15.3
<b>Travel</b>		
Km with own vehicles	5,625,540.0	5,390,324.0
Km with leased vehicles	6,631,221.0	7,609,033.0
Km with rented vehicles	18,596.0	26,712.0
Km with train	n/a	n/a
Km with plane	961,973.0	880,292.0
Total kilometres	13,237,330.0	13,906,361.0
Business trips in km/employee	1,591.0	1,627.8



## Russia

### Russia: ZAO Raiffeisenbank

A detailed waste report, which describes the types of waste produced by ZAO Raiffeisenbank, is produced every five years in accordance with regulations. This document is then verified by an independent body. Annual waste disposal payments are then determined based on this document. All waste disposal activities are outsourced to certified providers. ZAO Raiffeisenbank has undertaken various measures to reduce negative environmental impacts. They use elementary chlorine-free (ECF) paper, and 80 per cent of paper used is MONDI IQ Economy Paper. Daylight lamps are disposed of by specially certified companies, as a separate category of waste. Newly acquired real estate is subject to technical due diligence assessments, which also include environmental analysis. All ZAO Russia activities are governed by official hygiene and sanitation regulations and terms of reference.

ZAO Raiffeisenbank has reported the following statistics for its head office. However, the indicators of heating consumption and travel were not comprehensively collected, which is why the values are slightly lower or not reported in some cases.

Environmental statistics, Russia	2012	2011
<b>Material</b>		
Total mass of paper used in kg	234,950.0	271,850.0
Total mass of recycled paper in kg	44,250.0	38,875.0
Percentage of recycled paper	18.8%	14.3%
Paper consumption in sheets/employee	16,836.3	19,017.1
<b>Direct energy consumption</b>		
Total waste in tonnes	241.7	252.7
Direct energy consumption in kg/employee	86.6	88.4
<b>Indirect energy consumption</b>		
Electricity consumption in kWh	14,245,000.0	14,327,000.0
Heating consumption in kWh	n/a	n/a
Total electricity consumption in kWh	14,245,000.0	14,327,000.0
Indirect electricity consumption in kWh/employee	5,103.9	5,011.2
<b>Water</b>		
Total volume of water consumed in m <sup>3</sup>	39,461.0	38,454.0
Water consumption in m <sup>3</sup> /employee	14.1	13.5
<b>Waste</b>		
Hazardous waste in tonnes	n/a	n/a
Non-hazardous waste in tonnes	387.0	377.0
Total waste in tonnes	387.0	377.0
Waste in kg/employee	138.7	131.9
<b>Travel</b>		
Km with own vehicles	1,680,000.0	1,640,000.0
Km with leased vehicles	n/a	n/a
Km with rented vehicles	64,000.0	n/a
Km with train	n/a	n/a
Km with train	n/a	n/a
Total kilometres	1,744,000.0	1,640,000.0
Business trips in km/employee	624.9	573.6

## CIS Other (Commonwealth of Independent States)

### Belarus: Priorbank JSC

The efforts being made by the Bank to act in a more environmentally friendly manner include reductions in energy and paper usage, and correct disposal of hazardous waste.

There was a reduction in paper consumption during 2012. An important initiative to reduce paper consumption led to the adoption of electronic filing systems. The use of electronic documentation will be extended further during 2013. Priorbank has been a member of the Association for Renewable Energy since 2010.

### Ukraine: Raiffeisen Bank Aval JSC

The bank aims to reduce electricity consumption, both at its head office and at the branch offices. As such, up to 10 per cent savings in electricity costs are targeted by the end of 2013. A further measure aims to reduce paper consumption by introducing double-sided printing as the default setting.

Both Ukraine and Belarus reported statistics for their head offices only. However, the indicators of direct energy consumption, heating consumption, waste and travel were not comprehensively collected, which is why the values are slightly lower in some cases.

Environmental statistics, CIS Other	2012	2011
<b>Material</b>		
Total mass of paper used in kg	237,950.0	280,146.6
Total mass of recycled paper in kg	n/a	n/a
Percentage of recycled paper in kg	n/a	n/a
Paper consumption in sheets/employee	10,399.9	9,999.9
<b>Direct energy consumption</b>		
Total waste in tonnes	4,612.0	2,460.3
Direct energy consumption in kg/employee	108.9	79.1
<b>Indirect energy consumption</b>		
Total electricity consumption in kWh	17,037,731.0	15,864,040.0
Total heating consumption in kWh	4,913,675.0	4,914,442.6
Total energy consumption in kWh	21,951,406.0	20,778,482.6
Indirect energy consumption in kWh/employee	4,797.1	3,708.5
<b>Water</b>		
Total volume of water consumed in m <sup>3</sup>	78,810.0	75,033.0
Water consumption in m <sup>3</sup> /employee	17.2	13.4
<b>Waste</b>		
Hazardous waste in tonnes	1.0	1.1
Non-hazardous waste in tonnes	265.3	255.4
Total waste in tonnes	426.2	426.1
Waste in kg/employee	93.1	76.0
<b>Travel</b>		
Km with own vehicles	5,723,703.0	5,603,181.0
Km with leased vehicles	n/a	n/a
Km with rented vehicles	6,000.0	n/a
Km with train	638,724.0	709,449.0
Km with plane	1,324,863.0	1,345,048.0
Total kilometres	7,693,290.0	7,657,678.0
Business trips in km/employee	1,681.2	1,366.7

## Summary of all environmental statistics

In 2011, the emergency power generator at the Vienna site ran at full power for approximately 30 hours due to power outages on the part of the electricity supplier, which resulted in a sharp increase in direct energy consumption during 2011. Russia is obliged to hold comprehensive documentation, in accordance with local regulations. However, successful efforts were made in 2012 to reduce paper consumption through the promotion of e-banking and double-sided printing. Total paper consumption in the CIS Other region was actually reduced from 2011 to 2012, but the number of employees also fell, which ultimately led to an increase in paper consumption per employee. In general, the intention is to extend the collection of data in future years, particularly for the indicators of direct energy, heating and water consumption, as well as for business travel.

Environmental statistics for all regions	RZB/RBI sites, Vienna		Central Europe		Southeastern Europe	
	2012	2011	2012	2011	2012	2011
<b>Material</b>						
Total mass of paper used in kg	42,245.9	53,071.2	657,997.3	663,860.5	1,121,800.6	1,279,610.8
Total mass of recycled paper in kg	0.0	0.0	150,292.8	170,674.5	0.0	0.0
Percentage of recycled paper	100.0%	100.0%	22.8%	25.7%	0.0%	0.0%
Paper consumption in sheets/employee	4,353.0	5,265.0	10,717.4	10,843.9	16,399.4	17,706.0
<b>Direct energy consumption</b>						
Total amount in tonnes	9,542.6	14,711.6	1,641.3	1,604.2	1,255.1	1,454.7
Direct energy consumption in kg/employee	5.9	679	1370	134.4	134.0	151.1
<b>Indirect energy consumption</b>						
Electricity consumption in kWh	9,989,935.0	11,140,672.0	33,462,878.0	33,233,725.0	58,367,130.1	58,350,603.3
Heating consumption in kWh	4,222,392.0	4,517,410.0	5,366,870.0	5,478,058.0	18,167,390.0	16,394,749.0
Total energy consumption in kWh	14,212,327.0	15,658,082.0	38,829,748.0	38,711,783.0	76,534,520.1	74,745,352.3
Indirect energy consumption in kWh/employee	7,322.2	7,766.9	4,157.4	4,102.6	8,162.6	7,746.5
<b>Water</b>						
Total volume of water consumed in m <sup>3</sup>	31,090.0	26,063.0	83,748.0	92,625.0	167,086.0	153,798.0
Water consumption in m <sup>3</sup> /employee	16.0	12.9	9.0	9.8	12.9	11.2
<b>Waste</b>						
Hazardous waste in tonnes	1.0	1.0	3.0	4.4	146.7	112.9
Non-hazardous waste in tonnes	364.0	342.0	307.2	325.5	270	34.0
Total waste in tonnes	365.0	343.0	310.2	367.4	173.8	146.9
Waste in kg/employee	188.0	170.1	33.4	39.4	18.5	15.3
<b>Travel</b>						
Km with own vehicles	509,570.0	568,180.0	13,033,712.0	14,023,109.0	5,625,540.0	5,390,324.0
Km with leased vehicles	947,918.0	918,144.0	9,046,840.0	8,178,821.0	6,631,221.0	7,609,033.0
Km with rented vehicles	n/a	n/a	4,609,260.3	4,668,446.1	18,596.0	26,712.0
Km with train	194,219.0	187,086.0	n/a	n/a	n/a	n/a
Km with plane	14,502,410.0	13,332,780.0	477,168.6	335,637.1	961,973.0	880,292.0
Total kilometres	16,154,117.0	15,006,190.0	27,166,980.9	27,206,013.2	13,237,330.0	13,906,361.0
Business operations in km/employee	8,322.6	7,443.5	2,212.5	2,222.0	1,591.0	1,627.8

Environmental statistics for all regions	CIS Other		Russia	
	2012	2011	2012	2011
<b>Material</b>				
Total mass of paper used in kg	237,950.0	280,146.6	234,950.0	271,850.0
Total mass of recycled paper in kg	n/a	n/a	44,250.0	38,875.0
Percentage of recycled paper	n/a	n/a	18.8%	14.3%
Paper consumption in sheets/employee 4.	10,399.9	9,999.9	16,836.3	19,017.1
<b>Direct energy consumption</b>				
Total waste in tonnes	4,612.0	2,460.3	241.7	252.7
Direct energy consumption in kg/employee	108.9	79.1	86.6	88.4
<b>Indirect energy consumption</b>				
Total electricity consumption in kWh	17,037,731.0	15,864,040.0	14,245,000.0	14,327,000.0
Total heating consumption in kWh	4,913,675.0	4,914,442.6	n/a	n/a
Total energy consumption in kWh	21,951,406.0	20,778,482.6	14,245,000.0	14,327,000.0
Indirect energy consumption in kWh/employee	4,797.1	3,708.5	5,103.9	5,011.2
<b>Water</b>				
Total volume of water consumed in m <sup>3</sup>	78,810.0	75,033.0	39,461.0	38,454.0
Water consumption in m <sup>3</sup> /employee	172	13.4	14.1	13.5
<b>Waste</b>				
Hazardous waste in tonnes	1.0	1.1	n/a	n/a
Non-hazardous waste in tonnes	265.3	255.4	387.0	377.0
Total waste in tonnes	426.2	426.1	387.0	377.0
Waste in kg/employee	93.1	76.0	138.7	131.9
<b>Travel</b>				
Km with own vehicles	5,723,703.0	5,603,181.0	1,680,000.0	1,640,000.0
Km with leased vehicles	n/a	n/a	n/a	n/a
Km with rented vehicles	6,000.0	n/a	64,000.0	n/a
Km with train	638,724.0	709,449.0	n/a	n/a
Km with plane	1,324,863.0	1,345,048.0	n/a	n/a
Total kilometres	7,693,290.0	7,657,678.0	1,744,000.0	1,640,000.0
Business trips in km/employee	1,681.2	1,366.71	624.9	573.6

# Future outlook and sustainability programme

The following action priorities are planned by Human Resources for the coming years: Firstly, the RZB Group standard for performance management is to be implemented into all participating interests which fall under the CRD III guidelines (Capital Requirement Directive) and the Austrian Banking Act. To this end, the current systems must be evaluated and adapted where appropriate, and the necessary training measures should be implemented for management staff and employees. Furthermore, the use of Key Performance Indicators (KPIs) should be extended into all areas where it would be prudent to do so, for the specification of personal business targets for employees.

In order to further raise awareness of sustainable development among employees, the basic and advanced seminars for sustainability management, which were introduced in 2012, will be continued.

One project already prepared in 2012 is the Raiffeisen blog on sustainability und corporate responsibility. We believe it is important to keep in touch with our network of contacts, and all colleagues within the various Raiffeisen companies, who are interested in sustainable development issues. This blog is intended to establish the exchange of best practice on issues of sustainability, as well to inform on the latest projects and initiatives. The aim is to inform all colleagues with interests in sustainable development about our strategy, policies and ongoing projects, as well as the latest developments and events. Within the scope of the blog, we want to invite all colleagues to become active – both within the blog and externally, to spread the word about the movement towards a sustainable economy and lifestyle which is fit for the future.

We are seeking to add a section on Suppliers to our Code of Conduct during 2013, so that we can enshrine our responsibility to society more fully within our guidelines. The development of a diversity policy is also being considered during 2013.

‘MoNa’ – monitoring sustainability (Nachhaltigkeit) – is the name of our web-based software solution for optimising sustainability management in the field of reporting. This includes various performance indicators from the field of human resources, which are included in accordance with the standards of the Global Reporting Initiative.

Within the field of environmental management, further specific objectives and measures were determined at the Vienna sites, to be implemented through to 2015. These should be implemented consistently in the coming years:

For example, where buildings are concerned, we are seeking to increase the proportion of energy-efficient office space to 10 per cent; regarding the issue of cooling, district cooling is also to be introduced in new office spaces; for electricity, all new office spaces will be converted to 100 per cent green power; and finally, in the field of transport, the number of bicycle parking spaces will be trebled.

In addition, improvements to the supply infrastructure for the necessary server landscape are targeted for the next three years. The PUE (Power Usage Effectiveness) value is used as a measure for this. This is the relationship between the total energy consumption of a data centre and the energy consumed by the IT systems being operated. The value also takes into account the amount of energy required by cooling, uninterruptible power supply (UPS) and other building-related consumers. The PUE values of modern data centres lie between 1.5 and 1.6. The aim for the next three years is to create an appropriate infrastructure.

Extract from the 2013 Sustainability Programme					
Strategy area	Content and aim	Departments involved/ organisations	Details of task	To be performed up to	Status 30/6/2013
Fair partner  Stakeholder involvement	<b>Stakeholder Management: Online survey (materiality and performance)</b>	Managing Board, Sustainability Working Group, General Secretariat		Q4 2013	ongoing
		NHM	Implementation of an online survey	02/2013	completed
		NHM	Production of a materiality and performance matrix	04/2013	completed
		NHM	Analysis of matrix results and integration of issues into the Sustainability report (including programme check)	06/2013	completed
		NHM	Publication of results of survey (internet, employee magazine)	07/2013	completed
		NHM, Managing Board, Sustainability Working Group	Discussion of results and adaptation of action plans	08/2013	
		NHM	Planning of a further online survey with focus on network banks	11/2013	
Fair partner  Stakeholder involvement	<b>Stakeholder Management: Stakeholder Council</b>	Managing Board, General Secretariat (Generalsekretariat), various employees, NHM		Q4 2013	ongoing
		NHM	Agreement on date and time (including participation of Managing Board and spatial planning) Stakeholder Council 2013	05/2013	completed
		General Secretariat, NHM	Defining the procedure/vote with General Secretariat (Generalsekretariat)	08/2013	
		NHM	Definition of participants	08/2013	
		NHM	Design and dispatch of invitation	08/2013	
		NHM	Detailed planning and coordination	09/2013	
		NHM, Managing Board, various employees	Conduct of Stakeholder Council	11/2013	
		NHM	Post-processing, analysis of Council	11/2013	
		NHM	Presentation of results and revision of the sustainability programme	12/2013	
Total  Responsible banker, Fair partner and Engaged citizen	<b>Development and implementation of a Group-wide, web-based sustainability monitoring tool (MoNa)</b>	ZHS, external project partners, network banks, members of the Raiffeisen Climate Protection Initiative, NHM		Q4 2013	ongoing
		NHM, ZHS, external project partners	Test phase of input modules	03/2013	completed
		External project partners	Incorporation of adaptations proposed by NHM	04/2013	completed
		NHM, ZHS, external project partners	Test phase of analysis modules	04/2013	completed
		External project partners	Incorporation of adaptations requested by NHM	05/2013	completed
		External project partners	Finalising of handbook	06/2013	completed
		NHM	Final test, acceptance of tool	06/2013	completed
		External project partners	Translation of user interface into English	08/2013	
		NHM, external project partners	Training of RKI member companies	09/2013	
		NHM, RKI member companies	Roll-out of MoNa in Austria	09/2013	
		NHM, network banks	MoNa pilot project in three selected NWB	09/2013	
		NHM, network banks	Analysis of results of pilot project and subsequent roll-out into all NWBs	12/2013	

Abbreviations: ZHS: ZHS Office- & Facilitymanagement GmbH; RKI: Raiffeisen Climate Protection Initiative, NWB: Network banks; NHM: Sustainability Management (Nachhaltigkeitsmanagement)

