Raiffeisen Bank International

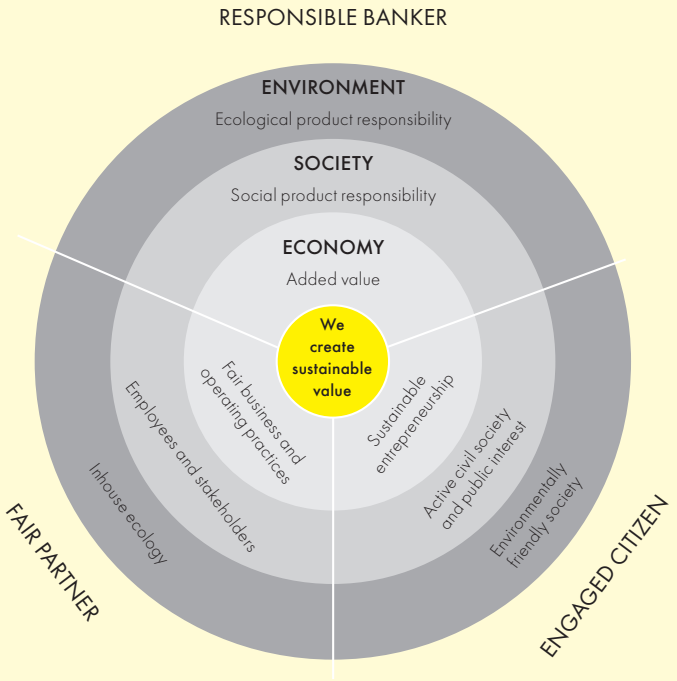
SUSTAINABILITY REPORT 2019

FOCUS ON SUSTAINABLE VALUE CREATION

Image author: Horst Pozdena (R-IT)

Important facts at a glance:

Our sustainability strategy:



Mission & Vision 2025:

Vision 2025: We are the most recommended financial services group

Mission	**We transform continuous innovation into superior customer experience**
Customers	We constantly strive to improve customer experience and enable our clients to achieve more in their lives and businesses.
Employees	We value expertise and create a working environment which promotes collaboration, creativity and entrepreneurial spirit.
Shareholders	We aim to generate solid and sustainable shareholder value.
General public	We act in a socially responsible manner, fostering the long-term welfare of the people and businesses in our markets

16.7 m
customers

46,873 employees

Group-wide share of women in management **55 percent**

2,479,430
Training hours for employees

27,762 employees trained in preventing corruption

Austrian Sustainability Reporting Award (ASRA):

RBI Sustainability Report 2018 recognized as best report by a "Large Company"

Successful completion of the second benchmark issue of a green bond by an Austrian bank with a volume of **€ 750 m** – RBI is the largest Green Bond issuer in Austria

RBI AG financing volume:

Renewable energies
around € 303 m
Green real estate
around € 1,577 m

Sustainable finance in the RBI:

around € 2.28 bn

Sustainability ratings and indices of RBI AG:

Corporate ESG Performance – Prime – RATED BY ISS ESG

ISS ESG prime rating: "C+"

FTSE4Good

Volume of sustainable investments of Raiffeisen KAG:

around. € 6.5 bn
(more than doubled compared to the previous year)

© Fotolia

Environmental effects of the first RBI green bond:

CO_2 SAVINGS BY ASSET CATEGORY

Asset category	CO_2 savings per year in tons	CO_2 savings in 3 years in tons
Hotel	657	1,971
Logistics	3,974	11,922
Office	7,110	21,330
Shopping Centers	1,251	3,753
Total	**12,992**	**38,976**

€ 630 m
Portfolio saves
12,992
tons CO_2
per year

EQUIVALENT TO ANNUAL GREENHOUSE GAS EMISSIONS[1]

or or

2,758
Passenger vehicle driven for one year

1,556
Households supplied with energy for one year

214,792
Tree seedlings grown for ten years

[1] Source: https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

Annual CO_2 savings per € 1 m investment
21 tons

or

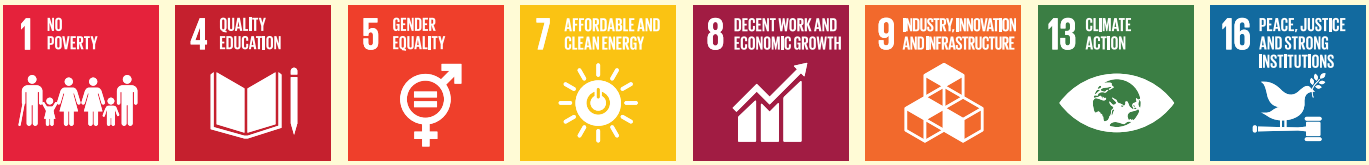
Annual CO_2 savings per € 500 m outstanding green bonds
10,300 tons

Certifications of Raiffeisen KAG:

Group-wide investments in the community:
around € 2.3 m

Supporting our communities with
1,080
projects

The most important Sustainable Development Goals (SDGs) for RBI:

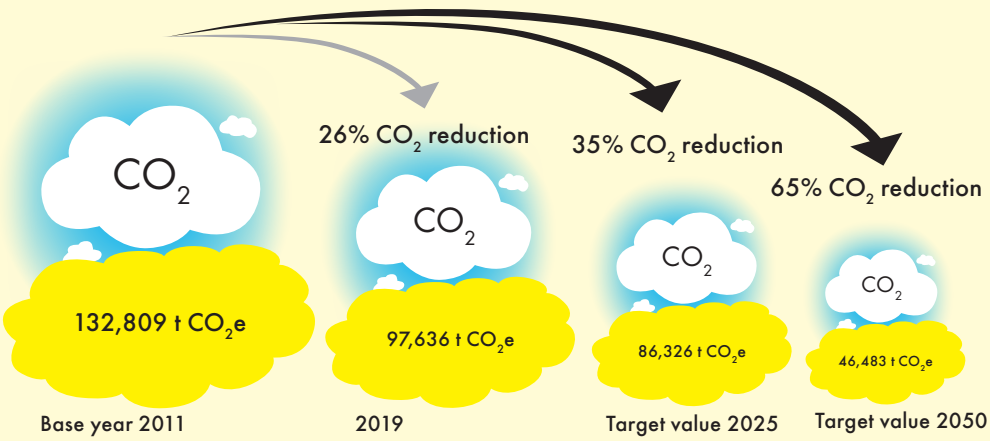


CO_2 emissions **reduced** by **six percent** compared to the previous year

CDP SUPPLIER ENGAGEMENT LEADER 2019

In 2019, **CDP** rated RBI **the best company** in the financial sector in Austria for the fifth time

Target path CO_2 reduction of RBI:



Reductions 2019 to 2018

- 45,558,179 liter water
- 55,489,415 sheets of paper
- 14,990,548 kWh energy
- 6,468,361 driven pkm
- 6,419,562 kg CO_2
  This corresponds to the CO_2 emissions that are emitted of around 4,200 four-person households in Austria through their annual electricity consumption.

RBI Sustainability Report 2019

(corresponds to the non-financial report pursuant to sections 267a and 243b of the Austrian Commercial Code)

Publication details

Media owner and publisher:
Raiffeisen Bank International AG

Head of Group Sustainability Management:
Andrea Sihn-Weber
Telephone +43-1-71707-6069
andrea.sihn-weber@rbinternational.com

Editorial team:
Ulrike Capelare, Tanja Daumann,
Anita Lang, Ursula Mirth
sustainabilitymanagement@rbinternational.com

Images – cover and chapter pages:
Photography club of the Raiffeisen companies
in Vienna

Graphics: Elisabeth Windisch, Vienna

Proofreading: edith holzer communications,
Vienna

Translation:
EVS Translations GmbH, Offenbach, Germany

Print:
Bösmüller Print Management GmbH & Co. KG,
Vienna

Place of publication: Vienna

Editorial deadline: February 28, 2020

Raiffeisen Bank International AG
Am Stadtpark 9, 1030 Vienna
Telephone +43-1-71707-0
www.rbinternational.com/sustainabilitymanagement

Note in accordance with the Austrian Equal Treatment Act: For improved readability, all forms of personal reference relate to both genders.

Exclusion of liability:
We have taken the utmost care in gathering the data and other information contained in this Report. Nevertheless, we cannot completely rule out the possibility of errors. Statements on future developments are based on information and forecasts which were available to us at the time this Report was published. The latter were also written with care. Notwithstanding the above, there are many factors and developments that can lead to discrepancies. We therefore ask for your understanding that we do not assume liability for data and other information contained in this Report. This Report is based on RBI's current business policy. Changes to this business policy are reserved. If this Report contains rules, these shall apply solely to companies of RBI and their board members and employees. Other parties are not addressed by these rules and are neither authorized nor obligated by them. Nobody may derive or assert any type of claims or other rights arising from or relating to this Report against RBI companies or their board members and employees; any liability of these companies, board members and employees arising from or relating to this Report shall be excluded.

This Report is subject to substantive Austrian law. The Bezirksgericht Innere Stadt (Local Court Vienna – Innere Stadt, Austria) is solely responsible for reaching a decision on all possible disputes arising from or relating to this Report.

Contents

Foreword 04

Overview 06
About the Report 07
Interesting facts about RBI 10
Visual implementation of the Report 11

Sustainability management and corporate responsibility 12
Sustainability concept and strategy 13
Mission & Vision 2025 14
Impacts, risks and opportunities 19
Governance and Compliance 21
Material topics 26
Stakeholder inclusion 32
Sustainability ratings, indices and awards 39

Responsible banker 42
Impacts, risks and opportunities 43
Business strategy 45
Economic sustainability 46
RBI's Economic Footprint® in CEE and Austria 48
Responsibility in the core business – for products and services 52
Mission & Vision 2025 53
Sustainable financing 64
Sustainable investment products 70
Other sustainable products and services 78
Future outlook and Sustainability program 84

Fair partner – Employees 86
Mission & Vision 2025 87
Impacts, risks and opportunities 88
Development of personnel 89
Staff development 90
Employee involvement 94
Diversity management and the ability to reconcile work and family 97
Health and safety 106
Employer branding and recruitment 108
Overview of key performance indicators 112
Future outlook and Sustainability program 114

Fair partner – Inhouse ecology 116
Mission & Vision 2025 117
Impacts, risks and opportunities 118
Environmental targets 119
Digitization and climate protection 120
Overview of greenhouse gas emissions 121
Compliance with legal regulations 123
Environmental Committee 123
Environmental policy 123
Development of Scope 1-3 emissions 124
Supplier evaluation and purchasing 125
Environmental measures 126
CO_2e emissions 127
Overview of key performance indicators 129
Future outlook and Sustainability program 130

Engaged citizen 132
Mission & Vision 2025 134
Impacts, risks and opportunities 135
Digital change 135
Supported projects and initiatives 136
Sustainable entrepreneurship 147
Raiffeisen Sustainability Initiative 150
Future outlook and Sustainability program 152

GRI index and Assurance report 154
GRI content index 155
Statement of all legal representatives 161
Assurance report 163
Abbreviations 165

Foreword

Dear readers,

The 2019 financial year was a satisfying one for RBI. The Group result of € 1,227 million was almost as high as in the previous year. Our result before taxes rose by 1 percent year-on-year to € 1,767 million. Loans to customers increased by 13 percent in 2019, primarily at head office, in Russia, and in Central Europe.

In light of the fundamental and fast-moving changes within the industry and shifting customer expectations, RBI has defined a new strategic orientation as part of its Mission & Vision 2025. This is aimed at strong growth through customer orientation and digital transformation with the vision of being the most recommended financial services group by 2025. RBI intends to achieve this by making its customers' lives easier through continuous innovation and a superior customer experience. We have clearly set out the path for 2020 and 2021 in a "Strategic Roadmap", which is intended to provide all employees with guidance and an understanding of the contribution they can make to achieving the targets. Because of the far-reaching relevance of the new Mission & Vision and the corresponding corporate values – "Collaboration", "Learning", "Proactivity" and "Responsibility" – this topic is a common theme throughout this report and was also the focus of the most recent Stakeholder Council.

With regard to our future orientation, we will need to make the corresponding investments in digitization while retaining our cost discipline in order to remain competitive. As a central element of RBI AG's transformation into an adaptive bank, 2019 saw the launch of the TOM (Target Operating Model) project, which is geared toward the pillars of transparency, simplicity and efficiency, as well as cost optimization.

This report has been prepared in accordance with the international reporting standard "GRI Standards" issued by the Global Reporting Initiative. It constitutes RBI's "non-financial report" pursuant to the Austrian Sustainability and Diversity Improvement Act and has been audited by KPMG and the Supervisory Board.

We have been a member of the United Nations Global Compact, the world's largest network for corporate responsibility and sustainability, for ten years now. Along with the numerous projects and measures described in the report, this shows that sustainability plays an important role in our business activities. This is also underlined by the fact that RBI has an environmental and social management system in place at seven network banks and a corresponding environmental and social policy that defines the principles of environmental and social risk management at the respective banks. These are predominantly based on the standards of the International Finance Corporation and/or the Multilateral Investment Guarantee Agency.

As we are in no doubt as to the strategic relevance of this topic, we have been intensively addressing the developments in the EU with regard to sustainable finance for some time now, including the Green Deal published by the European Commission. This is also demonstrated by the second benchmark issue of a green bond by an Austrian bank, which RBI successfully completed in September 2019. The bond has a volume of € 750 million and a term of seven years. With an order volume of € 1.8 billion, it was significantly oversubscribed. It means we can serve the continuous growth in demand for green investment opportunities, expand our investor base, and finance sustainable projects in our home market of Austria and in CEE.

For the first time, RBI's "economic footprint" was calculated for CEE and Austria in conjunction with the economic research institute Economica. The aim was to identify the value-added and employment contributions in all of the countries in which RBI is active. The calculation of RBI's economic impact took into account not only the direct economic contributions resulting from its operating activities, but also the indirect effects throughout the upstream value-added network. The findings of this study underlined the importance of RBI as a key player on the European banking market, particularly in Central, Southeastern and Eastern Europe. The specific results can be found from page 48 onward.

© Martin Hörmandinger

Among other things, we see the following rating results and awards as confirmation of our many years of commitment to sustainability: In June 2019, RBI was again awarded Prime status and an assessment level of "C+" in the ISS ESG sustainability rating. RBI was also listed in the FTSE4Good Index Series again and was given a first-class grade of "A-" by CDP, a non-profit organization that surveys and evaluates the CO_2 emissions of listed companies annually on behalf of investors in over 90 countries. Only 925 of more than 8,400 companies around the world secured a place on the CDP Leadership List (A and A-) in 2019. RBI is one of the five best companies in Austria to be included in this ranking, including because of its climate targets referring to the UN Climate Change Conference in Paris (COP 21) and its annual CO_2 reductions. RBI is also the best domestic financial sector company for the fifth year in a row. The annual Austrian Sustainability Reporting Awards were presented by the Chamber of Chartered Accountants in November 2019. RBI's Sustainability Report 2018 took first place in the "Large Companies" category.

The "Diversity 2020" initiative, which aims to optimally promote and take advantage of diversity at RBI in Austria through professional diversity management, continued successfully in the past year. The content of the measures focused on the empowerment of women with the aim of increasing the proportion of women in senior management roles, the inclusion of people with disabilities, and LGBTI topics.

In our role as an "engaged corporate citizen", we actively champion sustainable development in society and always focus on the local needs of people in our markets. We are striving to help solve the problems faced by society, promoting culture, and implementing measures to protect the environment. In total, RBI invested around € 2.3 million in the community in 2019. Overall, 1,080 projects were supported in the communities in which we operate.

Sustainability and climate protection are not only global mega-trends, but some of the biggest challenges of our time. We therefore take potential sustainability risks into account in our governance, strategy, and risk management. As an international banking group, we believe our commitment to sustainability also includes a responsibility to contribute to the global "Sustainable Development Goals" in order to support the United Nations' "Agenda 2030".

On behalf of the Management Board, I would like to thank all of our employees for their commitment to our sustainable approach. Our aim is to act in a socially responsible manner in order to contribute to the long-term well-being of people and companies in our markets.

I would like to invite you to continue this dialog with us.

On behalf of the Management Board

Johann Strobl
Chief Executive Officer
Raiffeisen Bank International AG

Information on the Sustainability Report (Non-financial report pursuant to sections 267a and 243b of the Austrian Commercial Code)

Image author: Horst Pozdena (R-IT)

Overview

About the Report

In this Sustainability Report, we describe the economic, environmental, and social impact of our business activities in 2019 and present our current activities in the area of sustainability. The aim of the Report is to give a comprehensive account of how Raiffeisen Bank International (RBI) has fulfilled its sustainability mission during the reporting period and how it plans to implement and improve its sustainability performance in the future. In addition, some portions of the Sustainability Report are published only on our website. This applies in particular to detailed tables relating to the chapter "Inhouse ecology" (for the areas of paper, water and waste). Similarly, our sustainability guiding principles are included in this report as excerpts only. The full version can be found on our website at www.rbinternational.com/sustainabilitymanagement.

This Report represents RBI's "non-financial report" (pursuant to sections 267a and 243b of the Austrian Commercial Code) in accordance with the Austrian Sustainability and Diversity Improvement Act ("Nachhaltigkeits- und Diversitätsverbesserungsgesetz"). It includes matters related to the environment, and social and employee matters, the matter of human rights and the fight against corruption and bribery. The Report is not structured according to these specific matters. Instead, the corresponding information is actually included in the relevant chapters.

The Report lays out the impacts, risks and opportunities of our business activity/business relationships, the sustainability strategy together with corresponding management approaches (concepts) and measures and it describes specific sustainability activities carried out during and prior to the reporting period. In addition, we present our sustainability program for the next reporting period. The current reporting period follows on seamlessly from the RBI Sustainability Report for 2018, and the Report is published annually.

As shown in our stakeholder universe (see page 32), the Sustainability Report is addressed to all stakeholders of RBI. Many stakeholders were involved in selecting the most important topics for this Report. We particularly refer readers to the "Materiality Analysis" chapter (starting on page 26 onwards) and the "Stakeholder Inclusion" chapter (starting on page 32 onwards).

Group Sustainability Management at RBI is your point of contact concerning this Report. Comments, ideas and suggestions for improvements can be sent to sustainabilitymanagement@rbinternational.com.

GRI Standards

This Report was produced in accordance with the internationally recognized GRI Standards for sustainability reporting of the Global Reporting Initiative, involving sustainability reporting with the "core" option. In addition, selected indicators relating to the information related to the financial services sector are included.

Verification of the report's contents

The contents of this Sustainability Report have been audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (KPMG) (see pages 163–164).

This Report has been examined by the Supervisory Board pursuant to section 96 (1) of the Stock Corporation Act.

Materiality, impacts, risks, opportunities, and determination of the Report contents

In the Report, we address the subjects that have been identified within RBI as material, that reflect the expectations of our stakeholders, and that represented the focus of our commitment in the past year.

This Report contains information – including non-financial performance indicators – describing the specific impact of RBI on the economy, society and the environment. The contents of the Report were selected using the principle of materiality. A materiality analysis provides the basis for selecting the relevant topics. The internal and external sustainability requirements and expectations of RBI and RBI's impact on the economy, the environment and society have been analyzed in detail and summarized in a materiality matrix.

The materiality analysis is based on an online survey carried out in 2018 (see page 28 onward). It is intended to ensure that the contents of the Report cover all topics and indicators that have the greatest impact on business activities, products and services. This includes both the impacts that RBI has, which occurs inside the organization, as well as impacts to which RBI contributes, i.e. that have arisen based on business relationships with other entities. The risks and opportunities that are relevant to RBI in connection with the aforementioned matters or for which there are risks or opportunities for RBI on account of its business activities or its business relationships are also presented.

In order to assess the materiality of the various topics and determine the contents of the Report, RBI considered the following matters:

- Relevance to strategy and management
- Results from stakeholder dialogs, focus groups and online surveys, which we have combined in the materiality matrix
- Disclosure requirements on financial analysts, sustainability rating agencies, institutional investors, etc.
- The principles of the UN Global Compact and the Sustainable Development Goals

Report scope and data collection

The report includes Raiffeisen Bank International AG (RBI AG) and 13 network banks in Central and Eastern Europe. The core business of Raiffeisen Bank Polska S.A. was sold by way of a spin-off effective October 31, 2018. In all of the tables relating to the income statement for 2018, the figures for Raiffeisen Bank Polska S.A. are included until October 31, 2018. The environmental figures have been extrapolated on the basis of historical data. The company is no longer included in the measures listed in the report. The key participations of RBI AG in Austria are also included in the report. These are Raiffeisen Bausparkasse Gesellschaft m.b.H., Raiffeisen Kapitalanlage Gesellschaft m.b.H. Raiffeisen-Leasing GmbH, Valida Gruppe, Kathrein Privatbank AG, and Raiffeisen Centrobank AG.

Raiffeisen Bank International (RBI) is used to designate the RBI Group in this Report. On the other hand, the term RBI AG is used to designate Raiffeisenbank International AG. More information on the structure of RBI as a whole can be found on page 10.

The structure of the chapters and summaries of figures in this Report correspond with the segments of RBI's Annual Report. RBI is divided into Austria (AT), Central Europe (CE), Southeast Europe (SEE), and Eastern Europe (EE). RBI AG is presented separately.

Due to rounding, the tables may add up to greater or less than 100 percent and the totals may not always correspond to the individual items.

Economy

The information on economic circumstances contained in this Sustainability Report is based primarily on the information from RBI's 2019 Annual Report. The information and data contained therein was examined by external auditors, and some of that information and data was used for this report. Further information can be found in the 2019 Annual Report.

Ecology

As in the previous year, quantitative data relating to in-house ecology was collected using the "mona" software. Additional data published in the report was gathered by means of standardized questionnaires and discussions with individuals. Since the 2019 financial year, the environmental figures have included the data for the head offices as well as the branches of the network banks, thus covering over 90 percent of all employees. The data for the branches has been calculated retroactively in order to improve comparability with the prior-year figures and the base year. This calculation was based on the Scope 1-3 changes in the respective regions and the employee changes in the respective countries. The base year 2011 was also recalculated to reflect the new report scope.

The key figures of the network banks have been summarized by region and are published on our website (www.rbinternational.com). Data acquisition of the corporate environmental protection indicators is time-delayed on account of early reporting requirements (as a result of the Austrian Sustainability and Diversity Improvement Act and with the exception of the base year 2011, which corresponds to the calendar year). Full-year values are published. The figures for the fourth quarter of the previous year are added to the figures for the first three quarters of the current year. The areas of paper, water and waste are not covered in detail in this Report; instead they are published on the website (www.rbinternational.com/sustainabilitymanagement).

Employees

Employee data is gathered Group-wide using the "Tagetik" software. The data is then imported into the "mona" software via an interface. Additional data published in the report was gathered by means of standardized questionnaires and discussions with individuals.

Comparability of the information

The 2019 Report is fully comparable with the 2018 Report in terms of content.

The tables cover a period of three years for RBI. The in-house ecology figures include 2011 as reference year in addition. This is the reference year for the objectives set in the environmental area and is therefore more relevant. Further details regarding the areas of paper, water and waste from the "Inhouse ecology" chapter are available on our website at www.rbinternational.com/sustainabilitymanagement.

Wording

Where possible, terms are used that are not gender-specific in order 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.

Interesting facts about RBI

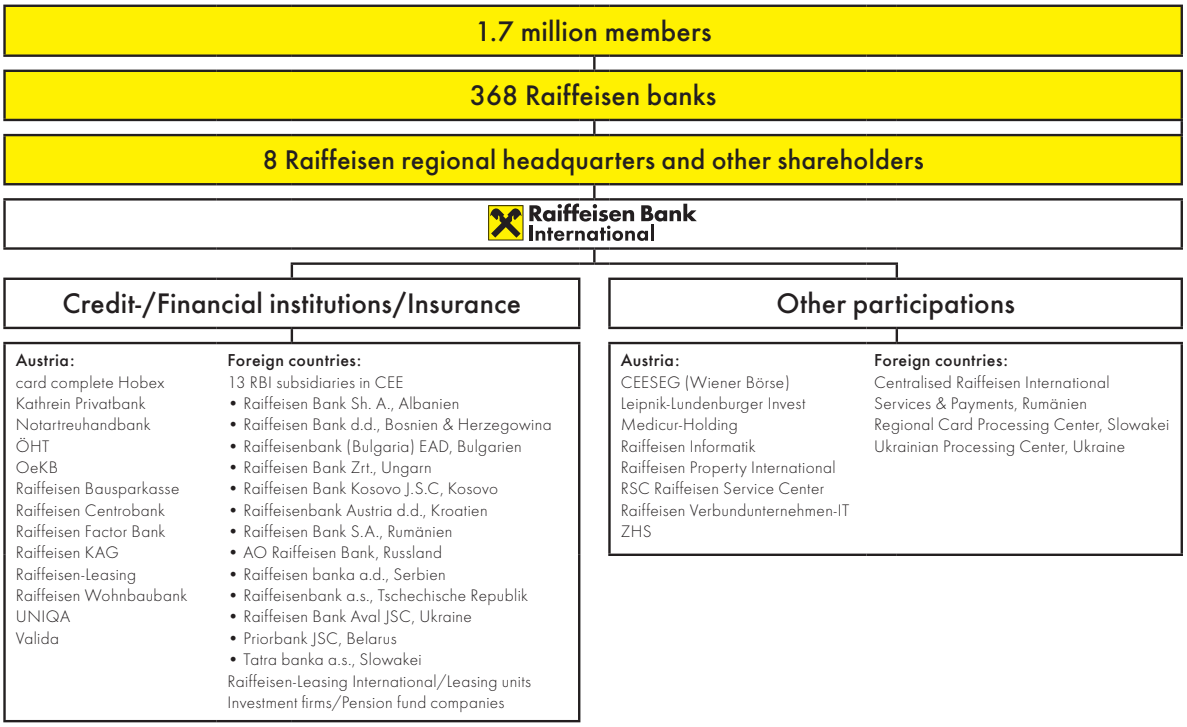
Ownership relationships and structure

The Raiffeisen Banking Group in Austria (RBG) is the largest banking group in the country and has the densest network of bank branches in Austria. There are three levels to the RBG: it is made up of 368 independent and locally active Raiffeisen banks (level one), the eight Raiffeisen "regional banks", which are also independent (level two) and RBI AG (level three).

The 368 Raiffeisen banks and their branches, together with the regional Raiffeisen banks and specialist companies, form an extensive and wide-ranging banking network. The Raiffeisen banks are universal banks offering a full range of banking services, and at the same time are owners of their respective regional banks.

The Raiffeisen regional banks (Raiffeisen Landesbanken or Raiffeisenverband) are responsible for balancing liquidity and provide other central services for the Raiffeisen banks within their area of operation. In turn, the Raiffeisen regional banks are connected to RBI AG as the central institute of the RBG.

Structure of the Raiffeisen Banking Group



About RBI

RBI regards both Austria, where it is a leading corporate and investment bank, as well as Central and Eastern Europe (CEE) as its home market. 13 markets in the region are covered by subsidiary banks. In addition, the group comprises numerous other financial service providers in areas such as leasing, asset management as well as M&A.

All in all, nearly 47.000 RBI employees manage 16.7 million customers at more than 2,000 business outlets, most of them in CEE. RBI AG shares have been listed on the Vienna Stock Exchange since 2005.

RBI's total assets as of the end of 2019 amounted to € 152 billion. The Raiffeisen regional headquarters hold around 58.8 percent of the shares in RBI AG, while the remaining quantity of around 41.2 percent is in free float.

Visual implementation of the Report

Ulf Wallmann, RBI

Martin von Malottke, Valida

Horst Pozdena, R-IT

Stefan Ißmer, RBI

Christian Demetrescu, RSG

For the first time, the 2011/2012 Sustainability Report ushered in the concept of giving our report layout a socially relevant character. Over the years, this has given artists and amateurs an opportunity to present their works as part of the report layout. A wide range of different images and photographs have since graced the cover and the chapter pages of our reports.

We were so impressed by the creativity and commitment of the colleagues who helped us with the visual implementation of last year's Sustainability Report that we again asked the photography club of the Raiffeisen companies in Vienna to provide us with appealing photographs. The club has existed in its current form since spring 2017 and has now grown to almost 150 members. The club was formed by RBI employee Ulf Wallmann to promote an unofficial dialog and exchange on the subject of photography between employees of RBI, Landesbank NÖ-Wien, and their subsidiaries.

All Raiffeisen employees in Vienna are invited to join the club activities (socializing and talking shop, photography walks, photography competitions, photography workshops), which are intended for experts and photo-enthusiastic beginners alike.

Their latest task was to visually interpret the underlying corporate values that were redefined as part of the Mission & Vision 2025. Five employees took up the challenge – and the result was an impressive number of photographs. The final contributions were selected from a total of 50 photographs. Irrespective of the style of photography, the working group focused on people and diversity with a view to illustrating the values of "Collaboration", "Learning", "Proactivity" and "Responsibility".

We would like to thank the photography team for their hard work: Ulf Wallmann (RBI), Martin von Malottke (Valida), Horst Pozdena (R-IT), Stefan Ißmer (RBI), Christian Demetrescu (Raiffeisen Software).

We would also like to thank the amateur models who posed for the photographs free of charge: Lisa Bauer, Christian Demetrescu (Raiffeisen Software), Sebastian Dorn (Fair Partner – Employees and Engaged Citizen chapter pages), Mihaela Iovu (RBI), Michael Krompass (RLB), Nadine Prohazka (Fair Partner – Employees and Engaged Citizen chapter pages), Sara Prohazka (Responsible Banker, Fair Partner – Employees and Engaged Citizen chapter pages), Daniel Schuh (Fair Partner – Employees and Engaged Citizen chapter pages), and Bernhard Senn (RBI).

Sustainability strategy, Impacts, Risks and Opportunities Governance and Compliance, Materiality, Sustainable Development Goals, Stakeholder engagement, Ratings and Awards

Image author: Horst Pozdena (R-IT)

Sustainability management and corporate responsibility

Sustainability concept and strategy

Our understanding of sustainability

Sustainability has always been a fundamental principle for RBI and a measure of corporate success. For over 130 years, Raiffeisen has combined financial success with socially responsible action.

- We understand sustainability to mean responsible corporate activities for a long-term, economically positive result in consideration of key societal and environmental aspects.
- We will continue to combine financial success with social responsibility by anchoring sustainability as a fixed component of our business and by practicing sustainability as an integral leadership and management responsibility, in addition to taking key sustainability aspects into consideration in our business activities.
- We therefore commit to aligning our management structures and processes with this attitude. In the three sustainability areas of responsibility, "Responsible banker", "Fair partner", and "Engaged citizen", which are closely linked to our business activities, we endeavor to optimally apply our values and competences to fostering sustainable development both in our companies and in society.

In our Sustainability Guiding Principles "We create sustainable value", we have formulated how we pursue sustainability strategically and how we wish to live up to this ambition within our business activities. Our Sustainability Guiding Principles serve as a guide for all transactions, activities and services offered by RBI or on its behalf. (Sustainability Guiding Principles, see www.rbinternational.com/sustainabilitymanagement)

Our declared objective is to concentrate on those areas with significant potential for making a difference. This requires us to continuously improve the sustainability impact of our business activities and develop ways to measure and verify this impact. In doing so, we hope to increase the long-term value of our group while also actively contributing to the sustainable development of our society. In this context, we have calculated RBI's economic footprint in CEE including Austria for the first time for 2018 (see page 48 onwards).

The historical values of RBI

In the 19th century, Friedrich Wilhelm Raiffeisen simplified the idea of a cooperative down to one basic principle: In unity lies strength. RBI is part of a cooperative organization. This can be seen in the key strategies and decisions.

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

Mission & Vision 2025

Prompted by the rapid and fundamental changes affecting the banking sector, the Management Board of RBI decided to redefine the future direction of the company together with the CEOs of the network banks.

Looking at the period to 2025, key market trends were discussed, potential future areas for action were identified, the skills, strengths and weaknesses of RBI were reassessed, specific targets for 2025 were defined, and a target attainment plan was drawn up.

A range of strategic discussions led to the definition of RBI's new Mission & Vision 2025, which the Management Board and all of the network banks have unanimously pledged to uphold. The core of the new Vision 2025 and Mission is the aspiration to be the "most recommended financial service group" by 2025. This will be achieved through transforming continuous innovation into superior customer experience.

Four RBI group Values – the pillars of RBI's culture – were defined at the same time. Collaboration, Proactivity, Learning, and Responsibility are the fundamental principles and convictions that will be central to RBI's future success.

The "RBI Transformation Map" was also developed. This defines the focal areas that are material for RBI and its future strategic resource allocation.

The "Strategic Roadmap" was developed in order to put RBI's strategy into action. It breaks down the Transformation Map into transparent action plans that can be followed at all times. The "Strategic Roadmap" is intended to function as a standardized implementation instrument for RBI and the individual network banks, as well as an orientation tool for all employees.

The "Strategic Roadmap 2020-2021" was completed at both RBI Group and network bank level in late 2019. Practical implementation began in January 2020.

Vision 2025:
We are the most recommended financial service group.

Mission:
We transform continuous innovation into superior customer experience

- Customers: We constantly strive to improve customer experience and enable our clients to achieve more in their lives and businesses.
- Employees: We value expertise and create a working environment which promotes collaboration, creativity, and entrepreneurial spirit.
- Shareholders: We aim to generate solid and sustainable shareholder value.
- General public: We act in a socially responsible manner, fostering the long-term welfare of people and businesses in our markets.

RBI's new values:

- Collaboration – We work together
- Learning – We are eager to learn
- Proactivity – We act proactively
- Responsibility – We act responsibly

More details on how RBI's new mission can be optimally filled with life from a sustainability perspective can be found in all of the following chapters (see pages 53, 87–88, 117–118, 134).

Our values and principles implemented in established rules

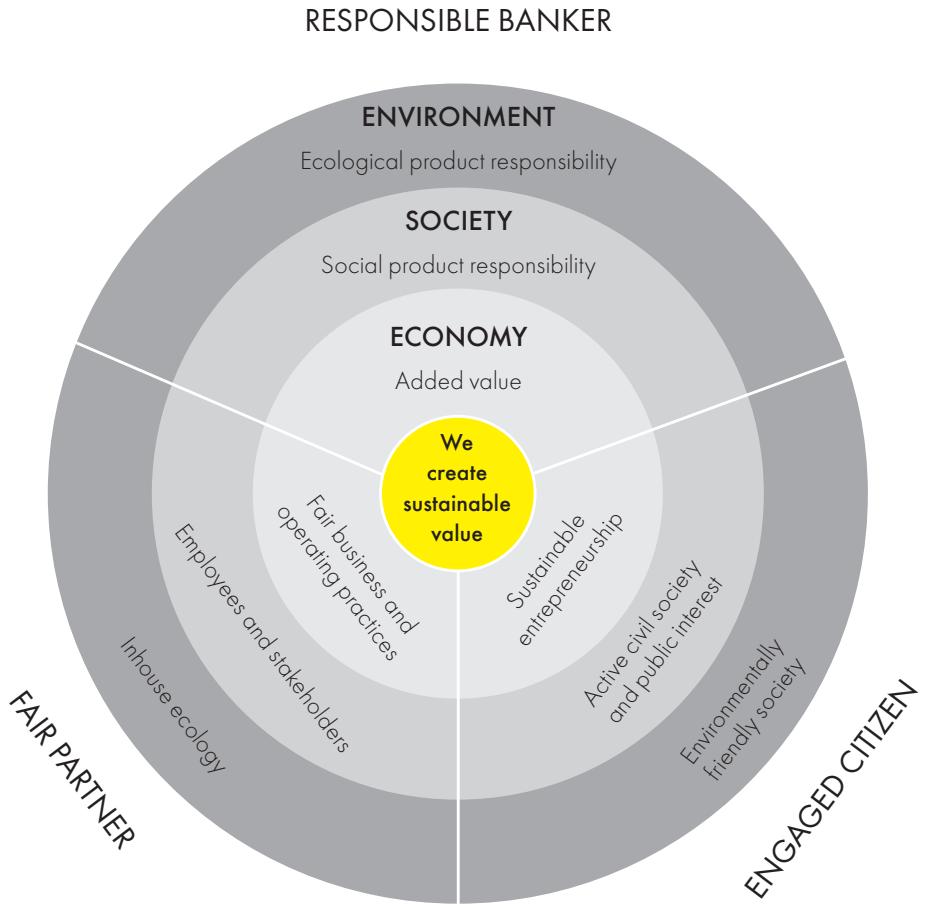
RBI is one of the signatory companies of the UN Global Compact (UNGC) and is therefore committed to consistently complying with the ten UNGC principles of responsible business. The UNGC is the world's largest CSR and sustainable development initiative. Its principles include the core areas of human rights, labor standards, environmental protection and combating corruption. The globally responsible approach associated with this is expected of all employees and managers as well as partners and suppliers of RBI. Further information is available at www.unglobalcompact.org.

The ten principles of the UN Global Compact	
Human rights	
Principle 1	We support and respect the protection of international human rights within our sphere of influence.
Principle 2	We make sure that we are not complicit in human rights abuses.
Labor	
Principle 3	We uphold the freedom of association and the effective recognition of the right to negotiations about the Collective Bargaining Agreement.
Principle 4	We support the elimination of all forms of forced and compulsory labor.
Principle 5	We support the abolition of child labor.
Principle 6	We support the elimination of discrimination in employment and occupation.
Environmental protection	
Principle 7	We support a precautionary approach to environmental challenges.
Principle 8	We undertake initiatives to promote greater environmental responsibility.
Principle 9	We encourage the development and diffusion of environmentally friendly technologies.
Anti-corruption	
Principle 10	We work against corruption in all its forms, including extortion and bribery.

The Code of Conduct (CoC) for dealing with customers, business partners and employees, which is applicable Group-wide, is a binding regulatory framework for all employees and, accordingly, is available on the RBI websites in the respective national language. It is based on the fundamental Raiffeisen values and is oriented towards the specific requirements of everyday business at home and abroad. More information can be found in the chapter on "Governance and Compliance" starting on page 21, as well as atwww.rbinternational.com.

Our diversity vision and mission and the guidelines for day-to-day implementation set out the principles for realizing diversity at RBI (see page 97). Our value "Collaboration" also states that RBI encourages diversity and creates an environment that is characterized by mutual understanding, respect, and trust.

Our sustainability strategy



Our approach as designers of a sustainable company and society

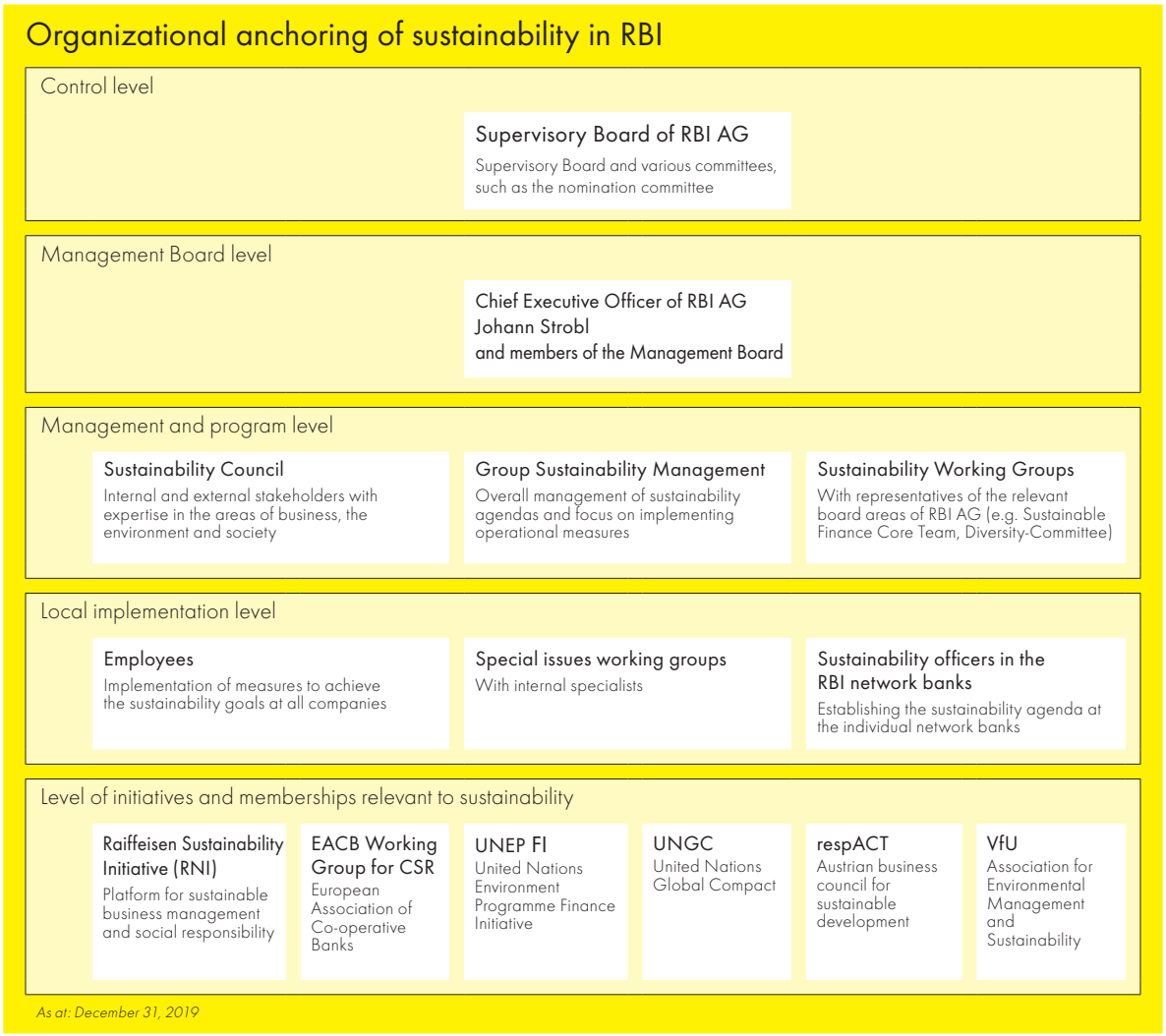
In order to improve the effectiveness and scope of our sustainability management across the whole of RBI, we published the Group-wide sustainability strategy "We create sustainable value" in 2013. This strategy consists of nine core action areas within which we focus our Group-wide sustainability management. In order to systematically address these core areas, which are also important to our stakeholders, we continuously seek to improve our sustainability strategy. In identifying the core action areas, we rely on our group perspective as well as the perspectives of our stakeholders, who include our employees, customers, shareholders and suppliers, as well as non-governmental organizations and a number of other stakeholder groups. We carry out a multi-stage materiality analysis on a regular basis in order to prioritize these fields of activity. For this reason, as well as for the purpose of making any adjustments to our sustainability strategy, we place great value on maintaining a dialog with our stakeholders.

Central core areas of our sustainability strategy

RBI sustainability matrix	Economy	Society	Environment
Responsible banker	**Value creation**	**Social product responsibility**	**Ecological product responsibility**
	Successful business through responsible management and business strategies, sustainable economic responsibility in the real and regional economy and integration of sustainability aspects into the core business	Social responsibility for our products and services by taking consumer concerns 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 recognized, international conventions as well as taking into account the environmental impact in project finance plans and financial products
Fair partner	**Fair business and operating practices**	**Employees and stakeholders**	**Inhouse ecology**
	Fairness and transparency towards employees, customers and shareholders through exemplary behavior in areas of influence; as an attractive employer, through transparent reporting as well as the avoidance of corruption and fraud	Continual inclusion of stakeholders as part of sustainable company development by strengthening cooperation management in order to reduce business risks and make use of business opportunities	A responsible approach to resources and the environment by reducing our environmental impact and implementing selected measures in order to achieve the defined Group-wide climate targets
Engaged citizen	**Sustainable entrepreneurship**	**Active civil society**	**Environmentally friendly society**
	Commitment to sustainable entrepreneurship and enterprise and the creation of wealth by helping to establish a framework for sustainable finance as well as direct and indirect support for organizations and socially relevant initiatives	Commitment to a sustainable civil society and responsible political cooperation by promoting public interest and knowledge of financial topics and voluntary work	Working for the environment and the climate through climate protection, protection of species diversity and conservation of the various ecosystem functions and services

Sustainable corporate management

The anchoring of sustainability within the organizational structure looked as follows as of December 31, 2019:



The Group-wide management of the sustainability agendas and coordination of operational implementation is the responsibility of Group Sustainability Management. This department is supported by representatives of specialized units and business areas as well as the Sustainability Officers at the network banks. The later act as an interface between the Group Sustainability Management department of the head office in Vienna and the relevant departments in the network banks.

The Sustainability Council has been firmly established as a core organizational component of sustainability management. The task of this council is to advise on the development of sustainability agendas and to evaluate their performance. It assists in defining important action areas and focal points (materiality approach), identifies targets and measures, and makes recommendations on the development and implementation of the annual sustainability program.

As at 31 December 2019, the following internal and external persons were members of the Sustainability Council:

- Johann Strobl, CEO of RBI AG (Chair)
- Dieter Aigner, Managing Director of Raiffeisen Kapitalanlage GmbH
- Rudolf Bretschneider, consultant at GfK Austria GmbH
- Ralf Cymanek, member of the Management Board of Raiffeisen Bank Zrt. in Hungary
- Eva Eberhartinger, Head of the Tax Management Group at the Institute of Accounting & Auditing, Vienna University of Economics and Business Administration
- Martin Essl, founder of the Essl Foundation
- Franz Fischler, Chair of the Raiffeisen Sustainability Initiative and President of the European Forum Alpbach
- Christian Friesl, Head of Social Policy in the Federation of Austrian Industry
- Gregor Höpler, Head of the Group Executive Office of RBI AG
- Hannes Mösenbacher, CRO of RBI AG
- Andreas Pangl, General Secretary of the Austrian Raiffeisen Association
- Georg Schöppl, Member of the Management Board of Österreichische Bundesforste AG
- Andrea Sihn-Weber, Head of RBI Group Sustainability Management and Managing Director of the Raiffeisen Sustainability Initiative
- Michaela Stefan, former Press Officer of Raiffeisenlandesbank Niederösterreich-Wien
- Alfred Strigl, Managing Director of plenum gesellschaft für ganzheitlich nachhaltige entwicklung gmbh

The ten principles of the UN Global Compact, which we joined in 2010, represent fundamental guidelines for our business activities. Our internal rules and regulations, such as our Code of Conduct (CoC), build upon this international reference framework as well as other international principles. The CoC and other guidelines are particularly important when it comes to helping our employees to make the right decisions in the course of their day-to-day work.

Since 2013, we have used a dedicated tool as the central instrument for controlling and monitoring material sustainability performance. Building on the Global Reporting Initiative (GRI) and based on scientific data. this innovative software, "mona", is used as an instrument for sustainability monitoring and reporting.

Impacts, risks and opportunities

As an internationally active banking group, we are faced with specific challenges in our efforts to realize our sustainability vision. These arise from the economic, social and environmental impacts of our business activities as well as from the external conditions within which we operate. We work within a global environment that is characterized by numerous economic, geopolitical and environmental risks.

The financial sector itself has for years been confronted with many challenges and risks. In order to remain profitable over the long term, these challenges call for a strong culture of risk management and sustainability. Compliance with appropriate due diligence processes is therefore of particular importance.

In 2017, we therefore intensively addressed RBI's impacts on the economy, environment and society, and the risks and opportunities associated therewith. This includes both the risks as well as opportunities for RBI and those of RBI for the economy, environment and society.

There is a separate sub-chapter in each of the chapters "Responsible banker", "Fair partner/Employees", "Fair partner/Corporate environmental protection", and "Engaged citizen". A summary of the impact – ranked by weighted relevance – can be found on the next page.

Material impacts

Topics	Material impacts	Nachhaltigkeitskontext
Sustainability of the products and services	• Allocation of capital (with regard to relevance for sustainability)	Interconnected aspects
	• CO_2 footprint of the credit business	Environment
	• Creation of deposit money • Stability of the financial sector • Enabling the economy "to work"	Economy
	• Producing prosperity	Interconnected aspects
	• Distribution effects (with regard to diversity dimensions)	Society
Secondary impacts	• Enabling innovation	Economy
Economic added value	• Creating added value for the stakeholders: Shareholders (dividends), RBI (profit accumulation), employees (market-compliant remuneration), suppliers and business partners, customers, public sector (taxes and duties) • Economic impacts as under "Sustainability of the products and services": Creation of deposit money, stability of the financial sector, safeguarding the functionality of the economy, producing prosperity, distribution effects	Economy
Work environment	• Employee satisfaction • A sense of meaning • Physical and mental health • Impact on diversity (especially gender equality) • Opportunities through increasing level of education	Society
	• Creating jobs • Compensation (in connection with "Economic added value")	Economy
Secondary impacts	• Security, stability and prosperity	Society
Organizational management	• External multiplier effect • Internal multiplier effect, spreading to the entire company (both vertically and horizontally) – employee survey • Controlling of monetary flows and activities • Effectiveness of instruments and processes	Interconnected aspects
Commitment to society and the environment	• Upholding positive social values (e.g. cooperative principle "helping others help themselves") • Reducing inequality and poverty • Strengthening civil society	Society
	• Strengthening of regional economic and social structures	Economy
	• Increased awareness of environmental issues	Environment
Secondary impacts	• Strengthening of financial education	Economy
Regulations and controlling	• Legally compliant behavior • Anchoring of legal compliance and codes of conduct among all employees (individual responsibility) • Awareness of society and customers (especially risks, know your customer) • Transparency and security for customers • Professionalization with customers	Interconnected aspects
Transparency and disclosure	• Pioneering role and setting an example • Promoting trust • Increasing complexity • Enabling decisions through clarity	Interconnected aspects
Inhouse ecology	• Setting an example • Health	Society
	• Keeping and/or making resources available • Climate change – CO_2 footprint • Maintaining biodiversity and ecosystems	Environment
Secondary impacts	• Opportunities to impact sustainable behavior	Society

Governance und Compliance

RBI 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 14) as does the Code of Conduct (CoC), which is applied across the group. Generating added value for the long term is our primary strategic objective.

Corporate Governance

Corporate governance (CG) refers to the framework of rules and practices for managing and monitoring a company and is determined by legislators and owners – in short, the principles of leading a company. The specific structure is the responsibility of the Management Board and the Supervisory Board.

Management and inspection within a company that is aware of responsibility, is qualified, transparent and focused on the long-term increase in value are the goals of good corporate governance. Trust-based, efficient co-operation between the various company bodies, protection of shareholder interests as well as open and transparent communication are central guidelines for us in the implementation of modern corporate governance. As a publicly listed company, RBI AG is committed to the principles of good and responsible company management as laid out in the Austrian Corporate Governance Codex (in the version of January 2015) and has pledged to comply with these principles. The compliance evaluation of the Corporate Governance Report according to § 243c of the Austrian Commercial Code (UGB) was carried out by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft for RBI AG. In their conclusive report, they noted no cause for objections. (The report is available to the public at www.rbinternational.com/Investor Relations/Corporate Governance/External Evaluation of the CG-Code.) For more information on the composition of the Management Board and the Supervisory Board, including its committees, please refer to the annual report of RBI.

Openness and transparency in communication with shareholders and interested members of the public is of great importance to RBI AG. Extensive information on the following is available on the internet and is regularly updated: Annual reports and interim reports, company presentations, telephone conferences via webcasts, ad-hoc communications, press releases, investor relations releases, share price information and data on shares, information for foreign investors, the financial calendar with a large time lead for important dates, information on security transactions by the Management Board and the Supervisory Board (directors' dealings), the articles of association of RBI AG, the Corporate Governance Report, estimates of analysts, an ordering service for written information as well as a sign-up option for automatic delivery of the "Investor Relations News" by email.

Code of Conduct

Our Code of Conduct forms the basis for our practices, dictating, among other things, the avoidance of fraud, corruption, bribery, market abuses, money laundering and financing of terrorism as well as the avoidance of any conflicts of interest, upholding financial sanctions and securities regulations as well as compliance with data protection standards and other sensitive issues (see "Compliance" starting on page 22). The CoC was revised in 2017 and approved and published by the RBI Management Board in 2018 following extensive consultation with various stakeholders taking into account the "ethical bank" concept. As a main component of our corporate responsibility, it consciously goes beyond formal and legally ordained conduct and describes how we deal with customers, business partners and employees. It ensures compliance with international standards, which are based on moral concepts, customer focus, professionalism, quality, mutual respect, initiative, teamwork and integrity.

The business model of RBI places people at its core. The Code of Conduct is a binding regulatory framework which is applicable Group-wide for all employees and can be found in the respective national language on all of the websites of RBI and the network banks. In addition, all persons acting for or providing services on behalf of RBI as well as all other business partners are expected to apply rules and standards that are identical or comparable to those set out in the Code. It is based on the fundamental Raiffeisen values and is oriented towards the specific requirements of everyday business at home and abroad. This includes observing laws including supporting the fight against money laundering and terrorism, implementing financial sanctions, prohibiting fraud, corruption and bribery, as well as respect for the fundamental rights of employees and environmental legislation.

