

Managing sustainability and corporate responsibility

Sustainability Guiding Principles

The traditional Raiffeisen values form the foundation for the activities of the Raiffeisen organizations and are an important point of reference for the structuring of its corporate responsibility.

As a responsible banker, Friedrich Wilhelm Raiffeisen showed that to sustainably managed circulation of money can create value and gives meaning for all involved. Social and responsible thinking and actions formed the basis for this approach.

The Raiffeisen values – social solidarity, self-help and sustainability – have therefore always been the guiding principles for doing business at Raiffeisen.

Raiffeisen Bank International (RBI) understands the financial services sector in which it operates as a key supporter and driver of sustainable development in our society. Doing business oriented towards sustainability has been a matter of course for Raiffeisen since it was founded over 130 years ago.

Our sustainability vision is to act in a socially responsible manner, fostering the long-term welfare of people and businesses in our markets. Sustainability is defined in the following strategic and operational spheres of action:



Our approach as designers of a sustainable company and society

Sphere of action and objectives

Our Sustainability Guiding Principles provide orientation for all of the transactions, activities and services performed or offered by us or on our behalf. It is under their motto: "We create sustainable value". Our declared objective aim is to concentrate on those areas with a significant potential impact in terms of sustainability. This includes continuously improving the sustainability impact of our business activities and making it traceable and measurable. In this way, we aim to achieve a long-term increase in the value of our group and make an active contribution to the sustainable development of our society.

As an international banking group, RBI is therefore committed to upholding the 17 Sustainable Development Goals (SDGs) adopted by the United Nations and has defined eight of these SDGs as particularly relevant to the company.

The eleven most important SDGs for RBI are:



• SDG 1: End poverty in all its forms everywhere.



• SDG 3: Ensure healthy lives and promote well-being for all at all ages.



• SDG 4: Ensure inclusive and equitable quality education and promote 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, full and productive employment and decent work for all.



• SDG 9: Build a resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



• SDG 10: Reduce inequality within and among countries.



• SDG 13: Take urgent action to combat climate change and its impacts.



• SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.



• SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Sustainability mandate

In all spheres of action, we act in accordance with the three pillars of sustainability – economy, society, and the environment – and determine our role accordingly.

Nine key areas of action determine our sustainability mandate in greater detail and allow us to define specific, measurable targets and appropriate measures:

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 responsibility in the real economy and the regional economy and the 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	Continuous 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

1. Responsible banker

At our core, we are responsible bankers, and this is reflected in our products, services and processes. Our core business is the most effective lever for sustainable development.

Accordingly, we see granting loans and investing funds as our primary responsibilities and the most important areas of action for long-term success and sustainable business.

In all business areas and products, RBI strives to establish business relationships that are profitable in the long term while avoiding social and environmental risks and embracing opportunities to improve environmental and climate protection and social standards.

1.1. Value creation

We see responsible action as the basis for long-term business success and the future viability of a company, and as a prerequisite for making a positive contribution to the economy. Our aim is for our business activities to contribute significantly to the permanent improvement of business, society and the environment. This includes:

a) Governance and sustainable business strategy

Above and beyond compliance with statutory and supervisory regulations, i.e. legal compliance, sustainable corporate governance requires an understanding of how to deal responsibly with social and environmental risks and opportunities and underlying transparent management processes. We adopt the following approach:

- We apply appropriate recognized standards of governance.
- We regularly review and improve our governance practices.
- We act in accordance with national statutory regulations and in full compliance with tax legislation.
- As a company that finances itself on the capital markets, RBI AG manages its business in line with the provisions of the Austrian Corporate Governance Code.

b) Responsibility to the real and the regional economy

We are aware of our responsibility to the real and the regional economy. Our reliable, ongoing commitment in Austria and Central and Eastern Europe makes a significant contribution to the long-term development of these regions, their population and their businesses. We finance and facilitate the sustainable success, competitiveness and innovative strength of companies and public bodies. We are also aware of our importance and responsibility as a regional employer and taxpayer.

c) Integration of sustainability aspects into the core business

A sustainably managed financial cycle generates the greatest value for all stakeholders and thus contributes to the long-term economic success of a company. Social responsibility and environmental awareness are firmly integrated into RBI's day-to-day business. Our objective is to realize sustainability in every aspect of our core business:

- Products of substantial benefit to the real economy and/or society and/or the environment are preferred wherever possible and products that could cause damage to the real economy and/or society and/or the environment are avoided wherever possible.
- We are committed to responsible lending and our Code of Conduct contains corresponding policies for dealing with sensitive business fields such as nuclear power, arms and gambling as well as aspects such as human rights and environmental protection.
- We integrate aspects of social and/or environmental sustainability into our investment business to the greatest possible extent.