Extract from the 2013 Sustainability Programme					
Strategy area	Content and aim	Departments involved/ organisations	Details of task	To be performed up to	Status 30/6/2013
Total  Responsible banker, Fair partner and Engaged citizen	<b>Development and implementation of an internal Raiffeisen blog for sustainable development and corporate responsibility</b>	External and internal bloggers, NHM		Q4 2013	ongoing
		NHM	Fine-tuning of blog interface	03/2013	completed
		NHM	Text enhancement of blog interface	04/2013	completed
		NHM	Test phase of analysis module	04/2013	completed
		NHM	Creation of blog entries for all categories	05/2013	completed
		NHM	Winning of external bloggers	06/2013	completed
		NHM, Internal Raiffeisen and external bloggers	Incorporation of external bloggers into creation of blog entries	06/2013	completed
		NHM	Information initiative for planned readers of the blog	07/2013	
		NHM	Official launch of the blog	07/2013	
		NHM	Analysis of initial phase of blog and review of concept	10/2013	
Fair partner  Employees: Qualification and further training	<b>Establishment of Raiffeisen seminars for sustainability management</b>	Raiffeisen Campus, NHM, external partners		Q3 2013	ongoing
		NHM	Development of a training concept in the field of sustainability	2012	
		Raiffeisen Campus, NHM, external partners	Holding of first basic workshop	2012	
		NHM	Analysis of first basic workshop (took place 11/2012)	01/2013	completed
		Raiffeisen Campus, NHM, external partners	Optimising of training concept	02/2013	completed
		Raiffeisen Campus, NHM, external partners	Holding of second basic workshop	04/2013	completed
		NHM	Communication of further training measures (internal/external)	04/2013	completed
		Raiffeisen Campus, NHM, external partners	Holding of first advanced seminar	06/2013	completed
		Raiffeisen Campus, NHM, external partners	Analysis of feedback from Seminar participants and review	08/2013	
		NHM	Further development of training concept	09/2013	
Fair partner  Inhouse ecology	<b>Conversion to green power at RZB Group sites in Vienna</b>	ZHS, Environmental Committee, NHM		Q1 2013	completed
		ZHS	Conducting an analysis of ecological footprint	2012	completed
		ZHS	Identification of main causes of footprint (energy efficiency, energy sources)	2012	completed
		ZHS, NHM	Defining of energy sources as an optimisation measure, to improve ecological footprint	2012	completed
		ZHS	Collection and analysis of offers from various green energy providers, under the premise of an external green energy certification awarded to the supplier	2012	completed
		ZHS, Environmental Committee, NHM	Decision on a supplier and conclusion of contract	2012	completed
		ZHS	Introduction of green power at RZB Group sites in Vienna	01/2013	completed

Abbreviations: ZHS: ZHS Office- & Facilitymanagement GmbH; RKI: Raiffeisen Climate Protection Initiative, NHM: Sustainability Management (Nachhaltigkeitsmanagement)

# Reports from the Austrian participations



## Raiffeisen Bausparkasse Gesellschaft m.b.H.

As an employer, Raiffeisen Bausparkasse is committed to sustainable initiatives aimed at addressing and therefore promoting the issue of health among the staff. A fitness check in the UNIQA truck is offered every two years, and this is made use of by a quarter of the staff. A daily fruit basket reminds staff to eat fruit every day – more than six tonnes of apples were distributed in this way among the employees in 2012. The company canteen offers a fresh ‘fitness menu’ every day, among

other options. Cooking courses are planned with the aim of distributing know-how on the healthy preparation of food. In order to ensure that seated activities do not result in too little mobility, a sports club, special yoga classes and back training are offered after-hours to motivate staff to take part in sporting activity. The company physician strives to design workstations in an ergonomic manner. Seminars on health issues and cooperation with the company ‘consentiv’ – which offers help and support in difficult life situations provided by specialist advisers – complete the wide work-life balance programme offered by the company.

Climate-friendly office buildings: Sustainability and looking after the environment are top priorities. As such, Raiffeisen Bausparkasse became one of the first members of the Raiffeisen Climate Protection Initiative, and has supported its ideas on the issue for years. Raiffeisen Bausparkasse has taken part in the annual eco-business plan of the city of Vienna since 2008, and joins the city in pursuing the objectives of efficient use of resources, optimising production processes and reducing waste. Raiffeisen Bausparkasse has been awarded the distinction of being an ‘ÖKOPROFIT’ (Eco-profit) company on several occasions, as a result of its exemplary environmental standards. ÖKOPROFIT is an environmental certification module of the City of Vienna, which identifies companies that have taken exceptional measures to protect the environment. Many larger projects have also been undertaken, such as reducing heating and cooling energy consumption by foiling the windows, introducing an energy data collection system, converting energy-saving IT equipment and converting the ventilation systems to recirculation. All of these measures have made it possible to save around 11.5 tonnes of CO<sub>2</sub> per year. Compensation payments for CO<sub>2</sub> have been made to further reduce the ecological footprint, whereby the Raiffeisen Bausparkasse works to a climate-neutral standard, and supports other companies in their climate-friendly investments through ‘Climate Austria’. Raiffeisen Bausparkasse is involved in a new, ambitious project, together with the Raiffeisen Climate Protection Initiative and Raiffeisen Ware Austria: Development of a calculation tool which can be used to determine energy savings and greenhouse gas reductions in residential housing.  
[www.bausparen.at](http://www.bausparen.at)

## Raiffeisen Capital Management (Raiffeisen Kapitalanlage Ges.m.b.H.)

Raiffeisen Capital Management is a member of the Raiffeisen Climate Protection Initiative and has been certified as “ÖKOPROFIT”. The Company strives for sustainable development on many different levels, and has voluntarily imposed high standards for its dealings with employees such as third parties. For example, the working environment at the Company’s head office at Schwarzenbergplatz in Vienna has been designed with modern structures for work and communication, and a regeneration area on the top floor acts as an expression of the Company’s orientation, based on sustainable values and its responsible approach to its most valuable capital – the staff.  
[www.rcm.at](http://www.rcm.at)

## Raiffeisen Centrobank AG (RCB)

Employees in focus: The nearly 300 employees deal with customers from the core markets of Austria, CEE and Turkey on a daily basis, as well as with customers from other continents – for this reason, intercultural competence is a key priority and a significant asset of RCB. There are currently more than 19 different nations represented in RCB's pool of staff. The most important resources at Raiffeisen Centrobank are the know-how and expertise of its employees. That is why it is a top priority of the Bank to promote their health. Measures to achieve this include a masseur and physiotherapist at the bank, or the use of a Sports Officer who coordinates active participation in sporting events. In addition, the Bank offers its employees the option of additional health insurance. Ecological building: Both of the RCB office sites are obtaining their electricity from 100 per cent renewable energy sources during the period 1/1/2012 - 31/12/2014, in accordance with ENERGIEALLIANZ Austria (EAA). The majority of the electricity used will be covered by European large-scale hydropower. The origin of the electricity is identified using proof of origin, in accordance with Sections 8 and 9 of the Austrian Renewable Energy Act (Ökostromgesetz). RCB is also paying increased attention to its environmental performance when choosing paper and printing matter. The 2012 Annual Report was printed using CO<sub>2</sub>-neutral printing processes for the first time. The copy paper used is FSC-certified, meaning that the paper is produced in a very environmentally friendly method, from sustainably managed forestry.

[www.rcb.at](http://www.rcb.at)

## Raiffeisen-Leasing GmbH

Use of 100 per cent green power: The buildings at the Raiffeisen Leasing head office are supplied with 100 per cent green power. This environmentally friendly form of energy use has been certified by ENERGIEALLIANZ Austria. The electricity is primarily sourced from European large-scale hydropower. Its origin is proven using documentary evidence, as per Sections 8 and 9 of the Austrian Renewable Energy Act (Ökostromgesetz). Recyclable toner cartridges support the 'ROTE NASEN' ('Red Noses'): In 2012, Raiffeisen Leasing converted its printers to devices equipped with the latest energy-saving technology. These not only help to protect the environment, but also support the ROTE NASEN Clowndoctors (Red Nose Clown Doctors) organisation. By taking part in the 'recycling4smile' programme, empty toner cartridges are disposed of professionally, and are fed into a specific recycling procedure to make new products. Each recyclable toner cartridge means a donation is made to ROTE NASEN International. Climate-friendly on the go: Raiffeisen Leasing not only offers its customers solutions for managing their fleet in an environmentally friendly manner, but also makes efforts to protect the climate through its own fleet. In 2012, the CO<sub>2</sub> emissions of service vehicles used by the company fell by 25 per cent compared to 2011. This represents a reduction of more than 43 per cent compared with 2010. Raiffeisen Leasing is certified with ISO 9001 and ISO 14001, ensuring that its fleet management services are of the highest quality at all times. Compliance with these standards guarantees the best possible process flows, under consideration of international environmental management standards.

[www.raiffeisen-leasing.at](http://www.raiffeisen-leasing.at)

## Valida Holding AG

Business ecology: 'Valida Vorsorge Management' was certified as an ÖKOPROFIT company in 2012. The criteria for this distinction included, in particular, the implementation of voluntary measures that help the environment as well as the formation of an 'environmental team' within the company. 'Valida Vorsorge Management' has implemented measures in the areas of energy efficiency, paper and CO<sub>2</sub> emission reductions, waste separation and recycling. The Valida office building has been certified by the Austrian Society for Sustainable Real Estate (ÖGNI), as part of the Raiffeisen Evolution building project. In addition, the Valida staff members take place in the 'Ride to work' campaign each year. Education measures: Internal and external education and further training programmes offer Valida employees the opportunity to keep developing. Annual discussions with staff form the basis for these programmes. Flexible working hours and 'flexitime' models give employees the chance to maximise their potential. We also offer part-time positions to parents, part-time jobs which can accompany studies, as well as internships and work experience placements. Regular visits from a company physician give employees access to medical examinations, vaccinations and reduced-cost orders for medication. Employees who have been with the company for 1.5 years or longer are enrolled in a company pension scheme. Last year, Valida carried out compliance training for all of its employees.

[www.valida.at](http://www.valida.at)



An abstract watercolor artwork featuring a central yellow rectangular box containing text. The background is a complex, multi-colored composition of overlapping, organic shapes and lines in shades of green, brown, red, and orange, resembling a network or a biological structure. The colors are blended and layered, creating a sense of depth and movement. The overall style is expressive and fluid.

FIELD OF ACTION  
'ENGAGED  
CITIZEN': AS  
DESIGNERS OF A  
FUTURE-PROOFED  
SOCIETY AND  
ENVIRONMENT

*Amif*

# Engaged citizen

We consider ourselves to be engaged corporate citizens who actively champion sustainable development in our society. Our commitment as corporate citizens goes beyond the core business and aims to counteract social problems, promote cultural life, and protect the environment. Variety, tolerance and humanism are fundamental constants in our understanding as designers of sustainable development in society.

**ENGAGED CITIZEN**

In our role as engaged citizens, we champion aspects that go beyond our core business and which are essential for the transformation into a sustainable society. Sustainability is not just restricted to environmental protection here, it also combines this protection with economic progress and social justice.

As a company in the financial sector, we think it is important to play a part in future issues being openly discussed in conjunction with a sustainable financial economy and these issues being deliberated with our stakeholders and the wider public.

For example, at the Stakeholder Council 2011, issues concerning the sustainability of our financial system and the financial economy's necessary framework conditions for sustainable financial activity were discussed by external and internal stakeholders. The banking industry of the future once again needs a clear reference to the real economy. This is positive for our Group because we are an economic banking group and good customer relationships have always been, and will always be, an integrated part of our business strategy.

On the whole, cooperation with the relevant socio-political representatives and stakeholders is very important, as new systems can only be created through cooperation. These systems also signify a new quality in the economy.

Our declared goal is to establish responsible corporate management with others committed in the domain of sustainability and to promote sustainable innovations. This aim also intends to enhance the business locations in which we operate. We create and safeguard jobs in the regions where we operate. We can make a considerable contribution to this as an international banking group.

The RZB Group champions an active civil society and social well-being. In this regard, we support an open society and consider ourselves to be promoters of integration, awareness, and openness. Social awareness is a driving force for sustainability. This means that we need to demonstrate the consequences of social action and make the discussion of sustainable solutions public.

Poverty eradication, integration, and solidarity are important goals in our social commitment. We champion social sustainability in terms of less poverty, better educational opportunities, equal opportunities, as well as a fairer distribution of income and treating people with respect, regardless of their background.

Of course, as a company in the financial industry, we think that improving knowledge on how to deal with money is very important. We actively support and promote these types of initiatives.

We make our contribution to society by initiating corporate volunteering programmes, supporting various social projects, and entering into partnerships with NPOs and NGOs.

At Raiffeisen, protecting the environment and the climate has been incorporated into the Raiffeisen Klimaschutz-Initiative (Raiffeisen Climate Protection Initiative, RKI) for five years and implemented in a multitude of initiatives. Ecological sustainability includes topics such as reducing greenhouse gas emissions, increasing resource efficiency, isolating growth and the consumption of resources, and of course, protecting nature and our living environment.

As a result, in our RKI workgroups we perform activities in the areas of inhouse ecology, sustainable financial products, building and renovation or transportation and fuel. One single group focusses on communication because raising awareness of environmental and climate protection is the basis for changes that lead to a low-carbon society.

# Sustainable entrepreneurship

## Commitment to sustainable framework conditions by cooperating and lobbying

We maintain a culture of open dialogue and focus on the future issues of a sustainable financial economy. In so doing, we are taking a stance against corruption and economic crime. National and European authorities should give players in the financial markets planning security and guidance. This cannot be taken for granted in light of the diverse and rapidly changing regulatory innovations. The RZB Group would like to contribute to stabilising the banking sector using its cooperative approach, its knowledge, and its experience throughout Europe. It is also seeking active dialogue with political and administrative representatives. Our public image stands for promoting sustainable thinking and action. We are enhancing the active drive for sustainable development in our own sphere of influence by consciously lobbying and influencing government agencies and local administrations where topics such as safeguarding the future and sustainability are concerned. The RZB Group gets involved through selected memberships and activities in organisations that promote sustainable business and the relevant framework conditions for this. In addition, beyond our corporate group, we are also specifically seeking to exchange knowledge and experiences in order to implement innovative ideas in the field of sustainable design for the financial economy and sustainable development of our companies. A further component of our commitment is the cooperation with governmental and non-governmental organisations, for example in the form of public-private partnership models, in order to promote sustainable framework conditions and sustainable business.

## Sustainable entrepreneurship and innovations

To us, sustainable entrepreneurship means the awareness of responsibilities. We support sustainable entrepreneurship and innovations among our customers and in society:

- By promoting awareness of sustainable business and entrepreneurship in the RZB Group and among our customers. We inform and give advice on which opportunities companies can embrace in order to become economically successful and to make their contribution to protecting the environment and taking social responsibility.
- We promote companies and organisations which act in a sustainable manner. This comes in the form of cooperations and events, amongst other things.
- We are constantly developing financing options for sustainable companies and innovations.
- We encourage long-term success, competitiveness, and innovative power in companies, which in turn boosts the regional economy.

### SEA – Sustainable Entrepreneurship Award 2011

We welcome the Sustainable Entrepreneurship Awards' (SEA) goal of awarding companies that have made sustainability their trademark and have established Austria as a hub for sustainability. As a result, we supported the three award categories for sustainable business:

- "SEA 2011" for successfully completed projects
- "SEA of Excellence" for an excellent individual
- "SEA Best Idea" for a pioneering idea

[www.se-award.org](http://www.se-award.org)



## Creating local employment opportunities

We want to create and safeguard direct and indirect jobs in the regions where we operate. For us, this is an important step towards promoting economic and regional development and sustainable growth. In so doing, we are relying on on-site qualification and on employing staff from the region.

## National and international dedication

We are involved in various national and international associations. The following are examples of some organisations in which we are active as a member:

### “Wirtschaft für Integration” (Business for Integration) association

The platform, which promotes the integration of foreign employees in the domestic economy, celebrated its third anniversary in 2011/2012. The “Business for Integration” association was initiated by Ali Rahimi, an entrepreneur working in Vienna, who was born in Tehran, Iran, and Georg Kraft-Kinz, Vice-President of Raiffeisenlandesbank Niederösterreich-Wien. The goal is to place the themes of integration and migration in a positive light in public discourse. As Vice Chairman, Johannes Schuster, Member of RZB AG’s Managing Board, is actively committed and thus supports the principle of “a strong cultural mix” against all kinds of discrimination. The chairmanship is made up of Georg Kraft-Kinz (Chairman) and Ali Rahimi (Vice Chairman). In 2011/2012, 31 events were organised, seven projects were implemented, and over 100 articles in various media reported on the association’s projects.

One of the seven projects is the “Say It Multi” (Sag’s Multi) speech contest. In this competition, young people showcase their multilingual talent by giving speeches in their mother tongue and in German. In so doing, the “Business for Integration” association aims to make people aware of the potential for multilingualism and intercultural competencies. The speeches were about political and philosophical subjects as well as personal experiences. Participants from across Austria were invited for the first time during the 2011/2012 academic year. 301 pupils from over 83 schools took part in the competition in 2012. A total of 35 languages were spoken.

[www.vwfi.at](http://www.vwfi.at)



### Raiffeisen Klimaschutz-Initiative (Raiffeisen Climate Protection Initiative)

The Raiffeisen Climate Protection Initiative (RKI) is a platform and initiator of all measures concerning sustainability, climate protection, energy efficiency, renewable resources and corporate responsibility. The RKI specifically promotes projects that protect the climate. A multitude of projects have already been implemented, from Energy Saving Days to company car policies, awareness-raising for employees, to sustainable financial products. 25 Raiffeisen organisations are currently members. They are using this initiative to take responsibility for the environment, set a good example and make a substantial contribution to climate protection themselves (see page 129). In terms of raising awareness, the following cooperations were established during the period under review:



#### Raiffeisen Climate Protection Award

The RKI has organised the Raiffeisen Climate Protection Award every year since 2008 in cooperation with Jugend Innovativ (Innovative Youth). It was renamed the “Raiffeisen Sustainability Award” in the 2012/13 academic year in order to extend the spectrum of submitted projects to the theme of sustainability. Innovative Youth is the largest Austrian school competition for innovative ideas. It was developed by austria wirtschaftsservice on behalf of the Austrian Federal Ministry of Economy, Family and Youth (BMWFF) and the Austrian Federal Ministry of Education, the Arts and Culture (BMUKK).

