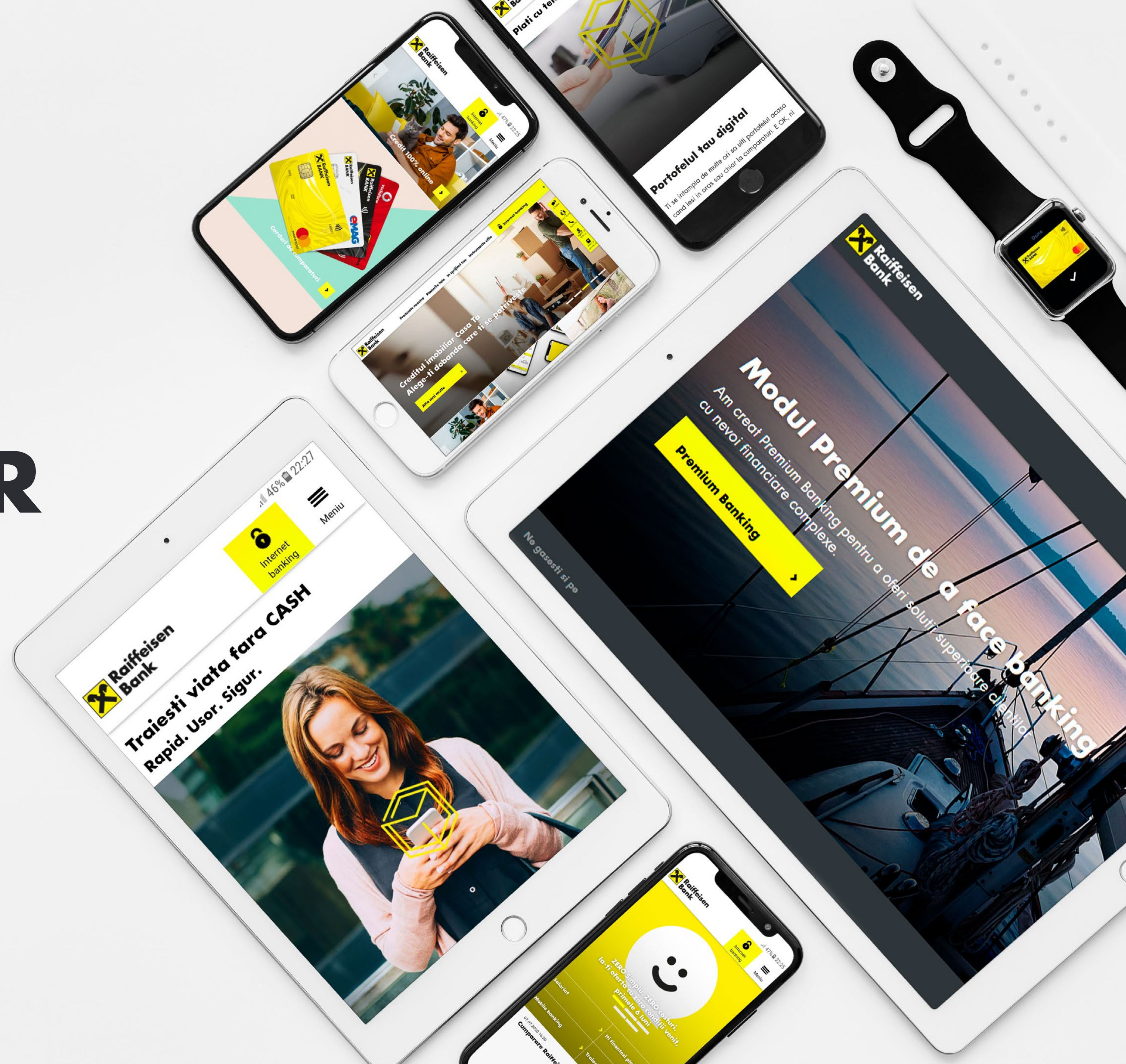




DIGITAL SOLUTIONS FOR RESPONSIBLE BANKING

Sustainability report
2019



Welcome message
About the report

3
4

1 Raiffeisen Bank in Romania

About us	6
Our mission and values	7
2019 highlights	8
Economic performance	10
Corporate governance	12
Business ethics and responsibility	15
Risk management in the banking sector	18



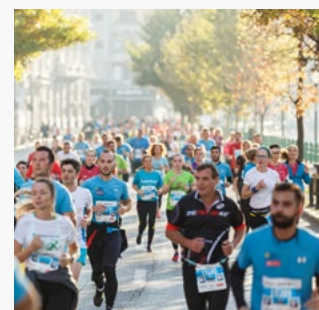
4 Our commitment to the team

Workplace	42
Diversity and equal opportunity	44
Professional development and performance management	47
Occupational health and safety	51



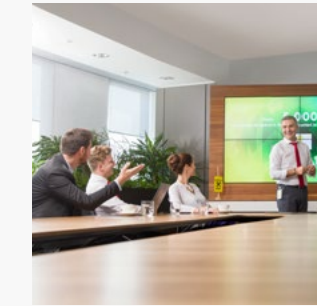
2 Our commitment to sustainable development

Awards	20
Affiliations	21
Our sustainability strategy.	
Sustainable development principles	22
Stakeholder engagement	23
Performance indicators and topics: materiality analysis	26



5 Our commitment to long-term partnerships

Our suppliers	53
Community investments	53



3 Our commitment to responsible banking

Our clients	31
Digitalization for sustainable growth	33
Partnerships and programs for our clients	34
Responsibility through financial products and services	37



6 Our commitment to the environment

Environmental responsibility	60
------------------------------	----

Our 2025 goals	63
GRI Content Index	64
Safe Together	69



Dear friends,

We are living unprecedented times, full of challenges and unique situations, when the need for action, responsible decisions and transparent communication is more visible than ever.

The crisis we have been facing since spring 2020 forced us to change and adapt our day to day activities to the new context. It is still early to fully understand the impact these recent events will have on ourselves and society at large. However, the coronavirus pandemic creates an uncertain future, raises many unanswered questions and fuels our concern regarding the future. Despite the many questions we face, the current context also gives us the opportunity to reflect, analyze and act differently. We can shape this moment into an opportunity and rethink the way we address the numerous alarm signals we received in the last decade – climate change, inequalities, access to education – and to come together in supporting the sustainable development of Romanian society. Therefore, our role in this mission will go beyond banking as we know it, prioritizing sustainable finance, sustainable development policies and a long-term vision.

The following pages present in detail the company's non-financial performance, in the 11th sustainability report published by Raiffeisen Bank. The 2019 report describes a successful year for us, marked by growth in all client segments, strengthened partnerships and projects and new products, services and **digital solutions for responsible banking**.

We are aware that the entire financial sector plays a significant role in the sustainable economic growth of Romania. As such, apart from the responsibility we have for every decision we make, we are always working to ensure that we are a role model for our clients, a bridge between their goals, the responsible business model and sustainable growth we all wish they experience.

The year 2019 brought for us a portfolio comprising of 2 million private individual clients, 92,000 SMEs and 5,700 companies. In order to make our clients' experience when using banking services easier, we launched new Mobile and Internet Banking apps and three contactless payments apps for phones and watches: RaiPay, Apple Pay and Garmin Pay.

Our achievements would not have been possible without the commitment, professionalism and dedication of the entire Raiffeisen Bank Romania team.

They are the engine driving the company's continuous growth, therefore we are constantly investing in their development and in creating the best work environment that fuels their excitement, passion and drive. In 2019, our efforts in this direction were rewarded, the Bank being named the company with the most pleasant work environment and best training offer in Romania.

We continued to actively engage in the lives of our communities and have implemented alongside our non-governmental partners projects of over 7 million lei. Representing 34% of the total invested budget, education continues to be our priority. We invest in projects that generate long-term impact and that contribute to creating visible changes in the lives of the beneficiaries.

I would like to end by thanking everyone who worked together with us during this time. We have yet to learn what the future holds, but I am certain of one thing: Raiffeisen Bank remains a trusted partner, ready to help whenever it is needed. I am convinced that we will overcome all challenges and we will resume our activity more aware and determined to fight for responsibility and sustainable development!

Steven van Groningen

President & CEO
Raiffeisen Bank Romania



About the report

Our wish is to be a responsible banker and a trusted partner for all our stakeholders. That is why we have been transparently disclosing information regarding our non-financial performance in sustainability reports for the past eleven years.

The non-financial reporting process takes place annually, starting with the analysis of those areas where the Bank has an economic, social and environmental impact and takes into consideration topics that are of interest for our partners. These topics are identified through a consultation process that happens every two years. The process follows the Global Reporting Initiative (GRI) methodology and meets the requirements of the National Bank of Romania Order no. 7/2016 and of the Ministry of Public Finance Order 3,456/2018.

Digital solutions for responsible banking, the 11th sustainability report published by Raiffeisen Bank Romania covers the financial year 2019, from January 1st 2019 to December 31st 2019, and was developed in accordance with the GRI Standards methodology, in accordance option: Core. The report includes information regarding the activity of Raiffeisen Bank S.A. ("Raiffeisen Bank S.A.", "Raiffeisen Bank" or "the Bank") carried out within the head office, within the Braşov Operational Center and the 351 agencies. The report does not include information on the subsidiaries: Raiffeisen Asset Management, Raiffeisen Leasing, Raiffeisen Insurance Broker and Aedificium Banca pentru Locuin e (Aedificium Bank for Housing).

The Bank operates under the provisions of Romanian legislation in force, its articles of incorporation and internal regulations. All financial and banking activities of the Bank are regulated and supervised by the National Bank of Romania.

The financial values mentioned are expressed in euros. In accordance with financial reporting rules, EOP conversion rate was used for the balance sheet, while for the profit and loss statement (income and spending) and the rest of the financial data included in the report, the average conversion rate was used.

EDITORIAL TEAM

The 11th Raiffeisen Bank Romania Sustainability Report is the result of collective work undertaken by the entire team. The report was developed in partnership with The CSR Agency. The content was not externally audited by an independent third party.



SUGGESTIONS AND RECOMMENDATIONS

We kindly ask that you send your suggestions, opinions, recommendations or questions to:

ANA NILĂ

CSR Coordinator
Communication and Public Relation
Directorate
ana.nila@raiffeisen.ro

CORINA VASILE

Manager
Communication and Public Relation
Directorate
corina.vasile@raiffeisen.ro

RAIFFEISEN BANK HEAD OFFICE

246C Calea Floreasca
014476, Bucharest 1
phone: +4 021 306 10 00
fax: +4 021 230 07 00
e-mail: centrala@raiffeisen.ro
website: www.raiffeisen.ro



Raiffeisen Bank in Romania

- ↪ About us
- ↪ Our mission and values
- ↪ 2019 highlights
- ↪ Economic performance
- ↪ Corporate governance
- ↪ Business ethics and responsibility
- ↪ Risk management in the banking sector

About us

The financial industry is a core element laying at the foundation of progress and economic development. As a supplier of financial products and services, we are aware of the important role we play and the significant impact we have on the communities and in the economic environment where we operate.

Part of a group operating in 13 other markets – Republic of Austria, Central and Eastern Europe – Raiffeisen Bank Romania is one of the leading companies in the Romanian banking sector. Present on the local market for almost 28 years, at the end of 2019 the Bank had a portfolio of over 2 million private individual clients, 92,000 SMEs and 5,700 companies. With over 650,000 digital clients using the Raiffeisen Smart Mobile and Raiffeisen Online apps, the Bank's network counts 351 units, 785 ATMs, 334 self-service multifunctional machines and 21,000 POSs.

The Bank offers its clients a diverse portfolio of financial products and services, available to private individual clients, SMEs and companies: from personal needs loans, deposits, current or savings accounts and shopping cards for private individual clients to varied financing and consultancy solutions for companies.

Raiffeisen Bank Romania's portfolio comprises:	
>2M private individual clients	>650,000 clients using the Raiffeisen Smart Mobile and Raiffeisen Online digital apps
92,000 SMEs	351 units
5,700 companies	334 self-service multifunctional machines
	785 ATMs
	>21,000 POSs

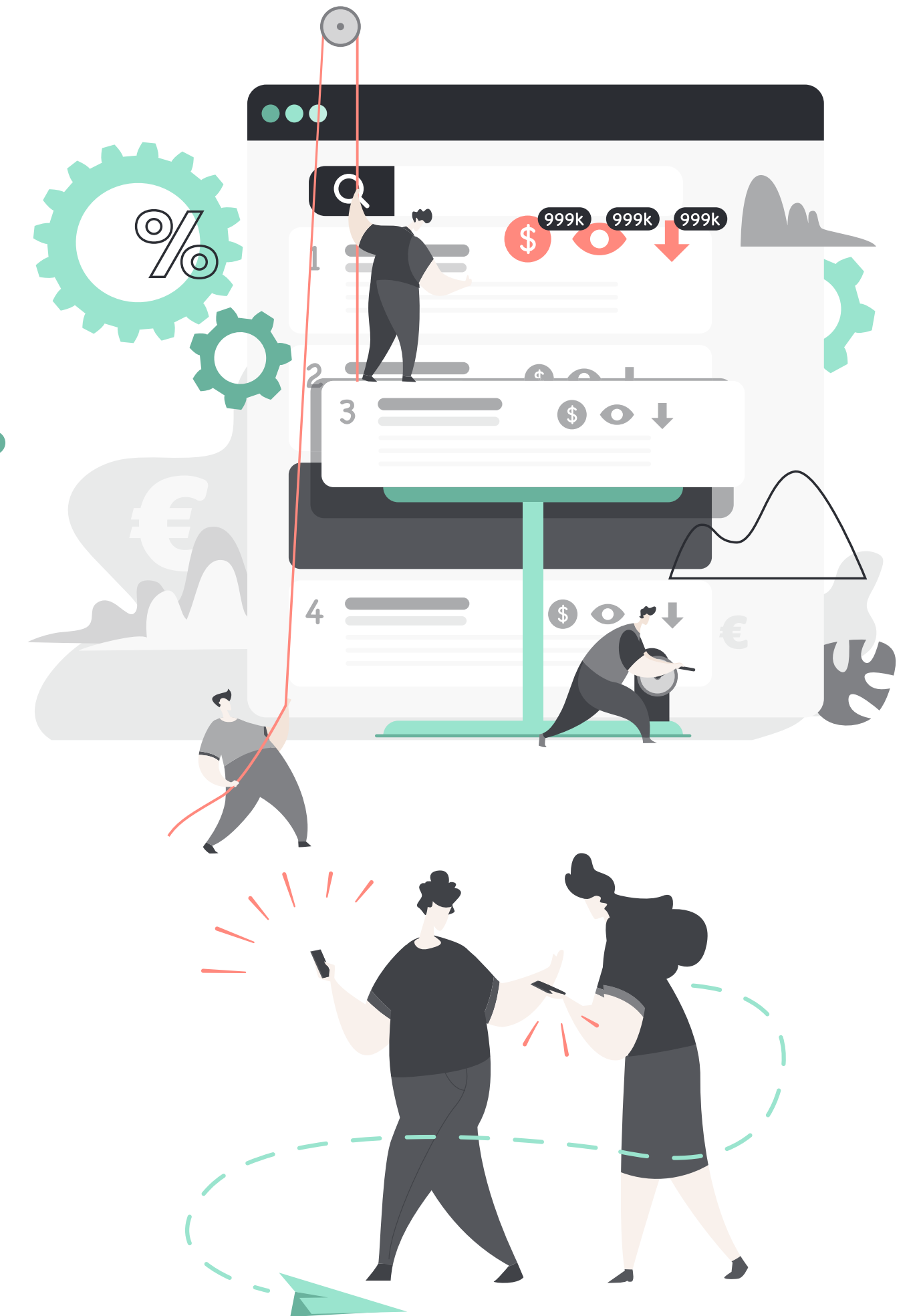


In the past years, we centered our activities around an extremely important topic:

digital transformation.

Apart from developing and launching new tools meant to facilitate and improve our clients' experience when accessing financial products and services, digitalization is a complex process, supported by significant changes within the whole company. At the same time, digitalization represents the engine for stimulating and accelerating sustainable finance procedures.

In 2019 our efforts focused on offering new digital solutions to our clients, that provide access to **quick, easy and safe banking**: they are able to make payments using their mobile phones, through RaiPay or Apple Pay and with their Garmin devices, via Garmin Pay. At the end of the year, **48,000 clients were using RaiPay** and **over 39,000 Apple Pay**.





Mission and values

Our mission is to contribute to the development of sustainable and thriving communities, to understand our clients' needs and to offer them security, consultancy and financial services that are easy to use.

Sustainability and responsibility are the core of our business model, so together with our employees, clients and partners, we strive **to develop long-term relations and to mobilize those resources that can create value for everyone.**

COLLABORATION
RESPONSIBILITY
CONSTANT
LEARNING
PROACTIVITY

are **fundamental values** that spread throughout our operations.

2019 highlights

Our commitment to sustainability

3 key directions:

- responsible banker
- fair partner
- active corporate citizen

Award for **Best ESG/Social Impact Investing services**

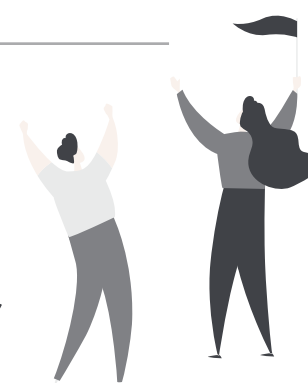
We respect and promote the **10 UNGC principles**

We support and contribute to the **17 Sustainable Development Goals**

We implemented the **Customer Experience PULS** platform

>68%

of our private individual clients are satisfied or highly satisfied with their interaction with Bank employees



Our commitment to responsible banking

>2M

private individual clients

>92,000

SMEs

>5,700

companies

>500,000

credit cards

32%

growth of **Casa Ta** housing loans volumes

15%

increase in **Premium clients**

4.2%

growth of **SME credits** portfolio

>650,000

digital clients use **Raiffeisen Smart Mobile** and **Raiffeisen Online**

>48,000

use RaiPay

>39,000

use Apple Pay

351

agencies

785

ATMs

334

self-service multifunctional machines

>21,000

POSs

We launched:

- **100% online Flexicredit**
- **Smart Hour**
- **Ana, the virtual consultant**
- **“Financial Health Index”**

Catalizator:

- 970 participants
- 14 events
- 100 workshop hours

Cereal Expert:

- 180 participants
- 3 conferences

factory by Raiffeisen Bank:

- 315 projects submitted
- 127 interviews with entrepreneurs
- 83 start-ups financed

89.90M€
financed for **sustainable constructions**

38%
of Raiffeisen Bank International's total **green buildings** portfolio is found in Romania



2019 highlights

Our commitment to the team

4,888 employees:

1,227 men
25.1%

3,661 women
74.9%

55.34% of top management positions are held by women

1st place in the “**Most wanted employers**” study for categories:

- ★ **Most pleasant atmosphere**
- ★ **Best Training Offer**

~**33** professional training hours delivered on average to each employee

22,592 professional training hours organized for all employees

79% of employees participated in the **Employee Opinion Survey**

1,050 participants in the 160 sessions part of

Raiffeisen Banking University

3,925 unique participants in the **RStyle** program

We launched:

- **Eva**, the virtual assistant
- Career management platform **iGrow**



Our commitment to long-term partnerships

87% of the Bank's total acquisitions budget was directed to the ~**90%** local suppliers

>7.29M lei invested in **community projects**

Out of the community investments budget:

- 34% was directed towards **educational projects**
- 29% was directed towards **urban ecology projects**

Raiffeisen Communities Grants program:

- 175 projects submitted
- 126 eligible projects
- 10 winning projects financed with 50,000 lei each

285 employees volunteered for a total of **1,058** working hours



Our commitment to environmental protection

Recycled **80,511 kg** hazardous waste and **81,764 kg** non-hazardous waste

Selective waste collection implemented in the **Sky Tower head offices**

Energy intensity decreased by **6.4%**

Economic performance

The Bank's success comes as a result of strong, responsible growth. We operate in an economic environment centered around consumption, therefore it is highly important that our strategy is based on solid principles that ensure sustainable economic development.

We focus on offering loans to companies, represented both by local entrepreneurs and corporate clients. We want to be a trusted partner for our clients, being by their side at every step, offering easily accessible, suitable solutions.

Payments to shareholders

For the year 2018, following the GSM in 2019, the dividends distribution to shareholders was decided for the amount of approximately €95,568,237 (444,000,000 RON). The payment was made in 2019.

For the year 2019, following the GSM, there were no dividends distributions to the Bank's shareholders.

As such, the net profit was included in the reported result.

Informative conversion using the following exchange rate:
1 EUR = 4.7452 RON

Description	2018 thousand €	2019 thousand €
Direct economic value generated:	512,021	520,937
Revenues	512,021	520,937
Economic value distributed	-322,662	-356,679
Operating costs	-162,091	-196,068
Employee wages and benefits	-124,042	-122,599
Payments to government/state budget	-36,529	-38,012
Community investments	-2,736.7	-2,364.8
Economic value retained (calculated as "Direct economic value generated" less "Economic value distributed")	189,358	164,258

Payments to shareholders were not included in the calculation of the above economic indicators. Dividends are distributed to shareholders following the resolutions of the General Shareholders' Meeting (GSM) in the current year for the previous financial year.

Financially, 2019 was a good year for Raiffeisen Bank.