The Management Board of RBI AG has the ultimate responsibility for the CoC; the Chair is also the highest authority on issues of sustainability. Operational responsibility for implementing the CoC in all global group units lies with the respective competent management bodies. The division head responsible for compliance is tasked with coordinating the activities in connection with the CoC. This person is also responsible for all issues relating to compliance with selected legal requirements. In addition, all members of management are responsible for ensuring compliance with the CoC in their own areas of responsibility.

Human rights violations may generate illicit profit, support slavery and human trafficking, promote the continuation of poor working conditions, and lead to other abuses. RBI strives to further improve the implemented controls concerning financed projects and corporate customers as well as concerning existing and potential suppliers. RBI also does not directly or indirectly finance any businesses, projects or parties in which human rights violations are discernible. Our employees have been instructed to take information on forced or child labor into account and, in case of doubt, to involve Compliance.

RBI 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, labor 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 (see also page 15).

Compliance

RBI places great value on compliance with relevant regulations. We do not tolerate any form of corruption, money laundering, financing of terrorism, fraud or market abuse and work actively against such activities. A prerequisite in our business and operational practices is the fair, ethical and legally compliant behavior of all members of our staff. Mechanisms for complying with laws as well as internal or external codes of conduct are established in all countries in which RBI operates through our CoC and clear, detailed regulations contained in the Compliance Manual. The compliance area has an important managing and checking function in our company, particularly in the context of the development of group standards and their implementation.

All new RBI employees must attend training courses on the topic of compliance. In particular, these cover aspects of preventing economic crime (in particular corruption and fraud prevention), market abuse and conflicts of interest as well as appropriate measures and rules concerning internal reporting obligations. Defined groups of employees must also attend refresher courses on a regular basis. In addition, there are numerous special training classes for management staff and those sectors where there are particular aspects of compliance involved. The terms of the CoC apply worldwide, for all employees. In 2019 45 percent of Board members, 54 percent of second level managers, 49 percent of other management staff, and 57 percent of employees without a management function were trained on the issue of preventing corruption across the group and also had to take an associated test. At RBI AG, the figure was 41 percent of second

level managers, 44 percent of third level managers, 18 percent of other management staff, and 54 percent of employees without a management function.

Measures and activities to prevent corruption are guided by the principles of the Austrian criminal code, the UK Bribery Act and the US Foreign Corrupt Practices Act, in the current applicable version. These include the obligation of the management staff of all units of RBI 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 avoiding fraud are communicated clearly and put into practice effectively. Monitoring and reviewing these procedures takes place on a regular basis. The group's internal Bribery and Anti-Corruption ("ABC") framework was revised in 2015 and is now even more strongly based on risk and prevention. To ensure the greatest possible level of plausibility with regard to invitations and gifts, relevant cost refunds have only been approved by Accounting since 2017 upon presentation of a compliance statement. In addition, not only customers but also suppliers and business partners are assessed in terms of integrity and reputation. The relevant data from these assessments is also published in the course of the MiFID II Inducement Register.

Our anti-bribery and corruption framework is based on the following principles: proportionate, process-based annual risk assessment and scenario analysis; commitment of the executive management; a rigorous disclosure regime for gifts, invitations, secondary employment, company participations and sponsoring; a continuous communication and training program including a candidate testing; monitoring and review of the company conduct (concentration risks, accounting checks to avoid reimbursements without Compliance approval).

All employees are obliged to report serious violations of the CoC, such as market abuse, fraud, theft, embezzlement, 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 hotline). All allegations will be investigated. The group reacted immediately to previously reported occurrences of corruption. Appropriate disciplinary action is carried out in accordance with group regulations, up to and including dismissal. We constantly analyze our rules and regulations in order to minimize the risks for the future as far as possible.

To combat money laundering and the financing of terrorism, RBI has appointed an independent anti-money laundering officer (reporting directly to the whole Management Board for organizational and disciplinary purposes) and two deputies and established extensive rules and processes that all employees and relevant group companies are required to observe. All employees are obliged to check the identity of the customer, identify the economic owner of the customer, question the purpose and nature of the business relationship, establish the origin of the funds and examine and record any connections with politically exposed persons (PEPs), particularly before establishing a long-term business relationship. Furthermore, all of the financial sanctions that are relevant for the RBI Group are continually reviewed. Employees are also obliged to take adequate risk-based measures for the continuous monitoring of the business relationship and to ensure that the business relationship is consistent with the knowledge about the customer, its business activities and its risk profile, including, where required, the origin of the respective funds. If it is not possible to fulfill one of these obligations for a customer, a business relationship may not be established with that customer and any existing business relationships must be terminated and, depending on the situation, the submission of a suspicious activity report on money laundering to the Federal Office of Criminal Investigation should be considered.

RBI is committed to rigorously combating tax evasion and tax avoidance. In case of doubt, it obtains the necessary declarations, confirmations from authorities, and tax records. Along with the heightened KYC due diligence obligations that are already in place, RBI has defined additional requirements for companies domiciled in offshore territories. In these cases, the nature and purpose of the business relationship with RBI and the source of funds of the respective companies are examined in greater detail. This involves a focus on the transparency of the business model, the legal and economic connections with operating onshore companies, and special verification mechanisms for payment transactions. The ownership structure of high-risk customers is also examined extremely precisely and must be confirmed by credible external documents.

RBI has taken extensive Group-wide precautions and implemented IT-based verification processes to ensure that all banking business and all transactions are consistent with EU sanctions and that applicable US sanctions are taken into account. RBI complies with the highest standards and comprehensively meets its obligations with regard to international financial sanctions and trade restrictions.

Discussions on the topic of better identification of all sectors exposed to economic crime 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 implemented with the support of local Compliance departments or the Financial Crime Management departments. These also play a key role in avoiding corruption and in anti-corruption checks as well as in business activities in sensitive areas. Financial contributions or contributions in kind to political parties, politicians or related institutions are given only in accordance with strict rules and with the approval of RBI AG Management Board. Clear regulations in this regard are enshrined in the Code of Conduct and are monitored by Compliance. Sponsoring, (financial) support and contributions are also given only to recognized private organizations with impeccable reputations.

RBI has a well-established internal control system that entails documented controls and requirements in internal governance documents to enable transparency in roles/responsibilities, periodic validation of the adequacy and efficiency of the controls in place for managing the underlying risks and periodic assessment of the controls by means of various forms of tests to measure its effectiveness. The reporting procedures in the form of directives for strategically important topics are a central element and the basis for an effective internal control system. These directives constitute our "company law". They include the assignment of approval authority for group and company directives as well as department- and division-specific directives, process descriptions for the creation, quality inspection, approval, publication, implementation and monitoring of directives as well as regulations for their revision and repeal.

The management of the respective group units is responsible for implementation of the directives. The "Confirmation of Compliance" process is carried out each year. As part of this process, 58 group units must confirm that they have followed the relevant policies. If this cannot be entirely confirmed for individual units, these units must create a roadmap of how the gaps will be closed. Monitoring compliance with these group regulations takes place within the framework of audits by the group and local audit departments.

The Austrian Supreme Administrative Court (VwGH) has revoked the administrative fine imposed on Raiffeisen Bank International AG (RBI) by the Austrian Financial Market Authority (FMA) in 2018. The decision on the next stage of the proceedings lies with the Austrian Federal Administrative Court (Bundesverwaltungsgericht). In any case, RBI will be reimbursed the entire fine in the amount of € 2.7 million.

A substantial fine of € 109,000 was imposed on one network bank due to non-compliance with laws and regulations in the social and economic area. This involved several individual complaints. RBI defines a threshold of € 100,000 for individual loss events above which direct measures must be taken by the responsible Operational Risk Manager from the respective business area. The indicator does not include any penalty interest due to tax backpayments or complaints. In addition, there were 15 warnings from the customer protection authorities and 30 dispute settlement procedures at one network bank, of which nine cases have already been resolved.

Lobbying

Lobbying is defined as the deployment of suitable people within the company or independent companies to influence public decision-making processes for the purpose of safeguarding or enforcing specific interests in respect of the public sector. We basically consider this to be advisable and legitimate in the process of democratic decision-making and in matters of the execution of state regulations.

This activity is subject to high standards of transparency, both for specialized lobbying companies and for companies that use their own employees – known as corporate lobbyists – for lobbying activities. All members of RBI are required to register lobbyists who are active for them in the national lobbying register. At RBI, lobbying work is carried out via RBI AG as well as the Fachverband der Raiffeisenbanken (Association of Raiffeisen Banks, part of the Austrian Economic Chambers [WKO]). Accordingly, RBI AG is registered in the Austrian lobbying register.

At EU level, RBI AG is registered in the transparency register of the European Commission and the European Parliament. This involves observing activities by EU institutions with regard to possible impacts on the Raiffeisen Banking Group (RBG), creation of networks and shared interest coalitions and specific research and preparation of information on EU initiatives and measures in the area of financial services that are of relevance to us (e.g. deposit insurance fees, corporate governance). Since being included in the register, RBI AG is bound to comply with the code of conduct of the institutions (European Commission/European Parliament). Our position statements concerning consultations of the European Commission can be found on the Commission website. At national level, our position enters into joint position statements by the Austrian Economic Chambers, banking and insurance section. (Membership of the Austrian Economic Chambers is mandatory.)

Corporate lobbyists of RBI also undertake to observe the following points in their contact with officials: They are committed to the truth, and any information that they provide must be – to the best of their knowledge – undistorted, complete, up to date and not misleading. They ensure that officials know who they actually are, that they work for RBI, and declare that they are entered in the lobbying register.

All lobbyists who work for RBI obtain information exclusively by fair means and make decisions in a fair way. They inform themselves about the restrictions on activities and rules on incompatibility that apply to office holders and comply with these restrictions and rules. They do not tempt office holders to infringe the applicable rules and standards of behavior and never exert unfair or inappropriate pressure on office holders. Clear rules are defined in our Compliance Manual as well as the "Code of Conduct according to Article 7 of the Lobbying Act". More information can be found on the RBI AG website at www.rbinternational.com → Investors → Corporate Governance → Code of Conduct pursuant to Art. 7 Austrian LobbyG.

The Management Board of RBI AG is solely authorized to approve contributions to political parties, election committees, party-affiliated organizations and political figures (politicians, candidates) for all of RBI, and such contributions are permitted only if the following conditions are fulfilled:

- The contribution does not violate any statutory regulations.
- The contribution is within the customary extent of the respective country.
- The contribution is not apt to have any improper impact.

Such payments must be handled transparently, involving RBI Group Compliance. The transparency provisions regarding party financing and lobbying that have been in place since January 1, 2013 must be complied with and are implemented in the Group Executive Office of RBI AG. In 2019, RBI again did not make any financial contributions in kind to any politicians or parties.

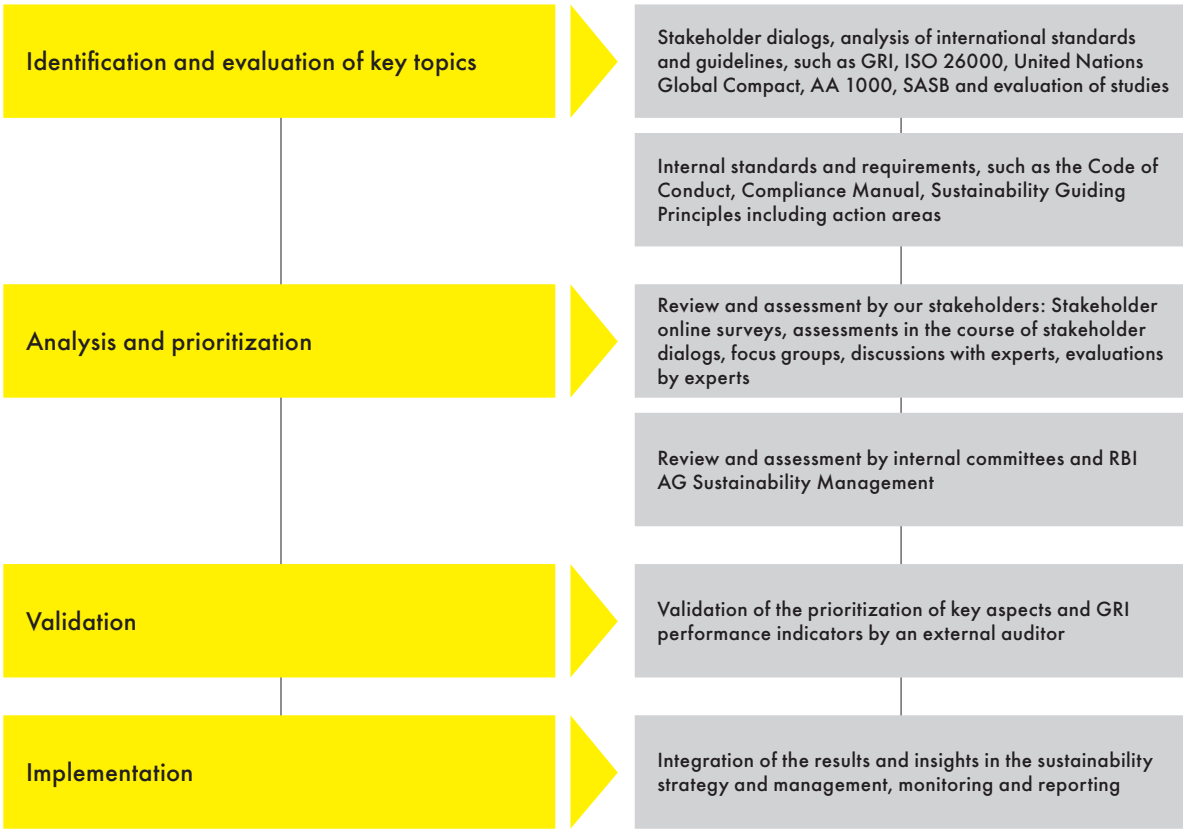
Material topics

We pursue two approaches in the further development of our sustainability strategy and the definition of reporting content and focal points: On the one hand, we want to know what standards we must meet in order to enjoy long-term success. On the other hand, it is important to us as an internationally active banking group to know what our stakeholders expect of us. Accordingly, we make use of a multi-stage materiality analysis that includes our stakeholders, in order to identify the areas of activity and key sustainability aspects.

Since the publication of the fourth generation of the Global Reporting Initiative (GRI G4) and the GRI Standards, the principle of materiality has been placed at the center of reporting. In this way, the GRI emphasizes even more strongly than before that sustainability reports should be focused on the material topicss of sustainability. The process of identifying and prioritizing the relevant topics and aspects must also be systematic and well documented.

Materiality analysis

Materiality analysis process



Identification of relevant topics

The selection of material topics takes into account internationally recognized criteria and sustainability standards, such as those created by the GRI, United Nations Global Compact, SASB Sustainability Accounting Standards Board and ISO 26000. In addition, we consider feedback about the Sustainability Reports and evaluate dialogs with individual stakeholders, such as within the framework of the annual Stakeholder Council and other communication forums, such as focus groups.

Direct feedback in the form of surveys and workshops as well as evaluations of discussions held with individual stakeholder groups, including customers, employees, rating agencies, non-governmental organizations and sustainability experts, as well as the defined focal points of the company strategy, also served as important sources for RBI and its Sustainability Officers in identifying key topics.

The process for identifying topics is based on the question of whether the given topics influence company activities now or in the future and whether RBI is in a position to influence them directly or indirectly.

Prioritization of the sustainability aspects and materiality analysis

The prioritization of identified topics with regard to their materiality is based on a multi-stage approach:

1. In order to be able to better evaluate and subsequently prioritize the material topics and areas of activity, the following tool was used to prepare and present topics in 2015: the topic map. .

   a. First, a list of the current material topics was drawn up by Group Sustainability Management. This is based on an internal analysis of past Stakeholder Councils, focus groups, sustainability reports, online surveys (online materiality survey 2013 and selective evaluations of the materiality of specific sustainability aspects), discussions with experts and the GRI.
   b. The list was checked and added to by an external sustainability expert. At the same time, additional requirements of recognized standards and guidelines (incl. the Global Reporting Initiative, ISO 26000, EU Directive on non-financial reporting, Sustainable Development Goals) as well as current corporate strategies were also incorporated.
   c. Next, the relations between the concepts were recorded. On the one hand, this involves hierarchical structures based on strategic clusters and concept levels (e.g. values, strategies, tools), and on the other, causal relationships and impact levels (e.g. input, output, outcome, impact).
   d. Finally, these data were evaluated with the aid of network analysis software, and a topic map was created.

The eight most material topics areas were identified from the topic map. These formed the basis for the stakeholder online materiality surveys carried out in 2016 and 2018.
- Work environment
- Inhouse ecology
- Commitment to society and the environment
- Sustainable products and services
- Economic added value
- Organizational management
- Regulations and controlling
- Transparency and disclosure

2. The current materiality matrix was created on the basis of the results of the 2018 online stakeholder materiality survey.

3. In the table "Material topics" (see page 31), we present how the topics we identified as material are related to the associated key GRI topics.

4. Validation of the material aspects, including GRI's compliance, was carried out by an external expert who has international experience as an auditor of sustainability reports produced by financial service providers. This expert examined the identified prioritization of topics and performance indicators.

5. A workshop was held in December 2017 with around 20 external and RBI-internal participants with the appropriate professional expertise and chaired by external experts, in order to arrive at expert-based weighting and determination of the impacts of RBI's business activities on the economy, environment and society. The impacts on the material topics were identified in two discussion groups. All workshop participants then anonymously assessed the material topics, and particularly the extent of the impacts thereof. The results were then ranked and subjected to critical review. In a follow-up meeting, the Group Sustainability Management Team, together with the external experts, determined and discussed further important impacts that have not yet been achieved.

Stakeholder online survey

In August and September 2018, around 2,200 stakeholders were invited to participate in an online survey on sustainability at RBI. A total of 810 stakeholders took part in the survey, corresponding to a return rate of 36.2 percent.

The stakeholders were asked to evaluate the topics identified by us (see point 1 on page 27). They were asked to assess the relevance of the topics to them, i.e. the extent to which they have a significant influence on their evaluations and decisions with regard to RBI.

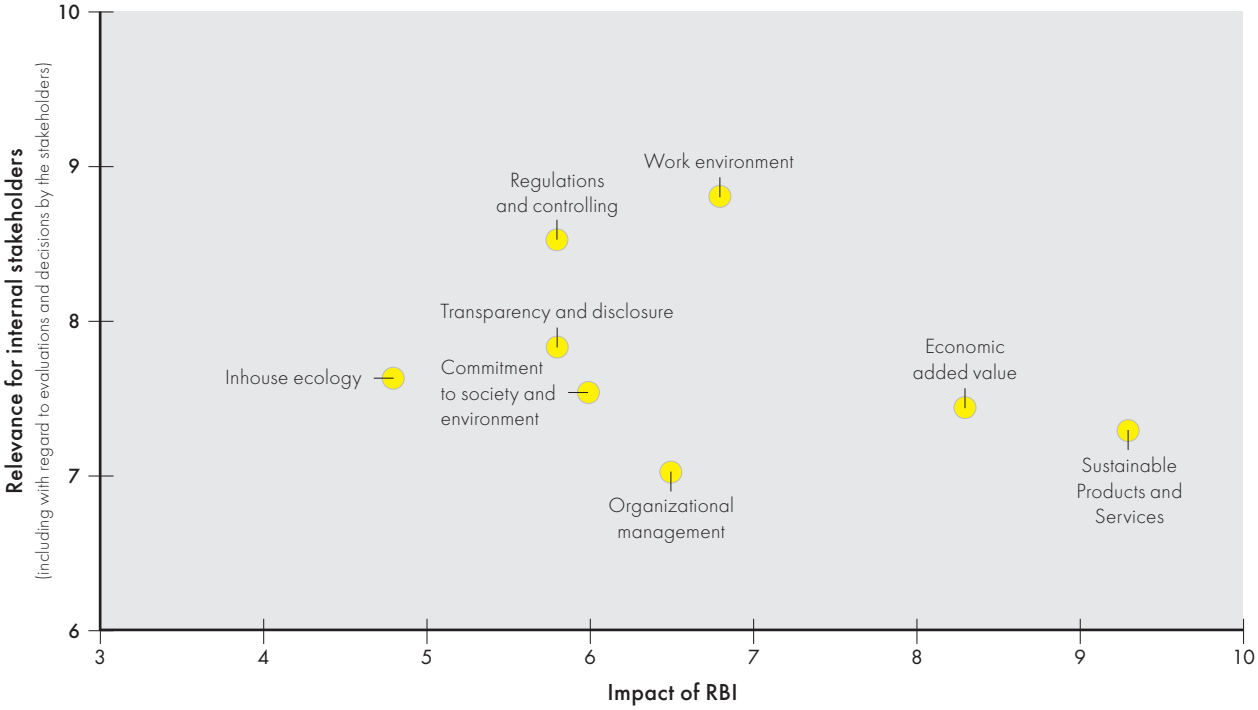
The survey recipients included employees from RBI AG, the Austrian subsidiaries and 13 network banks (Poland was not included on account of its imminent sale in fall 2018). As the owners, the Raiffeisen regional banks were also included as internal stakeholders. The following groups of external stakeholders were surveyed: customers, business partners, NGOs and NPOs, the capital markets (including investors and rating agencies), education and research, politics and administration, media and special interest groups.

We consider the survey to be representative in terms of evaluating and assessing materiality and deriving measures for the future.

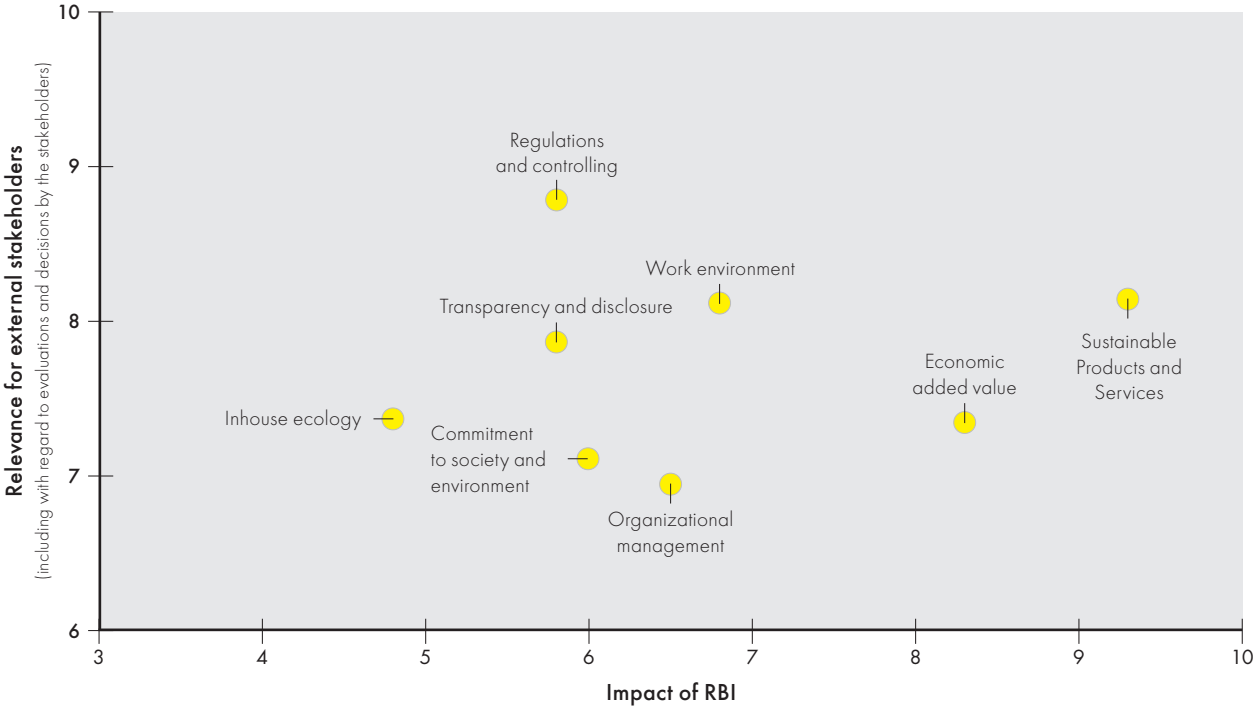
We deliberately prepared the adapted materiality matrix separately for internal and external stakeholders. We refrained from calculating an overall score, as each weighting involves the potential for distortion. The materiality matrices illustrate the significant economic, ecological and social impacts of RBI (x axis) and the evaluation of the topics by the internal and external stakeholders (y axis).

The results of the materiality survey show what our Sustainability Management needs to focus on in the future. Our sustainability program has been modified accordingly.

Materiality matrix – main topics (from the point of view of internal stakeholders)



Materiality matrix – main topics (from the point of view of external stakeholders)



Sustainable Development Goals

In order to help find solutions for global challenges, promote human welfare and protect the environment, the international community of states making up the UN adopted "Agenda 2030" in September 2015 in the interests of sustainable development. At its core are 17 goals for sustainable development – the Sustainable Development Goals (SDGs) and their 169 sub-goals. The SDGs encompass social and economic development as well as environmental sustainability. They also address aspects such as peace and security, justice and global partnerships, all of which are of great importance for sustainable development. The SDGs are globally applicable. In other words, all 193 UN member states, including Austria, are called upon to contribute to achieving the goals according to their means. Incentives should also be established to encourage non-state actors to increasingly make active contributions to sustainable development.

As an international banking group, we consider ourselves obliged to support these important international initiatives within the scope of our sustainability agenda. Our focus is on those SDGs that are most material and relevant to our business activities and that best complement our sustainability strategy.

To make this possible, we worked with an external consultant in 2017 to create a structured process to identify the SDGs that are most material to our business.

SDGs relevant for RBI

Of the ten SDGs identified as relevant to RBI, the eight mentioned below were considered particularly relevant – both for the group as a whole and for the core business. Priority will be given to these SDGs over the coming years. They directly expand upon the aspects and topics that have already been identified as material.

The topics and aspects addressed in this Report that have SDG relevance are specially indicated.

The eight most important SDGs for RBI are:

- SDG 1: To end all poverty in all its forms everywhere.
- SDG 4: Ensure inclusive and equitable quality education and promotr lifelong learning opportunities for all.
- SDG 5: Achieve gender equality and empower all women and girls.
- SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all.
- SDG 8: Promote sustained, inclusive and sustainable economic growth and productive full employment and decent work for all.
- SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
- SDG 13: Take urgent action to combat climate change and its impacts.
- SDG 16: Promote peaceful and inclusive societies in order to foster sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

The following table shows the relationship between the topics we have identified as material, the areas of responsibility (responsible banker, fair partner, engaged citizen), the GRI standards, the SDGs, and the concerns in line with the Austrian Sustainability and Diversity Improvement Act (NaDiVeG)*.

Material topics

Areas of responsibility	Material topics	GRI standards Material topics	"Top" Sustainable Development Goals	NaDiVeG* matters
Responsible banker	Responsibility to society and the environment	Human rights assessment	1, 4, 5, 8	
	Organizational management	Active ownership	8, 9	
		Marketing and labeling		
		Product portfolio		
	Economic added value	Economic performance	5, 8, 9, 13	
		Indirect economic impacts		
		Product portfolio		
	Sustainable products and services	Product portfolio	7, 8, 9, 13	
	Regulations and controlling	Audit	16	
		Compliance company		
		Fighting corruption		
		Protection of customer data		
		Marketing and labeling		
		Anti-competitive behavior		
	Transparency and disclosures	Public policy	8, 16	
Fair Partner	Work environment	Occupational health and safety	1, 4, 5, 8	
		Training and development		
		Employment		
		Non-discrimination		
		Freedom of association and right to collective agreement negotiations		
		Diversity and equal opportunity		
	Inhouse ecology	Waste water and waste	7, 8, 13	
		Emissions, Energy		
		Materials, Water		
	Organizational management	Product portfolio	8, 9, 16	
Engaged citizen	Commitment to society and the environment	Marketing and labeling	1, 4, 7, 8, 9, 13, 16	
		Product portfolio		
		Economic performance		

SDGs

1 No poverty
4 Quality education
5 Gender equality
7 Affordable and clean energy
8 Decent work and economic growth
9 Industry, innovation and infrastructure
13 Climate action
16 Peace, justice and strong institutions

NaDiVeG* matters

Respect for human rights
Employee matters
Combat corruption and bribery
Environmental matters
Social matters

* Austrian Sustainability and Diversity Improvment Improvement Act

Stakeholder inclusion

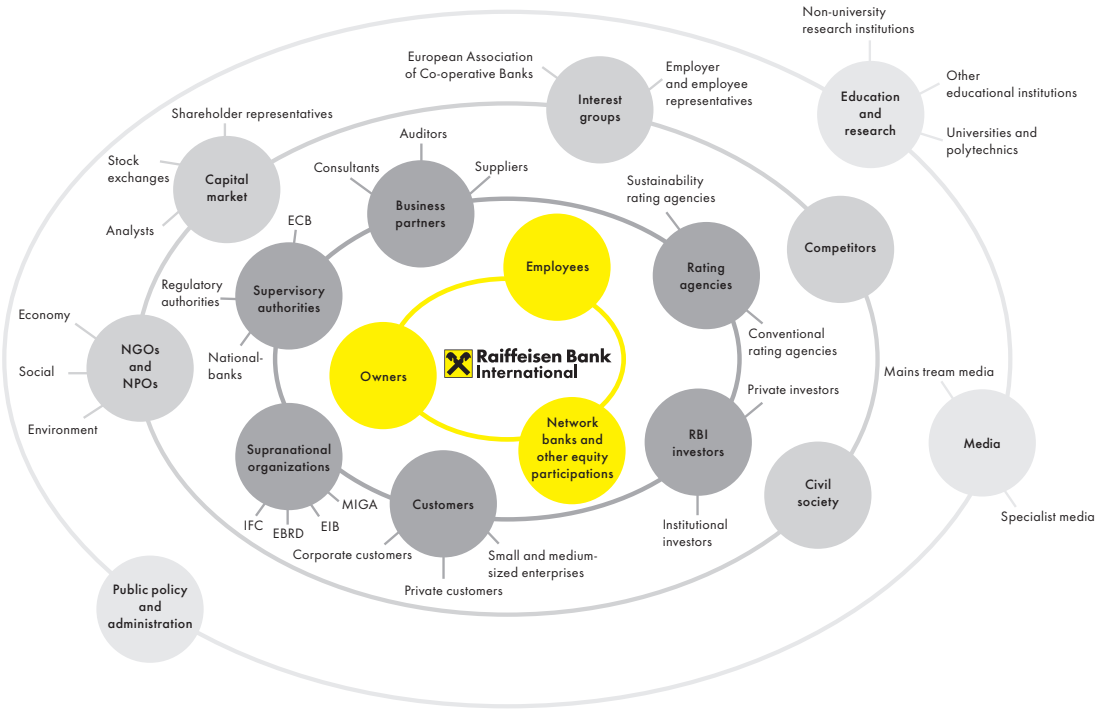
Our business activities affect the interests of many stakeholder groups and people in different countries. We also recognize that we are only able to run our company sustainably if we engage in frank and constructive dialog with our stakeholder groups and seek out and find common solutions, even on controversial topics. Involving our stakeholders is therefore one of the core action areas of the sustainability strategy and a central element of our sustainability management.

We identify and assess relevant and sensitive issues through regular dialog with stakeholders. In various forms of communication with our stakeholder groups, we evaluate the relevance of sustainability topics. In our sustainability committees, we consider the results of the stakeholder dialogs, including controversial themes, and based on what we have learned, we develop concrete objectives and measures for further development of our sustainability management.

Our stakeholders

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

Stakeholder universe of RBI



Our stakeholder approach as a fair partner

RBI is a fair business and dialog partner to all stakeholders. As a partner, we interact in an open and respectful manner with employees, customers, business partners, 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 – forms our central, overarching guiding principle.

We foster and promote constructive exchange with our stakeholders. We also endeavor to recognize the needs of our most important stakeholders, and to act within the scope of our powers.

RBI places great value on fair business and operational practices. This includes fairness and transparency towards employees, customers and shareholders. Just as important to us is exemplary conduct within our sphere of influence. In our internal regulations, we have clearly stated that in our pursuit of profit, there must be no violations of law or of the Code itself. We forgo business that can take place only through such practices.

The rules of fair competition clearly apply to RBI. We feel obliged to offer an outstanding service culture which strives to exceed the expectations of our customers wherever possible. When making recommendations, we ensure that they are given in an honest and fair manner and that the customers are adequately informed about the risks. False or misleading advertising is something we feel is unacceptable.

RBI stands for transparent disclosure and responsible marketing. Our reporting on business activities and sustainability is conducted transparently and comprehensively, based upon recognized and authorized international standards (such as the Global Reporting Initiative). As such, our communication with stakeholders goes beyond the statutory requirements.

At a time when banking is more than ever a matter 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 employees every day to deepen this trust. We share a common goal with our customers: Success. We have internalized this company principle and put it into practice every day, such as in the way we actively offer our customers tailored, personalized solutions based upon their requirements.

Our employees are our most important asset and the key to the success of RBI. With nearly 47,000 employees, they represent the largest stakeholder group in terms of numbers, right after our 16.7 million customers. We encourage them, but we also demand excellence from them. We are committed to living by the performance principle and promoting team spirit. This means that we want the very best people, who will become even better with us. In return, we provide systematic further training, attractive development opportunities and a working atmosphere characterized by team spirit.

We work closely with our shareholders and see them as both dialog partners and consultants. Additionally, we share an open dialog on many levels with representatives of our stakeholders, and we are active participants in various forums such as the United Nations Global Compact (UNGC), the United Nations Environmental Program Finance Initiative (UNEP FI), Transparency International, the Global Reporting Initiative (GRI) and respACT – Austrian Business Council for Sustainable Development.

We view environmental and climate protection as part of our responsibility toward society, and we see ourselves as a fair partner to the environment. The direct environmental impacts of our operational activities are limited compared with those of production industries. Nevertheless, RBI has the goal of limiting negative environmental impacts at all of its sites to the greatest possible extent, and – where possible – going beyond basic compliance with statutory requirements and demands.

A prerequisite in our business and operational practices is the fair, ethical and legally compliant behavior of all members of our staff. You can find more information about this on page 21 onwards.

A key part of our corporate culture is in-depth communication with our shareholders. This is why we ensure that their feedback and input is used in our strategies and operations. The result of this is a shared system for the creation

of added value. The shareholders of RBI AG exercise their rights ac cording to the principle of "one share, one vote" by voting at the Annual General Meeting. All shareholders have entirely equal rights, and can exercise their right to vote in person or by proxy.

Naturally, we have a great responsibility toward our shareholders. This is why optimizing shareholder value is part of our corporate vision. We are not interested in short-term value growth. Good profitability, which we can use to build up equity from within, and the long-term profitable development of RBI are good not only for owners and shareholders but also for all other stakeholders. They safeguard our common existence.

Dialog und Information

For the inclusion of our stakeholders, we engage in many forms of dialog including the Internet, intranet, blogs, workshops and interactive events, surveys, conversations with experts, training courses and participation in local, national and international discussions on sustainability and sustainability initiatives.

In order to reach as many stakeholder groups as possible, we regularly carry out comprehensive stakeholder surveys. The last stakeholder survey was conducted in summer 2018. Over 800 stakeholders took the opportunity of working with us to reprioritize the material topics for RBI (see page 28 onward).

The results of the stakeholder surveys are reflected in our materiality analysis and are integrated into our sustainability management alongside the results from focus groups, discussions with experts, and the annual Stakeholder Council.

The materiality analysis is an important tool for our annually held Stakeholder Council. This allows for direct selection of the topics that we will discuss in greater depth with our stakeholders. At the Stakeholder Council and within the context of our reporting, we share information about the progress we have achieved in our sustainability performance. Our objective is to transparently disclose the most important expectations and recommendations of the stakeholders as well as our responses and associated measures. Here too, we focus primarily on those topics and aspects that we and the stakeholder groups have identified as material.

Selected forms of dialog

Information	Dialog and consultation	Participation
Goals: Creating transparency, sharing information	**Goals: Open exchange and dialog on perspectives; expectations and possibilities for solutions; listening and learning**	**Goals: Active participation, cooperation, setting out initiatives, implementing projects**
Sustainability Report based on GRI Standards	Stakeholder Council	Active initiation of sustainability measures (e.g. via RNI)
UNGC report "Communication on Progress"	Focus groups	
Participation in the CDP	Surveys and opinion polls on sustainability topics (e.g. online surveys)	Participation in national initiatives (e.g. respACT)
Sustainability information on the company websites	eLearning tool (internal sustainability training)	Participation in international initiatives (e.g. UNEP FI, UNGC, EACB, VfU)
External and internal Communication (e.g. regular articles in the employee magazine INSIDE) as well as public relations work	Social media (internal Raiffeisen blog on sustainability and corporate responsibility)	Support of projects (e.g. cooperation with polytechnics and universities)
Participation in sustainability ratings of agencies (e.g. ISS ESG, Sustainalytics, Vigeo-EIRIS)	Ad hoc dialogs with policymakers and various specialized lectures (e.g. at universities)	Incorporation of external stakeholders in inhouse committees (e.g. on the Sustainability Council)
Articles in specialized publications	Organization of events (e.g. DisAbility Talent Programme 2019 closing event)	

Stakeholder Council

The most important communication format for us is the annual Stakeholder Council, in which various stakeholder groups enter into dialog with representatives of our Management Board and management. The goals of the event are dialog and knowledge transfer, informing the participants about progress achieved, discussing possible actions and jointly considering and dealing with current sustainability questions.

Of the suggestions from the Stakeholder Council in 2018 on the topic of digitalization, the following points were prioritized and implemented 2019:

- As part of the green bond issue in 2018, sustainability impact measurement (carbon footprint) was implemented in order to increase transparency by measuring the footprint (see page 79).
- A strategic sustainable finance core team was established in 2019. The aim is to increase the proportion of environmentally products in the overall portfolio. This is also set out in the Sustainable Finance Roadmap. With this move, RBI is addressing the suggestion that sustainability be integrated into bank controlling to an even greater extent.
- We have complied with the request to intensify the drive for sustainable financial products in various respects – for details see page 89 to 80
- Our numerous initiatives in the area of diversity management are helping our employees to take advantage of flexible working models and achieve a healthier work-life balance (see page 99).
- Our new values, particularly the "Collaboration" value, and our efforts to be an adaptive company are directly linked to the aim of realizing an open corporate culture.
- Since fall 2019, RBI in Austria has transparently presented climate targets and success stories for employees via a dedicated website for environmental topics (see page 123).
- The quarterly Sustainability & Diversity newsletter has also ensured greater transparency and improved communication since 2019.
- As part of our commitment as a corporate citizen, which extends beyond our core business, we have entered into a partnership with "Impactory", the first mobile marketplace for donations to non-profit organizations (see page 152).

Work continued on the following measures from the Stakeholder Council in 2017.

- The implementation of strict lending criteria and policies has already been realized for some sectors and is continuing with the enhancement of existing policies.
- The suggestion that an RBI green bond be issued was again taken up. The second green bond was issued in September 2019 (see page 79).
- The climate strategy formulated in 2017 was pursued as recommended by the stakeholders.
- In 2019, we remained committed to communicating the environmental measures adopted, both internally and externally.
- The numerous measures with regard to SDG 5 on gender equality continued (see page 101). We are increasingly focusing on directly addressing the personnel-relevant processes. As recommended by the stakeholders, all of this is intended to sustainably change the relevant structures in order to have a positive impact when it comes to gender equality.

The 10th RBI Stakeholder Council was attended by over 80 people from various stakeholder groups, including customers and business partners, employees and owners, and representatives from the financial world and rating agencies, education and research, special interest groups, media, politics and administration, NGOs and NPOs.

CEO Johann Strobl welcomed the guests and discussed how the changing environment, with its new customer requirements and new resources, has prompted the bank to intensively address its positioning. The outcome is "Vision 2025" and the aspiration to be the "most frequently recommended financial service provider" by 2025. This will be achieved through continuous innovation aimed at making customers' lives easier. With this in mind, the customer relationship will be at the heart of any and all changes.

Andrea Sihn-Weber, Head of Group Sustainability Management, presented the latest developments in sustainability management and the changes that have taken place since 2018. She added that the various measures clearly demonstrate that the existing strategy of being a "responsible banker, fair partner, and engaged corporate citizen" is continuing to be pursued systematically and successfully.

Stakeholder Council 2019, © Sabine Klimpt

CEO J. Strobl, S. Mills, A. Sihn-Weber, C. Helmenstein, © Sabine Klimpt

Input from the Corporate Banking Board, P. Lennkh, © Sabine Klimpt

Christian Helmenstein, Board Member of the Economica Institute of Economic Research, started by discussing why some national economies are doing better than others. Unlike at the start of the 20th century, success is no longer determined by the availability of natural resources, but by human capital. Austria is benefiting from the European community of states and, in particular, the opening up of Eastern Europe. Helmenstein then discussed the analysis of the importance of RBI to the economy. There have been changes in the environmental conditions in the banking sector in recent years, such as regulatory measures to safeguard financial market stability, restructuring in both Austria and Central and Eastern Europe, a sustained low interest rate environment, and adjustments to reflect growing digitalization as well as changes in user behavior. For this reason, a study was conducted to calculate the economic footprint for 2018 as a measure of the value-added and employment contributions of RBI in all countries in which it is active. The calculation of RBI's economic impact took into account not only the direct economic contributions resulting from its operating activities, but also the indirect effects throughout the upstream value-added network (for details see page 48).

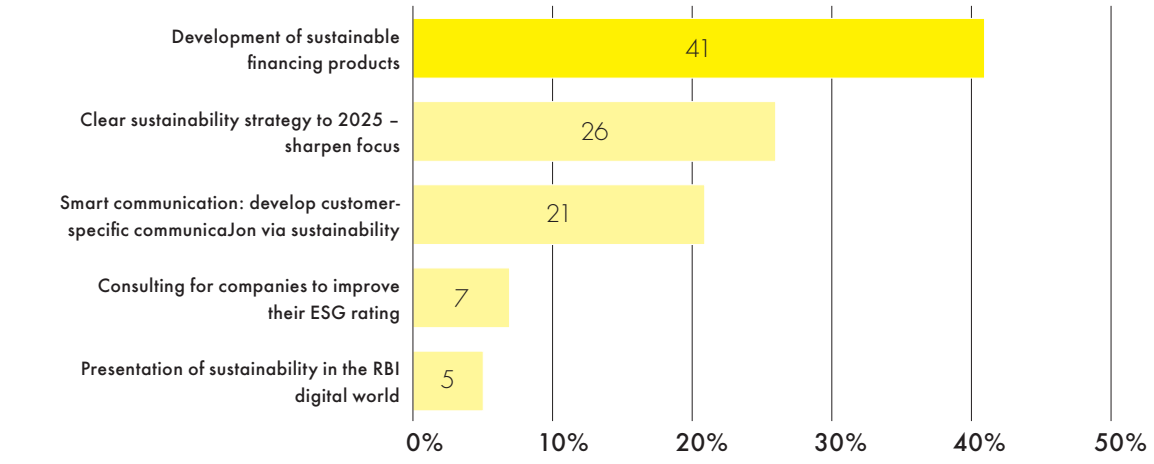
In her presentation, Stefanie Mills, Head of Group Strategy Development, reported on the process leading to the development of the new vision and mission, including the extensive involvement of stakeholders throughout the entire group. This strategic refinement also involved the redefinition of the corporate values. The four new values – Collaboration, Proactivity, Learning, and Responsibility – are primarily aimed at improving cooperation, diversity, encouraging employees to act proactively and making them open to continued personal development, establishing a new culture of error prevention, and promoting trust. Mills concluded by underlining how important it is for everyone to take responsibility for their own actions.

Following the information section of the 10th Stakeholder Council, working groups extensively discussed how the RBI mission "We transform continuous innovation into superior customer experience" can be optimally filled with life from a sustainability perspective and on the basis of the corporate values. The four workshops focused on the stakeholder groups addressed by the mission: employers, customers, shareholders, and the general public.

Each group subsequently presented their five best ideas on the respective topic to the entire Stakeholder Council, allowing all of the participants to find out what had been discussed at the other tables and prioritize the suggestions presented using real-time voting.

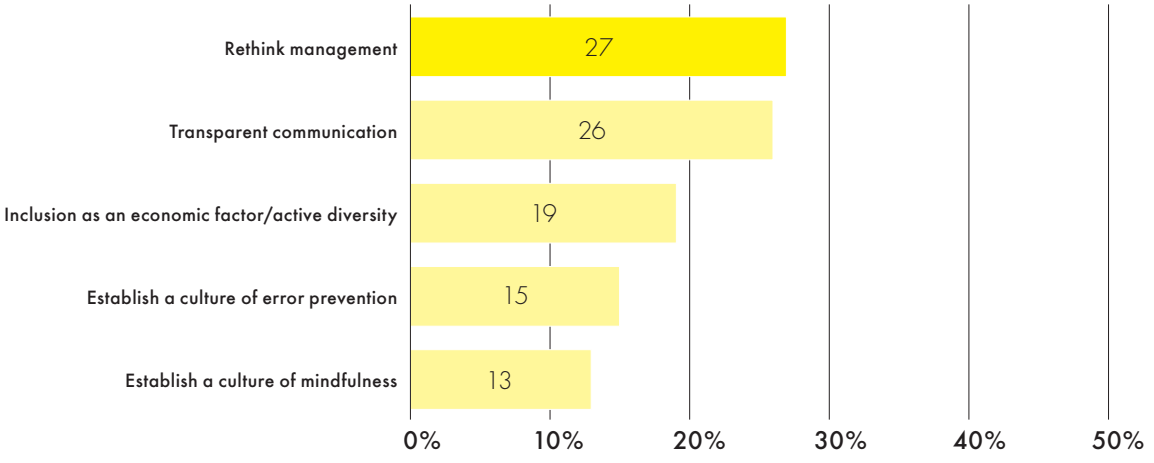
Stakeholder group "Customers"

"We constantly strive to improve customer experience and enable our clients to achieve more in their lives and businesses." What needs to be done – from a customer perspective – to fill this mission with life?



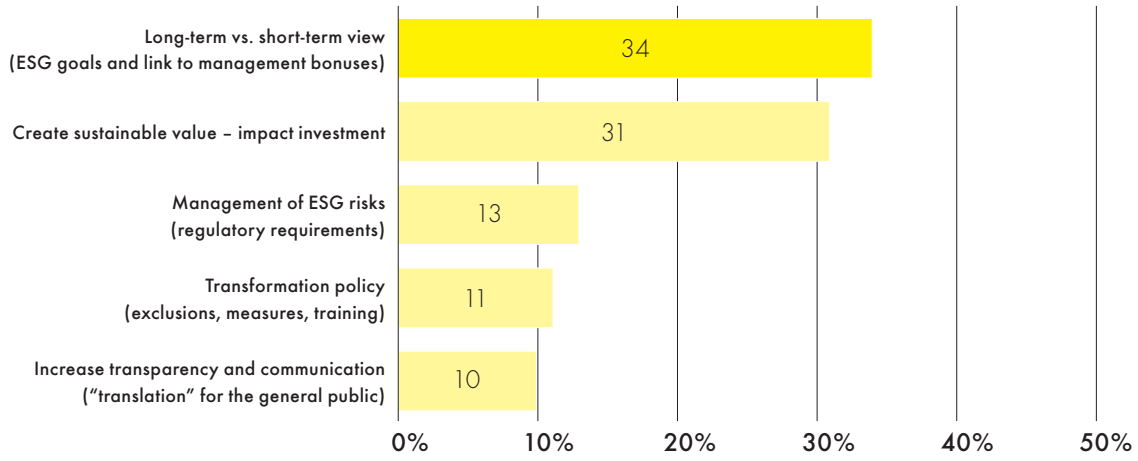
Stakeholder group "Employees"

"We value expertise and create a working environment which promotes collaboration, creativity and entrepreneurial spirit." What needs to be done – from an employee perspective – to fill this mission with life?



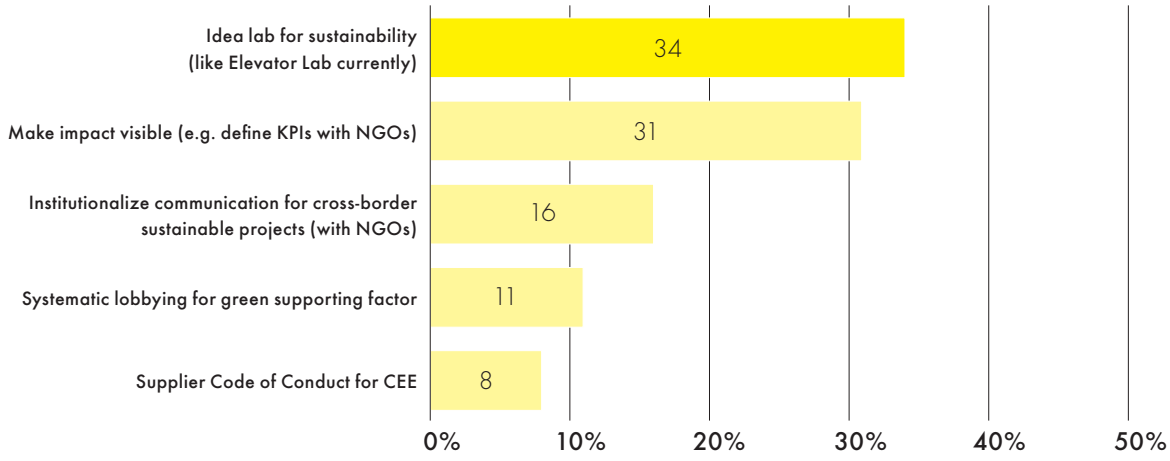
Stakeholder group "Shareholders"

"We aim to generate solid and sustainable shareholder value" What needs to be done – from the shareholders' perspective – to fill this mission with life?



Stakeholder group "Public"

"We act in a socially responsible manner, fostering the long-term welfare of the people and businesses in our markets. " What needs to be done – from the public perspective – to fill this mission with life?



In his closing address, RBI Management Board member Peter Lennkh expressed his appreciation for the participants, the discussions and the numerous suggestions, adding that the results of the Stakeholder Council would now be deliberated and followed up internally.

Sustainability ratings, indices and awards

Sustainability ratings and sustainability indices

In addition to financial indicators, sustainability criteria are increasingly involved in the investment decisions taken by investors. Analyses and ratings by agencies specializing in sustainability – such as ISS ESG, Sustainalytics and Vigeo Eiris – and index providers offer guidance and orientation.

ISS ESG

ISS ESG evaluates a company's social and ecological performance in the context of corporate ratings by applying over 100 sector-specific social and environmental criteria. ISS ESG ensures that the ratings are kept up to date through regular update cycles. In order to make the evaluations transparent, ISS ESG publishes not only criteria and processes, but also important rating results.

RBI's sustainability rating was confirmed at level "C+" in June 2019, which corresponds to "Prime Status".

Sustainalytics

Sustainalytics is a leading independent provider of environmental, social and corporate governance (ESG) research, ratings and analyses. It specializes in analyzing and evaluating the sustainability performance of companies and countries, and helps investors around the world to develop and implement responsible investment strategies.

As of June 2019, Sustainalytics rated RBI as an outperformer in terms of its overall ESG score. This meant it occupied 37th place out of the 336 companies ranked.

FTSE4Good

RBI AG has been included in the FTSE4Good Index Series of FTSE Russell since 2015. The FTSE4Good Index Series is designed to measure the performance of companies that have effective environmental, social and management (ESG) practices. This is measured on the basis of transparent criteria.

Awards

Austrian Sustainability Reporting Awards

Presentation of the ASRA award to the RBI, © Sabine Klimpt

In November 2019, the Chamber of Chartered Accountants (KSW) presented the Austrian Sustainability Reporting Awards (ASRA) for the best sustainability reports in Austria for the 20th time. RBI (jointly with OeKB) took first place in the "Large Companies" category, which covered a total of 22 reports. This meant that RBI's sustainability report was recognized for the seventh year in succession, during which time it has taken first place three times. This confirmation by the external experts on the jury is not only extremely satisfying, but serves as motivation to make the forthcoming report even better.

Among other things, the qualitative jury feedback on RBI's sustainability report praised its balanced reporting, the depth of reporting with a consistent structure over many years, the detailed description of the implementation of the diversity strategy, and the existence of a diversity vision. In addition, the jury had positive words for the stakeholder analysis and stakeholder dialog, the separate presentation of the stakeholder perspective in the materiality matrix, the impact analysis, and the description of the materiality analysis. There was also praise for the ambition and innovation of the report (including the digitalization survey and the benchmark green bond issue) and the successful presentation of the focal area of "Digitalization".

CDP

Once a year, the non-profit organization CDP surveys and evaluates the CO_2 emissions of listed companies on behalf of investors in over 90 countries. In order to make it possible to compare qualitative and subjective facts in connection with the answers provided by the companies, these facts are subjected to a points-based evaluation system. The goal is to evaluate the degree of maturity of companies with respect to their strategic alignment on climate-related issues. Only companies that can demonstrate a score of at least 80 percent on the "Leadership" level are given a place on the A-list. It is also necessary for CO_2 reporting to be verified, for no relevant CO_2 emissions to be excluded from the reporting, and for companies to have set themselves ambitious emissions reduction targets.