[www.jugendinnovativ.at](http://www.jugendinnovativ.at)

#### Cooperation with Go EcoSocial

Cooperation with the eco-social forum has existed since 2007. As part of the Go EcoSocial project, the RKI was given the option of allocating thesis topics via the platform for the first time in 2012.

[www.go-ecosocial.at](http://www.go-ecosocial.at)

#### Zero Emission Cities

In 2012, the RKI supported the “Zero Emission Cities” congress, which addressed the need for intelligent buildings for a CO<sub>2</sub>-neutral city with the motto of “smart buildings for smart cities”. Experts from Austria and abroad highlighted aspects such as climate change, modern building physiology, the future of energy technology or recapitalising old stock in talks and discussion forums.

[www.zeroemissionscities.at](http://www.zeroemissionscities.at)

### **“Besseres Wasser” (Better Water) association**

High-quality drinking water that is always available directly from the tap is a reality taken for granted in Austria. The “Better Water” association launched an initiative in June 2012 with selected Viennese restaurateurs, which was supported by the RKI, in order to increase awareness of the quality and value of tap water.

The concept of the initiative: When consuming tap water, the customer can make a voluntary donation to support worldwide projects for the promotion of water quality. Year one’s outcome also showed that water emotionalises people. The media response was overwhelming. One of the poorest regions in the world was chosen for the first hand-pumped well project: Sierra Leone. With the aid of donations, the building costs for the first well in the village of Waakor, in the east of the country, were successfully secured within one year.

[www.wasserspende.at](http://www.wasserspende.at)

### **Sustainable Europe Research Institute**

SERI (=Sustainable Europe Research Institute) is one of the leading institutes in Austria in the sustainable development sector. It is in charge of national, European, and international research projects for administration, politics, NGOs and companies. Research topics include the sustainable use of resources, sustainable quality of life, and sustainable economic design.

In 2010, a conference was held by SERI on behalf of the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW) on the topic of “Growth in Transition”. At the beginning of October 2012, the international “Growth in Transition” conference was continued at the Academy of Sciences. In preparation for this, policy papers were developed on individual topics, each of which had two sponsors. This paper acted as input for individual sets of conferences. Together with the Verbund, the RKI sponsored the topic of “Sustainable Energy Systems – Opportunities for Austria” and also worked on developing the policy paper on the topic of “Sustainable Energy Policy as a Central Area of Regional Development”.

[www.seri.at](http://www.seri.at)

### **Sponsor of the CSR Day 2012: Rio+20 – on the way to a green economy**

RZB AG supported the seventh Austrian CSR Day in the House of Industry. This event was completely in the spirit of the green economy. Against the backdrop of the UN World Summit in Rio de Janeiro in June 2012, the role of Austria was discussed in terms of sustainable development.

The host, Johannes Kaup, introduced the event with a sobering track record of the past 20 years. This was followed by national and international perspectives by Christian Friesl, Head of Social Policy in the Federation of Austrian Industry, and Klaus Töpfer, retired German Federal Minister for the Environment and long-term Director of the UN Environment Programme (UNEP). The latter emphasised the dramatic change in the global power structure and suggested that Europe had lost considerable amounts of importance.

The subsequent round of talks addressed the green economy and thus the resources, energy issues, and social issues.  
[www.respect.at/csrtag2012](http://www.respect.at/csrtag2012)

### **RKI Networking Event**

On June 27, 2012, an RKI networking event took place for the first time in RZB. The following three speakers gave introductory talks and were available for questions afterwards:

- Klaus Gabriel, Chairman of the Corporate Responsibility Interface Centre, Germany; Social and Business Ethicist at the University of Vienna. Title: Resource efficiency and social justice in the business world
- Ursula Fischler-Strasak, Head of CR at Syngenta, Switzerland. Title: Discourse is Silver, but is Silence Really Golden? – Challenges of CSR Reporting
- Alfred Strigl, Managing Partner of the Plenum-Akademie; University Lector at the University of Natural Resources and Applied Life Sciences (BOKU) Vienna. Title: Climate change: Who loses? Who wins?

The goal was to offer RKI members the opportunity to network with one another better and to gain new impetuses through external speakers. Many visitors came to the event, and it will be held again in 2013.

## EACB – European Association of Co-Operative Banks

The European Association of Co-Operative Banks (EACB) represents the common interests of its 28 member institutions and co-operative banks with regard to the banking sector and to the legislation for co-operatives.

The EACB was founded in 1970 and is now one of the leading professional interest groups in the European banking scene.

Co-operative banks play an important role in the financial and economic system. They became an important driving force after their resistance during the crisis in 2008. Europe's co-operative banks represent 56 million members and 860,000 employees. They have an average market share of approx. 20 per cent.  
www.eacb.coop



## ÖGUT – Austrian Society for Environment and Technology

Founded in 1985 after the conflict over the Danube power plant in Hainburg as a non-partisan platform for the environment, economy and administration, the goal of ÖGUT is to overcome communication barriers in the hot-button areas of the economy and ecology. In addition, a workgroup in the finance and insurance industry with a focus on annual industry benchmarking of in-house environmental protection has been established in ÖGUT.

The focus of the workgroup in the finance and insurance industry is on ecological and social benchmarking as a step towards intensifying the exchange of experiences and optimising the sustainability reporting.  
www.oegut.at



## respACT – austrian business council for sustainable development

respACT is Austria's leading corporate platform for corporate social responsibility and sustainable development. The council helps the member companies achieve ecological and social goals in an economical and individually responsible manner.

The term respACT stands for "responsible action" and describes companies' socially responsible actions. These actions have an effect on aspects concerning management and design, the market, employees, environment and society which are in the company's direct sphere of action.  
www.respact.at



## UNGC – United Nations Global Compact

The United Nations Global Compact was founded in 1999 by then UN General Secretary Kofi Annan with the goal of rendering globalisation more ecologically sensitive and socially just. Approximately 5,000 companies are now members. Its members are obligated to produce annual progress reports, which also renew their commitment to the UNGC.

The UNGC is both a Code of Conduct and a multi-stakeholder learning platform. When joining, companies must commit to a set of ten principles. The UNGC promotes exchange between individual interest groups and forges partnerships that work together to implement the 10 principles.  
www.unglobalcompact.org



## VfU – Association for Environmental Management and Sustainability (Verein für Umweltmanagement und Nachhaltigkeit)

The VfU is a network of financial service providers with members from Germany, Austria, and Switzerland. Since it was founded in 1995, the association has worked on developing and implementing innovative and sustainable solutions for financial service providers.

In addition, it functions as a platform for sustainability and the banking industry.  
[www.vfu.de](http://www.vfu.de)



## Transparency International

Transparency International is a global movement which is committed to the fight against corruption.

The movement is already represented in over 100 countries and has produced some successes, such as the creation of international anti-corruption conventions, the persecution of corrupt heads of state and the impounding of their illegal assets.

With over 100 national chapters and an international secretariat in Berlin, several cooperations exist with governments, companies, and civil society for the purpose of putting put effective measures against corruption in place.  
[www.transparency.org](http://www.transparency.org)



## UNEP FI – United Nations Environment Programme Finance Initiative

This United Nations Environment Programme for financial institutions, founded in 1997, is the largest international network of banks that focusses on the environment and sustainability.

As a founding member of the UNEP FI CEE Task Force, the RZB Group has also been involved in sustainable development in Central and Eastern Europe since 2004. The declared goal is to introduce more environmental aspects into the financial sector's services and thus to promote the development of links between sustainability and financial performance.  
[www.unepfi.org](http://www.unepfi.org)



## Unico Banking Group

The Unico Banking Group, the largest banking alliance in Europe, was founded in 1977 by six European banks with a co-operative background and origin. It was officially registered as an European Economic Interest Group (EEIG) in 1997. Its headquarters have been in Brussels since 2003. Over the years, cooperation was tailored to the needs of an increasingly globalised business world. In the meantime, its focus is on exchanging ideas and best practice examples between executive management and experts at the Unico Banking Group. This includes seeking opportunities for mutual support from member banks, for example through joint product developments.

[www.unicobankinggroup.com](http://www.unicobankinggroup.com)



# Supported projects and initiatives

We take our social responsibility seriously. We decided years ago not to restrict ourselves to a few aid projects, but instead to place factors such as personal dedication and societal challenges at the forefront. The RZB Group and its employees are involved in a wide range of projects and initiatives by providing financial support or also by fostering contacts. The procedures for dealing with sponsoring and donation requests are clearly defined at RZB AG and RBI AG. Within the context of our desire to help those who help themselves, we offer a support in a variety of ways: The RZB Group provides financial resources for sport, art and culture as well as for charitable initiatives. The following examples are only some of the projects that are supported within Austria and abroad. We are particularly proud of the fact that many of our employees not only make the projects supported by Raiffeisen possible through their personal commitment but also take on social activities in their free time.

In addition, we traditionally support a diverse cultural and educational offering in the regions where we operate. We actively communicate our sustainability policy and strategy – both internally and externally. We give presentations on this at events organised by business partners, suppliers, customers, network partners and regional stakeholders as well as at schools and universities and for other interested stakeholders.

## WPC World Policy Conference 2011 in Vienna

RBI AG assisted with the fourth World Policy Conference, which attracted roughly 500 high-ranking personalities from the international political scene to discuss the topic of global governance in the surroundings of Vienna's Imperial Palace. This "future conference" organised by the IFRI (Institut français des relations internationales) focussed on the developments brought about by the Arab Spring, Europe's push for global governance, the possibilities of democratisation in Africa and the future of the G8 and G20 summits.

## Educational initiatives 2011/12

We contribute to the improvement of education and the availability of knowledge and information, especially in industry-related topics. We actively promote an understanding of financial products and services. We pass on specialist banking knowledge within the scope of our daily consultancy functions as well as in educational activities and in our role as experts as part of our responsibility to the broader general public (e.g. dealing responsibly with financial means).

## Society of the Friends of Ephesus

In 2011, RZB AG supported the non-profit association "Society of the Friends of Ephesus" at a fundraising dinner. The aim of the company is to support the impressive research results of Austrian scientists in Ephesus through private initiatives. The Austrian Archaeological Institute has conducted research in Ephesus for more than 100 years. Archaeological methods and state-of-the-art technology are used to carefully reveal the history of Ephesus. The Society of the Friends of Ephesus has set itself the task of supporting and assisting the work done by the archaeologists to retain and protect this valuable cultural heritage for our descendants.

## Stock market game

The annual Raiffeisen Club online stock market game is the biggest capital market youth initiative in Austria. It aims to familiarise young people with how the capital market operates as well as the opportunities and risks of investing on the stock market. Every year, more than 10,000 pupils and students take up this opportunity to participate.

The games "School-Investor" and "Uni-Investor" start in October. Thanks to the support of leading listed companies, participants stand the chance to win attractive prizes worth more than € 18,000. At the beginning of the stock market game, all participants are given a deposit account with a virtual starting capital in the amount of € 36,000. The overall winner is the participant whose deposit account shows the best performance at the end of the investment term. Trading takes place in real time on the Vienna Stock Exchange. The participants can also exchange experiences



on a specially created Facebook page and receive valuable information and tips for a successful game.



In the case of the “School-Investor” game, the Raiffeisen Club places a lot of value on the educational support provided by the teachers. For this reason, a class can only register to participate through its teachers. Each pupil plays with their own deposit account and their own virtual starting capital. The national winner is the class that achieves the highest deposit account performance in their province. Each month, the class with the best performance is also announced and wins an excursion to a listed Austrian company.

Eligible participants for the “Uni-Investor” game are students up to 30 years of age who are enrolled at an

Austrian university or university of applied sciences. The participant with the best performance receives a cash prize, a paid internship at RBI AG and a meet & greet with the CEO of RBI AG.

## The Kosovan “ATOMI” project

This project is implemented by the “Encompass Centre”, an affiliation of several Kosovan psychiatrists. Together, they have developed a programme for the identification of talented pupils in secondary schools.

Once discovered, they receive further support and coaching. The psychiatrists also act as mentors for their parents and teachers in order to support the talented young people as they progress and in their careers. In addition to providing financial assistance, Raiffeisen Bank Kosovo J.S.C. in Pristina makes colleagues from the Human Resources department available to teach the pupils important soft skills. It is a good opportunity for the employees, as professional experts, to devote their time to advising and training these gifted pupils.

## Support for the Polish scholarship programme “My future”

Raiffeisen Bank Polska S.A. in Warsaw supported the association “Our House” with a financial donation for the scholarship programme “My future”. This programme aims to give orphaned children the chance of a better education. The association also coordinates activities for some Polish orphanages. In addition, Raiffeisen Polbank provides occasional support in the form of donations in kind (used furniture, etc.).

## Computer rooms for the Agricultural University of Tirana



Raiffeisen Bank Sh.a. in Tirana donated two computer rooms to the Agricultural University in Tirana under its sponsorship policy, which focuses on the educational sector. These technical rooms allow a higher educational standard and were dedicated on the 60th anniversary of the university in the presence of ministers and representatives of the education sector.

## Study sponsorship scheme “Students to the world”

Within the scope of the Tatra banka foundation, Tatra banka, a.s. in Bratislava supports talented students so that they can study at foreign universities and schools. The knowledge acquired abroad should subsequently be applied in Slovakia. Part of the programme includes providing financial support to cover part of the costs of the stay abroad.



## Cultural initiatives 2011/12

### Exhibition at the Albertina

RZB was sponsor of the exhibition “Emperor Maximilian I and the art of the Dürer period”, which was shown at the Albertina from 14 September 2012 to 13 January 2013. Works by the most important artists of his time, including Albrecht Dürer, Albrecht Altdorfer, Hans Burgkmair and Bernhard Strigel could be admired. The high point of the exhibition was the triumphal march painted by Altdorfer and his workshop – a precious frieze on parchment – which was originally more than 100 metres in length. This frieze was presented for the first time as a coherent strip of images of over 50 metres in length following a complex and expensive conservation programme.

### Richard Wagner exhibition

As sponsor of the Austrian National Library, RZB supported the exhibition “Loved, laughed at, idolised. Richard Wagner and the Viennese.” The exhibition ran from 23 November 2012 until 10 February 2013 to mark the start of the Wagner anniversary year in the ceremonial hall of the Austrian National Library.

### JDP Theatre in Serbia



Raiffeisen banka a.d. in Belgrade has supported the Serbian JDP Theatre since 2006, making some cultural highlights possible. Three major plays were performed in 2012 alone.

### Ivan Franko “National Academic Drama Theatre” in the Ukraine



Since 2000, Raiffeisen Bank Aval JSC in Kiev has supported one of the most renowned theatres in Ukraine, the Ivan Franko “National Academic Drama Theatre”.

The bank donates about € 20,000 per year to the theatre. In exchange, it was allowed to place its logo directly on the building.

Preserving cultural and intellectual Ukrainian values as well as upholding national traditions are interests shared by both the bank and the theatre.

## The Sarajevo Film Festival



Raiffeisen BANK d.d. Bosna i Hercegovina has long been a sponsor of the Sarajevo Film Festival, which turns the region and almost the entire world's focus on the city. Angelina Jolie and Brad Pitt were amongst the many stars to attend in 2011; their visit was without question the highlight of the festival and truly reflected the Bank's slogan "The best are with us!" Angelina was awarded the prize of honour, the Heart of Sarajevo, for her humanitarian commitment and outstanding services to the film industry. Raiffeisen BANK d.d. Bosna i Hercegovina in Sarajevo is proud of this successful event, which will be further supported.

## Bulgaria's "The Little Big Read"



"The Little Big Read" is a project of Bulgarian national television. The event sponsored by Raiffeisenbank (Bulgaria) EAD in Sofia in 2011 was about getting the Bulgarian population to vote on their favourite children's book. The entire campaign lasted two months and the viewers voted for their favourites by SMS. Pippi Longstocking by Astrid Lindgren was voted Bulgaria's most popular children's book of all time in the finals.

## The Polish Philharmonic Orchestra

A concert poster for the Polish Philharmonic Orchestra. The top left features the orchestra's logo and name: "FILHARMONIA NARODOWA". The main title is "muzyka dawna" (old music). Below this, it lists "J.S. BACH" and "IV Koncert brandenburski" (Brandenburg Concerto No. 4). The poster includes a photograph of a conductor and several musicians playing instruments. On the right side, there are logos for sponsors like Raiffeisen BANK and LGT. At the bottom, it says "Orchestra of the Age of Enlightenment" and lists "Steven DEVINE" as the conductor and "Ian BOSTRIDGE" as the tenor. The website "www.filharmonia.pl" is at the very bottom.

Due to the sponsoring of multiple concerts of the Polish Philharmonic, Raiffeisen Bank Polska S.A., in Warsaw, was given the title "Sponsor of the year 2012/2013". The Raiffeisen logo can be seen on posters, in the concert hall of the Philharmonic and in the programmes.

## The Tatra banka Foundation

Tatra banka a.s. in Bratislava founded a charitable institution in 2004 with the aim of contributing to the improvement of the education situation in Slovakia. The foundation is a showcase project of Tatra banka and contributes significantly to the bank's image.