We strengthened our position on the Romanian market, reporting a net profit of

>€164M



Financial indicators

Description	2018 thousand €	2019 thousand €
Profit & Loss		
Net interest income	322,332	362,283
Net commission income	132,479	112,482
Trading profit	76,929	70,117
Administrative expenses	(286,104)	(318,668)
Profit/(loss) before tax	225,864	202,270
Profit/(loss) after tax, before the net income obtained from the sale of interrupted activity	189,339	164,258
Net profit for the year	189,339	164,258
Number of ordinary shares	12,000	12,000
Earnings per share (in €/share)	15.77	13.69

Balance Sheet		
Loans and advances to banks (including placements with banks)	93,297	42,057
Loans and advances to customers	5,443,935	5,713,188
Deposits from banks	114,940	64,585
Loans from banks	23,215	8,844
Deposits from clients	7,095,687	7,491,120
Equity (including minorities and profit)	879,934	982,361
Balance-sheet total	8,587,193	8,971,757

Regulatory Information **		
Risk-weighted assets, including market risk	4,861,349	4,870,586
Total own funds	854,054	1,144,028
Total own funds requirement (RWA*8%)	388,908	389,647
Excess cover ratio (Own funds capital requirements)	465,147	754,381
Core capital ratio (Tier 1), including market risk (Tier 1 ratio = Tier1/ RWA)	15.43%	19.53%
Own funds ratio	17.57%	23.49%

Performance Indicators		
Return on equity (ROE) before tax	31.87%	25.16%
Return on equity (ROE) after tax	26.72%	20.43%
Cost/income ratio	50.31%	55.77%
Return on assets (ROA) before tax	2.76%	2.30%
Risk/earnings ratio	7.01%	10.88%

** Values after the financial audit and the inclusion of profit.

Shareholder structure

99.925%

Raiffeisen SEE Region Holding GmbH

0.075%

other entities

In 2019, there were no significant changes to the Bank's shareholder structure. The shareholder structure is entirely private. There are no Government entities found in the company's shareholder structure.

Corporate governance

Raiffeisen Bank Romania's corporate governance structure is in alignment with the corporate governance norms found at Raiffeisen Group level. Company management coordinates the Bank's activity following a well-defined set of principles and mechanisms based on transparency and open communication.

The Bank's supreme authority is represented by **the General Shareholders' Meeting** (GSM), that can be Ordinary or Extraordinary. The General Shareholders' Meetings, as well as shareholders' rights and obligations are regulated by Law no. 31/1990 regarding commercial companies.

In compliance with the provisions of the Bank's Articles of Incorporation (updated in November 2019) and legislation in force, the General Shareholder's Meetings have a series of main competences, in areas such as electing, revoking and setting the remuneration of the Supervisory Board members, establishing budgets, approving annual financial statements etc. More

information on the main competences of the GSM can be found in the Annual Report 2019, available [here](#) (page 9).

The Bank's administration is performed by a dual management system consisting of **the Management Board** and **the Supervisory Board**. The dual management system allows for the segregation of the company's management responsibilities – carried out by the Management Board – from the responsibilities of control/ supervision that are fulfilled by the Supervisory Board. The dual management system ensures that the operational decision-making process becomes efficient, while also increasing control over factors that influence decisions.

At 31.12.2019, the **Supervisory Board** structure and the professional background of its members were as follows:

Name	Johann Strobl	Martin Grüll	Peter Lennkh	Andreas Gschwenter	Ileana Anca Ioan	Hannes Mösenbacher	Ana Maria Mihăescu	Andrii Stepanenko	Lukasz Janusz Januszewski
Position	Chairman	Vice-president	Member	Member	Independent member	Member	Independent member	Member	Member
Nationality	Austrian	Austrian	Austrian	Austrian	Romanian	Austrian	Romanian	Ukrainian	Polish
Professional background	Ph.D. in Economics at the University of Economics and Business Administration, Vienna, Austria	BA from the University of Economics and Business Administration, Vienna, Austria	Master in Economics and Business Administration at the University of Economics and Business Administration, Vienna, Austria	MBA at the University of Innsbruck, Austria	Graduate of the Romanian-Canadian MBA Program and the Faculty of Automation of the Bucharest Polytechnic Institute, Romania	Ph.D. in Economics at the University of Economics and Business Administration, Vienna, Austria	Graduate of the Faculty of International Economic Relations, Academy of Economic Studies, Bucharest, Romania	Ph.D. in Finance, Kiev National University of Economics, Ukraine	Master Degree of Economics, University of Warsaw, Poland

Supervisory Board structure, by age and gender			
	Men	Women	Total
<30 years of age	0	0	0
30-50 years of age	3	0	3
>50 years of age	4	2	6
Total	7	2	9

The competences and responsibilities of the Supervisory Board are explained in more detail in the Annual Report 2019, available [here](#) (page 10).

The Supervisory Board has set up 5 committees from among its members, namely:

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Executive Credit Committee
- Supervisory Board Risk Committee

	Chairman	Member	Member	Competences and responsibilities
Audit Committee	Ana Maria Mihăescu	Martin Grüll	Ileana Anca Ioan	
Nomination Committee	Johann Strobl	Martin Grüll	Ileana Anca Ioan	Information available in the Annual Report 2019 (pages 11-12)
Remuneration Committee	Johann Strobl	Martin Grüll	Ileana Anca Ioan	
Executive Credit Committee	Hannes Mösenbacher	Peter Lennkh	-	
Supervisory Board Risk Committee	Hannes Mösenbacher	Johann Strobl	Peter Lennkh	

The Management Board ensures the managing of the Bank's current business and it consists of 7 members appointed by the Supervisory Board for mandates of up to 4 years, with the possibility of being re-appointed for additional time periods.

At 31.12.2019, the **Management Board** structure and the professional background of its members were:

Name	Steven van Groningen	James Daniel Stewart, Jr.	Vladimir Kalinov	Cristian Sporiş	Mircea Busuioceanu	Bogdan Popa	Mihail Ion
Position	President	Vice-president	Vice-president	Vice-president	Vice-president	Vice-president	Vice-president
Nationality	Dutch	American	Bulgarian	Romanian	Romanian	Romanian	Romanian
Professional background	Master in the Corporate Law, University of Leiden, The Netherlands	Graduate of Finances and International Relations, University Lehigh – Bethlehem, USA	Graduate of the Marketing and Management Institute, New Delhi, and of the Faculty of Commerce, University of New Delhi, India	Graduate of the Faculty of Finances, Insurance, Banks and Stock Exchanges, Bucharest Academy of Economic Studies, Romania	Graduate of the Executive MBA Program, University of Sheffield, and of the Faculty of Finances, Banks and Accounting, Bucharest Academy of Economic Studies, Romania	Master in Financial-Banking Management, "Alexandru Ioan Cuza" University of Iaşi, Romania	CFA, Ph.D. in Economics at the Academy of Economic Studies, Bucharest and graduate of the Faculty of Finance, Insurance, Banks and Stock Exchanges, Academy of Economic Studies, Bucharest

Management Board structure, by age and gender

	Bărbați	Femei	Total
<30 years of age	0	0	0
30-50 years of age	5	0	5
>50 years of age	2	0	2
Total	7	0	7

The Management Board set up a number of 9 committees, namely:

- Asset and Liabilities Committee
- Risk Committee
- Credit Committee
- Problem Loan Committee
- Private Individuals Credit Committee
- Project Portfolio Committee
- Rules and Procedures Committee
- Security Council
- Investment & Product Governance Committee

The Management Board has also delegated a series of competences as follows:

- ✓ To the Credit Committee – the implementation of credit policies within the limit of the competences granted and the administration of the credit risk;
- ✓ To the Risk Committee – the supervision of the implementation and observation of the "General Principles of Risk Management" in Raiffeisen Bank S.A., except for the liquidity risk and market risk (delegated to the Asset and Liabilities Committee) and the lending risk (delegated to the Credit Committee);
- ✓ To the Asset and Liabilities Committee – the management of the Bank's balance-sheet and the drawing up of the overall financial policy of Raiffeisen Bank S.A.; the monitoring and establishing of the limits for the liquidity risk and the market risk; the approval of the pricing strategy (interest rates, commissions and fees, taxes);
- ✓ To the Rules and Procedures Committee – the approval of the rules and procedures to be applied in the Bank.

The main roles, responsibilities and competencies of the Management Board, as well as those of each Committee can be found in the [Annual Report 2019](#) (pagea 12-15), available on the Bank's website.

Conflicts of interest within management structures

The applicable internal regulations require both the Management Board and the Supervisory Board of Raiffeisen Bank S.A. to declare any potential or actual conflict of interest.

Therefore, the Management Board members should declare to the Supervisory Board all personal interests significant for the transactions involving both the Bank and the Group companies, as well as any other conflicts of interest. They must also inform the other Management Board members. The Management Board members also filling in management positions within other companies should ensure a fair balance between the interests of the companies in question.

The Supervisory Board members should immediately report to the President of the Supervisory Board all potential conflicts of interest. In the event the President himself is faced with a conflict of interest, he should immediately report it to the Vice-president of the Supervisory Board.

Remuneration policy

The remuneration policies of the Bank are approved by the Supervisory Board, through the Remuneration Committee.

The principles of the compensation system within Raiffeisen Bank are explained in the [Annual Report 2019](#) (pages 15-16).

If an employee is paid a variable compensation, this is done for measured performance. Performance is translated into results and behavior: "what" and "how", according to the system of performance management. Therefore, all the variable compensation schemes are linked to the management of performance or a comparative system of setting the targets. Measuring the performance for employees holding control functions (e.g. risk, audit, compliance) reflects the specific requirements of the respective positions. Compensating the employees holding control functions is in accordance with the achievement of the objectives related to the respective functions and, in an independent manner, by the business areas they supervise, but in proportion with their role in the Bank.

In Raiffeisen Bank S.A., the recruitment policy for selecting the management structure members establishes the criteria and procedure according to which the compatibility of those proposed/appointed as members of the management body should be assessed, and the assessment criteria of those holding key roles, too.

The Fit & Proper Policy in Raiffeisen Bank S.A. establishes the applicable internal procedures and the criteria for assessing compatibility, in accordance with the local legal provisions (NBR Regulation no. 5/2013 on prudential requirements for the credit institutions, NBR Regulation no. 6/2008 on beginning the activity and changes in the situation of the credit institutions, Romanian legal entities and the Romanian branches of third parties' credit institutions).

The policy also defines the measures applicable in situations whereby those persons are not compatible with the positions in question and how permanent compatibility is ensured.

Organizational structure of the Bank

President President <ul style="list-style-type: none"> • Audit • Legal & Corporate Governance • Human Resources • Communication & Public Relations • Compliance • Digital Transformation & Innovation • Risk Prevention & Work Protection Team 	Financial Controlling & Accounting Vice-president <ul style="list-style-type: none"> • Accounting • Financial Controlling • Data Office • Business Intelligence Development • Information Management System Department 	Risk Vice-president <ul style="list-style-type: none"> • Non-Retail Credit Risk • Leasing Risk Department • Retail Risk • Credit Restructuring & Recovery • Group Risk Controlling and Portfolio Management • Risk Architecture, Advanced Analytics & Early Warning Signs • Collateral Department
Retail Banking Vice-president <ul style="list-style-type: none"> • Marketing • Cards & Digital Payments • Private Individual Customers • SME • Customer Experience & Alternative Sales • Retail Network • Retail Sales Management & Analytics • Friedrich Wilhelm Raiffeisen 	Corporate Banking Vice-president <ul style="list-style-type: none"> • Large Corporate • Regional Corporates and Public Sector • Transaction Services • Project and Corporate Structured Financing • Sales Management & Corporate Support Department 	Treasury & Markets Vice-president <ul style="list-style-type: none"> • Capital Markets • B/S & Portfolio Management • Economic and Sectorial Research • Financial Institutions & GSS • Investment Banking Department • Middle Office Department
Operations & IT • Vice-president <ul style="list-style-type: none"> • Project Management Office Department • Security Department • IT • Operations • Braşov Operational Center • Procurement Department • Logistics & Property Management Department 		



Business ethics and responsibility

Given that ethics and responsibilities are core elements of the way in which Raiffeisen Bank operates, we closely follow the rules and principles established through the Corporate Governance Code (CGC) of the Bucharest Stock Exchange.

At the same time, internally, policies, procedures, regulations set out in the Code of Conduct of Raiffeisen Bank International Group and in national and international legislation represent the foundation of our business model and guide our day to day activity.

The Bank's Code of Conduct (updated in January 2020) is fundamental to a corporate culture based on integrity. The Bank expects all employees to act responsibly, to avoid engaging in inadequate behavior, especially intentionally, breaching or asking others to neglect the Code of Conduct.

Employees are advised to express their concerns and promptly report any fraudulent attempts or possible infringements of laws and regulations to their managers. Any violation to the Code of Conduct can have severe consequences, including early termination of the labor contract.

Likewise, the company expects all suppliers and partners to respect the Code of Conduct or other norms, regulations and similar or identical standards.

All employees are encouraged to report any suspicions regarding anomalies observed in their day to day activity. As such, **two channels through which they can anonymously file complaints are available to them:**

Whistleblowing Hotline

Dedicated hotline, available to all employees, as a result of a partnership with Expolink, an independent company from the United Kingdom (0800.894.440).

📄 No complaints were filed in 2019 through this channel.

Whistleblowing E-mail

Dedicated e-mail address that can be accessed through the intranet.

📄 15 complaints were filed through this channel in 2019.

Conflicts of interest among employees

We strive to identify and avoid potential conflicts of interest and we have adopted a strict set of rules in this sense. Company employees must ensure that their own interests do not contravene with the responsibilities they have towards the Bank or with duties the Bank has towards their clients. As such, Raiffeisen Bank has a dedicated policy to identify, evaluate, manage, minimize and prevent actual and potential conflicts of interest among employees and their close family members.

📄 In 2019, the Bank recorded one complaint coming from its employees/partners regarding potential conflicts of interest within the company.

Following the complaint, the Bank undertook specific internal audits and took measures for managing and monitoring conflicts of interest according to the internal and legislative regulations (organizational changes, restricting tasks or giving up rights etc.).

Anti-corruption policy

The Bank is responsible for preventing and fighting corruption and bribery and has implemented an internal set of rules that follow the highest international standards. Raiffeisen Bank follows Romanian legislation in regard to fighting corruption, as well as standards imposed by Raiffeisen Bank International Group. Where there are differences between Romanian legislation and the Group's standards, Raiffeisen Bank applies the strictest.

Corruption and bribery can arise in multiple forms, including through offering and accepting direct or indirect payments, extraordinary gifts, sponsorships, preferential payments or facilitating access to certain services. Employees are authorized to only accept or offer gifts and invitations that are appropriate in certain circumstances, subject to limitations, approval and registration requirements defined in the internal Bank rules, but it is strictly forbidden to offer or accept monetary gifts or equivalent.

Acts of corruption committed by employees or partners with whom we have contractual relations are unacceptable.

Risks regarding corruption are closely monitored and evaluated by the Antifraud and Anti-corruption Department, responsible for elaborating, updating and implementing internal regulations with the purpose of eliminating those risks that are against the Bank's ethics standards:

- An anti-corruption policy implemented at company level, updated in March 2019
- A policy regarding management and preventing conflicts of interest, updated in September 2019
- A policy regarding conflicts of interest aimed at Management and Supervisory Boards members of Raiffeisen Bank S.A., updated in April 2019

The Antifraud and Anti-corruption Department monitors and evaluates corruption risks within the company, as well as external ones that can arise in relation with product and service suppliers and when sponsoring or making charitable acts.

📄 In 2019, all Bank employees were informed about the company's anti-corruption policies and procedures. As such, in 2019 there were no cases of corruption involving Raiffeisen Bank employees.

Hence, the Bank was not involved in any corruption incident that led to terminating labor contracts or disciplinary sanctioning employees and there were no public processes or court actions taken against the Bank on suspicion of corruption.



Know Your Customer

A special department that monitors if internal policies and procedures regarding fraud, bribery and corruption are respected operates within the Bank.

The "Know Your Customer" (KYC) process is particularly highlighted, being developed with the purpose of recognizing and verifying client identity and of combatting money laundering, potential acts of financing terrorism and manipulating the stock market

General data protection. Customer privacy

Complying with general data protection regulations is paramount to us, as we want our partner and client relations to be characterized by long-term trust and security.

Updated in 2018, the Bank's policy concerning the use of personal data and data confidentiality regulates all company procedures in this area and aims to inform clients, collaborators, employees, job applicants and those who visit Raiffeisen Bank websites about the way in which the Bank uses personal data.

The Bank named a Data Protection Officer (DPO), who oversees the enforcement of the legal framework concerning data protection and acts as a link between authorities and individuals targeted.

Raiffeisen Bank's policy regarding personal data protection is available [here](#). All Raiffeisen Bank employees are notified about their obligation of obeying internal procedures, especially those addressing data protection.

In 2019, the Bank responded to 860 requests to exercise customers' rights, notifications or complaints in regard to personal data protection. Likewise, 32 information requests coming from supervisory authorities were recorded.

Two corrective measures were applied as a result of non-compliance with regulations regarding general data protection: interrogating the Credit Office on the basis of the third parties' expressed consent (measure dissolved in court) and ensuring that the term for responding to requests initiated by individuals is respected.

In 2019, the National Supervisory Authority for the Processing of Personal Data sanctioned the Bank with a fine of €150,000, as a result of an incident caused by two employees who did not follow the Bank's security instructions and measures. The two employees, who are no longer working in the company, used the IDs of some individuals, sent by employees working at Vreau Credit S.R.L. via the mobile app WhatsApp, and undertook interrogations of the Credit Office to obtain the necessary data to determine the individuals' credit eligibility, through prescoring simulations. Raiffeisen Bank's internal audits detected the incident and immediately reported it, in accordance with internal procedures.

At the same time, the Bank received 16 warnings and 28 fines with a total value of 238,000 lei (the total value paid being 60,000 lei) for non-compliance with regulations regarding customer privacy.

Indicator	2018	2019
Total number of fines/warnings for non-compliance with regulations on the provision and use of financial products and services (National Authority for Consumer Protection)	21 fines	16 warnings 28 fines
Total number of fines/warnings for non-compliance with laws or regulations on processing customer data	7 fines	2 warnings 1 fines

In 2019, the Bank recorded a total number of 4,618 notifications/complaints regarding personal data protection coming from the National Authority for Consumer Protection (ANPC), the National Supervisory Authority for the Processing of Personal Data (ANSPDCP), the National Bank of Romania (BNR), the County Commissioners for Consumer Protection (CJPC), the Center for the Alternative Dispute Resolution in Banking (CSALB) or directly from clients, through the channels made available by the Bank. From all the notifications received, 3,084 were unfounded, being based on errors in clients' expectations.

	2018		2019		
	Number of complaints	Out of which unfounded	Number of complaints	Out of which partially founded*	Out of which unfounded
ANPC	3	2	4	-	4
ANSPDCP	183	57	16	-	16
BNR	4	3	-	-	-
CJPC	4	3	12	-	12
Client	4,993	3,005	4,563	696	3,032
CSALB	7	6	23	-	22
Total	5,194	3,076	4,618	696	3,084

* Since 2019, Raiffeisen Bank divides the complaints it receives into the following categories: founded, unfounded or partially founded. The "partially founded" category refers to those complaints received concerning situations where the Bank is not at fault, but the clients request that certain changes or updates to the services offered are made.

30 legal actions were pursued for non-compliance with legislation and/or regulations in the social and economic areas. Out of these, 21 are under appeal and 9 present final court decisions.

Other legal actions for non-compliance with laws and/or regulations in force	Total number of legal actions	Total number of finalized legal actions	Number of legal actions to be finalized by the end of the year
2018*	1,921	490	1,431
2019**	1,777	683	1,094

* Out of cases pending at the end of 2018 ("number of legal actions to be finalized"), 1,420 are cases involving consumers, Bank clients, having as object alleged abusive clauses in credit contracts, 77.96% being won for the year 2018.

** Out of cases pending at the end of 2019 ("number of legal actions to be finalized"), 1,074 are cases involving consumers, Bank clients, having as object alleged abusive clauses in credit contracts, 68.70% being won for the year 2019.

Risk management in the banking sector

The banking sector is a highly regulated domain, at national and local level, that is subject to numerous challenges and threats. Therefore, a responsible business model must be characterized by a strong risk management system.

At Raiffeisen Bank, the role of risk management is independent from its commercial aspect and focuses on managing and controlling the following risk categories: credit risk, market risk, liquidity risk, operational risk, reputational risk.

The Management Board is responsible with implementing and monitoring the risk management framework. For this purpose, the Asset and Liabilities Committee, the Credit Committee, the Problem Credit Committee and the Risk Committee were founded.

These report to the Management Board and are responsible for developing and monitoring policies concerning the Bank's risk management in the specified areas. Raiffeisen Bank's risk management policies are developed to identify and analyze the risks that the Bank is exposed to, to set appropriate risk and control limits and to monitor risks and compliance with the limits. The risk management system and policies are regularly reviewed, in order to reflect changes in the market and products and services offered.

Since January 2014, following the issuance and coming into force of the EU Directive and the Regulation regarding Basel III implementation, Raiffeisen Bank reports the Leverage Ratio, the Liquidity Cover Ratio and the Net Stable Funding Ratio to the National Bank of Romania (BNR). In 2014, the Bank also completed the implementation and reporting of the European Banking Authority (EBA) standards concerning forbearance and non-performing exposures. The NBR and EBA regulations on recovery and resolution are being applied by the Bank starting with 2015.

Starting with 2018, the Bank applies the International Financial Reporting Standards (IFRS) 9 requirements.

Anti-competitive behavior

As mentioned in the Bank's Code of Conduct, we strictly follow all laws and regulations in force in the competition area. We have undertaken the responsibility of promoting our products and services on open, competitive markets, hence we respect all rules concerning loyal competition and all norms governing market behavior at international level.

During the reporting period, there were no legal actions regarding anti-competitive behavior and breaches of monopoly laws where the Bank was identified as having participated.



Digital security

In order to fight cybercrime, the Bank has implemented solutions to protect its clients' (private individuals, SMEs and corporations) assets and transactions. The Bank strives to continuously adapt its security measures, so as to strengthen client protection against increasing data security threats.

2

Our commitment to sustainable development

- ↳ Awards
- ↳ Affiliations
- ↳ Our sustainability strategy.
Sustainable development principles
- ↳ Stakeholder engagement
- ↳ Performance indicators and topics:
materiality analysis

Awards

We believe that **competition drives innovation and performance**, so we are glad to see Raiffeisen Bank's activity being rewarded with awards and recognition.

In February 2019, **Euromoney Private Banking and Wealth Management** awarded Raiffeisen Bank Romania six distinctions:

- 🏆 Best International Clients services
- 🏆 Best Philanthropic Advice services
- 🏆 Best ESG/Social Impact Investing services
- 🏆 Best Asset Management Services
- 🏆 Best services for clients with assets between 1 and 5 million dollars
- 🏆 Best services for clients with assets between 5 and 30 million dollars

Also in February 2019, at the Stock Exchange Inauguration Gala, the company received the award for the

Most active brokerage company for shares on the Bucharest Stock Exchange in 2019

for having listed Purcari Winery, the first Moldavian company listed on the Bucharest Stock Exchange and the award for **Best performing private pension fund Tier III in the last 10 years**.