In 2019, more than 8,400 companies reported their CO_2 data to CDP. Using this data and the CDP scores as an information base on material climate risks, investors and companies can make better decisions when selecting suppliers. Only 925 companies worldwide and 159 companies from the Germany, Austria and Switzerland region secured a place on the CDP Leadership List (A and A-) in 2019.

RBI is one of the five best companies in Austria to be included in this ranking. In addition, RBI is the best domestic financial sector company for the fifth year in a row.

RBI was recognized by CDP for the seventh successive year for its high standard in answering the questionnaire. For the first time, RBI was also identified as a leader for its cooperation with its suppliers in the area of climate protection and included in the CDP Supplier Engagement Leaderboard.

Field of action Responsible banker: For sustainability in the core business

Image author: Ulf Wallmann (RBI)

Responsible banker

As a "responsible banker", long-term added value is our primary objective. Therefore, our business strategy as well as our products, services and processes are aligned with this goal. To achieve this, we take a holistic approach. Rather than limiting ourselves purely to generating economic value, we always consider the environmental and social impacts of our business activities as well. Effective and sustainable performance can be achieved only if these aspects are also taken into account.

Being a responsible banker means taking responsibility in our core business, as this is where the most effective leverage factor is to be found. RBI therefore believes that granting loans and investing funds represent the primary and most important fields of action for achieving sustainable success. In all business areas and products, RBI takes great care and responsibility to structure its business and business relationships for long-term resilience, to avoid social and environmental risks and to take advantage of opportunities to improve environmental protection and social standards.

Impacts, risks and opportunities

Only by knowing the impacts of our business activities on the environment and society can we pursue a serious policy of sustainability and align the company strategy accordingly with this goal. However, the sustainability impact of the core business of a bank is felt across a wide range of aspects consisting of many opportunities as well as risks. For instance, when considering the economic added value from the business activities, we make an indisputable contribution to the stability, resilience and productivity of the economic system. On the other hand, this naturally poses the risk that the real economy could become caught up in the problems that arise from the financial economy. The question of just distribution of the added value among stakeholders – in particular shareholders, employees and customers – is often a controversial one as well.

The structuring and sustainability of the products and services we offer play important roles in this respect. As a bank, it is up to us to make funding available for the implementation of sustainable projects or to refrain from supporting the realization of projects that are not sustainable. In deciding to whom and for what purpose we provide loans, we have an impact on the environment and the climate as well as social issues like health and upholding human rights. By considering environmental and social aspects (including human rights) or stipulating requirements in our financing decisions, we also motivate our customers to change their perspective. This also applies to our own investments and the funds managed by our asset management company ("active ownership"). We believe that possessing a certain market power is a great responsibility, one we wish to exercise in accordance with our principles for the good of society. A similar approach also applies to the collection and processing of customer data (big data). We have an impact on the transformation of business and consumption in the direction of greater sustainability and we are in a position to incentivize or support such innovations. The financing of infrastructure investments also plays a major role. Inevitably, our business activities leave behind not only an environmental footprint, but also a social footprint.

The impacts of our activities are also still felt in other areas. We also make a contribution to supporting the Sustainable Development Goals (SDGs) (see "Sustainable financing" starting on page 64). For example, disadvantaged groups of the population can attain greater equality in socio-economic respects through purposefully designed products and information offers (see "Initiatives for improving access to financial products for disadvantaged groups of the population" on page 82). We also have an obligation to ensure that we do not contribute to the over-indebtedness of customers through granting loans irresponsibly, thereby endangering the existence of these (see "Responsible and fair lending" on page 57). Another worthy goal is achieving and maintaining a foundational awareness of the concepts of saving, preparing for the future and economic responsibility as well as an associated product base, which we support with our investment products (see "Sustainable investment" starting on page 70). All this in turn has an influence on the prosperity and quality of life of the population.

© PaulGruber

Michaela Seelig, Director of Sustainable Finance and Regional Economic Policy at the Austrian Federal Ministry for Climate Action

"To overcome the climate crisis, significantly more capital needs to be directed toward a sustainable future. The Green Deal recently published by the European Commission puts the level of additional investment required to achieve the climate and energy targets for 2030 at € 260 billion a year. Public funding alone will not be enough to meet this challenge. Accordingly, redirecting financial flows and mobilizing private capital will be extremely important. To create incentives for more private investments in green projects, the European Commission published its Action Plan on Financing Sustainable Growth in 2018. This represented a major step toward a sustainable financial system. The objectives are reorienting capital flows toward sustainable investments, managing financial risks, and encouraging transparency and a long-term mindset. With the development of a classification system for green activities, a common taxonomy for ecologically sustainable investments is being defined for the first time. This will help to ensure greater transparency and credibility, allowing sustainability and investments in climate protection to become the new norm in financing and making the financial sector a part of the solution for a climate-neutral future."

QUOTE

Conversely, we are also aware of the risks that affect our business activities and we work to counteract these. When considering the risks in connection with the environment, the negative impacts of global warming must also be taken into account. This includes consequences for tourism, agriculture, forestry and health as well as the damages resulting from increasingly frequent natural disasters, which contribute to the destruction or depreciation of our own assets or assets financed by us. On the other hand, stricter environmental protection laws and regulations can make existing investments less profitable or even unprofitable altogether. The market can also be expected to anticipate various future developments. The withdrawal of many investors from the area of fossil energy, especially coal and carbon-dependent industries, is an indication that such assets of our customers or investees can be expected to fall in value over the medium term ("carbon bubble").

The EU has set itself the target of becoming climate-neutral by 2050, which it intends to achieve by implementing its Green Deal. This contains packages of measures for sustainable ecological change, including dramatic reductions in emissions and significant investments in green technologies, research, and innovation. This will open up new opportunities for additional business and attracting new customers.

With regard to social and societal risks, factors such as poor working conditions, endangerment of health and a failure to uphold human rights can play a very significant role in connection with financing and investments we carry out. We strive never to be involved in or associated with human rights violations. We also endeavor to prevent such violations within the scope of our influence and our capabilities. In addition to our intrinsic interest in avoiding human rights violations, it is also in our economic interest to decrease the risk of strikes, loss of personnel, regulatory fines or compensation payments on the part of our customers.

The timely identification of these risks together with the traditional business risks using appropriate care and, where necessary, extensive due diligence is a fundamental requirement for proactive countermeasures and effective risk minimization (see "Lending policy and lending decision policy" starting on page 58). We also continuously analyze our development opportunities. RBI views sustainability itself as an opportunity – for our own business activities and for our stakeholders alike.

Business strategy

RBI is a leading universal banking group in CEE and a corporate and investment bank in Austria. It provides financial services to retail and corporate customers, banks, and other institutional clients. RBI will continue to concentrate on the CEE region, which offers structurally higher growth rates than Western Europe and therefore more attractive potential returns. Complemented by leading specialist institutions in Austria, RBI is broadly diversified and also benefits from the opportunities of the Austrian market.

Following the successful completion of the Ambition 2020 transformation program, which involved a withdrawal from non-core activities, a strategic repositioning in selected markets and a significant reduction in risk and complexity, RBI is now returning its focus back on growth, digitization, and innovation.

In response to the fundamental and fast-paced industry dynamics and ever-changing customer expectations, RBI has determined a new strategic direction: the Mission & Vision 2025. RBI believes in a strong at strong growth through customer centricity and digital transformation. This is reflected in the Vision to be "the most recommended financial services group" in 2025. (see "RBI – Mission & Vision 2025", page 14) RBI intends to achieve this by making its customers' lives easier through continuous innovation and a superior customer experience.

This requires a strategy with a strong customer orientation that offers an easy, stress-free banking experience and excellent products and services. RBI can build on its existing competitive edge (customer focus, pronounced local presence, strong brand, long-term relationships, comprehensive product and service range available across all channels) while intensifying its efforts in the following strategic areas:

- Sales and service model: Branch transformation, redesign of sales and service models for large corporate and institutional clients, set-up of dedicated customer experience management across all business lines
- Digital operational excellence: Improved efficiency and effectiveness through digitization and automation, redesign of critical customer touchpoints and processes from scratch
- Group-wide innovation process: Strengthening of payment transaction and FX capabilities with scalable Group solutions, development of innovative digital lending propositions
- Data and analytical capabilities: Leveraging artificial intelligence and advanced analytics to develop new business opportunities and optimize existing processes
- IT architecture: Transformation of core IT into lean and scalable, architecture, evaluation of greenfield infrastructure for digital retail banking in particular
- Adaptive organizational set-up: Transformation of culture, organization and processes to enable higher responsiveness, improved collaboration and new ways of working

Ultimately the strategic initiatives are aimed at customer and revenue growth across all business lines and markets. This will be based on improved digital customer acquisition, as well as further leveraging RBI's broad CEE coverage. The latter, specifically to further expand the Corporate and Markets & Investment Banking business.

Based on the overarching Mission & Vision, each client segment is following individual business strategies aimed at differentiating RBI in terms of customer experience, which are to support RBI's aim to be the most recommended financial services group. Based on its Vision, RBI aims to be the most recommended bank in most of its markets already by the end of 2021, in retail and corporate banking business and in servicing institutional clients, as measured by the Net Promoter Score (NPS).

RBI sees sustainable and responsible corporate governance as an important pillar for all activities. In addition to compliance with statutory and supervisory rules, this also means dealing responsibly with societal and ecological

risks and underlying transparent management processes. RBI has always given great priority to corporate governance and compliance (see "Governance and compliance" starting on page 21).

Economic sustainability

Economically successful business is a prerequisite for ensuring the long-term survival and success of a company. Economic value creation is generally the primary goal of productive activities. Only this ensures that other, ethical objectives can also be realized. Through the economic value creation of its business activities, RBI generates additional benefit for the company itself as well as for its owners and employees, its customers and the economy in general. In this way, it makes an important contribution to the stability, resilience and productivity of the economic system and the prosperity of society. We are fully aware of the associated responsibility.

Another requirement is ensuring appropriate capital resources. The concept of Group risk controlling comprises a sustainability perspective that should ensure that RBI has a sufficiently high core capital ratio at the end of a planning period even if the macroeconomic environment worsens unexpectedly (details on this can be found in the 2019 RBI Annual Report starting on page 180). The following tables provide an overview of the direct contribution RBI has on the economy.

RBI operating result (in million €)

	2019	2018	Change
Net interest income	3,412	3,362	50
Dividend income	31	51	-20
Current income from investments in associated companies	171	80	91
Net fee and commission income	1,791	1,791	5
Net trading income and net income from fair value measurement	-17	17	-34
Net income from hedge accounting	3	-11	14
Other net operating income	78	88	-9
Operating income	**5,475**	**5,377**	**98**
Staff expenses	-1,610	-1,580	-30
Other administrative expenses	-1,094	-1,178	84
Depreciation	-389	-290	-99
General administrative expenses	**-3,093**	**-3,048**	**-45**
Operating result	**2,382**	**2,250**	**53**

The following table shows the value contribution for the most important stakeholders: the owners, the employees, the economy and public authorities. "Investments in the community" have been reported separately since 2015.

Financial flows to stakeholders (in million €)

	2019	2018
Owners – Dividends	**306**	**204**
Employees – Wages and salaries	**1,227**	**1,218**
Business – Investments and operating costs	**1,141**	**1,229**
Investments in the community	**2**	**3**
Public authorities	**843**	**753**
Income taxes (excluding deferred taxes)	457	373
Banking levies	110	116
Social security costs and staff-related taxes	276	264
Equity status as of December 31	**13,765**	**12,413**

RBI key figures by segment

2019	Total assets in € million	Change from previous year[1]	Business outlets	Employees[2]	Profit/loss after taxes in € million	Customers in million	Amounts owed to customers in € million
Poland	2,974	-9.0%	1	227	-113	0.0	17
Czech Republic	17,433	3.3%	136	3,413	192	1.2	14,106
Slovakia	14,613	9.9%	182	4,029	142	1.0	11,961
Hungary	7,862	4.4%	71	2,237	63	0.5	5,882
Central Europe segment	**42,094**	**4.3%**	**391**	**9,915**	**290**	**2.7**	**31,967**
Albania	1,838	1.6%	78	1,241	23	0.4	1,556
Bosnia and Herzegovina	2,469	7.5%	103	1,316	31	0.4	1,897
Bulgaria	4,626	12.3%	148	2,633	66	0.6	3,723
Kosovo	1,062	15.6%	47	862	18	0.3	861
Croatia	4,959	4.3%	76	1,860	58	0.5	3,736
Romania	9,246	3.1%	354	4,987	161	2.3	7,591
Serbia	2,789	11.6%	88	1,581	53	0.8	2,166
Southeastern Europe segment	**26,986**	**6.4%**	**894**	**14,480**	**410**	**5.4**	**21,529**
Belarus	2,088	19.0%	86	1,746	61	0.8	1,504
Russia	18,178	29.0%	154	8,819	498	3.3	13,696
Ukraine	3,139	33.7%	492	7,791	177	2.5	2,512
Eastern Europe segment	**23,381**	**28.5%**	**732**	**18,356**	**735**	**6.7**	**17,712**
Group Corporates & Markets segment	**53,706**	**20.7%**	**23**	**2,908**	**283**	**2.0**	**27,601**
Corporate Center segment	**31,549**	**-10.7%**	**0**	**1,214**	**421**	**0.0**	**1,464**
Reconciliation/other	-25,515	-	-	-	-	-	-3,923
Total	**152,200**	**8.6%**	**2,040**	**46,873**	**1,365**	**16.7**	**96,214**

[1] The change in total assets in local currency compared with December 31, 2018 is due to the euro exchange rates.
[2] In full-time equivalents as of the reporting date.

RBI's Economic Footprint® in CEE and Austria

There have been numerous changes in the environmental conditions in the banking sector in recent years such as regulatory measures to safeguard financial market stability, restructuring in both Austria and Central and Eastern Europe, a sustained low interest rate environment, and adjustments to reflect the advance of digitalization as well as changes in consumer behavior. Against this background, the objective was to use the Economic Footprint® (registered trademark of Economica/Cognion Research Association) to determine the value added and employment contributions of RBI in all countries in which it operates. Apart from Austria, these countries were Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Croatia, Poland (sale of the core banking business took place in October 2018), Romania, Russia, Serbia, Slovakia, Czech Republic, Ukraine, Hungary and Belarus.

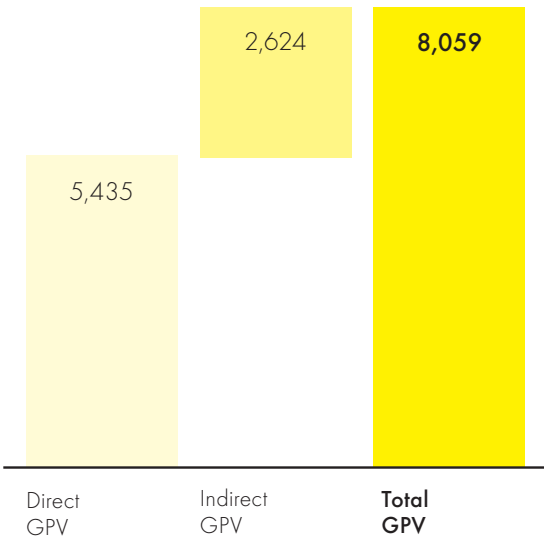
The analysis for the year 2018 was carried out in cooperation with the economic research institute Economica. In the calculations of the economic impact of RBI, not only the direct economic contributions from operating activities were included, but also indirect effects throughout the upstream value-added chain. The findings of the scientific study underpin the importance of RBI as an important player in the European banking market, especially in Central, Southern and Eastern Europe.

You can find the entire Economic Footprint® on the RBI homepage at:
www.rbinternational.com/sustainabilitymanagement

Operating income and gross production value

RBI's operating income amounted to € 5,298 million in 2018. The economic counterpart to it and the basis of all further calculations is gross production value, which expresses the value of all of the goods and services generated.

RBI's gross production value (GPV) in the CEE countries (incl. Austria), in € million, 2018



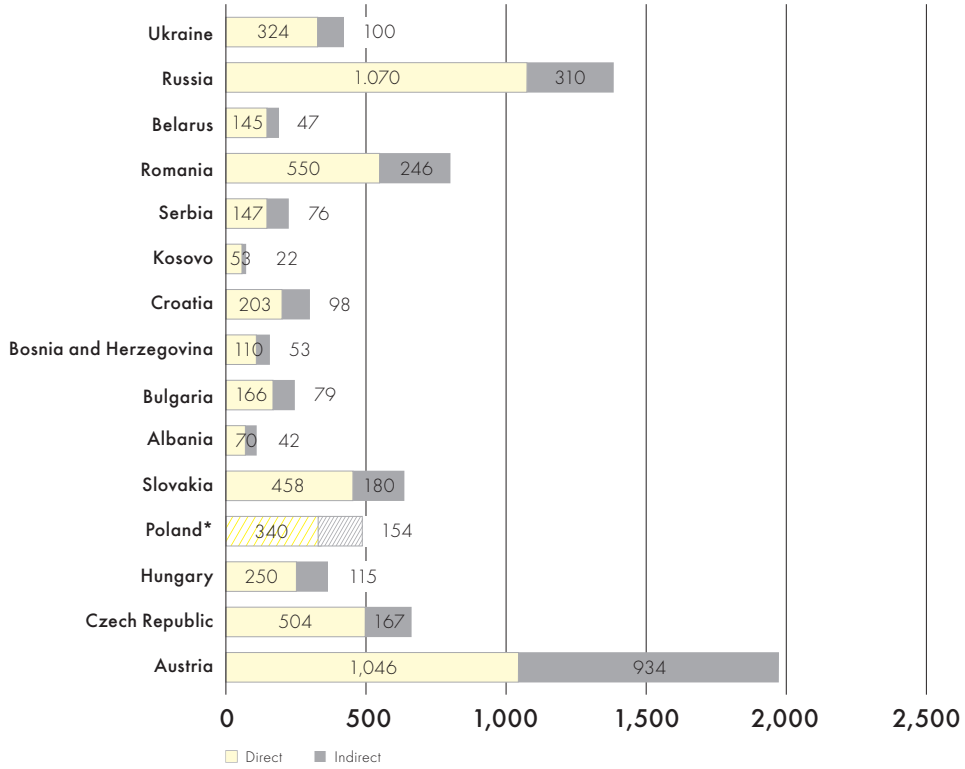
Source: RBI, Economica

The direct gross production value for 2018 amounts to € 5,435 million. Intermediate inputs in the upstream value chain result in indirect effects of € 2,624 million, meaning a total gross production value of € 8,059 million in the countries considered.

The factor is calculated by dividing the total effect by the direct effect. The gross production value factor is 1.48, meaning that every euro of gross production value generated within RBI triggers 48 cents in indirect effects in other economic sectors of the CEE countries (incl. Austria).

At country level, Austria, with its headquarters function, achieved a gross production value of € 1,980 million and thus the highest value, followed by Russia with € 1,380 million and Romania with € 796 million.

RBI's gross production value by country, in € million, 2018

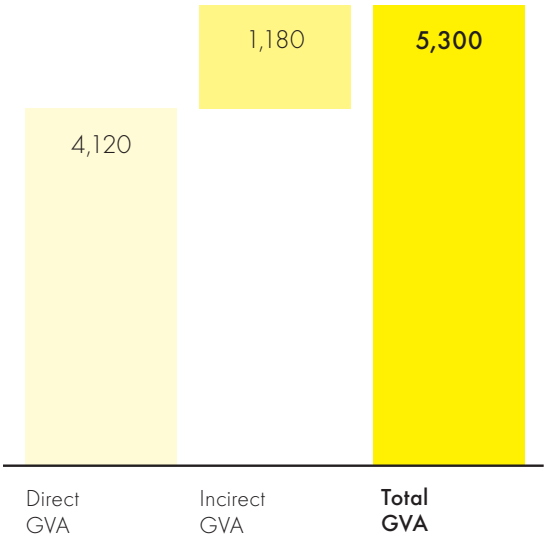


Source: RBI, Economica

**Sale of core banking operations in October 2018*

Value-added effects

RBI's gross value added (GVA), in € million, 2018



Source: RBI, Economica

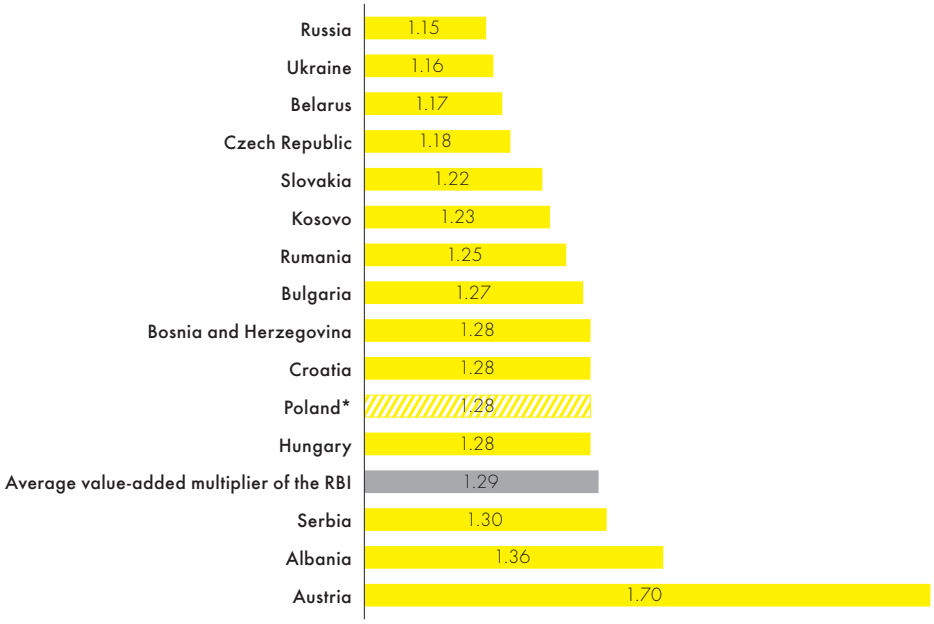
The total gross value added of RBI, i.e. the economic value added, amounts to € 5.3 billion, which makes RBI larger than, for example, the catering industry in Austria. € 4,120 million or almost 78 percent of the total effect are generated directly, € 1,180 million indirectly.

Dividing the total effect by the direct effect for gross value added results in the value-added factor. This expresses RBI's economic lever, i.e. the extent to which RBI stimulates external economic sectors.

A factor of 1.29 means that every euro generated by RBI triggers 29 cents of value added in other sectors within the limits in which RBI is active.

At country level, alongside Austria with 1.70, above-average factors are recorded by Albania at 1.36 and Serbia at 1.30.

RBI's value-added factors by country, 2018

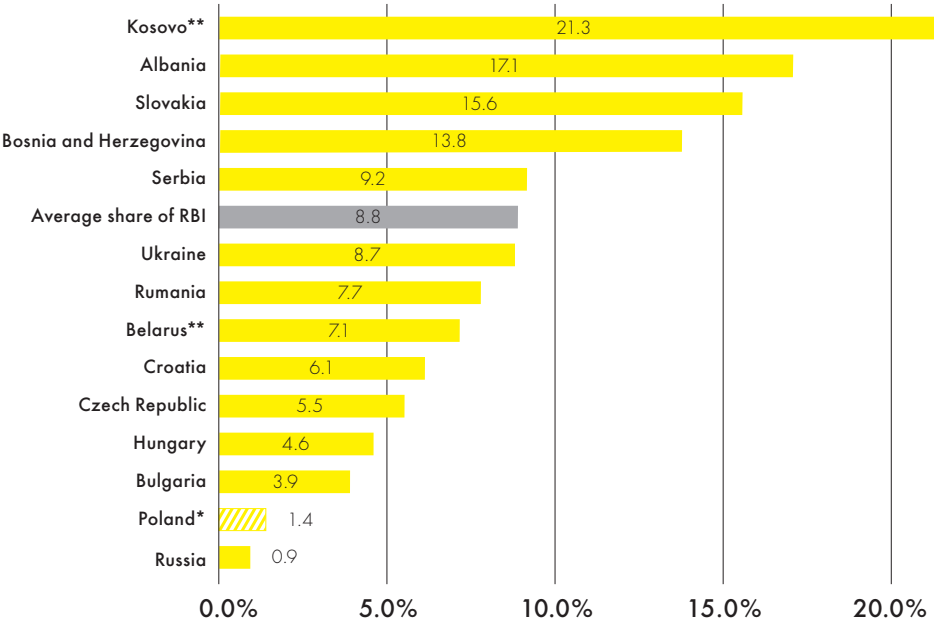


Source: RBI, Economica

** Sale of core banking operations in October 2018*

Dividing the direct share of gross value added generated by RBI in the individual countries by the gross value added reported in the "financial services and insurance" sector in the individual countries results in the following shares.

Share of RBI's direct gross value added in the finnancial services and insurance sector by country, in percent, 2018



Source: RBI, Economica, Eurostat, national statistical offices

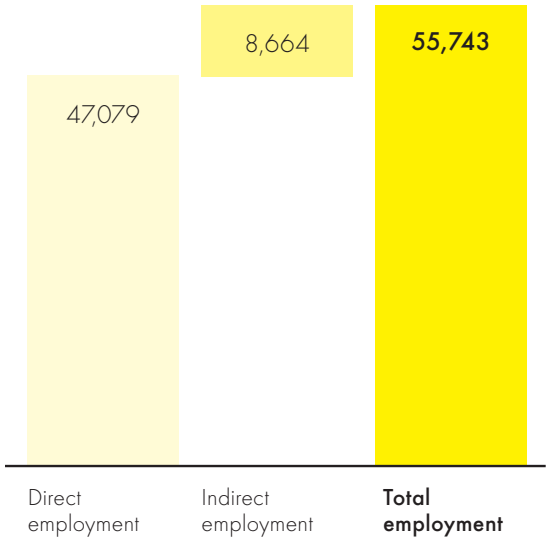
** Sale of core banking operations in October 2018*

*** The figures for Kosovo and Belarus are extrapolated from the 2017 figures, as the value added data at sector level for 2018 is not yet available.*

Employment effects

In total, 55,743 jobs were created or secured by RBI in 2018. Compared to other industries, the financial sector is very labor-intensive.

RBI's employment, in the CEE countries (incl. Austria), in workplaces, 2018



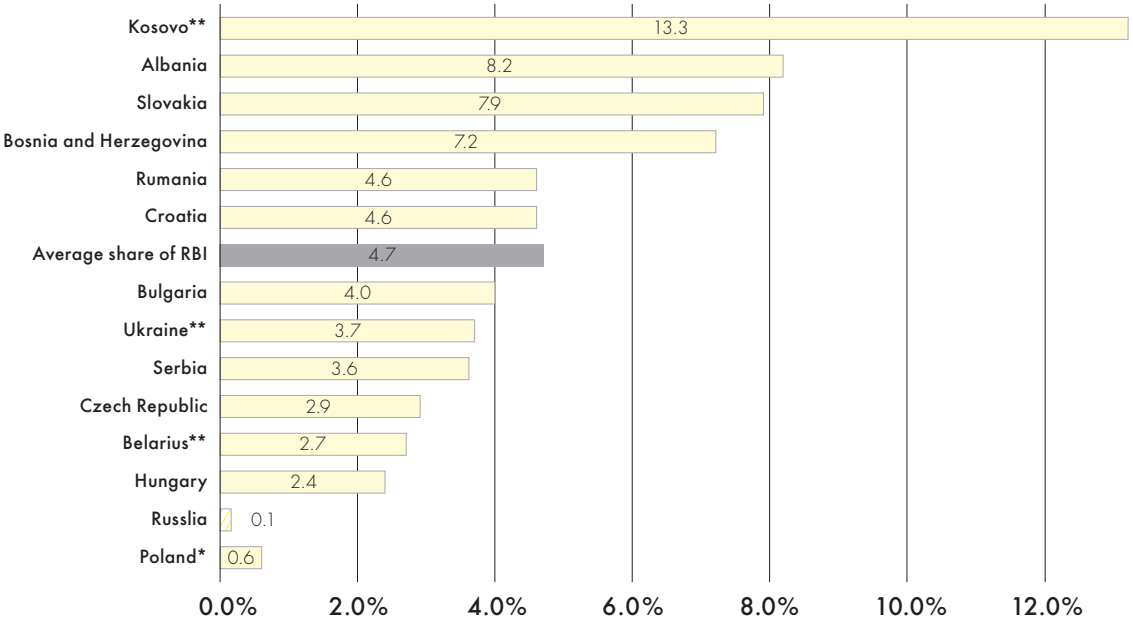
Source: RBI, Economica

Almost 85 percent of the employment effect is attributable to RBI itself (direct effect of 47,079 jobs). Indirect effects result in an additional 8,664 jobs. The resulting employment factor is 1.18, meaning that one additional job is secured or created in another economic sector for approximately every five jobs at RBI.

Lower than for value added but still impressive is the share of employees attributable to RBI in the "financial services and insurance" sector. The average share is 4.7 percent, with Kosovo (13.3 percent), Albania (8.2 percent), Slovakia (7.9 percent) and Bosnia and Herzegovina (7.2 percent) in particular outperforming the average.

In the same way as for value added, the employment effects generated by RBI can be broken down by economic sector. It is notable that 93 percent of the total effect is attributable to ten sectors that RBI stimulates, with almost 86 percent accounted for by the financial services sector alone, 1.32 percent by other economic services, and 0.94 percent by retail and postal services.

Share of RBI's direct employment effects in the number of employees in the financial services and insurance sector by country, in percent, 2018



Source: RBI, Economica, Eurostat, ILO, national statistical offices

** Sale of core banking operations in October 2018*

*** The figures for Belarus, Kosovo and Ukraine are extrapolated from the 2017 figures, as the employment data at sector level for 2018 is not yet available.*

Responsibility in the core business – for products and services

At RBI, trust, reliability and responsibility with respect to society, the economy and the environment have always been fundamental principles. The needs of the customers in this regard coincide with Raiffeisen values. Customer interest in the sustainable structuring of the products and services we offer is on the rise.

RBI is committed to an outstanding service culture which regularly seeks to exceed the expectations of customers with regard to quality. This is also reflected in RBI's new Mission and Vision 2025: We are the most recommended financial service group by making our customers' lives easier through innovation. Accordingly, we constantly strive to improve customer experience and enable our clients to achieve more in their lives and businesses (see also "RBI – Mission and Vision 2025", page 14, and "Customer satisfaction", page 60)

As part of our task of serving our customers as comprehensively as possible with financial services in line with their needs, our stated goal is to take into account the impact on society and the environment to the greatest possible extent. When making recommendations, we ensure that they are given in an honest and fair manner and that the customers are adequately informed about the risks.

Retail customers: RBI provides services to over 16.5 million retail, private banking and small business customers in around 2,000 branches in CEE, offering a full product range (e.g. account packages, clearing, settlement and payment services, consumer finance, as well as mortgage loans and investment products). Retail customer behavior is changing, demand for digital solutions has been increasing and customers expect fully optimized distribution channels for their needs. Therefore, the strategic focus of RBI's retail banking area is on the further enhancement of digital banking capabilities to facilitate solid retail customer growth.

RBI's retail customers already benefit from state-of-the-art online and mobile banking, including video identification and contact center solutions based on telephone or chat functions. The aim is to further accelerate the adoption of these digital channels; the target is to increase active usage of mobile banking from 32 percent in 2019 to 55 per cent by 2021. Ultimately, the aim is to further exploit the potential of new technologies and data analytics in order to provide a superior customer experience for all retail customers.

Corporate clients: RBI services roughly 100,000 corporate clients across CEE (incl. medium-sized businesses, large local companies, international corporations and local authorities). Supported by deep local market expertise and strong advisory skills, RBI aims to build long-term business partnerships and to provide customers with the right financial services to meet their needs.

As part of the new strategic direction, several areas will be addressed in 2020-2021: developing new cross-border solutions for clients across the entire CEE region; improving Customer Experience across all processes by redesigning the most crucial customer touchpoints (e.g. KYC, account opening, online banking); expanding the convenient digital product and services offering, fast information flows and short decision-making processes; focusing on responsible customers and businesses while building on sustainability as an opportunity (including respective products and advisory services). By offering innovative and convenient solutions, RBI's long-term ambition is to become the corporate bank of choice across CEE.

Institutional clients: For RBI's institutional clients (e.g. banks, insurances, asset managers), one of the main focuses is on developing and implementing digital products and features in order to enhance the Markets & Investment Banking product offering; the target is to have 80 percent of deals captured digitally in the next two years. Furthermore, RBI is designing a digital sales channel for foreign exchange (FX) business in order to become an FX-business leader in the region. Further strategic pillars are an optimization of the investment banking setup, as well as of the capital markets trading and sales architecture.

While implementing these strategic ambitions, RBI will further enhance the usage and analysis of data, transform the Markets & Investment Banking area following agile principles, focus on sustainable business growth and continue intense group-wide collaboration. The strategic goal in this business segment is to become the best bank in the CEE region for institutional clients. RBI wants to achieve this by inspiring clients with excellent services and innovative products across all business areas.

Moreover, due to the systemic importance of banks and their contribution to the functioning of the economic cycle, we consider it our obligation to place a strong focus on the sustainability of our products and services. By granting financial resources, banks have significant leverage in actively shaping sustainable development that 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 specific benefits to society, the environment and the real economy while also making sure not to offer any products that present risks to society or the environment. "We conduct ourselves responsibly" – one of our fundamental principles – also gets to the heart of this conviction in RBI's redefined corporate values.

Mission & Vision 2025

We intend to realize RBI's vision of being the most recommended financial service group by making our customers' lives easier through continuous innovation. If our financial services can help our customers to achieve more in their lives and businesses, we can promote good long-term customer relationships as well as a positive societal development. However, a focus on customer benefit must always take the environment and social aspects into account. Although individual customer benefit and societal benefit can sometimes involve conflicting priorities, more and more customers are placing value on the ecological and social compatibility of the products and services they use. In most cases, this leads to increased customer satisfaction and hence promotes a positive customer experience.

For this reason, we are increasingly focusing on the systematic enhancement of products and services containing ESG (environmental, social and governance) components. To make the value added of these products and services comprehensible and transparent, we focus on high-quality advice and good communication. In addition, there is growing demand for assistance and advice on ESG risks among customers. Many customers have also been unsettled by the latest developments at EU level and expect our relationship managers to be an expert point of contact for all of these concerns. Accordingly, we are currently working on a comprehensive sustainable finance concept and the corresponding intensification of internal expertise (see "Future outlook", page 84)

Digitization and innovation

As mentioned above, a broad range of products and continuous innovation are important prerequisites for a positive customer experience and the satisfaction and loyalty of our customers. This is ensured by way of the Group-wide product competence centers and the Group Strategy & Innovation team. All new products, product combinations and variations throughout the entire network are also subject to a formal product approval process that is intended to ensure that every product is offered in an optimal form and all risks associated with a product are disclosed. Naturally, we offer products and services only when we have the corresponding expertise, the necessary infrastructure and the required license and when the product or service is approved on the respective markets. Product development takes account of trends and developments in the market.

In the area of financial engineering, tailored solutions are developed for customers in connection with investments, financing and risk hedging. In addition to structured investment products, financial engineering includes structured finance, i.e. financing concepts that go beyond the use of standard instruments and that are used in areas such as acquisition and project finance. RBI also develops individual solutions for its customers for hedging various risks, from interest rate and exchange rate risk through to commodity price risk. In addition to financial engineering, RBI is actively working in the area of cash management on the enhancement of integrated product solutions for international payment transactions.

A central topic of the advance of digitization for banks is mobile banking. Having amounted to 22 percent in 2018, penetration at RBI increased to 30 percent by the end of the reporting period and is set to rise to 55 percent by 2021. Online lending is also meeting with growing acceptance as a mobile banking product. 20 percent of loans were granted online in 2018, a figure that had risen to 25 percent one year later. A figure of 35 percent is forecast for 2021.

RBI is intensively addressing the opportunities arising for the Group as a result of all aspects of digitization. To optimally harness these opportunities, RBI's strategy and innovation departments are bundled in the Group Strategy & Innovation team. As well as developing and implementing innovative ideas and partnerships, this is intended to place the focus on the strategic components of RBI's digital transformation. Since April 2018, the dedicated Innovation Board has been tasked with controlling and coordinating all of the Group's innovation activities.

In early 2019, RBI successfully completed the second round of the Elevator Lab fintech partnership program, which tests innovative solutions with selected fintech start-ups with a view to long-term cooperation. The Groupwide and regional Elevator Lab programs have already given rise to numerous partnerships with fintechs. Elevator Ventures, RBI's corporate venture capital company, has investment capital of € 25 million and focuses on strategic direct investments in selected fintechs that have already gathered their first market experience. In August 2019, an investment was made in kompany, an Elevator Lab participant from Austria, together with UNIQA Ventures. RBI integrated kompany's solution into its innovative e-KYC know your customer process, which makes it up to 50 percent quicker for customers to perform onboarding and update their data.

In 2019, RBI also launched another round of its Group-wide intrapreneurship program, Innovation Garden. Following a multi-stage process, ten of the 563 ideas submitted were selected for the actual program phase, in which cross-functional teams worked on problem-solving in greater detail. The employees were also familiarized with modern working methods and technologies.

In the area of new technologies, RBI also intensively addressed blockchain in 2019 with a focus on specific applications in the areas of trade finance, capital market transactions, and payment transactions. In order to further develop blockchain solutions, RBI has entered into a cooperation agreement with the Research Institute for Cryptoeconomics at Vienna University of Economics. RBI has been a member of the international blockchain consortium R3 since late 2017 and has participated in global feasibility studies in this capacity.

The network banks in CEE also regularly initiate innovative projects. The experience gained both there and at head office is continuously evaluated and improved upon. The stated aim of RBI's digitization strategy is to continue to refine these insights and subsequently implement them at other network banks within the Group.

Ecological product responsibility

RBI cares about the environment. We therefore always consider the associated environmental consequences of the products and services we offer. In particular, financing of or participation in transactions or projects which put the environment at risk of lasting effect are not in accordance with our business policy. We give precedence to transactions involving environmentally friendly technologies and take the environmental footprint and related measures into account when selecting our suppliers. Our goal is to reduce the negative impacts of our business. activities on the environment to the minimum and to lower CO_2 emissions. RBI is committed to complying with all applicable environmental regulations in each country within its business operations and service sectors. It acts in an environmentally-conscious manner and continually strives to improve its own environmental balance as well as the environmental balance attributable to its product and services portfolio.

When making decisions, every employee must consider the potential risks posed by a transaction or project that could lead to negative impacts on the environment. The risks range from endangering the environment to the associated risk for the financing business as well as the resulting damage to the group's reputation. In addition, for each financing and project approval it must be ensured that the company being financed is using the funds 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.

Carbon policy

RBI is committed to promoting environmentally friendly technologies. The declared fight against climate change, based on the 2015 Paris climate agreement, has given impetus to our ambitions in this area. We see this as a chance for new business fields, such as in the areas of renewable energy, electric mobility, energy efficiency and resource management. The climate agreement could drive investments in these areas and provide new impetus for innovation. We have therefore established restrictions on our own practices that apply across the entire RBI. For example, we avoid financing new thermal coal mining projects and new business relationships with customers in the thermal coal mining sector or companies where more than 50 percent of the revenue is generated from thermal coal trading. Coal power plants are only financially invested in on a selective basis and only if the project offers discernible positive environmental impacts. We are striving to significantly reduce our involvement with thermal coal.

Social product responsibility

RBI is aware of the impacts of its business activities on society. Virtually, all payment transactions are processed through banks and by issuing loans, banks have an influence on the purposes for which funding is utilized. Our products and services can therefore directly contribute to changing the life situations and consumer behavior of the population. Indirect influences arise through investments in projects or companies with particular social or societal relevance, from which people could either benefit or be disadvantaged.

Observing human rights is a basic requirement in connection with all of the products and services we offer. Specifically, we do not finance transactions connected with forced or child labor or in violation of the European Convention on Human Rights, obligations under the labor and social law of the respective country, applicable regulations issued by international organizations (including the relevant UN conventions), or the rights of local populations or indigenous people. RBI is also not involved in business with products that can serve to suppress demonstrations or political unrest or infringe on human rights in some other way. This is especially true for businesses involved in countries in which political unrest, military conflicts or other violations of human rights are taking place or expected.

Considering the requirements and concerns of our customers also plays an important role for our company in the design, sale and use of our products and services. The security of our products and the security of our customers are both of central concern to us. Along with access to relevant information regarding products and services, this includes the verifiability of claims, explanations of the possible risks associated with products or services and appropriate information, e.g. on risk reduction. For example, the economic feasibility of loan repayment is carefully explained to the customer (see also "Responsible lending", page 57). Where possible, we inform customers about the sustainability aspects of our products. We carefully check any complaints which are brought to us and respond as soon as possible. We also strive to provide comprehensive barrier-free access to our financial services for disabled persons. Protecting customer data also forms part of our social responsibility (see next chapter).

Protection of customer data and data security

RBI considers the comprehensive protection of all data provided to or made available to the Group, particularly from natural persons (e.g. customers or employees), to be an integral part of its business activities to which it attaches an extremely high level of importance.

The recording, storage, processing and transmission of personal data of natural persons at RBI is subject not only to the mandatory statutory requirements, but also to mandatory internal principles and processes that are set out in a specific organizational and process structure for data protection. Compliance with these principles and processes is managed by the Group Data Privacy & Quality Governance organizational unit and the Group Information & Cyber Security and Group Business Continuity Management & Physical Security organizational units and monitored by the Data Protection Officer.

Security has top priority at RBI. Data from customers, employees, and partners is handled with great care. RBI has taken various technical and organizational measures to ensure confidence in its services. The rapid pace of technological change requires the continuous adjustment and improvement of security measures from a technical and organizational perspective alike. An overview of RBI's activities to protect information and its technical infrastructure can be found on RBI's website: www.rbinternational.com → About Us → Security → Technical and Organizational Measures

In addition, RBI AG services, supports and monitors its Group subsidiaries in Austria and abroad with regard to the requirements of the GDPR and the internal principles and processes that are required to be observed within the Group. In addition to the GDPR, the applicable national laws in the respective countries must be observed. This involves supplementary or differing provisions in some cases, particularly in countries outside the EU.

Additional information on the processing of personal data by RBI can be found in the RBI data protection declaration: https://www.rbinternational.com/dataprotection

In order to further sharpen awareness of data protection at RBI and its Group companies, employee training includes an e-learning package aimed at generally improving the sensitive handling of personal data, as well as classroom-based training to enable practical implementation for the respective target group (business analysts, product owners, etc.). The e-learning campaign constitutes mandatory periodic training for all employee levels.

Complaints and data protection violations are monitored, reviewed, processed, and documented at RBI and all domestic and foreign subsidiaries. The reasons for the respective complaint or data protection violation are

investigated and all necessary measures are taken to protect the data subject (including notifying the responsible data protection authority as appropriate).

In the 2019 financial year, 25 invitations to submit comments were received by RBI AG or its foreign subsidiaries, mainly via the responsible data protection authorities. RBI acknowledged nine of these cases as justified complaints. In addition, 16 cases of "data theft or data loss" were reported to the responsible data protection authority. The proceedings with the data protection authorities at the foreign subsidiaries are partially complete and partially not yet finalized. The proceedings with the Austrian data protection authority were completed extremely promptly and did not lead to the imposition of a fine or follow-up measures in any case.

Responsible and fair lending

RBI is committed to responsible and fair lending. Among other things, this involves lending customers only as much as they can handle based on their financial situation. We strive to offer the clearest, most comprehensible information possible concerning our loan products in advance and to conclude loans to our customers under equally transparent conditions. This includes explaining the entire process, the precise steps involved as well as the responsibilities, risks, and primary lending conditions associated with a loan agreement (in particular the costs of the loan, repayment amount, precise deadlines, due dates, and number of installments).

For consumers, our Group guideline "RBI Retail Credit Policy" describes our balanced approach to credit risk – in the interests of the customer as well as our own risk controlling. We strive to prevent our customers from taking on too much debt by employing, among other measures, modern creditworthiness procedures for issuing loans based on clearly defined assessment criteria. The risk of a possible default should be avoided from the outset in order to prevent our customers from suffering financial cutbacks to their living situation and living standards. We therefore apply conservative rules with regard to the relationship between the loan amount and collateral as well as the recipient's income. To support this calculation, we work out the household income and cost of living for every market.

Subjective selection factors, such as gender or religion, play no role when deciding whether to issue a loan. We strive for the greatest possible level of objectivity in order to reach an unbiased and transparent lending decision. This is possible only if the customer provides all of the necessary data and information. RBI aims to offer the customer a suitable and tailored offer based on the available information and results of the creditworthiness assessment.

In the case of payment difficulties, dealing respectfully and sympathetically with the affected customers is a natural part of our banking operations. As soon as RBI notices the first visible signs of payment difficulties, assistance is provided to the customer with information and advice. Furthermore, it tries to find a suitable solution for the situation at hand within the scope of its options and the customer's financial situation. If difficulties arise with servicing the loans, RBI looks at each case individually and assesses how the customer can be helped by means of deferments, payment suspensions, credit restructuring etc. within financially justifiable limitsand endeavors to work with the customer to find a fair solution. In doing so, particular attention is paid to the customer's changed circumstances. In the event of a dispute, RBI follows a fair and professional complaints procedure.

Lending policy and lending decision policy

Our business model is geared around the high level strategic goal of creating long-term value. Responsible lending is a significant component of this model. We achieve this with a lending policy that 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 business areas. The Code of Conduct is part of our lending 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 banking group must be considered in all activities and decisions. The executives of our company are responsible for compliance with these standards in their respective areas of responsibility.

We are committed to not directly or indirectly financing transactions, projects, or parties that are suspected of violating human rights and, in particular, that use forced or child labor or that contravene the legal working and social obligations of the respective countries, the applicable regulations of international organizations and, in particular, the relevant UN conventions and rights of the local population or indigenous people.

Financing or participating in transactions or projects that involve the risk of sustainable damage to the environment (e.g. destruction of the rain forest, land, air or water pollution) is not consistent with RBI's business policy. For each financing decision, the responsible employees must take the potential negative environmental impact and the resulting damage to RBI's reputation into account.

Furthermore, we aim to prevent the mobilization of nuclear power by ensuring that we do not finance any nuclear power plants, companies that extract, distribute, or trade in nuclear fuel or companies that manage nuclear waste. Cooperation with power plant companies that operate nuclear power plants is continued only if the nuclear operations are strictly separable. We also seek to prevent the mobilization of arms trading by ensuring that we do not finance any manufacturers of or dealers in controversial weapons or their relevant suppliers, as well as wholesale arms dealers. Cooperation with companies and businesses that manufacture defense products in addition to other products is only continued selectively and if the military operations and related activities are strictly separable.

It goes without saying that RBI complies with international standards on financial sanctions and trade restrictions. In connection with the gambling industry, we strive to finance exclusively reputable, transparent companies within the European Economic Area or other European countries with a regulated gambling market that are subject to supervision, comply with the principles of responsible gaming and adhere to the AML and CTF standards. As mentioned previously, we are also a signatory of the Global Compact of the United Nations (see page 15). The credit portfolio of the group is controlled by means of the portfolio strategy. Lending in different countries, sectors or types of products is thus limited, which enables the concentration of undesirable risks to be avoided. The risks and potential of various industries in the individual countries are continuously evaluated using an "industry heat map", which allows a timely response to any changes. Based on this industry heat map, lending guidelines and limits for future structuring of the credit portfolio are developed.

Specific lending criteria for individual customer segments and countries are resolved by credit committees consisting of representatives of the front office and back office areas or by the full Management Board. The composition of the credit committees varies depending on the customer group for corporate customers, financial institutions, public authorities, and retail. They make all associated lending decisions within the framework of the lending approval process and the rating and volume-oriented assignment of responsibility (details on the loan decision process and the Credit Portfolio Management department can be found in the 2019 RBI Annual Report on page 183).

The lending decision process is carried out on a case-by-case basis following standardized principles and guidelines and in line with a comprehensive due diligence process. There is a clear personnel and functional separation between the business activities and all risk management activities. In addition to traditional "hard facts" and numerous qualitative criteria, our internal rating model incorporates an evaluation of the management, which is responsible for adequate handling of environmental and social topics within the company. An evaluation is performed as to whether an industry is subject to special environmental or social risks, including human rights violations or health risks, and whether a potential borrower follows the existing rules with regard to the environment, human rights, and health. The agreed credit terms are also assessed as standard as part of the annual analyses. Group Compliance is responsible for all issues concerning compliance with legal requirements.

The describe Group-wide standards apply to all group units, but these are also supplemented with local, sometimes more stringent, internal guidelines and policies by many of our network banks. They take into account, to varying extents, the social and environmental risk strategies of the respective bank, define sometimes higher minimum criteria or define the exact procedure for compliance with all of the agreed-upon principles.

The standards of the International Finance Corporation (IFC) and/or the Multilateral Investment Guarantee Agency (MIGA) apply at seven network banks: Raiffeisen Bank Sh.A. in Albania, Raiffeisen BANK d.d. Bosna i Hercegovina, Raiffeisen Bank Kosovo J.S.C., Raiffeisen Bank S.A. in Romania (which has also committed to compliance with the EBRD standards), Raiffeisen banka a.d. in Serbia, Priorbank JSC in Belarus, and AO Raiffeisenbank in Russia.

These network banks all have an Environmental and Social Management System (ESMS) and a corresponding Environmental and Social Policy (E&S Policy). This policy describes the principles of the ecological and social risk management in the bank and defines important roles and responsibilities for managing E&S risks as well as key elements of the E&S risk management process. An E&S Officer is nominated by the Management Board for each bank and is responsible for proper implementation within the bank. All employees involved in evaluating E&S risks receive appropriate training. The credit process ensures that all credit applications in the corporate customer area are reviewed in three steps, in addition to the usual credit and risk criteria:

1. Evaluating whether the company is engaged in activities on the IFC Exclusion List.
2. Categorizing the environmental and social (E&S) risk level depending on the type, location, noticeability, and size of the project as well as the nature and scope of its possible environmental and social impact (low, medium, or high).
3. Social and environmental impact assessment (E&S due diligence) for all transactions of high and medium risk: Determining the environmental and social impacts and risks of a project as well as determining whether it meets the laws of the respective country and other policies of the World Bank and IFC.

Also included are performance standards regarding work and labor conditions, resource efficiency and the avoidance of environmental pollution, public health and safety, land acquisition and forced relocations, retention of biodiversity and sustainable management of natural resources as well as indigenous peoples and cultural heritage (see the IFC website at www.ifc.org). The IFC and MIGA standards also include extensive reporting and monitoring requirements, which are carried out within the scope of "E&S Supervisory Visits".

Customer satisfaction

The satisfaction of our customers and outstanding customer relationships are our top priority. Customer satisfaction at RBI is therefore regularly measured in both retail and corporate customer business. Measures for achieving additional improvements are derived from the insights gained in this way.

In our business with private customers, small enterprises and micro businesses, customer satisfaction and service quality have been an integral component of our business management for a number of years. Since 2012, we have also employed a number of different methods to gain insight into the quality, duration and consistency of our customer relationships. After developing positively in 2018, our net promoter score (NPS) continued to improve in 2019. We are well above the market average in most of the markets in which we have operating subsidiaries. The NPS measurement is carried out locally in all network banks based on a standardized method for the entire group. NPS is based on the question: "How likely is it that you would recommend Raiffeisenbank to a friend or colleague?" We also conduct a brand performance analysis at least once a year. This measures brand awareness, trust and attractiveness compared with local competitors. Most network banks rank above the market average in this analysis. High brand awareness/high brand trust, a stable market presence and high advisory service quality on the part of the employees are key among the most frequently listed reasons for a willingness to recommend us. We have invested in establishing customer experience management at all network banks. This consists of developing competence in improving the customer experience, establishing measurement and controlling criteria and anchoring customer satisfaction within the strategy of the network banks.

Regularly measuring customer satisfaction and the customer experience are used to document and analyze changes. Digital channels (website, internet banking, mobile banking and social networks) are continuing to enjoy rapid growth in popularity and have also become an integral part of all measurements. Results are evaluated immediately and corresponding measures put in place. Objective criteria, such as the ratings for our apps in app stores, show that the services we offer via digital channels are meeting with an extremely good response among customers.

In 2019, we set ourselves the ambitious target of becoming the most recommended financial institution in all of the markets in which we are active. This meant we had to revise our existing Customer Experience Framework (CEF) in order to reflect this ambition. The revised version of the CEF contains three strategic areas for improvement, each with specific measures assigned:

- Understand: We strive to systematically collect feedback from our customers across all customer journeys and contact points so that we know with a high degree of certainty where we need to make improvements. To achieve this, we will also expand and standardize our journey mapping activities by applying uniform best-in-class methods in all our markets. Another leverage factor for this strategic area is the introduction of a multi-channel platform for customer experience management following on from the successful concept demonstrations in some markets.

- Prioritize: We decide on what needs to be improved and how by reference to transaction-specific customer feedback, additional business insights and a range of statistical methods in order to maximize the impact of our improvement measures wherever customers see the greatest barriers to smooth interaction with us. To achieve this, we develop and prepare a range of use cases for customer experience analytics at our network banks so that we can further optimize the way in which we measure and record customer satisfaction.