The activities of the foundation are concentrated on support for education and the arts. The foundation arranges get-togethers of extraordinary people, enables the support of outstanding students and pupils and generally promotes the quality of education in Slovakia. Donations in 2011 amounted to € 689,417 and benefited 178 projects. 252 projects were supported in 2012 with € 557,261.

Tatra banka Foundation Prize for Art: Since 1996, this programme has awarded personalities and young artists who by their work over the past year have contributed towards the development of Slovakian art in 5 main categories: Literature, Music, Theatre, Fine Art, Audiovisual work, film and TV. The aim of the Foundation is to support leading talented Slovakian artists. For eighteen years, the Foundation has been achieving this goal, thanks in particular to the Academy, whose members intensively monitor what's happening in Slovakian art. Nominated artists are selected on the basis of their works and artistic output in the past year. The Foundation's priority is to award the prize in a transparent way and to award only the very best. As part of the Foundation's open programme called "Personalities in person", Tatra banka Foundation welcomed the winners of six Nobel Prizes for economics and two winners of the Pulitzer Prize, as well as many distinguished professors and scientists from foreign universities, to lecture to the students at Slovakian universities and the professional community.

## The "AUSTRIA DAVAJ!" exhibition in Moscow



The exhibition "Austria Davaj! The summit of creative Austria" was opened in Moscow by the President of Austria, Heinz Fischer, on 20 May 2011. Amongst those present were the Federal Minister for Education, the Arts and Culture, Claudia Schmied, and the Culture Minister of the Russian Federation, Alexander Avdeyev. The exhibition was a joint venture of the Vienna Museum of Applied Art (MAK), Moscow's Shchusev State Museum of Architecture and the Austrian Culture Forum in Moscow. ZAO Raiffeisenbank in Moscow, which has been committed to the sponsorship of art and culture for many years, provided € 50,000 as the main sponsor.

The exhibition, which was the biggest show of Austrian contemporary art to date, was the result of the longstanding cultural cooperation between Austria and Russia.

## Sport initiatives 2011/12

Supporting sports organisations and events also has a long tradition. In over 40 years of continuous sports sponsorship, Raiffeisen has built up its position as the bank with the highest sports advertising recall. The partnership with top Austrian athletes produces a high degree of attention and a high level of emotional identification. As "the Austrian bank", Raiffeisen sees itself as a local sponsoring partner to Austrian skiing stars and the national football team - consequently, the gable cross decorates the helmets of Austrian skiing stars such as Marcel Hirscher, Kathrin Zettel and Max Franz as well as the strips of the Austrian national football team.



## 2012 Summer Olympic Games in London

The Raiffeisen Banking Group (RZB AG, RBI AG and Zentrale Raiffeisenwerbung) were "top partners" and sponsors of the "Austria House Tirol" in London during the Olympic Games in London, which were held from 26 July to 12 August 2012.

## Sponsorship of the Belarussian Ice Hockey Association



Due to the importance of sport in the national healthcare system and in consideration of the international sporting successes, Priorbank JSC in Minsk has been a sponsor of the Hockey Association for four years. Hockey is one of the most popular sports in Belarus. Through its support, Priorbank contributes to the establishment and development of sport in the country.

## The Raiffeisen Super League

For the past four years, Raiffeisen Bank Kosovo J.S.C. in Pristina has supported the football federation of Kosovo and the Raiffeisen Super League. There have been many success stories during this time, most recently FIFA granting permission to hold friendlies with other member countries. That is a first and very important step in the internationalisation of Kosovan sport and, of course, football. In the meantime, Raiffeisen Bank Kosovo is already becoming associated with the Kosovo Football Association and its four-year success story.

## The Romanians love their bicycles



The programme "I love Velo (I'Velo)", which was established by Raiffeisen Bank S.A. in Bucharest together with the "Green Revolution Association" in May 2010, is the first and largest free bike-sharing programme in Romania. Residents in five Romanian cities of Bucharest, Constanta, Cluj-Napoca, Iasi and Brasov currently have access to a total of 1,100 "I'Velo" bicycles. The "I'Velo" season runs from April to November. The sponsored amount of € 267,500 made it possible for a total of 550,000 users to register on the system after just two seasons. They covered a distance of 20 million kilometres in approx. one million bicycle hours.

## The Bucharest City Marathon 2012



The international marathon, which was sponsored by Raiffeisen Bank S.A. in Bucharest, is Romania's first accredited marathon. This event is intended to encourage people who live in urban areas to discover a healthy and balanced lifestyle through sport. It also advertises the image of Bucharest, as the route passes straight through the city centre and brings thousands of people together at the finish line. A total of around 7,000 runners from 40 countries took part in the event.

## Sponsorship of the Albanian Olympic team



Raiffeisen Bank Sh.a. in Tirana was the main sponsor of the Albanian team (12 athletes), which took part in the 2012 Olympic Games in London. It was also a partner to the Albanian National Olympic Committee, the institution that was responsible for the preparations and training of all members of the Albanian team. Right from the beginning in 2010, Raiffeisen was nominated the main sponsor of many local activities during the Olympic year.

## Social initiatives 2011/12

The largest portion of projects was in the social area, with the focus lying on assistance for socially disadvantaged children, people with disabilities and measures against domestic violence.

### Longstanding partner of the Austrian Red Cross

The RZB Group has been a reliable partner of the Austrian Red Cross (Österreichisches Rotes Kreuz, ÖRK) for many years. CEO Walter Rothensteiner is personally involved as Vice President of the ÖRK. The Red Cross can be found everywhere that people are in need – whether in Austria or abroad. The RZB Group was able to contribute regularly to the support of, for example, victims of natural disasters, with internal calls for donations.



In December 2012, the “First Global Youth Conference of the International Federation of the Red Cross and Red Crescent Societies” was held in Vienna with the support of the RZB Group. This platform served as the basis on which to discuss humanitarian challenges from the perspective of young people. This conference also served to identify an appropriate action plan, specific targets and initiatives for improving the living conditions of people in need.

### A living sponsorship at the SOS-Kinderhof in Imst



In Imst, where Herman Gmeiner’s idea of giving orphaned or socially disadvantaged children a new home had its origins, RZB AG has supported a foster mother and her children for around 30 years. In addition to the Kinderdorf (Children’s Village) mother, the little family currently has five children and is a so-called “satellite family”. This description means that the family’s house lies outside the Kinderdorf. The SOS children’s mother, Mrs Leichtl, has raised twelve children since she joined the SOS-Kinderdorf 33 years ago. In any event, the children are allowed to live in the SOS-Kinderdorf until they are independent – and that varies greatly from child to child. It’s a lifelong task and as Mrs Leichtl calls it:

a vicarious second happiness. The fact that Mrs Leichtl has managed to allow the family to grow together can be seen in the frequent visits she receives from her seven grandchildren.

## For dignity in life to the very end



Since 2003, RZB AG and UNIQA have supported the mobile hospice of Caritas with € 70,000 each year.

The support of RZB AG and UNIQA has allowed the mobile hospice of Caritas to walk together with patients as they take their last steps. Precisely at a time in which traditional family structures are falling away, the mobile Caritas hospice is taking on an enormously important task. From one moment to the next, nothing is as it was when we are told that we are suffering from a terminal illness. More than 2000 people are supported by the mobile Caritas hospice each year.

## “AURO-DANUBIA – Melk Abbey helps orphaned children in Romania”

The dedication of the Lower Austrian association AURO-DANUBIA (AU=Austria, RO=Romania, DANUBIA=Danube), which aims to support socially disadvantaged children and adolescents in Romania, gave rise to three orphanages, a carpenter and an agricultural business in Saniob, a small rural town. In 2011, RZB AG supported the association; its main goal is to provide assistance for street children, children and adolescents whose families are unable to guarantee the children an appropriate upbringing. It also provides assistance to adolescents who are released from state homes once they exceed the upper age limit. The association and the foundation are under the patronage of Melk Abbey.

## RAINBOWS Austria

RZB AG provided the RAINBOWS association with financial support for the first time in 2012. This association helps children and adolescents in troubled times – during the separation, divorce or death of people they are close to. RAINBOWS stands for hope, optimism, diversity and colourfulness in turbulent times. The association helps children and adolescents by boosting their self-confidence, giving them the opportunity to examine themselves and their needs and to express them in a child-appropriate manner. This also takes the strain off the parents and relatives during difficult periods.

## Benefit gala of the RED NOSES Clowndoctors International

It is impossible to imagine everyday life in Austria’s hospitals without the RED NOSES. Depending on the individual condition of the patient, ill and suffering people are regularly visited during their stay in hospital and supported with humour. The artists, mostly from the area of the performing arts, join the Clownteam following a strict selection process and provide laughs and joy for a brief moment. RZB AG supported the benefit gala in October 2012 with Rolando Villazón, alias “Dr. Rollo”, with the entire proceeds going to benefit the work done by RED NOSE Clowndoctors International. They are currently active in nine countries in children’s clinics, retirement homes, rehabilitation centres, hospices and social institutions.

## “Chernobyl Children”

In 1995, Global 2000 launched the project “Chernobyl Children”, which was concerned with the medical supply, medications, training of doctors as well as recuperative holidays for children with cancer. The support provided by RBI AG in 2011 benefited the children’s hospital in Kharkov, which can report some impressive figures: while the chance of recovery for children with cancer in Kharkov used to be 5 per cent, the rate is now 75 per cent.

### Africa exhibition 2011 for people in need in South Sudan



Numerous exhibitions, auctions and publications bear witness to the global interest in African art. Also including the exhibition "AFRIKA. AFRIQUE. AFRICA." by Herbert Stepic, which was on view in 2011 in the Bank Austria Kunstforum. RBI was subsequently able to present a cheque for € 4,200 to the Austrian Red Cross. This donation was raised through, amongst other things, all entry fees that were collected by RBI AG employees, and went to help the people in South Sudan.

### Raiffeisen employees support the Austrian Peace Walk



Each year, colleagues participate in the Austrian Peace Walk for a good cause. The aim is to walk as many laps around Vienna City Hall as possible.

For each round completed by a walker on the team, a voluntarily set amount will be donated at the end. The donations collected by RBI AG in 2011 benefited child social projects in India and Austria.

### "Night against poverty" at Vienna City Hall



The 8th Volkshilfe Gala was held at Vienna City Hall in July 2012 under the motto "Night against poverty". At the gala, donations were collected for ill and disadvantaged children, single mothers and fathers and families with a large number of children in Austria. RBZ AG has been supporting the Volkshilfe Gala for the last six years.

### They speak German in "Habibi"



A new kind of conversation training, innovative beyond doubt: employees of RBI AG took part last year and gathered exciting new experiences. "Habibi" is the nickname of the Haus für Bildung und Integration (House for Education and Integration) where 27 RBI AG employees visited immigrants taking German lessons with the aim of helping them practise everyday conversations.

The project took place as part of a cooperation with the Austrian Integration Fund (Österreichischer Integrationsfonds, ÖIF). The students of the German classes were



able to test their linguistic knowledge for everyday use and improve it in a comfortable environment. In exchange, the RBI AG employees had the opportunity to meet people in living situations previously unfamiliar to them, thus gaining an opportunity to overcome potential barriers.

### Holiday for five Russian orphans in Vienna

Together with the non-profit association "kleine Herzen", the H. Stepic CEE Charity has been able to improve the lives of 82 boys and girls aged between 8 and 18 years at the orphanage in the small village of Vorontsovo in Russia. Most of the children living there come from broken families.

In order to allow at least a few of these children a trip outside of Vorontsovo, the five best students were chosen. Memories of the trip should serve them as a strong motivation for the future. The young Russians stayed in Vienna for a total of three weeks, where they were able to visit the Vienna State Opera, the Russian Embassy, the Chancellery of the Federal President and the UNO.

### Church aid project "Franz Hilf!"

The Franciscan Order has long been known across all borders as one of the oldest and most widespread mendicant orders in the world. The Franciscans for Central and Eastern Europe dedicate themselves to children, young people, the disabled and the elderly within the formerly Communist parts of Europe and Northern Asia with their church aid project "Franz Hilf!". RBI AG supported the benefit concert in the Vienna Franciscan Church once again in 2011. Its profits were used to expand and cover the ongoing costs of two schools in Serbia that were established for children from families in need. The sponsorship from RBI AG for the 2012 benefit concert benefited the establishment of an outpatient clinic for disabled children in a children's village in the Ukraine.

### Donations for children in the Vitebsk region



The numerous charitable projects in which Priorbank JSC in Minsk participated in 2012 focussed on providing support to children. In 2012, a thermal convection steam cooker was purchased for the Vitebsk School for children with hearing difficulties. This appliance allowed cooking times to be cut in half, which also reduced the electricity and water bills. Substantial aid was also given to the orphanage of the Vitebsk region, which is home to 257 orphans. Thanks to the bank's financial support, it was possible to replace all of the children's furniture and to purchase bedding, hygiene products, clothing, shoes and toys for the children. The total amount of support for

the region in 2012 amounted to more than € 39,600.

### The "Heart" association in Croatia

The "Heart" association assists children with developmental difficulties and people with disabilities in the city of Zelina and the surrounding areas. The goal is to improve the lives of these people, to support their integration and independence in society and to initiate the process of non-institutional care.

The association organises different assistance services, such as logopaedic measures, school money for children, teacher assistance, kindergarten assistants, therapeutic riding, creative integration workshops and much more besides. The donation of Raiffeisenbank Austria d.d. in Zagreb was used to support the project "Ključ za Srce (Key to the Heart)". This project set itself the goal of collecting funds in order to be able to build appropriate facilities for the association's activities.

### The Luka Ritz Advice Centre

Luka Ritz was an 18 year-old school graduate who was the victim of street violence. His death provoked a strong

public reaction against violence. Supported by both friends and strangers, Luka's parents founded the "Luka Ritz Advice Centre for Children, Adolescents, Parents and Families".

The goal of this centre is to reduce violence and violent behaviour amongst children and adolescents and to bring their personal value system into line with the values of society. The centre organises various activities and offers advice (by phone, online, individually or in groups). Public discussions and presentations are also organised and school money provided for children.

The donation of Raiffeisenbank Austria d.d. in Zagreb was used for individual consultations in the "Ajoj (Ouch)" programme, which is primarily intended to remedy problems such as violence amongst peers and issues related to becoming an adult.

### Support through the show programme "Teleton"



The most important charity project sponsored by Raiffeisen banka a.d. in Belgrade was "Teleton" with its four campaigns carried out in cooperation with Serbian radio, television and the People's Office of the President of the Republic of Serbia. "Teleton" is a show programme that lasts between 90 and 120 minutes. Celebrities answer the viewers' calls. Each call and each text message represents a donation. The show is a mix of music, discussions, live calls from viewers and clips from the supporting medical institutions. In 2011 and 2012, Raiffeisen banka supported the construction of the first service centre for children and families. The institution

aims to integrate socially disadvantaged groups into the local community. Early intervention and developmental support are also intended to alleviate the effects of developmental problems and social exclusion.

### "Help the children" in the Czech Republic



"Help the children" is one of the biggest local charity organisations and raises money for socially disadvantaged and disabled children. "Help the children" has been active since 1997. Raiffeisenbank a.s. in Prague is the financing partner and helps the charity in three ways: it provides funds, motivates its employees in the course of the annual initiative "Hour for Help the Children" - in which employees can donate one or more hourly rates for the charitable organisation - and it offers financial banking know-how.

### Working against violence with the Slovenian "White Circle"



The "White Circle" is a non-profit company that helps the victims of domestic violence - whether children, women or men. At the beginning of 2011, Raiffeisen Banka d.d. in Maribor decided to help the White Circle and to transfer € 7 to the company for each new loan agreement. This resulted in approx. € 7,000 being collected and donated to the "White Circle" in the space of three months.

## “Mirno Morje”



“Mirno Morje” is an international project that supports humanitarian associations in countries such as Slovenia, Austria and Croatia and organises holidays for children with special needs. Each year, Raiffeisen Banka d.d. in Maribor donates a certain amount to the Slovenian offshoot. RBI AG also supported the project by sponsoring a ship most recently in 2011. Normally, the trips take place in September and enable around 100 children from towns across Slovenia to go on a sailing trip in Croatia.

## The Kid’s Festival



The “Kid’s Festival” is the biggest independent youth event in Southeastern Europe. Since it was established in 2004, it has drawn 40,000 children each year from across Bosnia and Herzegovina to participate in the event. The wide-ranging programme combines entertainment with education. It offers variety and a glimpse of the world’s cultural richness for thousands of children who have never travelled outside the borders of their homeland. The cooperation with Raiffeisen BANK d.d. Bosna i Hercegovina in Sarajevo began in 2007. It became the main sponsor in 2008. Each year, Raiffeisen Bank prepares many interesting activities. In recent years, for example, the event was moderated by “Raffe” the giraffe (the young people’s savings mascot). The bank also organises workshops at which children can join in various activities.

## The “Choose to Help” initiative



In 2012, Raiffeisenbank (Bulgaria) EAD in Sofia, Bulgaria, held the “Choose to Help” donation initiative for the fourth time. The amount donated was € 122,915.

The initiative aims to be an effective aid for sustainable social projects in the area of health. For example, it supports ill people through the networking of charitable organisations, hospitals and state institutions and raising greater awareness of health and social issues.