March brought us the

Award for retail product of the year 2019

received for "Flexicredit" during "Bank of the year" Mastercard Gala. At the same time, our colleague Irina Kubinski received the **Women who are changing Romania** trophy.

April brought us awards for

Best Bank and Best Investment Bank

at EMEA Finance's "Europe Banking Awards 2018", **Best Telesales Department, Internal, Best Collection Team Leader** for our colleague Mariana Radoslav at the "Romanian Contact Center Awards Gala 2019" and **Best performance in Mobile Banking** at the Online Banking Gala.

In May, we were

PR & Communication Executive of the Year

at the Business Arena "Most Admired Business Women" Gala, through our colleague Corina Vasile, for promoting the professional international association Global Women in PR.

In September, Raiffeisen Bank's financial education program Money Bistro was named **Best digital communication project** in the Finance category at the Digital Communication Awards in Berlin.

Also in September, we received the award for

Best Private Bank in Romania

from The Banker&PWN Magazine.

At the "Financial Leaders' Hall of Fame" Gala in October, we were awarded

Best Use of Technology in Banking

for digital transformation, strategic thinking and innovation in supplying cutting edge products and services, reflected in launching mobile payments – RaiPay and Apple Pay.

During the PR Awards Gala in November, we were awarded in the Website, Internet, Blog, Facebook, Instagram category for season one of Money Bistro, project that also brought us

Gold Award for Excellence - Communication in the Financial Sector

while the factory by Raiffeisen Bank project brought us the **Silver Award for Excellence** in the same category.

Also in November, the National Heritage Institute gave us the award for **Culture and Education Ambassador in the year 2019**.

2019 ended with the Financial Market Awards in December, where we received the title for

Bank of the year for start-ups

and the award for

Permanent support of the entrepreneurial sector in Romania

at the DeBizz Awards Gala.



Affiliations

In order to stay permanently connected to the best practices in the industry, the Bank is affiliated to the most important associations, councils and institutions:

Employers' associations

The Council of Banking Employers in Romania (CPBR), Employers' Confederation "Concordia" Confederația Patronală Concordia (CPC)

Professional associations

Romanian Association of Banks (RAB)
Romanian Association for Electronic Payments (APERRO)
Romanian Factoring Association (ARF)
International Factoring Group

Business associations

The Coalition for the Development of Romania
Foreign Investors Council (FIC)
German Economic Club Braşov Association (DWK)

Chambers of commerce

American Chamber of Commerce in Romania (AmCham)
Chamber of Commerce Switzerland – Romania
German-Romanian Chamber of Commerce (AHK)
Netherlands-Romanian Chamber of Commerce (NRCC)
The Chamber of Commerce and Industry Romania (CCIR)

Others

Aspen Institute Romania (ASPEN)
Junior Achievement Romania
Romania Green Building Council (RoGBC)

Likewise, through the Group's affiliation to the United Nations Global Compact (UNGC) Network, we have committed to obeying and promoting the 10 UNGC principles:

Human rights

PRINCIPLE 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

PRINCIPLE 2:

Businesses should make sure that they are not complicit in human rights abuses.

Labor

PRINCIPLE 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

PRINCIPLE 4:

Businesses should uphold the elimination of all forms of forced and compulsory labor.

PRINCIPLE 5:

Businesses should uphold the effective abolition of child labor.

PRINCIPLE 6:

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Environment

PRINCIPLE 7:

Businesses should support a precautionary approach to environmental challenges.

PRINCIPLE 8:

Businesses should undertake initiatives to promote greater environmental responsibility.

PRINCIPLE 9:

Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

PRINCIPLE 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

Our sustainability strategy.

Sustainable development principles

We have been present in Romania for over 26 years and our journey to the performance and reputation we enjoy today was guided by sustainable development, permanently showing us how to act. Sustainability means going beyond simply complying with legislation in force and within our operations, it translates through **long-term responsibility, transparency, ethics, being fair to our partners and caring for the environment.**



Our sustainability strategy is based on three pillars, deeply rooted in the Bank's organizational culture: **we are a responsible banker, a fair partner și an active corporate citizen.**

We focus on areas where we can generate value and create change, constantly monitoring our activity and impact. Since 2009, we annually publish and transparently communicate our sustainability results and performance, aiming to improve the process every year. Therefore, the decisions we make are based on thoroughly researched and monitored aspects, that offer us a real-time overview of our activity and its related impacts.



Sustainable Development Goals

The banking sector plays a vital role in mobilizing financial resources that contribute to building and sustainably developing Romanian society.

Through the nature of our activity, we have undertaken the responsibility of supporting and contributing to the implementation of the 17 Sustainable Development Goals (SDGs) launched by the United Nations Organization, coming into force on January 1st, 2016. The main goals for the company were established taking into consideration the areas where the Bank's operations and projects can significantly contribute to meeting the targets, while also looking at the relation between the goal and the Bank's activity.

For a detailed overview of the Bank's contribution to each of the 17 goals, the goals and targets the Bank contributes to through its initiatives, measures and implemented projects are documented at the end of the report.



Stakeholder engagement

The Bank's activity is built upon meeting the needs, interests and expectations of our stakeholders. Open, transparent and constant communication helps us permanently improve and adapt, building strong partnerships that contribute to the Bank's performance.

The Bank uses a wide range of channels and tools to stay connected to its stakeholders.

In 2019, in collaboration with a top supplier, we implemented through a pilot program the operational platform **Customer Experience PULS**, capable of delivering a centralized perspective of our customer portfolio in real time.

The platform provides a starting point for improving the quality of products and services offered, based on customer needs and feedback, the main objective being an overall better customer experience for them. By the end of 2019 we sent 138,000 invitations for completing the surveys and collected 10,500 feedbacks from the customers of the 68 units, relationship managers and direct sales agents involved in the pilot, having a response rate of 14%.



Stakeholder category	Key topics and concerns	How we respond and engage	Communication channels
Employees	<ul style="list-style-type: none"> Benefits Personal and professional development Work environment Occupational health and safety Organizational culture and values Diversity and equal opportunity Policies and procedures 	<ul style="list-style-type: none"> Continuing the "Your Voice" program and increasing employee contribution to management decisions Ensuring training opportunities and benefits Continue conducting the annual Employee Opinion Survey (EOS) Increasing number of females in management roles Personal and professional training and development programs Promoting volunteering 	<ul style="list-style-type: none"> Regular opinion surveys Regular informative communications Internal communication campaigns Internal communication platform Internal events
Clients Private individual clients, SMEs, Corporations	<ul style="list-style-type: none"> Convenience and ease of transactions Personal data confidentiality Business ethics Maintaining the safety of savings Responsible investments Security Ease of doing business Transparency Financial profitability Social profile of the Bank 	<ul style="list-style-type: none"> Contacting 10,000 clients monthly to receive feedback on their level of satisfaction regarding employees and services provided Offering innovative products and online services Complying with laws and regulations The Code of Conduct Positive financial results Position documents 	<ul style="list-style-type: none"> Direct communication through Relationship Managers Feedback surveys Email Annual financial report Annual sustainability report Events

Stakeholder category	Key topics and concerns	How we respond and engage	Communication channels
Service providers and suppliers IT, non-IT and lease service providers	Trustworthy partner Synergies Transparency Making payments in a timely manner Quality Environmentally friendly approach	Strengthening communication Commitment to ensure supplier diversity and further development of the supply chain in line with the best sustainability practices Suppliers' commitment to the Code of Conduct Cooperating with local suppliers Supporting local suppliers Inclusion of causes regarding national environmental protection legislation in all contracts	Email Telephone Annual financial report Annual sustainability report
Business partners	Transparency Synergies Sustainable management Procurement policy	Positioning as close as possible to partners and customers Personalized advice Dedicated contact points	Annual financial report Annual sustainability report
Community partners and NGOs	Addressing social issues Demonstrating continuous support Synergies Sponsorships Investing in education	Collaborating for corporate social responsibility Establishing strategic partnerships to address social issues Being a leader in community engagement efforts Actively financing and participating in all community initiatives Joint initiatives and partnerships Maintaining support for small and medium NGOs through the Raiffeisen Communities program	Direct communication through Raiffeisen Bank's CSR Coordinator Events Annual sustainability report

Stakeholder category	Key topics and concerns	How we respond and engage	Communication channels
Local community	Citizen wellbeing Financial education of citizens Demonstrating solid community support Raising awareness of environmental challenges Solving social issues Provision of jobs Community support	Funding and participating in community finance projects Regularly organizing meetings, consultations and surveys Taking on the role of facilitator Supporting urban ecology projects Continuing to support local community projects through the Raiffeisen Communities program (www.raiffeisencomunitati.ro) Financial support for community projects Supporting community projects through volunteering	Annual financial report Annual sustainability report Direct communication through Raiffeisen Bank's CSR Coordinator Events and training courses dedicated to civil society partners
Supranational organizations	Transparency Raising community awareness The public profile of the Bank and of its staff Complying with national and international legislation Financial and non-financial performance	Creating partnerships and fostering permanent dialogue Complying with regulations and legislation in force Annual financial report Open communication Permanent dialogue	Annual reporting Annual financial report Annual sustainability report
Authorities and supervisory authorities	Complying with national and international laws Sustainable growth Financial and non-financial performance	Supporting the national economy Equal employment opportunities Human capital investments Complying with national legislation Public policies and legislative proposals	Regular Management Board reporting Annual financial report Annual sustainability report

Stakeholder category	Key topics and concerns	How we respond and engage	Communication channels
Mass-media and bloggers	Timely and transparent information Communication channels Permanent communication Access to information	Press releases regarding news about financial products and services Emails and meetings with press representatives Dissemination of news Public relations Sustainability report Public consultation	Regular press releases Media events Direct communication through the Public Relations department
Shareholders	Financial return and performance Capital and leverage	Transparent financial performance Annual financial report General Shareholders' Meeting. Dedicated department Website Public statements	Annual financial report General Shareholders' Meeting. Dedicated department Website Public statements
Business and professional associations	Active participation in the national agenda	Open communication Active members	Direct involvement in the actions of business and professional associations Events Direct communication with Raiffeisen Bank's team



Besides the communication channels available to our clients, through which they can contact the Bank as needed, the company also contacts a significant number of clients monthly in order to monitor their perception and satisfaction degree regarding the services they receive.

No.	Survey name	Customer segment	Indicator	Results	2018	2019
1	The day after call	Private individual clients	Overall satisfaction with the Bank's employees	very satisfied or extremely satisfied	68.68%	68.75%
2		SMEs			68.89%	71.47%
3	The week after call	Private individual clients	Satisfaction with complaint management		39.42%	37.79%
4		SMEs			47.29%	40.09%
5		Private individual clients			46	53
6	Net Promoter Score	SMEs	Intent to recommend the Bank		44 (Small enterprises) 39 (Medium enterprises)	42
7		Corporations			59	46

Performance indicators and topics: materiality analysis

The Bank conducts an extensive materiality process every two years. Its purpose is to identify those topics that are significant (material) to the Bank, highlighted by evaluating the economic, social and environmental impact generated by our activities and the topics of interest that influence our stakeholders' decisions.

This report is based on the results of the process undertaken between January and February 2019, that involved two distinct phases: an internal phase – consultation of the management team and an external phase – consultation of all Bank's stakeholder categories, through a survey.

The survey resulted in 3,079 valid answers. The methodology implied the use of an online questionnaire, developed in collaboration with a team of consultants from The CSR Agency.

The main stakeholder categories consulted were:

- Employees
- Customers (SMEs, Private individual clients, Corporations)
- Suppliers, service providers and business partners
- Community partners and NGOs
- Supranational organizations
- Authorities and supervisory authorities
- Mass-media and bloggers
- Business and professional associations

The material topics revealed were prioritized and grouped into four categories:

Corporate governance and economic performance:

anti-competitive behavior, anti-corruption, stakeholder engagement, public policy, management and leadership, innovation, market presence, economic performance, indirect economic impact

Workplace. Society:

human rights assessment, employment, non-discrimination, labor/management relations, training and education, occupational health and safety, employment, diversity and equal opportunity, volunteering and community investments, local communities

Responsible financing:

socio-economic compliance, security, responsible products and services, customer data privacy, marketing and labeling, procurement practices

Environmental protection:

waste, energy, emissions, materials



Material topics matrix



Corporate governance and economic performance

- 1. Anti-competitive behavior
- 2. Anti-corruption
- 3. Stakeholder engagement
- 4. Public policy
- 5. Management and leadership
- 6. Innovation
- 7. Market presence
- 8. Economic performance
- 9. Indirect economic impact



Responsible finance

- 10. Socio-economic performance
- 11. Digital security
- 12. Responsible products and services
- 13. Customer data privacy
- 14. Marketing and labeling
- 15. Procurement practices



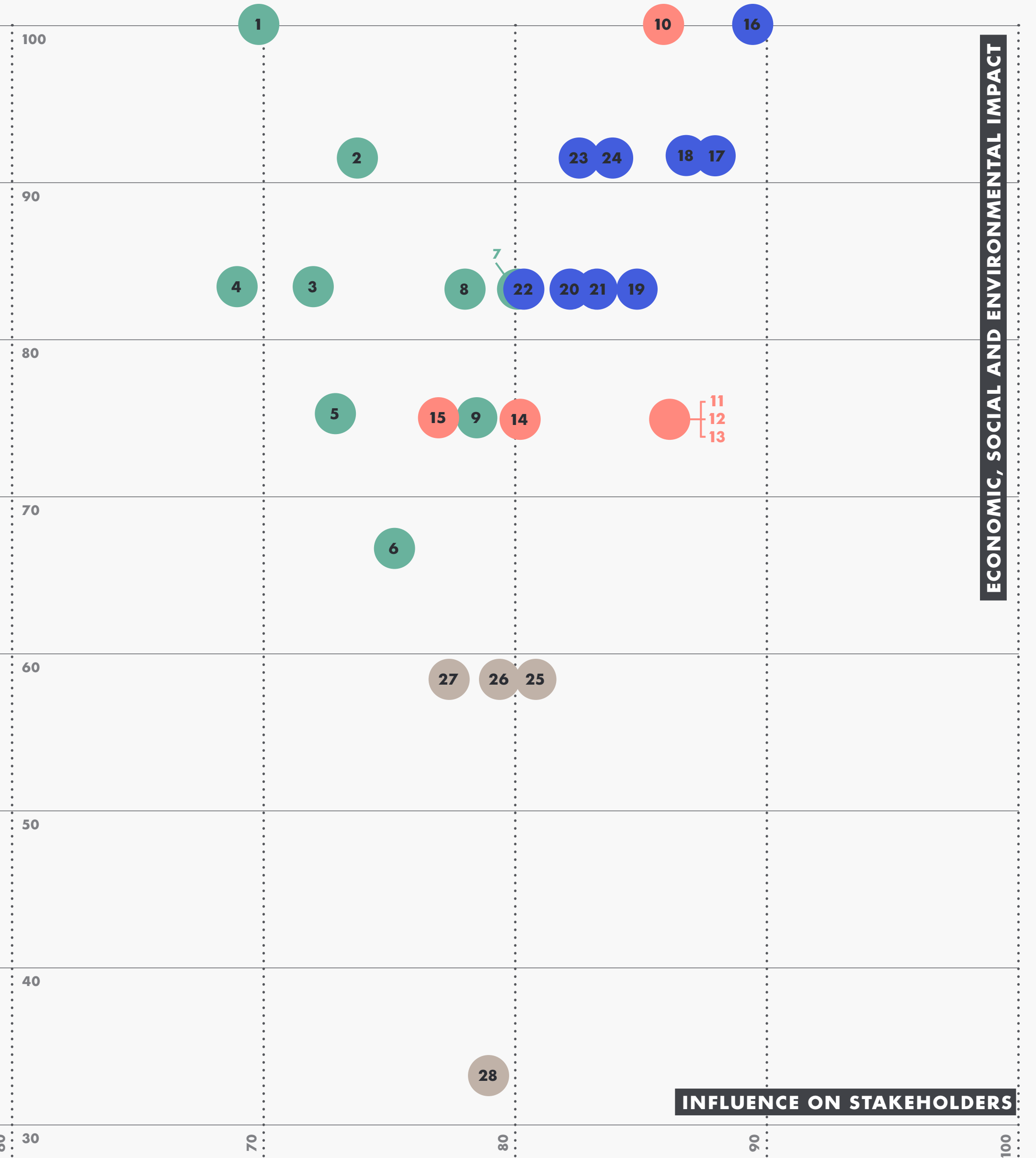
Workplace. Society

- 16. Human rights assessment
- 17. Non-discrimination
- 18. Labor/management relations
- 19. Training and education
- 20. Occupational health and safety
- 21. Employment
- 22. Diversity and equal opportunity
- 23. Volunteering and community investments
- 24. Local communities



Environment

- 25. Waste
- 26. Energy
- 27. Emissions
- 28. Materials



ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACT

INFLUENCE ON STAKEHOLDERS

Material topics boundaries

no.	MATERIAL TOPIC	TOPIC BOUNDARY		STAKEHOLDERS											
		direct impact*	indirect impact**	Customers	Employees	Suppliers and service providers	Business partners	Community partners and NGOs	Local community	Supranational organizations	Authorities and supervisory authorities	Business and professional associations	Mass-media and bloggers	Shareholders	
Corporate governance and economic performance															
1	Anti-competitive behavior	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
2	Anti-corruption	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
3	Stakeholder engagement	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
4	Public policies	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
5	Management and leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
6	Innovation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
7	Market presence	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
8	Economic performance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
9	Indirect economic impact	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Responsible financing															
10	Socio-economic compliance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
11	Digital security	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
12	Responsible products and services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
13	Customer data privacy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
14	Marketing and labeling	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
15	Procurement practice	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	

Workplace. Society														
16	Human rights assessment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
17	Non-discrimination	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
18	Labor-management relations	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
19	Training and education	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
20	Occupational health and safety	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
21	Employment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
22	Diversity and equal opportunity	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
23	Volunteering and community investment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
24	Local communities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Environment														
25	Waste	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
26	Energy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
27	Emissions	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
28	Materials	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

* direct impact resulting from the Bank's activities
 ** indirect impact resulting from contractual relations with partners, clients and suppliers

Our commitment to responsible banking

- ↪ Our clients
- ↪ Digitalization for sustainable growth
- ↪ Partnerships and programs for our clients
- ↪ Responsibility through financial products and services

We know that in order to generate long-term value we must have a holistic approach, being mindful of the economic impact resulting from our activity, while also considering the social and environmental impacts.

This is how we define “responsible banking”, something that implies fostering long-term relations, avoiding social and environmental risks and using the opportunities of improving environmental policies and social standards.

The first step towards developing a solid sustainability policy that helps align our company to this goal is being aware of the size and direction of our impact. Considering our activity and the economic value we bring to the market, the positive effects we have on the local economy are clearly visible. We believe that such significant market power comes with great responsibility. Part of it is choosing to finance innovative projects which include sustainability aspects over those that do not meet this criterion. We take responsibility for the direct impact we have on the environment, climate, as well as on social topics, such as health and human rights. Given our position, we are able to contribute to improving local quality of life and to educating the consumer so that they can make better choices, including regarding their finances.

As we are aware of potential risks that can affect our clients, we approve loans in a responsible manner, being careful not to over-indebt our customers. We also strive to help those that encounter challenges when they ask for our help.

Likewise, we pay close attention to opportunities that can arise, and we consider sustainability itself to be an opportunity for us, for our clients and for other Bank stakeholders.



Our clients



In 2019 we continued to work closely with our clients, while bringing them a series of solutions aimed at making banking services easier to use, adding numerous new products and additional benefits to our offer.

Retail: Private individual clients

In 2019, in the retail banking segment, for private individual clients:

- we included the benefit of taking out cash without any fees from any ATM belonging to any bank in Romania for **ZERO Simплу Package** clients
- we launched **new Mobile and Internet Banking apps**, as well as some for making payment using a telephone or smartwatch
- we launched **Smart Hour**, an option that enables clients to exchange money using the BNR exchange rate
- we launched a promotional campaign dedicated to new deposits, through which private individual clients received competitive interest rates of up to 2% per year for newly opened 6-month term deposit and up to 2.75% per year for 12-month term deposits
 - ↳ hence, **the portfolio of volumes in RON attracted increased by 11%** compared to the end of 2018
- personal loans were granted exclusively with fixed interest
- the volumes of **Casa Ta** mortgage loans granted in 2019 increased by **32%** compared to 2018
- we continued our mission of **providing credit products responsibly**, as quickly and easy as possible, with visible results:
 - 6% more personal loans approved on the spot compared to the previous year
 - >60% of them being approved through automated flows
- since February, **Raiffeisen Bank clients can contract a personal loan 100% online**
- we maintained our **leading position on the Romanian credit card market** with over 500,000 active cards in our portfolio, presenting a 6% increase compared to the previous year

Retail: Banking for SMEs

Based on the characteristics of the Romanian market, the Small and Medium-sized Enterprises segment at Raiffeisen Bank comprises SMEs with private capital and an annual turnover, at group level, of up to 5 million euros (categorized further into Micro – turnover < 1,000,000 euros, Small and Medium – turnover < 5,000,000 euros), including Liberal Professions, according to their membership in various professional associations and orders.

Therefore, in 2019:

- we continued optimizing current account packages, by including unlimited RON receipts and unlimited electronic RON intra-bank payments
- the range of freely included benefits extended with foreign currency payments and debit instruments transactions, besides the access to the main digital challenges and the most usual banking transactions and services
- financing solutions remained a critical need for SME clients, and the Bank continued to support them, loan portfolio growing by 4.2%, up to approximately 480.4 million euros as of December 2018
- we continued developing the online platform **factory** by Raiffeisen Bank, dedicated to the entrepreneurial culture and start-ups
- we continued international partnerships in order to provide our clients access to funding through flexible collateral alternatives

Raiffeisen Bank and the European Investment Fund (EIF) continued their collaboration, first started in 2010, by carrying on the most recent agreements, signed in 2017, totaling more than half a billion euros (equivalent). The two programs mentioned are the **“EU program for the Competitiveness of Small and Medium-sized Enterprises”** (COSME) and the **“EU SME Competitiveness Program”** (SME Initiative – SMEi). Both initiatives aim to improve access to funding through flexible collateral alternatives for SMEs, 4,700 having benefited from these programs by the end of 2019.