1.2. Social product responsibility

a) Social responsibility in products and services

We offer products and services, grant loans and make investments that serve the positive development of society and avoid those that put human rights at risk. Responsible lending is a central component of our business model. It is implemented through our lending policy, which is geared towards continuity.

We also make a point of lending customers only as much as they will be able to repay. We provide the best possible support to customers who encounter financial difficulties in the form of information and advice. Where possible, we also seek to advance products that favour sustainable production and consumption patterns.

b) Protection of customer data and product security

We bear a particular responsibility for proper business practices. We act between the conflicting priorities of data protection and transparency. Our customers and employees have the right to comprehensive data protection, data confidentiality and access to secure products. Respecting the right to privacy is something we take extremely seriously.

Many of our products and services also help to meet the basic needs of financial transactions. We are committed to ensuring security. In this way, we guarantee user-friendly, low-risk settlement for our customers.

At the same time, transparency is required in order to prevent money laundering, fraud, insider trading and corruption. In order to protect our employees in such cases and to effectively combat money laundering and fraud, the central Compliance division plays an important management and controlling function.

c) Consideration of customer concerns

Taking the needs and concerns of our customers in the design, marketing, sale and use of our products and services into consideration plays an important role in our business.

In addition to product security, the security of our customers is a central concern. Among other things, this includes fair and transparent information, access to relevant information about products and services, the verifiability of claims, appropriate information about potential risks in connection with a product or a service and, where applicable, corresponding information on risk mitigation. Where possible, we inform customers about sustainability aspects in relation to our products and services. Any complaints directed at us are examined carefully and addressed immediately.

We strive to ensure comprehensive barrier-free accessibility to our financial services for disadvantaged groups of the population and people in social and financial difficulties.

d) Transparent disclosure and responsible marketing

We seek to ensure that products and services are clearly labelled for all customers and stakeholders. The information we provide to our customers is intended to minimize any risks arising in connection with the use of our products and to prevent unclear contractual conditions.

Solidarity and respect are fundamental values for Raiffeisen. In advertising and marketing our products, we follow strict ethical principles in order to protect our customers. This also means avoiding aggressive marketing techniques.

1.3. Ecological product responsibility

In the course of our business activities, we strive to comply with the binding environmental regulations at local and EU level and international agreements on environmental protection.

We act in an environmentally conscious manner and seek to continuously improve our own environmental footprint (see "2.3 Corporate environmental protection") as well as the environmental footprint of our product and service range. Financing or investing in transactions or projects that sustainably harm the environment is inconsistent with our business policy. We continuously develop our products and services with a view to sustainable development and adopt corresponding priorities.

Our stated objectives are:

- Knowledge of the actual environmental impact of our activities and, in particular, of the relevant products and services (active sustainability monitoring)
- Strict evaluation of the emissions generated by (sustainable) investment products in selected key segments (e.g. environment, resources, climate protection, energy, etc.)

2. Fairer partner

We act as a fair partner in business and dialogue with all stakeholders. As a partner, we interact in an open and respectful manner with employees, customers, suppliers, shareholders and other stakeholder groups with openness and respect. Transparency, i.e. the disclosure of measurable objectives and the reporting of measures taken and their target attainment, forms our central overarching guiding principle. We foster and promote an open and constructive dialogue with our stakeholders.

We endeavour to recognize the needs of our key stakeholders and act within the scope of our abilities.

2.1. Fair business and operating practices

a) Corruption, money laundering, fraud and insider trading

We do not tolerate any form of corruption, money laundering, fraud or insider trading and actively work to prevent such behaviour. Mechanisms for ensuring compliance with the law and internal and external rules of conduct have been established in all countries in which we operate. These take the form of our Code of Conduct (CoC) and clear, detailed regulations in our Group Internal Law Database.

The central Compliance office performs an important interface and control function within our company in this respect.

b) Fairness towards employees

Equal opportunities and diversity: Our diversity is embodied by our almost 17 million customers in 13 domestic markets and around 45,000 employees. We appreciate this diversity in terms of perspectives, skills, experiences and requirements, and RBI AG has clearly communicated this to the outside world by signing up to the Diversity Charter. Our diversity vision states that diversity is the key to success and allows to overcome boundaries. Leveraging the opportunities provided by diversity offers sustainable benefits for our company, our employees, as well as the economy and society. Our diversity mission is to continue Raiffeisen's success story dating back more than 130 years by promoting diversity. We actively and professionally harness the potential of diversity in order to best support our customers as a strong partner and to present ourselves as an appealing employer. Our CoC also states that we do not tolerate discrimination of any kind. We value and respect each other regardless of gender, sexual orientation, age, culture, origin, religion, ideology, physical or mental disability and other characteristics. Further information can be found in the RBI Group Diversity Policy, which was published in 2018.