## Lunch for everyone in Hungary



As part of the “Raiffeisen Közösen (Together)” CSR programme, Raiffeisen Bank Zrt. in Budapest donates 5 eurocent for each purchase made with a Raiffeisen ATM card to the “Lunch for everyone” project of the “Child Feeding Foundation” (GYEA) twice a year.

The programme provides needy children with meals at weekends, at kindergarten or in the school holidays when it is not possible for them to get proper meals at home. Approximately € 94,000 was donated in the spring and winter of 2012. In total, Raiffeisen Bank has donated around € 426,450 to children in need in the

past four years and thus provided regular meals to around 7,600 children nationwide for several months.

## “Downside Up” foundation in Russia



Company teams of ZAO Raiffeisenbank in Moscow took part in the “Sports for Good” events. These were organised by the “Downside Up” foundation, which supports children with Down’s Syndrome. Charitable mini-football competitions, bicycle and foot races were organised to collect money for the early assistance programme for the children. The aim is to provide funding for teachers, psychologists and other experts so that the 1,800 or so families with Down’s Syndrome children in Russia can continue to receive free support.

## H. Stepic CEE Charity

As a charitable association, the H. Stepic CEE Charity sponsors and supports people in need in Central and Eastern Europe (CEE) who find themselves in social, financial or health-related difficulty. In order to help these people with targeted measures, the charity, which was founded on the 60th birthday of Herbert Stepic in 2006, makes an active contribution through selected projects.



The involvement of the Raiffeisen branch offices and their deep roots in the CEE region ensure that the help required arrives quickly and free of red tape, and in doing so delivers a lasting improvement in the living conditions of the people concerned. The voluntary commitment of the Raiffeisen employees in Vienna and many Central and Eastern European locations ensures that donations reach the beneficiaries quickly, directly and without administrative overheads.

The charity checks the progress of every single project itself and through the collaboration with local partners. The close and professional cooperation with a wide range of partners, such as Caritas Austria, Franz Hilf!, Diakonie, as well as with the local NGOs, is very important and contributes significantly to each project's success. Since its founding, the charity has successfully implemented 21 projects in nine countries. Numerous other projects are currently being implemented. Previously completed projects continue to be supported with a view to sustainability.

When choosing which projects to sponsor, the focus is on ensuring that assistance is given where it is most urgently needed. Projects are carried out with respect for the recipients and are orientated towards their needs and requirements.

For this reason, the charity's scope of activity is very broad-based: while street children are provided with a hot meal by day, orphans are given the opportunity to grow up in orderly, family-like conditions. Amongst other things, the charity provides children and adolescents with a safe, familiar environment, whether through a day centre with loving support or an orphanage with foster parents. The care and support that the children would otherwise go without prepares them as well as possible for an independent life.

A very important role is also played by schooling and training measures because education is not only very important in society but also lays the foundations for a secure future. A lack of education usually goes hand in hand with material need. That's why the H. Stepic CEE Charity gives children and adolescents more chances for a better future with a series of educational initiatives. By promoting school and vocational training in projects, the charity also works to increase the ability of young people to be self-sufficient and, in accordance with the basic values of Raiffeisen, to help them to help themselves.

This aspect is also the focal point of the school and vocational training project for the reintegration of street children in Tirana, Albania. The Roma and Egyptian minorities in particular suffer from social evils in the country. Children from these levels of society are often denied access to education, as the families are unable to pay for them to attend school. Growing up on the streets and sliding into criminality are often the unhappy consequences.

The school and vocational training project, in collaboration with Don Bosco, counters the risk of social exclusion and the danger of criminality: for about 180 street children between six and 17 years of age, there are individually designed learning programmes that address the differing needs of the children. The aim is for the street children to be reintegrated into the school system or to receive vocational training.



The work done by the H. Stepic CEE Charity strives to be a model, attracting many supporters and sponsors as well as emulators of its good work. The goal is to give hope to people in need, to alleviate their need and ideally to offer them help to help themselves. Those affected are to be led out of poverty towards a self-reliant, independent life.

All of the association's activities as well as new aid projects and news about existing projects are regularly published on the website at [www.stepicceecharity.org](http://www.stepicceecharity.org).

# Corporate volunteering

Corporate volunteering means the unpaid and voluntary commitment of employees encouraged by companies. It not only makes a social contribution but also promotes the social competence, motivation, team-spirit and loyalty of the employees. We are members of the regional society and social structure not only through our business activities. Our employees are also our ambassadors in daily interactions. We are happy to support their taking an active role – on a voluntary basis. The RZB Group and its network partners motivates employees to perform voluntary service for the sake of the environment and society. To this end, appropriate projects are researched and communicated to the workforce. We are as open to cooperations with large international NGOs as we are to small, local initiatives. These projects focus on social issues, active environmental protection and above all awareness-raising amongst the population.

Below are a few selected examples from Austria and abroad:

## “Surprise in a Box”



“Surprise in a Box” is the name of a Caritas Christmas campaign held since 2007, in which employees of the RZB Group, ZHS and the SV Group participated in 2012 for the fifth time. Every year, some 4,000 asylum seekers are cared for by 35 Caritas employees at the asylum centre in Vienna. The primary service is providing assistance in order to ensure that basic needs are met. The future of most of these asylum seekers is unclear and their days are marked by worries. In the days around Christmas, the “Surprise in a Box” campaign offers a small change: presents are given to families in need with children. Employees donate toys, books or cinema vouchers. Each year, numerous employees spend two afternoons wrapping the well-filled gift boxes in Christmas wrapping paper.

## Cooking in the “Grufft”



At the beginning of 2012, employees of RBI AG cooked for more than 200 people in need in the “Grufft”, the Caritas facility for homeless people in Vienna’s 6th district. Three teams prepared and cooked one lunch and one dinner on a day in winter. Thanks to the generous donations in kind by the companies Radatz, Anker and SV Group, the money collected was additionally used to

purchase fourteen winter packs (each comprising a sleeping bag and a hot meal).

## Punch campaign of the Staff Council

Punch is poured for the employees of the RZB Group every year in the courtyard of Head Office on two evenings in Advent. The proceeds from the voluntary donations are doubled by the Managing Board and benefit charitable purposes. In 2011, “Aktion Leben” (Action for Life) supported the ongoing project “Hilfe für Schwangere in Not” (Help for Pregnant Women in Need); in 2012, assistance was given to “emotion”, an adventure farm for children with cancer and the “Grufft”, a support centre for homeless people.

## Community Day 2011 “Projekt Schaukelpferd” (Project Rocking Horse)



On a weekend in the autumn, a total of 30 employees of the RZB Group and ZHS took part in the first Community Day of Project Rocking Horse. A children’s/youth room for refugees and migrants was renovated in the Caritas hostel “Amadou” on Mariahilfer Straße. The volunteer helpers divided themselves into the groups Building Site, Kitchen and Children’s Programme, which then took care of renovating the room, snacks and refreshing drinks for the workers and entertainment for the children.

## St. Nicholas Surprise for Refugee Children

In cooperation with the Austrian Integration Fund (Österreichischer Integrationsfonds, ÖIF), RZB AG organised a St. Nicholas campaign in 2011 for the second time and successfully brought variety into the everyday lives of refugee children. Around twenty children listened intently as the story of St. Nicholas was told on 5 December and were delighted with the St. Nicholas Sack – a donation by the SV Group.

## Lyubchansky Palace in Belarus restored



In 2008, Lyubchansky Palace asked Priorbank JSC in Minsk for support with the restoration of this historic and architecturally valuable Belarussian monument. Since then, the bank has regularly sponsored its renovation and in doing so contributed to the country’s cultural heritage. For example, the bank’s donations enabled the purchase of the materials needed for the complex restoration and rebuilding of the old towers. In the spring and autumn of 2011, around 60 people, including 12 Priorbank employees, came together to make a contribution to the renovation. Priorbank JSC plans to support the project through to its completion.

## Support for the Babanka boarding school in Cherkasy in Kiev



The employees have visited the Babanka boarding school regularly since 2009. In 2012, Raiffeisen Bank Aval JSC in Kiev organised various charity events. One of them also took place in the Babanka boarding school in the Cherkasy region. During the event, the pupils received numerous gifts such as skateboards, toys and books. In addition, the employees purchased various learning games, sports equipment, board games, sweets and the like on their own initiative and gave them to the children. They also organised a programme of games and circus artists for the children.

## Employees in Sarajevo help to alleviate social need

In addition to providing financial support, the employees of Raiffeisen BANK d.d. Bosna i Hercegovina in Sarajevo help various charitable organisations. Worth mentioning, for example, is “Sumero” – an organisation for people with learning disabilities, which supports their integration into society. Also the “H. Stepic CEE Charity” (see page 124) and “A Heart for Children with Cancer”. This organisation is based on an initiative by affected parents and friends and

is financed exclusively through donated funds.

The support encompasses contributions for the holding of press conferences or advice on legal matters. Both the Managing Board and colleagues from the Marketing and Legal departments are involved on a voluntary basis.

## Financial education in Prague's schools



Employees of Raiffeisenbank a.s. in Prague, especially branch managers and senior sales representatives, arranged contacts with local primary and middle schools on a voluntary basis. There are currently two pilot regions in which about ten people are actively involved. They visit the schools regularly to speak about financial topics. The first step involves identifying the topics. For example, macro-economic issues, banking processes and financial products. The employees are aided by prepared presentations, which can be supplemented by the speakers with personal examples and stories.

## "Let's do it" for a clean Kosovo

"Let's do it" is an initiative by the local NGO "Liria", which has adapted this international concept and established it in Kosovo. The idea behind it is for as much of the Kosovan population as possible to take part in cleaning the country and the environment on a certain day. This initiative was also supported by government organisations, municipalities and different companies. Apart from the financial support given to this campaign by Raiffeisen Bank Kosovo J.S.C. in Pristina, over 50 employees in the region around Lake Batllava were involved.

## Successful fundraising in Romania for the organisation "United Way"

The global "United Way" organisation has the vision of a world in which everyone can achieve their potential through education, a stable income and a healthy life. In Romania, it supports social projects in Bucharest, Timisoara and Cluj and has already helped 6,500 people. Raiffeisen Bank S.A. in Bucharest has not only donated money, but its employees have also contributed to the project's success in a myriad of ways.

For example, a number of talented employees gave drawing and painting classes for children of employees, while others gave their time by taking part in the so-called "United Way Day of Action". There was also an auction of home-made cakes, the proceeds of which also went to "United Way".

## Cleaning the Albanian coastal region



Raiffeisen Bank Sh.a. in Tirana has supported the cleaning of the coastal regions for four years. Raiffeisen employees helped out during the multiple cleaning campaigns, as did many local people for whom the environment is a big concern. The employees, who volunteered their efforts on the weekends, are employees of the branch offices in Vlora, Lezha, Tirana and Durrresi. Since the project came into existence, around 200 employees have participated in it.



## Hungarian employees as volunteers



The corporate volunteering programme of Raiffeisen Bank Zrt. in Budapest was launched in 2008. Within its scope, employees can participate in projects in various schools, kindergartens, hospitals and childcare institutions. Each year, ten units are given the opportunity to apply to the programme by means of an internal quiz. The aid projects are organised by a civil partner, the "National Volunteering Centre (ÖKA)", and are based on the ideas and suggestions of the colleagues with regard to the tasks, times and locations.

The deployments usually last the whole day and take place during business hours. The tasks concern refurbishments, renovations of playgrounds, playing fields and buildings. Each project involves 20 to 25 colleagues. This amounts to 200 to 250 volunteers annually.

In addition, a new initiative was launched in 2012: a larger project, with twice the number of people, who come from the various organisational units and can also bring family members with them. The employees can vote for three different projects on the intranet. The winning project: painting the fence at the "Winnie the Pooh" kindergarten.

## Active participation in "Naše Mesto"



Tatra banka a.s. in Bratislava got involved in the "Naše Mesto" project of Pontis in 2011. Pontis is one of the biggest foundations in Slovakia. It supports the promotion of corporate responsibility and devotes itself to developmental collaboration. In cooperation with Pontis, the bank employees at 15 locations in Bratislava and two in Kosice were active in the areas of social aid, environmental protection and healthcare.

In total, the employees worked for 833 hours, of which the managing director set aside a specific number of working hours in advance. The specific tasks in which the

employees were able to participate include repainting benches and walls, planting flowers or cleaning rivers. A total of 232 employees took part in the campaign.

## Huge flood in the Krasnodar region in Russia



Employees of ZAO Raiffeisenbank in Moscow and all Raiffeisen branch offices throughout Russia were a great support to the victims of the terrible floods in the Krasnodar region in the summer of 2012. In just two days, Raiffeisen employees from all over Russia donated over € 12,000 to the established donation account for those affected.

In addition, two collection points for aid deliveries were also set up in Moscow. The employees organised a delivery straight to the affected areas. Employees of the Yuzhny Regional Centre supplied and distributed the necessary goods to the flood victims.

In addition, physical assistance was given with cleaning homes, disposing of waste and clearing blocked roads. For their great efforts, they even received a thank-you letter from the mayor of Krasnodar.

# The Raiffeisen Climate Protection Initiative



In 2007, the then Chairman of the Austrian Raiffeisen Association-General Christian Konrad launched the Raiffeisen Climate Protection Initiative (RKI).

The RKI advises and supports its 25 member organisations (including RZB AG and RBI AG) in designing, implementing, and communicating measures in areas relating to the climate. More specifically, it is dedicated to the following areas of action: sustainable financial products, construction and renovation, internal company measures, communication, transportation and fuel.

In addition, selected products are being promoted, knowledge and experiences combined, and the focus placed on broad awareness-raising. The RKI thus supports responsible business activity and a sustainable economic and social model.

Not least, this concerns a considerable increase in awareness about sustainability, climate protection, energy efficiency, and renewable resources in the public domain. Climate change can only be successfully counteracted if everybody helps out.

5 years of the RKI in video format:

At the start of 2012, the RKI was classed as being a part of RZB AG in terms of its organisation and location. Since then, the agendas have been comprehensively supported in the newly established department of sustainability management. This step has allowed us to create further synergies aimed at significantly improving the implementation of projects within the member organisations.



## Climate-related measures since foundation

### Raiffeisen Energy Saving Days

The Raiffeisen Energy Saving Days have been an important element of awareness-raising since the RKI was founded. In 2011 and 2012, they were also implemented by numerous members on focal themes such as housing renovation, energy efficiency, and renewable energies. Within the framework of the Energy Saving Days, each year there is extensive advice made available for interested customers by independent Energy Advisors in participating Raiffeisen Banks; specialist talks and energy training sessions for employees; as well as a wide range of campaigns, such



Press conference on the Energy Saving Day 2012

as energy saving sweepstakes, thermography campaigns, renovation checks, and photovoltaic system campaigns. Attractive official subsidies for energy-saving buildings and homes are also presented.

This enabled the importance of renovation campaigns for climate protection to become even more apparent to the public throughout the past few years and the level of awareness surrounding this topic to be increased. In 2011 and 2012, the RKI organised press conferences at the same time as the Energy Saving Days to discuss the important themes and have them broadcast through the media.

## Jugend Innovativ (Youth Innovative)



Prize-giving Jugend Innovativ (Youth Innovative) 2012

A completely different – yet equally important – form of contributing towards climate protection is the active support of the Innovative Youth competition since RKI foundation. Trainees and pupils aged between 15 and 20 years can submit their ideas by the end of December. Next May, the award will be presented by representatives from the Austrian Federal Ministry of Economy, Family and Youth (BMWFI) as well as the Austrian Federal Ministry of Education, the Arts and Culture (BMBWF).

In 2012, the specialist category of “Climate Protection” was renamed to “Sustainability” and is now known as the “Raiffeisen Sustainability Award”. This meant that the themes for developing projects for young people could

be considerably extended, which was also apparent in an increase in the number of submissions to our category.

With this award, the RKI aims to increase young people’s awareness of the theme of sustainability as early as possible. Young people should be encouraged not just to speak about sustainability, but to do something about it.

## “Go EcoSocial”

Our cooperation with the “Go EcoSocial” student platform has existed since 2007. In this context, thesis topics are allocated by RKI member organisations which the students will find interesting and rewarding and RKI members will find useful. Some regional Raiffeisen banks have already successfully taken advantage of this opportunity to cooperate.

The RKI does not just follow external measures and effectuate cooperations – its members have also set ambitious goals for the coming years.

## Vehicle fleet assessment

RKI members have assessed their own vehicle fleet every year since foundation in cooperation with Raiffeisen-Leasing. This gives the participating organisations an overview of its vehicle fleet’s average CO<sub>2</sub> emissions as well as an appropriate benchmark. This assessment has enabled the CO<sub>2</sub> emissions to be reduced by more than 10 per cent in the past few years.

## Sustainability Weeks



The so-called “Sustainability Weeks” were organised by the RKI together with the SV Group in 2011 and 2012 and held in the SV staff canteens in Raiffeisen institutions. Guests were made aware of various climate protection measures through specific product information, tastings, and recipes with 100 per cent Austrian ingredients. Above all, the focus was on the product diversity of Austrian agriculture. Product tastings held by LGV Frischgemüse, Biohof Niedermayer or the Felber bakery were on also the menu, as were regional delicacies and freshly-produced fruit and vegetable juices. In addition, prizes – including a weekend away for two people in one of the 21 Naturidyll hotels in Austria – were raffled off to the guests. The offer is going to be held every year as a result of the excellent feedback and high guest participation.

The RKI does not just follow external measures and cooperations – its members have also set ambitious goals for the coming years.