The third EIF program carried out by Raiffeisen Bank in 2019 represents a 30 million euros new financing and guaranteeing agreement for long or medium-term working capital and investments purposes, with subsidized interest rates and costs, addressed to farmers and entrepreneurs in rural areas. The new program focuses on stimulating agricultural investments in equipment and machinery, but also on the broader development of the rural and mountain areas, reaching over 120 beneficiaries in 2019.

We want to approach our clients in a personalized manner, based on each company, its profile and dimension, as well as its transaction and financing needs. We are constantly adapting our products and services to customer demands, based on a permanently updated behavioral model aimed at understanding our clients' needs and expectations.

Private Banking

Friedrich Wilhelm Raiffeisen (FWR) is Raiffeisen Bank Romania's Private Banking division, addressing clients with significant assets. **In 2019, for the third consecutive year, the Bank's Private Banking services were named “Best Private Banking services in Romania” by three of the most prestigious international financial publications**

Premium clients

In 2019, we continued consolidating our Premium clients portfolio, leading to a record increase of more than 17% in the number of clients, compared to 2018.

Detailed information about the results of the Corporate and Retail Banking divisions can be found in the [Annual Report 2019](#) , available on our website (pages 54-60).

Corporate banking

In 2019, the Corporate Banking Division pursued its strategy to ensure the long-term viability of the partnerships with ecosystems formed around key accounts customers.

The Large Corporate segment focused on delivering personalized customer development programs, structured on industry expertise developed over the past working years. The maturity of our business relationships allowed us to actively engage in the most relevant transactions in the market, irrespective of the structure complexity.

Focusing on regional customer coverage, the Mid Market segment continued its efforts to develop the business community by encouraging collaboration and best practice sharing. Based on the experience gained in the previous year, Raiffeisen **Catalizator** platform continued in 2019 and received appraisal from our partners, who participated in large numbers to the event. In partnership with Ziarul Financiar, our Mid Market segment experts organized the “Romanian Brand” event, encouraging the development of local entrepreneurs through the adoption of the most modern business models (such as sustainability).

The ongoing partnerships with institutional investors (EIB, EIF, EBRD) had a significant role in the growth effort, especially in the Mid Market segment.

2019 was a good year also in terms of the syndicated market, with transactions in different economic sectors. Benefiting from the Group's guidance and investing in esteemed training programs, the Bank succeeded in having different roles in the transactions.

Digitalization for sustainable growth

The digital era we are living is defined by people's ability to access and deliver information at any time, without restrictions. The technologic advances and the speed at which change happens have led to new types of needs amongst our clients: access to fast, constantly available services, personalized experiences and secure transactions.

This has driven us to invest in solutions that meet our clients' needs, so that they can benefit from a wide range of channels through which they can access and use the Banks' products and services.



Therefore, in 2019 we launched new Mobile and Internet Banking apps: **the new Smart Mobile** and **the new Raiffeisen Online**.

With a user-friendly, intuitive design, the new applications provide all account and card information at a glance, offer a simplified payment flow and a better control over the user's card. Another addition is the Raiffeisen SmartToken, the smartphone app that enables clients to log into the new programs 100% online. These are developed in-house by the Raiffeisen Bank IT team and makes introducing different functionalities quicker possible.

In 2019, the number of digital clients was close to 700,000 (with over 33% higher than in 2018) and over 450,000 are already using the new platforms. By the end of 2019, 1 out of 2 digital clients were making at least one transaction in the Online and Mobile Banking applications.

RaiPay, Apple Pay and Garmin Pay

In 2019, Raiffeisen Bank introduced in its portfolio three contactless payments apps for telephones and smartwatches, that include zero interest installments.

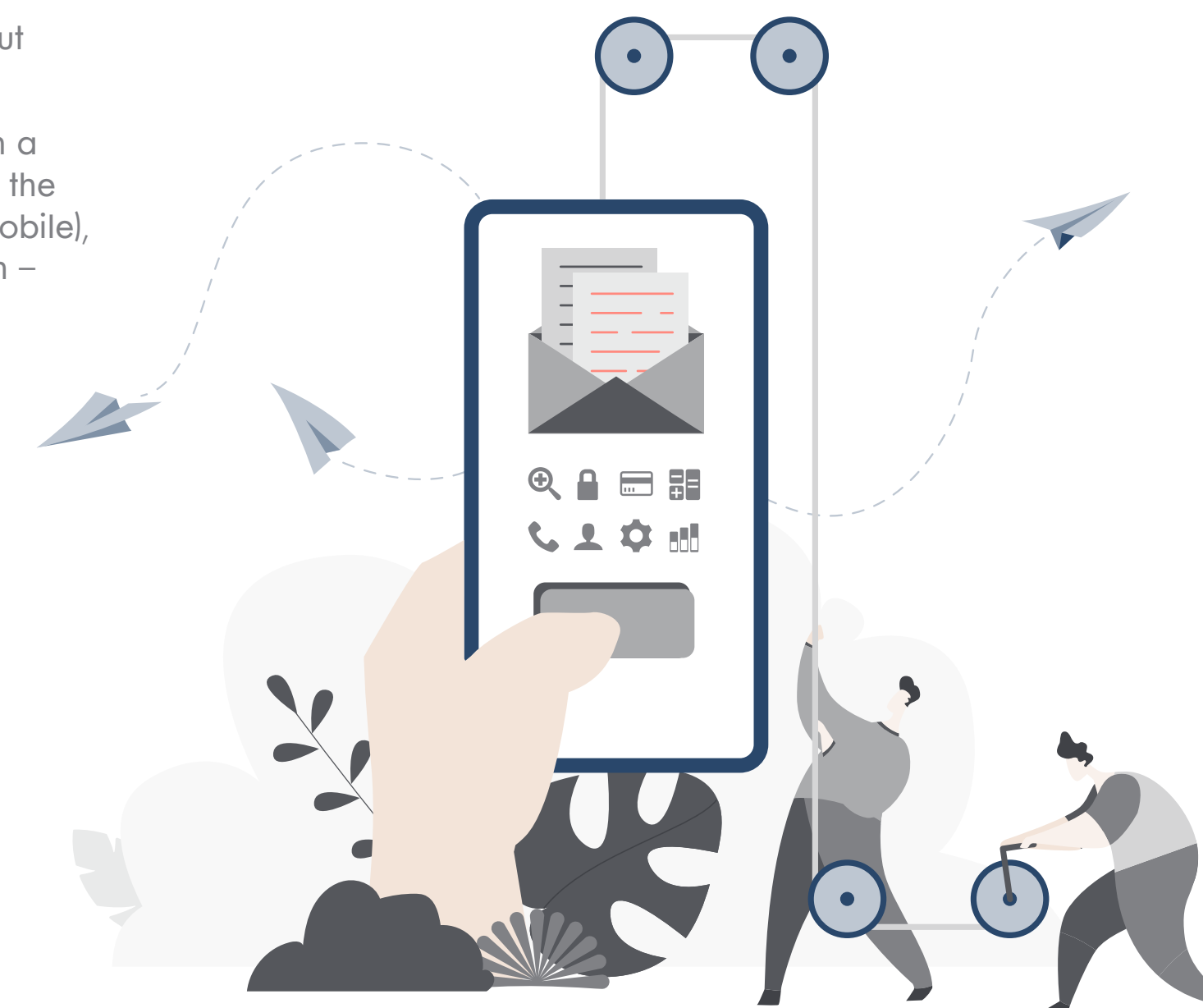
RaiPay is the payment app for phones using an Android operating system that enables customers to make safe, quick, contactless payments by placing their smartphone near the POS. Designed as a digital wallet, RaiPay allows users, private individual clients or companies, to add more Raiffeisen Bank cards.

Since 2019, Raiffeisen Bank cards can also be added in **Apple Pay**, the payment app for iPhone and Apple Watch. Payments are authorized through Face ID (facial recognition), Touch ID (fingerprint recognition) or by simply entering the password of the device.

The end of the year brought the launch of **Garmin Pay**, the payment app for Garmin watches, used by active clients in particular, the devices enabling payments to be made without needing physical cards.

SME clients benefit from the same digital experience through a wide range of alternative channels aiding them in accessing the Bank's products and services: mobile phone/tablet (Smart Mobile), Internet (Raiffeisen Online) or the distance interaction solution – Interactive Voice Response through the Call center.

The digital solutions such as Raiffeisen Online and Smart Mobile continue to be their priority, offering them a simple, comfortable user experience. This is the reason why the Bank focused on financial education and migrating to alternative channels from the very beginning, when customers open their accounts. These applications aim to improve user experience, ensure the availability of services anytime, anywhere, offering the lowest banking costs. The number of electronic transactions reached 94% of the total in 2019.



Partnerships and programs for clients

We want to be a role model for our clients, a bridge connecting their goals and the responsible business model and sustainable growth we wish to witness in many of our partners.

That is why in 2019 we continued the programs dedicated to Romanian entrepreneurs and launched new initiatives for private individual clients.

Catalizator 2019

Events dedicated to Mid Market clients

Take place twice a year, in each of Raiffeisen Bank's regional centers:

- Iași
- Timișoara
- Pitești
- Cluj
- Brașov
- Constanța
- București

14 events
7 regions
970 participants
100 workshop hours

Average satisfaction rate was >90%,
 qualitative client feedback being very good

Topics addressed in 2019:

local and global analysis of the business sector
 business game - gamification of the business world (**Oligopoly** platform)



Cereal Expert

Event dedicated to Corporate clients from the agricultural sector:

- farmers
- local and international actors who trade or process grains
- suppliers (inputs, equipment, agricultural machinery)
- consultants specializing in European funds
- financial and non-financial institutions
- independent auditors
- institutional organisms (ministry and agencies, embassies, professional and patronal associations)

In 2019, the theme of the event was

"Irrigation management and agricultural performance"

↳ **180 participants**

In 2019, Raiffeisen Cereal Expert conferences have undergone regional expansion (Iași and Oradea)

3 conferences took place in 2019:

- Bucharest • February 13, 2019
- Iași • October 30, 2019
- Oradea • November 21, 2019





factory by Raiffeisen Bank

factory by Raiffeisen Bank is a program aimed at **financing start-ups with up to €50,000/project**, that takes place online, on the www.raiffeisenfactory.ro platform and **targets small and medium enterprises with a short operating history or those that have a business idea but have yet to found their company.**

The second edition took place in 2019.

Results 2019:

315 projects submitted
127 entrepreneurs interviewed
83 start-ups financed for a total of
€3M

Through this initiative, Raiffeisen Bank encourages the establishment and development of start-ups with innovative ideas and solid business plans, while the selected entrepreneurs benefit from guidance after the content ends, so that their businesses become sustainable.

The second edition of the **factory by Raiffeisen Bank** program has registered record numbers regarding participants, as well as grants provided by Raiffeisen Bank.

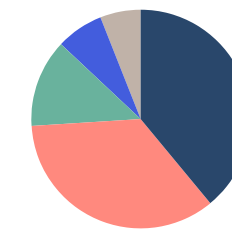
2018 vs. 2019

no. of grants: **27 / 83**
 no. of interviews: **51 / 127**
 projects submitted: **84 / 315**
 accounts created: **908 / 2,645**

Compared to the first edition, the **factory by Raiffeisen Bank** program attracted projects that operate in a variety of sectors in 2019.

winning sectors:

39% services
 35% production
 13% IT&C
 7% education
 6% others

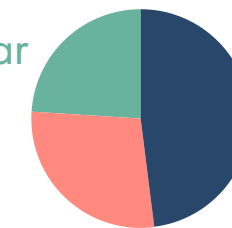


Most of the business submitted in this year's competition come from the following regions: Bucharest-Ilfov, South-East of Romania and Central Romania.

West: 3
 North-West: 9
 Central: 11
 East-Central: 10
 South: 5
 South-East: 13
 Bucharest and Ilfov: 32

In 2019, the majority of winners (76%) had their businesses on the market for less than 2 years.

48% under 1 year
 28% 1-2 years
 24% 2-5 years



Elevator Lab

Launched in June 2017, Elevator Lab is a start-up accelerator program organized by the Raiffeisen Bank International Group (RBI) offering participants potential access to 14 markets in Central and Eastern Europe (CEE).

287 start-ups applied to the program in 2019

The solutions developed by the applicants focused on the following areas:

a third on retail banking
17% on banking solutions for SMEs
12% on RegTech
12% on platforms dedicated to corporations and institutions
9% of participants concentrated on analytical data and artificial intelligence

Elevator Lab Bootcamp Romania, the entrepreneurial education program for fintech entrepreneurs, took place **between May 17 and June 12**. It was organized by Raiffeisen Bank, in partnership with TechHub Bucharest.

Finplay, a start-up that developed a financial education application, and **Vestinda**, a fintech that developed a marketplace for investment management, were selected to continue the training started during the Elevator Lab Bootcamp at the "Digital Entrepreneurship Summer Program 2019", for 2 weeks, in Vienna.

New tech solutions for SME clients

In 2019, **Raiffeisen Bank partnered with company Keez in order to facilitate SME client access to new technological solutions for online accounting services.** Raiffeisen Bank aims to not only support entrepreneurs through favorable products and services, but also through offering access to innovative non-banking services and products, as it currently does.

Keez is a Romanian start-up offering full online accounting services through the digital platform www.keez.ro and the **“Mobile Keez”** app, available for Android and iOS. The online platform developed by Keez is unique in Romania and provides full accounting services, through a team of expert accountants, certified “CECCAR” (Body of Expert and Licensed Accountants of Romania). Keez platform was launched in 2018 and is being used by over 500 clients in the whole country.

A novel benefit of the Keez platform that users highly appreciate is the possibility of uploading relevant documents (receipts, invoices etc.) by scanning them using a mobile phone. Hence, the entire registration process is quick, efficient and safe thanks to multiple automations.

Ana, the virtual consultant

In June 2019 we also launched Ana, Raiffeisen Bank’s virtual consultant, a digital solution that provides clients with non-stop access to information and support. **Based on AI technology – Interactive Voice Response – Natural Language Understanding, interacting with the virtual operator provides quick access to the Bank’s services and products.** The virtual consultant can be contacted 24/7 by dialing *2000 or +0421 306 3002.

Ana can help Raiffeisen Bank clients with a variety of requests regarding their cards and accounts:

Consult credit or debit card balance

Unblock Raiffeisen Online, Smart Mobile or Electronic Statement user

Block and request credit or debit card

Credit or debit card mini-statement

Enable credit card

Current or savings account balance

Current or savings account mini-statement

Deposit or credit account information

A detailed presentation of the what Ana, the virtual consultant, is able to do can be found [here](#) 🖱️.

Open banking

In the past few years, we have intensified the process of digital transformation and making transactions easy to complete. **We are constantly investing in new technologies in order to build a secure and flexible IT infrastructure, while focusing on improving the working model.** Therefore, in 2019 we launched the Open Banking portal, platform developed with the help of Raiffeisen Bank International that allows authorized companies to integrate the Bank’s systems in a secure environment. The purpose is to offer Raiffeisen Bank clients information concerning their accounts anytime, anywhere, on the basis of their consent.

The platform was developed in alignment with the provisions introduced by the Delegated Regulation (EU) 2018/389 supplementing the EU Directive 2015/2366 of the European Parliament and Council regarding technical regulatory standards for the strict authentication of clients and open, common and secure communication standards (“Delegated regulation”).

Money Bistro

The online platform dedicated to financial education Money Bistro was launched by Raiffeisen Bank at the end of 2018. **Episodes in which economists, chefs or gastronomy enthusiasts, journalists, bloggers and entrepreneurs share experiences and advice for a healthy financial life** are available. On MoneyBistro.ro 🖱️, users can access articles and video infographics meant to explain “how money is best served”.

In 2019, within this platform, we launched the **“Financial Health Index”**, a tool designed to help Romanians measure their financial health.

We also **declared June the “Month of financial health”** and made the index available for those interested, as well as a series of recommendations meant to aid their monthly budget planning, so that they can have control over their spending.

All information and resources are available at: MoneyBistro.ro 🖱️.





Responsibility through products and services

We have a great responsibility towards the clients we finance and the communities they serve. We are aware of both our impact and the important role the banking sector has in the sustainable development of Romania.

We have committed to financing responsibly, therefore the Bank performs a thorough analysis on every application it receives. Therefore, the Bank has implemented a policy regarding social and environmental risk management in 2014. The policy applies to all sectors and is used to evaluate potential legal person clients.

The risk level is divided into three categories (low, medium and high). The main criteria refer to risks regarding environmental protection (environmental protection, health and safety) and social (social and occupational) risks associated with financing a project (loan/investment) and the evaluation includes: domain of activity, loan term, loan size and collateral guarantees offered. The social and environmental risks evaluation process is implemented through working instructions integrated in the process of crediting legal persons.

Likewise, through its crediting policy, the Bank clearly defines those domains and activities it will not willingly, directly or indirectly finance. These include:

- the production and trade of any forbidden or illegal product in the host countries
 - production or sale of products containing polychlorinated biphenyls – PCBs
 - nationally or internationally banned pharmaceutical products or pesticides
 - ozone-depleting substances
 - wild animal trade or products regulated by the Convention on International Trade in Endangered Species of Wild Fauna and Flora
 - cross-border trade of waste banned by legislation
- marine fishing using nets measuring more than 2.5 km in length
- transporting petrol or other hazardous products without follow legislative regulations
- trade without import/export authorizations
- arms and munitions production or trade
- alcoholic beverages production or trade (excluding beer and wine)
- tobacco production or trade
- gambling, casinos or similar entities
- radioactive materials production or trade
- operations involving exploitation, forced or child labor
- operations involving exploiting humid tropical forests or the production and trade of wood or other forest products that are not the result of sustainable forestry

Financing sustainable projects in 2019



€89.9M

granted for sustainable construction projects

38%

of Raiffeisen Bank International's green buildings portfolio is located in Romania

● **project name** € amount granted ▶ certification

● **The Bridge III**

€ €5M

▶ LEED Gold

The third and last phase of The Bridge project is designed taking into consideration the latest worldwide trends for green buildings. The tenants will benefit from major reduction of maintenance costs due to the investment in performing systems, which reduce electrical and heating energy costs.

The building is pre-certified LEED (Leadership in Energy and Environmental Design) Gold, the final certification being expected upon project completion, in 2020.

The total financing amount is 30 million euros, granted by both Raiffeisen Bank International and Raiffeisen Bank Romania.

● **Take Work – ISHO**

Phase II

€ €19.5M

▶ BREEAM Excellent

The second phase of ISHO Office project in Timișoara is part of a brand new centrally located neighborhood developed by Mulberry Development which at completion will comprise a mix of residential, office and retail space.

The office component is a 3-phase new generation office building including best available technology and specifications. It offers expansion possibilities to tenants and shows care for the working environment.

● **Afi Palace Brașov**

€ €30.8M

▶ LEED Gold


A loan (part of a 67 million euro club loan Raiffeisen Bank International – Raiffeisen Bank Romania) was granted for the construction of a new mixed-use project AFI Palace Brașov in Brașov city, close to the city center. Upon completion, the Project will have total gross leasable area of approximately 59,000 m² (there of: 44,000 m² for the shopping mall and around 15,000 m² GLA high-rise Class A office space with multi-deck parking (around 1,500 for the mall and around 130 for the office). Both structures (retail and office) will be developed at same time, while estimated completion date is set for 2020. The Project will obtain LEED Shell and Core certifications for both the shopping mall and the office.

Likewise, in 2019, the Bank refinanced a series of investments for **an office building, a retail store and a logistics center** with a total surface of 62,000 m².

Casa Ta Verde housing credit

It was designed for clients who wish to purchase an energy-efficient home. Developed in partnership with the Romanian Green Building Council, the product provides clients with different advantages when purchasing a certified property.

Solutions for clients in financial difficulty

Besides the financial education programs the Bank develops for its clients, it also provides them with **Relevant Tips** , on a dedicated section of the website, where they are encouraged and advised to pay close attention when planning their budgets and to always set SMART (specific, measurable, achievable, relevant and timely) goals.

However, for clients who end up in financial difficulty or in vulnerable positions, the Bank provides a series of tools meant to support them.

Amongst these, the following solutions can be found: temporarily lowering the interest rate and the principal for 3 to 5 years, permanently reducing the credit cost, partial removal of the principal on the basis of previous behavior proving timely payments (after a period of time, subject to the restructuring offer) or partial removal of the principal when restructuring, delaying the payment term and consolidation terms.

Since 2010, the Bank offers its clients the possibility of delaying monthly payments for up to three months during the loan period, in exchange for a three-month loan extension. This option is stipulated in the contract and enables clients finding themselves in exceptional, personal, short-term (1-2 months) situations to overcome these challenges by simply submitting a request with the Bank. For clients in situations generating long-term impact, such as death or serious health issues, the Bank pays close attention to designing supporting solutions.

Similarly, the Bank promotes amicable collection options, restructuring solutions or partial liquidation, in order to avoid enforcement.

The measures taken prior to proceeding to forced execution are:

- amicably recovering of debts, through phone calls, text messages, letters, home visits of the Bank's specialized teams or collection agencies;
- credit restructuring offer;
- offer for partial liquidation of debt for unguaranteed credits or for credits guaranteed through voluntarily selling the guarantee.

The criteria taken into consideration when solving social cases include:

- death of the debtor or of their spouse;
- major health issues;
- unemployment;
- reduced income under the national minimum wage limit;
- properties damaged by accidents that are not covered by insurance.

The Bank aims to avoid forced execution as much as possible. Even in the case of proceeding to forced execution, the Bank also continues to offer amicable debt recovery solutions, such as: voluntarily selling the guarantee with a reduction of the remaining amount or by repositioning in the chart. These options are provided in order to avoid forced execution and the additional costs that the client must endure.

Financial inclusion

Access to basic financial products and services is a crucial aspect of the economy, especially for people coming from vulnerable or disadvantaged communities: it enables citizens to access the necessary tools to manage their financial resources, contributing to eradicating poverty and inequalities. Indirectly, financial inclusion does not only bring benefits to individuals, but is paramount to economic growth and the sustainable development of communities.