- Act: We are fully aware that none of the aforementioned activities can lead to a significant improvement in customer satisfaction unless our employees are trained in how to understand and respond to customer feedback. Accordingly, we will develop a dedicated Customer Experience Academy to provide training for employees at various hierarchical levels, from customer-facing employees through to product and general management.

All of the aforementioned activities are underpinned by specific execution plans with targets and KPIs that must be met over the next few years.

Direct customer feedback is also an important indicator within the corporate business of RBI AG. On behalf of the Raiffeisen Banking Group in Austria, IMAS International conducted a market survey from September to December 2019 in all of the corporate business segments (annual revenue: micro: € 0-10 million, SME: € 10-50 million, LC: over € 50 million), the results of which will be published in April 2020. Raiffeisen achieved consistently good results with these customer groups in the previous periods, enjoying a competitive edge in terms of digital services, payment transactions, and the easy accessibility of its branches.

We fundamentally view criticism and complaints by our customers as an opportunity to improve our products and processes, reduce errors and increase how customers benefit from our services. The importance of taking customer complaints seriously is unquestioned throughout the entire group (see page 62, "Complaint management")

Awards

Our commitment to customer satisfaction and our employees' expertise once again earned us a number of awards in 2019. By way of illustration, here are our awards from four internationally renowned financial journals: EMEA Finance, Euromoney, Global Finance and The Banker.

For example, the Financial Times journal The Banker and EMEA Finance named RBI as "Bank of the Year in CEE" and "Best Bank in CEE". For the ninth time in a row, RBI was recognized by EMEA Finance for the "Best Cash Management Services in CEE".

"Best Bank" or "Bank of the Year" awards were won by RBI and its subsidiaries in Austria (EMEA Finance), Albania (EMEA Finance: "Best foreign bank"), Belarus (EMEA Finance: "Best foreign bank"), Bosnia and Herzegovina (EMEA Finance, Euromoney, Global Finance, The Banker), Bulgaria (EMEA Finance, Euromoney, The Banker), Croatia (Global Finance "Best Private Bank"), the Czech Republic (EMEA Finance: "Best Investment Bank"), Hungary (EMEA Finance: "Best Private Bank"), Kosovo (Euromoney), Romania (EMEA Finance), Russia (EMEA Finance: "Best foreign bank"), Serbia (EMEA Finance), Slovakia (Global Finance, EMEA Finance), and Ukraine (EMEA Finance, Euromoney, Global Finance, The Banker).

The Slovakian subsidiary Tatra Banka won a global prize: Global Finance recognized it as "The Most Innovative Consumer Digital Bank in the World", while RBI was honored as the outstanding "Financial Innovator" in the CEE region. RBI's investment banking was again named "Best bond house in CEE" and "Best M&A house in CEE" by EMEA Finance. The range of awards won for RBI's investment banking services and transactions was completed by prizes such as "Best sovereign bond in Europe", "Best structured finance deal in Europe", and "Best corporate bond in CEE" (all EMEA Finance).

In 2019, Raiffeisen in Austria was once again the most successful banking group in terms of customer share in the private customer and corporate customer segments alike. Regionality, security and sustainability have been among the guiding principles of the Raiffeisen Banking Group since it was founded. These principles have a special meaning during economically challenging times especially. Security and trust are the most important criteria when choosing a bank. According to the 2019 Austrian brand value survey carried out by the European Brand Institute, the Raiffeisen brand increased its value by 0.9 percent to a total of € 2.06 billion and took fifth place among all of the brands surveyed. Raiffeisen is the undisputed number one in the Austrian financial services industry.

Complaint management

So as to implement the complaints procedure guidelines for European financial institutions of the EBA/ESMA committee (European Banking Authority/European Securities and Markets Authority), RBI introduced a central complaint management system during the third quarter of 2016 and passed corresponding head office and group laws. We define a complaint as any type of expression of dissatisfaction directed toward the bank by a person (natural or legal) with a specific demand regarding a specific transaction, as long as this same demand is not the subject of a pending process in a court or at a board of arbitration or of a decision already issued by such a body. The central responsibility for complaint management lies with Group Compliance. In accordance with head office law, decision can be taken in co-operation with the departments that certain complaints will be processed and resolved within the departments (in compliance with the prescribed process steps).

If an expression of annoyance – and therefore a possible complaint – is addressed to the bank or an employee, this must be evaluated as to whether or not it qualifies as a complaint. If it does qualify as a complaint, it must always be entered directly and without delay in the web-based complaint management system ("Archer" IT system). The person issuing the complaint must then be kept informed of the receipt and handling of the complaint. It must be evaluated and decided whether the complaint is justified. This decision is made by the person or department responsible for complaint management. The result must then be documented in the system and the person who registered the complaint must be informed. The department responsible for processing the complaint must investigate its cause.

RBI does not consider customer complaints to be a burdensome nuisance; on the contrary, they are seen as a welcome opportunity to enhance customer loyalty to the bank through handling the complaint in the best possible way. Furthermore, they offer useful indications of potential for improvement. This attitude is held by all employees, especially those who come into contact with customers. We want to give our customers the feeling that their issues or problems are being taken seriously and that someone is personally working toward finding a quick and individual solution for them. Information about the complaints procedure can be found on our website (www.rbinternational.com → Customer Relations → Complaints Management).

Responsible sales practices and marketing

As surveys consistently show, trust is at the top of the list when it comes to choosing the right banking partner. Since trust is based on honesty, it is important to RBI that our products and services are clearly and transparently communicated to all customers and stakeholders. That is why, when advertising and marketing our products, we align ourselves with strict principles that are intended to protect customers. False or misleading information is taboo.

Our goal is to inform our customers as far as possible in an easy-to-understand manner. When giving recommendations, our main focus is to be objective and comprehensive. It is essential that the risks associated with our products can be clearly demonstrated and explained to the customer.

During the 2019 reporting period, one violation of regulations and voluntary codes concerning product and service information and labeling was identified at a network bank, and a penalty was imposed. The problem has since been resolved by improving the relevant process. All violations that are classified as operational risks are monitored and controlled on a Group-wide basis within the scope of the operational risk management by the "Operational Risk Controlling" team as part of "Integrated Risk Management". The incidents are recorded in a central database, the risk is evaluated, scenarios and action plans are analyzed and early warning indicators are developed.

In addition, we carry out promotions in accordance with the ethical and moral principles of the code of ethics of the Austrian advertising industry and we are committed to complying with quality criteria agreed jointly with the advertising industry that extend beyond the statutory provisions. For this reason, the Raiffeisen Banking Group (and therefore also RBI AG) have been awarded the Pro-Ethics Seal of the Austrian Advertising Council.

The Pro-Ethics Seal is awarded for a period of two years. Companies are awarded for marketing measures that reflect:

- the ethical and moral principles of the code of ethics of the Austrian advertising industry (for ethical advertising)
- the community social-ethical ideals of the communications industry (for self-regulation)
- and for standing up for freedom of advertising and against advertising bans in this form.

All marketing measures of RBI, including the nationally and internationally advertising RBI AG as well as the network banks in Central and Eastern Europe, all comply with the "ICC Advertising and Marketing Communications Code" published by the International Chamber of Commerce. This ensures a transparent and fair market presence that is oriented to internationally recognized guidelines.

In addition to protecting customers, our responsible marketing managers ensure that only those marketing activities that are in the interests of the company are actually carried out. Bribery and corruption are not tolerated to any degree, and our Code of Conduct and strict compliance guidelines help us to achieve this goal.

International advertising and marketing campaigns of RBI are exclusively developed and commissioned by the Group Marketing division of the Vienna head office. This division also evaluates and approves all local campaigns by the network banks in Central and Eastern Europe by reviewing and approving TV spots, online advertising, print ads, etc. before they are published.

RBI values a functioning capital market and public confidence as being just as important as its reputation as a professional player on the market. Any action that endangers this principle would have serious consequences for RBI and the employees involved. The need for integrity also applies in the fight for market share. This means that no unauthorized agreements should be entered into and that it is necessary to abide by the rules of fair competition and the standard international rules of market behavior (MiFID).

In the period under review, there was one case of anti-competitive behavior at a subsidiary at the Vienna sites that was resolved by way of a settlement with the consumer protection organization. There were no complaints at the network banks in this respect.

Sustainable financing

We describe financing as being "sustainable" when it has long-term positive effects on the environment and climate and/or on societal and social affairs. With a majority of these financing projects, we support targets as stipulated in the "Sustainable Development Goals" (SDGs) within the scope of our capabilities as a financial institution. Particular focus is placed on the following efforts: "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all" (SDG 8), "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation" (SDG 9), "Assuring inclusive, equitable and high-quality education and promoting lifelong learning opportunities for all" (SDG 4), "Ensure access to affordable, reliable, sustainable and contemporary energy for all" (SDG 7) and "Take urgent action to combat climate change and its impacts" (SDG 13).

Sustainable financing at the Vienna sites

(by RBI AG, unless otherwise specified)

Financing with a positive impact on the environment and the climate

- Renewable energy
  The total financing volume at RBI AG in the category of "renewable energy" amounted to around € 118 million as of the end of 2019. This includes wind farms in Poland, Romania, France, Turkey, Bulgaria and Germany, solar parks in Spain and Romania, and biomass-fueled power plants in Romania and Austria. In 2019, RBI also financed the Green for Growth Fund, which invests in renewable energy projects via financial institutions and direct investments aimed at reducing energy consumption and CO_2 emissions as well as increasing the efficient use of resources in Southeastern Europe, Eastern Europe, the Caucasus, the Middle East, and North Africa. In addition, two new projects were financed in 2019: Photovoltaic plants in the form of a construction/operation lease model on free space at the sites of group companies, and the expansion of a hydro power plant.

© TIWAG

RBI AG is financing the expansion of the TIWAG hydro plant in Kirchbichl/Tyrol in partnership with OeKB AG. The project involves the renovation of the existing property, including raising the water level of the curve in the River Inn, and the construction of a new reserved-flow power plant and a central powerhouse as well as a fish ladder. The project is still in construction and is expected to be completed in 2020.

Although there is still a significant need for renewable energy in RBI's markets in Central and Eastern Europe, an increase in the share of renewable energy is dependent on government-imposed conditions in many markets. Most new projects can be implemented only with the help of guaranteed feed-in rates. When it comes to financing, the bank is responsible for carefully examining the operational security of a project in order to keep the risk low. The reliability of political players plays an important role but is not sufficiently ensured in all regions. This is why we have adopted a rule whereby we concentrate only on those projects whose feasibility is not dependent on special grants or feed-in remuneration.

- Sustainable real estate

RBI's green building portfolio (according to our framework definition for our own green bond issues) had a total volume of € 1,153 million as of December 31, 2019, with RBI AG accounting for € 733 million of this figure. It makes up 84 percent of the entire green loan portfolio that is eligible for the issue of RBI green bonds. In terms of property type, seven percent of the properties are shopping centers, 18 percent are logistics properties, 70 percent are commercial offices, and five percent are hotels. 38 percent of the green building portfolio is located in Romania, four percent in Poland, five percent in the Netherlands, twelve percent in Hungary, five percent in the Czech Republic, six percent in Bulgaria, twelve percent in Austria, eleven percent in Slovakia, and five percent in Serbia. 51 percent of the green buildings were constructed between 2014 and the reporting date, with 49 percent still under construction. In terms of international certification standards, six percent of the green buildings are certified as BREEAM Outstanding, 31 percent as BREEAM Excellent, eleven percent as BREEAM Very Good, seven percent as LEED Platin, 33 percent as LEED Gold, ten percent as DGNB Platin, and two percent as DGNB Gold.

One notable property that was newly financed in 2019 is a joint project with Raiffeisenbank Romania with a volume of € 60 million. In 2019, Raiffeisen Bank S.A. in Romania refinanced an office building including a retail store and a logistics center with total floor space of 62,000 m² with funded risk participation on the part of RBI AG. In addition, Raiffeisenbank (Bulgarien) EAD refinanced the investments of a major European food retailer in Bulgaria in sustainable buildings with a total volume of € 60 million with the participation of RBI AG.

- Sustainable mobility

As of December 31, 2019, Raiffeisen-Leasing GmbH's portfolio included financing of around € 84.8 million for fully electric vehicles. The results achieved over the duration of the "e-pendler in niederösterreich" model region, which was recognized by the Federal Ministry of Sustainability and Tourism as the most successful initiative for promoting electric mobility in Austria, clearly show that electric mobility in combination with public transportation has grown significantly. Thanks to the additional charging infrastructure that has been installed, the use of e-vehicles and changes in mobility behavior, a reduction of 274 t CO_2 per year has been recorded. The nationwide e-mobility package, which supports the purchase of vehicles with alternative drives and the construction of electric charging stations, also enjoyed a positive response in 2019. Raiffeisen- Leasing assists its customers in purchasing e-vehicles as a professional partner for electric mobility financing.

RBI AG financed investments totaling € 42 million for public transportation in the areas of maintenance and servicing for rail vehicles and buses. Another notable project is the financing of an additional phase in the expansion of a battery factory for electric cars in Hungary together with Raiffeisenbank Zrt., Hungary.

- Water supply and waste disposal
  In 2019, RBI AG financed investments of around € 26 million in these areas: a drinking water extraction and processing plant and supply lines in a municipality in Kosovo, a waste-to-energy plant for the treatment and recycling of residual waste in Belgrade, and various investments with an Austrian waste disposal company.

Financing with a positive impact on society and social issues

- Regional development and infrastructure
  Public sector projects: Last year, RBI AG once again incentivized 141 institutes of the Raiffeisen Banking Group in Austria in financing a total of 68 additional projects for water supply facilities, waste water systems, schools and kindergartens as well as similar public sector projects for a value of € 116 million. As a result, the total volume of new and existing financing projects supported in 2019 was € 859 million.

  Another notable project is the financing of the European Fund for Southeast Europe SA, which funds micro and small enterprises via financial intermediaries with the aim of creating new jobs and additional income and improving living conditions in Southeastern Europe, Eastern Europe, and the Caucasus.

- Health and health care
  RBI financed a private operator of health care and nursing facilities in Austria and CEE in connection with the acquisition of a care home in Slovenia in the form of equity financing, while the modernization of a hospital in Vietnam was also financed. The total amount financed in this area was € 34 million.

- Training and development
  An apprentice training center of a private group of companies was financed, as were a training center for turning/milling, woodworking and welding as well as a vehicle workshop in connection with a technical training project in Cameroon; the total amount financed in this area was € 12 million.

- Research and development
  Projects for the development of drugs to treat cancer were financed in the amount of around € 3 million. Another notable project is an EIB loan for € 100 million allowing RBI AG to support SMEs and mid-caps as well as research, development and innovation projects and innovation-oriented companies in general.

- Fair trade
  RBI AG participated in a Schuldscheindarlehen (certificate of indebtedness) of a Swiss chocolate producer, under which at least two-thirds of the proceeds will be used to finance sustainability projects to support cocoa farmers and their communities.

- Property and wealth accumulation among the population
  In recent decades, domestic building societies in Austria have co-funded the construction, purchase or modernization of a large volume of residential units. In this way, building societies have contributed to the broad accumulation of property and wealth as well as individual financial security. A significant portion of this financing was provided by Raiffeisen Bausparkasse Gesellschaft m.b.H., which serves around 1.5 million customers. In its 58-year history, Raiffeisen Bausparkasse Gesellschaft m.b.H. has financed more than 497,000 homes accommodating over 1.3 million people. This financing provides an important boost for the domestic construction industry and economy. The topics of renovation, energy efficiency improvements in existing structures and energy-efficient construction are becoming increasingly important. The company also assists its customers in this area with an extensive range of free information services.

- Art and culture in the public sphere
  For five years now, the residential construction projects of "Raiffeisen WohnBau", a brand of Raiffeisen-Leasing GmbH, have featured a sustainability perspective alongside the "Quality Living" seal in the form of the "Art and Living" project. Artists design the entry areas and exterior spaces of residential complexes with works tailored to the respective building. 19 works of art have now been installed.

"The Story of a Lifetime": Garage entrance designed by the artist Golif at Hörtnaglstrasse 13+15, 6020 Innsbruck, © Bernhard Hörtnagl

Ceiling art: "Hanging grasses from the outside in", by Jack Bauer at Blechturmgasse 32, 1040 Vienna, © Irene Schanda

Sustainable financing at the network banks

Financing with a positive impact on the environment and the climate

- Renewable energy

The financing portfolio of the network banks in the category of "renewable energy" encompassed more than 130 individual projects and amounted to around € 185 million as of the end of 2019. It mainly comprises photovoltaic plants, but also hydro power plants, wind farms and biogas and biomass plants in Slovakia, the Czech Republic, Hungary, Albania, Bulgaria, Kosovo, Romania, and Ukraine.

In Slovakia, the renewable energy projects financed by Tatra banka a.s. primarily involved photovoltaic plants, as well as some small hydro power plants and biogas plants. The renewable energies financing portfolio of Raiffeisenbank a.s. in the Czech Republic amounts to around € 48 million and consists of 16 photovoltaic plants, two wind farms, two biogas projects, and a hydro power plant. The financing portfolio of Raiffeisen Bank Zrt in Hungary includes 19 photovoltaic plants. Nine projects were completed in 2019 and a further three are still under construction. In Albania, Raiffeisen Bank Sh.A. is financing the expansion of hydro power. Its portfolio comprises seven financing projects with a total volume of around € 16.8 million. Raiffeisenbank (Bulgaria) EAD has three wind farms near the Black Sea and a hydro power plant in its portfolio. In 2019, Raiffeisen Bank Kosovo J.S.C. financed a hydro power plant that is scheduled for completion in 2021. Raiffeisen Bank S.A. in Romania is financing a photovoltaic plant and a biomass cogeneration plant. In Ukraine, the renewable energy projects financed by Raiffeisen Bank AVAL JSC primarily take the form of photovoltaic plants. However, the portfolio also includes a biogas plant that processes beet waste. Financing for five of the renewable energy projects was concluded in 2019.

- Sustainable real estate

The total volume for sustainable – green bond-eligible – real estate financing across all network banks (excluding Russia) amounted to around € 420 million as of December 31, 2019. Additionally, there was around € 432 million in real estate financing that can also be considered to be sustainable but that does not satisfy the stricter rules of the green bond framework (e.g., due to no or inadequate certification).

The green real estate projects of Tatra Banka a.s in Slovenia comprise five office buildings and a shopping center. In the Czech Republic, Raiffeisenbank a.s. is involved in financing four office projects. Three projects are certified as LEED GOLD and one is partially certified as BREEAM Outstanding (approx. 20 percent of the rental space). In Hungary, the financing portfolio of Raiffeisen Bank Zrt. includes three office buildings with LEED Gold certification.

Raiffeisenbank (Bulgaria) EAD has three projects in its portfolio with BREEAM, LEED and EDGE certification respectively. In Croatia, the financing portfolio of Raiffeisenbank Austria d.d. includes four different sustainable real estate projects in several Croatian cities. All of the projects are certified in the best or very good energy classes in accordance with national standards. In Romania, Raiffeisen Bank S.A. is involved in eight sustainable real estate projects. Two of the projects have BREEAM Excellent certification, while a further two have LEED GOLD certification. The other four projects are currently in the certification phase. The real estate projects newly financed in 2019 are a mixture of office and residential buildings as well as a shopping center. The headquarters of a German retailer, constructed in line with sustainable principles, was also financed together with RBI AG. Raiffeisen bank a.d. in Serbia is involved in the financing of two sustainable real estate projects. One already has LEED Gold certification, while the other is expected to be certified on completion.

The sustainable real estate portfolio of AO Raiffeisenbank in Russia includes projects with a total value of around € 126 million, three of which have BREEAM certification. Three projects were financed in 2019. The Russian real estate projects do not form part of the green bond portfolio.

- Energy efficiency
  One particularly notable project in this area is a joint credit finance program between Raiffeisen Bank d.d. Bosnia i Hercegovina and KfW to improve energy efficiency in residential buildings with a total volume of € 15 million. In Romania, Raiffeisen Bank S.A. financed projects including an investment in an agricultural business that helped to achieve a thirty percent improvement in energy efficiency. There is a joint credit finance project between Raiffeisen Bank d.d. Bosnia i Hercegovina and KfW to optimize energy efficiency in residential buildings in Bosnia and Herzegovina.

- Waste disposal and recycling
  Raiffeisen Bank S.A. in Romania has financed waste disposal with green certification in a number of Romanian cities. The portfolio of Priorbank JSC in Belarus includes the financing of paper and plastic recycling.

- Organic farming
  In Ukraine, Raiffeisen Bank AVAL JSC financed a company in the area of organic farming.

- Sustainable mobility
  As reported previously, Raiffeisenbank Zrt. in Hungary is financing a production site for batteries for electric vehicles together with RBI AG as a contribution to the future of mobility. This facility also forms part of our green bond portfolio. Raiffeisen Bank AVAL JSC in Ukraine financed the expansion and improvement of public transportation in several Ukrainian cities, including using electric vehicles in some cases.

Financing with a positive impact on society and social issues

- Sustainable entrepreneurship and start-ups
  In Romania, "Factory by RAIFFEISEN BANK" is a flagship initiative that provides financial support for the development of innovation-driven start-ups and helps to promote sustainable economic growth in Romania by creating a strong ecosystem for start-ups. In 2019, 83 Romanian start-ups received financing of up to € 50,000 per company.

- Regional development and infrastructure
  The European Union and various supranational institutions support and promote the development of the private sector, particularly by improving and simplifying access to finding for SMEs, innovations, and agriculture.

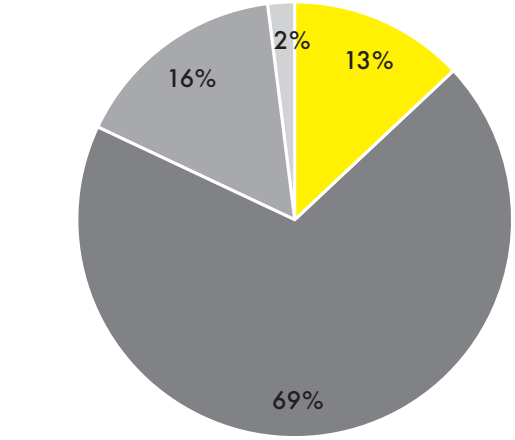
  For example, on the basis of the Western Balkans Enterprise Development & Innovation Facility ("WBEDIF"), Raiffeisen Bank Sh. A. in Albania makes it easier for the private sector to access financing by way of a first loss guarantee from the European Investment Fund (EIF). It also provides financing for agricultural investments in Albania as part of the EU program IPARD (Instrument for Pre-Accession Assistance for Rural Development), which is intended to support the sustainable adjustment of the agricultural sector. And not least, Raiffeisen Bank Sh.A. has initiated a financing program together with some of the biggest municipalities in Albania with the aim of helping young families to buy a home. The families benefit from an advantageous interest rate, with the difference to the market rate being assumed by the municipalities.

  Having successfully supported women in business in the past with the aid of EBRD loans, Raiffeisenbank Austria d.d. in Croatia is now developing its own program with a focus on start-ups founded by women.

  In Ukraine, Raiffeisen Bank AVAL JSC participates in partnership programs aimed at supporting the Ukrainian economy by making it easier for SMEs in particular to access funding. Easier access to technologies and an improvement in Ukraine's economic development, including the establishment of relationships with international and local companies, will increase people's quality of life. Special investment loans for SMEs are offered in this context.

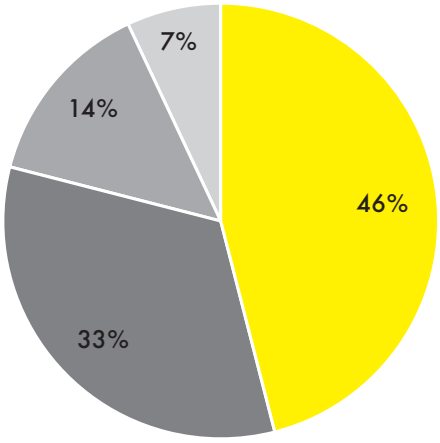
- Health and health care
  At Raiffeisenbank a.s. in the Czech Republic, the total volume of the financing portfolio with a social impact is around € 33.4 million. The loans were used for nursing and care facilities, retirement homes, and the purchase of medical equipment. AO Raiffeisenbank in Russia financed the purchase of medications and laboratory reagents for multidisciplinary medical care centers for children and adults.

Breakdown of RBI's sustainable financing by sustainability criteria



- Renewable energy
- Sustainable real estate
- Other green financing (including energy efficiency, sustainable mobility, Water supply, sewage disposal)
- Social finance (impact on society and social affairs)

Breakdown of RBI's sustainable financing by region



Austria (RBI AG) CE SEE EE

Sustainable investment

Raiffeisen Bausparkasse Gesellschaft m.b.H.

Building societies support the economic cycle through savings and financing, thereby enabling the construction of residential projects that also benefit the coming generations. The core co-operative principle of Raiffeisen is expressed very clearly here: One group saves for the financing of residential construction, renovation, care and education for others who currently need this financing. The savers profit from the secure investment of their assets as well as the government incentives and can also be certain that their capital is being invested in useful, sustainable projects.

Bauspartage 2019 – campaign, © RBSK

Raiffeisen Bausparkasse (RBSK) takes social responsibility when designing campaigns. For example, the "Bauspartage" promotional campaign was all for a good cause: For every building savings agreement concluded during the promotional period from November 25 to December 31, 2019, Raiffeisen Bausparkasse supported the SOS Children's Villages in Austria. The large number of building savings agreements concluded meant that a donation of € 50,000 was generated for the SOS Children's Villages. Every Bausparkasse customer helped to put a smile on a lot of children's faces by fulfilling their most heartfelt wishes.

Raiffeisen Kapitalanlage-Gesellschaft m.b.H. (Raiffeisen KAG)

Sustainable investing of customer deposits at RBI AG is in large part effected via Raiffeisen KAG, which offers securities and real estate investment funds as well as investment management products to institutional and private customers both in Austria and abroad under the brand name Raiffeisen Capital Management (RCM). The focus is on Austria as well as – with substantial growth – Italy, Germany, and the RBI network banks in Central and Eastern Europe.

With a managed fund volume of € 35.6 billion and a 19.3 percent share (according to OeKB statistics) of a fund market with a volume of € 185 billion (Austrian asset management companies), Raiffeisen KAG is one of Austria's leading asset management companies.

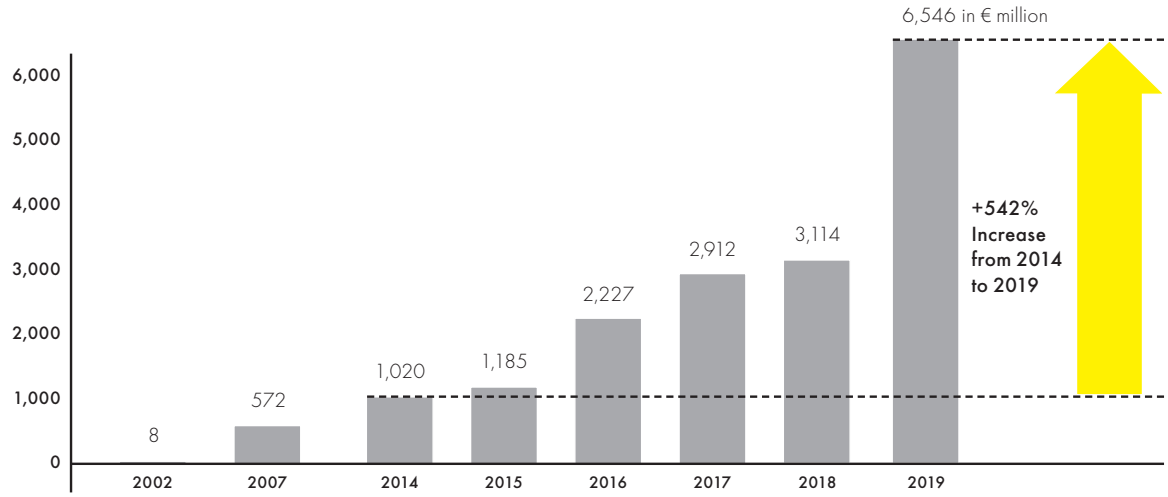
The Raiffeisen Capital Management umbrella brand unites Raiffeisen KAG, Raiffeisen Salzburg Invest (RSI), and Raiffeisen Immobilien KAG. The total volume managed in security funds, including advisories (mandates to third parties, partly abroad) amounted to € 38.3 billion at the end of 2019. The RSI fund volume was formally transferred to Raiffeisen KAG in 2019. Raiffeisen Vermögensverwaltung, which is integrated into Raiffeisen KAG, manages € 1.1 billion, while Raiffeisen Immobilien KAG manages € 508 million.

After the first milestones in 2002, the repositioning in 2013/14 established a management team with sustainability expertise. Subsequently, the range of sustainable funds was gradually expanded and built into a consistent product range of retail investment funds and mandates (special funds) that explicitly give significant consideration to the ESG criteria.

In 2019, the volume of sustainable investments doubled year-on-year to € 6.5 billion. These sustainable investments now account for 17 percent of the total volume, and over 25 percent in the retail segment.

The success of the sustainable investment funds product portfolio is illustrated by the volume statistics since 2014, the year in which the RCM sustainability funds were repositioned. The volume has increased more than sixfold in the meantime.

Development of the sustainable fund volume of Raiffeisen Capital Management



Source: Raiffeisen KAG, data as of December 31, 2019

Raiffeisen's sustainability funds now allow for investments in all asset classes and different risk categories. The range of products extends from three pension funds and numerous mixed funds with different proportions of equities through to three pure equity funds.

Raiffeisen KAG has had the Raiffeisen-GreenBonds fund in its portfolio since 2015. This is one of the first funds to invest in bonds that finance climate and environmental protection projects.

Volume of sustainable funds of Raiffeisen Capital Management 2019

Sustainable funds (retail funds)	Volumen (in € million)
Retail investment funds (Mutual funds)	
Raiffeisen-Nachhaltigkeit-ShortTerm	46.0
Raiffeisen-Nachhaltigkeit-Rent	477.8
Raiffeisen-GreenBonds	91.8
Raiffeisen-Nachhaltikgkeits-Solide	212.7
Raiffeisen-Nachhaltigkeits-Diversified	55.5
Raiffeisen-Nachhaltigkeit-Mix	2,039.7
Klassik Nachhaltigkeit Mix	34.6
Raiffeisen-Nachhaltigkeit-Momentum	223.7
Raiffeisen-Nachhaltigkeit-Aktien	328.7
Raiffeisen-Nachhaltigkeit-EmergingMarkets-Aktien	12.6
Additional retail funds (sustainable minimum criteria)	
Raiffeisen-Österreich-Rent	338.0
Raiffeisen-Global-Aktien	606.9
PAXetBONUM (2 funds)	26.7
16 special funds and mandates (partly abroad)	1,401.0
RKAG fund administration (6 funds)	650.1
Total	**6,545.7**

Source: Raiffeisen KAG, data as of December 31, 2019
Note: Fund administration means that all typical fund services are carried out by the KAG, except for portfolio management in the narrower sense.

This comprehensive product range is supplemented by two large retail funds that also meet the ESG criteria in a slightly "lighter" form and special funds or funds that are administered and serviced but not managed.

Raiffeisen-Nachhaltigkeit-Rent joined the family of sustainable funds in 2019 following its conversion. It dates back to Raiffeisen KAG's oldest fund, Raiffeisen Rentenfonds. The brand new "PAXetBONUM" line consists of two funds that meet the specific ethical investment guidelines of the Austrian Bishops' Conference.

A further expansion of the product portfolio – and thus a continuous expansion of its assets under management in the area of sustainability funds – is planned over the coming years.

In 2019, Raiffeisen Vermögensverwaltung developed a new product for its product line with a focus on affluent private customers that combines RCM's sustainability expertise and capital market know-how. "Raiffeisen VIP-nachhaltig" invests solely in fund products that are classified as sustainable.

In 2019, Raiffeisen Immobilien KAG made the planned progress in implementing its strategy for the sustainable operation of its buildings. One milestone was the award of German Sustainable Building Council (Deutsche Gesellschaft für Nachhaltiges Bauen - DGNB)Gold certification in accordance with the latest standard for existing buildings for six buildings in Germany with differing use types (hotel, logistics, office, commercial). The future viability of the properties was examined on the basis of assessment standards in line with climate protection criteria. The assessment system for existing buildings focuses on building operation and user satisfaction in particular. This means that almost a third of the buildings have already been certified.

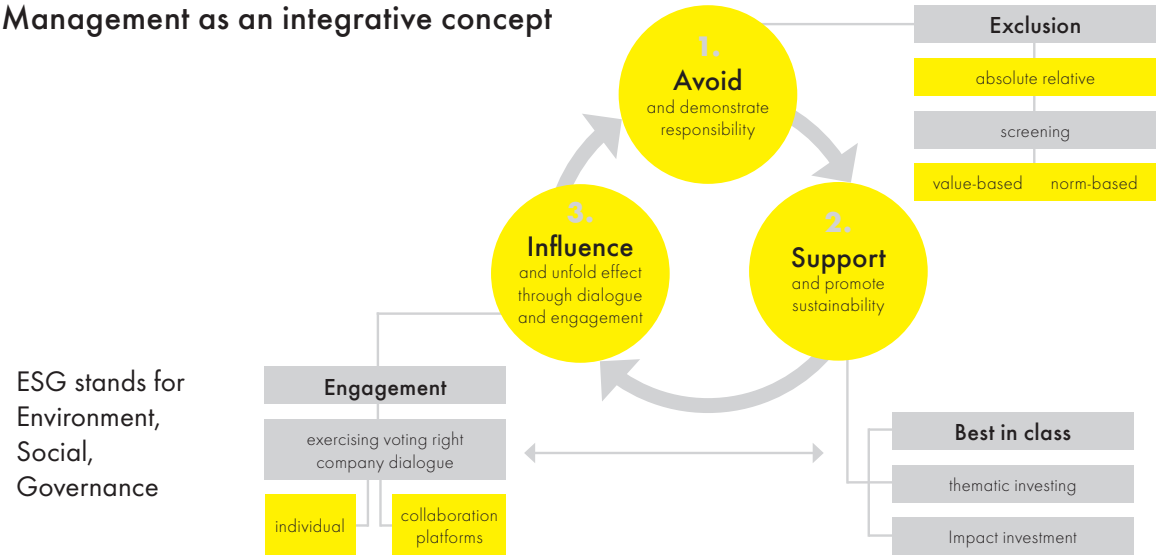
The plan is to certify additional buildings in the portfolio in accordance with the market version of the DGNB system for buildings in operation. The aim is to ensure sustainable building operation after the building has been constructed in a way that encompasses operating costs and processes, user satisfaction, mobility services, and social sustainability strategies. Since 2018, Raiffeisen-Immobilien KAG has also been a member of ÖGNI (Österreichische Gesellschaft für Nachhaltige Immobilienwirtschaft), the Austrian Society for Sustainable Real Estate.

Responsible management of sustainable funds

There are different approaches to integrating ESG into investment. All of them are aimed at taking the social responsibility of investment into account to a greater extent alongside the income and risk targets. By its very definition, sustainability therefore means active management. A sustainable portfolio cannot be achieved solely by screening the investment universe using a few exclusion criteria.

The interaction of all three elements – avoid, support, and especially influence – is a prerequisite for the responsible management of sustainable funds.

Sustainability at Raiffeisen Capital Management as an integrative concept



Source: Raiffeisen KAG

Strict exclusion criteria for the management are defined in the dedicated sustainability funds (retail and special funds), such as the violation of human rights and labor rights, atomic energy, weapons, green genetic engineering, violations of the Global Compact, and other ethical principles (e.g. gambling, alcohol, and the use of human embryos in research). Based on this, a high degree of responsibility and future viability was spotlighted in the investments, i.e. debt capital of enterprises and hence also of states, by self-developed, specific ESG research.

To ensure compliance with sustainability criteria and processes, both the criteria framework (extra-financial exclusion criteria) as well as the sustainable quality are verified and updated on a monthly basis. This is based on data from two sustainability research agencies and in-house data. The "sustainability universe" that results in this way can be modified further to reflect ad hoc events. Internal limit testing ("pre-trade testing") and the reporting of any limit violations takes place in the asset management system. The external fund audit provides further assurance of the applied framework of criteria on an ex post basis.

In addition, progress is being made in expanding the integration of ESG principles to all funds, i.e., beyond the product family of sustainability funds: For all retail investment funds, for example, a voluntary commitment has been made in recent years to exclude investments in agricultural commodities and livestock, as well as controversial weapons. Most recently, companies whose business consists predominantly of the supply or use of coal were excluded.

Close cooperation between a dedicated "Sustainable Investments" team and an already large group of specialists in all of the fund and asset management teams serves to fundamentally ensure the goal of systematically enhancing sustainability in the core business as well as continuously intensifying and expanding sustainability expertise within Raiffeisen KAG. This is not least reflected in our active commitment in the sense of exercising our right to vote or actively communicating with listed companies on ESG issues. In 2019, similarly to the previous year, 309 active company engagement activities took place and 172 votes were cast either directly at general meetings or via specific platforms. An annual engagement report is published on the website (rcm.at).

Certified quality

Raiffeisen KAG works continuously to improve its sustainability investment processes both internally and with external partners. Visible signs include the growing number of national and international certifications it has obtained. These include the "Austrian Ecolabel", the "FNG seal" and the "eurosiftransparency code", which is also a prerequisite for the FNG seal.

Confirmation of the quality of sustainability funds by external auditors serves to strengthen investor confidence. In late 2019, Forum Nachhaltige Geldanlagen (Sustainable Investment Forum) in Austria and Switzerland, issued the FNG seal 2020. This seal is awarded after an audit conducted by an external auditor (University of Hamburg) (information at www.fng-siegel.org). 11 of RCM's sustainability funds were awarded three stars, the highest rating and one that was only given to 37 funds in total.

Raiffeisen's sustainability funds also have the Austrian Ecolabel that is awarded by the Austrian Federal Ministry of Climate Action, Environment, Energy, Mobility, Innovation and Technology following a corresponding external audit.

Expansion and intensification of the sustainability agenda

Sustainability means handling resources responsibly. This responsibility for the environment and society is presenting all of us, and the financial industry in particular, with new challenges. In 2013, RCM signed the PRI (Principles for Responsible Investment) and, at the same time, the competence and capacity of the management was expanded as a significant step toward the integration of sustainability elements into the total investment. Furthermore, Raiffeisen KAG has been an active member of the Sustainable Investment Forum, the professional association for sustainable investment in Germany, Austria, Liechtenstein, and Switzerland since 2009 and, since 2016, a member of the Italian counterpart "Forum per la Finanza Sostenibile".

Raiffeisen Capital Management was also a founding member of the Raiffeisen Sustainability Initiative (RNI) in 2007, marking the start of a growing focus on the general integration of sustainability into the investment business. As a manager and provider of investment funds and asset management products, RCM intends to continue to intensify its dialog with customer and stakeholder groups above and beyond its service range. To this end, the information platform focusing on sustainable investment was launched (www.investment-zukunft.at) and the "nachhaltig investieren" newsletter was relaunched (www.investment-zukunft.at/publikationen).

The advisory board for sustainable investment that was established in 2017 has met regularly ever since. Its purpose is to provide Raiffeisen KAG's activities in the area of sustainable investments with substantive, academic and inputs motivated from various stakeholder groups' perspectives. The advisory board acts as a specialized body representing the key stakeholder groups for sustainable investments. Although the goal has not yet been reached, the process of becoming a climate-neutral, sustainable asset management company has been initiated and is progressing rapidly.

Kathrein Privatbank Aktiengesellschaft

Kathrein Privatbank offers tailored investments for private assets and foundations as well as advice on all matters relating to private foundations, asset transfer and the purchase and sale of companies. Tailored investment solutions are also provided for institutional clients. In its investment decisions, Kathrein Privatbank follows a clearly defined methodology – the quantitative investment style. The object is to identify possibilities for performance improvement and to develop objective economic criteria for investment decisions.

The topic of sustainability, including diversity, is firmly enshrined in the corporate philosophy of Kathrein as a member of RBI Group. Kathrein wants to actively shape a better future by consciously selecting sustainable investments and has voluntarily committed to follow all of the recommendations of the European Transparency Code for Sustainability Funds for selected products. Kathrein has received the Austrian Ecolabel for sustainable financial products for three funds. Four funds have been awarded the FNG seal. Kathrein is also intensively addressing the topic of impact investment already (fund selection and dedicated asset class for mixed mandates; special funds select and use instruments depending on the investor's preferences).

The carbon footprint is calculated for two funds, KCM Aktien Global SRI and KCM SRI Bond Select. The calculation is performed by the cooperation partner CSSP – Center for Social and Sustainable Products AG. Both funds are certified and listed on the "yourSRI.com" platform. The calculated value of the carbon footprint is also published there
(see https://yoursri.com/fundsdx/68151030 and https://yoursri.com/funds-dx/68403018)

All in all, Kathrein already manages over 30 percent of its total fund volume in accordance with sustainability criteria. (Sustainability concept for retail funds with the Ecolabel: see website https://www.kcm.at → Products → Sustainability). There is a cooperation with ISS-ESG and MSCI as research partners in the area of sustainability. Kathrein defines exclusion criteria and positive criteria and combines these with its selection process in order to generate the portfolio of individual instruments.

The sustainability funds currently offered are:

- Kathrein Euro Core Government Bond: Invests primarily in government bonds of the former EU hard currency countries and euro states with historically stable budget policies. A minimum rating of AA applies as an allocation criterion.
- Kathrein Euro Bond: Invests exclusively in government bonds without the inclusion of corporate tangents. Since July 2011, government bonds with a minimum composite rating of BBB have been exclusively allocated to the fund.
- HYPO RENT: Gilt-edged pension fund that is suitable for severance payment and pension provisions.
- MI Multi Strategy SRI: A mixed fund that invests according to the investment regulations of the Austrian Corporate Employee and Self-Employed Pension Act (Betriebliches Mitarbeiter- und Selbstständigenvorsorge-gesetz-BMSVG) and the Austrian Pension Fund Act (Pensionskassengesetz).
- KCM SRI Bond Select: A global investing bond fund focused on companies with a good credit rating. The fund has a broadly diversified portfolio across different countries and sectors. Social, ethical and ecological exclusion and quality criteria are applied in issuer selection.
- KCM SRI Bond Classic: A euro pension fund with active maturity management that invests solely in euro-denominated government and corporate bonds issued in the European Economic Area (EEA) with investment grade ratings (required minimum average: maximum drawdown <3 percent over a twelve-month rolling observation period). In realizing these ambitious aims, the fund meets the requirements of section 10 EStG, section 14 EStG, section 25 PKG, section 446 ASVG, and section 30 BMSVG.
- KCM Aktien Global SRI: Designed as a passive, highly diversified global share fund that is intended to replicate the value development of the MSCI World SRI Index on the basis of a reasonable number of individual instruments.

© Raiffeisen Centrobank AG

Heike Arbter, member of the Management Board of Raiffeisen Centrobank AG

"An awareness of having a positive impact on ecological, social and societal aspects of corporate governance through their investments is playing an important role for more and more investors. In addition, almost no yield has to be sacrificed in order to make sustainable investments, meaning they meet one of the main criteria for investing – to generate a profit. And, of course, there is growing political pressure to meet climate and environmental goals like those set out in the Paris Agreement, accompanied by the corresponding legal conditions. I am confident that this is just the beginning and that the move toward sustainable investments will accelerate considerably in the coming years. Raiffeisen Centrobank (RCB) has been addressing the topic of sustainability for some time now and has issued sustainability-oriented certificates since 2005. In recent years, RCB has also issued capital protection certificates to allow security-conscious investors to move into the area of sustainable investment. Sustainability is a topic that most investors are now aware of, and we are reflecting this fact by expanding our product range."

QUOTE

Raiffeisen Centrobank AG (RCB)

Raiffeisen Centrobank AG is the competence center for shares and certificates of the Raiffeisen Banking Group. Sustainability has enjoyed high priority in RCB's product range for the past 15 years. For safety-conscious investors, RCB issues capital protection certificates at regular intervals which enable participation in the development of the underlying assets or offer a predefined return if the underlying asset is higher than its starting value at the end of the term. Capital protection describes the protection for the capital employed at the end of the term. Capital protection of 100 percent means at least 100 percent of the nominal amount is returned to the investor at the end of the term.

In the area of structured products, RCB issued sustainability-oriented index certificates as early as 2005. It later also issued capital protection certificates on various STOXX ESG-based indexes in order to make it easier for investors to address the topic of sustainability and make investments with capital protection. RCB issued its "Nachhaltigkeits-Winner" for the first time in October 2014. iSTOXX ESG Select Global 100 Index, i.e. the index that combines the best 100 companies in the areas of environmental, social and responsible action (ESG), is the underlying for this investment product with capital protection. In the meantime, RCB has issued more than 30 products in its sustainability series with an outstanding volume of almost € 400 million, corresponding to around ten percent of the total volume of all RCB certificates. Most of the products in the RCB sustainability series have the STOXX® Europe ESG Leaders Select 30 Index – the European counterpart to the global sustainability index – as their underlying. The STOXX® Europe ESG Leaders Select 30 tracks the performance of 30 of the best European companies in the areas of environment, social and governance. Exclusion criteria for the index include violations of one or more principles of the UN Global compact. These include labor standards, human rights, environmental protection and combating corruption. The index is weighted on the basis of market capitalization, with the weighting of each individual equity limited to ten percent.

Once a niche area, sustainable investment is now also enjoying ever greater attention in the CEE region. The majority of investors are primarily focused on having a positive impact on ecological and social challenges with their sustainable investments and helping the principles of good corporate governance to take hold.

In fall 2019, two capital protection certificates were issued with the new sustainability index of the Warsaw Stock Exchange as the underlying. RCB also issued a capital protection certificate with a 90 percent capital protection level in Czech koruna (CZK) on the STOXX® Europe ESG Leaders Select 30 Price EUR Index.

According to a new internal study (September 2019) on the RCB sustainability series, attractive yields can be generated with capital protection certificates on the topic of sustainability. The average yield for all of the certificates analyzed in the period covered by the study was 4.72 percent (corresponding to 3.64 percent p.a.) with an average capital protection level of 98.48 percent. These results suggest that sustainability and capital protection can be successfully combined with certificates, allowing investors to generate solid yields accompanied by the required security. Even in a zero interest rate environment, sustainability certificates can not only cover inflation, but also deliver solid additional income.

Product overview:

Product name	ISIN	Underlying
USD 1,25% Nachhaltigkeits Winner	(ISIN: AT0000A1G783)	iSTOXX® GLOBAL ESG SELECT 100® USD
Nachhaltigkeits-Winner	(ISIN: AT0000A19XZ4)	iSTOXX® Global ESG Select 100 Index
Nachhaltigkeits-Winner 2	(ISIN: AT0000A1AEB8)	iSTOXX® Global ESG Select 100 Index
Europa Nachhaltigkeits Winner 90%	(ISIN: AT0000A1WCY8)	STOXX® Europe ESG Leaders Select 30
Europa Nachhaltigkeits Winner 90% 2	(ISIN: AT0000A1XA13)	STOXX® Europe ESG Leaders Select 30
Europa Nachhaltigkeits Bond 7	(ISIN: AT0000A27ZS7)	STOXX® Europe ESG Leaders Select 30
Nachhaltigkeits Winner 98%	(ISIN: AT0000A1G7B0)	iSTOXX® Global ESG Select 100 Index
Nachhaltigkeits Winner 95%	(ISIN: AT0000A1G7A2)	iSTOXX® Global ESG Select 100 Index
Nachhaltigkeits Winner 100%	(ISIN: AT0000A1G791)	iSTOXX® Global ESG Select 100 Index
Europa Nachhaltigkeits Bond 5	(ISIN: AT0000A25JC9)	STOXX® Europe ESG Leaders Select 30
Europa Nachhaltigkeits Bond 4	(ISIN: AT0000A23RB9)	STOXX® Europe ESG Leaders Select 30
Europa Nachhaltigkeits Bond 3	(ISIN: AT0000A239Z3)	STOXX® Europe ESG Leaders Select 30
Europa Nachhaltigkeits Bond 2	(ISIN: AT0000A21PG6)	STOXX® Europe ESG Leaders Select 30
0,5% Europa Nachhaltigkeits Bond	(ISIN: AT0000A25JL0)	STOXX® Europe ESG Leaders Select 30
0,5% Europa Nachhaltigkeits Bond 2	(ISIN: AT0000A26AP8)	STOXX® Europe ESG Leaders Select 30
Europa Nachhaltigkeits Bond 6	(ISIN: AT0000A27109)	STOXX® Europe ESG Leaders Select 30
Europa Nachhaltigkeits Express	(ISIN: AT0000A2ADX2)	STOXX® Europe ESG Leaders Select 30
Raiffeisen 200 Nachhaltigkeits Bond	(ISIN: AT0000A20B06)	STOXX® Europe ESG Leaders Select 30
Nachhaltigkeits-Winner II 100%	(ISIN: AT0000A1PK03)	iSTOXX® Global ESG Select 100 Index
Nachhaltigkeits-Winner II 95%	(ISIN: AT0000A1PJZ4)	iSTOXX® Global ESG Select 100 Index
Europa Nachhaltigkeits Winner 2	(ISIN: AT0000A1Z0Y4)	STOXX® Europe ESG Leaders Select 30
Europa Nachhaltigkeits Bond 90% 4	(ISIN: AT0000A2APM9)	STOXX® Europe ESG Leaders Select 30
Europa Nachhaltigkeits Bond 90%	(ISIN: AT0000A29TE6)	STOXX® Europe ESG Leaders Select 30
Europa Nachhaltigkeits Winner 5	(ISIN: AT0000A287S7)	STOXX® Europe ESG Leaders Select 30
Europa Nachhaltigkeits Bond	(ISIN: AT0000A21912)	STOXX® Europe ESG Leaders Select 30
Europa Nachhaltigkeits Winner 4	(ISIN: AT0000A287R9)	STOXX® Europe ESG Leaders Select 30
Europa Nachhaltigkeits Winner 3	(ISIN: AT0000A1Z8F6)	STOXX® Europe ESG Leaders Select 30
Europa Nachhaltigkeits Winner	(ISIN: AT0000A1YGH0)	STOXX® Europe ESG Leaders Select 30
Europa Nachhaltigkeits Bond 90% 3	(ISIN: AT0000A2APD8)	STOXX® Europe ESG Leaders Select 30
Europa Nachhaltigkeits Bond 90% 2	(ISIN: AT0000A29T56)	STOXX® Europe ESG Leaders Select 30
Winner Evropskeho udrzitelneho Rozvoje 90%	(ISIN: AT0000A1XE76)	STOXX® Europe ESG Leaders Select 30
Europe Sustainability Winner 98%	(ISIN: AT0000A1Z072)	STOXX® Europe ESG Leaders Select 30
95% Europe Garant ESG (EUR)	(ISIN: AT0000A25616)	STOXX® Europe ESG Leaders Select 30
Europe Garant ESG	(ISIN: AT0000A21LH3)	STOXX® Europe ESG Leaders Select 30
Zrównowazony Rozwój II	(ISIN: AT0000A1X1L1)	STOXX® Europe ESG Leaders Select 30
Zrównowazony Rozwój	(ISIN: AT0000A1FWN4)	iSTOXX® Global ESG Select 100 Index
Index-Certificate	(ISIN: AT0000A2AEM3)	Long WIG-ESG ®
Nachhaltigkeits Bond 90%	(ISIN: AT0000A2B6L5)	STOXX® Europe ESG Leaders Select 30
Europa Nachhaltigkeits Winner 6	(ISIN: AT0000A2B6M3	STOXX® Europe ESG Leaders Select 30

Other sustainable products and services

Financing programs and initiatives to support sustainable investments

- ESG Support Factor

RBI AG launched an "ESG Support Factor" (ESF) incentive in early 2019. The ESF supports sustainable finance. RBI bases its lending on the criteria of leading institutions on sustainability in the EU, such as the EIB and KfW, among other things. The ESF is intended to support the establishment of a sustainable portfolio.

- ESG discount
  ESG-eligible assets are aimed at financing or refinancing loans with positive ecological or societal impacts in the sense of the social development goals of the United Nations. The eligible green/social loans are administered on a portfolio basis in order to support the issue of RBI green and social bonds.

Other products and services with relevance for sustainability

- Documentary business
  The Trade Finance department supported one of our most important large customers in its first project in Vietnam by structuring a complex letter of credit structure. A drinking water facility with a capacity of 300,000 m³/day was constructed in the region around Hanoi. Our customer delivered the majority of the machinery and equipment and was extensively involved in construction on site.

Another particularly sustainable project with the involvement of RBI AG was the provision of a delivery and performance guarantee of around € 15 million for a renewable energy project in Russia. This long-term project involves the extensive modernization of hydro turbines with a total project volume of € 130 million.

Furthermore, a project worth mentioning was the provision of a warranty with an equivalent value of € 15 million for the delivery of electromechanical components for a hydro power plant in Laos in order to promote renewable energy in the Mekong region.