## Climate-related measures in 2012

### CO<sub>2</sub> reduction competition

A CO<sub>2</sub> reduction competition for employees of member organisations was planned in 2012 and initiated in 2013. Its goal is to push fuel-saving driving and to generate awareness of sustainable mobility. The competition is running from March to the end of September 2013.

### “MoNa” sustainability monitoring tool

In 2012, work was performed on preparing the “MoNa” sustainability monitoring tool in cooperation with external advisors, ZHS and RZB’s sustainability management department. This web-based instrument will be available to all RKI members from mid-2013.

The tool contains around 30 performance indicators from the Global Reporting Initiative (GRI) concerning ecology, economy and social aspects. It will be available in German and in English. “MoNa” can create CO<sub>2</sub> and water footprints, identify the potential for improvement, and generate data that can be individually configured and presented in tables and graphs for internal and external communication. This means that benchmarking can be guaranteed in future and goals and measures can be derived from this.

### Raiffeisen BioCard™



In autumn 2012, the RKI introduced the Raiffeisen BioCard™ in Austria in cooperation with RBI. The idea for an alternative card production technique was first submitted back in 2010 as part of the Raiffeisen Climate Protection Challenge, an internal RKI employee competition, and awarded second place. As a card issuer of Visa and MasterCard cards, the RBI Card Service evaluated solutions made from renewable and degradable raw materials together with the firm of Gemalto, a global leading expert in digital security. The card is made from compostable organic polymer based on corn starch. It comes packaged in cardboard. Both main components are therefore 100 per cent biodegradable. The cards were issued in Austria during October 2012 as part of an exclusive RKI limited edition with 6,000 cards in the range. They were first presented at the press conference celebrating the RKI’s fifth anniversary.

### Networking event



Numerous visitors accepted the invitation to the first RKI networking event.



RKI Networking Event 2012

The RKI networking event has also been taking place since 2012 and has been an important contribution to awareness-raising on the topic of climate protection. In so doing, RKI members have been given the opportunity to exchange, network more closely with one another, develop cooperation, and also to give new impetus through external speakers, e.g. on the topics of resource efficiency, social justice, sustainability reporting, and climate change.

## Sustainable Entrepreneurship Award

In 2012 the international Sustainable Entrepreneurship Award (SEA 2011) was also supported by the RKI. For the first time, this new award is being presented to companies that make sustainable entrepreneurship the core of their corporate strategy in an innovative way.

## INEX Sustainability Challenge

In 2012, the RKI supported the third INEX "Sustainability Challenge" for the first time. This challenge is an interdisciplinary and inter-university lecture on the topic of the sustainable development of all universities in Vienna. While students gain important insights and experience on sustainability in a corporate context as part of their practice-orientated project work, the RKI for its part has been supported by its students' work on the topic of alternative mobility in urban environments. In this process, Raiffeisen Holding Niederösterreich-Wien's vehicle fleet was specifically investigated to find options for designing it in an even more environmentally friendly manner. The results were presented in a touch-down event and discussed in a joint reflection round.

## "Growth in Transition" conference

The content of the international "Growth in Transition" conference was supported in the autumn of 2012. The policy paper on "Sustainable Energy Systems – Opportunities for Austria" was sponsored in preparation for this. A total of two stakeholder roundtables took place to develop this policy paper. SERI (Sustainable Europe Research Institute) and UBA (the Austrian Federal Environment Agency) were in charge of the contents of the roundtables. The final paper was used as an input for the conference held between October 8 and 10, 2012 in the Academy of Sciences. This enabled recommendations to be made from the stakeholders' viewpoint.

## The RKI's fifth anniversary in 2012



Press Conference for RKI's fifth anniversary

On October 4, 2012, a press conference was held at RZB's headquarters for the RKI's fifth anniversary. Franz Fischler (CEO of the RKI), Ferdinand Maier (General Secretary of the Austrian Raiffeisen Association) and Wilfried Sihn (Managing Director of Fraunhofer Austria Research) were panellists. On the one hand, the press conference contained an outlook of the future global megatrends. On the other hand, it was the question of how the RKI and its member organisations should rise to these challenges.

The celebratory event to mark five years of the Raiffeisen Climate Protection Initiative was held in RZB's Raiffeisensaal on the evening of October 4. Over

200 guests took part in this anniversary celebration. Business partners and media representatives were also invited alongside RKI members. The event was organised as a "Green Event" and received certification from the Austrian Federal Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW) for fulfilling a wide range of environmental constraints.

After the welcome speech by host Alexander Goebel, Christian Konrad, the initiator of the Raiffeisen Climate Protection Initiative, delivered a message of greeting to the guests via a video recording. This opening was followed by a retrospective film on outstanding environmental topics since 2007 and on the RKI projects and initiatives implemented to date. In his keynote address, Wilfried Sihn, Managing Director of Fraunhofer Austria Research, then presented the nine global megatrends which have an influence on sustainable development: Demographic Shift, Urbanisation, Globalisation, Energy and Resources, Environmental and Climate Protection, Health, Mobility, Knowledge-Based Society as well as Life and Work. He thus underscored how important it is for every single person to take responsibility and do their part to ensure the world remains a place worth living in for future generations.



Walter Rothensteiner interview with Alexander Goebel

Another part of the evening programme was the interview held by Alexander Goebel with RZB CEO and Chairman of the Austrian Raiffeisen Association Walter Rothensteiner and RKI Chairman Franz Fischler. They answered questions on the future of the RKI, Raiffeisen's contribution to invigorating the local and regional economy, as well as what really motivates them personally to advocate sustainability and entrepreneurial responsibility.

#### Members of the RKI are:

- AGRANA Beteiligungs-AG
- GoodMills Group GmbH
- Marketingverein der Kärntner Raiffeisenbanken und der Raiffeisenlandesbank Kärnten (Marketing Association of Raiffeisenbanks in Carinthia and Raiffeisenlandesbank Carinthia)
- Österreichischer Raiffeisenverband (Austrian Raiffeisen Association)
- Raiffeisen Bank International AG
- Raiffeisen-Bankengruppe Tirol AG
- Raiffeisen Bausparkasse GmbH
- Raiffeisen Energy & Environment
- Raiffeisen evolution project development GmbH
- Raiffeisen-Holding NÖ-Wien reg. Gen.m.b.H.
- Raiffeisen Informatik GmbH
- Raiffeisen Kapitalanlage Ges.m.b.H.
- Raiffeisenlandesbank Burgenland und Revisionsverband reg. Gen.m.b.H.
- Raiffeisenlandesbank NÖ-Wien AG
- Raiffeisenlandesbank Oberösterreich AG
- Raiffeisen-Landesbank Steiermark AG
- Raiffeisenlandesbank Vorarlberg Waren- und Revisionsverband reg. Gen.m.b.H.
- Raiffeisen-Leasing GmbH
- Raiffeisenverband Salzburg reg. Gen.m.b.H.
- Raiffeisen Ware Austria AG
- Raiffeisen Wohnbaubank AG
- Raiffeisen Zentralbank Österreich AG
- RENERGIE Raiffeisen Managementgesellschaft für erneuerbare Energie GmbH
- UNIQA Versicherungen AG
- Valida Holding AG

## Environmentally friendly society

In addition to social responsibility, the RZB Group considers environmental and climate protection to be its civic duty.

The IEA (International Energy Agency) once again confirmed in its "World Energy Outlook 2012" publication that we urgently need more climate protection measures.

In its scenarios, the IEA is already assuming a permanent increase in temperature of more than three degrees in the next few decades. So quick action is needed. In addition, there are consequential costs that occur without energy transition. The former Vice President of the World Bank, Sir Nicholas Stern, estimates that the consequential costs of climate change that occur without energy transition will be five times higher than those that occur in the event of a quick change.

Through publishing the reports by the IPCC (Intergovernmental Panel on Climate Change), it was revealed that during the next 50 years, numerous impacts of climate change on important branches of economy are expected. This is particularly significant for agriculture, energy, transportation, tourism, and health. In addition, the impacts are expected to be different, depending on the region. The impacts of climate change can already be recognised despite all insecurities from the results of diverse studies. This has an effect on households and companies equally. Above all, certain groups of the population – such as older people and low-income families – feel the effects of extreme events or impairments that occur in the water and energy supply particularly severely.

As a result of our corporate responsibility, we want to make an active contribution to reducing emissions that are harmful to the climate and adapt to climate change to proactively protect the environment and people.

This is why we have been actively committed to climate protection for years. As engaged citizens, we promote the transformation to a climate-friendly and low-carbon society through our opportunities as promoters in business and society.

As part of our climate protection activities, some of the aspects we are working on are developing products and services that contribute to environmental and climate protection; supporting investments in a climate-friendly future; and promoting communication on the topic of climate change in and via the RZB Group; as well as supporting an intense commitment to a climate-friendly society.

This includes focusing on energy efficiency and supporting the substitution of fossil fuels with renewable forms of energy.

## Future outlook and sustainability programme

Of course, we will be continuing our cooperations in terms of partnership, e.g. with Jugend Innovativ (Innovative Youth), in 2013. We would like to expand our initiatives for financial education. The following are some examples of focal projects:

In cooperation with the Raiffeisen Campus and plenum, the society for holistic sustainable development, the first two-day basic workshop on the topic of sustainability management was held on November 27 and 28, 2012 with active participation by the Raiffeisen Banking Group and the participations. Moreover, in 2013 the first specialisation module has already been planned for June.

An important tool in terms of sustainability management is the planned "MoNa" sustainability monitoring tool, which will be implemented in the first six months of 2013. Work is currently being done on completing and optimising the tool together with external advisors. The web-based tool contains around 30 performance indicators from the Global Reporting Initiative (GRI) concerning ecology, economy and social aspects. It will be available first of all in German for ecology, economy, employee, and social aspects, and then in English. In addition, a handbook has been created which should facilitate use and provide personal training.

The goal is to get as many RKI members and network banks as possible to use the tool, because this data collection will guarantee future benchmarking. It will be possible to create timelines as well as CO<sub>2</sub> and water footprints using the environmental statistics.

In 2013, the RKI is one of the sponsors of the Sustainable Entrepreneurship Awards, or SEA for short. SEA awards are presented to companies that make sustainable entrepreneurship the core of their corporate strategy in an innovative way. They are companies that live by the triad of social, ecological and economic responsibility.

The RKI supports the "Climate, Environment & Energy" award, which is one of seven SEA categories. Projects are sought that show how companies try to combine concerns about the environment with business profit.

The planned internal Raiffeisen blog for sustainability and corporate responsibility will start in summer 2013 and the approx. 200 contact persons for sustainability management in Austria will use it to hear about the latest information.

This will not be a standard corporate blog. It will be a "knowledge management tool" which people can use to access studies and reports on the topics of sustainability, corporate responsibility, and environmental and climate protection. Contributions are made by colleagues and by external authors.

Since 2011, RFI has been taking part in the Carbon Disclosure Project (CDP); in 2013 it even became a Reporter Services member. CDP is an independent non-profit organisation that pushes for the reduction in greenhouse gas emissions. CDP is working with international investors to reduce global warming and make investment opportunities more transparent.

CDP collects standardised data on climate change, water and forests from more than 5,000 of the largest market-listed companies in the world. It does this using three annual questionnaires which are sent to companies on behalf of the institutional investors who support them – the CDP members.

Extract from the 2013 Sustainability Programme					
Strategy area	Content and aim	Departments involved/ organisations	Details of task	To be performed up to	Status 30/6/2013
Engaged citizen Corporate Volunteering	Implementing a corporate volunteering policy	Managing Board, Sustainability Working Group, General Secretariat, Org & ICS, HR, Staff Council, NHM		Q4 2013	ongoing
		NHM	Creating a draft of the policy	02/2013	completed
		Managing Board, General Secretariat	Managing Board approval for voting on and introducing a Group-wide policy/ coordination with the General Secretariat	02/2013	completed
		Sustainability Working Group, HR, Staff Council, NHM	Assessment and discussion of the draft policy	09/2013	
		NHM	Creating the policy's final draft	10/2013	
		Managing Board, NHM	Approving the policy	11/2013	
		NHM	Publication of the policy	12/2013	
Engaged citizen Active Civil Society and Social Well-Being	Measures in the "Financial Literacy" area	NHM, General Secretariat, cooperation partners		Q4 2013	ongoing
		NHM	Verifying cooperation opportunities for financial literacy	02/2013	completed
		NHM, General Secretariat	Partners' decision-making and approval by the General Secretariat	05/2013	completed
		NHM, cooperation partners	Agreeing details for the social policy experiment (concerning communication methods for sustainably managing money)	06/2013	completed
		Cooperation partners	Implementing the experiment at the WU Vienna	12/2013	
		NHM, cooperation partners	Publishing the results in the form of a study (external/internal)	12/2013	
		NHM	Analysis of the project and development of further measures for establishing financial competencies	12/2013	

Abbreviations: HR: Human Resources; Org & ICS: Organisation & internal control system; NHM: Sustainability Management (Nachhaltigkeitsmanagement)



# Reports from the Austrian participations

## Raiffeisen Bausparkasse Gesellschaft m.b.H

Numerous Lego bricks that were acquired for an advertising spot for Raiffeisen Bausparkasse are now serving a good cause. Johann Ertl, CEO of Raiffeisen Bausparkasse, gave sufficient Lego bricks to the Nursing Director of the St. Anna Children's Hospital in November 2012 to build a small town. Supplemented by a few special kits, the bricks were made available to the educators of the St. Anna Children's Hospital to make the often long waiting times at the hospital a bit more fun for the young patients. In Vienna's 9th district, there is a unique charitable project - Vinzi Rast-Mittendrin. Cecily Corti, head of the Saint-Vincent de Paul Society St. Stephan and the long-standing driving force behind the Vinzi-Rast homes for the homeless, has realised here, in the middle of the city, the unusual idea of creating a public meeting place for students and those with no roof over their heads. Since the middle of 2013, they have been living and working together in an old, renovated Biedermeier house, learning from each other and providing each other with mutual support.



Inspired by this unique experiment, Raiffeisen Bausparkasse sold the gifts it received for Christmas 2012 at a low price. The management also resolved to no longer send gifts to business partners for Christmas, but instead to donate that money to social causes. In this way, more than € 4,000 was collected last year.  
[www.bausparen.at](http://www.bausparen.at)

## Raiffeisen Capital Management (Raiffeisen Kapitalanlage Ges.m.b.H.)

"Schulterblick" is a Viennese cycling school that motivates school classes to make the switch to environmentally friendly mobility. Since 2012, Raiffeisen Capital Management has supported the association with the logistics by providing a free parking space in the warehouse during the cycling course months (May/June) and in doing so promoting the access of young people to sustainable mobility in Vienna.  
[www.rcm.at](http://www.rcm.at)

## Raiffeisen evolution project development GmbH

Raiffeisen evolution has supported charitable organisations for many years. In recent years, Concordia Social Projects has received increasing financial support from Father Georg Sporschill SJ. Bicycles were purchased in 2012 for the Concordia Bulgaria holiday camp. In addition, the Vienna women's home association "leben.spüren" of Caritas Vienna, under the patronage of Rotraut Konrad, Charlotte Rothensteiner and Monika Lindner, was financially supported in 2012. This allowed the expansion of the home in Vienna's 12th district. Raiffeisen evolution also attempts to provide support aside from financial donations (e.g. through clothing donations). In this way, the programme actively assumes responsibility for the socially weaker and disadvantaged.  
[www.raiffeisenevolution.com](http://www.raiffeisenevolution.com)

## Raiffeisen-Leasing GmbH

Integrating people with special needs into working life, giving their work a purpose and valuing it were good reasons

for the staff council of Raiffeisen Leasing to launch the Easter Market in 2011. The motto of the event was: double happiness at Easter. Happiness for those supported because of the appreciation of their work and for those receiving gifts because of these unique and well-crafted gifts. The proceeds were given to the artists of the social service organisation Behindertenwerkstätte Korneuburg.

Under the motto "Recycling instead of throwing away", Raiffeisen-Leasing gave office furniture that was no longer needed to the employees of CARLA, an institution of Caritas Austria. This was sold in the CARLA shops alongside all kinds of well-maintained, second-hand goods. The sales proceeds benefit Caritas aid projects.

In addition, the long-term unemployed have the possibility of finding work in CARLA shops. By making this donation in kind, Raiffeisen-Leasing gave another sign of its social commitment in 2012 and made an active contribution to environmental protection: recycling rather than throwing away valuable, usable products leads to the responsible use of resources.

The Gruft, a Caritas facility for homeless people in Vienna was also supported by the employees. For the campaign "Kochen in der Gruft" ("Cooking in the Gruft"), food for some 130 guests was prepared with the ingredients brought, the food was distributed and directly supported those in need.  
[www.raiffeisen-leasing.at](http://www.raiffeisen-leasing.at)

## Raiffeisen Versicherung AG

Thomas Stix is a sole proprietor of an internet and journalism business as well as founder of the Internet platform "behindertenarbeit.at". He has lived with spinal muscular atrophy since birth and organises his life with personal assistance around the clock. Because he found the project to be innovative and bold, he applied for a mentee place at "CEOs on Wheels" with the goal of improving his management qualities and training his business thinking. He sought a mentor with a great deal of human resources competence and experience and found one in Raiffeisen Versicherung CEO Klaus Pekarek.