At the same time, **financial inclusion can be found in 8 of the 17 Sustainable Development Goals (SDGs)**, through mobilizing resources for investments that can stimulate and accelerate sustainable development.

 <p>1 NO POVERTY</p>	<p>poverty eradication</p>	 <p>2 ZERO HUNGER</p>	<p>eradicating hunger and promoting sustainable agriculture</p>	 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>health and well-being</p>
 <p>5 GENDER EQUALITY</p>	<p>gender equality and women's empowerment</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>decent work and economic growth</p>	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>industry, innovation and infrastructure</p>
 <p>10 REDUCED INEQUALITIES</p>	<p>reduced inequalities</p>	 <p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>partnerships for the goals</p>		

Our commitment to the team

4

- ↳ Workplace
- ↳ Diversity and equal opportunity
- ↳ Professional development and performance management
- ↳ Occupational health and safety

Our employees are the engine behind the continuous development of the company. Therefore, **maintaining a positive work environment that promotes collaboration, creativity and entrepreneurship** is an integral part of our strategy.

These values imply addressing certain sustainability aspects and look to form experts, through **trainings, modern working methods and entrepreneurship**. We are glad to contribute to society, creating stable jobs.



We are responsible for our employees and we see both their mental and physical health as priorities. We want Raiffeisen Bank Romania employees to be satisfied and motivated, their impact expanding well beyond the limits of our company, covering their families, as well as the society.

Likewise, we generate impact on society through our policies and practices regarding diversity and equal opportunity. We think that our differences represent opportunities and bring value to the company.

Work environment

With a team comprised of 4,800 employees, we are amongst the most popular employers in the Romanian banking system. In 2019 we won

Most pleasant atmosphere

and

Best Training Offer,

in the **“Most wanted employers”** study, undertaken by Catalyst Solutions. We firmly believe in the power of mutual respect and collaboration, so we built our organizational culture on a series of strong values that help us better ourselves every day.

Our values:

We think long-term

With an extensive tradition in the banking system, we know that success takes time and that our employees' performance is the key stabilizing the entire Raiffeisen Bank team.

We are the best “Banking University”

Our employees are permanently motivated and supported in developing their skills. As such, we provide them with a clear career plan, in a company that remains stable, no matter the economic context, a company that values and rewards dedication, performance and a results-oriented thinking.

We are a team

We support our employees to harmoniously balance professional performance and personal development and we encourage them to respect their family, take care of their health and have fun, while always being an inspiration for those around them through their achievements.

We believe in integrity and respect

Our relationships are defined by respect, we are honest, open and fair with one another, always striving to remain objective in any interaction. We are aware that in such a large team, people have different ideas, opinions and experiences, so we make sure to always listen to those around us and to carry ourselves with kindness and consideration.

We are always close to our clients

We owe our performance to a team that dedicate themselves to their clients, striving to always offer them the best solutions, catered to their needs.



We closely follow national legislation, international standards and principles concerning fundamental human rights: the European Convention on Human Rights and the Universal Declaration of Human Rights.

In 2019, there were no incidents regarding human rights violations, notices or complaints concerning forced labor, exploitation or freedom of association infringements recorded amongst employees.

Human rights aspects are communicated to all Bank employees when they become members of the Raiffeisen Bank team, being included in the **Induction Training**.



In 2019, the Bank's team was comprised of **4,888 employees** and **351 agencies**.

Women represent 74.9% of all employees, while the average age within the company is 37 years old.

All employees benefit from the provisions of the collective agreement, indifferent of their working hours.

Employees, by working hours	2019		
	Men	Women	Total
Full-time	1,193	3,591	4,784
Part time (from 1 h – 7 h)	34	70	104
Total employees	1,227	3,661	4,888

Employees, by employment contract	2019			
	Head offices		Network/Agencies	
	Men	Women	Men	Women
Permanent	599	1,276	489	2,026
Fixed-term	87	143	52	216
Total employees	686	1,419	541	2,242

Numărul de angajați în sedii centrale	2019	
	Number	% of total no. of employees in head offices
Sky Tower	522	24.8%
Office Building	1,046	49.7%
Brașov Operational Center	538	25.5%

Employee turnover

Employee turnover was 24% in 2019, compared to 18.84% in 2018. When calculating employee turnover rates, employees who left the company involuntarily, as a result of closing agencies, were also included. Therefore, analyzing only the number of employees who voluntarily left in 2019 compared to the number of employees who voluntarily left in 2018, we observe that employee turnover rate is similar to the previous year (around 18-19%, slightly decreasing in 2019).

Category	2019			
	New employees		Employees who left the company	
	No.	%	No.	%
Gender				
Women	655	13.5%	855	17.6%
Men	315	6.5%	311	6.4%
Total	970	20%	1,166	24%
Age groups				
<30 years old	583	12%	422	9%
30-50 years old	369	8%	597	12%
>50 years old	18	0%	147	3%
Total	970	20%	1,166	24%
Working points				
Head offices	518	11%	446	9%
Network/Agencies	452	9%	720	15%
Total	970	20%	1,166	24%



Diversity and equal opportunity

We are responsible for the well-being of our employees, hence we have committed to develop a safe and fair working environment for the entire team, one that is based on diversity and equal opportunities.

In 2018 we signed the **Diversity Charter**, a set of general principles, voluntarily adopted by the company, aiming to promote **diversity, non-discrimination, inclusion** and **equal opportunity** in the workplace.

In December 2019, we assigned a **Diversity & Inclusion Officer**. The new Diversity & Inclusion Officer is responsible for developing new diversity and inclusion policies, procedures and programs within the company, so as to ensure an inclusive work environment, centered around open dialogue and equal opportunity.

In 2019, women held 55.34% of the top management positions (B1 and B2) within the Bank, slightly decreasing compared to the previous year (56.88%).

Employees, by age and role within the company	2019				2019			
	Men		Women		Men		Women	
	<30	30-50	>50	Total	<30	30-50	>50	Total
B-1*	0	19	3	22	0	9	12	21
B-2**	0	40	9	49	1	57	9	67
Other management positions	10	131	18	159	13	236	89	338
Specialists	322	571	104	997	888	1,877	470	3,235
Total	332	761	134	1,227	902	2,179	580	3,661

* Board-1 represents the first management level, after top-management/Management Board

** Board-2 represents the second management level, after top-management/Management Board

We support diversity and strongly believe that every citizen has the right to make use of their professional skills. In 2019, there were 25 people with disabilities working in the bank.

No. of employees with disabilities, by category	2017		2018		2019	
	Men	Women	Men	Women	Men	Women
Specialists	5	12	4	14	12	13

Non-discrimination

Raiffeisen Bank Romania has a zero-tolerance approach regarding discrimination. All employees benefit from equal opportunities, regardless of gender, nationality, age, family status, language, religion, political views, disability or sexual orientation. Recruiting, hiring and promoting employees within the company is based solely on criteria pertaining to the employee's competencies and performance.

At the same time, in September 2019 we performed a survey regarding the work environment within Raiffeisen Bank Romania, aimed at receiving employee feedback on topics such as discrimination and harassment in the workplace.

Likewise, we also received employee opinion on work-life balance, as well as on initiatives related to the work environment and employee well-being. The most important suggestions were related to ensuring a flexible working schedule and providing opportunities to work from home or remotely, measures already implemented at organizational level for those roles that allow it.

In 2019, there was a complaint coming from an employee, who considered herself to be discriminated. An employee who retired in compliance with legislation, at the age of 62, invoked discrimination in relation to the difference of the retirement age between men (65 years old) and women and asked to continue her professional activity until the age of 65.

The case was solved following the changes in legislation (Labor Code, art. 56, letter c) which was modified and now states the following: c) at the moment of the cumulative fulfillment of the standard age conditions and of the minimum retirement contribution or, exceptionally, for the woman employed who opts in writing to continue the execution of the individual labor contract, within 60 calendar days preceding the fulfillment of the standard age and the minimum retirement contribution for pension, at the age of 65).

The measures taken allowed the employee to return to the role she held prior to the incident.

Remuneration system

Within Raiffeisen Bank Romania, the Supervisory Board, through the Remuneration Committee, is in charge of approving the remuneration system.

Raiffeisen Bank Romania's remuneration system is governed by ten principles that refer to measures implemented to avoid conflict of interest, ensure competitive, sustainable and reasonable compensation, defined in accordance with the market's conditions and performance-based compensation, amongst others.

Value of average salary, compared to the salary at national level	2017		2018		2019	
	average employee salary compared to average wage (%)	average employee salary compared to minimum wage (%)	average employee salary compared to average wage (%)	average employee salary compared to minimum wage (%)	average employee salary compared to average wage (%)	average employee salary compared to minimum wage (%)
Average employee salary	192	355	147	361	149	370
Average junior employee salary: Bucharest	177	326	204	500	123	304
Average junior employee salary: outside Bucharest	96	177	107	261	131	326

Benefits

The Bank offers its employees the same benefits, regardless of working hours or contract type. These are regulated by the Remuneration Policy and the Collective Labor Agreement between the Raiffeisen Bank Romania Union and the Bank's management.

Value of the benefits package as % of the salary	2018			2019		
	Specialists	Management	Top Management	Specialists	Management	Top Management
	6.3	3.3	1.1	6.3	3.3	1.1

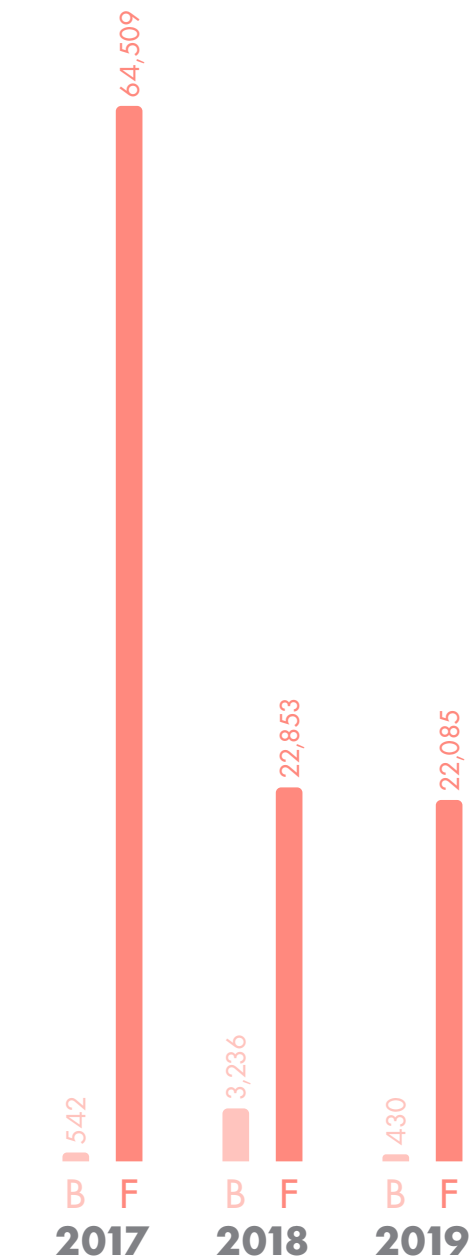


Maternity and paternity leave

In 2019, 426 employees requested and received maternity (420 women) and paternity (6 men) leave.

Parental leave	2017		2018		2019	
	Men	Women	Men	Women	Men	Women
Total number of days taken*	542	64,509	3,236	22,853	430	22,085
No. of employees with right to parental leave	58	591	10	616	48	586
No. of employees who took parental leave	4	254	3	437	6	420
No. of employees who returned to work after parental leave**	4	157	4	136	0	158
No. of employees who returned to work after parental leave and were still employed 12 months after their return	1	115	3	95	0	134
Return to work rate	100%	61.81%	100%	31.12%	0%	84%
Retention	25%	73.25%	75%	69.85%	0%	85%

* No. of parental leave taken in 2019 by those who started the leave this year
 ** No. of employees who started parental leave (in 2019 and in previous years) and returned to work in 2018



Total number of days taken



Professional development and performance management

Professional development. Employee programs

Employee training and development has always been and remains one of our organization's concerns and one of our human resources strategic directions. Through the development programs offered to our employees, we aim to directly contribute to individual, team and organizational performance.

In 2019, we continued launching development programs inspired by the organizational strategy, in alignment with our organizational culture, aimed at strengthening employees' functional and leadership skills, as well as at increasing their level of engagement. The programs addressed all employees in the business segment and support areas, in order to improve the professional abilities of the entire Raiffeisen Bank team. The learning and development tools and channels available to our employees are varied: technical training, skills development transversal programs, certifications, conferences and workshops. When developing and delivering these programs we always aim to contribute to the employees' training and learning process, offering qualitative content and using modern methods. The programs were applied to internal specialists, as well as to external suppliers.

We also continued optimizing support methods and technologies: **experiential learning, interactive platforms, blended learning concepts** and **gamification**.

Regarding our agency network, the training program for new employees continued, being specifically adapted to each agency's activity. The program introduces employees to the company's activity, products, operations, credits, client relations and it involves multiple learning methods, being adapted to the current business context and to the latest trends and technologies. Moreover, we have revised and expanded the curricula addressed to employees in the agency network and have personalized it according to each agency role. For employees operating in head offices, we continued to develop their professional and leadership skills.

Likewise, we continued offering internships for 300 students, both within the head offices and agencies.

Average no. of professional training hours/employee, by category	2017		2018		2019	
	Men	Women	Men	Women	Men	Women
B-1*	46	73	63.56	76.36	35.82	61.62
B-2**	49	40	68.08	68.91	42	37.67
Other management positions	33	30	33.58	30.60	28.24	27.15
Specialists	38	34	39.82	36.75	32.89	33.30
Total	38	34	40.28	36.87	32.70	32.97

* Board-1 represents the first management level, after top-management/Management Board

** Board-2 represents the second management level, after top-management/Management Board

Examples of professional training sessions provided, by topic (h)	2019
Leadershift	2,520
Pro Active & Fit	2,896
Process Communication Mode	2,304
Induction	1,904
Operational Discipline	2,920
Basic Sales Skills	10,048
Total no. of hours	22,592

Raiffeisen Management Trainee

Management Trainee is **a program with a history** at Raiffeisen Bank, the first edition taking place in 2003. The program's mission is to integrate young people that show potential within the organization, so that they can quickly grow to take leading roles in the head office.

The program involves a complex learning process that puts emphasis on adaptability and on quickly absorbing information, the participants rotating through multiple Departments/Areas of interest within the Bank. The aim is for them to gain an overview of how the Bank operates so that they establish themselves in their preferred area, suitable to their acquired skillset, developed during the learning phases of the Management Trainee.

The recruiting process that follows has also become a tradition and it includes phases undertaken by all colleagues who have joined us since 2003 until now. These include: phone interview, personality test, interview with an HR representative, essay on a topic chosen by the Bank's President and lastly, interview with the Board Members, where the essay is also discussed.

The topic of 2019 was **Fake news – threat or opportunity for the banking system**. The 2019 edition brought together 10 young enthusiasts interested in areas such as Risk, Treasury, PR, Procurement, Legal and Project Management. They were selected from 180 applicants, following 78 interviews, as part of the recruitment and selection process.

Value League (Liga Valorilor)

The internal rewarding and appreciation program **Value League** continued in 2019, aiming to build **a culture where valuable people are recognized**: specialists, authentically client-oriented performers, people that prove commitment, team spirit and alignment with the Bank's values.

Following the colleagues' nominations and validation from the Value League Committee, **320 awards** were offered to those who stood out through their behavior. Like every year, the program ended with the Grand prize: a customer experience course at the École Hôtelière de Lausanne in Switzerland, the most prestigious hospitality university in the world.

In 2019, **44 colleagues** were named most valuable out of all employees awarded during the year. The selection was done by a Committee comprised of the project's coordinators and initiators, including Hub Directors.

Leadershift

In 2019, the First Time Manager program, aimed at colleagues who take over leadership positions was redesigned into a leadership program, **Leadershift**, addressed to all managers – both new ones and existing ones who had not previously gone through a leadership module.

The program offers managers the necessary tools to support the development of the people they work with and of the teams they lead.

Raiffeisen Step IN

In 2019 we also started redesigning the onboarding process. The Raiffeisen Step IN project arose from the organization's need to transform and adapt the existing onboarding program to the integration and learning needs of the Bank's new employees.

Within the Raiffeisen **Step IN** program, we defined and standardized the onboarding process by creating Guides/Checklists aiming to facilitate the integration of new employees with the support of their Direct Manager, the allocated area HR Business Partner and the allocated Buddy.

Likewise, we aimed at aligning, modifying and updating procedures, processes and flows in the Bank's HR, IT and Business areas in order to automate them and make them more efficient.

Raiffeisen Banking University

We continued the **Raiffeisen Banking University**, a unique program for employee development, where we identify and officially reward the Bank's own experts in the most diverse areas of banking activity.

We identified colleagues who, as a result of their past experience, can develop and deliver trainings for other colleagues interested in professionally evolving and can share highly-applicable practical experience.

In 2019, **46 lectors** actively participated in the Banking University program and **1,050 colleagues** participated in the **160 sessions** organized.

Eva, the virtual assistant

An innovative initiative in 2019 was creating and launching a Chatbot-like solution for HR, that involved a team effort between the HR, IT and Communication teams.

Eva is a virtual assistant that can answer employee questions regarding HR and is available 24/7 for support.

She covers **over 120 topics** that are continuously expanding, so as to quickly support employees with as much information as possible concerning areas of interest for them.

RStyle

At the same time, Raiffeisen Bank continued and developed the well-being program RStyle, aimed at encouraging employees in maintaining work-life balance.

The program, launched 6 years ago, was based on two pillars in 2019: **RBody** and **EmotionR**. Each year, it attracts a growing number of participants in the workshops and events taking place during the year centered around a diverse range of topics: sports, nutrition, health, personal development, parenting.

200 RStyle events took place in 2019, where **7,570 colleagues** participated, out of which **3,925 were unique participants**.

IT programs

We organized **4 Bootcamps** in 2019: 3 in the IT area and one in the IT Security area. Through the 4 academies, **36 students** joined our organization in their respective roles within each department. The internships lasted **6 months** and the young participants had a “buddy” allocated in each area. The Human Resources Division closely monitored their development through feedback sessions between managers/buddies and trainees, organized after a month and after 3 months, leading to a higher success rate.

★ Coder Academy

A program different to traditional trainee programs. The new colleagues went through a series of training courses and specific workshops, organized based on a curriculum, in collaboration with an external partner. Upon completion of the training, participants had their knowledge tested and consequently commenced their activity in the IT Division.

★ IT Ops Academy

Program targeting 2 key IT areas: testing and solution management.

★ IT Siebel Academy

Niche bootcamp dedicated to the Bank’s CRM area.

★ IT Security Academy

A pilot program for a niche area: IT security.

program	applicants	interviews	finalists
Coder Academy	350	37	14
IT Ops Academy	136	29	11
Siebel CRM Academy	98	18	7
IT Security Academy	60	15	4



WorkFromHome

The WorkFromHome Program is also available within the Bank and it applies to all areas where it is possible, considering the role and data security.

Remote work comes as a response to the economic and demographic current reality, in an ever-evolving dynamic job market, it aids work-life balance for employees, resulting in better engagement, optimizing time management, reducing time spent in traffic when commuting and demonstrates care for the community and the environment, reducing pollution and congestion, lowering unemployment rates, especially those regarding certain social categories (for example, people with disabilities).

Performance management

The professional performance policy describes the principles, approach, degrees and importance of values. The structure of the goals was built taking into consideration the company's strategy and goals, as well as the Balanced ScoreCard pillars. The professional development policy addresses the principles, lateral moves and promotion types and the use of applications to identify guiding career routes for each position.

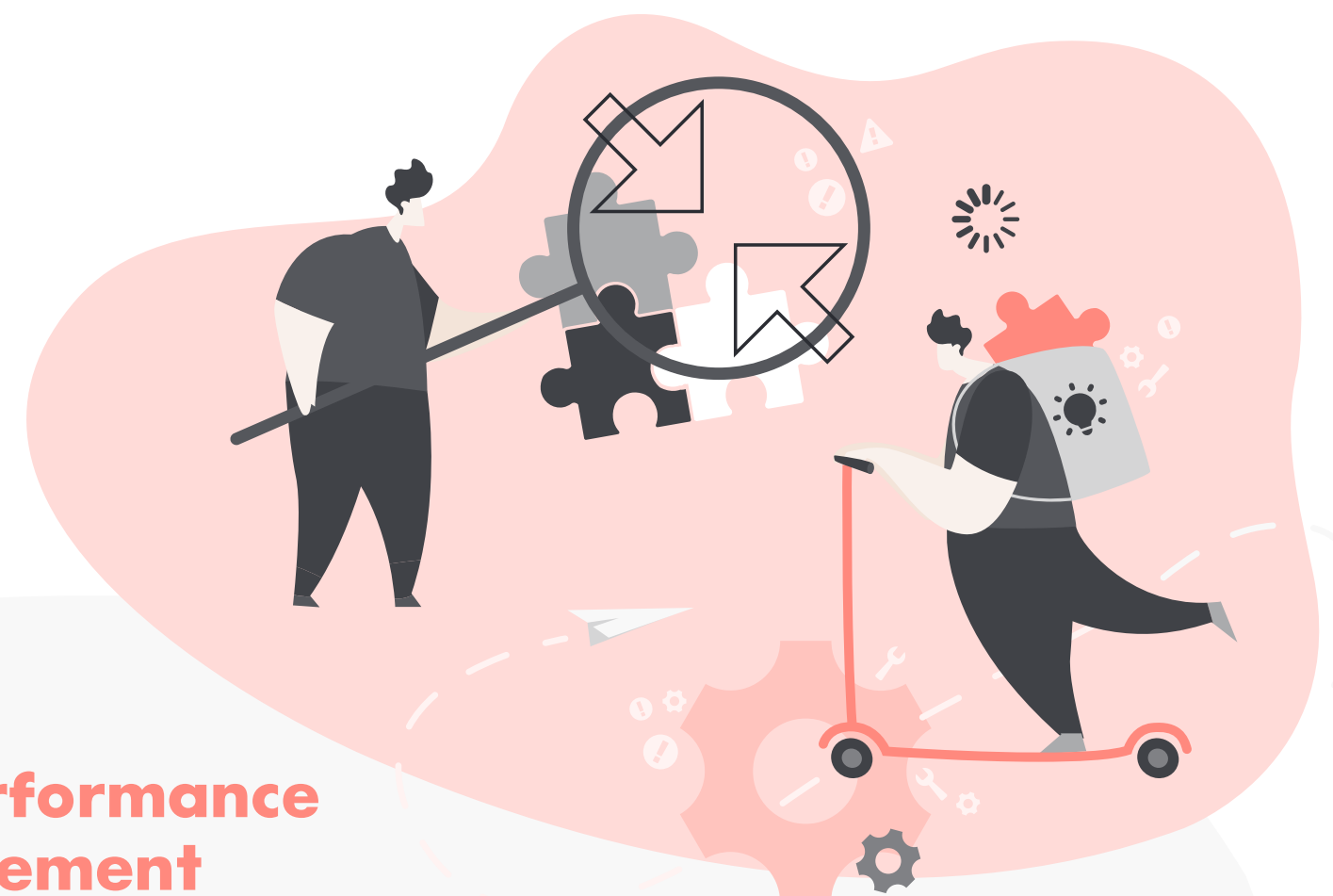
We encourage open dialogue and permanent communication between managers and their teams. Annually, each employee goes through a performance evaluation and management process, in the form of a conversation between the employee and its direct manager.