- Green bond issues and "Green Schuldscheindarlehen" for corporate customers
  RBI AG acted as mandated lead arranger and bookrunner for two Green Schuldschein transactions with a total volume of € 176 million with the purpose of refinancing green real estate projects and environmentally friendly construction materials and energy-saving measures in the construction sector. Furthermore, RBI AG also acted as mandated lead arranger and bookrunner for a Schuldscheindarlehen in the care sector in Austria and the Czech Republic with a total equivalent value of around € 63 million.

  In addition, RBI AG was active bookrunner for three green bond issues with a total volume of € 2,075 million that were used to finance and refinance suitable green projects aimed at climate protection and the protection of natural resources, including one in Ukraine.

- Financing facilities linked to sustainability targets
  RBI AG has a € 75 million participation in an "ESG-linked" revolving credit facility with a total volume of € 250 million. The margin of the credit facility is adjusted by an external rating agency once a year to reflect the ESG rating of the borrower.

- RBI's green bond issues
  In September 2019, RBI successfully completed the second benchmark issue of a green bond by an Austrian bank. The bond has a volume of € 750 million and a term of seven years. With incoming orders of € 1.8 billion, the bond was significantly oversubscribed. The proceeds are used to finance real estate and clean transportation projects in Western Europe and CEE. The issues of two green retail bonds were also successfully completed, one with a volume of € 7.5 million and a term of seven years, the other with a volume of € 3.5 million and a term of five years. This means RBI is the largest green bond issuer in Austria.

Environmental effects of the first RBI green bond:

CO_2 SAVINGS BY ASSET CATEGORY

Asset category	CO_2 savings per year in tons	CO_2 savings in 3 years in tons
Hotel	657	1,971
Logistics	3,974	11,922
Office	7,110	21,330
Shopping Centers	1,251	3,753
Total	**12,992**	**38,976**

€ 630 m Portfolio saves

12,992 tons CO_2 per year

EQUIVALENT TO ANNUAL GREENHOUSE GAS EMISSIONS[1]

2,758 Passenger vehicle driven for one year

or

1,556 Households supplied with energy for one year

or

214,792 Tree seedlings grown for ten years

Annual CO_2 savings per € 1 m investment **21 tons**

or

Annual CO_2 savings per € 500 m outstanding green bonds **10,300 tons**

[1] Source: https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

Services in connection with sustainable mobility

- Environmental fleet management
  As part of the environmental fleet management of Raiffeisen-Leasing Fuhrpark-management GmbH, driving profile analyses and TCO (total cost of ownership) calculations were again carried out in 2019 to compare electric and combustion vehicles in order to individually advise customers and other interested parties according to their needs. Customers also receive specially developed reports that provide a good overview of CO_2 emissions and facilitate the preparation of data for an energy audit. Daily business is supported by modern communication methods and the combination of various app solutions. There is also a partnership with Smatrics, an innovative service provider for electric mobility, and with fuel and charge card providers for cashless charging throughout Austria.

© Goran Andric

Helmut Breit, Head of Division Corporate Finance, RBI AG

"The world has changed a great deal since RBI was recognized with the ‚FT Sustainable Banking Award for Carbon Finance' by the Financial Times more than twelve years ago. Sustainable finance has reached the mainstream. Among other things, this is illustrated by the following facts:

The European Union has defined extensive measures in its Action Plan, and in its Taxonomy set out clear targets for a range of economic activities that are responsible for 93 percent of all greenhouse gas emissions. This means that the industry and investors have access to a guideline and a uniform definition of "green" for the first time.

The regulatory side is now also seeing significant momentum: ESG risks of corporate customers are to be integrated into banks' loan approval processes. A climate stress test will become part of the calculation of capital resources for the purpose of the SREP ratio. Potential surcharges and reductions for the capital requirements for green and brown loans are also being considered. All of this is having a significant impact on customer behavior, and there are great opportunities when it comes to customer advice and support in the form of 'ESG-linked products', which will largely guide the transition of companies over the coming years."

QUOTE

- Cooperation with electric car manufacturers
  Raiffeisen-Leasing GmbH remains active as a long-standing expert partner to electric mobility manufacturers. Another encouraging development is the fact that the fleet of electric vehicles increased considerably in 2019. A total of 9,242 electric vehicles were registered, of which around eleven percent were financed via Raiffeisen-Leasing. New additional services and car-sharing projects have also been developed for customers and are enjoying a positive response among "electric motorists".

- Provision of electric mobility in residential construction with minimal grid usage
  A new residential construction project of Raiffeisen-Leasing GmbH was provided with electric mobility in such a way as to minimize the grid load. In addition to the general target of using energy-saving technical solutions to the greatest possible extend, this meant that Raiffeisen-Leasing GmbH was able to guarantee efficient usage for the entire housing complex through the additional installation of an energy management system. This ensures that drivers can charge their electric vehicles at the maximum power both now and in the future. This required the conversion of meters to a measuring transducer that controls the power to the entire building via the downstream load management system.

Municipalities in Lower Austria are boosted by the right electric charging infrastructure. From left to right: Stefan Pernkopf, Environmental Secretary of Lower Austria; Christine Scharinger, Raiffeisen-Leasing; Petra Bohuslav, member of the state government of Lower Austria, Martin Fassl, ecoplus. © NLK Filzwieser

- Consulting for municipalities on electric charging infrastructures In connection with leasing business, municipalities in Lower Austria were advised on the provision of an adequate charging infrastructure. In line with the principle of sector couping, renewable forms of energy (PV, wind, water) that have a decarbonizing effect on all sectors of the economy are combined with energy-efficient technologies. This can help ensure a reduction in energy consumption as well as energy security in the flexibility of demand through the use of functional energy storage without impacting existing grids with excessive peak loads. The project partners ecoplus and Raiffeisen-Leasing offer these services or construction services as a modular system in order to meet the needs of the respective municipalities.

Additional measures

- Paperless office in retail business
  In 2019, Raiffeisen-Leasing GmbH introduced a workflow solution called LeasFlow in its retail business for vehicles. Based on the fully digitized exchange of information, this system makes it significantly quicker to process and find documents. Incoming documents are scanned immediately (early scanning) and subsequently processed and completed electronically.

  One of the consequences of this is a significant reduction in paper consumption. Over a full working year, around a million fewer sheets of A4 paper are used. As it takes 7.5 kilograms of wood to produce 500 sheets of A4 paper and each tree provides around 100 kilograms of wood, the Raiffeisen-Leasing solution therefore "saves" 150 trees every year.

Valida Vorsorge Management

The Valida staff provision fund is responsible for processing the obligatory contributions under "Abfertigung Neu" for a total of 2.5 million employees and self-employed persons. The contributions it manages are in the amount of approx. € 3.4 billion. The "Valida staff provision fund sustainability concept" (see valida.at/nachhaltigkeitskonzept) defines the ethical criteria for capital investment.

Central positive criteria (examples):	Exclusion criteria (examples)
Responsible dealings with employees	Weapons
Active environmental policy	Nuclear power
Sustainable products	Serious deficits in democracy or human rights violations

rfu sustainability · research · consulting

The consultancy firm Reinhard Friesenbichler Unternehmensberatung (rfu), a specialist in sustainable investment, reviews the level of sustainability for the entire corporate assets of the Valida staff provision fund twice yearly. The individual investments are rated on a scale of 0 to 200. Investments with a sustainability score of 100 points or more are to be regarded as sustainable. The scores of the individual portfolio positions are aggregated at the level of the overall portfolio and result in an overall sustainability score.

Additionally, the investments are assigned to one of the following sustainability classes:
1) Sustainability funds
2) Sustainable individual instruments
3) Sustainably oriented funds
4) Conventional funds (not sustainable)

The goals for the sustainable capital investment of the Valida staff provision fund are as follows:
- All investments should be allocable to one of three sustainable investment classes. At the 2019 reporting date, the Valida staff provision fund held no conventional funds. This means that 100 percent of the assets were invested in the above three classes of sustainability.
- The sustainability score for the entire portfolio should be over 140 points. At the reporting date of December 31, 2019, the Valida staff provision fund exceeded this target at 156 points, thereby setting a new record.

Valida therefore clearly met all of the goals of sustainable investment.

ÖGUT certification: The Valida staff provision fund is audited and certified annually by the Austrian Society for Environment and Technology (ÖGUT). In 2019, the Valida staff provision fund once again received the "ÖGUT Gold" award, the best possible, for the year 2018. This is the seventh ÖGUT Gold certification in a row. In addition to the ethical investment factor, communication and transparency in regard to sustainability, in-house ecological aspects, staff policy and corporate citizenship all play a role.

ÖGUT Nachhaltigkeitsprüfung für BV-Kassen 2018 GOLD Valida Plus

7 AFFORDABLE AND CLEAN ENERGY
13 CLIMATE ACTION
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

The Valida Group also supports the UN Sustainable Development Goals (SDGs). As part of its sustainability efforts, it contributes in particular to the attainment of three SDGs: Sustainable Energy (SDG 7), Combating Climate Change (SDG 13), and Justice (SDG 16). Sustainable energy generation is one of the positive criteria for investing in the staff provision fund, while investments in nuclear power are excluded (SDG 7). Valida has been regularly measuring the CO_2 footprint of the staff provision fund's equity portfolio since 2016. Among the criteria for exclusion in the case of government bonds is a "Passive Climate Policy" (SDG 13).

With strict compliance regulations, RBI Code of Conduct, which applies to Valida employees and suppliers, as well as the strict exclusion criteria for investments of the staff provision fund, Valida applies regulations that go far beyond the legal requirements (SDG 16). As a member of the UNGC (United Nations Global Compact), Valida is the first member of the industry to have been included in the list of participants of the SDG movement.
(see: https://globalcompact.at/teilnehmerorganisationen-sdg-box/)

Overview of measures

	Austria							CE			SEE							EE		
Measures	**RBI AG**	**RBSK**	**RKAG**	**RL**	**Valida**	**RCB**	**Kathrein**	**TBSK**	**RBCZ**	**RBHU**	**RBAL**	**RBBH**	**RBBG**	**RBKO**	**RBHR**	**RBRO**	**RBRS**	**RBBY**	**RBRU**	**AVAL**
Free donation transfersn		n.r.	n.r.	n.r.	n.r.	n.r.	✓						✓	✓	✓		✓	✓		✓
Free account management and special credit for defined NGOs/charitable		n.r.				n.r.		✓					✓	✓			✓	✓	✓	✓
Electronic bank statements	✓		n.r.	✓	✓	n.r.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Electronic product information	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Special conditions for pensioner	n.r.		n.r.		n.r.				✓		✓	✓	✓	✓	✓		✓	✓		✓
Special conditions for students and/or teenagers	n.r.	✓	n.r.		n.r.			✓	✓		✓	✓	✓	✓	✓	✓	✓	✓		✓

The complete company names can be found in the abbreviation list.

Initiatives for improving access to financial products for disadvantaged groups of the population

It is important for social equilibrium in society that all sections of the population are given equal opportunity to access financial services. Disadvantaged groups include people with disabilities as well as people who have, for example, linguistic, cultural or age-related barriers to overcome. In all of our markets, we are endeavoring as far as possible to ensure that people with disabilities will be able to enjoy barrier-free access to all facilities in the medium term.

Austria

Visually impaired users in Austria have the opportunity to switch the websites of RBI and ELBA internet to high-contrast colors, making them easier to read. The web pages meet all standards in order to be read by screen readers. For people who have difficulty using the website due to limited hand mobility, there are now larger buttons and images. A further significant improvement was achieved through "Responsive Design". This means that the website is automatically modified to suit the end device. Another important measure is the "Sensing Journey", voluntary training that is provided to RBI AG employees. This is intended to help to improve their understanding of the concerns of people with disabilities and make it easier for them to meet their needs in connection with financial products.

Network banks

One of the most important requirements is barrier-free physical access to branches and ATMs. For most of our network banks, this has been achieved at 100 percent of branches. At just four network banks, structural reasons mean this is only possible in between 72 and 97 percent of branches.

Ensuring that ATMs are fitted with corresponding keyboards and headphone jacks for people with visual impairments is another essential requirement. A web presence including digital product information with the option of switching to high-contrast colors represents a further significant improvement for many visually impaired people. The compatibility of digital publications with screen readers is also becoming increasingly important. The option of arranging for a sign language interpreter to attend consultations on financial services can make things considerably easier for people with hearing impairments. Language barriers for immigrants can also be overcome by using technology with language selection, at least at ATMs.

One good example is the "Silent Connection" application, which allows deaf or hearing-impaired customers in the Czech Republic to contact Raiffeisenbank a.s. It makes use of sign language interpreters or real-time transcription of the spoken word. This silent collaboration makes it easier for the hearing-impaired to obtain access to an account and other financial products and services. This service is also offered for web calls at Raiffeisen BANK d.d. Bosna i Hercegovina, for example. For visually impaired customers, on the other hand, special CDs with information on the bank's products are produced.

Some banks have now established rules for assisting people with disabilities. At Raiffeisen BANK d.d. Bosna i Hercegovina, for example, witnesses can also be requested for greater transaction security depending on the severity of the customer's disability. At Priorbank JSC in Belarus, standards for assisting people with disabilities have been developed as part of the "establishing and implementing service quality standards" project. At AO Raiffeisenbank in Russia, all front office employees also completed internal training in this area.

Overview of measures

	Austria							CE			SEE							EE		
Measures	RBI AG	RBSK	RKAG	RL	Valida	RCB	Kathrein	TBSK	RBCZ	RBHU	RBAL	RBBH	RBBG	RBKO	RBHR	RBRO	RBRS	RBBY	RBRU	AVAL
Barrier-free access to all branches and ATMs	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	✓				✓		✓	✓	✓	✓	✓	✓	✓	✓
Website adaption for the visually impaired	✓	✓			✓		✓	✓	✓	✓										
Adaption of ATMs for the visually impaired	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	✓		✓		✓	✓		✓		✓	✓	✓	
Multilingual ATMs for immigrants	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	n.r.	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Guidance/assistance/training measures for dealing with people with special needs	✓		n.r.	n.r.								✓	✓		✓			✓	✓	
Product information for the visually impaired	n.r.	✓	✓		✓				✓			✓		✓						
Availability of sign language translators for the hearing impaired	n.r.								✓			✓							✓	

The complete company names can be found in the abbreviation list.

Future outlook and Sustainability program

RBI has always sought to structure its business and business relationships for long-term resilience, to avoid social and environmental risks, and to ensure that opportunities to improve environmental protection and social standards are leveraged. The topic of sustainability was boosted further in 2018 with the issue of the first RBI green bond with a total volume of € 500 million. This bond, which was already backed by a large number of financial transactions in the ESG (environmental, social, governance) area, signaled the start of a strategic initiative under which RBI has intensified its activities in the area of sustainable finance at both customer and product level.

Another landmark was the first retail green bond issue – with a modest volume of around € 3.5 million – in spring 2019. The second major green bond for institutional investors was issued in September 2019, with an increased volume of € 750 million on account of the high level of demand. These green bond transactions mean that the classified volume of green financing is now already in the billions.

Working groups were established to comprehensively address all aspects of ESG. This includes the creation of a rulebook on the segmentation and classification of transactions in RBI's portfolio, the corresponding labeling of such transactions in the IT systems, and preparatory work for the forthcoming segmentation and classification of customers and transactions throughout RBI's entire corporate business. To help us achieve these goals, we acquired an ESG data pool in December 2019 in preparation for the portfolio segmentation. At the same time, a network of ESG contacts for core business at all of RBI's network banks has now been established.

In 2020, we will focus in particular on the implementation of portfolio segmentation and classification. The aim is to classify the customer groups based on ESG criteria by summer 2020. In the next stage, these customers will also be classified on the basis of the EU taxonomy criteria in the second half of 2020. The corresponding rulebook definitions are also being gradually expanded and improved.

We are confident that all of this work will lay the foundations not only for us to optimally advise our customers, but also for us to provide them with the right products. We are currently seeing a large number of customer inquiries relating to how companies will be required to position themselves in the future in order to meet the targets of the EU Action Plan for the financing of sustainable growth and the preparations they will need to make in order to receive concessionary loans with ESG-compliant transactions. This is a crucial process for the banks themselves, as it will incentivize customers to transform while also ensuring the required compliance with the legal conditions of the EU taxonomy. We also need to prepare ourselves to be able to perform the stress tests that are planned by the EBA (European Banking Authority). The first voluntary stress test is already scheduled for late 2020. This will involve a sensitivity analysis in order to investigate the potential hazards for the banking sector in terms of climate risks and develop an improved understanding of the long-term consequences for banks' business models. RBI's aim is to take a leading role in this process in order to ensure that it is equipped for potential future scenarios (transformation and hazard risk) while also gathering experience that it can apply in advising customers.

A debate is currently taking place at EU level about lowering the capital requirements for ESG-compliant transactions in the form of a supporting factor. RBI also intends to be prepared for any such development.

Raiffeisen KAG already demonstrated its clear positioning with regard to making a sustainable contribution to the climate goals set out in the Paris Agreement and Agenda 2030 (Sustainable Development Goals) in 2015 when it signed the Montreal Carbon Pledge, a UN PRI initiative dedicated to publishing the carbon footprint of investment funds.

This represents a major challenge. The calculation of a carbon footprint for sustainability funds is a project that will be completed in the near future and that will form a valid basis for additional measures. As part of the Raiffeisen Sustainability Initiative, Raiffeisen KAG has committed to offering at least 25 percent "green" investment products by 2030 and to reduce greenhouse gas emissions across its assets under management by 25 percent. These

targets apply to all Raiffeisen Capital Management funds. A concept for the comprehensive, in-depth measurement and aggregation of greenhouse gas emissions in the portfolios is currently being developed with internal and external experts (Environment Agency Austria and the University of Natural Resources and Life Sciences, Vienna). This means Raiffeisen KAG is well on the way to being a forerunner in the German-speaking region in terms of its climate performance as an asset management company. This is also consistent with the goals of the Raiffeisen Sustainability Initiative.

Excerpt from the Sustainability program

General objectives: Anchoring sustainability within the business processes; promoting sustainable products

SDGs	Objective	Measure	Status	Progress
13	Increasing the share of environmentally friendly products and services	Incentive model for sustainable financing	◒	■□□□
7 8 9 13	Portfolio expansion for future green/social bonds	Training on green finance products to increase awareness among relationship managers	◒	■■□□
7 8 9 13	Promotion of the topic of sustainable finance within the Group	Establishment and increased integration of ESG contacts for core business at all network banks	◒	■■□□
7 8 9 13	Classification of customer groups based on ESG criteria	Implementation of portfolio segmentation and classification	◒	■□□□
13	Implementing a climate strategy in the core business	Elaboration of a group-wide environmental policy	◒	■□□□
8 16	Increasing awareness regarding ethical behavior	Elaboration of a group-wide human rights policy	◒	■□□□
7 8 9 13	Contribution to the Sustainable Development Goals (SDGs)	Expansion of financing to support the SDGs 7, 8, 9 and 13	≈	■■□□
9	Building infrastructure and promoting innovation (SDG 9)	Promoting an internal culture of innovation at RBI through the intrapreneurship program and expanding activities at a local level (local intrapreneurship programs)	≈	■■■■
17	Entering into global partnerships for sustainable development (SDG 17)	Partnerships between the accelerator programs at the network banks to connect local and global start-up ecosystems	≈	■■■■
13	Increased integration of ESG research in funds managed by Raiffeisen KAG	Expansion of resources, process innovation	◒	■■■□
13	Expanding the top position and increasing the volume of sustainable investments of Raiffeisen KAG	Establishing/converting further funds, further integration of ESG research in all managed funds	≈	■■■□
13	Development into a sustainable, climate-neutral asset management company	Measurement of/reduction in carbon footprint of inhouse ecology and product portfolio (funds)	◒	■□□□

○ New ◒ In progress ● Complete ≈ Constantly

Status (25% of target achieved per box filled) □□□□

SDGs

7 Affordable and Clean Energy
8 Decent Work and Economic Growth
9 Industry, Innovation and Infrastructure
13 Climate Protection Measures
16 Peace, Justice and Strong Institutions

Field of action Fair partner – Employees: for inclusion and empowerment

Image author: Ulf Wallmann (RBI)

Fair partner – Employees

Our employees, our culture, and our organization are the foundations of RBI. Our focus on employees helps to increase employee commitment and has a positive impact on the "Employee Experience", which describes the sum of the experiences and perceptions gained by our employees while working for the company. A positive "Employee Experience" promotes satisfaction and performance and helps to support productivity. RBI sees its employees as key stakeholders whose expertise, creativity, and entrepreneurship are essential to the company's future development.

Mission & Vision 2025

Our Vision 2025 sets out the company's golas and direction. Our values set the framework within we want to achieve these goals (see page 14 onward)

Our mission is to transform continuous innovation into superior customer experience. To allow us to deal with the resulting challenges as best as possible, a strategic transformation roadmap has been developed with the aim of driving the transformation of "people, culture, and organization". The strategic roadmap contains a number of focal points, from employee recruitment, development, and skills, through to agile working methods and entrepreneurship. These focal points, along with the clearly defined indicators for measuring the progress of our transformation, apply to our entire banking network, thereby providing a new degree of consistency in terms of focus and implementation. One of our core tasks remains to generate a positive employee experience that supports our mission.

Within the focal points adopted for the Group as a whole, each network bank plans its strategic initiatives in the context of their own local strategic plans. The key strategic initiatives taken by many of our banks for their local roadmaps include anchoring the corporate values within existing and new working methods. This includes the refinement of our employer value proposition (EVP). This supports the development of the necessary skills and competences, the achievement of the mission, and an organization that is more adaptable to the conditions of the market.

The mission statement for employees begins by stressing the importance of expertise. Coupled with an environment that promotes cooperation, creativity, and entrepreneurship, this means that various sustainability aspects are also addressed at the same time.

© WU-Wien

Heike Mensi-Klarbach,
Head of Group HR, RBI AG

"RBI's vision, mission, and corporate values are founded on the fundamental principle that the considerable diversity in our workforce is a major asset when it comes to achieving our corporate objectives. Our mission to turn continuous innovation into a superior customer experience can be achieved when all of our employees contribute not only their expertise and creativity, but also their (life) experience, so that their entire potential can be harnessed. Our values – collaboration, proactivity, learning, responsibility – are based on a culture that promotes diversity and a sum that is greater than its parts.

Group Human Resources is responsible for creating suitable conditions and supporting managers and employees so that everyone is willing and able to contribute their potential. I am also particularly committed to increase the proportion of woman share in top management in order to make visible progress in terms of diversity."

QUOTE

To allow us to optimally meet the future requirements concerning sustainable finance (see page 79 und 84) – and, in particular, to advance sustainable customer innovations – it is necessary for us to establish extensive expertise and continuously expand this expertise as an organization. RBI sees itself as a learning organization and makes use of various options in this respect, from on-the-job learning through to the latest digital aids, such as the extensive online sustainability training that will be available to all employees from 2020.

The value system RBI intends to use in achieving its mission includes the value of "Collaboration". This clearly reflects RBI's commitment to listening, mutual understanding, respect, and trust, and is intended to encourage greater diversity as a consequence. The diversity principle has been integrated into RBI's strategy for a number of years (see page 97) and is relevant for the creativity that is both desirable and necessary in order to make innovation possible in the first place. Further elements include the value of "Proactivity" – in the sense of courage, but also acting with foresight – and the value of "Learning", "which is practiced not only through training, but also by establishing a culture of error prevention. An inclusive management culture, the role model function of managers, and less hierarchical management approaches are topics that are becoming increasingly important at RBI. In order to achieve credibility and impact, our values need to be visible and tangible in the way in which we work together. Our managers bear a particular responsibility for delivering positive personal examples and acting as role models when it comes to practicing the values. Active "responsibility" means taking responsibility for everyone's actions – including with regard to the environment and society. This means that sustainability is firmly enshrined within RBI's values.

Impacts, risks and opportunities

As a large financial service provider, RBI has a special responsibility towards its employees. How the company conducts itself not only affects its employees, but also indirectly affects their families and society as a whole. RBI is aware of this responsibility and must take action to balance these competing forces every day – generating adequate profits for its shareholders while at the same time ensuring the well-being of its employees. The opportunity to create and maintain jobs – with positive socio-economic benefits for individuals and regions – is a fundamental concern of RBI within its 14 markets. This has an indirect impact on security, stability and prosperity in society. Nevertheless, RBI cannot escape technological changes and rising cost pressures and, as a result, cannot completely avoid economically necessary job losses. RBI considers a responsible approach to this topic to be essential. In addition, RBI tries to counteract the increased workload for individuals by improving efficiency to reduce the risk of illness and its possible impact also on the families of employees. RBI is committed to maintaining the physical and mental health of its employees. Through a variety of health care and sports provisions and opportunities, the company seeks to prevent potential negative effects of what is primarily sedentary office work and stress that can have a material impact on well-being.

RBI's foremost goal with its employees regarding sustainability involves the topic of meaningfulness. Within the Sustainable Development Goals (SDGs) and goal number eight defined there (SDG 8), the transformation to "good jobs", RBI tries its best to work towards achieving this goal. We understand this as an opportunity to increase employee satisfaction, productivity, loyalty and employees' identification with the company and what it stands for.

The opportunity resulting from the SDG 1 would be to trigger a quality competition in terms of "good jobs" in the case of RBI leading by example in CEE where possible. This goes hand in hand with fair remuneration, which is a concern of RBI, as it creates a win-win situation.

Through professional diversity management, with a focus on empowering women and employing people with disabilities and LGBTI, RBI can contribute to reducing inequality in society. If there is no diversity, RBI risks having a lack of varying perspectives, which influences business decisions and therefore the company's results. RBI sees utilizing different cultures to give added value as an opportunity.

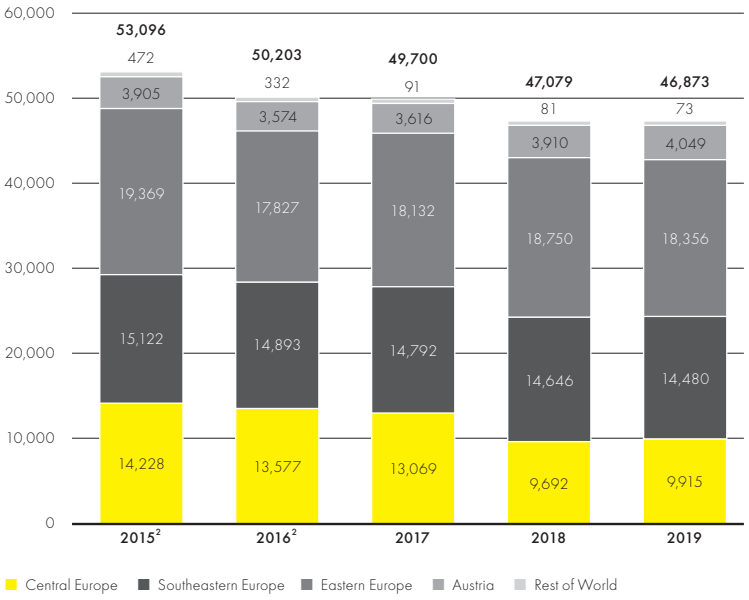
Adequate vocational education and training not only contributes to the success of RBI, but also motivates employees. The sum of all vocational education and training measures provided by the company also influences the educational level of our society. This is why RBI offers comprehensive learning opportunities for its employees.

Development of personnel

RBI employed 46,837 people as of December 31, 2019 (full-time equivalents), 206 less than end of 2018. The biggest reductions were recorded in Russia (179), Ukraine (132) and Romania (128). By contrast, Hungary (up 148) and head office (up 122) saw the biggest increases.

The average age of employees remained relatively young at 38 years, while the ratio of female employees was 66 percent. The proportion of employees with university degrees was 78 percent, which indicates a very high level of qualification. The following graphic shows the development in the number of staff over the past five years (in full-time equivalents).

Development of personnel
Number of staff at end of year[1]



[1] Includes the employees of all consolidated companies

[2] The figures from 2017 are based on the merged bank (merger taken into account)

As one element of RBI AG's transformation into an adaptive bank, 2019 was the launch of the TOM (Target Operating Model) project. This is geared toward the three pillars of transparency, simplicity and efficiency, as well as cost optimization. The further development of the corporate culture – in an extremely challenging and changing environment – plays a key role in this process. In many areas, this involves a far-reaching reorientation accompanied by the acquisition of new skills. This also leads to organizational changes and workforce reduction.

Staff development

Identifying, encouraging and retaining talented individuals is one of the key objectives and prerequisites for a long-term partnership between employees and the company. We work actively to create clear and individual development opportunities. Satisfied, committed and empowered employees achieve more both quantitatively and qualitatively and are likely to remain loyal to the company.

The following chart provides an overview of the employee development measures that are being implemented at the individual companies.

Overview of measures

		Austria							CE			SEE							EE		
Topic	Measures	RBI AG	RBSK	RKAG	RL	Valida	RCB	Kathrein	TBSK	RBCZ	RBHU	RBAL	RBBH	RBBG	RBKO	RBHR	RBRO	RBRS	RBBY	RBRU	AVAL
Employee development	Performance management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Talent management	✓	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Trainee programs	✓							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Please see the list of abbreviations for the complete company designations.

In contrast to many global companies, we pursue a largely decentralized 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 this 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 the group, and to be able to prepare the next generation of executive managers. According to this principle, we continuously strive to build our pool of future managers and to develop our existing ones. This is set out in the Group-wide Succession Policy alongside of all regulatory requirements.

Performance management

We view performance management as a management approach that enables all employees to align their personal performance targets to the overall targets of the company, perform at their best, and realize their full potential in order to contribute to the long-term success of the company. It is therefore closely linked to other HR instruments such as remuneration, promotion of talents, employee development and career planning. Performance management provides a framework for the common growth of employees and managers and creates the foundations for the positive future development of RBI in a changing business environment. The guiding principles are set out in the Group policy "Performance Management RBI Group" and in the supplementary document "The Book of Group Performance Management". Furthermore, Group-wide obligatory minimum requirements are defined and provide the framework for the local policies that are adapted to the country-specific conditions.

Having gradually revised our performance management over the last two years, we now have an approach that meets the requirements of an increasingly volatile and fast-moving business environment and that will support our company in its transformation to an agile way of working. Performance management is an important instrument for breaking down the mission/vision we redefined in 2019 and our Group's corporate values into transparent and comprehensible targets, so that every manager and employee knows what is expected of them and so that this contributes to the realization of the measures set out in the transformation roadmap.

Instead of setting targets once at the start of the year, a rolling approach means shorter and more flexible planning periods, allowing us to respond quickly to new requirements and adjust and/or realign the respective targets. This also allows us to continuously review and document progress in terms of target attainment.

An electronic real-time feedback solution allows every employee to actively obtain feedback from other employees at all times and to proactively give feedback themselves. This will be an important stimulus in terms of further improving cooperation within the company, personal development, and continuous improvement.

In 2020, we will adapt our performance management to be even more attuned to the specific needs of agile teams and organizational units designed in line with adaptive principles, thereby continuing to provide our employees and our company with the best possible support when it comes to achieving our transformation and growth targets.

Training and development, talent management

Our strategic approach to training and development

The objective of our training and development is to help our employees to obtain the knowledge, competences, and social and management skills they require to master their tasks as best as possible – both now and in the future. Accordingly, our managers are responsible for examining the strategic objectives of the bank and their departments in order to determine which competences are required and need to be fostered.

For us, development always means a combination of experience-oriented, relationship-oriented, and training-oriented measures (80:20:10). HR provides a comprehensive portfolio of training programs and tools to achieve this. But we also understand learning in the sense of "learning by doing" as an integral part of daily work in conjunction with feedback, retrospectives, etc. This is set out in our "Learning" corporate value (see page 15).

The centralized and decentralized training offering encompasses three main areas: leadership development, professional development, and personal/soft skill development.

The training goals for leadership development are derived from our Group-wide "Leadership Training Architecture" for all management levels. These are based on a series of key competences for managers that have been defined by the Management Board in line with our corporate values. All first-time managers must complete a standard development program that qualifies them for the new role and gives them the tools needed for managing employees. In addition, development programs are offered for talented managers and successors who have been identified for executive management positions in order to maintain the talent pipeline. Our Group-wide executive development program, the contents of which are primarily of a strategic nature, is available to our top level of management.

The development of professionals (non-management staff) is based on training goals that are derived from the strategic priorities. Current focus areas are digital skills, data analysis and data science, innovation, risk management, IT, sales, and retail and corporate business. It is also necessary to carry out training and development that meets regulatory requirements to ensure that executive management staff and key function holders steadily expand their competence and knowledge in their area of expertise, stay up to date, and can furnish certifications as required (e.g. "fit & proper", MiFID II, GDPR, cybersecurity).

The goal of personal development is to increase the competence of managers and employees in terms of all topics with a customer focus, such as sales skills, presentation techniques and negotiation skills, as well as interpersonal skills such as communication and conflict resolution. The teaching of languages and cultural know-how also forms part of facilitating cross-border cooperation.

At RBI, learning and development also includes the topic of health. We see creating awareness of health topics such as work-life balance, mobile work, resilience, and coping with stress as part of our occupational health management.

Our extensive range of training, coaching, mentoring, etc., as well as talent management and the development of management staff, is regularly evaluated from the perspective of promoting and preserving health and is adjusted as necessary (more information can be found in the chapter on occupational health management; see page 106 onwards).

Talent management and development of management staff

The identification and development of high potentials plays an important role in ensuring RBI's future business success. This improves the development and career opportunities of the employees themselves, while also contributing to proactive and qualitative personnel planning and the targeted promotion and retention of our key employees. Various coordinated measures and concepts have been introduced for this purpose over the years. This includes the annual "Spot-Grow-Lead" process, which is aimed at identifying and developing high potentials. This has resulted in talent pipelines being established in almost all units with consideration of the different local focal points. The success of this ongoing process is demonstrated by the fact that 67 percent of the Management Board positions were filled by internal candidates in 2019.

Peter Drucker Forum, © Karolina Kluska

The Talent Development Framework is another example of a standardized process aimed at developing high potentials.

The individuals identified in the "Spot-Grow-Lead" process benefit from a range of individual development measures, including 360-degree feedback, personality assessments, mentoring and coaching, on-the-job learning in the form of challenging projects and job rotation, and seminars and programs aimed at improving their professional skills. We also create a space for high potentials to network, exchange ideas, and learn from each other at "High Potential Networking Events", which are held regularly for RBI AG as part of the Peter Drucker Forum in Vienna.

The "Spot-Grow-Lead" process has proven extremely successful in various respects, particularly with regard to the career development of the high potentials identified. The data shows that 22 percent of all female talents and 21 percent of all male talents have moved to a higher job category since the start of 2019, compared with eleven percent of female employees and twelve percent of male employees at a company-wide level.

In order to further improve gender equality within RBI's talent pool and hence ensure equality of opportunity for male and female employees, we also worked with a number of new approaches. "Additional female assessors" have been included in talent review meetings since 2018. To ensure that the decision-making process at talent review meetings is as fair as possible, the managers and the "additional female assessors" were offered gender bias training. Another new feature in some areas of the company was the introduction of self-nomination in order to further strengthen the role of the individual in the context of personal and career development. This approach has had a positive impact on the number of women applying for the talent pool, thereby helping to ensure a better gender balance.

Training and development

The "Group Learning & Development and Talent Management Law" guideline sets out the Group-wide pillars of our training, development and talent management programs.

The learning and development options at RBI AG and our fundamental commitment to permanent development with the supporting processes are defined in a company guideline, the "RBI Learning & Development Policy". Furthermore, the annual development meeting and personal development plan of each employee form the structured basis of the individual development measures.

Strategic training initiatives

Activities in 2019 focused on the "adaptive transformation" of RBI. In addition to organizational changes, this initiative concentrated in particular on establishing a new mindset and new forms of work with the aim of ultimately achieving a change in management style. The majority of the training programs we offered for managers involved awareness and training on management skills in this new environment ("new leadership"). Non-managers were trained on topics such as innovation, cross-departmental cooperation, empowerment, individual responsibility and agile working methods in particular.

In connection with the transformation, the proven "leaders' breakfasts" format continued with a focus on a new understanding of leadership. Workshops for managers with scientists, philosophers and start-up founders were organized in cooperation with the marketing initiative "#neudenkenheisst", giving managers new impetus for their daily leadership activities "out of the box" and reinforcing their change mindset.

Data literacy was defined as a professional focal point in 2019. This covers all of the skills required to record, analyze and interpret data and prepare it as information in order to be successful in an increasingly digital and data-driven world. A range of training opportunities in the category of data, analysis and coding was offered at all levels under the motto "Take a step". In 2019, investment in training participation in this important area was increased by 71 percent compared with the previous year.

Since mid-2018, we have used a learning app to train managers in the concept of unconscious bias as a key overarching diversity topic. In 2019, the content was adjusted to the target group of employees and offered on a wide scale. Efforts to promote individual initiatives per board areas were extremely successful, with various networking and training events being organized by women for women. In addition, another "Empowerment of Women" training course was launched and met with strong demand.

LEAD F is a program initiated by female company founders. It is aimed at female professionals and managers who want to improve their digital leadership skills and gain an insight and understanding of the world of female founders and start-ups. The program combines the promotion of gender diversity, leadership qualities, and the new digital world of work for professionals. Companies and start-ups benefit in equal measure by learning from each other. RBI AG supports this program and gives a selected number of young female talents the opportunity to participate in it.

Infrastructure for digital and modern learning

The learning management system "cHaRlie" for the administration of learning opportunities was implemented at head office and some of the network banks in 2018. The system is now in use at all of the major Austrian subsidiaries of RBI AG and eight network banks and their banking subsidiaries. All Group units are scheduled to be connected to cHaRlie in the first half of 2020. This will allow us to roll out training and online learning programs on a Group-wide basis at any time via a single platform and perform additional evaluations of the available training.

A range of modern online programs, particularly on personality and leadership topics, was developed further in 2019 and serves to supplement the digital learning offering, thereby making efficient use of another benefit of cHaRlie.

Training and development initiatives at the network banks

One key element of the strategic reorientation is the digital transformation, which is reflected in Group-wide training initiatives. Our international development program "GoIT Academy", which deals with key topics in IT and related areas, was not only continued but expanded in terms of the topics covered. Eight different programs were rolled out in 2019. The aim of this initiative is to establish a professional network of managers and experts throughout the Group, communicate modern knowledge at a high level of quality, and promote cross-border cooperation.

In many areas of RBI, especially in the corporate and private customer business as well as in IT management, international learning trips to exchange knowledge at the expert level were again successfully carried out. This form of practical training, away from the traditional classroom, is strongly on the rise. In 2019, more than 52 employees from the network banks took the opportunity of a working placement at RBI AG. The rotation and exchange programs for employees in the "talent pool" and high potentials were also continued, with one example being the "International Young Potentials Program" that was successfully launched for the eighth time in 2019. All in all, 91 employees from ten countries have already participated or are in the current intake.

Employee involvement

Employee co-determination

RBI believes it is extremely important that the concerns of our employees are listened to and taken seriously. We use various communication and integration tools to achieve this, including employee events, employee surveys, and the "Make Ideas Happen" idea platform at RBI AG. We also seek to ensure trust-based cooperation with the employee representatives as a key element of our corporate culture, which is founded on cooperation at all levels and is intended to shape the relationship between all partners, both internally and externally. We act in accordance with the relevant statutory regulations and the agreements concluded and take into account the respective operating conditions.

50 percent (47 percent in 2018) of group employees are covered by collective bargaining agreements.

The active participation of employees is also made possible via their interest group, the Staff Council, which initiates a wide range of activities throughout the year. This also includes employees' suggestions being processed in the various working groups of the Staff Council of RBI AG, some of them with the company physician and Human Resources, and measures are taken on an ongoing basis. The goal is the discernment and promotion of economic, social, health and cultural interests of the employees in the business. Some working groups are set up to run on a permanent basis (e.g. workplace conditions/health, work/family, nutrition, culture). Others are put together at short notice and work on a project-by-project basis. However, cost-intensive issues are only rarely discussed here.

In addition to the Staff Council's co-determination prescribed under labor law, co-determination and the exchange of information are also guaranteed through participation in various committees such as the Supervisory Board, the health and safety committee, the environmental committee as well as at individual "jours fixe," which are held by the Chairman of the Staff Council and the various members of the Management Board.

The Staff Council is connected to the Group Staff Councils, the Raiffeisen Staff Council in Vienna, the Raiffeisen Staff Councils in Austria and (via the European Staff Council) internationally.

RBI with European Staff Council

The following eight EU countries are represented in the European Staff Council (ESC) of RBI: Bulgaria, Hungary, Croatia, Austria, Poland, Romania, Slovakia and the Czech Republic. New representatives were elected to the ESC in June. The ESC now comprises a total of 14 representatives, one more than in 2018. This is due to growth in the workforce in Bulgaria and Hungary and a reduction in the number of employees in Poland.

During the course of 2019, the ESC held two ordinary meetings in May and November. In addition to RBI's business development and strategy, the meetings discussed a wide range of topics with RBI management and departmental representatives, including the RBI Group Bonus System, Group People Systems (GPS), Group AI initiatives, and an online HR development platform in the area of Group Procurement. A new steering committee was elected at the meeting in November, including a chair and three deputies.

RBI remains committed to the principle of direct and open communication with employees. The good cooperation with existing local and/or national employee representatives is complemented, but not replaced, by the ESC. The ESC is an important additional platform for ongoing dialog and the structured exchange of information between company management and employees through their elected representatives.

Employee surveys

Over the past six years, employee surveys have been conducted in the Group every two years. The aim is to use employee feedback to find out more about the areas in which the company is already well positioned and where employees believe there is still room for improvement. The responsible and transparent handling of the results and the systematic planning of measures have led to the successful implementation of necessary changes in the individual Group units. As an instrument of strategic organizational development, employee surveys have provided us with important insights into central topics such as internal communication, process efficiency, and the allocation of decision-making authority.

In the long term, we will supplement this traditional form of employee survey with short surveys on an ad hoc basis. This development will introduce greater flexibility in terms of the range of topics covered and permit individual organizational units and managers to customize the surveys to a greater extent. This will break down the implementation intervals and allow for greater individuality.

To this end, activities in the past year were entirely dedicated to preparations for and a pilot test of the new self-service platform. This technical solution allows Group-wide surveys to be conducted as previously, while also giving each company the flexibility to determine the additional topics to be surveyed locally. The central element of this platform is a shared library currently comprising around 150 categorized questions, which will enable intragroup comparisons in addition to external benchmarking. We are confident that this will make an important contribution to allowing us to reinforce and/or improve on last year's high figures of 73 percent in the category of "Employee Engagement" (commitment to the company and willingness to volunteer for additional work) and 75 percent in the category of "Employee Enablement" (the presence of an environment that promotes success).

While this new platform was being configured, short surveys were piloted at selected network banks this year in order to demonstrate how simply and flexibly the platform can be used. This began at head office with a short survey as part of operational health management. This first test run enjoyed an encouragingly high response rate of 49 percent. Many of the network banks have also realized various initiatives and measures based on the results of the last employee surveys. For example, digitization projects in the Czech Republic include the implementation of an employee Instagram, allowing employees to share their perceptions of the employee experience.

A Facebook group has also been set up for women on maternity leave so that they can keep up-to-date on what is happening at the company. In Russia, too, some changes have been made in response to suggestions from employee working groups – such as the DEMO days, which give employees the opportunity to obtain information on new banking products directly from the product developers. This makes it quicker and easier for them to put themselves in the customer's shoes and better understand their point of view.

The first Group-wide survey using the new platform will be conducted next year. At the same time, survey plans are being set up in all of the units. Permanent measurement alone is not enough. As before, an adequate and timely response is just as important. We believe with the new platform we are well equipped for the changed requirements that will accompany the new, agile forms of work.

Another form of employee integration is the opportunity to interact directly with the Management Board.

Breakfast with the Management Board, © RBI AG

Seven times a year, the employees of RBI AG have the opportunity to have breakfast with a member of the RBI Management Board.

Together with ten to twelve colleagues, they can ask the board member questions in an informal setting over a convivial breakfast and discuss current topics with him. To ensure that all employees who sign up for the breakfast have an equal chance of participating, names are drawn for each date.

Diversity management and the ability to reconcile work and family

RBI is a universal bank specializing in the regions of Austria and Central and Eastern Europe. Our 16.7 million customers across 14 markets and our almost 47,000 employees represent diversity.

We value this diversity of perspectives, abilities, experience and needs. We use the potential of our employees to generate added value for our workforce, our customers, and society.

The RBI Group Diversity Policy that was published in 2018 describes the relevance of this topic for RBI. The Policy defines the responsibilities and how a diversity strategy is to be implemented.

A key element of the Policy is the RBI Diversity Vision and Mission, which contains guidelines that are intended to provide guidance for dealing with diversity on a day-to-day basis.

Diversity Vision

Diversity, one key to success, enables RBI to overcome boundaries. For RBI, diversity means added value. Leveraging the opportunities provided by diversity offers sustainable benefits for our company and employees as well as the economy and society.

Diversity Mission

By promoting diversity, we are continuing Raiffeisen's success story, which dates back over 130 years. As a strong partner, we harness the potential of diversity actively and professionally in order to best support our clients and to present ourselves as an appealing employer.

Guiding Principles

The following guidelines were published together with the Vision Mission Statement in 2017 and are intended to help everyone experience and appreciate diversity when working with each other on a daily basis. They are particularly important for decisions with personnel relevance.

- We value and respect each other regardless of gender, sexual orientation, age, culture, origin, religion, ideology, physical impairment, or other characteristics.
- We maintain a respectful, appreciative culture of communication, for which we require a variety of perspectives.
- Our aim is to maximize variety in our teams and ensure that diversity also exists at the highest levels of management.
- We understand the needs of our diverse client base. As a universal bank, we support our partners in achieving their aims worldwide. A clear commitment to diversity and the appropriate training of our employees is a matter of course for us.
- We are aware that our behavior is influenced by our unconscious bias. We consider it important to recognize these prejudices and to reflect upon them, as we intend to make the best decisions and take conscious action.
- We approach staff decisions objectively: We fill positions, make decisions on compensation, and perform employee appraisals, assessments of potential, promotions and nominations for projects based on employee skills, performance and potential.

Our current Code of Conduct clearly states that we consider fair employment practice to be of great importance. We want to be a corporate group that the best people want to work for; that hires and promotes people according to their aptitude (performance and work experience), and gives employees the opportunity to develop their skills while maintaining a good work-life balance. We value teamwork within and between business divisions, areas and countries and help our employees to realize their full potential. Discrimination and harassment have no place at RBI. We promote an environment where employees treat and appreciate each other with mutual respect and support diversity as it can open up new perspectives. Our goal is to maximize diversity across our teams and ensure that it also exists at the highest levels of management. This corresponds to our corporate value "Collaboration" (see page 15).

Discrimination and harassment (such as on the basis of age, ethnicity, skin color, national origin, religion or belief, political or other opinion, gender, sexual orientation or disability) are incompatible with maintaining an inclusive work environment in which all employees achieve the maximum level of productivity for themselves and can meet our business goals. No form of discrimination, harassment, or intimidation will be tolerated or excused by RBI.

RBI is committed to promoting equality, which is consistent with our self-image, and to creating equal opportunities for equal performance in the workplace, regardless of gender or other factors. This starts as early as employee selection, which must be free of prejudice and where the same criteria must always be applied.

The following chart provides an overview of the measures that are being implemented at the individual companies in order to promote a healthy work-life balance.

Overview of measures

		Austria							CE			SEE							EE		
Topic	Measures	RBI AG	RBSK	RKAG	RL	Valida	RCB	Kathrein	TBSK	RBCZ	RBHU	RBAL	RBBH	RBBG	RBKO	RBHR	RBRO	RBRS	RBBY	RBRU	AVAL
Compatibility profession and family	Part-time-work (parents)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
	Part-time-work (other than parents)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓
	Teleworking	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓					✓	✓	✓		✓	✓
	Flexi-time-models (regular)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓		✓	✓
	Flexi-time-models (long time)	✓	✓	✓	✓	✓		✓		✓				✓		✓		✓			✓
	Company kindergarden or similar	✓	✓	✓						✓					✓						
	Time off for fathers in event of a birth (statutory requirement)	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	
	Time off for father in event of a birth (beyond statutory requirement)	✓	✓		✓	✓				✓		✓							✓		✓
	Sabbatical for educational leaves	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
	Other sabbaticals	✓	✓	✓	✓	✓	✓		✓	✓	✓						✓	✓			

Please see the list of abbreviations for the complete company designations.

Widely differing labor laws as well as family policies and health systems can be found in the various countries in which RBI operates. In order to offer employees more options for reconciling work and family life, as well as for a good work-life balance, the network banks provide a range of supplemental offers tailored to local needs and possibilities.

In order to further improve the framework conditions for profession and career, RBI is constantly working to improve the work-life balance. Work models, such as flexible working hours, part-time and tele-work are offered in accordance with statutory provisions. Where possible, company childcare with employee-friendly hours of operation is offered. These models are intended to enable targeted parental leave management that promotes re-entry into working life. RBI has a positive attitude towards paternity leave, which it sees as being an important way to advance equality.

Salaries are regularly analyzed within RBI. As a result of continuous efforts in previous years to give equal remuneration for equal work, irrespective of gender, there are no significant differences between the salaries of men and women. The internal "RBI Total Rewards Management" policy provides a comprehensive framework for shaping the Group-wide remuneration management system. This includes, in addition to all specifications for implementing statutory and regulatory requirements, a structured job evaluation system and regular market benchmarks of the salaries in the countries in question. An internal job evaluation system forms the basis for position-related and – as a result of this – gender-neutral remuneration.

We would like to contribute to the implementation of SDG 5 and SDG 8 with our measures in Diversity Management. Specifically, this concerns ending all forms of discrimination towards women and ensuring that women can fully and effectively participate and that they have equal opportunity in taking on management roles on all levels of decision-making. Furthermore, we support the goal of achieving equal remuneration for equal work.

RBI has signed up to the Diversity Charter. In this way, we are sending a clear signal that diversity is an important concern for us.

Diversity and the ability to reconcile work and family at the Vienna sites

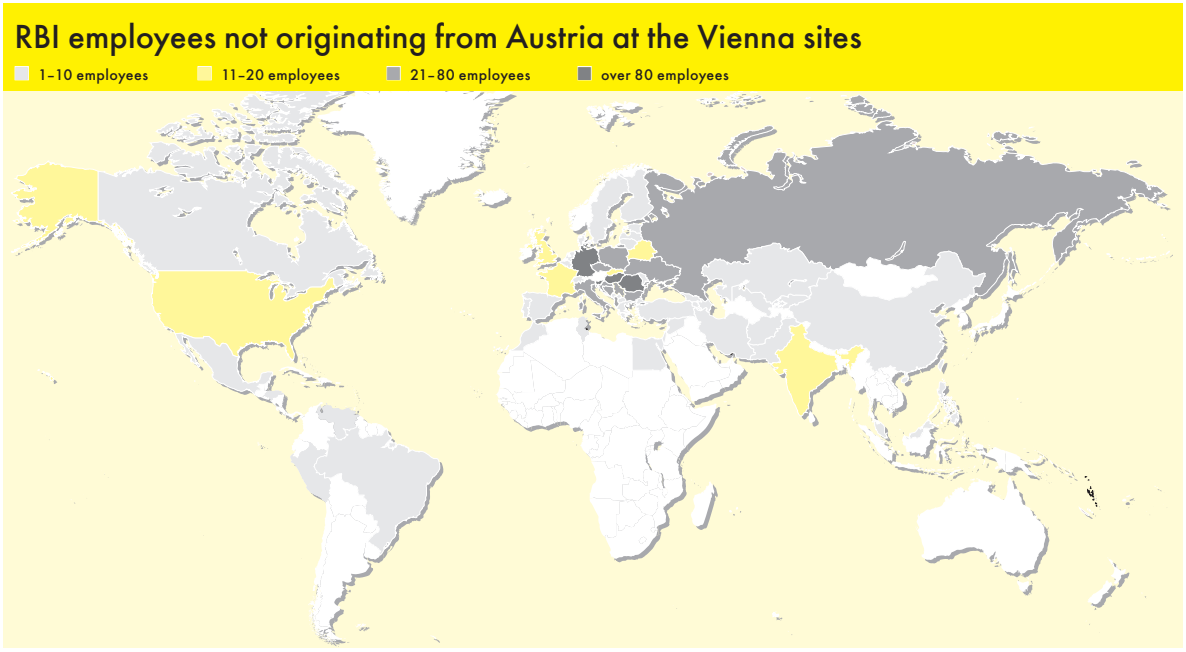
A Company Agreement on the issue of "Fair behavior in the workplace" has been concluded for RBI AG to demonstrate that discrimination of any sort has no place in our corporate group.

To lend even more weight to the seriousness of this issue, and in cooperation with the Staff Council, several employees underwent training at the Vienna sites to become "harassment representatives"; these employees are now the first point of contact for employees should any problems arise with regard to this issue.

Expertly trained members of staff provide competent points of contact on the issues of stress and burnout.