Pekarek has supported "CEOs on Wheels" since the beginning in October 2011. The goal of the project is bring people in wheelchairs who are at the beginning or about to make the next step in their professional development in contact with executives with whom they can exchange and learn from. The programme was initiated by Michael Sicher, who himself uses a wheelchair. The executives give their mentees insights into their everyday professional lives and enable them to benefit from their networks. In this way, they give them the opportunity to fully develop themselves on a professional level. On the other side, the executives get insights into the challenges of professional and everyday life of people in wheelchairs and are therefore able to deepen their knowledge of how to deal with people with special needs.  
[www.raiffeisen-versicherung.at](http://www.raiffeisen-versicherung.at)

## Valida Holding AG

The staff council of Valida regularly organises charity events. In the previous year, a total amount of € 2,000 was generated, including a Managing Board donation. The money benefited the children's hospital "Netz", the charitable association "Freizeit-PSO" and "lobby.16". In the previous year, Valida employees donated used children's toys, children's clothing and sports articles, which the "Arbeiter Samariterbund" (Austrian Samaritan Association) passed on to families at risk of poverty.

Valida supports social institutions with the purchase of Christmas cards and Christmas gifts each year. In the previous year, it cooperated with the Odilien institute for the visually impaired and the Caritas sheltered workshops in Retz. In continuation of its social commitment, Valida launched a corporate volunteering programme in 2012 to benefit retirement homes in Vienna. In total, 17 Valida employees accompanied residents of the CaSa and Schönbrunn retirement homes on trips and provided valuable assistance to the home-help and care staff.

Due to the positive feedback received, Valida is continuing its corporate volunteering programme in 2013.  
[www.valida.at](http://www.valida.at)



SUSTAINABILITY  
- TRANSPARENT  
AND COMPACT

Jef

# GRI content index

I. Profile Disclosures			
Profile	Description	Page	Notes
<b>1. Strategy and Analysis</b>			
1.1	Statement from the most senior decision-maker of the organisation	4, 5	
1.2	Description of key impacts, risks, and opportunities	4 - 7, 25, 47, 49, 50, 53 - 55, 60 - 63 AR RZB Group: 12 - 15, 30, 31, 36 - 39 AR RBI Group: 61, 62	
<b>2. Organisational Profile</b>			
2.1	Name of the organisation	Imprint	
2.2	Primary brands, products, and/or services	11 - 14, 19, 49, 50 AR RZB Group: 16 - 27 AR RBI Group: 16 - 19	
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures	11 - 14 AR RZB Group: 16 - 27 AR RBI Group: 16 - 19	
2.4	Location of organisation's headquarters	Imprint AR RZB Group: 186 AR RBI Group: 220	
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	12, 14, 19 AR RZB Group: 184 - 185 AR RBI Group: 4 - 5, 14, 218	
2.6	Nature of ownership and legal form	Imprint, 12 AR RZB Group: 17 AR RBI Group: 21, 15, 220	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	AR RZB Group: 62 - 71 AR RBI Group: 16	
2.8	Scale of the reporting organisation	11 - 14, 73 AR RZB Group: 16 - 27 AR RBI Group: 2, 14	
2.9	Significant changes during the reporting period regarding size, structure, or ownership		There were no important changes in 2011 and 2012.
2.10	Awards received in the reporting period	14, 19, 22, 83, 87, 91 AR RBI Group: 8	
<b>3. Report Parameters</b>			
3.1	Reporting period for information provided	9	
3.2	Date of most recent previous report	9	
3.3	Reporting cycle	10	
3.4	Contact point for questions regarding the report or its contents	9	
3.5	Process for defining report content	9, 10, 33 - 37, 41 - 47	
3.6	Scope of the report	10	
3.7	Specific limitations on the scope or boundary of the report	10	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations	10	
3.9	Data measurement techniques and bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	10, 74, 87, 91	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and reasons for such re-statement	10	
3.11	Significant changes to the scope or boundary of the report or to measurement methods used in comparison with previous periods under review	10, 74	
3.12	GRI Content Index	139 - 142	
3.13	Policy and current practice with regard to seeking external assurance for the report	9, 143, 144	
<b>4. Governance, Commitments and Engagement</b>			
4.1	Corporate governance and management structure of the organisation	50, 51	
4.2	Independence of the highest governance body	AR RZB Group: 173 AR RBI Group: 206, 207	
4.3	Number of members of the highest governance body that are independent and/or non-executive members		RZB AG and RBI AG each have a Supervisory Board.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	73, 80	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance)	51, 75, 76 AR RBI Group: 29 - 31	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	50, 51 AR RBI Group: 33	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics	50, 51	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and status of their implementation	25, 26, 50 - 52, 61, 71 - 73, 75, 76, 79 - 81, 111	

Profile	Description	Page	Notes
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	32, 33, 37	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance		The performance assessment for the highest executive body is not the reporting organisation's responsibility under the Austrian Stock Corporation Act.
4.11	Explanation of whether and how the precautionary approach or principle is addressed	4 - 7, 29, 30, 54, 55, 60, 71, 86, 105, 106, 129, 134 CoC	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	32, 39, 50, 86, 87, 91	
4.13	Memberships in associations and/or national/international advocacy organisations in which the organisation has positions in governance bodies, participates in projects or committees, provides substantive funding beyond routine membership dues or views membership as strategic	32, 39, 87, 106 - 110	
4.14	List of stakeholder groups involved by the organisation	38	
4.15	Basis for identification and selection of stakeholders involved	38	
4.16	Approaches for involving stakeholders, including frequency of engagement by type and stakeholder group	26, 33, 34, 38 - 47	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and information about how the organisation has responded to those key topics and concerns - including through its reporting	38 - 47	

## II. Disclosures on Management Approach

DMA EC	Disclosure on Management Approach Economy EC	4, 20, 49, 53, 54, 106
DMA EN	Disclosure on Management Approach Environment EN	4, 20, 55, 60, 71, 87, 105 CoC
DMA LA	Disclosure on Management Approach Labour Practices and Decent Work LA	20, 21 - 23, 71 - 83 CoC
DMA HR	Disclosure on Management Approach Human Rights HR	4, 79, 81 CoC
DMA SO	Disclosure on Management Approach Society SO	59 - 61, 71, 72, 105, 106 CoC
DMA PR	Disclosure on Management Approach Product Responsibility PR	21, 29, 60 - 62, 71, 85, 86 CoC

III. Performance Indicators						
GRI No.	GRI Description	RZB	RBI	NWB	Page	Notes
<b>Economic Performance Indicators</b>						
EC1	Direct economic value generated and distributed	■	■	■	13, 53, 54	
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	■	■	■	63, 87, 105, 129 - 132, 134	
EC3	Coverage of the organisation's defined benefit plan obligations	■	■	■	84, 85	The company's social benefits do not have Group-wide regulations, but individual regulations (depending on social circumstances and legal framework conditions in the host countries).
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit	■	■	■	106 - 132	
<b>Environmental Performance Indicators</b>						
EN1	Materials used by weight or volume	■	■	■	87 - 98	
EN2	Percentage of materials used that are recycled input materials	■	■	■	90, 91 - 98	
EN3	Direct energy consumption by primary energy source	■	■	■	89, 90, 98	Locations in Vienna: Energy mix for electricity: 100% hydropower, Energy mix for district heating: 57.8% combined heat and power plants, 9.9% thermal discharge from industry, 24.7% thermal discharge from refuse incineration, 2.7% bio-mass, 4.9% natural gas and heating oil
EN4	Indirect energy consumption by primary source	■	■	■	87 - 98	
EN6	Initiatives to provide energy-efficient or renewable energy based products and services	□	■	■	55 - 60, 62 - 69, 129, 131	Of little relevance to RZB AG (role of a central institution)
EN8	Total water withdrawal by source	■	■	■	90 - 98	
EN16	Total direct and indirect greenhouse gas emissions by weight	■	■	■	88	
EN17	Other relevant indirect greenhouse gas emissions by weight	■	■	■	88	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	■	■	■	87 - 98	
EN22	Total weight of waste by type and disposal method	■	■	■	88, 89, 92 - 98	
EN28	Significant fines and non-monetary sanctions for non-compliance with environmental laws and regulations	■	■	■	91	
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce	■	■	■	91	
<b>Social Performance Indicators</b>						
<b>Labour Practices and Decent Work</b>						
LA 1	Total workforce by employment type, employment contract, and region	■	■	■	53, 73, 74, 79	
LA 2	Employee turnover by age group, gender, and region	■	■	■	74	
LA 4	Percentage of employees covered by collective bargaining agreements	■	■	■	81	
LA 7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	■	■	■	84	
LA8	Training schemes relating to serious illnesses and/or health programmes	■	■	■	83 - 85	
LA 10	Average hours of training per year per employee by employee category	□	■	■	76	
LA 12	Percentage of employees receiving regular performance and career development reviews	■	■	■	76	
LA 13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	■	■	■	23, 74, 79 - 82	
LA 14	Ratio of basic salary of men to women by employee category	■	■	■	79, 81	The Group does not have any data which can be used as a basis for a convincing salary assessment by comparing men and women. The reason for this is that although the data on salary can be assessed based on management level and gender, it cannot be assessed based on individual positions in accordance with our internal job structures. Thus, it is not possible to publish the ratios without presenting an image of the salary that may be misunderstood from outside of the company.
<b>Human Rights</b>						
HR 5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights	■	■	■	52, 80	In Austria and the countries where this is prescribed by law, the Staff Councils represent employees in all issues relating to employment and service law. All legal framework conditions are strictly observed in all countries.
HR 6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour	■	■	■	52, 54, 55	None

GRI No.	GRI Description	RZB	RBI	NWB	Page	Notes
HR 7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	52, 54, 55	None
<b>Society</b>						
SO2	Percentage and total number of business units analyzed for risks related to corruption	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	72	100%
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	72	100% of new employees are trained
SO4	Actions taken in response to incidents of corruption	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	72	As part of the annual compliance testing in the period under review, there were no significant cases of non-compliance with global instructions on combating corruption.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	72	None
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	60	
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	62	
<b>Product Responsibility</b>						
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures					Not applicable
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes					Not applicable
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	62	
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	85, 86	
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	86	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	60	
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	61	
<b>Additional Indicators: Financial Services</b>						
FS1	Policies with specific environmental and social components applied to business lines	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	26, 30, 31, 52, 53, 54, 55, 61 - 64	
FS5	Interactions with clients, investees and business partners regarding environmental and social risks and opportunities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	26, 29 - 34, 38 - 47, 62, 71, 73, 86, 108 - 110, 129	
FS14	Initiatives to improve access to financial services for disadvantaged people	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	59, 60, 83	
FS15	Policies for fair design and sale of financial products and services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	60, 61, 71, 85, 86	
FS16	Initiatives to enhance financial literacy by type of beneficiary	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	111, 112, 135	

Status/Indicator: RZB AG, RBI AG, NWB:

Fully reported

Partially reported

Not reported

<b>Key</b>	
AR	Annual Report
DMA	Disclosures on Management Approach
EC	Economic
EN	Environment
FS	Financial Services
GRI	Global Reporting Initiative
HR	Human Rights
LA	Labour
No.	Number
NWB	Network Banks
PR	Product Responsibility
RBI AG	Raiffeisenbank International AG
RZB AG	Raiffeisen Zentralbank Österreich AG
SO	Society

# Assurance Statement



## Assurance Statement related to Raiffeisen Zentralbank Österreich AG, RZB Group Sustainability Report 2011/2012, for the calendar years 2011 and 2012.

### Terms of Engagement

This Assurance Statement has been prepared for Raiffeisen Zentralbank Österreich AG.

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by Raiffeisen Zentralbank Österreich AG (RZB) to assure its environmental and social data and information disclosed in the RZB Group Sustainability Report for the calendar years 2011 and 2012 ("the Report").

The Report relates to the sustainability performance data and information of RZB and Raiffeisen Bank International AG (RBI)'s activities in Austria, as well as social and environmental data and information from RBI's fifteen subsidiaries across Central and Eastern Europe (CEE).

Note: RBI's subsidiaries do not all report the same social and environmental data and information.

### Management Responsibility

RZB's management was responsible for preparing the Report and for maintaining effective internal controls over the data and information disclosed. LRQA's responsibility was to carry out an assurance engagement on the Report in accordance with our contract with RZB.

Ultimately, the Report has been approved by, and remains the responsibility of RZB.

### LRQA's Approach

Our verification has been conducted against:

- Global Reporting Initiative Sustainability Reporting Guidelines (GRI G3), 2006
- GRI's financial sector supplement, 2008.

The objectives of the assurance engagement were to:

- Confirm that the Report meets the requirements of GRI's application level B and GRI's financial sector supplement
- Validate RZB's self-declaration for GRI G3's application level B+
- Evaluate the reliability of RZB's sustainability performance data and information.

To form our conclusions the assurance was undertaken as a sampling exercise and covered the following activities:

- Reviewing the stakeholder engagement process and related information
- Evaluating RZB's material issues against our own independent analysis of stakeholder issues
- Reviewing RZB's Corporate Social Responsibility Report for the calendar years 2011 and 2012
- Understanding how RZB determine, respond and report on their material issues
- Interviewing a selection of people responsible for the data and information disclosed
- Auditing RZB's data management processes and reviewing supporting evidence made available by RZB at their headquarter's in Vienna
- Note 1: The verification was undertaken at RZB's and RBI's head office, Am Stadtpark 9, 1030 Wien, in accordance with our contract and therefore did not include verifying data back to its original sources
- Note 2: Economic performance data was taken direct from the audited financial accounts.
- Checking that the GRI index allows stakeholders to access sustainability performance indicators.

### Level of Assurance & Materiality

The opinion expressed in this Assurance Statement has been formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the Verifier.





### LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the Report does not meet GRI's application level B & GRI's financial sector supplement requirements as we found nothing that would cause us to contradict this conclusion.

Based on our approach nothing has come to our attention that would cause us to believe that RZB has not excluded any material issues nor that their process for reporting would not provide reliable sustainability performance data and information.

### LRQA's Recommendations

RZB should consider:

- Improving their data management system for collecting and testing environmental and social data from RZB's Central and Eastern Europe sites
- Providing a complete account of their sustainability performance at all of RBI's subsidiaries
- Strengthening the integration of sustainability into their core business and how it delivers benefits to stakeholders such as customers.

The above is an excerpt from our report to RZB Group detailing areas for continual improvement. However, these do not affect our conclusions.

A handwritten signature in blue ink, appearing to read 'Harald Ketzer'.

13th June 2013

Harald Ketzer, Lead Verifier  
 On behalf of Lloyd's Register Quality Assurance  
 Lloyd's Register EMEA Vienna,  
 Opernring 1/E/620, 1010 Vienna, Austria

LRQA Reference: VNA6012526

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# Glossary

<b>Ad-hoc release</b>	Publication of facts that have the ability to considerably influence the stock exchange rate of a company's approved securities Under the Stock Exchange Act, issuers are obligated to publish these facts immediately.
<b>ARIA landmarks</b>	Points of reference which make websites and web applications more accessible to disabled people, in particular for blind users of screen readers.
<b>ATX</b>	The Austrian Traded Index is the most important share index in Austria. It depicts the performance of the country's twenty biggest market-listed companies.
<b>Austrian Banking Act (Bankwesengesetz (BWG))</b>	Federal law for banking. Amongst other things, it defines what banking transactions are, who may conduct them under which prerequisites, and which aspects should be kept in mind in the process (e.g. capital requirements, banking secrets, duty of care).
<b>Best-in-class approach</b>	An approach for selecting securities (e.g. for a fund or a rating), which means that the companies that render the best sustainability services in comparison to the industry are selected from a large investment universe.
<b>Carbon Disclosure Project (CDP)</b>	A non-profit organisation which promotes the exchange of information relating to climate protection and sustainability between companies, science, politics, and investors. Every year on behalf of its members, thousands of the biggest market-listed companies from all continents are requested to publish their greenhouse gas emission figures and to reduce them.
<b>CDP Leadership Index</b>	This describes an index which contains companies that actively participate in this project and have the best reports on greenhouse gas emissions. The Leadership Index is made up of the 30 companies with the best assessments.
<b>CEE</b>	The abbreviation CEE stands for Central and Eastern Europe. In this report, CEE stands for RBI's domestic market alongside Austria.
<b>Climate change</b>	Describes a quick, strong and long-lasting change to the global climate. Fluctuations in climate are normal from a geological perspective. However, human influence has amplified this effect. Thus for many companies, reducing greenhouse gas emissions is an important aspect in sustainability activities.
<b>CO<sub>2</sub> footprint</b>	The CO <sub>2</sub> footprint (or carbon footprint) is a measure of carbon dioxide emissions which are directly and indirectly caused by an activity. It is expressed in CO <sub>2</sub> equivalents.
<b>Code of Conduct (CoC)</b>	The Code of Conduct provides staff in a company and/or a group of companies with clear guidance in their business, ethical and social actions. The RZB Group's CoC is a binding set of regulations for all employees. It is based on Raiffeisen's basic values and goes beyond the legal framework conditions.
<b>Compliance</b>	This concerns behaviours which comply with the relevant laws and general ethical behaviours in banking, such as avoiding conflicts of interest, how to deal with market-sensitive information, observing duties of care for preventing fraud, money laundering and terrorist financing as well as ecological and social aspects.
<b>Corporate Banking</b>	Corporate business
<b>Corporate governance</b>	Business management principles. The entirety of all provisions which form the regulatory framework for managing and supervising a company.
<b>Corporate Responsibility Interface Centre (CRIC)</b>	An association for promoting ethics and sustainability in investments in German-speaking regions which focusses on raising awareness, commitment and research.
<b>Corporate volunteering</b>	This describes the encouragement of employees' social commitment. This means deploying the staff in a company for charitable purposes which go beyond the original core business.
<b>Cultural key competencies</b>	Characterises personal core competencies which are considered to be vital for smooth cooperation in the RZB Group.
<b>Derivatives</b>	Innovative financial instruments. Their value depends on and/or is derived from the development of other financial products or reference levels. The price (quotation) of these instruments fundamentally depends on the underlying needs of their market (the basic value). The prices are determined by price fluctuations or the price expectations of other investments. This may increase the default risk regarding the fund assets. However, derivatives can also be used to safeguard exchange and currency risks, for example.
<b>Diversity</b>	A term for managing variety (e.g. age, gender, nationality, religion).
<b>Ecological footprint</b>	This term describes the amount of environment (biologically productive land and water required) necessary to produce the resources a population consumes and to assimilate the waste generated.
<b>EffiCent</b>	A project with the goal of creating more transparency regarding energy consumption in service buildings.
<b>European Association for Co-operative Banks (EACB)</b>	European association of co-operative banks founded in 1970. Members are cooperative banking groups from European countries. The 56 million members who are represented by the EACB represent 72,000 branches with over 860,000 employees. The EACB members' shares in a business amount to approx. 20 per cent across Europe. The EACB is the official contact partner for EU institutions in the event of issues concerning cooperatives.