In 2019, the first version of the new career management platform, **iGrow**, was launched. This involved revising and updating potential career routes for all roles within the Bank.

Performance evaluation and career development plan	Men		Women	
	No.	%	No.	%
B-1*	22	100%	21	100%
B-2**	49	100%	67	100%
Other management positions	159	100%	338	100%
Specialists	997	100%	3,235	100%
Total	1,227	100%	3,661	100%

* Board-1 represents the first management level, after top-management/Management Board

** Board-2 represents the second management level, after top-management/Management Board



The performance management process:



Communicating with employees

Besides traditional channels available to colleagues for communicating suggestions or complaints, the Bank annually conducts employee surveys.

Employee Opinion Survey - EOS

At the end of 2019, the Bank undertook a new edition of the annual study for identifying the level of commitment and efficiency, EOS, in collaboration with a company approved at Group level. This time, the process took place through a platform that can be accessed directly and that allows and admin to manage the study. In addition to standard questions, approved at Group level, the study also included additional questions, a section specifically created to measure perception regarding leadership traits for all management levels.

A significant response rate was recorded this year, 79% of all Bank employees responding.

The result was really good, recording a 5% increase compared to the previous year (reaching the target of 58% set for this year).

Internal Collaboration Satisfaction Survey – ICSS

The Internal Collaboration Satisfaction Survey undertaken throughout the year in collaboration with our traditional partner for this project, IPSOS Romania, aims to gather information necessary for kicking off concrete actions to improve employee satisfaction regarding internal collaboration, in order to reach performance, while also increasing external client satisfaction through our services.

The survey was conducted towards the end of the year and had a satisfactory response rate, with 61% of employees included in the sample evaluating entities they frequently interact with.



Occupational health and safety

Our employees' occupational health and safety are important to us, therefore we take all necessary measures. Through the Internal Prevention and Protection Service, the Bank elaborates the policy concerning the prevention of work accidents and occupational diseases informs employees about it through induction, as well as regular training.

Other methods used by the company to manage aspects regarding occupational health are regular medical consultation and the quarterly **Occupational Health and Safety Committee** meetings that focus on activities meant to improve occupational health and safety.

The Health and Safety Committee is comprised of 7 employee representatives, 7 employer representatives, 2 occupational physicians and the Occupational Prevention and Protection Collective.

The company identifies risks regarding work-related injuries and ill health through its risk evaluation and control processes.

Through regular, mandatory trainings on the e-Learning platform, employees are informed about the importance of notifying us about any hazardous event or incident, by sending an e-mail at: protectia.muncii@raiffeisen.ro. Likewise, employees are informed that, in the event of a work-related accident, they must not alter the state of the event unless necessary, in order to limit the effects of the event.

All employees must carry out their activity in a way that does not expose them to hazards of injuries or occupational diseases. Employees are also required to assimilate the occupational health and safety measures and to inform their superior of any damages to the working equipment they use in their professional activity, at the end of the working day. Employees are strictly forbidden to intervene in fixing the damages, cleaning or inspecting technical equipment while in use or connected to a power source.

When a hazard is observed, the employee is trained and informed to closely respect the following steps:

- | | |
|--|--|
| 1. turn off the equipment and/or halt the activity | 2. evacuate the personnel from the danger zone |
| 3. notify specialized services | 4. notify superiors |

In 2019, the Bank did not record any occupational accidents or diseases as a result of the working activity.



Our commitment to long-term partnerships

↳ Our suppliers

↳ Community investments

Our suppliers and the procurement policy

Procurement policy

The acquisition of products and services within the Bank is regulated through the company's procurement policy. There were no significant changes to the location of the supply chain or to the relation they have with the Bank in 2019.

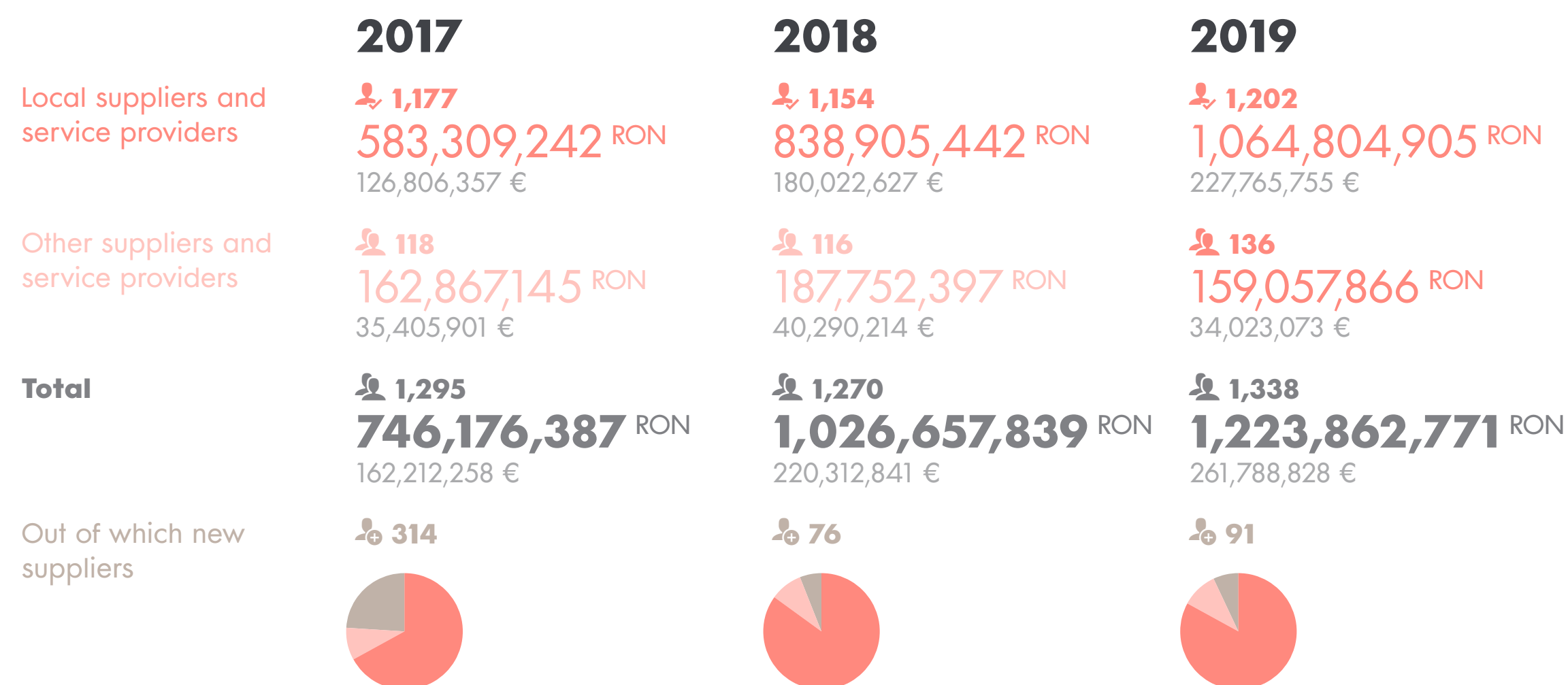
During the reporting period, the Bank had 1,338 (local and international) suppliers, divided into three categories: IT, Non-IT and Rental Services Providers.

For the first two categories (IT and Non-IT), products and services suppliers are selected according to the products and services procurement Procedure that exists at Raiffeisen Bank, in compliance with the Group's Procurement Policy.

The selection of Rental Services Providers is done in compliance with the procedure referring to rental services and utilities acquisitions.

The Bank does not evaluate suppliers using environmental or social criteria. However, a clause regarding the obligation of paying environmental taxes and complying with existing legislation is included in all supplier contracts. Moreover, all suppliers must comply with the Bank's Code of Conduct.

87% of the Bank's procurement budget was directed to local suppliers, representing 90% of all suppliers



Curs Mediu: 1 Euro = 4,675 RON

Community investments

For Raiffeisen Bank, being an **engaged corporate citizen** that takes action and supports the sustainable development of Romanian society is imperative. We are aware that in order to generate profound, long-term impact that contributes to creating the society we all wish to live in, we must actively engage in the communities where we operate.

This vision includes our employees, who understand the need of our actions, spread across varied domains, from financial education to sports and culture. As such, they also like to get involved through volunteering or by directly donating to the causes that the Bank supports.

The community programs we develop and support in collaboration with our strategic partners are meant to increase the positive impact we have on Romanian society. We choose to pursue projects that deeply change the lives of the beneficiaries – financial education courses in Romanian schools, programs that give underprivileged children access to education or sports competitions that encourage thousands of people to adopt a healthy lifestyle.

In 2019, we continued investing in financial and entrepreneurial education programs, to support Romanian arts and culture, to promote physical activity as part of a healthy lifestyle and to live in healthier cities.

We pursue strategic community partnerships with non-governmental organizations and educational institutions, in order to create more prosperous communities and a better life. We encourage our employees to be part of the change and engage in social causes, through volunteering and internal fundraising campaigns, and we provide clients with ways in which they can support initiatives aimed at improving society.

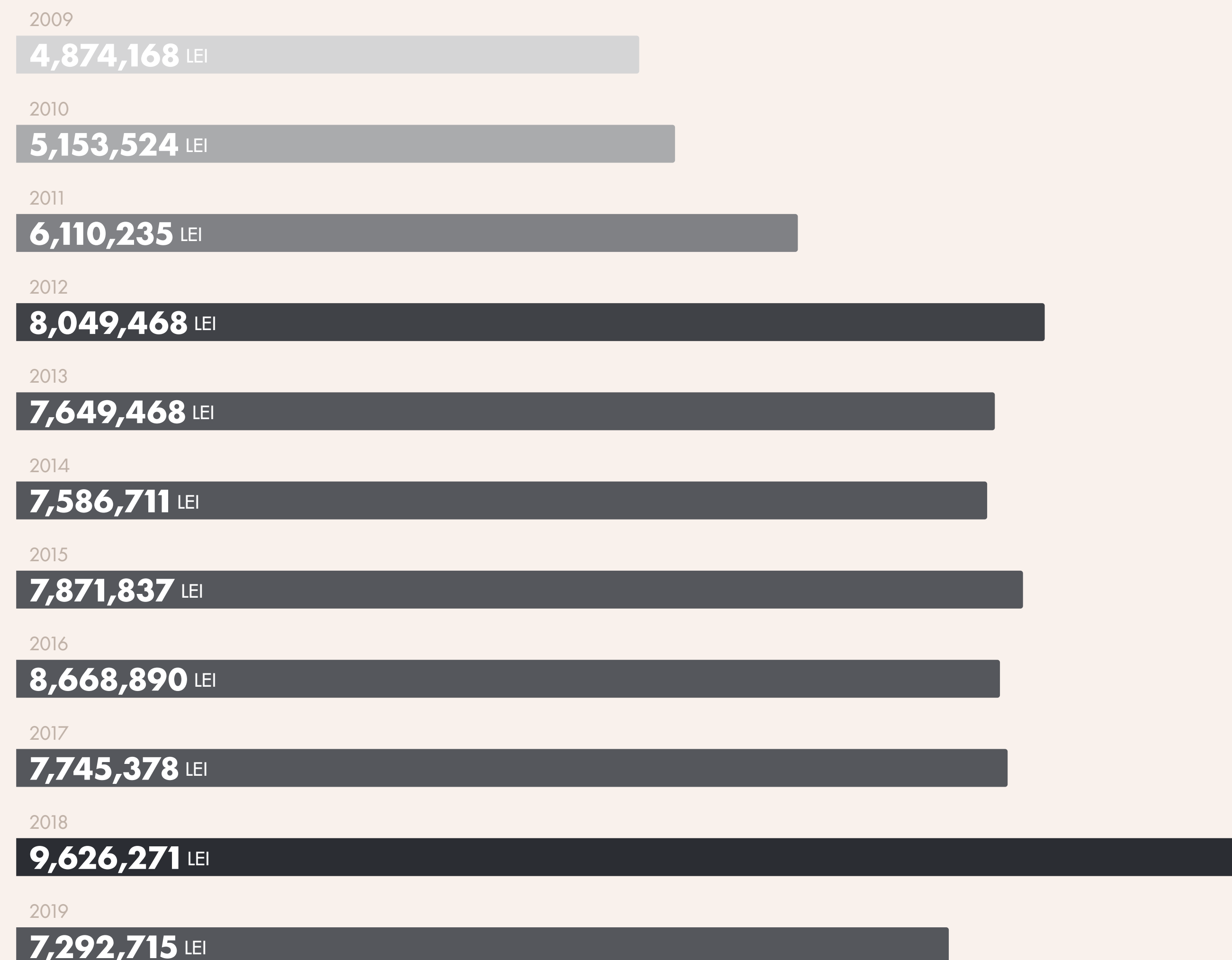
We are one of the first companies in Romania to report its operation's non-financial performance. In 2019, we celebrated 10 years of leadership in sustainability when publishing Raiffeisen Bank's 10th sustainability report, where we presented the Bank's community investment strategy, the programs we financed and their outcomes in more detail.

Annually, the company measures the impact of the projects we support, evaluating them using the LBG (London Benchmarking Group) methodology.

The Bank's partners in developing community projects in 2019 are:

- Hațegan Foundation
- SONORO Association
- Light into Europe
- OvidiuRo
- The Institute
- Association for Community Relations (ARC)
- The Princess Margareta of Romania Foundation (FPMR)
- Transilvania Brașov University
- ASE Foundation
- Radu Stanca Sibiu National Theatre
- Democracy through Culture Foundation
- Romanian Business Leaders
- Tășuleasa Social Association
- Leaders Foundation
- Oncohelp Association
- Young Leaders Club
- Eidos Foundation
- Regina Maria Foundation
- Ivan Patzaichin Association – Mila 23
- HR Management Club Association
- Alexandru Ioan Cuza University
- Junior Achievement of Romania Association
- United Way
- Teach for Romania
- Bucharest Running Club Association
- Green Revolution Association
- Sport Promotion Sports Club Association
- Ion Popazu (Andrei Saguna) Parents Association
- Romanian Association for Debate, Oratory and Rhetoric (ARDOR)
- Yuppi Camp Movement Association
- Association des Étudiants Francophones de Iași
- "Alexandru Papiu Ilarian" Târgu Mureș National College
- Dream Project Association
- Traveling Book Foundation
- People's Development Foundation Cluj
- UBB Alma Mater Napocensis Foundation
- "Mihai Viteazul Craiova" Secondary School
- CIVICA Association
- Habitat for Humanity
- Hercules Association
- Art Encounters Foundation
- Fanzin Cultural Association
- People for Sport Romania Association
- UNITER
- Conexio Association
- Calea Griviței Foundation
- Cooltural Association We care
- Friends of MNAR Association

Value of investment*



*Based on the LBG methodology



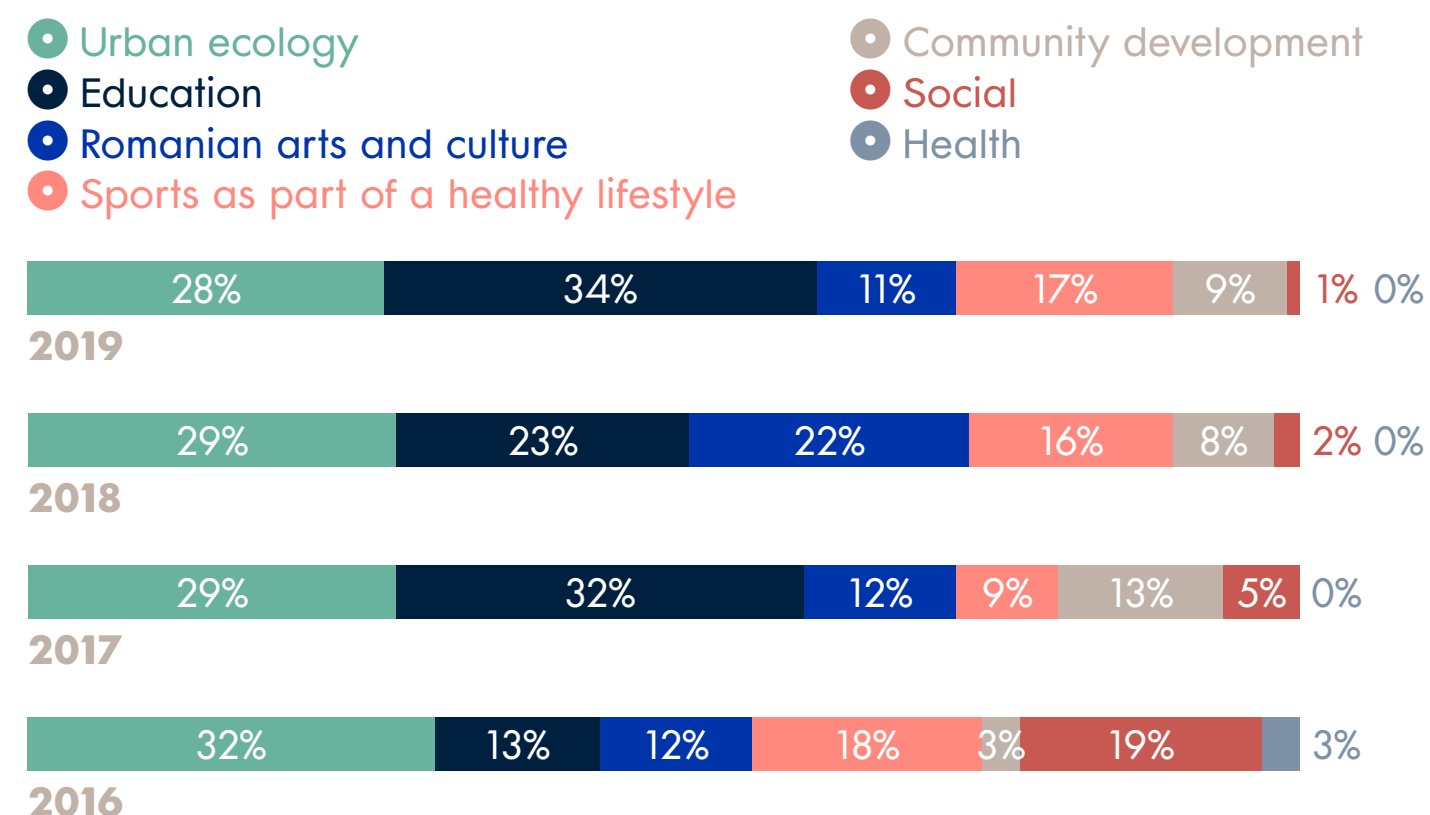
In the past few years, Raiffeisen Bank has been consolidating its community projects portfolio. The educational sector presents a larger share than previous years, **educational projects** receiving 34% of Raiffeisen Bank's community investments budget in 2019.

The Bank continued to invest in **urban ecology** initiatives in big cities (28%), in programs encouraging **physical activity and healthy lifestyles** (17%) and promoting **Romanian arts and culture**, while **social assistance programs for vulnerable groups** received 1% of the budget.

Moreover, Raiffeisen Bank continues to be an important partner for organizations implementing **community development** projects (9%).