Work-life balance: For employees and the company alike, a healthy work-life balance provides a desirable basis for success and productivity. Different needs, interests and life situations require different approaches and appropriate solutions, such as part-time work, teleworking, flexible employment models and company kindergartens. To make it easier to combine work and family life, we offer special programmes for employees with children or family members in need of care, such as the possibility of arranging their working hours flexibly. We support models such as part-time management and paternity leave.

Fair pay: Employees are remunerated on the basis of their position, skills and professional experience. Men and women receive equal pay for equal work.

Qualification and development: We offer our employees a range of opportunities for qualification and further development. Reflecting the challenges of rapidly changing markets and working environments, employees are also given access to digital media allowing them to train themselves independently on relevant topics. Alongside professional programmes, there are a wide range of training options in the area of personal development. We also offer training on sustainability management in general and diversity in particular with the aim of enabling employees to act and take decisions responsibly.

Talent management: Recognizing, encouraging and retaining talented employees is a key objective and a prerequisite for a long-term partnership between employees and our company. We are committed to creating clear prospects for individual development, because satisfied, dedicated and empowered employees make a greater quantitative and qualitative contribution and are loyal to the company.

Health promotion: Ensuring the physical and mental health of our employees is a particular priority for us. The aim is to prevent the potential negative consequences of a largely sedentary activity and stress. In addition to the legally prescribed measures, we promote our employees' health by providing a range of additional services such as health checks, dietary advice and individual and team sports. We also support responsible behaviour by providing information and specialist lectures.

c) Fairness towards shareholders

We work closely with our shareholders and see them as dialogue partners. As such, we ensure that their feedback and suggestions feed into our strategies and business activities in order to establish a shared value system. We adhere to the three principles of every financial transaction: yield (share price and dividend policy), security of investment and availability of capital.

2.2. Stakeholder involvement

a) Active dialogue with all stakeholders

We conduct regular surveys of our internal and external stakeholders in order to systematically learn about their economical, social and environmental concerns. As part of our commitment to stakeholders, we work continuously on topics of relevance to us and our stakeholders, e.g. in stakeholder councils, in order to continuously improve our sustainability performance. Key topics arising as a result are discussed by the sustainability committees and addressed by Issue Management in the form of specific targets and measures.

We also engage in an open dialogue with representatives of our stakeholders at many levels and are active participants in various forums, including the United Nations Global Compact, the United Nations Environment Programme Finance Initiative, the Global Reporting Initiative and respACT – Austrian Business Council for Sustainable Development.

Our reporting on business activities and sustainability is conducted transparently and comprehensively in accordance with recognized and authorized international standards (such as the Global Reporting Initiative), meaning that our communication with stakeholders goes beyond the statutory requirements.

b) Sustainability with suppliers

We see our suppliers as partners in helping us to make our business more sustainable. When making procurement decisions, it is important for us to take into account the value added of the products and services received in terms of the three pillars of sustainability. Regional value creation is an important factor in procurement decisions. Suppliers are chosen and classified on the basis of selected criteria. This includes sustainability criteria in the form of the regionality aspect, for example. In addition, all of RBI's suppliers must comply with the Code of Conduct (CoC) and its principles, which include compliance with the law, a prohibition on corruption and bribery, upholding the fundamental rights of employees, and environmental regulations.

We recognized that our supply chains and our own business activities have a social, ethical and environmental impact.

2.3. Corporate environmental protection

RBI is committed to environmental and climate protection with the goal of keeping environmental impacts to a minimum. For RBI, the key task when it comes to corporate environmental protection is to contribute to achieving the Paris Agreement climate target. Based on the UN Climate Change Conference in Paris (COP21), RBI has set the target of reducing its CO₂ emissions by 65 percent by 2050 which is to be achieved by measures including energy efficiency, a higher share of green electricity and less business travel. We work continuously to improve the environmental key performance indicators in the most relevant areas. Our environmental management system in Austria is based on international standards (ISO 14001). The network banks in CEE are also aware of their responsibility to the environment and are working to continuously improve their measures in this area. Each location has employees tasked with continuously evaluating and implementing improvements to corporate environmental protection, and they are provided with the necessary support to do so.

The consequences of our corporate environmental activities for the environment and society are measured annually. The most important performance indicator is our carbon footprint, as well as the progress made towards the environmental target related to the base year of 2011 and the change in emissions compared with the previous year.