<b>European Economic Interest Group</b>	Describes a company based on European Union law and is described as a European Economic Interest Group (EEIG). It intends to promote and facilitate cross-border cooperation between EU member states.
<b>European Investment Bank (EIB)</b>	The European Investment Bank is the European Union's bank. It is the only bank whose shareholders are the EU member states. It acts on their behalf and cooperates closely with EU bodies to implement EU policies.
<b>Financial Market Supervision (Finanzmarktaufsicht (FMA))</b>	The FMA is the independent, autonomous supervisory body for the Austrian financial market and has been established as an institution under public law. It is responsible for supervising credit institutions, payment institutions, insurance companies, pension funds, corporate pension insurance funds, investment funds, authorised investment service providers, rating agencies, and security markets as well as for overseeing prospectuses.
<b>Global Reporting Initiative (GRI)</b>	The Global Reporting Initiative uses a participatory procedure to develop guidelines for preparing sustainability reports by large companies, small and medium-sized businesses (SMEs), governments and NGOs.
<b>Green building</b>	A building which has been constructed with regard to sustainability aspects, such as high resource efficiency for energy, water and materials as well as avoiding harmful effects on the environment and health in the entire life cycle (project development, planning, construction, operation, maintenance and dismantling).
<b>Green economy</b>	Pursuant to the United Nations Environment Programme, a green economy is described as an economic approach that increases human well-being and ensures social equality, whilst at the same time reducing environmental risks and taking the shortage of ecological resources into consideration (UNEP Green Economy Report 2011).
<b>GRI level</b>	This corresponds to the GRI application level in the report (A, B, C). It provides information about which elements of the GRI report framework were applied when the report was created.
<b>H. Stepic CEE Charity</b>	A charitable association that supports people in need in Central and Eastern Europe (CEE) who find themselves in social, financial, or health-related difficulty.
<b>Human resources (HR)</b>	A corporate department responsible for ensuring that personnel resources are deployed throughout the company in a sustainable manner.
<b>Intergovernmental Panel on Climate Change (IPCC)</b>	The IPCC is a scientific intergovernmental committee which was created in 1988 by the United Nations Environment Programme (UNEP) and the World Meteorological Organisation (WMO). The goal is to summarise the state of scientific research, for example on the causes of climate change and its potential consequences for the environment, society and business for political decision-makers.
<b>International Energy Agency</b>	An international cooperation consisting of 28 OECD member countries in the domain of international energy policy, which deals with the research, development, market introduction, and application of energy technologies.
<b>International Labour Organisation (ILO)</b>	The International Labour Organisation is a specialised organisation in the United Nations and is thus responsible for promoting social protection, human rights and labour laws and to encourage decent employment opportunities.
<b>International Organisation for Standardisation (ISO)</b>	The International Organisation for Standardisation is the global association of national standardisation bodies. ISO standards exist for practically all sectors and industries. Prominent examples are ISO 14001 for environmental management or ISO 26000 for responsibility to be taken by companies and organisations.
<b>Investment Compliance</b>	This term means that transactions for all funds are internally verified before placing orders (pre-trade) and/or after being secured in the fund (ex post) (regarding legal and contractual conformity and/or in terms of internal provisions, e.g. exclusion criteria).
<b>ISO 14001</b>	An international environmental management standard. The overall goal of environmental management in accordance with ISO 14001 is to promote environmental protection and prevention of environmental pollution in line with socio-economic requirements.
<b>Issue management</b>	An organisation's systematic discussion about its stakeholders' concerns and managing the topics that are associated with this.
<b>Leadership in Energy and Environmental Design (LEED)</b>	A system for classifying ecological constructions that has been developed by the U.S. Green Building Council.
<b>Materiality</b>	The principle of determining topics and indicators which can either reflect the organisation's significant economic, ecological and social influences or have a significant influence on stakeholders' assessments and decisions.
<b>MiFID (Markets in Financial Instruments Directive)</b>	European Union (EU) financial market guidelines for harmonising the financial markets in the European single market. It is intended to expand existing national regulations for handling financial services with provisions for protecting investors and improved transparency.
<b>Net Promoter Score (NPS)</b>	A customer satisfaction index that indirectly quantifies customer satisfaction and loyalty and directly quantifies the customer's willingness to recommend a company.

<b>Network banks (NWB)</b>	Subsidiary banks of RBI in CEE.
<b>Non-governmental organisation (NGO)</b>	This is usually a civil-society interest group that acts regardless of politics and the public authorities.
<b>Non-profit organisation (NPO)</b>	A charitable organisation that does not work in a profit-orientated way. Its company objective focusses on social, ecological or cultural themes.
<b>OECD guiding principles for multi-national companies</b>	Instrument for promoting responsible corporate management. The guiding principles give companies a Code of Conduct for foreign investments and for cooperation with foreign suppliers. They describe the expectations for companies when performing their global activities in dealing with trade unions, environmental protection, combating corruption, or protecting consumer interests.
<b>ÖCGK (Austrian Corporate Governance Code)</b>	Voluntary self-regulating measure (regulation framework) for Austrian corporations in accordance with international standards. In Austria, market-listed companies are obligated to create a Corporate Governance Report every year which provides an explanation of possible deviations from a recognised Corporate Governance Code.
<b>ÖGNI (Austrian Society for Sustainable Real-Estate Management)</b>	This is a non-governmental and non-profit organisation which has tasked itself with developing and/or promoting ways and solutions for sustainable construction and with classifying the sustainability and energy efficiency of buildings using certification.
<b>ÖKOPROFIT</b>	Ecoprofit is an environmental certification module awarded by the city of Vienna to companies that take extraordinary ecological measures.
<b>Performance management</b>	Performance management is a process that provides a transparent breakdown of the business objectives, so that every manager's and employee's contribution is aligned with the overall targets of the organisation.
<b>PreLoad card</b>	Card for cashless payment which, contrary to a credit card, must have a credit balance on it. This is topped up in advance by a one-off transfer to a card account.
<b>Public-private partnership model (PPP model)</b>	A form of cooperation between public bodies, private businesses and/or non-profit organisations.
<b>Raiffeisen Bank International AG (RBI AG)</b>	A universal bank with a focus on corporate and private customers in Austria and in CEE.
<b>Raiffeisen Campus</b>	Raiffeisen's Austrian national education company which aims to provide coherent, compulsory and systematic training and further education programmes as well as personal development concepts for all sectors and sector levels.
<b>Raiffeisen Climate Protection Initiative (RKI)</b>	A platform consisting of 25 Raiffeisen organisations that set measures concerning sustainability, climate protection, energy efficiency, renewable resources and corporate responsibility.
<b>Raiffeisen Zentralbank Österreich AG (RZB AG)</b>	Head of the entire RZB Group and is the central institute of the Raiffeisen Banking Group in Austria (RBG).
<b>Retail banking</b>	Consumer banking
<b>Rio+20</b>	UN World Summit for the environment and development held in Rio de Janeiro, Brazil, in 2012, which took place 20 years after the first conference of this type. The conference worked toward three fundamental goals: Ensuring renewed political commitments, coverage of progress since 1992, and addressing new challenges.
<b>Share Incentive Plan (SIP)</b>	A programme that gives executive management the opportunity to share in the success of the Group. This guarantees that their performance is in accordance with RBI's business goals. The prerequisite is that the managers make an up-front investment by purchasing shares in RBI. These shares must be held (not sold or encumbered) during the SIP entitlement.
<b>Social entrepreneurship</b>	Social entrepreneurship in order to cause long-term positive and sustainable changes to society. The business focus could be on education, creating jobs for people with particular needs, eradicating poverty, or human rights, for example.
<b>Socially responsible investment (SRI)</b>	This term describes sustainable investment where it is not so much the yields, but the social, ecological and ethical criteria that are important for investment decisions.
<b>Stakeholder</b>	Describes all stakeholders who are relevant to and exchange with a company.
<b>Stakeholder Council</b>	Dialogue with selected stakeholder representatives where there is a focus on the important topics and contents concerning "sustainable development and corporate responsibility".
<b>Stakeholder inclusiveness</b>	Inclusion of stakeholders.
<b>Subsidiarity</b>	Subsidiarity: one of the basic principles at Raiffeisen. The principle means that the power of the co-operative is only deployed where the power of the individual is insufficient.
<b>Sustainability Council</b>	Advisory committee in the RZB Group for controlling sustainability. It consists of external experts and internal representatives from the highest company level.
<b>Sustainability Management (NHM)</b>	Department in RZB which is responsible for implementing all agendas relating to sustainability in the RZB Group. In addition, it functions as a competence centre for the Raiffeisen Banking Group's sustainability topics in Austria.

<b>Sustainability Officers</b>	Colleagues who perform the central coordination function in RBL network banks for all agendas that relate to sustainability.
<b>Sustainability working group</b>	Internal company committee in the RZB Group for establishing and implementing the sustainability strategy.
<b>Sustainable entrepreneur</b>	A company that is particularly committed to the environment and sustainability and creates green innovations, green jobs, and compatible growth.
<b>SV Group</b>	In Austria, the SV Group is a leading service provider in the catering industry specialised in business and care catering. The company runs approx. 70 enterprises throughout Austria with over 500 employees and feeds more than 15,000 guests per day, of whom 4,500 are Raiffeisen employees at five locations in Vienna.
<b>Talent management</b>	Processes and practises to identify, attract, develop, reward & retain talented people and to ensure that the right people are moving into the right jobs at the right time.
<b>Top Companies for Leaders</b>	Is a global study conducted by AonHewitt and the RBL Group in partnership with FORTUNE Magazine. The study analyses the connection between investing in leadership practices and financial success and benchmarks „Talent Management and Leadership Development“ processes.
<b>Towers Watson Global Grading System</b>	A system for evaluating all positions in the company based on activities, capabilities and experiences by applying a standardised and internationally comparable system.
<b>Transparency International</b>	Politically independent charitable movement of like-minded people from all over the world who are dedicated to combating corruption.
<b>Triple Bottom Line of Sustainability</b>	Sustainable development concept which is also described as a Three-Pillar Model. It describes the fact that a sustainable improvement in the performance of a society can only be achieved when ecological, economic and social goals are simultaneously taken into consideration.
<b>UK Bribery Act 2010</b>	This is one of the world's most aggressive anti-corruption laws and part of a global campaign against corruption.
<b>UN Global Compact (UNGC)</b>	The world's largest initiative by the UN on corporate social responsibility (CSR) and sustainable development. Companies, participating on a voluntary basis, are obligated to adhere to minimum ecological and social standards.
<b>UN Principles for Responsible Investments (UN PRI)</b>	These six principles for responsible investments of the United Nations are an investor initiative put in place in partnership with the UNEP FI and the UN Global Compact. Members are requested to incorporate ESG aspects into their analyses and their portfolio management.
<b>United Nations Environment Programme Finance Initiative (UNEP FI)</b>	This finance initiative by the United Nations Environment Programme, with its headquarters in Geneva, is the largest international banking network with a focus on the environment and sustainability.
<b>United Nations Environment Programme Resource Panel</b>	This processes analyses and recommendations on how to deal with natural resources in a more sustainable manner to increase their efficiency. Members are international experts from industrial, emerging, and developing countries.
<b>Universal bank</b>	This bank is known as a "full-service bank" and, contrary to a specialised bank (e.g. an investment bank), provides all typical banking services. The universal banking system is prevalent in Austria.
<b>U.S. Green Building Council</b>	Charitable organisation that champions sustainably constructed buildings and monitors the "green" construction of buildings based on certain criteria. It became known through the development of the Leadership in Energy and Environmental Design (LEED) system.
<b>VÖNIX VBV Österreichischer Nachhaltigkeitsindex (Austrian Sustainability Index)</b>	The first Austrian sustainability index on the Vienna stock exchange.
<b>Whistleblower principle</b>	Principle of anonymously informing about improper behaviour and grievances, illegal actions or general dangers.
<b>Young Professional Potentials Programme (YPP)</b>	RZB Group programme for junior employees for encouraging their professional and social competencies.
<b>ZHS Office- &amp; Facility-Management GmbH</b>	ZHS Office- & Facility management GmbH was founded on 10.12.1993 with its headquarters in Vienna. It is a subsidiary of Raiffeisen Zentralbank Österreich AG and Raiffeisen Bank International AG. It performs a service company's activities in terms of sales, office management, facility management (building maintenance, technical support) as well as safety/quality and environmental management. Since 1995 it has been running a quality management system, and since 1998 an environmental management system.

# Abbreviations

<b>ARIA</b>	Accessible Rich Internet Application
<b>ATX</b>	Austrian Traded Index
<b>B-1</b>	"Board minus 1" - direct management level (or first management level) under the Managing Board
<b>B-2</b>	"Board minus 2" - second management level under the Managing Board
<b>BWG</b>	Austrian Banking Act (Bankwesengesetz)
<b>CDP</b>	Carbon Disclosure Project
<b>CoC</b>	Code of Conduct
<b>CEE</b>	Central and Eastern Europe
<b>CRD III</b>	Capital Requirement Directive III
<b>CRIC</b>	Corporate Responsibility Interface Centre
<b>CSR</b>	Corporate social responsibility
<b>EACB</b>	European Association of Co-operative Banks
<b>EBRD</b>	European Bank of Reconstruction and Development
<b>ECF</b>	Elemental chlorine free
<b>EIB</b>	European Investment Bank
<b>ELBA</b>	Electronic banking
<b>ESG</b>	Environmental, social and governance
<b>FIFA</b>	Fédération Internationale de Football Association (International Federation of Association Football)
<b>FMA</b>	Financial Market Supervision (Finanzmarktaufsicht)
<b>GB</b>	Annual report
<b>GRI</b>	Global Reporting Initiative
<b>HO</b>	Head office
<b>HR</b>	Human Resources
<b>IEA</b>	International Energy Agency
<b>ILO</b>	International Labour Organisation
<b>IPCC</b>	Intergovernmental Panel on Climate Change
<b>ISO</b>	International Organisation for Standardisation
<b>IYPP</b>	International Young Professional Potentials Programme
<b>KAG</b>	Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
<b>KfW</b>	Kreditanstalt für Wiederaufbau
<b>KPI</b>	Key performance indicator
<b>LEED</b>	Leadership in Energy and Environmental Design
<b>MA</b>	Staff
<b>MiFID</b>	Markets in Financial Instruments Directive
<b>MoNa</b>	Sustainability monitoring tool
<b>NGO</b>	Non-governmental organisation
<b>NHM</b>	Sustainability management
<b>NPO</b>	Non-profit organisation
<b>NPS</b>	Net Promoter Score
<b>NWB</b>	Network banks
<b>ÖCGK</b>	Austria Corporate Governance Codex
<b>ÖGNI</b>	Austrian Society for Sustainable Real Estate (Österreichische Gesellschaft für Nachhaltige Immobilienwirtschaft)
<b>ÖGUT</b>	Austria Society for Environment und Technology (Österreichische Gesellschaft für Umwelt und Technik)
<b>ÖIF</b>	Austrian Integration Fund
<b>PM</b>	Performance management
<b>PUE value</b>	Power usage effectiveness value
<b>RBI AG</b>	Raiffeisen Bank International AG
<b>RKI</b>	Raiffeisen Climate Protection Initiative (Raiffeisen Klimaschutz-Initiative)
<b>RZB AG</b>	Raiffeisen Zentralbank Österreich AG
<b>SERI</b>	Sustainable Europe Research Institute
<b>SIP</b>	Share Incentive Plan
<b>SRI</b>	Socially responsible investment
<b>UNEP FI</b>	United Nations Environment Programme Finance Initiative
<b>UNGC</b>	United Nations Global Compact
<b>UNO</b>	United Nations Organisation
<b>VfU</b>	Association for Environmental Management and Sustainability (Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V.)
<b>WWF</b>	World Wide Fund for Nature
<b>YPP</b>	Young Professional Potentials Programme in Austria

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