Community projects and programs supported in strategic directions

(% of total amount)



Key figures for community investments

2018 vs. 2019

Number of Bank employees who participated in volunteering actions in community projects supported by the company

235 vs. 285

Number of hours employees spent volunteering for community projects supported by the company

902 vs. 1,058

Value of funds managed by the community partners

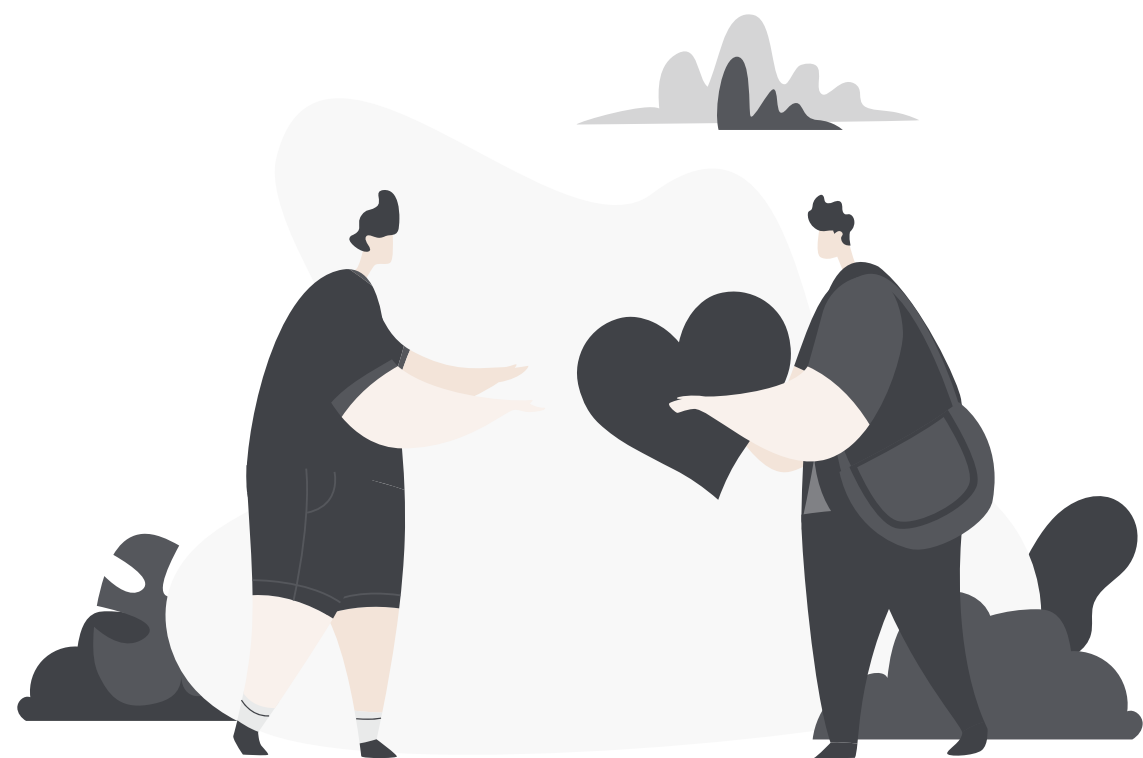
151,883 LEI vs. 111,322 LEI

Percentage of the gross profit allocated to the Bank's community portfolio

1.08% vs. 0.9%

Raiffeisen Bank S.A. contribution per employee

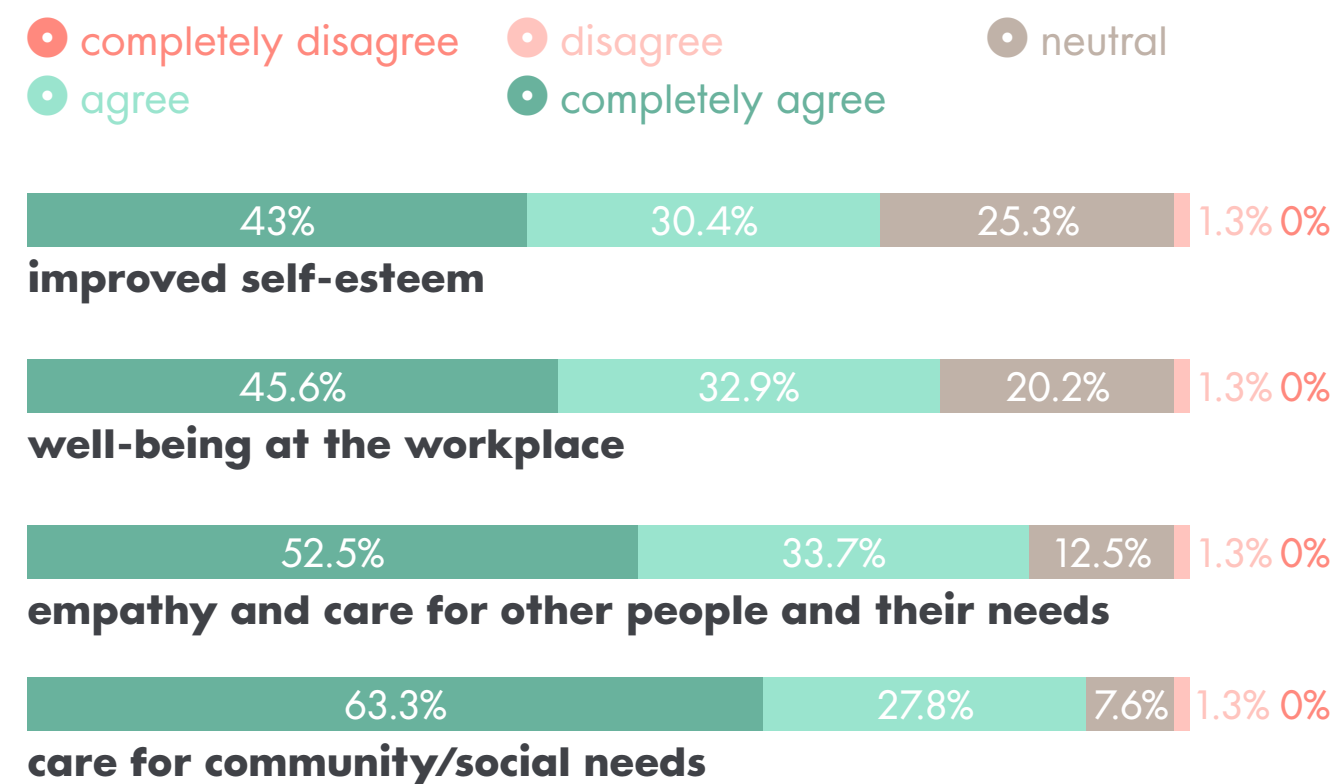
1,904 LEI vs. 1,448 LEI



In 2019, 285 Raiffeisen Bank employees volunteered in social programs supported by the Bank and used their skills and knowledge to contribute to the development of the communities where they live and work.

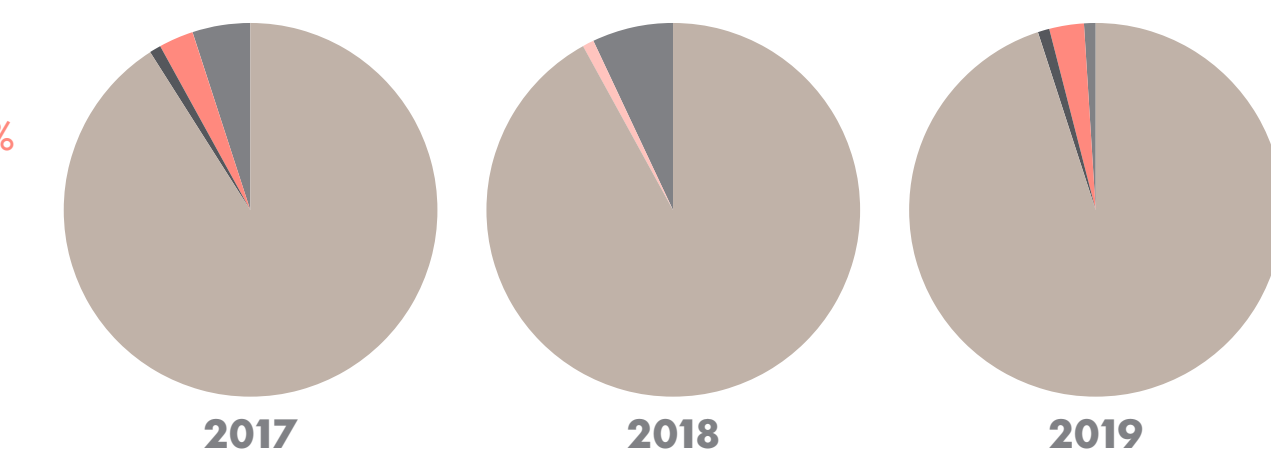
They dedicated 1,058 working hours to the community projects supported by the company: they delivered financial education courses to high school and middle school students, as part of the project developed with Junior Achievement Romania, they engaged in the OvidiuRO educational programs or got involved in the construction of an educational center for the vulnerable community in Buftea. In addition, Raiffeisen Bank's volunteering policy enables employees to spend 8 working hours for volunteering actions annually.

The volunteering activities developed, among employees

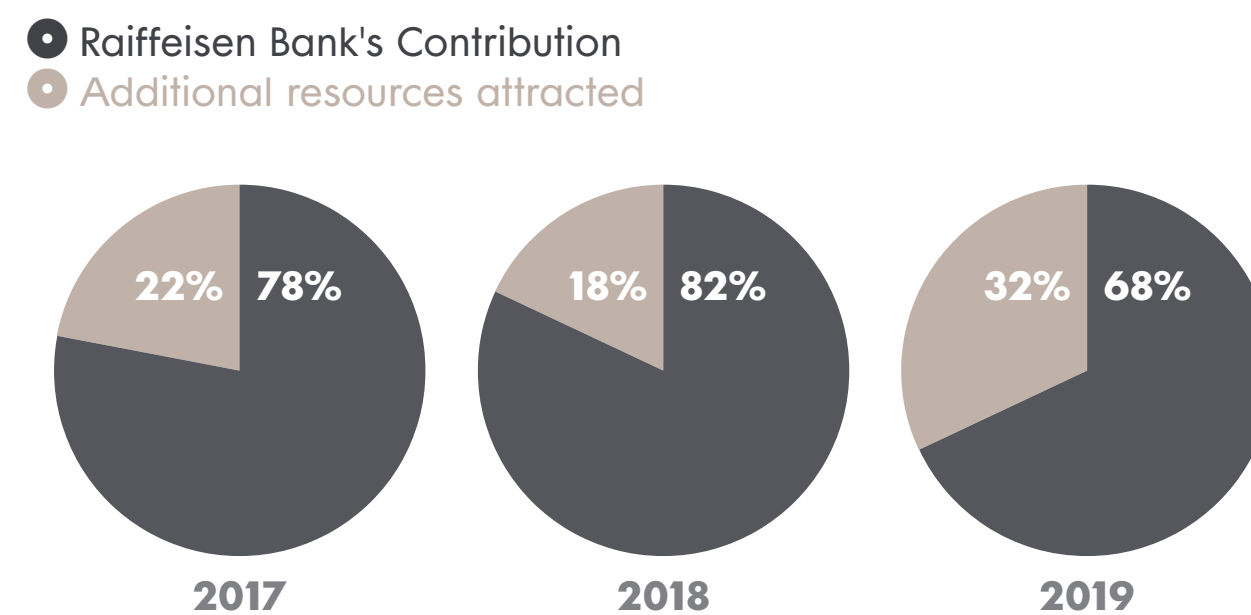


Types of community partners

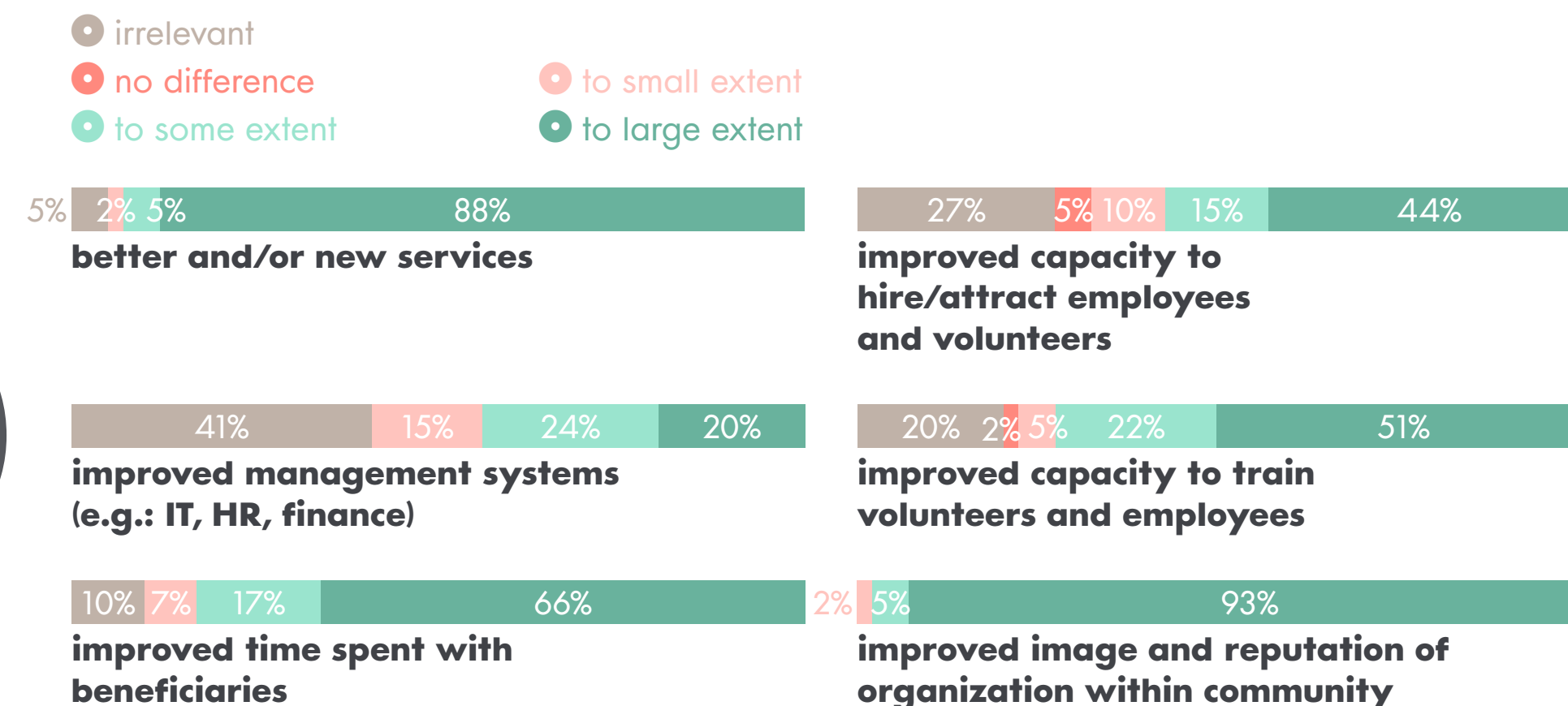
	2017	2018	2019
NGOs	91%	92%	95%
Educational institutions	1%	0%	1%
Medical institutions	0%	1%	0%
Non-profit institutions	3%	0%	3%
Local authorities	0%	0%	0%
Public institutions	5%	7%	1%



The ratio between the Bank's contributions and the additional resources attracted by the community partners



Changes generated among community partners



“Raiffeisen Communities” Grants program

Through the 9th edition of the online contest for social responsibility projects, the Bank wants to encourage non-governmental organizations and educational institutions to develop and implement social responsibility projects in the informal education sector, that would improve the level of education and therefore the quality of life experienced by those living in Romania.

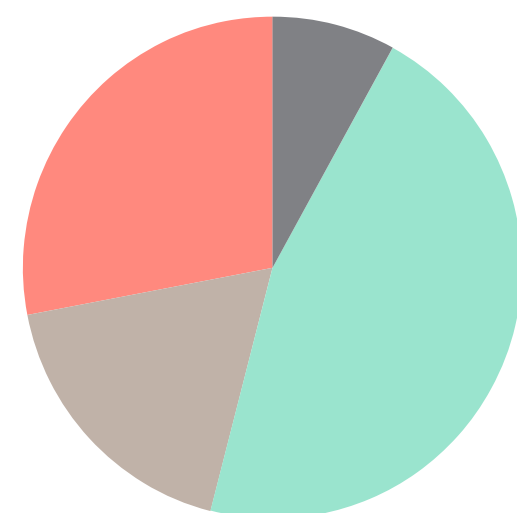
175 informal education projects submitted by organizations in **42** cities

126 eligible projects

10 winning projects, financed with **50,000 RON** each

84.57% NGO projects

15.43% educational institution projects



7.42% financial education

46.29% civic education

18.29% entrepreneurial education

28% professional education



EDUCATION

JAR program for financial education in schools

Together with Junior Achievement Romania, we are implementing a financial education program in schools throughout Romania, through which students learn about financially responsible behavior, in a practical manner, through learning by doing and hybrid learning modules. Through practical activities, exercises, simulations and debates, pupils discover the tools and basic principles of financial planning and for establishing a personal budget, suitable to their age.

The program includes two directions:

- The hardworking, clever and thoughtful kids club**
 developing life and financial education skills through learning by doing modules for primary school children.
- The ABCs of banking**
 financial education through **hybrid learning**, mixing traditional tools with interactive digital resources, for high school students

2019 program results:

5,558 children in primary school (grades 0-IV)

27,675 high school students

>105,000 hours of financial education

271 middle and high schools in **89** cities in **39** counties and Bucharest



ART AND CULTURE

George Enescu International Festival

For the third time, in 2019, we were the main sponsor for the 24th edition of the “George Enescu” International Festival. The festival brought us closer to **2,500 of the best musicians in the world**, who pleased us with **over 110 shows** in Bucharest, other **10 cities in Romania** and **6 in the world**.



SPORT

Raiffeisen Bank Bucharest International Marathon

Raiffeisen Bank promotes a balanced, healthy lifestyle and has been supporting the Bucharest International Marathon from its first edition, that was organized more than 12 years ago. 800 participants ran the first edition of the Bucharest Marathon, and the number of participants grows every year. The Bucharest International Marathons is the most important running race in Romania.

20,000 runners from **over 75 countries** participated in the Raiffeisen Bank Bucharest International Marathon in October, running in one of the following: **10 kilometers**, **semi-marathon**, **marathon** or the **3 km popular race**.



URBAN ECOLOGY

I'velo Urban & I'velo Relax

For over 10 years, Raiffeisen Bank is the main sponsor of the bike-sharing programs I'velo Urban (the first automated bike-sharing and electric scooters stations in Bucharest) and I'velo Relax (bike rental centers in a few areas in Bucharest and in 5 cities in the country: Braşov, Sibiu, Alba, Iaşi, Oradea).

2019 I'velo Urban and I'velo Relax highlights:

>81,000 people used the bike rental services

1,200 bikes and **50** electric scooters

>165,000 bike journeys

>1.6 million people used the I'velo bikes since the launch of the I'velo Relax and I'velo Urban services

6

**Our commitment
to the
environment**





Environmental responsibility

At Raiffeisen Bank, **we see environmental protection as part of the responsibility we have towards society.** We are already aware of the potential risks that can arise as a result of not fighting global warming and, although our direct environmental impact is limited due to the nature of our operations, we know that indirectly, we play a significant role through financing policies and the products that our clients access.

Beyond the policies the Bank must develop and implement towards sustainable finance, in order to support the efforts of minimizing climate change, we take measures to decrease the impact our activity has, by making resource consumption more efficient and adopting a responsible behavior.

We want to be a trustworthy partner for our communities and to treat the environment where we operate with respect.

That is why the Bank's environmental policy is based on our commitment towards energy efficiency, renewable energy, sustainable transport and mobility and responsible procurement practices. We focus on minimizing the impact our operations have on the environment and constantly implement measures in this sense. The environmental protection policy is updated regularly, as needed, in compliance with directives coming from Raiffeisen Bank International and national and international legislation.

Within Raiffeisen Bank Romania, the Risk Committee identifies and monitors the occurrence of environmental risks, under careful supervision of the Management Board. The Compliance Division evaluates risks concerning compliance with environmental protection legislation and makes recommendations to the Risk Committee regarding the necessary measures for minimizing the risk of non-compliance with legislative regulations. The Human Resources Division is responsible for informing and training the Bank's employees in regard to the environmental protection policy and the Logistics and Property Management Division monitors and annually reports resource consumption within the Bank, while also providing the necessary infrastructure for selective waste collection and disposal.

Paper, Waste Electrical & Electronic Equipment (WEEE)

Type of resource used	2017	2018	2019
Paper* (kg)	294,425	300,488	311,975
Printer cartridges and toners (units)	6,400	6,568	2,204
Printed materials – forms, rolls (out of total paper consumption)	-	-	257,721

*virgin paper

Waste

Collected waste	2017 kg	2018 kg	2019 kg
Packaging material - paper	98,521	86,194	64,338
Glass	0	8	14,167.93
Lighting bulbs	1,044	2,072	220
Batteries	3,869	0	4,334
Plastic	2,533	14,605	3,258
WEEE	70,294	96,488	75,957
Domestic waste	6,477,317	593,642	2,721,200

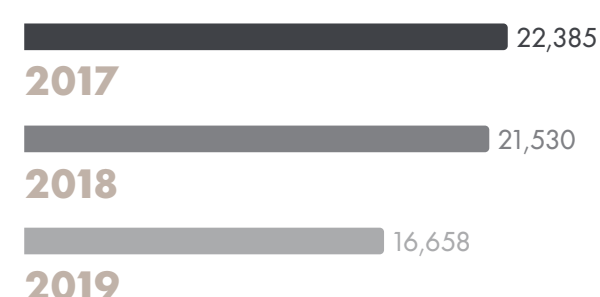
From the total waste quantity, **80,511 kg** of hazardous waste (lighting bulbs, batteries, WEEE) and **81,764 kg** of non-hazardous waste were recycled.



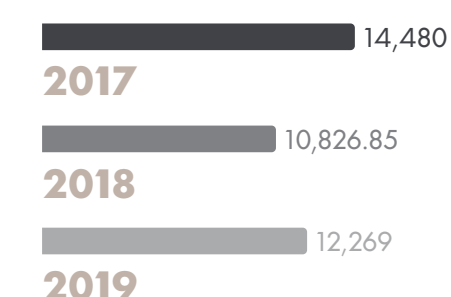
Energy

Total energy consumption		2017	2018	2019
Electricity and energy for cooling	MWh	22,385	21,530	16,658
	toe	1,924.77	1,529.51	1,432.59
	GJ	80,586	64,026	59,968.8
Energy for heating (gas)	MWh	14,480	10,826.85	12,269
	toe	1,245.25	931.11	1,055.1
	GJ	52,128	38,976.66	44,169

Electricity and energy consumption for cooling
MWh



Energy consumption for heating (gas)
MWh



total energy consumption =
 electricity consumption +
 natural gas consumption +
 fuel consumption
 (diesel + petrol)

total energy consumption =
 123,056.61 GJ

total electricity consumption =
 2,938.69 toe

When calculating the total energy consumption and converting it to toe (ton of oil equivalent), we used the methodological reporting norm for the total energy consumption, in accordance with reporting to the Romanian Energy Regulatory Authority (ANRE).

		2017	2018	2019
Diesel	t	400	470	421.22
	toe	406	477.05	427.5
	GJ	17,040	20,022	17,943.97
Petrol	t	66	51	22.41
	toe	69.3	53.55	23.5
	GJ	2,871	2,218.5	974.84

Fuel consumption from renewable sources

	2017	2018	2019
Biodiesel	31,229	32,708.13	31,489
Bioethanol	-	-	2,270

Conversion factors used:

Conversion factor for toe	
Electricity	1 MWh = 0.086 toe
Natural gas	1 MWh = 0.086 toe
Petrol	1 t = 1.05 toe
Petrol	1 t = 1.015 toe

1 t diesel fuel = 42.6 GJ 1 KWh = 3.6 * 10⁶ J
 1 t petrol fuel = 43.5 GJ 1 GJ = 10⁹ J

Energy intensity (EI)

In order to standardize calculation systems that exist within the Bank and to make the process of reporting to authorities more efficient, starting with 2019, we will calculate energy intensity in relation to Total value of annual production (TVAP).