With regard to corporate environmental protection, we use various focal points in the following areas:

- Energy consumption
- Electricity from renewable energy sources
- Transport and mobility
- Sustainable procurement
- Reduction in other climate-related emissions

Based on its carbon footprint, energy consumption, building management and mobility are the most important areas of action for RBI. These are also of central importance with regard to achieving the climate targets.

3. Engaged citizen

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

3.1. Sustainable entrepreneurship

a) Commitment to a sustainable framework through collaboration and lobbying

We maintain a culture of open dialog with a focus on the future issues of a sustainable financial sector. In so doing, we take a stance against corruption and economic crime. The national and European regulatory authorities should give the players on the financial markets planning security and guidance. This cannot be taken for granted in light of the diverse and rapidly changing conditions in terms of new regulation. Our public image stands for the promotion of sustainable thinking and action. We are strengthening the drive towards sustainable development in our own sphere of influence through conscious lobbying and by influencing government agencies and local authorities on topics relating to sustainability and safeguarding the future.

We are involved in organizations that promote sustainable business and the corresponding conditions in the form of selected memberships and activities. To this end, we also actively seek to exchange knowledge and expertise beyond our group in order to realise innovative ideas in the area of sustainable design for the financial sector and the sustainable development of our society in order to create wealth.

Another element of our engagement in this area is the cooperation with governmental and non-governmental organizations with the aim of promoting sustainable frameworks and sustainable business.

b) Promotion of sustainable companies and sustainable innovations

We support sustainable entrepreneurship, which we see as including an awareness of responsibility, as well as sustainable innovations by our customers and in society. We provide information and advice on the opportunities companies can harness in order to be economically successful while making a contribution to environmental protection and social responsibility.

- We see ourselves in the role of players who deliver or initiate development and innovation in the area of sustainability.
- We promote companies and organizations that act sustainably. This takes the form of cooperations and events, among other things.
- We continuously develop financing options for sustainable companies and innovations.
- We promote long-term success, competitiveness and innovative power in companies, which in turn helps to boost the regional economy.

3.2. Active civil society and common good

a) Commitment to an open society and the common good as a promoter of integration, awareness and openness

In public, too, we support integration, gender equality and openness towards others. This includes emphasising the benefits of a united Europe and acting as a positive role model. We also enter into cooperations in order to sustainably strengthen participation in civil society and non-profit organizations. To this end, we support selected programmes, foundations and projects as well as employees who work in volunteering. We make our contribution to improving general education in terms of financial knowledge. In our dialog with stakeholders, we work to shape a sustainable society in general, to uphold positive social values and to ensure a sustainable financial sector in particular.

b) Corporate volunteering

Our memberships of the regional societies and social structures extends beyond our business activities. Our employees are our ambassadors in daily interactions. We help them to take an active role in voluntary activities by granting them appropriate leave of absence, and we encourage employees to get involved in volunteering for the benefit of society and the environment.

c) Promotion of sustainably effective initiatives through sponsorship and donations

We support selected projects aimed at reducing the ecological footprint and/or generating social value added in a number of ways – even when they do not form part of our core business.

We also provide financial assistance for sport, art and culture as well as charitable initiatives, and we work to actively support the community in our areas of activity. In addition, we are a charitable partner and active supporter of education and science in our markets.

d) Education and financial literacy

We help to improve education and the availability of knowledge and information on finance-related topics in particular (financial literacy). We actively promote our customers' understanding of financial products and services. We are aware of our responsibility to the broader public, and we pass on our banking expertise in our daily advisory function and our education and expert activities with the aim of helping to reduce inequality and poverty.

We actively communicate our sustainability policy and strategy both internally and externally. To this end, we give presentations to interested stakeholders, e.g. business partners, customers, network partners and regional stakeholders, at schools and universities.

3.3. Environmentally-friendly society

Positioning with regard to climate change

As engaged citizens, we are keen to drive the transformation towards a climate-friendly, low-carbon society through memberships, cooperations, donations and sponsorship. As part of these climate protection activities, we work on the following topics:

- Developing products and services that contribute to climate and environmental protection.
- Supporting measures and projects in the area of access to affordable sustainable energy.
- Promoting communication on the topic of climate change internally and externally as well as advocating for an in-depth commitment to a climate-friendly society.
- Supporting investments in a climate-friendly future.
- Promoting environmental awareness among the population through selected cooperations.
- Setting our own measures for society through sustainable, climate-relevant reporting.
- Cooperations with science and research.
- Supporting environmental and climate protection initiatives (particularly as part of the Raiffeisen Sustainability Initiative).

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