Sustainable integration

In 2019, around 1,100 employees (26 percent of all employees) with a non-Austrian background from more than 60 countries worked at the two head office sites in Vienna.



The now long-standing tradition of the International Dinner was continued in 2019. New colleagues from various nations and colleagues from other areas of the bank can be met at this gathering over dinner. The relaxed, informal atmosphere is not only a good setting for talking about the cuisines and cultures of different countries but also helps new colleagues from other countries to integrate more easily.

"Diversity 2020" initiative

RBI AG launched the "Diversity 2020" initiative in 2016. The goal is to better promote and take advantage of diversity in the company through professional diversity management, thereby making a positive contribution to the corporate results. Organizational anchoring of the topic was taken into account through a diversity officer and the establishment of a diversity committee. In order to include as many different perspectives as possible, there are around 20 diversity ambassadors from all board areas. These ambassadors cooperate with the diversity committee and are tasked with strengthening diversity in their area as well as planning and implementing the measures. Employees are informed about the comprehensive measures and latest developments in a quarterly "Sustainability and Diversity" newsletter.

One important factor that hinders diversity in companies and thus, among other things, hinders attempts to increase the appointment of women to management positions, is unconscious bias. Managers and employees are currently being offered online training on this topic (see page 93)

In May 2019, RBI organized a podium discussion entitled "Diversity – from ideal to reality" in cooperation with ABZ*Austria, an association that promotes work, education and future prospects for women. In her keynote presentation, Sita Mazumder, Professor of IT and Economics at Lucerne University of Applied Sciences and Arts, reported on exciting developments in diversity management.

In the high-profile panel discussion that followed, which was attended by internal and external guests, she discussed the current challenges and expectations of the young generation with regard to diversity in a corporate environment and the opportunities presented by digitization when it comes to achieving a healthy work-life balance.

The first comprehensive package of measures related to the empowerment of women and was launched in 2016. It aims to sustainably increase the proportion of women in higher qualified positions. We believe it is important to directly target HR processes in order to have a sustainable effect. For internal vacancies, the decision was made to include a waiting period in the appointment process in order to have enough time to find qualified female applicants. In addition, qualified female candidates are being actively approached by HR employees. Documents are "anonymized" for interviews and hearings so that there is more objectivity in the selection process. We also consider it important to change the structural conditions within the company to encourage women to apply for management positions. In 2017, RBI set a Group-wide overall target quota of women on the Supervisory Board, Management Board and in second level management of 35 percent by 2024. This figure had reached 30 percent by the end of 2019. Mentoring for women is seen as an essential instrument for increasing the share of women in management and will therefore be continuously expanded. An in-house training course on "Empowerment of Women" is also offered. The third course began in late 2019. RBI AG also participated in the Forbes Women Summit 2019 (see page 110). For the first time, RBI AG also participated in the innovative Lead F training program for women in management (see page 93).

RBI Women Forum, 2019, © RBI AG

Two graduates of the "Empowerment of Women"-course initiated the "RBI Women Forum" event series in 2018. The aim of the forum is to establish a strong network that promotes the growth of business relations and that has the power to advance women in their careers. The forum gives female managers a space where they can engage in regular dialog and discuss relevant future-oriented topics. The ambitious goal of the forum is to create a solid, future-oriented network for women. The Women Forum events in 2019 were entitled "The Power of Language", "The Power of Perspective", and "The Power of Leadership".

UNTERNEHMEN FÜR FAMILIEN

Being family-friendly means enabling employees to find a balance between work and family life. This is why RBI AG is a partner of the "Companies for Family" initiative of the Austrian Federal Ministry of Work, Family and Youth. 2019 saw another two events for employees on parental leave under the title "Let's stay in Touch – Job & Family @ RBI Group". All in all, around 40 employees of RBI AG and its associated companies in Austria used this platform to remain connected with their company. New mothers and fathers took the opportunity to find out about the latest developments within the company and obtain information on their return to work from an employment law perspective. The event was rounded off with a keynote presentation and the opportunity to talk to representatives of Human Resources, the Works Council, the company childcare service, and other employees.

Zertifikat seit 2013
audit berufundfamilie

Improving the ability to reconcile family and work is also a very important consideration for Raiffeisen-Leasing GmbH in Austria. The relevant measures include, among other things, flexible working hours, part-time models or tele-work as well as active parental leave management. The "berufundfamily" ("work and family") audit has been conducted since 2013.

In order to be able to better support employees in their changing needs at different stages of life, RBI AG offers a corresponding sabbatical program. Several models are available, providing various timeframes and thus an attractive recreational and relaxation model for people's different needs. Any of these sabbatical models can be further tailored to the individual.

"Fondsfrauen" event 2019, © RBI AG

Since 2018, RBI AG and its subsidiaries Raiffeisen Capital Management and Valida have been among the first supporters of "Fondsfrauen in Österreich", helping this initiative to enter the Austrian market. Fondsfrauen is a career network for women with a focus on asset management in Germany, Austria, Switzerland, and Luxembourg. Formed in Germany in 2015, Fondsfrauen is currently supported by 27 companies.

Three major events of "Fondsfrauen" were held in Vienna in 2019 , including one at RBI's head office. Smaller monthly meetings were also organized. Many employees are involved in working groups on topics such as career opportunities for women, financial education for women, and mentoring. Among other things, a guide to increasing the proportion of female managers at financial institutions has been compiled. New ground was broken for the entire region in 2019 with the presentation of awards to companies and individuals that have excelled in the promotion of women or in asset management. Activities also focused on the promotion of young talents.

The second diversity topic we are focusing on is the inclusion of people with disabilities. The aim of the RBI AG project is to break down inhibitions, generate awareness, increase social skills, and employ more qualified employees with disabilities.

Projekt "Feriali-Tandems" 2019, © Sabine Reinthaler

The "intern tandem" project was realized in summer 2019. Two seasonal interns, one of whom was disabled, were allocated to the same organizational unit. The idea was for them to jointly perform the tasks assigned to them as tandem partners in order to benefit from the social aspect as well as the professional experience gained. The internship was a complete success for all concerned. As an employer, RBI AG gained a lot of new experiences and suggestions for the future. Feedback from the colleagues involved shows that everyone found the enthusiasm of the young people to be a huge asset, and there is great interest in repeating the project.

In addition, we intensified our cooperation with Specialisterne, an association specializing in the placement of people on the autism spectrum, resulting in the intake and employment of four people with Asperger syndrome. RBI AG participated in the myAbility disability talent program for the second time in 2019. (see page 109).

In early October, RBI AG conducted an employee survey on the inclusion of people with disabilities. In addition to a needs assessment, the survey aimed to raise awareness and create knowledge on the topic of disability and provide information about what RBI AG offers in this respect. The high response rate of 25 percent suggests that there is already interest among employees. Almost all respondents said that they could see themselves including a person with a disability in their team or working with them, and that they believe it is important for RBI AG to actively address the topic of inclusion.

RBI AG is a member of the DisAbility Business Forum of myAbility

In 2019, sexual orientation was established further as a third dimension of the "Diversity 2020" initiative. The aim is to increase awareness of LGBTI (lesbian, gay, bisexual, transsexual, intersex) issues, promote inclusion, and enable a working atmosphere in which no one has to fear being disadvantaged on account of their sexual orientation.

The business resource group "Embrace" at RBI in Austria, which comprises members of the LGBTI community and straight allies (heterosexual people who actively support LGBTI), has launched additional initiatives to raise awareness of the dimension of sexual orientation.

Get2-know breakfast – Embrace LGBTI Business Resource Group, © RBI AG

On May 17, the International Day Against Homophobia, Transphobia and Biphobia, the "Get2-know" breakfast format that is established at RBI AG was used to present the activities of the

© myAbility-Reneé Del Missier

Gregor Demblin,
founder of myAbility

"For companies above a certain size, individual measures are welcome but can never replicate the impact of a well-founded disability strategy. I am delighted that we are supporting RBI as it establishes a strategy of its own. This is how the process works:

In the first phase, a status quo analysis identifies development potential, entry points for quick wins, and differences between the departments and board areas. The accompanying benchmark analysis allows the company to be compared with its peers from the same industry. This forms the basis for preparing a strategy for the coming years. The strategy sets out the targets as KPIs and defines a package of measures that covers all areas. Internal and external communication play a major role. Particular attention must be paid to manager awareness, so that employees know why the subject of disability affects us all and why – when handled correctly – it can also bring economic benefits. Needless to say, the topic of inclusion must be taken into consideration in all areas. A sustainable cultural change of this nature takes time, as does breaking down the barriers in people's heads. This makes it all the more satisfying when the strategy takes effect and leads to real change!"

QUOTE

© David Sailer

Hannes Mösenbacher,
CRO RBI AG

"At RBI, we practice diversity in all its dimensions. For example, women account for 66 percent of the total workforce and 55 percent at management level. People from 60 countries work for RBI in Vienna, and we enjoy good cooperation across all age groups because we all want to do what we can to make our bank successful. In addition, I take a particular personal interest in the inclusion of people with disabilities and raising awareness for the dimension of sexual orientation, which are also addressed in our 'Diversity 2020' initiative. It is important to not merely pay lip service to topics like this simply because they are fashionable right now. No one should fear being disadvantaged on account of their sexual orientation. Employees should be appointed because of their skills and talents and assessed on the basis of their performance.

This means knowing employees' strengths and how best to harness their potential. I am also happy to support the RBI LGBTI business resource group Embrace, which has been established at our head office to enable LGBTI employees and straight allies to initiate adequate measures. The commitment demonstrated every day by the colleagues involved also serves to demonstrate how our value of collaboration is being made a reality."

QUOTE

Embrace group and the topic of LGBTI in more detail to the large number of employees who attended. In addition to an online consultation on existing knowledge, terminology and facts and figures of LGBTI were discussed and personal stories shared at three interactive stations

Transgender film and discussion during the DIVÖRSITY days, © RBI AG

The DIVÖRSITY Days focused on the topic of transgender inclusion. The Embrace group and the Works Council jointly arranged a viewing of the movie "The Danish Girl". This was followed by a moderated discussion at which a transgender woman examined the situation of the people affected from a current perspective, shared insights into her personal experience, and responded to the numerous questions from the attendees, who were interested and visibly moved.

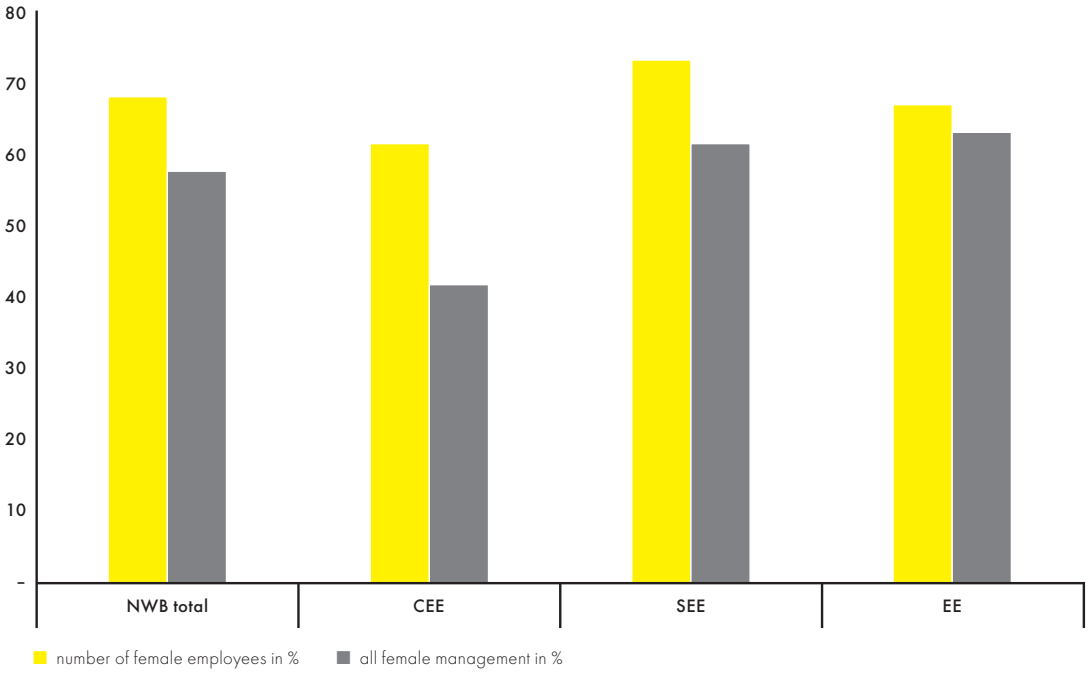
RBI AG is a member of BRich, a network of the LGBTI business resource groups of Austrian companies.

In Austria, RBI again participated in DIVÖRSITY, the Austrian Days of Diversity. In addition to the employee survey mentioned above, the RBI Women Forum held a networking event (see page 101) and an evening was dedicated to the topic of transgender inclusion.

Diversity initiatives at the network banks

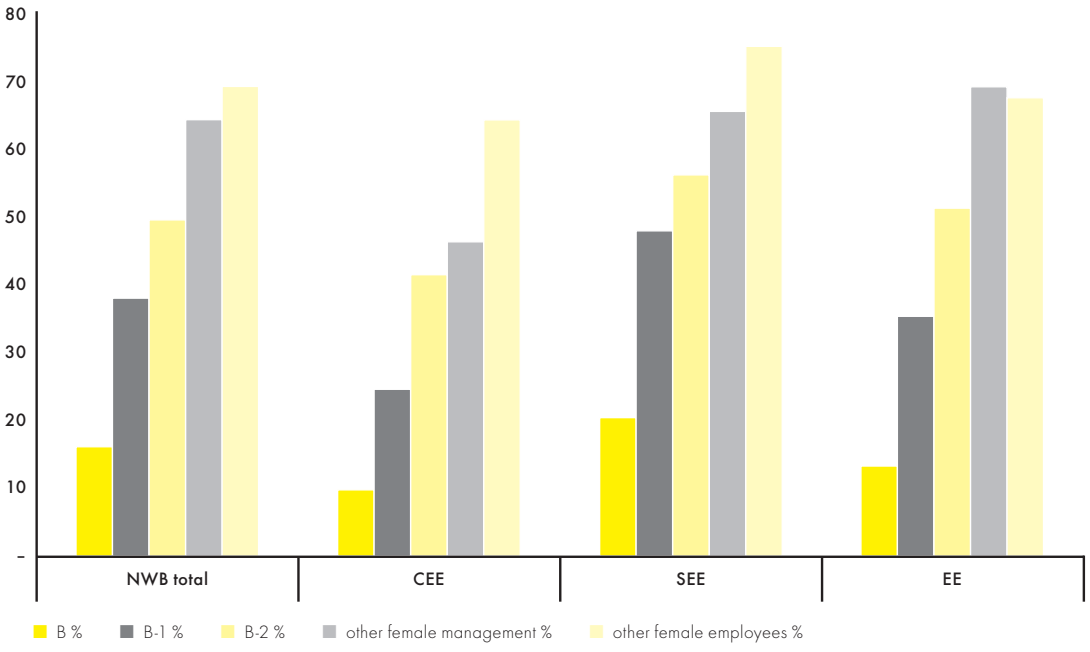
The share of women im management at the network banks of RBI has traditionally been very high:

Share of women in the network banks in 2019 in percent



The description of the abbreviations can be found in the list at the end of the Report.

Share of women at the network banks by employee category in 2019 in percent



The description of the abbreviations can be found in the list at the end of the Report.

At RBI, diversity officers are appointed at all network banks in CEE and all associated companies in Austria with a view to establishing professional diversity management throughout the Group. The preparation and creation of local diversity strategies was one of the key areas of action in 2019.

Health and safety

Healthy and efficient employees are the basis for success for every company. RBI offers provision and support in the form of a range of initiatives and facilities. In addition to the legally prescribed measures in the area of health care, we offer numerous additional programs. The statutory standards for occupational health and safety are complied with in all countries, and the corresponding committees and officers set up and appointed.

There was one fatality as a result of work-related injuries at RBI in 2019, corresponding to a rate of 0.0024. The number and rate of work-related injuries with serious consequences was one person or 0.0024. There were a total of 67 documented work-related injuries, corresponding to a rate of 0.1634. (The rates are calculated per 200,000 hours worked.)

The following chart provides an overview of the measures that are being implemented at the individual companies in the area of health and welfare.

Overview of measures

		Austria							CE			SEE							EE		
Topic	Measures	RBI AG	RBSK	RKAG	RL	Valida	RCB	Kathrein	TBSK	RBCZ	RBHU	RBAL	RBBH	RBBG	RBKO	RBHR	RBRO	RBRS	RBBY	RBRU	AVAL
Health and safety	Safety management system	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓
	Programs for mental health	✓	✓	✓	✓	✓	✓		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
	Health checks	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Promotion of sports and wellness activities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Social benefits	Promotion of the company canteen	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	
	Reimburesment public transport cost	✓	✓	✓	✓	✓		✓			✓	✓	✓				✓	✓			
	Promotion of private health insurance	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓			✓		✓	✓
	Promotion of pension fund	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	
	Promotion of cultural events	✓	✓	✓	✓	✓			✓	✓	✓	✓			✓	✓	✓	✓	✓	✓	

Please see the list of abbreviations for the complete company designations.

Health initiatives at the Vienna sites

Occupational health management is an important factor in ensuring that employees are willing and able to perform, and hence in ensuring the performance of our company as a whole. In order to promote good health among its employees, RBI AG offers a wide range of preventive and health initiatives.

A revised operational health management concept was rolled out for RBI AG in September 2019. It provides for a holistic approach to care that is built on four pillars. The health@RBI concept encompasses the following focal points:

The first pillar, "safety and protection", contains all of the structures that are used to ensure safety and protection in the workplace. This includes medical care and rapid assistance for mental health problems as well as trained first-aiders, safety officers and fire safety officers, who are on hand in case of emergency and who seek to ensure that emergencies do not occur in the first place.

The second pillar, "conditions", ensures that the environment in the workplace has a positive impact on our employees' health. This includes flexible working time models and the corresponding works agreements, as well as the possibility of part-time work during reintegration following lengthy illness. The remuneration system rounds off the conditions with extensive benefits resulting in discounted rates for various services (e.g. group health insurance).

The third pillar, "activities and offers", comprises the various services offered by RBI AG in close cooperation with the Works Council office, for which it provides the funding and the premises. The majority of these services are aimed at promoting healthy behavior, such as a wide range of sporting activities and fitness checks. One of the main services offered is the annual medical check-up, which is utilized by a large number of employees.

Room for personal growth and development and the space to learn new things are important when it comes to promoting a sustained sense of health and wellbeing in the workplace. The fourth pillar, "learning and development", therefore seeks to assist employees in their personal development. This includes an extensive range of training, coaching, mentoring, talent management and the development of management staff, as well as raising awareness of health-related topics.

Health initiatives at our network banks

Health care is also a central issue at the network banks of RBI across the various countries. In order to supplement the range of programs aimed at preventing illnesses and preserving health above and beyond the regulatory requirements, employees can make use of a wide range of offers and activities. The range of services varies greatly, depending on what is needed and what can be provided locally in the individual countries.

The available offers are illustrated by two examples from the network banks:

Since 2013, Raiffeisen Bank S.A. in Romania has offered a program with a variety of measures for a healthy work environment throughout the organization under the name "RStyle – A Balanced Lifestyle". The extremely comprehensive program is aimed at all employees and is based on three main pillars: physical health, mental-emotional balance, and healthy interpersonal relationships. It presents the employees with a set of measures that provide solutions for guiding them to a healthy lifestyle and improving the quality of life and performance at work. The program is intended to provide self-esteem and emotional balance for a good balance between working and working life. In 2019, a total of approximately 3,000 employees, corresponding to around half of the bank's workforce, took advantage of the RStyle offers at 150 events. The RStyle program includes many offers tailored to the organization and its employees, from physical activity, nutrition and group recreational activities to education and family or development topics. Accompanying workshops and personal consultations are intended to help transform existing habits into "healthy" habits, such as in this year's focus areas of stress management, self-esteem, fear management, and mindfulness. In order to assist personal well-being, the RStyle program provides a broad range of sporting activities, which this year took the form of a company-wide sports competition for cycling, tennis, trail running and various team sports such as football and volleyball.

Employer branding and recruitment

Our objective is to position ourselves as a top employer in each of the domestic markets we serve in order to be attractive to our desired target group of employees. Our corporate values are the basis on which we formulate our employer branding strategy for the respective employment market. To further reinforce this process, RBI has begun redefining its employer value proposition (EVP) both internally and externally.

The following chart provides an overview of where targeted measures are being implemented with students and graduates at the individual companies in the area of employer branding and where RBI is viewed as an attractive employer.

Overview of measures

		Austria							CE			SEE							EE		
Topic	**Measures**	**RBI AG**	**RBSK**	**RKAG**	**RL**	**Valida**	**RCB**	**Kathrein**	**TBSK**	**RBCZ**	**RBHU**	**RBAL**	**RBBH**	**RBBG**	**RBKO**	**RBHR**	**RBRO**	**RBRS**	**RBBY**	**RBRU**	**AVAL**
Employer Branding	Cooperations with Universities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Attractive employer recognition	✓			✓				✓	✓				✓		✓				✓	✓

Please see the list of abbreviations for the complete company designations.

Employer branding and recruitment at the Vienna sites

The core of our employer branding strategy is communication, interaction and direct exchange with specialists, talented individuals, young professionals, graduates, and students. Working in close cooperation with the business units (e.g. IT, Risk, Corporate & Markets), RBI AG is regularly represented at various events so that it can enter into direct contact and dialog with talented individuals. "Women Hack", "FinTech Hackathon" and meet-ups on interesting technologies are just a few examples of the around 40 different events attended or organized by RBI AG every year. The company attaches great importance to personal contact, interaction and getting to know potential new colleagues directly. RBI AG continues to use the various technical channels, such as interaction via social media (e.g. XING, LinkedIn, Twitter). Our responsive careers page allows applicants and interested parties to get the information they need more quickly and more comprehensively, whether that information is about RBI AG as an employer, HR marketing activities, vacant positions, or new professions in the IT, innovation and digital environment.

Technical professions and data-driven roles remain extremely important in order to allow us to meet the requirements of the future even more effectively. To satisfy demand in this area, RBI AG has adopted a holistic approach that shows how employee recruitment from the new technology-driven professions and diversity can complement each other extremely well and open up new opportunities.

myAbility closing event, © myAbility

A range of measures have been conducted as part of the "Diversity 2020" initiative (see page 100). Among other things, RBI AG's recruitment was dedicated to the topic of people with disabilities. In conjunction with the company "myAbility", RBI AG acted as a partner and one of the sponsors of the "DisAbility Talent Program 2019". A group of interested students with disabilities familiarized themselves with two areas of RBI AG and its work as part of the matching day and the job shadowing days.

Another focal point in 2019 was the start of an extremely rewarding cooperation with "Specialisterne Austria", an organization that matches talented individuals with autism and companies that urgently require their special talents in areas such as IT, quality management, data management, or finance and controlling. We had previously been on the lookout for specialist knowledge that was not always easy to find on the market. Specialisterne is an outstanding partner that is now assisting us in this process, and we have already successfully filled four available positions with exactly the skills required.

We also continued to focus on women in technical professions in 2019. One of the many initiatives aimed at attracting women to our company was our participation in the "Women Hack" in Vienna, a special event for women who work or want to work in UX design, software development and project management. We are using this new format to invite interesting candidates to an additional networking event and give them the opportunity to get to know the company, colleagues and offices and find out about current projects.

Vienna daughters day, © Helena Markovitsch-Tokic

The Wiener Töchtertag (Vienna Daughters' Day) is an initiative under which girls between eleven and 16 years of age are invited to companies to get a first-hand impression of less "typical" professions for women. RBI Group IT opened its doors to the initiative for the first time, giving a group of girls the opportunity to take a look at the interesting world of IT careers and talk to women who are successful in these professions. Through presentations, the workshop and the discussions, the aim of the event was to show that women belong in technical professions just as much as men.

Forbes Women Summit 2019, © RBI AG

The Forbes Women Summit took place in Vienna for the first time in March 2019. More than 200 women accepted the invitation and followed the presentations by international speakers on "Writing future codes". As well as providing an appropriate framework for presenting ourselves in the context of equal/diverse leadership, the event offered the opportunity to network with other companies and organizations, particularly in the start-up sector. The discussions, some of which were moderated by experts from RBI, such as the breakout sessions-on "Challenges in recruitment – start-ups vs. corporations", showed that everyone is having to deal with the same issues.

We are particularly committed to diversity. Since 2018, we have highlighted this by using the following text in all RBI AG job advertisements: "RBI AG is committed to creating a diverse environment and is proud to be an equal opportunity employer. All qualified applicants will receive consideration for employment without regard to age, ethnicity, race or color, national origin, religion, political or other opinion, gender, sexual orientation or disability." The third gender is also explicitly addressed in our job advertisements (m/f/x).

Trainee programs represent a sustainable investment in introducing student graduates to a career in banking. With the masters' training program for markets and investment banking that was newly introduced in 2019, RBI AG expanded the range of available career opportunities for students who have just begun their masters' degree. We offer students part-time positions in which they can get to know all of the departments and activities in the area of markets and investment banking over a two-year period and complete a special training course. The continuous development of the existing "Corporate Banking" program paid off: RBI AG was recognized with the "excellent trainee program" accolade by "TraineeNet", a platform of trainees from around 50 Austrian companies. In 2019, economics students again ranked RBI AG among the top ten most attractive employers in Austria. RBI AG is also the best-placed bank among IT students (source: https://universumglobal.com/rankings/company/raiffeisen-bank-international/).

Additionally, the bank strives to intensify and expand its cooperation, sponsorships and partnerships with technical universities in order to familiarize students and graduates with new kinds of work positions as well as diverse career opportunities in the IT environment of a digital bank. An effective way of retaining students with RBI AG as their employer remains the active support of bachelor and master theses and the mentoring of seminar theses.

Employer branding and recruitment at the network banks

The network banks have also put a large number of different initiatives in place with a view to positioning themselves as more attractive employers and ensuring the recruitment of talented employees.

Addressing and cooperating with students is a key element that has been taken up by all of our network banks, and this is reflected in a range of activities. This includes directly addressing students on site by giving them an insight into the work of a bank, as well as partnerships with student institutions and universities. On the basis of examples from the Ukraine we want to show which extensive activities are set.

In September 2018, Raiffeisen Bank Aval signed up to the Ukrainian Pact for Youth 2020. This is a Europe-wide initiative of the United Nations that brings together businesses, government bodies and employment centers in order to help young people to develop professionally and find work. The aim is to facilitate entry into the workforce for businesses and young people alike. This also includes imparting knowledge and providing opportunities for gaining practical experience of company life.

In this context, Raiffeisen Bank Aval JSC offers not only practical placements for high school and college students, but also trainee programs. The bank's considerable commitment in this area is also underlined in the transfer of knowledge offered at various events and workshops – like the skills labs, which teach participants how a successful career path might look or how to set up their own company. All in all, Raiffeisen Bank Aval JSC was represented at 50 events in more than a dozen cities in 2019. These took the form of workshops, career days, presentations, hackathons, discussion panels, working groups, and excursions.

National day of girls in technology, © Inna Vitkovska

In October 2019, the "National Girls in STEM Day" was held simultaneously in all regions of Ukraine. On this day, technology companies and research centers opened their doors for female pupils aged 14 and 15 to foster their interest in science, technology, engineering and mathematics (STEM) and corresponding careers. The bank participated in the event in Kiev. 20 pupils from the eighth and ninth grade of a secondary school visited a digital branch of Raiffeisenbank Aval in Kiev. Various representatives from Human Resources, IT and digitization specialists arranged an excursion and a workshop entitled "Choosing a career path".

Overview of key performance indicators

	RBI*				RBI AG	
	2019	2018	Change over previous year	2017	2019	2018
Employees by gender, type of occupation and employment contract						
Employees	45,241	45,423	-0.4%	48,649	3,070	2,893
Male	34%	34%	1 PP	33%	53%	54%
Female	66%	66%	-1 PP	67%	47%	46%
Full-time employees	95%	95%	0 PP	95%	71%	73%
Male	35%	34%	1 PP	33%	64%	64%
Female	65%	66%	-1 PP	67%	36%	36%
Part-time employees	5%	5%	0 PP	5%	29%	27%
Male	21%	22%	-1 PP	28%	26%	28%
Female	79%	78%	1 PP	72%	74%	72%
Employees with fixed contracts	87%	87%	1 PP	85%	84%	84%
Male	35%	34%	1 PP	34%	54%	54%
Female	65%	66%	-1 PP	66%	46%	46%
Central Europe	20%	20%	1 PP	26%		
Southeastern Europe	32%	33%	-1 PP	32%		100%
Eastern Europe	38%	38%	0 PP	34%		16%
Austria	9%	9%	0 PP	8%	100%	100%
Employees with limited contracts	13%	13%	-1 PP	15%	16%	16%
Male	28%	28%	0 PP	27%	48%	54%
Female	72%	72%	0 PP	73%	52%	46%
Central Europe	16%	20%	-3 PP	27%		
Southeastern Europe	23%	18%	4 PP	17%		100%
Eastern Europe	51%	53%	-2 PP	50%		
Austria	10%	9%	1 PP	6%	100%	100%
Employees by region						
Central Europe	20%	20%	0 PP	26%		
Male	39%	38%	0 PP	38%		
Female	61%	62%	0 PP	62%		
Southeastern Europe	31%	31%	0 PP	29%		
Male	27%	27%	0 PP	27%		
Female	73%	73%	0 PP	73%		
Eastern Europe	40%	40%	-1 PP	37%		
Male	33%	32%	1 PP	31%		
Female	67%	68%	-1 PP	69%		
Austria	9%	9%	1 PP	8%	100%	100%
Male	52%	53%	-1 PP	52%	53%	54%
Female	48%	47%	1 PP	48%	47%	46%
New hires[1]						
Total	8,790	9,164	-4%	9,391	490	505
Share in percent of total headcount for:						
Employees total	19%	20%	-1 PP	19%	16%	17%
Employees under 30 years of age	11%	12%	-1 PP	12%	9%	9%
Employees between 30 and 49 years of age	8%	8%	0 PP	7%	7%	8%
Employees over 49 years of age	1%	0%	0 PP	0%	0%	0%
Men	7%	8%	0 PP	7%	8%	10%
Women	12%	13%	0 PP	13%	8%	8%
Central Europe	4%	4%	0 PP	5%		
Southeastern Europe	5%	4%	1 PP	4%		
Eastern Europe	10%	10%	-1 PP	9%		
Austria	1%	1%	0 PP	1%	16%	17%
Fluctuation (former employees)[1]						
Total	9.316	8.214	13%	9.778	337	251
Share in percent of total headcount for:						
Employees total	21%	18%	3 PP	20%	11%	9%
Employees under 30 years of age	8%	7%	1 PP	9%	4%	5%
Employees between 30 and 49 years of age	11%	9%	1 PP	10%	5%	3%
Employees over 49 years of age	2%	1%	1 PP	1%	2%	1%
Men	7%	6%	1 PP	6%	7%	5%
Women	14%	12%	2 PP	14%	4%	4%
Central Europe	3%	3%	0 PP	6%		
Southeastern Europe	5%	4%	1 PP	4%		
Eastern Europe	11%	10%	1 PP	9%		
Austria	1%	1%	0 PP	1%	11%	9%

* The values include the figures from the companies listed in the Overview chapter (reporting limits and data collection, page 8, first paragraph).

[1] In 2017 and 2018, employees aged 50 and over were included in the age category employees between 30 and 49 years.

	RBI*				RBI AG	
	2019	2018	Change over previous year	2017	2019	2018
Average number of training hours for employees, by position						
Total	55	52	6%	53	33	27
Men	51	46	12%	48	33	26
Women	57	54	4%	56	33	28
B-1	72	79	-9%	64	36	29
B-2	77	62	23%	52	54	33
Other executives	52	53	-2%	50	33	37
Other employees	54	51	6%	54	32	25
Share of employees with Performance Management						
Total	81%	73%	8 PP	69%	89%	90%
Men	86%	77%	9 PP	74%	90%	91%
Women	78%	72%	7 PP	67%	86%	90%
B-1	99%	99%	0 PP	100%	100%	100%
B-2	99%	100%	0 PP	99%	100%	100%
Other managers	98%	83%	14 PP	83%	100%	100%
Other employees	79%	71%	7 PP	67%	87%	89%
Diversity						
Share of women						
Board	14%	14%	0 PP	12%	0%	0%
B-1	35%	35%	0 PP	36%	20%	19%
B-2	46%	46%	0 PP	45%	24%	20%
Other managers	63%	63%	0 PP	62%	31%	26%
Managers total	55%	55%	-1 PP	54%	26%	23%
Employess total	66%	66%	-1 PP	67%	47%	46%
Share of minority groups						
Employees with foreign citizenship						
Board	32%	33%	0 PP	35%	29%	29%
B-1	5%	4%	1 PP	4%	20%	17%
B-2	3%	2%	1 PP	2%	25%	21%
Other managers	1%	1%	0 PP	1%	15%	13%
Other employees	3%	3%	0 PP	2%	34%	31%
Age groups[1]						
Board						
Board under 30 years of age	0%	0%	0 PP	0%	0%	0%
Board between 30 and 49 years of age	58%	61%	-3 PP	60%	43%	57%
Board over 49 years of age	42%	39%	3 PP	40%	57%	43%
B-1						
Employees under 30 years of age	0%	0%	0 PP	0%	0%	0%
Employees between 30 and 49 years of age	77%	81%	-4 PP	83%	49%	60%
Employees over 49 years of age	23%	19%	4 PP	17%	51%	40%
B-2						
Employees under 30 years of age	1%	2%	-1 PP	1%	0%	1%
Employees between 30 and 49 years of age	81%	83%	-2 PP	85%	73%	72%
Employees over 49 years of age	17%	15%	3 PP	14%	27%	27%
Other managers						
Employees uunder 30 years of age	4%	4%	0 PP	4%	1%	1%
Employees between 30 and 49 years of age	76%	79%	-3 PP	80%	81%	82%
Employees over 49 years of age	20%	17%	3 PP	15%	18%	18%
Other employees						
Employees under 30 years of age	27%	28%	-1 PP	28%	22%	20%
Employees between 30 and 49 years of age	61%	62%	-1 PP	63%	62%	67%
Employees over 49 years of age	12%	10%	1 PP	10%	16%	13%

* The values include the figures from the companies listed in the Overview chapter (reporting limits and data collection, page 8, first paragraph).

[1] In 2017 and 2018, employees aged 50 and over were included in the age category employees between 30 and 49 years.

Future outlook and Sustainability program

The focus for 2020 remains on the implementation and anchoring of the new corporate vision, mission and values, and the corresponding transformation map. The key topics of employees, culture and organization are being addressed through a large number of accompanying initiatives.

The HR learning management system "cHaRlie" that was newly implemented in 2018 will be further expanded in the future. Work is currently in progress to make online courses available on mobile devices from 2020.

In 2020, we will adapt our performance management to be even more attuned to the specific needs of agile teams and organizational units designed in line with adaptive principles, thereby continuing to provide our employees and our company with the best possible support when it comes to achieving our transformation and growth targets.

The "Diversity 2020" initiative in Austria will be continued. The focal areas of the empowerment of women and the inclusion of people with disabilities will continue, as will the LGBTI program. The topic of generation management will be anchored in the strategy. At the network banks, the local diversity strategies adopted in 2019 will be implemented. The focus at Group level is on increasing the proportion of women in executive management (see page 101).

A new online training course for employees on the topic of sustainability will be rolled out on a Group-wide basis in 2020. This also includes the key area of diversity.

Excerpt from the Sustainability program

General objective: Inclusive employer, high employer attractiveness

SDGs	Objective	Measure	Status	Progress
5 8	Establishment of a corporate culture based on Vision 2025, the mission and the corporate values	Performance of the RBI Stakeholder Council 2019 (see page 35), performance of workshops and training for managers and employees	◒	■■□□
5 8	Implementation of the Group-wide diversity policy	Appointment of diversity officers at all affected companies, adoption of a local diversity strategy	◒	■■■□
5	Increase in the proportion of women in executive management of the RBI Group to 35 percent by 2024	Implementation of the focus on the empowerment of women that was launched in 2016 at RBI AG; expansion of the initiatives to include the entire RBI Group and evaluation of the "Diversity 2020" initiative	◒	■■□□
8	Inclusion of people with disabilities	Implementation of the planned activities in connection with the "Diversity 2020" initiative	◒	■■□□
4	Adaptation of the RBI working environment to changes brought about by digitization	Further development and implementation of the findings from the Stakeholder Council 2018, continuously addressing and positively shaping the digital transformation for the working world (see Sustainability Report 2018, page 95 et seq.)	◒	■■■□
4 8	Maintain high level of employee enablement and engagement	Development of a package of measures and their implementation on the basis of the employee surveys from 2018 to 2020	◒	■■□□
4	Realignment of the Performance Management System	Group-wide introduction for realigning the performance management concept developed in 2016 by 2019	●	■■■■
1 4 5 7 8 9 13 16	Raising awareness of sustainability among employees	Development of new online training for the entire RBI Group in Austria and CEE	◒	■□□□
1 4 5 7 8 9 13 16	Further development of the "Sustainability and corporate responsibility" blog	Regular publication of sustainability articles, expansion of author pool	≈	■■■■
1 4 5 7 8 9 13 16	Establishment of a newsletter for sustainability and diversity at RBI in Austria	Quarterly preparation and distribution of a newsletter with articles on sustainability and diversity	≈	■■■■

○ New ◒ In progress ● Complete ≈ Constantly

Status (25% of target achieved per box filled) □□□□

SDGs

1 No Poverty
4 High quality education
5 Gender Equality
7 Affordable and Clean Energy
8 Decent Work and Economic Growth
9 Industry, Innovation and Infrastructure
13 Climate Protection Measures
16 Peace, Justice and Strong Institutions

Field of action Fair partner – Inhouse ecology: for a climate-friendly future

Image author: Martin von Malottke (Valida)

Fair partner – Inhouse ecology

The management of climate risks – not just in inhouse ecology – is an increasingly important task for the economy. It was not without reason that the World Economic Forum classifies climate change as one of the five greatest risks in the 2020 Global Risks Report. Companies that do not set climate protection targets or do so only to an inadequate extent or rather do not incorporate any climate-related aspects into their corporate strategy should expect that their profitability will suffer in the medium to long term. Effective climate protection has long been a competitive factor in the capital market.

We view environmental and climate protection as part of our responsibility toward society, and we see ourselves as a fair partner to the environment. The direct environmental impacts of our operational activities are limited compared with those of production industries. Nevertheless, RBI has the goal of limiting negative environmental impacts at all of its sites to the greatest possible extent, and – where possible – going beyond basic compliance with statutory requirements and demands.

RBI is committed to minimizing its environmental impact as much as possible. The company therefore works to continuously improve the main environmental parameters in the most relevant areas. The environmental management system in Austria is based on international standards (ISO 14001). The network banks in CEE are also conscious of their responsibility for the environment and work to continuously improve the key performance indicators.

In general, energy efficiency, renewable energy, environmentally friendly mobility and sustainable purchasing are particularly important in corporate environmental protection. Nevertheless, because of RBI's carbon footprints energy consumption in the contexts of building management and the mobility sector are the two most essential areas for action. These are also key for attaining the climate targets (see page 121).

Mission & Vision 2025

In accordance with its new vision, RBI aspires to be the "most frequently recommended financial service provider" by 2025. This will be achieved through continuous innovation aimed at making customers' lives easier. RBI's mission for the general public also includes the aim of acting in a socially responsible manner and "contributing to the long-term wellbeing of people and companies in our markets".

The Stakeholder Council 2019 discussed how the new mission can be optimally filled with life from a sustainability perspective at the topic tables (see page 35), with the areas of the environment and society being combined at the "general public" table.

Following the collection of ideas in small groups, multiple clusters were created in the following topics: "collaboration", "sustainable financing and investment", "internationalism and cross-border CSR projects in CEE", "education and awareness incl. financial literacy", "positioning and communication", and "digitization and support for the customer experience".

The discussion that followed formulated specific measures, which were voted on by the participants using a points-based system. The following five topics received the highest points score and were subsequently discussed by the entire Stakeholder Council:

1. Idea lab for sustainability
2. Supplier Code of Conduct for CEE
3. Institutionalize communication for cross-border sustainable projects (with NGOs)
4. Systematic lobbying for green supporting factor
5. Make impact visible (e.g. define KPIs with NGOs)

One of the main areas of action for the future is the desire to develop a "Supplier Code of Conduct" for RBI.

Other measures discussed in the small groups included ideas such as flagship projects aimed at raising awareness of sustainability in other countries, particularly in CEE. The idea to present the impact of projects in a transparent form was also expressed. The NGOs asked to be included to a greater extent. A joint communication channel was also suggested in order to enable cross-border projects at international level.

Impacts, risks and opportunities

The impacts of inhouse ecology activities on the environment and society are assessed annually. The most important indicator is the carbon footprint. The aim is to reduce emissions compared with the previous year. As the changes in the world's climate have far-reaching consequences which stretch beyond national borders, there is no regional limitation of effects in this regard. The impact of greenhouse gas emissions on the environment is entirely negative, however, use of renewable energy, or the promotion of energy efficiency, can lead to improvements in the situation. These areas also have a positive effect on society, for example by creating or preserving jobs.

The greatest risk for the economy, society and environment – if companies are unwilling to counter climate change – is the onset of global warming with the known negative impacts. For this reason, RBI defined environmental targets for the entire group for the first time in 2015. The base year is 2011, the first year in which corporate environmental protection figures were recorded for the entire group.

There are risks for RBI, particularly in terms of cost. Examples of such risks are one-off additional costs during work on the shell of the building and conversion to LED lighting. Additional costs can also accure due to higher procurement costs, combined with the longer time required to assess products and a smaller selection of suppliers and products in purchasing.

RBI's due diligence process is diversified and includes, among other things, compliance with internationally recognized ISO standards, building certification and environmental labels (see also page 126). In addition, energy audits and management systems are used not only in Austria, but also at some network banks (see also page 126). The annual supplier survey is another important pillar of this process, with the infringement of environmental regulations being a particularly relevant element (see also page 125). Finally, the Environmental Committee is an important advisory body with the responsibility for passing on new findings with regard to greenhouse gas emissions and the environmental impact of the key impact categories from RBI AG to the network banks.

RBI is making a positive contribution to society with concrete steps related to environmental management. We are contributing to meeting the goals of the UN Climate Change Conference in Paris (COP 21) by working to reduce greenhouse gas emissions, and promoting the renewable energy sector of the economy. The area of consistent cost-cutting offers an important opportunity for RBI in inhouse ecology. Because business travel and energy consumption are among the largest generators of emissions in inhouse ecology, measures to reduce these influence factors bring the greatest cost savings in the course of operations. Furthermore, reputation risks are minimized, new collaborations in research and development are fostered, and resilience in the face of the consequences of climate change is increased. Risks in the added value chain, for example due to delivery delays, are reduced by purchasing regional products. This risk is minimized with a regional procurement share of around 85 percent at RBI. The impact of core business on the environment is described in the "Responsible Banker" chapter on page 55.

Sustainable Development Goals

Two of the 17 Sustainable Development Goals (SDGs) were classified as particularly relevant for RBI in inhouse ecology. These include SDG 13 "Climate Protection Measures" as well as SDG 7 "Affordable and Clean Energy". It is important to counteract climate change by reducing direct and indirect greenhouse gas emissions. RBI's options for exerting direct influence on the environment predominantly lie in the areas of energy consumption (electricity and heat) and the mobility sector, and to a lesser extent, waste production, as well as resource and water consumption. All these areas can be found in the Sustainable Development Goals, for example SDG 6 (water), SDG 7 (energy, and proportion of green electricity, energy efficiency), SDG 12 (consumption and production/waste) and SDG 13 (climate protection). Water consumption and waste have a relatively small footprint at RBI, which is why SDG 6 and SDG 12 are not listed separately.

Environmental targets

With reference to the UN Climate Change Conference in Paris (COP 21), RBI has set itself the target of reducing its CO_2 emissions by 35 percent by 2025, 40 percent by 2030 and 65 percent by 2050 (Scope 1+2 and separately for Scope 3). This will be achieved by means of energy efficiency, a higher proportion of green electricity, a reduction in business travel and information measures for employees, who are key players when it comes to achieving the environmental targets.

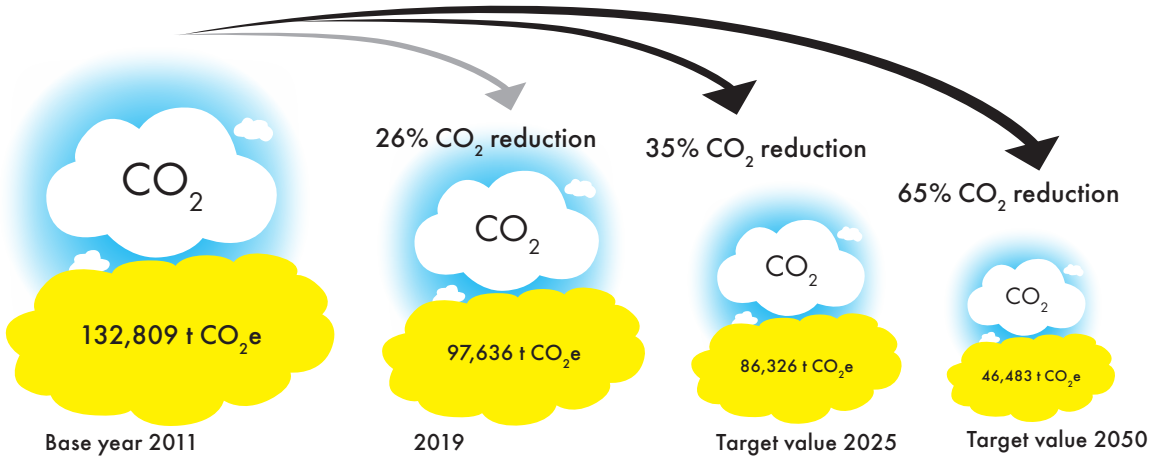
Since 2011, CO_2 emissions have already been reduced by 29 percent in Scope 1 and Scope 2 and by 23 percent in Scope 3. Overall (Scope 1-3), emissions have dropped 26 percent since 2011. RBI is well on the way to achieving the defined reduction targets by 2030. At 38 percent, RBI's proportion of green electricity is above the EU target, which stipulates that the proportion of renewable energy should increase to 27 percent by 2030.

* The base year is 2011, the first year in which inhouse related data were recorded for the entire group

Central tool for the implementation and further development of the environmental targets is the environmental management system in Austria, which is operated in accordance with the requirements of ISO 14001 (certified since 1998). In addition, the greenhouse gases have been validated for RBI since 2013 in accordance with ISO 14064-3.

The Environmental Committee, Group Sustainability Management, Facility Management and Sustainability Officers at the network banks are primarily responsible for implementing and evaluating the achievement of our goals. Details on the goals can be found on our website at: www.rbinternational.com/sustainabilitymanagement.

Target path CO_2 reduction of RBI



Digitization and climate protection

Digitization and climate protection are not incompatible. Among other things, this was the finding of a small group discussion on "environmental problems" at RBI's Stakeholder Council in 2018. Digitization has revolutionized the way we live, work, and communicate. Without it, many facts about climate change would be unknown both locally and globally. These facts have enabled scientists to make more accurate predictions concerning the consequences of our actions and to derive recommended actions for politicians and businesses. The resulting action areas have led to technical developments and more intelligent heating and cooling systems that we are now using to significantly reduce energy consumption. The comfort of people and company employees has also benefited as a result. Digitization has been a key factor in the increased use of green electricity in the energy supply. The occasional volatility of green electricity can now be controlled using storage systems so that it can be supplied to consumers as needed.

Furthermore, digitization has helped to drive a breakthrough in the closed-loop economy. For example, 96 percent of RBI's waste is non-hazardous and 17 percent of it is recycled. Thanks to connected information, it is easier to track resources in terms of location and volume. We now also have the necessary transparency to control resource flows more efficiently in terms of the waste generated. These are just some examples of how companies – including RBI – can harness the opportunities provided by digitization in order to help them achieve their climate targets.

At the same time, data centers and new communication solutions consume a lot of energy. However, these applications also enable features such as web conferencing, which will cut down on business travel in the medium to long term. Increased energy consumption is more environmentally friendly than the emissions caused by business travel. This also explains why energy consumption accounts for the largest share of emissions at RBI. Preventing rebound effects is taken into account when defining inhouse ecology measures, as this can account for an increase of more than 20 percent in savings. For example, upper limits in energy consumption are observed and addressed if and when they are exceeded.

In order to minimize RBI's overall ecological footprint, the Environmental Committee regularly addresses RBI's environmental targets and their achievement and discusses their adjustment to reflect developments and trends.

Overview of greenhouse gas emissions

Since the 2019 financial year, the environmental figures have included the data for the head offices as well as the branches of the network banks, thus covering more than 90 percent of all employees. The data for the branches has been calculated retroactively in order to improve comparability with the prior-year figures and the base year. This calculation was based on the Scope 1-3 changes in the respective regions and the employee changes in the respective countries. The base year 2011 was also recalculated to reflect the new report scope. The data is presented for RBI, which consists of the network banks in CEE, RBI AG and the Austrian subsidiaries (see page 8).

The following graphic shows the environmentally relevant areas of RBI and their impact on CO_2e emissions[1].

CO_2e emission of RBI in 2019

CO_2e emissions

The total CO_2e of RBI in 2019 was 97,636 t location based or 102,473 t market based (minus six percent on the previous year or minus 26 percent on 2011).The biggest key performance indicators of our CO_2e emissions are energy consumption and business travel. Furthermore, most of the emissions (51 percent) fall in Scope 2 (mostly caused by power consumption, partly by air traffic), followed by Scope 3 with 42 percent (power consumption is also in first place here). In third place is Scope 1 with seven percent, mostly caused by business travel with own cars.

Energy

Energy consumption makes up about 72 percent of emissions with 70,699 t CO_2e (minus eight percent on the previous year or minus 26 percent on 2011) and is the biggest cause of our emissions. Most of this is evident in Scope 2, but partly also in Scopes 1 and 3.

RBI's share of green electricity is about 38 percent.

Business travel

Business travel makes up about 14 percent of emissions with 13,547 t CO_2e (minus eight percent on the previous year or minus 23 percent on 2011), while parcel service and transport of goods accounts for less than one percent with 1,029 t CO_2e according to recent surveys. Transport is therefore the secondbiggest cause of our emissions. This has an effect on both Scope 1 and Scope 3.

Waste

With 4,586 t CO_2e, waste is negligible and makes up about five percent of emissions (plus eight percent on the previous year or minus 22 percent on 2011). The effects are evident only in Scope 3.

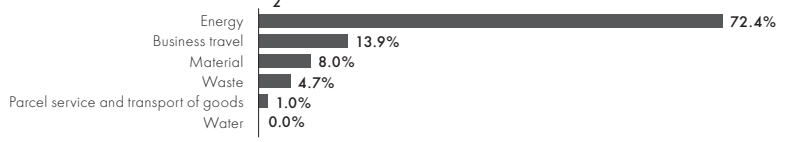
Material

Material consumption (especially paper consumption) makes up about eight percent of emissions with 7,775 t CO_2e (plus seven on the previous year or minus 34 percent on 2011). The effects are evident only in Scope 3.

Water

The share of water consumption in our emissions is negligible at 112 kg CO_2e and nearly zero percent (minus ten percent on the previous year or minus 20 percent on 2011). The CO_2e emissions are solely in Scope 3.

CO_2e emissions of RBI result from



[1] CO_2e is the conversion of the hazard potential of the relevant, climate-influencing gases into an equivalent amount of CO_2.

© denkstatt.eu

Christian Plas, Managing Director of Denkstatt

"With her program in December 2019, Commission President Ursula von der Leyen showed from the very highest level that it is time to end a way of thinking that has curbed positive developments for decades now: 'Sustainability costs money that we cannot afford!' Instead, von der Leyen is saying: 'This change is an opportunity for Europe as an economic area!'
The Green Deal is turning a number of prejudices on their head and proactively addressing the major challenges of the change we are seeing. The energy and mobility transition create the chance to combine the sustainable development of society with value generation. This will also have a huge impact on the financial sector, whose important role is highlighted in the new Commission's program. The previous Commission had already shaken up the financial world with the EU Action Plan, leading to a whole new degree of seriousness when it comes to addressing the questions of climate change and the technological revolution.
In addition to the challenges in terms of infrastructure financing (an additional EUR 200-300 billion per year for climate neutrality by 2050), this involves radical decarbonization in a form that goes beyond the purchase of CO_2 certificates. This means rearranging mobility processes and the way in which energy is used and supplied. Electricity and heating are responsible for more than 70 percent of RBI's carbon footprint, with business travel accounting for a further 15 percent. These are the major operational challenges for inhouse ecology in the coming years."

QUOTE

The graphic shows that the biggest items of CO_2e emissions of RBI (total of 97,636 tons (t) location-based, down six percent compared with the previous year and 26 percent compared with 2011) relate to energy consumption and business travel. Particularly relevant is the division of the emissions into three "Scopes", which define the classification of the CO_2 emissions according to the Greenhouse Gas Protocol:

- Scope 1 comprises all greenhouse gas emissions produced directly in the company, e.g. from the combustion of stationary sources (such as power plants, boilers), from the combustion of mobile sources (such as from the company's own fleet), from the production processes and from transient emissions.
- Scope 2 comprises indirect emissions that arise from the company being supplied with energy, i.e. when an energy supplier makes power or heat available for a company.
- Scope 3 comprises all other emissions caused within the limits of the system, e.g. business travel using planes, trains and external car fleets, as well as office supplies (such as paper).

Most emissions, 51 percent, can be found in Scope 2 (mainly caused by electricity consumption), followed by Scope 3 with 42 percent (here too, electricity consumption is in first place). At seven percent, Scope 1 is in third place and is caused by business travel (with the company's own vehicle fleet), in addition to the purchase of electricity from third parties. Details are published on our website (www.rbinternational.com/sustainabilitymanagement).

CDP

Since 2011, RBI has participated in the annual evaluation by CDP, a non-profit organization (NPO) that evaluates the CO_2 emissions of listed companies in more than 90 countries on behalf of investors. The aim is to encourage transparency on the part of companies with regard to their targets and strategies, resulting in a reduction in CO_2 emissions.

In 2019, more than 8,400 companies reported their CO_2 data to CDP. Only 925 companies worldwide and 159 companies from the Germany, Austria and Switzerland region secured a place on the CDP Leadership List (A and A-) in 2019. RBI is one of the five best companies in Austria to be included in this ranking. In addition, RBI is the best domestic financial sector company for the fifth year in a row. RBI was recognized by CDP for the seventh successive year for its high standard in answering the questionnaire. RBI was also identified as a leader for its cooperation with suppliers in the area of climate protection and included in the CDP Supplier Engagement Leaderboard for the first time (see also page 40).

Compliance with legal regulations

Compliance with legal regulations is subjected to a stringent procedure defined in the management system. Thus, in 2019, at the Vienna sites as well as the network banks, there were no convictions for violations of environmental protection regulations.

Overview of measures

		Austria							CE			SEE							EE		
Topic	Measure	RBI AG	RBSK	RKAG	RL	Valida	RCB	Kathrein	TBSK	RBCZ	RBHU	RBAL	RBBH	RBBG	RBKO	RBHR	RBRO	RBRS	RBBY	RBRU	AVAL
Compliance	No violation of environmental legislation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Please see the list of abbreviations for the complete company designations.

Environmental Committee

In accordance with their responsibility for environmental measures, the Management Boards of RBI AG appointed an Environmental Officer and an Environmental Committee in 1994. The Environmental Committee is the advisory and decision-making committee. Permanent members are the Environmental Officer of RBI AG as well as representatives of Group Sustainability Management and of the Staff Council. Depending on the field of expertise, other representatives of the departments, such as IT, Marketing or Procurement, are involved in the meetings. The Environmental Officer convenes the Environmental Committee at least twice a year. Tasks of the Environmental Committee include developing decision-making principles for the Management Board regarding ecological strategies, planning and initiatives, as well as conducting periodic present-state assessments and weak point analysis.

Topics in recent years included the implementation of a climate policy and climate strategy within the scope of membership in the Raiffeisen Sustainability Initiative (see page 150) and support for awareness-raising measures and events, such as the bicycle repair days. These events are held annually to support environmentally conscious mobility of employees. The increased use of new technological solutions, particularly in order to save on business travel, was dealt with, among other things.

Environmental policy

RBI has had an environmental policy since 2015. As a sustainably operating banking group, the traditional Raiffeisen values were the central point of reference for its design. The contents of the environmental policy are included in the sustainability guiding principles of RBI in the areas of product ecology, inhouse ecology and climate-friendly society, as published on the website at www.rbinternational.com/sustainabilitymanagement. With respect to the area of inhouse ecology, for example, the guiding principles state that RBI is committed to continuously improving its services for the environment beyond regulatory requirements, where possible and reasonable.

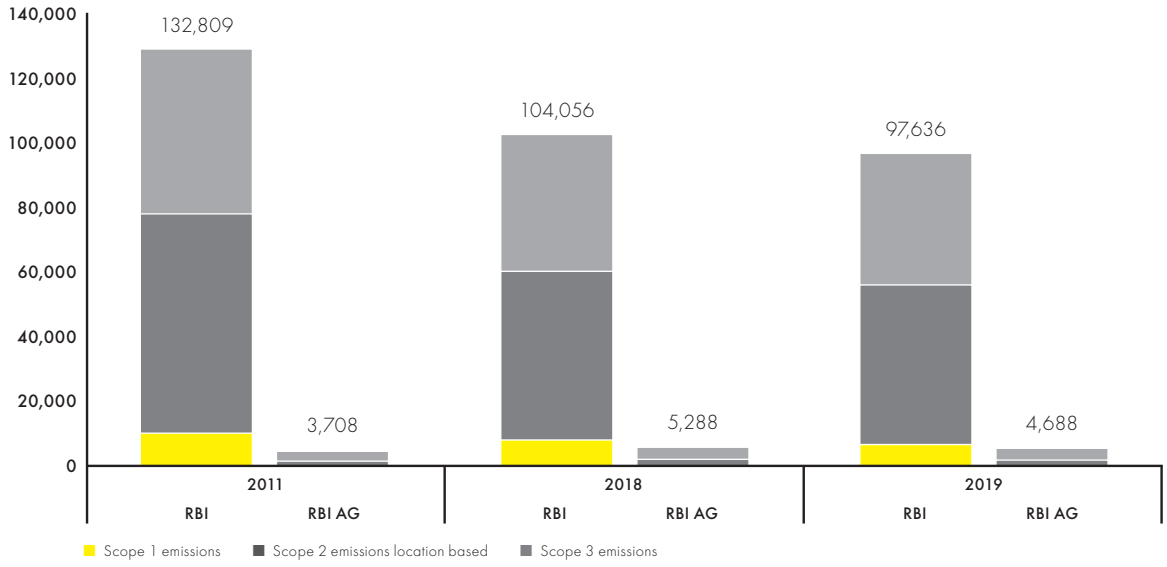
Travel policy

RBI's travel policy contains rules for traveling to events and conferences, and defines framework conditions for business trips in Austria and abroad. The travel policy was revised in accordance with environmental factors in October 2013. The choice of means of transport must take into account economic and environmental considerations. This applies to the Austrian units including the subsidiaries, and also provides a framework for the network banks. To save costs and protect the environment, business trips should - where possible - be replaced by available technologies, such as web and video conferences. The mode of transport to be used should result in the lowest costs, taking travel time into consideration. Furthermore, environmentally friendly means of transport (e.g. public transportation) are preferred.

Development of Scope 1-3 emissions

The following overview shows the development of RBI and RBI AG's greenhouse gas emissions in accordance with the Greenhouse Gas Protocol.

Scope 1-3 emissions of RBI* in t CO_2e in 2011, 2018 and 2019



* The values consist of the figures for the companies listed in the chapter Overview (Report scope and data collection, page 8, first paragraph).

Supplier evaluation and purchasing

RBI AG has around 2,200 suppliers which mainly provide services to the Head Office in Vienna and RBI. The biggest expenses are in the areas of IT, facility management, consulting, and marketing. Suppliers are selected and classified according to selected criteria, and sustainability criteria are factored into this through considerations of regionality. All of RBI's suppliers must observe the Code of Conduct (CoC) and its principles, which include compliance with laws, a ban on corruption and fraud, upholding employees' basic rights and environmental regulations.

Overview of measures

		Austria							CE			SEE						EE		
Topic	Measure	RBI AG	RBSK	RKAG	RL	Valida	RCB	Kathrein	TBSK	RBCZ	RBHU	RBAL	RBBH	RBBG	RBKO	RBHR	RBRO	RBRS	RBBY	RBRU	AVAL
Supplier	Inquiry of environmental and social standards	✓*	✓*	✓*	✓*	✓*		n.a.		✓		✓			✓				✓	✓	✓

* Done by ZHS Office- & Facilitymanagement GmbH

Please see the list of abbreviations for the complete company designations.

Purchasing for RBI is partly carried out via RBI AG or for subsidiaries via ZHS Office- & Facilitymanagement GmbH (ZHS). The latter takes on the following tasks for RBI AG: Building & property administration, building management, energy management, space & relocation management, event support, purchasing of office supplies, waste management and environmental protection.

Acting responsibly towards the environment and society, the ZHS revised supplier-related requirements in 2013. Criteria taken into consideration include quality and costs as well as inquiries about supplier distance, compliance with industry standards, agreements and guidelines on the environment and sustainability (e.g. UNGC) and maintenance of certifications (quality, environment, employee protection, such as ISO 9001, ISO 14001, EMAS). Apart from the obligatory annual check on supplier criteria, key environmental and social data are also surveyed via a questionnaire. All suppliers of ZHS must meet certain sustainability criteria, which are electronically recorded and analyzed. If these criteria are not met, no business relationship will be entered into.

A key supplier in Austria is Raiffeisen Informatik GmbH, which has set itself the goal, in terms of sustainability management, of combining successful economic activity with responsibility for the environment and society. Raiffeisen Informatik aims to shape the use and provision of information technology in an environmentally friendly and resource-efficient manner across its entire life cycle. Additionally, RBI's top suppliers, provided purchasing is performed centrally, are surveyed annually on topics including environmental and/or socially relevant certificates for the company and/or for products and/or services purchased from RBI, proceedings due to the infringement of environmental regulations, and indicators on mobility (km/tkm[1]).

86 percent of suppliers responded, and 72 top suppliers (based on revenues) were surveyed. The feedback shows the following results:

- 57 percent of suppliers have environmental certificates and 44 percent have social standards for their company.
- 52 percent of suppliers publish their environmental and social data. Around 23 percent of suppliers have this data audited.
- 44 percent of suppliers have entered into a commitment with respect to sustainable aspects (e.g. UNGC, Diversity Charter).
- No suppliers are in proceedings due to the infringement of environmental regulations.

RBI sees the survey as an important step towards raising more awareness among our suppliers and will continue with it.

[1] Ton kilometers or tkm are calculated on the basis of the transported mass in tons and the distance covered in kilometers.

Environmental measures

The central measures in the environmental areas of greatest importance for RBI are presented in brief in the overview below.

Overview of measures

		Austria							CE			SEE							EE		
Topic	**Measure**	**RBI AG**	**RBSK**	**RKAG**	**RL**	**Valida**	**RCB**	**Kathrein**	**TBSK**	**RBCZ**	**RBHU**	**RBAL**	**RBBH**	**RBBG**	**RBKO**	**RBHR**	**RBRO**	**RBRS**	**RBBY**	**RBRU**	**AVAL**
Environmental certificates	ISO 14001	✓*	✓*	✓*	✓*	✓*					✓		✓								
	ISO 50001										✓		✓								
	Energy audit	✓	✓	✓	✓	✓				✓	✓					✓				✓	
Energy savings and effciency	LED	✓	✓	✓	✓	✓		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Light sensors	✓	✓	✓	✓	✓		✓					✓	✓			✓	✓	✓	✓	✓
	Evening/weekend mode	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓		✓	✓	✓	✓		
	Computer/printer with energy labels	✓	✓	✓	✓	✓		✓		✓	✓		✓	✓		✓	✓	✓	✓	✓	
	Adaptions in heating/cooling	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Other measures	✓	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓
Renewable energy	PV/geothermal energy in/on the building	✓									✓						✓				
	Green electricity in the power mix	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓	✓		✓	✓			n.r.	
Business travel & commuting	Support of public transportation	✓	✓	✓	✓	✓	✓				✓		✓	✓			✓			✓	✓
	Web and video conferencing	✓	✓	✓	✓	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Bicycle parking spaces	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓		✓	✓	✓	✓	✓	✓
Fleet	Fleet cars with low CO_2 emissions	✓	✓	✓	✓	✓	✓	✓	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓
	E-cars, hybrid vehicles	✓	✓	✓	✓	✓	✓		✓								✓				
	Shuttle bus service								✓		✓										✓
Material consumption	Measures for reducing consumption	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Paper with an environmental label	✓	✓	✓	✓	✓	✓	✓			✓		✓	✓		✓			✓		✓
Waste	Waste seperation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓**	✓		✓	✓	✓	✓	✓***	
	Waste management system	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓					✓			
	Increase of recycling waste	n.r.	n.r.	n.r.	n.r.	n.r.	✓	✓		✓		✓		✓		✓	✓			✓	
Water	Measures for reducing consumption	✓	✓	✓	✓	✓		✓	✓	✓	✓		✓	✓		✓	✓		✓	✓	
Employee information	E.g. in the form of trainings and via intranet	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	✓

Please see the list of abbreviations for the complete company designations.

* ISO 14001 Facility Management
** Only paper
*** Waste outsourced

CO_2e emissions

As in the previous year, quantitative data relating to inhouse ecology was collected using the "mona" software. Since the 2019 financial year, the environmental figures have included the data for the head offices as well as the branches in CEE, thus covering more than 90 percent of all employees. The data for the branches has been extrapolated backwards for 2018 and 2011. The calculation was based on the Scope 1-3 changes in the respective regions and the employee changes in the respective countries. The base year 2011 was also recalculated on the basis of the current group structure.

Average CO_2e emissions (calculated with the emission factor ecoinvent v3.4) for 2019 came to 97,636 tons (t) (location-based) and were reduced by 26 percent compared with 2011 (the first reporting date). Of this figure, 7,073 t of CO_2e (seven percent) was allocated to Scope 1, 49,708 t (51 percent) to Scope 2 (location-based) and 40,856 t (42 percent) to Scope 3. The greatest reduction compared with 2011 was achieved in Scope 2 (down 30 percent). In Scope 1, emissions have fallen by 24 percent since 2011, while Scope 3 has seen a reduction of 23 percent. Emissions were reduced by six percent compared with the previous year.

Data quality is collected on the basis of three grades: The best data quality is 1 (exact), followed by 2 (calculated). Most of the corporate environmental protection data is exact or calculated. Only the areas of materials and water are classified in the lower category 3 (estimated) in terms of their data quality. RBI is endeavoring to improve data quality in both of these areas.

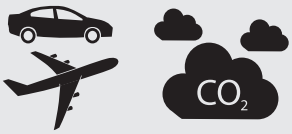
Reductions 2019 to 2018	Reductions 2019 to 2011
45,558,179 liter water	87,161,147 liter water
55,489,415 sheets of paper	538,736,366 sheets of paper
14,990,548 kWh energy	29,464,411 kWh energy
6,468,361 driven pkm	11,813,755 driven pkm
no reduction in waste	1,797,471 kg waste
6,419,562 kg CO_2 This corresponds to the CO_2 emissions that are emitted of around 4,200 four-person households in Austria through their annual electricity consumption.	35,172,861 kg CO_2 This corresponds to the CO_2 emissions that are emitted of around 22,900 four-person households in Austria through their annual electricity consumption.

72.4 percent of total CO_2 emissions

At 70,699 t CO_2e, energy consumption accounts for around 72 percent of emissions (down eight percent compared with the previous year and 26 percent compared with 2011) and is the biggest source of emissions for RBI. Electricity consumption accounts for 91 percent of this figure, while heating demand accounts for approx. nine percent. The emissions particularly arise in Scope 2 as well as in Scope 1 and 3.

RBI's total energy consumption was around 216 GWh in 2019 (down six percent compared with the previous year). Around 137 GWh was required for electricity and around 79 GWh for heating. The average energy consumption per employee per year is 4,551 kWh.

RBI's proportion of green electricity is around 38 percent.



13.5 percent of total CO_2 emissions

Mobility generates 13,547 t of CO_2e, which corresponds to around 14 percent of emissions (eight percent less than the previous year and 23 percent less than in 2011). Travel is thus RBI's second biggest source of emissions. It arises in both Scope 1 and Scope 3.

Business travel at RBI amounts to around 62 million pkm (passenger kilometers; pkm are calculated on the basis of the number of persons carried and the distance covered). The average per employee per year is 1,316 pkm.

Comparing the means of transport (in terms of pkm), air travel accounts for the largest proportion at 54 percent, followed by car travel at 40 percent, and travel by train at around six percent. RBI's vehicle fleet is particularly environmentally friendly with an average of 125 g of CO_2 emissions per km.

8.0 percent of total CO_2 emissions

At 7,775 t CO_2e, material consumption accounts for around eight percent of emissions (up seven percent on the previous year and down 34 percent compared with 2011), making it the third biggest source of emissions. The impacts are felt solely in Scope 3. The proportion of recycled materials in paper purchasing is 67 percent.

In total, RBI used around 2,556 tons of paper in 2019. Paper consumption per employee amounted to 10,836 sheets per year.

4.7 percent of total CO_2 emissions

At 4,586 t CO_2e (up eight percent on the previous year and down 22 percent compared with 2011), waste is also negligible and accounts for just under five percent of emissions. The impacts are felt solely in Scope 3.

The quantity of waste produced by RBI amounts to about 7,908 tons per year or 167 kg/employee and consists of 96 percent non-hazardous waste. Almost 62 percent of waste is brought to landfill sites, approx. 17 percent is incinerated and around 17 percent is recycled. Electrical devices account for around four percent.

1.1 percent of total CO_2 emissions

The parcel service and transport of goods accounts for around one percent of emissions at 1,029 t CO_2e (a comparison with 2011 is not possible because this indicator was not recorded for the entire group in 2011). The km/tkm values of the suppliers reported in the supplier survey were collected internally but not included due to insufficient verifiability. The impacts of the emissions are felt primarily in Scope 3.

The parcel service and the transport of goods at RBI amounts to around 526,868 tkm (tkm are calculated on the basis of the weight transported and the distance covered).

0.0 percent of total CO_2 emissions

Water use (exclusively tap water) takes last place at 112 kg, thereby causing almost zero percent emissions. Total water consumption in 2019 amounted to 353 million m^3, corresponding to 7,460 liters per employee per year.

Overview of key performance indicators

The inhouse ecology key figures of RBI and RBI AG are shown in the following table.

	RBI*					RBI AG	
	2019	2018	Change to previous year	Base year 2011	Change from 2019 to 2011	2019	2018
Material							
Non-recycled paper in t	841	929	-10%	1,745	-52%	19	23
Recycled-paper in t	1,715	1,903	-10%	3,498	-51%	35	42
Total papier in t	2,556	2,833	-10%	5,244	-51%	54	65
Paper consumption in sheets/employee	10,836	12,499	-13%	19,358	-44%	2,888	4,468
Energy							
Total energy consumption in MWh	215,994	230,690	-6%	245,256	-12%	16,956	19,552
Share of renewable electricity	38%	36%	2 PP	31%	7 PP	100%	100%
Total energy consumption in kWh/employee	4,570	5,079	-10%	4,518	1%	4,502	6,749
Water							
Tap water consumption in million liters	353	398	-11%	440	-20%	38	38
Water consumption in liters/employee	7,460	8,760	-15%	8,100	-8%	10,030	13,270
Waste							
Hazardous waste for incineration in t	0.0	0.0	-98%	0.2	-99%	0.0	0.0
Hazardous waste for landfill in t	4	6	-24%	7	-34%	0.0	0.0
Hazardous waste for recycling in t	19	25	-24%	31	-38%	0.4	0.4
Non-hazardous waste for incineration in t	1,300	1,128	15%	2,016	-36%	249	132
Non-hazardous waste for landfill in t	4,934	4,678	5%	6,020	-18%	0.0	0.0
Non-hazardous waste for recycling in t	1,355	862	57%	1,303	4%	379	324
Old-electronic devices for recycling in t	296	208	42%	329	-10%	0.8	0.7
Total hazardous waste in t	24	31	-24%	38	-37%	0.4	0.5
Total non-hazardous waste in t	7,589	6,669	14%	9,339	-19%	628	456
Waste in kg/employee	167	152	10%	179	-6%	167	158
Business travel							
1,000 pkm total	62,211	68,679	-9%	74,025	-16%	14,260	14,147
Business travel in pkm/employee	1,316	1,512	-13%	1,364	-3%	3,787	4,883
CO_2 emissions[1]							
Scope 1 emissions in t	7,073	7,696	-8%	9,304	-24%	221	351
Scope 2 emissions location based in t	49,708	53,825	-8%	70,684	-30%	1,361	1,683
Scope 2 emissions market based in t	54,545	57,613	-5%	n.a.	n.a.	3,166	3,589
Scope 3 emissions in t	40,856	42,535	-4%	52,821	-23%	3,106	3,255
Scope 1+2 emissions loc. based in t	56,781	61,521	-8%	79,988	-29%	1,582	2,034
Scope 1-3 emissions loc. based in t	97,636	104,056	-6%	132,809	-26%	4,688	5,288
Scope 1+2 emissions loc. based in kg/employee	1,201	1,355	-11%	1,473	-18%	420	702
Scope 1-3 emissions loc. based in kg/employee	2,066	2,291	-10%	2,446	-16%	1,245	1,825
Fleet							
CO_2 emissions of the fleet in g/km	125	130	-4%	n.a.	n.a.	135	135
Purchasing							
Procurement from local suppliers	85%	84%	1 PP	n.a.	n.a.	100%	100%

*The values consist of the figures for the companies listed in the Overview chapter (Report scope and data collection, page 8, first paragraph).
[1] CO_2 emissions for all years are calculated on the basis of the ecoinvent v3.4 factors.

Future outlook and Sustainability program

Environmental protection, along with conservation of resources and mobility, is one of the mega-trends of this century and is changing the awareness and behavior of humans and companies in a variety of ways. The primary goal of international climate policy, agreed on during the Paris Climate Agreement (COP 21) in December 2015 and implemented in October 2016, describes limiting global warming to below 2°C, which is consistent with the scientific findings of the Intergovernmental Panel on Climate Change (IPCC) and Agenda 2030.

The central task in the management of environmental trends for the purpose of inhouse ecology involves contributing towards the attainment of the Paris climate goals for RBI. This includes the identifying of strategically important areas of energy consumption and the mobility sector. In times of dynamic and regulatory environmental development, the main environmental opportunities for, and risks to companies must also be reviewed in the strategic analysis. For RBI, these primarily include economic, political and social changes, changes to the market and in the supply chain. Environmental targets and measures are adjusted as necessary.

The EU's priorities in the area of renewable energy and energy efficiency have a supporting effect, as these topics are also of great importance to RBI. In addition to innovative programs to reduce carbon dioxide emissions, they will be key to achieving RBI's environmental targets.

RBI set environmental targets for the entire group many years ago. As a result of the dynamic developments in 2019, these were adjusted to reflect the 2°C target of COP 21 and the latest scientific findings, which involves a higher CO_2 reduction per year according to the latest IPCC reports. In the coming years, the climate targets defined by RBI will continue to be pursued. The relevance of this development is underlined by the EU "Green Deal" that was presented in late 2019. Two targets in particular are notable: Firstly, the EU plans to become climate-neutral by 2050. Secondly, the EU intends to reduce its greenhouse gases by between 50 and 55 percent of the 1990 figure by 2030, replacing the previous target of 40 percent. Among other things, this will be achieved through modifications to the energy supply, accelerating the expansion of green energy, and targeted strategies for clean transport including new emission limits for cars. Both of these aspects will undoubtedly also have a positive impact on ecological company targets and lead to additional CO_2 reductions.

Excerpt from the Sustainability program

General objective: Reduction in environmental impacts

SDGs	Objective	Measure	Status	Progress
13	Implementation of a climate strategy in inhouse ecology	Elaboration of a Group-wide environmental policy	●	■■■■
7 13	Energy reduction	Increase in energy efficiency and the proportion of renewable energy	≈	■■□□
7 13	Reduction in business travel	Establishment of videoconferencing systems, software for video and voice calls in the workplace, etc.	≈	■■□□
13	Make the vehicle fleet more environmentally friendly	Conversion of fleet to more environmentally friendly vehicles with lower CO_2 emissions	◒	■■■□
13	Increase in proportion of recycled materials in waste	Cooperation with partner companies offering corresponding waste recycling	◒	■■□□
8 13	Survey of the status of the top suppliers with regard to their environmental and social aspects	Implementation of a supplier survey, in which they receive a corresponding questionnaire once a year	≈	■■■□
13	Revision of RBI's environmental goals	Adaptation of the goals in accordance with the elaborated climate strategy as part of the Raiffeisen Sustainability Initiative	●	■■■■
13	Expansion of employee information	Integration of awareness information on the intranet	≈	■■■■
13	Audit of climate-relevant emissions	Collection of inhouse ecology related figures for the calculation of RBI's CO_2e emissions	≈	■■■■
13	Supplier policy	Elaboration of a group-wide supplier policy	○	□□□□
7 8 13	Raising awareness of sustainability among employees	Expansion of the existing online training to the subsidiaries in Austria and CEE	◒	■■□□
7 13	Contribution to the Sustainable Development Goals (SDGs)	Reduction of CO_2 emissions and implementation of appropriate measures	≈	■■□□

○ New ◒ In progress ● Complete ≈ Constantly

Status (25% of target achieved per box filled) □□□□

SDGs

7 Affordable and Clean Energy

8 Decent Work and Economic Growth

13 Climate Protection Measures

Field of action Engaged citizen:
As a designer of a sustainable society and the environment

CORPORATE VALUE "COLLABORATION", "LEARNING" AND "RESPONSIBILITY"

Image author: Ulf Wallmann (RBI)

Engaged citizen

We consider ourselves to be an engaged corporate citizen that actively champions sustainable development in our society. RBI's commitment as a corporate citizen goes beyond its core business and aims to counteract social problems, promote cultural life, and protect the environment. Diversity, tolerance, and a strong focus on people are the constants of our efforts to shape the sustainable development of society. As defined in its sustainability strategy, RBI's key areas of action – including in its role as a committed corporate citizen – always take economic, social and environmental factors into consideration.

At RBI AG, a policy that applies to all employees governs the procedure for donations, sponsorship and advertising requests as well as memberships. Most recently revised at RBI AG for RBI in 2019, this regulation again underlines the fact that RBI strives to promote the long-term wellbeing of people and companies in the markets in which it operates. RBI's role is based on the following three pillars:

- the understanding to act in harmony with the cooperative mission of its dominant owners and towards sustainable entrepreneurship, active civil society and environmentally friendly society;
- the assertion of the group's own set of principles and beliefs;
- specific regional requirements of RBI's subsidiaries.

RBI defines its mission with respect to its Sponsorship and Donations Policy as follows:

- RBI works to strengthen democracy, rule of law, as well as social cohesion and diversity.
- RBI is engaged in advancing international exchange and understanding with a strong focus on the European Union in general and CEE in particular ("bridging").
- RBI supports the pursuit of excellence as a means of promoting relevant progress in society – be it in civic, economic, academic and cultural life.
- RBI supports initiatives that address social causes.

Accordingly, RBI actively seizes opportunities to meet the challenges within the European Union. This includes its membership of "European Movement International" (EMI), the largest pan-European network of pro-European organizations.

Founded 70 years ago, EMI continuously advocates in favor of European cooperation and integration based on the principles of peace, democracy, liberty, solidarity, equality, justice, respect for human rights and the rule of law. EMI is present in 34 countries and encompasses 38 international associations.

EMI has created a platform to encourage and facilitate the active participation of citizens and stakeholders from a cross-section of sectors in the development of European solutions to common challenges. EMI aims to be the place where civil society, business, trade unions, NGOs, political parties, local authorities and academia come together to craft a way forward for the European Union. It develops new ideas to address economic and political challenges. EMI enables its members to discuss the bigger issues with organizations representing other parts of society and shape the debate on the future of Europe.

While national rules are in place at the network banks, the Code of Conduct (see page 21 onward) forbids any Group employee from using charitable contributions as a condition or means of influencing decisions or public officials under any circumstances.

In our role as an engaged citizen, we champion issues that are essential to becoming a sustainable society. In this context, sustainability is not limited to environmental protection, but rather combines this with economic progress and social justice.

As an international banking group, we believe it is important for us to play a part in ensuring that future issues relating to a sustainable financial economy are discussed openly and deliberated with our stakeholders and the wider public (see the "Responsible banker" chapter starting on page 43).

Cooperation with the relevant socio-political representatives and stakeholders is extremely important, as new systems that also mean a new quality of economic activity can be created only through cooperation.

The RBI Group champions active citizenship and the common good. It supports an open society and considers itself to be a promoter of integration, awareness, and openness. Social awareness is a driving force for sustainability. This is why RBI seeks to highlight the effects of social action and make the discussion of sustainable solutions public.

At Raiffeisen, protecting the environment and the climate has been incorporated into the "Raiffeisen Nachhaltigkeits-Initiative" (Raiffeisen Sustainability Initiative, RNI) since 2007 and is implemented through a multitude of projects and measures. The RNI sees itself as a platform and a service and representational device for all the sustainability-related activities of its members (with RBI AG being one of the founding members). It supports its members in designing, implementing, and communicating measures in this area. Driving sustainability and raising awareness are among the priorities of the platform.

In order to achieve long-term success, dialog with internal and external stakeholders and comprehensive communication were of great importance from the outset. For example, an annual networking event was established to enable the sharing of best practices together with expert lectures and panel discussions. In addition to the RNI website, we have hosted a separate, content-rich eco-energy blog since 2015. Selected collaborations, such as the student ideas competition "Jugend Innovativ" (Innovative Youth), have also been successfully implemented for many years (for more information, see page 150 onward).

Mission & Vision 2025

RBI has always focused on people, and its new vision (see also page 14 onward) goes even further. With the Vision 2025 that it presented in 2019 – "We are the most recommended financial services group" – RBI is clearly showing that it wants to be more than just a bank for its customers. Its various initiatives as an engaged citizen help to ensure that its activities go far beyond its core business. To make this vision a reality, RBI's mission is formulated as follows: "We transform continuous innovation into superior customer experience." This is tied to the promise to the general public to "act in a socially responsible manner, fostering the long-term welfare of the people and businesses in our markets". This is consistent with RBI's sustainability strategy, the aim of which is to generate sustainable value.

Four selected values ("collaboration", "learning", "proactivity" and "responsibility") serve as the compass for achieving this. As one of the four most important stakeholder groups for RBI, the general public and RBI's responsibility toward it is reflected in the "responsibility" value, which states that RBI's employees must always be aware of the consequences of their actions and take responsibility for their decisions. This value offers huge potential as the basis of each employee's conduct: If everyone takes individual responsibility, a great deal can be changed for the better.

In addition to personal responsibility, the value talks about corporate responsibility as follows: "We are responsible members of society and build sustainable business." In particular, RBI seeks to realize its mission in those markets that are still subject to significant economic and social developments. In addition to fulfilling its important function within society, RBI aims to have a positive long-term impact in these areas. Needless to say, environmental protection also plays a central role in this respect.

Impacts, risks and opportunities

The considerable importance of RBI's commitment to society and the environment and the associated high expectations of internal and external stakeholders have been repeatedly confirmed in numerous surveys.

As a member of society, RBI contributes to the common good beyond its business activities in all the countries in which it is present. As a result, RBI predominantly sees opportunities but no significant risks in its role as a corporate citizen.

The eradication of poverty, integration and solidarity are important goals of our social commitment. We advocate for social sustainability in terms of reducing poverty, improving educational prospects, equal opportunity, fairer distribution of income, and treating people with respect regardless of their origins.

Derived from the cooperative principle and the motto of helping others to help themselves, RBI sees its contribution in upholding positive social values. Among other things, its commitment is illustrated by its support for all kinds of cultural projects. Furthermore, RBI takes numerous measures to strengthen the regional economic and social structures of the markets in which it operates. RBI's stated goal is to establish responsible corporate management and to promote sustainable innovations – including by strengthening the business locations throughout the Group. RBI creates and secures jobs and promotes sustainable business via strategically selected memberships and activities in organizations (see also the "RBI's Economic Footprint® in CEE and Austria" chapter starting on page 48).

As a financial sector company, RBI believes that improving knowledge about how to handle money is very important. It therefore actively supports initiatives in this area and strives to increase individuals' responsibility for their personal finances, whether they are RBI clients or not. In addition, RBI contributes to society by initiating corporate volunteering programs, supporting various social projects, and entering into partnerships with NPOs and NGOs.

With these projects, RBI is helping to reduce inequality and poverty, often with the support of many employees. In this way, it contributes to securing social peace, which is possible only by satisfying human needs such as lifelong learning, employment, and prosperity. Through selected memberships and activities, RBI is involved in organizations that promote sustainable business activities as well as the framework conditions they require. At the same time, it seeks to raise awareness of environmental issues in order to protect those who are ultimately deprived of their livelihoods due to the impact of global climate change.

Digital change

To interpret digitization as a purely technological advance – the provision of new tools to make people's lives easier – would be overly simplistic. The digital shift is being accompanied by broad-based changes in society. From RBI's perspective, digitization as a societal process can be successful only if people are included at every stage.

The fact that more and more companies are getting involved as corporate citizens shows that society increasingly expects them to engage in responsible corporate management. In particular, this involves the need for information, transparency, and participation. The topic of connectivity, which digitization makes easier than ever to achieve, is a perfect reflection of what Friedrich Wilhelm Raiffeisen stood for more than 130 years ago: People working together can achieve what one person cannot manage alone. This principle is something that needs to be brought forward into the future. Digitization and corporate social responsibility are not a means to an end, but must involve a benefit for people.

Supported projects and initiatives

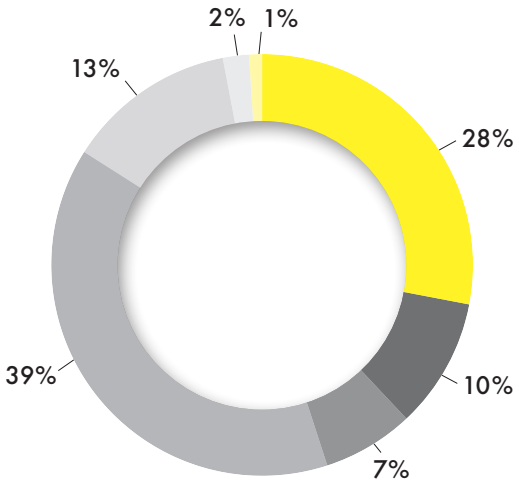
RBI invested a total of € 2,326,329 in the community in 2019, thereby supporting projects in the communities in which it is active as a bank. The projects thereby it supported are diverse and have different focal points depending on the respective countries.

Key indicator (in €)	2019	2018	2017
Investments in the community	2,326,329	2,721,646	3,471,757

Percentages of monetary donations by the RBI in 2019, by topic[1]

	in €	in %
(Financial) Education	639,884	28
Culture and art	230,590	10
Other	163,553	7
Social	888,584	39
Sports and health	290,126	13
Environmental protection	53,145	2
Science and research	37,213	1

[1] Breakdown as recorded in the "mona" monitoring tool



In addition to the aforementioned donations, RBI supports numerous projects and activities through sponsorship as part of its social and cultural commitment. As the projects supported in this way are in a position to make a contribution to societal development, they are also included in this report.

To meet its social responsibility, RBI decided years ago not to restrict itself to only a few major aid projects, but instead to place factors such as personal commitment and regional societal challenges at the forefront of its decisions.

RBI and its employees are involved in a wide range of projects and initiatives by providing financial support or fostering contacts. Every region has unique projects that improve people's lives at a local level.

In line with the principle of helping others to help themselves, RBI provides support in the fields of education, science and research, art and culture, sports, as well as charitable initiatives and environmental activities, often in cooperation with various NGOs.

An overview of measures implemented in the area "Engaged citizen" by country can be found below:

Overview of measures

	Austria							CE			SEE							EE		
Topic	RBI AG	RBSK	RKAG	RL	Valida	RCB	Kathrein	TBSK	RBCZ	RBHU	RBAL	RBBH	RBBG	RBKO	RBHR	RBRO	RBRS	RBBY	RBRU	AVAL
Financial education/financial literacy	✓		✓					✓	✓	✓	✓	✓			✓	✓	✓			✓
Other education initiatives	✓							✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cultural initiatives	✓		✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Social initiatives	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Corporate volunteering	✓		✓		✓	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓		✓	
Sports and health initiatives	✓		✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Environmental initiatives	✓	✓						✓			✓	✓	✓	✓	✓	✓				✓
Science and research initiatives	✓		✓				✓	✓									✓			✓
Other initiatives	✓						✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓		✓

Please see the list of abbreviations for the complete company designations.
The data of RBAL also includes Raiffeisen INVEST.

Personal commitment is necessary considering the comprehensive changes that the global community of nations is striving to achieve by the end of 2030 with its "Sustainable Development Goals (SDGs)" (see page 29 onward). In the same way that each company can play a role and become directly active, every individual has the opportunity to get personally involved and be part of the sustainable change required to achieve these goals through activities such as corporate volunteering.

The many measures implemented by RBI in 2019 in its role as "Engaged citizen" supported multiple SDG objectives such as SDG 1 (end poverty in all its forms everywhere). With its initiatives in the area of (financial) education, RBI offers an opportunity to take on another urgent social challenge and thereby takes into account the objective of SDG 4 (ensure inclusive and equitable quality education and promote lifelong learning opportunities for all). This results in a possible effect on SDG 8, which envisions the promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. RBI firmly believes that its corporate volunteering projects in particular can always support several goals at the same time. RBI also addresses various environmental initiatives in terms of modern energy and climate protection (SDG 7 and SDG 13). For example, RBI AG is actively involved in the Raiffeisen Sustainability Initiative as part of its membership (see page 150 onward).

Total number* of projects supported in 2019

RBI sees it as particularly positive that many of its employees not only make the projects supported by RBI possible through their personal commitment, but also take on social activities in their free time.

The examples selected for this chapter are just a small sample of the many initiatives within the Group.

* Included in the number of projects are figures with which the TBSK supported the Tatra banka Foundation in 2018, as the figures for 2019 were not yet available when this report went to press. The figures of RBAL also includes Raiffeisen INVEST.

© Tatra banka

Eva Šinková,
Manager of the Tatra banka Foundation and sponsorships

"The foundation supports education at high schools and universities and is seen as a patron of art. It endeavors to support everyone who wants to be the best in their field through continuous learning. While the foundation awarded the work of young artists and students at art colleges within the first year, it is currently supporting outstanding contemporary artists. I am proud of what the Tatra banka Foundation has achieved to date and I am looking forward to all of the important and beautiful projects that will arise in the future, including as part of the new 'More Design' scholarship program. I am also closely involved in the foundation's annual art prize, which is awarded to the leading lights in all categories of the Slovakian art scene. Over the years, we have developed a very transparent and widely recognized system for this award with a highly professional jury that is elected on a two-year cycle. At Tatra banka, we believe the foundation is the best way to support the areas of art, education and digital change. I am very excited about the roll-out of the corporate design that we developed in the past year and the strategy we will be implementing from 2020 onward. This will allow us to continue on our path in line with our strategy while also integrating current CSR trends."

QUOTE

Long-term initiatives

Many of RBI's cooperations with its partners and its project and association work are geared toward continuity. This involves a wide range of focal points.

© Tatra banka Foundation

Tatra banka, a.s. in Slovakia has placed the focus of its social responsibility on philanthropy. To this end, it formed the Tatra banka Foundation in 2004. With its programs and scholarships, the Tatra banka Foundation supports Slovakian students at foreign universities, brings world-renowned academic experts to Slovakia, and develops and supports education projects and events at a high level. The main objective of the foundation and the projects it supports is to advance education for the long term: improving the education process at universities, supporting institutions that are dedicated to education and continuous development, and supporting individuals who achieve outstanding results.

To this end, the Tatra banka Foundation continuously designs additional scholarship programs intended for children in secondary education, which involve scholarships being granted to exceptional pupils. The foundation helps middle-school pupils to participate in follow-up educational events to improve their language skills and supports students who want to deepen their knowledge in the area of their university studies.

Another important objective and area of activity of the Tatra banka Foundation is promoting art and supporting outstanding artists and their works in the form of an art award with an attractive prize. The foundation has decided to concentrate its future activities on visionary, creative, and experimental design projects. It supports young Slovakian designers in various partner projects as well as a new scholarship program that was launched recently.

© Association of citizens Magic theatre "Aladin"

Once a year, Raiffeisen BANK d.d. Bosna i Hercegovina invites associations and institutions to apply for donations and sponsorship projects, with numerous applications being received. This initiative has proven extremely successful, allowing Raiffeisen BANK to contribute to a wide range of projects in the areas of charitable work, culture, education, sport and ecology with a focus on its selected target group of children and people with disabilities. Since 2002, Raiffeisen BANK has supported more than 535 different

projects. In 2019 alone, 72 projects received around € 49,000 in financial support.

© RBBG

As part of its social responsibility, Raiffeisenbank (Bulgaria) EAD has developed the "Choose to Help" initiative in accordance with the Raiffeisen principle of helping people to help each other. The initiative provides financial support for projects in the regions in which the bank operates. Raiffeisenbank actively involves its employees. Just like customers, they can participate by making donations. Raiffeisenbank adds around € 50 to every employee donation. The media provides support for the poorest people in society in the form of donation appeals. In addition to their personal donations, employees actively participate in selecting and administering projects. The specially designed internet platform Izberi (izberi.rbb.bg) allows users to easily find information on the projects and donate directly to the bank account of the respective charitable organizations online.

"Choose to Help" was held for the eleventh time in 2019. The campaign is held annually from November until September of the following year. In addition to the active donation campaign, employees support the projects during this time by volunteering. In 2019, 1,718 bank employees made a personal contribution to a total of 23 projects as part of the initiative. Around € 132,000 was raised in total (including around € 19,000 from external donors). This provided assistance for hundreds of people. The success of the initiative is illustrated not least by the growing number of project proposals submitted and the reports from the organizations supported, as well as the many thank-you letters received.

Raiffeisenbank has already supported 280 projects in the areas of education, culture, health, and society – including environmental protection – with more than € 1.5 million in funding as part of this initiative over the years.

Corporate Volunteering

The various corporate volunteering initiatives at RBI help to make oneself feel part of a bigger picture, support Friedrich Wilhelm Raiffeisen's idea of helping others to help themselves in this day and age, and proactively live up to one's social responsibility in cooperation and within society.

H. Stepic CEE Charity – supported by Raiffeisen Bank International

Founded in 2006 by former RBI CEO Herbert Stepic, the H. Stepic CEE Charity supports children, young people and women in Central and Eastern Europe. The form of support is adjusted to reflect the respective requirements. Thanks to its deep local roots, its pragmatic approach and the active support of the network banks, the charity gives the people it supports the prospect of an independent life away from poverty. Education is the key.

© H. Stepic CEE Charity

All of the charity's projects are realized in cooperation with renowned local or international partner organizations and managed by voluntary employees of RBI in Vienna – as part of the corporate volunteering project since 2015 – and at its locations in Central and Eastern Europe. This serves to minimize administrative costs, and all of the financial contributions go directly to the projects.

In 2019, the charity again extended or launched numerous projects. One example is a new education project in Bosnia and Herzegovina. Almost one-fifth of all people in Bosnia and Herzegovina live without sufficient income. Educational deficits are a particularly big problem for children growing up in poverty. The charity runs three day care centers in Doboj, Zvornik and Srebrenica together with the NGO "Emmaus". The "Horte der Hoffnung" (Day Care Centers of Hope) project is helping to reduce the

school dropout rate, giving 150 children access to high-quality leisure activities and hot meals, and supporting them both materially and psychologically.

150,000 children in Serbia live below the poverty line. Many of them miss out on completing their mandatory schooling. Together with the Zumtobel Group and a new local partner, Indigo, the charity has launched an additional educational project to address this problem. Like the existing projects for street children in Belgrade and Novi Sad, "Bildung im Zentrum" (Education in the Center) supports marginalized children during their elementary school years and provides them with solid foundations for their continued education. At the day care center in Niš, Serbia's third-largest city, they are looked after by a team of volunteers supervised by professional educators. The project ensures that children are enrolled for the first year of school in good time, attend lessons regularly and complete their elementary school education. The tuition and study classes are tailored to the needs of the individual pupils and teach them the skills they need to learn unaided in the medium term.

The charity also expanded its focus in Ukraine in 2019: As part of the "Werkzeuge für die Zukunft" (Tools for the Future) project, it offers apprenticeships to young people in Uzhgorod who have already completed school with the association's assistance. Since the cooperation with the local project partner "Helping Hand" began in 2012, the charity has funded a bus, a heating system and an additional classroom. The apprenticeship scheme gives young adults the opportunity to learn a trade.

Education is and remains the basis for an independent life out of poverty, and hence is the charity's focus in line with the principle of helping others to help themselves. The sustainable success of this approach is demonstrated by the many years of cooperation with trusted project partners and the achievements of the many projects.

© RBI AG

In 2019, RBI AG supported the "Wärmestube" (winter day shelter) operated by Caritas in Vienna for the first time. Although homeless people are invited in to the winter shelters of the various relief organizations at night, they have to leave again in the morning and are left to more or less rely on themselves during the day.

The result is that most day centers are overcrowded. In addition, some people with homes can no longer afford to heat them and rely on the day shelters instead. As part of Caritas's winter package, the "Wärmestube" day shelters are available every year from December until the end of March. Visitors receive more than just a hot meal and hot drinks for the afternoon: They are treated as valued guests and can ask questions or simply talk to other people. Between six and eight RBI employees spent three Fridays helping to prepare the premises in St. Francis de Sales parish for the guests. They handed out meals, made tea and coffee, and offered a sympathetic ear to visitors.

© RKAG

As part of its social responsibility, Raiffeisen Kapitalanlage-Gesellschaft m.b.H. has decided to sponsor "Lichtblickhof e.motion". This non-profit association gives young people in crisis situations and with incurable and life-limiting diseases access to therapy with specially trained animals, mainly horses. Since 2019, the company has sponsored a therapy horse and the associated costs for the coming years. As part of corporate volunteering, employees also helped to create something lasting by rebuilding a dilapidated small animal enclosure together.

© Srđan Dunđerović

As social responsibility is an integral part of its business activities, Raiffeisen BANK d.d. Bosna i Hercegovina seeks to address social issues and raise awareness of their importance. The fact that these matters are also important to employees is reflected in the year-on-year growth in the number of employees signing up to volunteer. Since 2005, Raiffeisen BANK has supported the work of the SUMERO organization to strengthen and rehabilitate people with disabilities in various ways. To date, more than 50 employees have volunteered to help. In 2019, Raiffeisen BANK continued its support for this organization with corporate volunteering sessions in Vogošća. Raiffeisen BANK provided the necessary equipment and tools to allow funds to be raised for SUMERO from the sale of organic products. Raiffeisen employees and SUMERO members worked together to prune plants, sow seeds, and plant seedings from containers.

Education and financial education initiatives

Education is one of the most important issues of the 21st century. RBI contributes to the improvement of education, an important tool in the fight against poverty. It actively promotes an understanding of financial products and services, and imparts banking expertise as part of its advisory role in day-to-day operations. The nature of its core business means it has close links with the subject of financial education, i.e. the competent handling of money and financial matters, also referred to as "financial literacy".

Appealing to various age groups and integrating employees into corporate volunteering programs makes it possible to reach everyone, from schoolchildren and students through to the wider public, via a variety of channels. Across various projects, considerable effort goes into improving individuals' everyday lives and, through financial education, to laying the foundations for the responsible handling of money in the future.

© Junior Achievement

For example, Raiffeisenbank a.s. in the Czech Republic supports "Junior Achievement", the world's largest provider of educational programs for entrepreneurship and financial literacy, as a partner of the "JA STUDENT COMPANY" educational program. Raiffeisenbank employees also act as mentors. The program lasts for one (school) year. Young people establish their own company and present the results to a national jury. The best team represents the Czech Republic at the annual international final. The competition also serves to expand the teachers' business knowledge.

Raiffeisenbank employees also provide IT security and financial education expertise at the "Bankers to School" corporate volunteering initiative as part of high school workshops.

© RBCZ

Since 2017, Raiffeisenbank a.s. in the Czech Republic has funded the development of the online education platform Zlatka.In, which is available free of charge to schoolchildren and teachers. It has already been used by pupils from more than 4,000 classes. Equipped with the necessary know-how on the topics of money, finance and financial planning, teachers use the online tool to playfully impart financial knowledge. The platform tailors the tasks to the level of knowledge of the individual pupil. In fall 2019, a special campaign was launched under which children collected virtual "coins" that they could voluntarily "spend" as donations to charitable organizations. Raiffeisenbank made a corresponding monetary donation to the organizations selected by the children.

© PÉNZ7

In March 2019, the "PÉNZ7" program was again held as part of Hungarian Money Week. The event series initiated by the European Banking Federation was launched in 2015 in conjunction with European Money Week. The development of business skills and expertise has now become a fixed element of the practical lessons and program series offered during Hungarian Money Week – which was not only the first money week in Europe, but one of the first in the world. 1,235 schools offered the program in the classroom in 2019. 205,000 pupils completed 14,000 courses in financial education, with thousands of teachers giving lessons at elementary and secondary schools. In 2019, 700 enthusiastic volunteers assisted with the lessons on financial and business education. They included 41 employees of Raiffeisen Bank Zrt., which supported the program for the fifth time.

The "Junior Achievement" association is also supported by Raiffeisen Bank Sh.A. in Albania and Raiffeisen Bank S.A. In Romania, the concept of financial education has been realized at elementary and secondary schools since 2010 by familiarizing pupils with the topic using examples from their immediate environment. These programs reach more than 7,500 schoolchildren every year.

© RBBG

In 2019, Raiffeisenbank (Bulgaria) EAD held its "Learning from a Bank" program for the third year in succession, offering courses aimed at improving the general financial education of children and young people. Bank experts have taught more than 1,200 students since the initiative began. Activities in 2019 focused on human resources management and different savings and investment options. One new topic for the pupils was corporate social responsibility and companies' commitment to social issues.

© Adnan Beqiri

Raiffeisen Bank Kosovo J.S.C. supported the educational robotics competition in Kosovo, the "Kosova Makers League", which has been organized and led by the BONEVET foundation since 2018. The 2019 edition was held between April and June. The competition seeks to involve a wide range of school-age children in the subjects of robotics and automation. The children and young people were encouraged to solve tricky tasks under time pressure using a robot, working both on their own and as part of a team. They learned how to assemble and program the "mBOT" educational robot. The robots were initially loaned to the participants during the competition season before being given to them afterwards. The competition for elementary school children consists of five rounds and is divided into two categories based on age.

© Anastasia Rogachova

Raiffeisen Bank Aval JSC in Ukraine is supporting the "University HUB – Center of Entrepreneurship and Innovation" project of the Kyiv National Economic University as part of a three-year partnership program (2019 to 2021).

The HUB is aimed at enabling efficient interaction between students and professors at the university and representatives of business, authorities and the public sector.

Cultural initiatives

Commitment in the field of art is diverse and focused on different art forms as well as on national and international projects in order to promote widespread interest in art. It also focuses on the local art and culture communities.

© Source Production doo

Raiffeisen BANK d.d. Bosna i Hercegovina supports numerous cultural and educational projects in Bosnia and Herzegovina. One example is the Raiffeisen GALLERY at the headquarters of Raiffeisen BANK in Zmaja od Bosne/Sarajevo, which gives young artists the opportunity to present their works to the public.

There have been a total of ten group exhibitions and over 50 individual exhibitions to date. Each exhibition also supports the young artists by enabling their artworks to be purchased. In 2019, this opportunity was given to six students from various disciplines (sculpture, graphic design, graphics, product design, education and painting). Raiffeisen BANK supports the exhibitions by advertising them in brochures and via other communication channels.

© Amir Vitija

Culture is key – this attitude is of particular importance for Raiffeisen Bank Kosovo J.S.C. In 2019, it again supported the largest and most important event in the Kosovo film industry: the Prishtina International Film Festival, or "PriFest" for short. The festival addresses the need to resume and rebuild the cinema culture that appeared to be lost after years of suppression and war.

Every year, the film program includes the latest films from around the world and special programs focusing on topics such as human rights, tolerance, and the lack of acceptance for minorities in society. It is the only festival in the Balkans to have a special LGBTIQ-themed film program (Lesbian, Gay, Bisexual, Transsexual & Queer).

In addition to movies, the festival has an extremely good regional development platform offering training, presentations, inspirational master classes with high-profile guests, and extensive opportunities for filmmakers from Kosovo and neighboring countries. Filmmakers from Europe, and Kosovo in particular, can also present their film projects to European distributors and sales agents under the title "Prishtina Rendezvous". The festival also features the "Prishtina KinoKabaret" program, the "Green Film Project" and "Kosovo Rising Stars", which supports talented actors from Kosovo.

© Arben Llapashtica

The European Festivals Association (EFA) supports the annual Chopin Piano Fest "Prishtina". The music festival, whose high-quality staging of piano music is appreciated by critics, the media, fans and a growing audience in equal measure, brings together respected local and international pianists. In addition to works by Chopin, they perform interpretations of other famous classical and contemporary composers. In 2019, Raiffeisen Bank Kosovo J.S.C. again supported this traditional festival, which also serves as a platform for cultural exchange between artists from Kosovo and the rest of the world.

© Mark Seryy

In 2019, AO Raiffeisenbank supported the eighth Austrian Film Festival, which was held from April until mid-November in six Russian cities. With the assistance of the Austrian Embassy in Moscow, the festival showed off the best of new Austrian cinema, including five remarkable premieres. The festival opened with "The Tobacconist", a good example of traditional narrative cinema with a fascinating plot and plenty of spectacle. Two episodes of the TV show "M – A City Hunts a Murderer" made a connection between the television industry and classic movies. The drama "The Ground Beneath My Feet", with its timely reflection on the role of women in the world, came straight from the Berlinale to Moscow. "Break My Heart" is a melodrama whose heroes are viewed as second-class citizens in Europe's major cities: Sinti and Roma from Slovakia who have settled in Vienna. "Cops" is an impressive combination of action and drama that takes its energy from the day-to-day tensions of the police in their life and work.

Social initiatives

The majority of the projects carried out during the reporting period were social initiatives. In conjunction with various national and international cooperation partners (such as Caritas), socially disadvantaged children and young people, along with single women, made up the majority of those offered aid.

© Viennashots/Pecka

The Bauspartage organized by Raiffeisen Bausparkasse GmbH supported the SOS Children's Villages in Austria. SOS Children's Villages is a global relief organization that supports families in difficult situations. Children and young people who are unable to grow up with their parents are given a loving home and expert support on their way to independence. Every building savings agreement concluded during the promotional period in 2019 helped to make Christmas wishes come true at the SOS Children's Villages in Austria.

© RCB

Raiffeisen Centrobank AG (RCB) supported "Haus Amadou", a social institution for refugees and migrants and one of the few such places to house families and children and give them corresponding advice and counseling. Residents live in shared apartments and organize their lives independently to the greatest possible extent.

With this project, RCB is giving migrants and refugees the chance to find their feet again. Thanks to the support, employees of Caritas can ensure that children in Austria are enrolled in kindergarten or school and get to learn and spend their free time in a stable environment. Parents are assisted in finding regular work. Therapeutic support and legal advice are often also required. In order to send out a sign of solidarity, RCB matched its employees' donations to Caritas in spring 2019.

Alex Damian for United Way Romania, © RBRO

"Learn to Succeed" is a program of the United Way organization aimed at preventing children from vulnerable communities in Romania from dropping out of school. To achieve this, a program has been developed to help children to complete school, establish the right conditions for them to improve their academic performance and give them the motivation to achieve long-term educational goals. At the same time, the project supports teachers' efforts to prevent children from dropping out of school and helps parents to overcome any financial and social restrictions when it comes to giving their children a better life.

For the past 15 years, employees of Raiffeisen Bank S.A. in Romania have decided to donate a portion of their monthly salary to support United Way projects. The amount donated is matched by Raiffeisen Bank, resulting in a total of around € 100,000 every year.

© The society for cerebral paralysis of the region of Šumadija, City of Kragujevac

In December, the employees of Raiffeisen banka a.d. in Serbia organized a Christmas charity campaign for the eleventh time, purchasing gifts for children with disabilities, developmental problems, autism or no parental care. The amount raised was enough to fund around 700 gifts for children at a total of eleven institutions in seven cities and smaller towns in Serbia. The gift packages contained sweets, age-appropriate toys and/or winter clothes. Many of the children come from very poor families, while others have no parental care. They live and/or learn at special institutions that require every kind of support.

Sports initiatives

For RBI, sports are not only a part of a brand's self-image, but also mean taking on social responsibility. For this reason, RBI has promoted sports for many decades – from upcoming talent to sports stars.

© IIHF/HHOF

In 2019, RBI AG was the official sponsor of the IIHF Ice Hockey World Championships for the twelfth time. The competition was held in Slovakia (Bratislava and Košice) in May. RBI AG's commitment was based on the high popularity that this sport enjoys in many countries in Central and Eastern Europe. A total of 16 teams played 64 matches to determine the world champion. The final in Bratislava saw Finland crowned as world champion, with Canada finishing second and Russia third. The Ice Hockey World Championships is the largest winter sports event after the Winter Olympics.

© RBRO

But amateur athletes are not left out. Raiffeisen Bank S.A. in Romania has been the main sponsor of the Raiffeisen Bank International Bucharest Marathon, the country's biggest road race, since 2008. The number of participants is growing every year, with 20,000 people taking part in the event in October 2019. It comprises running competitions (a team relay, a 10k, a half-marathon and a marathon) as well as non-competitive events (fun runs for children, teenagers and adults).

© Priorbank JSC

The 2nd European Games were held in Minsk in June 2019. More than 5,000 athletes from 50 countries gathered to compete. Priorbank JSC in Belarus was one of the sponsorship partners for this major event hosted by Belarus. During the European Games, fans had the opportunity to visit three Priorbank fan zones and take part in competitions organized by Priorbank in some unusual sports: virtual track and field, virtual badminton, interactive cycle races, robot battles, and more besides. More than 3,000 people signed up for the competitions in the hope of winning the top prize – tickets for the closing ceremony.

Environment/urban ecology

Human influence in particular is responsible for climate change: Any form of energy use from fossil fuels, such as electricity, heating and hot water consumption, and of course the mobility sector, results in carbon dioxide (CO_2). This is considered to be the main cause of climate change, because it absorbs heat radiation from the Earth and thus heats the atmosphere. RBI is seeking to address this problem by means of various projects and memberships.

Raiffeisenbank Austria d.d. in Croatia wants to set an example when it comes to corporate culture and motivate its employees to drive ecological change and become active citizens.

It has established a CSR platform, "Yellow goes Green", offering employees various voluntary and ecological initiatives. This is intended to raise employee awareness of socially responsible behavior both in and outside the workplace. In addition to sustainable urban development projects and educational programs on climate protection and climate change, it called for assistance in the biggest ever reforestation campaign following the devastating forest fires in Dalmatia in 2018.

© RBHR

Raiffeisenbank participated in a planting campaign organized by the Scout Association of Croatia in cooperation with Croatian Forests and the Croatian Mountain Rescue Service. Working together, more than 50,000 new trees were planted. The ashes of the burnt pine trees were collected and made into crayons, or "Boralice".

© Association RokOtok

Another project supported by Raiffeisenbank Austria d.d. is "RokOtok", organized by the association of the same name. This is an educational campaign in which the famous Croatian journalist and blogger "Ribafish" is aiming to raise awareness of the importance of ecology and environmental protection, while also showing how important it is to spend time with your children and use sports and learning to develop their curiosity, interests and inquisitiveness.

The "RokOtok" project is initially scheduled for three years (2019-2021). During this time, Ribafish will swim to around fifty inhabited Croatian islands in three stages. In 2019, he swam to 17 islands. On each one, he held workshops for children illustrating the importance of environmental protection and the natural and cultural heritage of each island.

© Nextbike public sharing system d.o.o.

Raiffeisenbank Austria d.d.'s support for the public bicycle hire system "nextbike" reached its fourth anniversary in 2019. nextbike was the first and is also the largest provider of its kind in the region. 25 bicycles sponsored by Raiffeisenbank were available to residents and tourists in Zadar. As the bicycle is the most environmentally friendly form of transport, Raiffeisenbank has decided to support this project in Zagreb in 2020 with a total of 20 bicycles and three bicycle stations. nextbike is also becoming increasingly popular as a means of public transportation.

© Mihai Tutu for Tasuleasa Social

As the main partner of the "Via Transilvanica" project, Raiffeisen Bank S.A. in Romania funded the infrastructure for 200 kilometers. The 950-kilometer route from Putna to Drobeta Turnu-Severin is intended to promote Romanian culture by creating an infrastructure that links the north and the south of the country. The route will also highlight Romania's natural riches and is intended as a public path for all hikers, nature lovers and sports enthusiasts.

Sustainable entrepreneurship

Commitment to sustainable framework conditions

We maintain a culture of open dialog with a focus on the future issues of a sustainable financial sector. In doing so, RBI is taking a stance against corruption and economic crime. It also seeks active dialog with politics and public administration.

RBI also goes outside the Group to share specific types of knowledge and experiences with others, in order to implement innovative ideas for charting a path into the sustainable future of the financial sector and our companies alike. In 2019, for example, Raiffeisen Bank S.A. supported the Aspen program "Economic Opportunities and Financing the Economy", which aims to formulate public policy recommendations. The program has established a community encompassing numerous stakeholders from the public, private and non-governmental sectors. Their aim is to identify the main constraints and unexploited opportunities facing Romania's existing economic, investment and development model. In 2019, the program addressed the key topics of financial education, financial inclusion and digital transformation.

A further component of our commitment is collaboration with governmental and non-governmental organizations. We stand for the promotion of sustainable thinking and action. We are strengthening the drive for sustainable development in our own sphere of influence by lobbying (see page 25) where topics such as sustainability and safeguarding the future are concerned.

Sustainable entrepreneurship and sustainable innovations

To us, sustainable entrepreneurship means the awareness of responsibilities on one hand, and support for sustainable innovations among our customers and in society on the other:

- We promote this awareness among our customers. We provide information 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 organizations that act in a sustainable manner. This takes the form of partnerships and events, among other things.
- We encourage long-term success, competitiveness, and innovative strength in companies, which in turn boost the regional economy.

For example, Raiffeisen Bank S.A. in Romania gave the attendees of a business breakfast an outlook on the topic of macroeconomics and financial markets. This included an explanation and discussion of current developments and their immediate and long-term impact on business planning, management and investment decisions, as well as on business activity in Romania in general. The experts presented inputs on the determinants of economic growth and the impact of the fiscal policy environment and regulatory policy on the economy.

As part of its membership of the Netherlands Romanian Chamber of Commerce, Raiffeisen Bank S.A. worked with competitors to organize a program entitled "Doing Business in the New Economy", which supports entrepreneurs in developing their companies.

To encourage a positive business environment, Raiffeisenbank Austria d.d. supported the award for "Entrepreneur of the Year 2019" in Croatia.

Memberships

Via select memberships and activities, RBI becomes involved in organizations that promote sustainable business and the relevant framework conditions. Some of them are listed below:

ÖGUT

ÖGUT, or "Österreichische Gesellschaft für Umwelt und Technik" (Austrian Society for Environment and Technology), is an independent non-profit organization that has been committed to a sustainable economy and society for over 30 years. It develops, communicates, and networks knowledge to this end, focusing on energy, gender and diversity, green investment, innovative construction, and participation as well as resources and consumption. In order to achieve its goals, ÖGUT develops strategies and supports strategy-making processes, as well as researching and providing advice in its areas of expertise. It also supplies information on current developments and communicates innovative and sustainable solutions. It organizes and moderates working groups and platforms on sustainability issues and presents the annual ÖGUT "Umweltpreis" (Environmental Award). www.oegut.at

UNEP

The United Nations Environment Programme was founded in 1972 and is headquartered in Nairobi, Kenya. Its tasks include the evaluation and collection of global, regional, and national environmental data, the development of political instruments for environmental protection, the strengthening of institutions that undertake important environmental management, and the improvement of the quality of people's lives without burdening future generations. www.unenvironment.org

The financial initiative UNEP-FI – United Nations Environment Programme Finance Initiative – has been in a global partnership since 1992 with the Environment Programme of the United Nations and the private financial sector. Headquartered in Switzerland, it is dedicated to sustainable financing. RBI has been a member of this initiative since 1998. Its membership has since grown to include more than 300 financial institutions and over 100 supporting institutions (other companies in the financial system with sustainability as a key competence). Since it was established, a "global roundtable" has been held each year that is intended to promote exchange on sustainability topics. www.unepfi.org

UNGC

The UNGC – United Nations Global Compact – is the world's largest initiative for corporate responsibility and sustainability. It is based on the pledges of CEOs to comply with universal sustainability principles. Those who pledge to uphold the UNGC also declare their support of the UN goals, such as the UN Sustainable Development Goals (SDGs). Sustainable economics and measures to promote social goals are achieved by orienting the strategy and business activities of the companies to the ten principles (in the core areas of human rights, labor, environment and anti-corruption) with the help of the UN Global Compact (see page 15). Signatories of the UN Global Compact thus contribute to making the globalization process fairer.

The vision of the UN Global Compact is a worldwide movement of sustainable companies and stakeholders. At present, 10,409 companies in 173 countries have signed up to this initiative. 77,516 reports have been written so far, testifying to the high level of commitment. www.unglobalcompact.org

VfU

The VfU, or "Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V." (Association for Environmental Management and Sustainability) was founded in 1995 and is oriented toward sustainability professionals in financial institutions. The VfU supports the contribution of the financial sector to sustainable development through its functions as an industry network, organizer, and think tank for its 49 members. RBI AG has been a member since 2006. The association seeks to create a competition-free, confidential space in which the member institutions can exchange viewpoints regarding sustainability topics and the integration of sustainability into their business operations. The VfU also offers networking opportunities with science, society, and politics. In 2015, a Scientific Advisory Board composed of researchers from the cross-sectional business areas of business management, banking, finance, and sustainability was formed with the role of inspiring and assisting in the work of the VfU. **www.vfu.de**

In addition, there were a number of other memberships in 2019:

Raiffeisen KAG memberships	
Eurosif	www.eurosif.org
Forum Nachhaltige Geldanlagen (Forum for Sustainable Investments – FNG)	www.forum-ng.org
Forum per la Finanza Sostenibile (Italian Sustainable Investment Forum – ItaSIF)	www.finanzasostenibile.it
Association of Austrian Investment Companies (VÖIG)	www.voeig.at
Initiatives involving a voluntary commitment	
Montreal Carbon Pledge	www.montrealpledge.org
Raiffeisen Nachhaltigkeits-Initiative (Raiffeisen Sustainability Initiative – RNI)	www.raiffeisen.at/nachhaltigkeit
UN Principles for Responsible Investment (UNPRI)	www.unpri.org
Additional product-specific memberships and initiatives	
CDP and CDP Water	www.cdp.net
Green Bond Principles/Investor	www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/
Green Infrastructure Investment Coalition	www.giicoalition.org
Investor Statements on Green & Climate Bonds	www.climatebonds.net/get-involved/investor-statement
Ökofinanz-21 e.V., Netzwerk für nachhaltige Vermögensberatung® (Network for Sustainable Investment Advice)	www.oekofinanz-21.de
Memberships of Valida Holding AG	
Fondsfrauen	www.fondsfrauen.de
Memberships at the network banks	
American Chamber of Commerce in BIH (Bosnia and Herzegovina)	www.amcham.ba
American Chamber of Commerce in Bulgaria (Bulgaria)	www.amcham.bg
American Chamber of Commerce in Ukraine (Ukraine)	www.chamber.ua
Association of Real Estate Experts (Bosnia and Herzegovina)	www.facebook.com/udruzenjeeksperataizoblastinekretnina
ASPEN (Romania)	www.aspeninstitute.ro
Bulgarian Business Leaders Forum (Bulgaria)	www.bblf.bg
Bulgarian Donation Forum (Bulgaria)	www.dfbulgaria.org
Business Leaders Forum (Slovakia)	www.blf.sk/o-blf
Debt Advisory Center – Counselling in Stringency (Czech Republic)	www.financnitisen.cz/english_resume.php
Engage (Pontis Foundation) (Slovakia)	www.pontisfoundation.sk
Fintech Association (Russia)	www.fintechru.org
Inicijativa Digitalna Srbija (Digital Serbia Initiative) (Serbia)	www.dsi.rs
Kosovo CSR Network (Kosovo)	www.csrkosovo.org
KRIB – Confederation of Employers and Industrialists in Bulgaria (Bulgaria)	www.krib.bg
Renewable Energy Association (Belarus)	www.energy-aven.org
Romanian Business Leaders (Romania)	www.rbls.ro

You can find an overview of other memberships on our website at **www.rbinternational.com.**

Raiffeisen Sustainability Initiative

With 23 member organizations including RBI as one of the founding members, Raiffeisen Nachhaltigkeits-Initiative (RNI) – the Raiffeisen Sustainability Initiative – is a platform for and driver of sustainable corporate management and social responsibility. For more than twelve years, initiatives and measures for a future worth living in have been conducted jointly in the action areas of the economy, the environment, and society.

Examples of the measures, projects, and events realized in 2019 include:

Raiffeisen Sustainability Award

© VOGUS, Wolfgang Voglhuber

Since it was founded in 2007, the RNI has actively supported the Austrian "Jugend Innovativ" (Innovative Youth) competition. Apprentices and students between the ages of 15 and 20 can submit their ideas each year. The special category "Raiffeisen Sustainability Award" is sponsored by the RNI. The RNI aims to strengthen young people's awareness of sustainability as early as possible. Young people should be encouraged not only to talk about sustainability but also to do something about it. The prizes are awarded by representatives of the relevant federal ministries at the end of the school year. The Raiffeisen Sustainability Award is presented by the RNI. The "Smart street – sustainably redesigning the Kaiser Franz Josef Ring in Baden" project of HTL Mödling in Lower Austria was the winner in 2019. Four students used structural data modeling to present precisely calculated plans for making the center of Baden more sustainable.

Organization of the Sustainability Weeks

© RBI

The Sustainability Weeks were held at the Raiffeisen employee restaurants in Vienna for the eleventh time in September 2019. The focus was on regional and vegetarian food. A competition was organized for employees in which five hampers of Austrian specialties were raffled off. The feedback was positive and many guests participated. As a result, the awareness-raising campaign will be held once again in 2020.

"Ökoenergieblog" (Eco Energy Blog)

© RBI

The eco energy blog covers four different thematic areas: energy production and efficiency, the mobility sector, environment and economics, and sustainability. Contributions are made by internal as well as external authors (e.g. the RNI, RBI, Raiffeisen-Leasing, Raiffeisen-IT, Raiffeisenlandesbank OÖ, Raiffeisen Kapitalanlage, the Austrian Biomass Association, Ökosoziales Forum, Dachgold, and the Austrian Institute for Environment, Peace and Development/IUFE). The blog is a good communication channel for the RNI, its member organizations and topics. Further information: www.oekoenergieblog.at

Vehicle fleet assessment

© fotolia

RNI members have assessed their own vehicle fleet every year in cooperation with Raiffeisen-Leasing GmbH. This gives the participating organizations an overview of their vehicle fleet's average CO_2 emissions as well as a corresponding benchmark. The 2019 evaluation of the fleet survey shows that the CO_2 value has fallen by an average of 4g CO_2/km compared with the previous year, with the average now amounting to 126g CO_2/km. Ten of the 17 participating RNI companies are currently below the target of 130g CO_2/km.

RNI Networking Event

© Sabine Klimpt

The seventh RNI networking event was held at RBI in mid-December in conjunction with the publication of a new book, "CSR and Climate Change". The two editors of the book, Andrea Sihn-Weber and Franz Fischler, discussed the aims of the management book: to provide a detailed insight into how climate change is being combated in business practice and how to successfully deal with its direct and indirect consequences. The book also highlights the business potential and opportunities that could arise in various industries as a result of sustainable, climate-friendly economic transformation thanks to new business areas, products, and technologies.

Cooperation with the "Genuss-Festival"

© Sabine Klimpt

2019 marked the fourth year of cooperation with the "Genuss-Festival" (Good Food Festival), which took place in the Stadtpark in Vienna from May 10 to 12. The "RNI Product Award 2019" was presented to environmentally friendly and sustainable products among the around 190 exhibitors. There were more than 30 submissions in all. The specialties under consideration were selected by an expert jury on the basis of defined criteria, such as the raw materials used, lack of chemical additives, use of energy, environmentally friendly packaging, and use of local resources. The prizes were awarded to Wiener Schnecken Manufaktur Gugumuck, ADAMAH BioHof from the Marchfeld region, and farmgoodies.

Cooperation with "For Forest"

© RLB Kärnten

Raiffeisen Landesbank Kärnten and RNI supported a highly unusual art installation project, "For Forest", in which a mixed forest of around 300 trees was installed in the Wörthersee Stadium in Klagenfurt from September 8 to October 27, 2019. The project was intended as a wake-up call and a reminder that people need nature and not the other way around. At a joint press conference in October, Gert Spanz, member of the Management Board of Raiffeisen Landesbank Kärnten, and RNI Managing Director Andrea Sihn-Weber presented information on the various environment-related projects being undertaken, with a particular focus on the climate strategy, the value added report, and the wide range of sustainable funds.

Future outlook and Sustainability program

Corporate citizenship initiatives

RBI will also continue to make a contribution to improving the living conditions of as many people as possible by supporting various projects and initiatives. Numerous projects at the head office and the network banks, as well as the H. Stepic CEE Charity and the Tatra banka Foundation, will be continued with the respective long-term cooperation partners in 2020.

The topic of digitization is still becoming an increasing factor in everyday life. The possibilities of making a difference in society range from impact-oriented investment over online volunteering at the push of a button to the use of online donation platforms. In this context, RBI is confronted with the topic of corporate digital responsibility and the expansion of traditional CSR approaches to encompass the digital aspect.

To this end, the cooperation with the association"fit4internet" is continuing. Whose platform, created in 2018 in a digital alliance between Post, RBI AG, and the Austrian Federal Ministry of Digital Affairs, has already proved successful. Various initiatives have been and are being implemented and continued by the association under the motto "Road to Digital Austria".

In the area of digitization, RBI AG is also launching a new initiative with the implementation of "Impactory". It is using this platform to invite customers and the general public to make donations to the organizations it already supports. With Impactory, RBI is motivating people to make investments – not only in social projects, but also in culture, education, the common good, and economics.

In 2020, RBI AG will continue the successful cooperation with EUROFI (The European Think Tank Dedicated to Financial Services) and the European Forum Alpbach at EU level and in CEE together with the network banks. The cooperation with EMI (European Movement International) will be intensified.

Raiffeisen Nachhaltigkeits-Initiative (Raiffeisen Sustainability Initiative)

The key focal points are the implementation of the RNI climate strategy within the member organizations and the regular monitoring of climate target attainment. The most important elements are the climate goals for 2030 and 2050. They provide the RNI member organizations with a framework for orientation and action for their respective climate-relevant business activities. In 2020, a meeting of the working group is planned to intensify work on the additional steps needed to implement the goals. Another focus project for 2020 is the cooperation with SV Group on the implementation of the Sustainability Weeks at the SV employee restaurants at the Raiffeisen offices in Vienna. In addition, the vehicle fleets of the member organizations will again be analyzed and assessed in terms of their contribution to the environmental targets. An important specific cooperative project is the long-term partnership "Raiffeisen Sustainability Award", which will again be continued and supported in conjunction with "Jugend Innovativ" (Innovative Youth) in 2020.

RNI will continue to engage more closely with important topics within the social aspects of sustainability, such as diversity and corporate volunteering. Diversity management means viewing diversity within the company as an opportunity and harnessing it to achieve company success. Presentations by experts and a best practice exchange are planned. The goals are to raise awareness of this important topic, to transport the business case diversity and to discuss measures, especially in the core business.

Excerpt from the Sustainability program

General objectives: Addressing social issues, strengthening democracy, and climate protection measures

SDGs	Objective	Measure	Status	Progress
4 13 16	CC: Fostering the relevant progress in society – in civic, economic, academic, and cultural life – and supporting initiatives relating to social causes	Focused use of donation and membership resources in order to satisfy the objective (see page 136 onward)	Constantly	■■■■
1 4 5 8 16	CC: Revision of the internal policy for handling donations, sponsorship and memberships	Publication of an updated policy	Complete	■■■■
1 4 8	CC: Strengthening digital literacy in Austria	Prominent companies, including RBI AG, are supporting the "fit4internet" association (see page 152).	Constantly	■■■■
16	CC: Fostering international exchange and understanding with a particular focus on the European Union in general and CEE in particular	Focusing of support funding in EU and CEE in cooperation with the network banks, e.g. support and participation in EUROFI conferences, the Open Medical Institute (OMI) program and the European Forum Alpbach	Constantly	■■■■
1	CC: Expansion of the current corporate volunteering program at RBI AG	Development of new projects together with NGOs and	Constantly	■■■■
16	CC: Intensify cooperation with NGOs and scientific organizations	Cross-industry cooperation, particularly with NGOs and universities	Constantly	■■■■
1 4 5	CC: Control and support for the corporate volunteering program at RBI AG	Full-year continuation	Constantly	■■■■
7 13	RNI: Implement the climate strategy	Implementation of measures by RNI member companies and ongoing monitoring of target achievement	Constantly	■□□□
13	RNI: Generating awareness for sustainable nutrition for employees (Sustainability Weeks at the staff restaurants in Vienna)	The focus of the Sustainability Weeks is on regional and organic products, and this project is implemented as part of the membership of the Raiffeisen Sustainability Initiative.	Constantly	■■■■
4 13	RNI: Helping young people come up with creative and innovative ideas for sustainability by supporting the student competition "Jugend Innovativ" (Innovative Youth)	Sponsorship of the "Sustainability" category as part of the Austria-wide student idea competition "Jugend Innovativ" (Innovative Youth)	Constantly	■■■■
13	RNI: Continuation of vehicle fleet assessment	Assessment and comparison of the average CO_2 emissions of the vehicle fleet of all member organizations.	Constantly	■■■■
4 7 9 13	RNI: Support for the "Ökoenergieblog" (eco energy blog)	Continuation of the sustainability section to cover economic and social topics	Constantly	■■■■

○ New ◒ In progress ● Complete ≋ Constantly

Status (25% of target achieved per box filled) □□□□

SDGs

1 No Poverty
4 High quality Education
5 Gender Equality
7 Affordable and Clean Energy
8 Decent Work and Economic Growth
9 Industry, Innovation and Infrastructure
13 Climate Protection Measures
16 Peace, Justice and Strong Institutions

Sustainability documented and audited: for transparency and clarity

Image author: Horst Pozdena (R-IT)

GRI content index

Universal Standards

General Disclosures

GRI Code	Description	Reference	Explanation
	Organizational Pro le		
102-1	Name of the organization	Imprint	
102-2	Activities, brands, products, and services	10, 45–46, 52–54, 70–72, 75–81 AR RBI: 13–16, 66	
102-3	Location of headquarters	Imprint	
102-4	Location of operations	10, 47	
102-5	Ownership and legal form	10 AR RBI: 17–20, 59–60	
102-6	Markets served	45, 47, 52	
102-7	Scale of the organization	10 AR RBI: 2–3	
102-8	Information on employees and other workers	112	Temporary workers and security staff do not constitute a substantial part of the activities
102-9	Supply chain	125	
102-10	Signficant changes to the organization and its supply chain	10 AR RBI: 6–12, 17–18, 47–51, 54	
102-11	Precautionary Principle or approach	43–44, 53, 55, 58–59, 64–65, 67–68, 72–77, 117–118, 133–135 CoC	
102-12	External initiatives	15, 18, 29–30, 59, 74–75, 99, 101, 147–149	
102-13	Membership of associations	15, 18, 25, 104, 148–149	Relates solely to the organizations relevant for sustainability.
	Strategy		
102-14	Statement from senior descision-maker	4–5	
102-15	Key impacts, risks, and opportunities	4–5, 19–20, 43–44, 88–89, 118, 135 AR RBI: 6–7, 42–51, 178–211	Voluntary disclosure.
	Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	15, 16–17, 21–22, 97	
102-17	Mechanisms for advice and concerns about ethics	21–24, 94–96	Voluntary disclosure. Seven cases of breaches of the Code of Conduct were reported to Compliance in 2019. All reports were and continue to be adequately followed up and the necessary consequences taken. Three of the seven cases proved to be unfounded.
	Governance		
102-18	Governance structure	18, 21 AR RBI: 21–32	
102-19	Delegating authority	18	Voluntary disclosure.
102-20	Executive-level responsibility for economic, environmental, and social topics	18	Voluntary disclosure. The CEO of RBI is the Chairman of the Sustainability Council. The CRO of RBI is a member of the Sustainability Council.
102-21	Consulting stakeholders on economic, environmental, and social topics	18, 19, 35	Voluntary disclosure.
102-22	Composition of the highest governance body and its committees	AR RBI: 21–31	Voluntary disclosure.
102-23	Chair of the highest governance body	AR RBI: 21–24	Voluntary disclosure.
102-24	Nominating and selecting the highest governance body	AR RBI:21, 25–31, 36–37	Voluntary disclosure.
102-25	Con icts of interest	AR RBI: 21–28, 38	Voluntary disclosure.
102-26	Role of highest governance body in setting purpose, values, and strategy	18–19 AR RBI: 26–31	Voluntary disclosure.
102-27	Collective knowledge of highest governance body	18–19	Voluntary disclosure. The topic of sustainable finance was addressed as part of the fit and proper training.
102-28	Evaluating the highest governance body's performance		Voluntary disclosure. The sustainability report is approved by the members of the Management Board of RBI AG. Key points are discussed in the Sustainability Council.
102-29	Identifying and managing economic, environmental, and social impacts	18–19, 26–27 AR RBI: 26–31	Voluntary disclosure.
102-30	Effectiveness of the risk management process	AR RBI: 26–31	Voluntary disclosure.
102-31	Review of economic, environmental, and social topics	7 AR RBI: 26-31, 39	Voluntary disclosure. The CEO of RBI is the Chairman of the Sustainability Council and the Diversity Committee.

	GRI Code	Description	Reference	Explanation
General Disclosures	102-32	Highest governance body's role in sustainability reporting	7, 18, 161–162 AR RBI: 37	Voluntary disclosure. The sustainability report is approved by the members of the Management Board of RBI AG. Key points are discussed in the Sustainability Council.
	102-33	Communicating critical concerns	18, 94 AR RBI: 28–30, 58	Voluntary disclosure. Critical concerns are also communicated directly to the Management Board.
	102-35	Remuneration policies	AR RBI: 31–34	Voluntary disclosure.
	102-36	Process for determining remuneration	AR RBI: 31–34, 223–224	Voluntary disclosure.
	102-37	Stakeholders' involvement in remuneration	AR RBI: 31–34	Voluntary disclosure.
		Stakeholder Engagement		
	102-40	List of stakeholder groups	32	
	102-41	Collective bargaining agreements	94	
	102-42	Identifying and selecting stakeholders	32	
	102-43	Approach to stakeholder engagement	26–29, 33–35, 60–62, 125	
	102-44	Key topics and concerns raised	35–38, 85, 115, 117–118, 131, 153	
		Reporting Practice		
	102-45	Entities included in the consolidated financial statements	8 AR RBI: 226–243	
	102-46	Defining report content and topic boundaries	8, 26–29	
	102-47	List of material topics	28–29, 31	
	102-48	Restatements of information	9	
	102-49	Changes in reporting	8–9	
	102-50	Reporting period	7	
	102-51	Date of most recent report	7	
	102-52	Reporting cycle	7	
	102-53	Contact point for questions regarding the report	7	
	102-54	Claims of reporting in accordance with the GRI Standards	7	
	102-55	GRI content index	155–160	
	102-56	External assurance	163–164	

Responsible banker

Material Topics

GRI Code	Description	RBI	RBI AG	Reference	Explanation
Material Topic: Commitment to society and the environment					
GRI 103-1,-2, -3 2016	Management approach			4-5, 13-17, 19-22, 43, 55-59, 82-83	
GRI 412:	**Human Rights Assessment 2016**				
412-2	Employee training on human rights policies or procedures	☐	☐		In 2019, 43 percent of employees received training on human rights as part of compliance training totaling 6,463 hours were invested.
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	☐	☐		Human rights aspects are set out in our Code of Conduct, which must be observed by all employees and in all business transactions.
	Disclosures for the sector				
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	☐	☐	82	
Material Topic: Organizational management					
GRI 103-1, -2, -3 2016	Management approach			4-5, 13-17, 19-20, 55-63, 72-74	
GRI 417:	**Marketing and Labeling 2016**				
417-2	Incidents of non-compliance concerning product and service information and labeling	☐	☐	62	
	Disclosures for the sector				
	Active Ownership				
G4-FS11	Percentage of assets subject to positive and negative enviromental or social screening			71-72	This indicator applies only to companies involved in asset management.
G4-FS12	Voting policies applied to enviromental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting			74	
	Product portfolio				
G4-FS1	Policies with specific environmental and social components applied to core business			21-22, 55-59	
G4-FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions				The agreed credit terms are also assessed as standard as part of the annual analyses all riskrelevant transactions.
G4-FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines			22-23, 59	
G4-FS5	Interactions with clients, investees and business partners regarding enviromental and social risks and opportunities			60-62, 740	
Material Topic: Economic added value					
GRI 103-1,-2, -3 2016	Management approach			4-5, 13-17, 19-20, 43-46, 48-51, 55-56, 64, 70-77	
GRI 201:	**Economic Performance 2016**				
201-1	Direct economic value generated and distributed	☐	☐	46-47	
201-2	Financial implications and other risks and opportunities due to climate change	☐	☐	43-44, 55, 70-77, 117-118, 120	
GRI 203:	**Indirect Economic Impacts 2016**				
203-1	Infrastructure investments and services supported	☐	☐	65-66, 68-69	
203-2	Significant indirect economic impacts	☐	☐	43-44, 64-69	
	Disclosures for the sector				
	Product portfolio				
G4-FS6	Percentage of the portfolio for business lines by specific region, size and by sector	☐	☐	47, 69 AR RBI: 118 ff. and 184 ff.	

Responsible banker

GRI Code	Description	RBI	RBI AG	Reference	Explanation
Material Topic: Sustainability of products and services					
GRI 103-1,-2, -3 2016	Management approach			4–5, 13–17, 19–20, 43–45, 52–59	
	Disclosures for the sector				
	Product portfolio				
G4-FS2	Procedures for assessing and screening environmental and social risks in business lines			57–59, 73–74	
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	☐	☐	65–66, 68–69, 72	
G4-FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	☐	☐	64–65, 67–69	
Material Topic: Regulations and controlling					
GRI 103-1, -2, -3 2016	Management approach			4–5, 13–17, 19–20, 22–24, 54, 56, 59–60, 62–63 , 72–74, 81	
GRI 205:	**Anti-Corruption 2016**				
205-1	Operations assessed for risks related to corruption	☐	☐	24	In 2019, we assessed all 20 group units included in this report, i.e. 100%, as part of a threat analysis.
205-2	Communication and training about anti corruption policies and procedures	☐	☐	22–23	
205-3	Confirmed incidents of corruption and actions taken	☐	☐	22–23	No incidents of corruption were identified in the period under review as part of the continuous compliance review process.
GRI 206:	**Anti-competitive Behavior 2016**				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	☐	☐	63	
GRI 418:	**Customer Privacy 2016**				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	☐	☐	57	
GRI 419:	**Socioeconomic Compliance 2016**				
419-1	Non-compliance with laws and regulations in the social and economic area	☐	☐	24	
	Disclosures for the sector				
	Audit				
G4-FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures			24, 73, 80	
	Labeling of products				
G4-FS15	Policies for fair design and sale of financial products and services			54, 56, 63	
Material Topic: Transparency and disclosures					
GRI 103-1,-2, -3 2016	Management approach			4–5, 13–17, 19–20, 25	
GRI 415:	**Public Policy 2016**				
415-1	Political contributions	☐	☐	25	

Fair partner

GRI Code	Description	RBI	RBI AG	Reference	Explanation
Material Topic: Work environment					
GRI 103-1,-2, -3 2016	Management approach			4–5, 13–17, 19–29, 87–111	
GRI 401:	**Employment 2016**				
401-1	New employee hires and employee turnover	☐	☐	112	
GRI 403:	**Occupational Health and Safety 2016**				
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	☐	☐	106	
GRI 404:	**Training and Education 2016**				
404-1	Average hours of training per year per employee	☐	☐	113	
404-3	Percentage of employees receiving regular performance and career development reviews	☐	☐	113	
GRI 405:	**Diversity amd Equal Oppotunity 2016**				
405-1	Diversity of governance bodies and employees	☐	☐	113	
GRI 406:	**Non-Discrimination 2016**				
406-1	Incidents of discrimination and corrective actions taken	☐	☐	97–98	No incidents of discrimination were reported to the whistle blowing hotline in the 2019 financial year.
GRI 407:	**Freedom of Association and Colletive Bargaining 2016**				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	☐	☐	95	In Austria and the countries where this is required by law, the staff councils represent the employees in all matters of labor and employment law. All legal conditions are strictly complied with in all countries.
Material Topic: Inhouse ecology					
GRI 103-1,-2, -3 2016	Management approach			4–5, 13–17, 19–20, 117–128, 130-131 www.rbinternational.com/sustainabilitymanagement/inhouse ecology	
GRI 301:	**Materials 2016**				
301-1	Materials used by weight or volume	☐	☐	121, 128 www.rbinternational.com/sustainabilitymanagement/inhouse ecology	
301-2	Recycled input materials used	☐	☐	121, 128	
GRI 302:	**Energy 2016**				
203-1	Energy intensity	☐	☐	121, 127–128 www.rbinternational.com/sustainabilitymanagement/inhouse ecology	
GRI 303:	**Water 2016**				
203-1	Water withdrawal by source	☐	☐	121, 128 www.rbinternational.com/sustainabilitymanagement/inhouse ecology	
GRI 305:	**Emissions 2016**				
305-1	Direct (Scope 1) GHG emissions	☐	☐	121, 124, 129 www.rbinternational.com/sustainabilitymanagement/inhouse ecology	
305-2	Energy indirect (Scope 2) GHG emissions	☐	☐	121, 124, 129 www.rbinternational.com/sustainabilitymanagement/inhouse ecology	
305-3	Other indirect (Scope 3) GHG emissions	☐	☐	121, 124, 129 www.rbinternational.com/sustainabilitymanagement/inhouse ecology	
305-4	GHG emissions intensity	☐	☐	129 www.rbinternational.com/sustainabilitymanagement/inhouse ecology	
305-5	Reduction of GHG emissions	☐	☐	119–120, 124, 127, 129 www.rbinternational.com/sustainabilitymanagement/inhouse ecology	
GRI 306:	**Effluents and Waste 2016**				
306-2	Waste by type and disposal method	☐	☐	129 www.rbinternational.com/sustainabilitymanagement/inhouse ecology	
Material Topic: Organizational management					
	Disclosures for the sector				
	Product portfolio				
G4-FS5	Interactions with clients, investees and business partners regarding enviromental and social risks and opportunities			125	

Engaged citizen

GRI Code	Description	RBI	RBI AG	Reference	Explanation
Material Topic: Commitment to society and the environment					
GRI 103-1,-2, -3 2016	Management approach			4–5, 13–17, 19–20, 133–153	
GRI 201:	**Economic Performance 2016**				
201-1	Direct economic value generated and distributed			136	
	Disclosures for the sector				
	Product portfolio				
G4-FS5	Interactions with clients, investees and business partners regarding enviromental and social risks and opportunities			147, 150–151	
	Marketing and Labeling				
G4-FS16	Initiatives to enhance financial literacy by type of beneficiary			137, 141–142	

Status/Indicator: RBI, RBI AG: ■ Reported in its entirety ■ Reported in part ☐ Not reported

Key

AR	Annual report	**GRI**	Global Reporting Initiative
CoC	Code of Conduct	**RBI**	RBI Group
FS	Financial Sector	**RBI AG**	Raiffeisen Bank International AG

Statement of all legal representatives

We confirm to our best knowledge that the summarized, consolidated, non-financial report provided in accordance with the international framework "GRI Standards" (option "core") contains that information pursuant to sections 267a(2), 243b(2) of the Austrian Commercial Code that is necessary for an understanding of the course of business, business results and position of RBI as well as the impacts of its activities and at least refers to environmental matters, social matters, employee matters, the respect of human rights and the fight against corruption. The information comprises a description of the business model of RBI as well as the concepts followed with regard to the concerns of inclusively applied due diligence processes essential risks that will probably have negative impacts on the matters as well as the results from the concepts and the most important performance indicators.

Vienna, 28 February 2020

The Management Board

Johann Strobl

Chief Executive Officer responsible for Group Marketing, Group Regulatory Affairs & Data Governance, Group Sustainability Management, Legal Services, Chairman's Office, Group Communications, Group Compliance, Group Executive Office, Group Human Resources, Group Internal Audit, Group Participations, Group Strategy & Innovation and International Banking Units

Martin Grüll

Member of the Management Board responsible for Active Credit Management, Group Investor Relations, Group Planning & Finance, Group Tax Management and Group Treasury

Andreas Gschwenter

Member of the Management Board responsible for Group Core IT, Group Data, Group Efficiency Management, Group IT Delivery, Group Procurement, Cost & Real Estate Management, Group Project Portfolio & Security and Head Office Operations

Łukasz Januszewski

Member of the Management Board responsible for Group Capital Markets Corporate & Retail Sales, Group Capital Markets Trading & Institutional Sales, Group Investment Banking, Group Investor Services, Group MIB Business Management & IC Experience, Institutional Clients and Raiffeisen Research

Peter Lennkh

Member of the Management Board responsible for Corporate Customers, Corporate Finance, Group Corporate Business Strategy & Steering, International Leasing Steering & Product Management and Trade Finance & Transaction Banking

Hannes Mösenbacher

Member of the Management Board responsible for Financial Institutions, Country & Portfolio Risk Management, Group Advanced Analytics, Group Corporate Credit Management, Group Risk Controlling, Group Special Exposures Management, International Retail Risk Management and Sector Risk Controlling Services

Andrii Stepanenko

Member of the Management Board responsible for Group Asset Management, International Retail Business Management & Steering, International Mass Banking, Sales & Distribution, International Premium & Private Banking, International Retail CRM, International Retail Lending, International Retail Online Banking and International Small Business Banking

Assurance report

This report is a translation of the original report in German, which is solely valid.

Independent Assurance Report on the Non Financial Reporting for the Financial Year 2019

We have performed an independent limited assurance engagement in connection with the combined consolidated non-financial report 2019 (the "NFI-report") of

Raiffeisen Bank International AG,

("the Company").

Management's Responsibility

The Company's management is responsible for the proper preparation of the NFI-report in accordance with the reporting criteria. The Company applies the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards, Option "Core") as reporting criteria and publishes the NFI-report as "Sustainability Report 2019".

The responsibility of the legal representatives of the company includes the selection and application of reasonable methods for sustainability reporting (especially the selection of material topics) as well as the use of assumptions and estimates for individual sustainability disclosures that are reasonable under the circumstances. Furthermore, the responsibility includes the design, implementation and maintenance of systems, processes and internal controls relevant for the preparation of the sustainability reporting in a way that is free of – intended or unintended – material misstatements.

Auditors' Responsibility

Our responsibility is to state whether, based on our procedures performed, anything has come to our attention that causes us to believe that the NFI-report of the Company is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards, Option "Core") in all material respects.

The engagement scope included the Sustainability Report regarding the GRI Standards listed in the GRI-Index. References to other formats of reporting stated in the GRI-Index were not part of our engagement.

Our engagement was conducted in accordance with the International Standard on Assurance Engagements (ISAE 3000) applicable to such engagements. These standards require us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with limited assurance, taking into account materiality.

An independent assurance engagement with the purpose of expressing a conclusion with limited assurance is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance, thus providing reduced assurance. In spite of conscientious planning and execution of the engagement it cannot be ruled out that material mistakes, unlawful acts or irregularities within the non-financial reporting will remain undetected.

The procedures selected depend on the auditor's judgment and included the following procedures in particular:

- *Inquiries of personnel on corporate level, which are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting boundaries of the Company;*
- *Conduct a media analysis on relevant information concerning the sustainability performance of the Company in the reporting period;*
- *Evaluation of the design and implementation of the systems and processes for the collection, processing and control of the disclosures on environmental, social- and employees matters, respect for human rights and anti-corruption and bribery, including the consolidation of the data;*
- *Inquiries of personnel on corporate level responsible for providing and consolidating and for carrying out internal control procedures concerning the disclosures on concepts, risks, due diligence processes, results and performance indicators;*
- *Inspection of internal and external documents in order to determine whether qualitative and quantitative information is supported by sufficient evidence and presented in an accurate and balanced manner;*
- *Visit of the network bank Tatra banka, a.s. (Slovakia) to assess local data collection and reporting processes and the reliability of the reported data via sample testing.*
- *Analytical evaluation of the data and trend explanations of quantitative disclosures, submitted by all sites for consolidation at corporate level;*
- *Evaluation of the consistency of the for the Company applicable requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB) and the GRI Standards (Option "Core") with disclosures and indicators in the report;*
- *Evaluation of the overall presentation of the disclosures by critical reading of the NFI-report;*

The procedures that we performed do not constitute an audit or a review in accordance with Austrian professional guidelines, International Standards on Auditing (ISA) or International Standards on Review Engagements (ISRE). Our engagement did not focus on revealing and clarifying of illegal acts such as fraud, nor did it focus on assessing the efficiency of management. Furthermore, it is not part of our engagement to review future-related disclosures, figures from previous periods and statements from external information sources and expert opinions. Disclosures which were audited within the scope of the Annual Financial Statement were assessed for correct presentation (no substantial testing). The chapter "Ecological Footprint" was not part of our engagement.

This assurance report is issued based on the assurance agreement concluded with the Company. Our responsibility and liability towards the Company and any third party is subject to paragraph 7 of the General Conditions of Contract for the Public Accounting Professions. The respective latest version of the AAB is accessible at http://www.kpmg.at/aab.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the NFI-report of the Company is not in accordance with the legal requirements of the Austrian Sustainability and Diversity Improvement Act (§§ 243b and 267a UGB) and the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards, Option "Core") in all material respects.

Vienna, February 28, 2020

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Peter Ertl
Austrian Chartered Accountant

Abbreviations

AA	AccountAbility
ABC	Anti-Bribery and Corruption
AI	Artificial Intelligence
AML	Anti-Money Laundering
AR	Annual Report
ASRA	Austrian Sustainability Reporting Award
ASVG	Allgemeines Sozialversicherungsgesetz (General Social Security Act)
AT	Austria
AVAL	Raiffeisen Bank Aval JSC, Ukraine
B-1	"Board minus 1" – direct management level (or first management level) under the Management Board
B-2	"Board minus 2" – second management level under the Management Board
BMSVG	Betriebliches Mitarbeiter- und Selbstständigenvorsorgegesetz (Corporate Staff and Self-Employment Provision Act)
BREEAM	Building Research Establishment Environmental Assessment Methodology
BWS	Gross value added
CC	Corporate Citizenship
CDP	Carbon Disclosure Project
CE	Central Europe
CEE	Central and Eastern Europe
CEESEG	CEE Stock Exchange Group
CEO	Chief Executive Officer
CEF	Customer Experience Framework
CG	Corporate Governance
CO_2e	CO_2-equivalent
CoC	Code of Conduct
COP 21	21st Conference of the Parties (21. Climate Conference 2015 in Paris)
CRO	Chief Risk Officer
CSR	Corporate Social Responsibility
CTF	Counter-Terrorism Financing
DGNB	Deutsche Gesellschaft für Nachhaltiges Bauen (German Sustainable Building Council)
DSGVO	General Data Protection Regulation
EACB	European Association of Co-operative Banks
EBA	European Banking Authority
EBR	European Staff Council
EBRD	European Bank for Reconstruction and Development
ECB	European Central Bank
EE	Eastern Europe
EEA	European Economic Area
EIB	European Investment Bank
EIF	European Investment Fund
ELBA	Electronic Banking
EMAS	Eco Management and Audit Scheme
EMEA	Europe, Middle East, Africa
EMI	European Movement International
ESG	Environmental, Social and Governance
E&S	Environmental & Social
ESMA	European Securities and Markets Authority
ESMS	Environmental and Social Management System
EStG	Einkommenssteuer (Income Tax)
EUROFI	The European think tank dedicated to financial services
EU	European Union
FNG	Forum Nachhaltige Geldanlagen (Sustainable Investment Forum)
FS	Financial Sector
FX	Foreign exchange

GRI	Global Reporting Initiative
GWh	Gigawatt hour (Gigawattstunde)
HHOF	Hockey Hall of Fame
HR	Human Resources
HTL	Höhere Technische Bundeslehranstalt (Higher Federal Technical College)
ICC	International Chamber of Commerce
IFC	International Finance Corporation
IIHF	International Ice Hockey Federation
ILO	International Labour Organization
IMAS	Institut für Markt- und Sozialanalysen Ges.m.b.H. (Institute for Market and Social Analysis Ges.m.b.H.)
IPCC	Intergovernmental Panel on Climate Change
ISIN	International Securities Identification Number (Internationale Wertpapierkennnummer)
ISO	International Organization for Standardization (Internationale Organisation für Normung)
Kathrein	Kathrein Privatbank AG
KCM	Kathrein Capital Management GmbH
KfW	Kreditanstalt für Wiederaufbau (Reconstruction Credit Institute)
KPI	Key Performance Indicator
KYC	Know Your Customer
kWh	Kilowattstunde (Kilowatt hour)
LC	Large Corporates
LEED	Leadership in Energy and Environmental Design
LED	Light-Emitting Diode (Leuchtdiode)
LGBTI	Lesbian, gay, bisexual, transsexual, intersexual
LGBTIQ	Lesbian, gay, bisexual, transsexual, intersexual and queer
LobbyG	Lobbying- und Interessenvertretungs-Transparenz-Gesetz (Lobbying and advocacy transparency law)
M&A	Mergers and Acquisitions
MiFID	Markets in Financial Instruments Directive (Wertpapierdienstleistungsrichtlinie)
MIGA	Multilateral Investment Guarantee Agency (Multilaterale Investitions-Garantie-Agentur)
mona	Nachhaltigkeitsmonitoring-Tool (Sustainability monitoring tool)
MWh	Megawattstunde (Megawatt hour)
NaDiVeG	Nachhaltigkeits- und Diversitätsverbesserungsgesetz (Austrian Sustainability and Diversity Improvement Act)
NFI	Non-financial information
NGO	Non Governmental Organization
NPO	Non Profit Organization
NPS	Net Promoter Score
NWB	Netzwerkbanken (Network banks)
OeKB	Oesterreichische Kontrollbank AG
ÖGNI	Österreichische Gesellschaft für Nachhaltige Immobilienwirtschaft (Austrian Society for Sustainable Real Estate)
ÖGUT	Österreichische Gesellschaft für Umwelt und Technik (Austrian Society for Environment and Technology)
ÖHT	Österreichische Hotel- und Tourismusbank GmbH (Austrian Tourism Bank)
PKG	Pensionskassengesetz (Pension fund Act)
pkm	Passengerkilometers
PP	Percentage points
PRI	Principles for Responsible Investment (Prinzipien für verantwortliches Investieren)
PV	Photovoltaics
RBAL	Raiffeisen Bank Sh.A., Albania
RBBG	Raiffeisenbank (Bulgaria) EAD
RBBH	Raiffeisen BANK d.d. Bosna i Hercegovina
RBBY	Priorbank JSC, Belarus
RBCZ	Raiffeisenbank a.s., Czech Republic
RBG	Raiffeisen Banking Group in Austria
RBHR	Raiffeisenbank Austria d.d., Croatia
RBHU	Raiffeisen Bank Zrt., Hungary
RBI	Raiffeisen Bank International Group

RBI AG	Raiffeisen Bank International AG
RBKO	Raiffeisen Bank Kosovo J.S.C.
RBRO	Raiffeisen Bank S.A., Romania
RBRS	Raiffeisen banka a.d., Serbia
RBRU	AO Raiffeisenbank, Russia
RBSK	Raiffeisen Bausparkasse Gesellschaft m.b.H.
RCB	Raiffeisen Centrobank AG
RCM	Raiffeisen Capital Management
respACT	Austrian Business Council for Sustainable Development
R-IT	Raiffeisen Informatik GmbH
RKAG	Raiffeisen Kapitalanlage-Gesellschaft m.b.H.
RLB	Raiffeisenlandesbank (Raiffeisen regional bank)
RL	Raiffeisen-Leasing GmbH
RNI	Raiffeisen Nachhaltigkeits-Initiative (Raiffeisen Sustainability Initiative)
RSC	Raiffeisen Service Center
RSI	Raiffeisen Salzburg Invest
SASB	Sustainability Accounting Standards Board
SDGs	Sustainable Development Goals
SEE	South Eastern Europe
SME	Small and medium enterprises
SREP	Supervisory Evaluation and Review Process
SRI	Socially Responsible Investment
TBSK	Tatra banka, a.s., Slovakia
TCO	Total Cost of Ownership
TIWAG	Tiroler Wasserkraft AG (Tyrolean hydropower AG)
tkm	ton kilometers
TOM	Target Operating Model
UGB	Unternehmensgesetzbuch (Austrian Commercial Code)
UN	United Nations
UN-PRI	United Nations Principles for Responsible Investment
UNEP	United Nations Environment Programme
UNEP FI	United Nations Environment Programme Finance Initiative
UNGC	United Nations Global Compact
UNIQA	UNIQA Österreich Versicherungen AG (UNIQA Austria Insurance Ltd.)
Valida	Valida Holding AG
VfU	Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (Association for Environmental Management and Sustainability)
WKO	Wirtschaftskammer Österreich (Austrian Economic Chambers)
WU	Wirtschaftsuniversität Wien (Vienna University of Economics and Business)
ZHS	ZHS Office- & Facilitymanagement GmbH

Raiffeisen Bank
International AG

Am Stadtpark 9
1030 Vienna

T: +43-1-71707-0
www.rbinternational.com

Raiffeisen Bank International

Sustainability Report 2019
(Consolidated Non-Financial Report)