2018

$$EI = \frac{\text{Total energy consumption}}{\text{TVAP}} = \frac{2,991.22}{2,857,372} = 10.47 \cdot 10^{-4} \text{ toe/ thousand RON}$$

2019

$$EI = \frac{\text{Total energy consumption}}{\text{TVAP}} = \frac{2,938.69}{3,000,000} = 9.80 \cdot 10^{-4} \text{ toe/ thousand RON}$$

In 2019, energy intensity decreased by **6.4%** compared to the previous year.

Greenhouse gas emissions

Scope	What is included in the scope	Category total (t CO ₂ eq) 2019
Scope 2	Electricity consumption of Raiffeisen Bank Romania	1,725.97

Emission factor = 93.65 g CO₂/KWh of produced energy (according to a statement from the electricity supplier)

The Bank has not implemented a formal inventory system for greenhouse gas emission yet. However, we annually report to Raiffeisen Bank International data regarding energy and fuel consumption and employee transportation, that are taken into account when calculating emissions at Group level.

Transport

Employee transportation	2018	2019
Distance traveled by employees with their personal cars for business purposes (km)	966,016	1,022,950
Distance traveled by employees with public transport (taxi) for business purposes (km)	832,443	1,193,554
Distance traveled with company cars (km)	7,239,047	7,325,747
Number of cars in the company fleet	524	525
Diesel	470	502
Electric/Hybrid	3	3
Petrol	51	20

Water consumption

	2017 m ³	2018 m ³	2019 m ³
Total volume of water consumption	55,000	50,300	57,015

The Bank does not have the necessary infrastructure for water recycling or reuse. The entire quantity of used water is collected by the Public Sewerage System.

Measures taken to minimize our environmental impact:

In 2019, we implemented a **selective waste collection system** within the head offices in Bucharest: new containers were placed and individual bins from the open-space area were eliminated

We replaced traditional neon tubes with **LED tubes** in 8 agencies and 67 lighting objects in agencies in Târgu Jiu, Reghin, Cluj, Lotus Park (Oradea), Perla (Bucharest), Iulius Mall (Timișoara), Titulescu (Craiova)

We replaced 30 Euro 4 petrol cars with **Euro 6 diesel cars**

We also implemented a program where lights automatically turn off every 30 minutes, after 7:30 PM in Sky Tower, in order to make our energy consumption more efficient

Our 2025 goals

Our commitment to responsible banking

- ✍ Clearly defining a **Sustainable Finance** strategy for Private Individual Clients and SMEs before 2025
- ↗ Developing the portfolio of loans offered to projects that include **ESG principles**
- 🏭 Extending the **factory by Raiffeisen Bank** program and supporting entrepreneurship in Romania
- 📖 Continuing the **financial education programs** among a mainstream audience and among the company's corporate partners

Our commitment to the team

- ✚ Developing a **diversity and inclusion policy** and adopting specific measures
- 🕒 Developing programs aimed at **making the work schedule and work conditions more flexible** for Raiffeisen Bank employees
- 🎓 Continuing the **training programs** and those aimed at **recruiting talent** among students and graduates

Our commitment to long-term partnerships

- 📌 Including **ESG principles** in events:
 - 👉 sponsored by Raiffeisen Bank Romania
 - 👉 organized for Raiffeisen Bank Corporate clients
- ⬇ Offering **resources and expertise in non-financial reporting** for Raiffeisen Bank Corporate clients

COMMUNITY INVESTMENTS:

- ↗ Increasing the percentage of the Raiffeisen Bank community investments budget spent on **educational projects**
- ↗ Increasing the capacity of fundraising and of implementing impactful projects of the company's **community partners**












Our commitment to the environment

As part of Raiffeisen Bank International, we have committed to contributing to the 2025 environmental goals, set at Group level:

- ↘ **Reducing greenhouse gas emissions** resulting from energy consumption by 35%
- 🔄 Getting 35% from the total **energy consumption from renewable sources**, at Central and Eastern Europe level
- 📄 **Reducing paper waste** by 25%
- 💧 **Reducing water consumption** by 25%
- 🚗 Decreasing emissions resulting from **employee transportation and travel** by 25%
- ✂ Decreasing our **employees' plane journeys** by 20%
- 🗣 **Regularly campaigning amongst employees** for behaviors aimed at reducing impact on the environment
- 📋 Publishing **sustainability and environmental guides/surveys** for the company's suppliers
- 🗣 **Constantly communicating the environmental protection goals** we have undertaken and the progress made

GRI Content Index

GRI standard	Description	Sustainable Development Goal	Page/ pages no.	Omission	
GRI 101: General disclosures					
General disclosures					
GRI 102: General disclosures 2016	Organizational profile				
	102-1 Name of the organization		4		
	102-2 Activities, brands, products, and services		6, 31-36		
	102-3 Location of headquarters		4		
	102-4 Location of operations		6		
	102-5 Ownership and legal form		11		
	102-6 Markets served		6		
	102-7 Scale of the organization		6, 8-11, 43		
	102-8 Information on employees and other workers	 8.5	8.5	43	
		 10.3	10.3		
	102-9 Supply chain		53		
	102-10 Significant changes to the organization and its supply chain		There were no significant changes		
	102-11 Precautionary Principle or approach		7, 21-22		
	102-12 External initiatives		21-22, 44		
	102-13 Membership of associations	 17.3	17.3	21	
Strategy					
102-14 Statement from senior decision-maker		3			
102-15 Key impacts, risks, and opportunities		12-13, 18, 30, 37, 63			
Ethics and integrity					
102-16 Values, principles, standards, and norms of behavior	 16.3	16.3	7, 13-18, 42-45		

Governance				
102-18 Governance structure				12-13, 18
Stakeholder engagement				
102-40 List of stakeholder groups				28
102-41 Collective bargaining agreements	 8.8	8.8		43
102-42 Identifying and selecting stakeholders				23-25
102-43 Approach to stakeholder engagement				23-26
102-44 Key topics and concerns raised				23-28
Reporting practice				
102-45 Entities included in the consolidated financial statements				4
102-46 Defining report content and topic Boundaries				26-28
102-47 List of material topics				26
102-48 Restatements of information				There was no information updated
102-49 Changes in reporting				Topic Boundaries were updated
102-50 Reporting period	 12.6	12.6		4
102-51 Date of most recent report	 12.6	12.6		Raport de sustenabilitate 2018 (1.01.2018 - 31.12.2018)
102-52 Reporting cycle	 12.6	12.6		4
102-53 Contact point for questions regarding the report				4
102-54 Claims of reporting in accordance with the GRI Standards	 12.6	12.6		4
102-55 GRI content index				64-68
102-56 External assurance				4

Material topics
Economic performance







GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		28
	103-2 The management approach and its components		10, 12-13
	103-3 Evaluation of the management approach		10-11
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	 8.1, 8.2	10
		 9.1, 9.4, 9.5	
	201-2 Financial implications and other risks and opportunities due to climate change	 13.1	3, 30, 37
	201-4 Financial assistance received from government		11

Market presence


GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		28
	103-2 The management approach and its components		12-13, 45
	103-3 Evaluation of the management approach		12-13, 45
GRI 202: Market presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	 1.2	45
		 5.1	
		 8.5	
	202-2 Proportion of senior management hired from the local community	 8.5	12-13

Indirect economic impacts


GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		28
	103-2 The management approach and its components		53
	103-3 Evaluation of the management approach		56

GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	 5.4	54-55
		 9.1, 9.4	
		 11.2	
203-2 Significant indirect economic impacts		 1.2, 1.4	56-58
		 3.8	
		 8.2, 8.3, 8.5	


Procurement practices

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		28
	103-2 The management approach and its components		53
	103-3 Evaluation of the management approach		53
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	 8.3	53

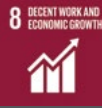

Anticorruptie

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		28
	103-2 The management approach and its components		12-13, 16
	103-3 Evaluation of the management approach		16
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	 16.5	16












Comportament anticoncurențial

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		28
	103-2 The management approach and its components		12-13, 18
	103-3 Evaluation of the management approach		18
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	 16.3	18

Materiale

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			28
	103-2 The management approach and its components			60
	103-3 Evaluation of the management approach			60-61
GRI 301: Materials 2016	301-1 Materials used by weight or volume	 8.4		61
		 12.2		

Energy

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			28
	103-2 The management approach and its components			60
	103-3 Evaluation of the management approach			60-62
GRI 302: Energy 2016	302-1 Energy consumption within the organization	 7.2, 7.3		61
		 8.4		
		 12.2		
		 13.1		
	302-3 Energy intensity	 7.3		62
		 8.4		
		 12.2		
		 13.1		
	302-4 Reduction of energy consumption	 7.3		61-62
		 8.4		
 12.2				
 13.1				

Effluents and waste

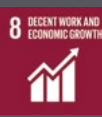
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			28
	103-2 The management approach and its components			60
	103-3 Evaluation of the management approach			60-62
GRI 306: Effluents and waste 2016	306-1 Water discharge by quality and destination	 3.9		62
		 6.3, 6.4, 6.6		
		 12.4		
	306-2 Waste by type and disposal method	 3.9		61
		 6.3		
		 12.4, 12.5		

Employment

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			28
	103-2 The management approach and its components			41, 43
	103-3 Evaluation of the management approach			42-43, 46
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	 5.1		43
		 8.5, 8.6		
		 10.3		

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		3.2	45
		5.4	
		8.5	
401-3 Parental leave		5.1, 5.4	46
		8.5	









Labor/management relations

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		28
	103-2 The management approach and its components		41
	103-3 Evaluation of the management approach		50
GRI 402: Labor/management relations 2016	402-1 Minimum notice periods regarding operational changes		8.8 43


Occupational health and safety

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		28
	103-2 The management approach and its components		51
	103-3 Evaluation of the management approach		51
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system		8.8 51
	403-2 Hazard identification, risk assessment, and incident investigation		3.6 51
			8.8
	403-4 Worker participation, consultation, and communication on occupational health and safety		8.8
		16.7	




Formare și dezvoltare profesională

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		28
	103-2 The management approach and its components		47
	103-3 Evaluation of the management approach		50
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee		4.3, 4.4, 4.5 47
			5.1
			8.2, 8.5
	404-2 Programs for upgrading employee skills and transition assistance programs		10.3
			8.2 47-49
		404-3 Percentage of employees receiving regular performance and career development reviews	
	8.5		
			10.3

Diversity and equal opportunity

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary		28
	103-2 The management approach and its components		44-45
	103-3 Evaluation of the management approach		45
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees		5.1, 5.5 44
			8.5


Non-discrimination

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			28
	103-2 The management approach and its components			44-45
	103-3 Evaluation of the management approach			45
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	 5 GENDER EQUALITY	5.1	45
		 8 DECENT WORK AND ECONOMIC GROWTH	8.8	
		 10 REDUCED INEQUALITIES	10.3	


Human rights assessment

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			28
	103-2 The management approach and its components			21, 43
	103-3 Evaluation of the management approach			43
GRI 412: Human rights assessment 2016	412-2 Employee training on human rights policies or procedures	 5 GENDER EQUALITY	5.2	43
		 8 DECENT WORK AND ECONOMIC GROWTH	8.5, 8.8	
		 10 REDUCED INEQUALITIES	10.3	
		 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.2	

Local communities

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			28
	103-2 The management approach and its components			53
	103-3 Evaluation of the management approach			56-58
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	 4 QUALITY EDUCATION	4.4	53-58
		 11 SUSTAINABLE CITIES AND COMMUNITIES	11.2	
		 17 PARTNERSHIPS FOR THE GOALS	17.17	


Public policy

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			28
	103-2 The management approach and its components			16
	103-3 Evaluation of the management approach			16
GRI 415: Public policy 2016	415-1 Political contributions	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5	16


Promovarea produselor și serviciilor

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			28
	103-2 The management approach and its components			37
	103-3 Evaluation of the management approach			17
GRI 417: Marketing and labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.3	17
	417-3 Incidents of non-compliance concerning marketing communications	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.3	17

Customer privacy

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			28
	103-2 The management approach and its components			17
	103-3 Evaluation of the management approach			17
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.3, 16.10	17

Socioeconomic compliance

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary			28
	103-2 The management approach and its components			15, 17-18
	103-3 Evaluation of the management approach			17-18
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.3	17-18

Safe together

Measures taken by Raiffeisen Bank Romania in the COVID-19 context

2020 has faced us with challenges that were difficult to anticipate and that needed immediate measures and quick reactions. The COVID-19 pandemic emphasized the need for transparency, accountability and commitment once more: we had to quickly adapt to the new context, in order to maintain a safe environment for our employees, our clients' trust and the support of the Bank's partners.

Although the impact of this crisis on the Romanian economy and society cannot yet be anticipated – we find ourselves in an ever-evolving situation and cannot currently quantify the long-term effects – one thing is certain: we need change, involvement, responsibility and sustainable investments.

The need for a new approach that takes into consideration the profound changes in the way we, as a society, act arose a long time ago. The crisis we have been facing for more than 3 months only highlights the importance of acting responsibly, always thinking about the triple bottom line (economic, social and environmental).

Sustainable solutions and measures, as well as decisions anchored in reality are and will continue to be essential in the following period.

Measures for our employees' safety

Since the end of February, we established an action plan that included multiple scenarios, but where our top priority was the safety of our employees and that of our clients.

>€1 M invested in purchasing protective equipment and disinfectants for Raiffeisen Bank offices and agencies

We estimate further investments of 1.5 million euros to be made in the same direction by the end of the year.

In March we took the necessary measures to provide our employees with a work environment where they feel protected and safe. Therefore:

- ✓ We took the decision of progressively closing some of our agencies and of reducing the opening hours of those that remained open in order to protect our colleagues; high-risk employees were encouraged to stay home.
- ✓ Colleagues in the Bucharest and Braşov administrative offices worked from home and a significant percentage continue to do so.
- ✓ Agencies and offices were permanently equipped with protective gear and disinfectant solutions at the end of February, while agencies were also equipped with protective screens.

In June, only 14% of our colleagues working in the Bucharest administrative offices that are able to work from home were coming into the office.

The structure of the Raiffeisen Bank Romania team did not experience any changes as a result of the pandemic.

Not once did we consider restructuring or lowering wages. Moreover, our colleagues working in the agencies received bonuses for their efforts in providing assistance to clients during the state of emergency.

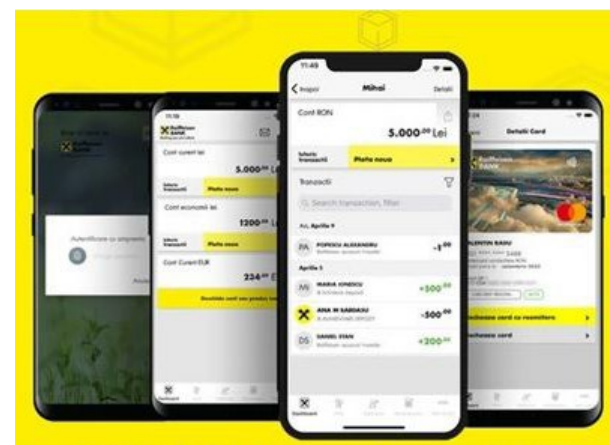
Measures for our clients

Since the start of the restrictions imposed by the authorities as a result of the crisis generated by the coronavirus pandemic, we have been constantly communicating with all our clients and partners, providing them with channels dedicated to talking to Bank representatives:

- By phone
 - *2000 – normal rate number, that can be called from any mobile network in Romania
 - 021 306 3002 – normal rate number, that can be called from any mobile network in Romania and abroad
- Online
 - Through e-mail: centrala@raiffeisen.ro
 - Through social media channels
 - Ana, the Raiffeisen Bank virtual consultant (available 24/7)

During the pandemic, remote transaction methods became paramount to the safety and comfort of our clients. Therefore, we have constantly encouraged them to avoid trips to the agency and to use online tools. In this sense, we made activating Raiffeisen Bank mobile apps remotely possible, procedure that previously required clients to visit an agency.

>56,000 clients downloaded the new Smart Mobile from AppStore or Google Play in March, our app becoming the most downloaded mobile banking app in Romania that month.



73% growth in transaction numbers and 83% increase in volume, compared to the same period of last year

Private individual clients

For our private individual clients, we adapted our procedures to keep them safe, we launched new products and offers and implemented measures meant to help them in the event of financial difficulty as a result of the pandemic:

- ✓ **Suspended credit installment payments.** During the first days of the crisis caused by the pandemic, prior to the Emergency Ordinance (EO) no. 37/2020 coming into force, we informed our clients that they can request delaying installment payments up to 3 months, in compliance with their agreement with the Bank. Once the public moratorium came into force, we offered clients the possibility of delaying installments for up to 9 months. We also launched an online form designed for processing repayment delays and a dedicated phone number and e-mail address.
- ✓ Cards that had to be renewed were sent to clients via post, in order to prevent them from coming to the agencies (approximately 5,000-7,500 cards per day).
- ✓ For the ZERO Simplu current account packages opened between June 15th and September 30th, related costs for the first 6 months are 0, without being conditioned by monthly incomes.
- ✓ We lowered the interest rate of personal needs loans given between June 23rd and August 7th by 2.5 percentage points.
- ✓ We lowered the interest rate of housing loans accessed during June 23rd and August 23rd.

For companies:

As soon as the state of emergency was announced in Romania, Raiffeisen Bank's Corporate and SME Clients were contacted to understand their situation and to find solutions together, should they have been needed. We prioritized contacting companies in those industries most likely to be affected by the sanitary crisis on the medium or long term.

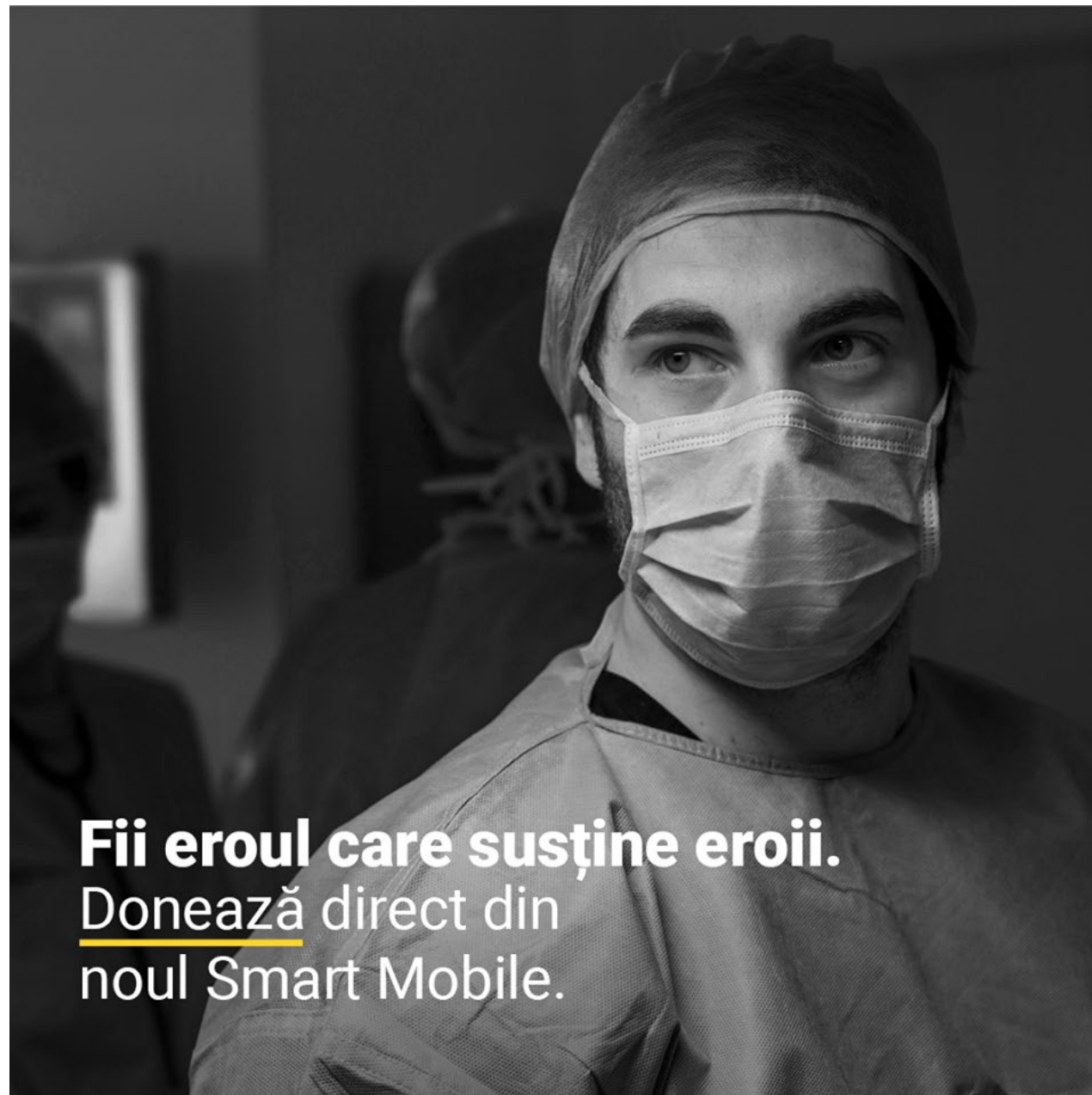
- ✓ Over 3,000 SMEs have already been supported through delaying payment of installments, extending credit lines or by implementing other solutions adapted to their situation.
- ✓ We announced 0 commission for receiving payments through POS and e-commerce for commercial clients and public institutions.
- ✓ We adapted the crediting program targeting start-ups **factory by Raiffeisen Bank**, in order to support entrepreneurs developing products or services that actively contribute to minimizing the effects of the sanitary crisis. As such, we have extended the program and now finance business ideas offering products and services which are useful in the fight against COVID-19. The submissions have priority in the analysis and quickly receive financing, so that the idea can be immediately implemented.

Payment of installments delay – number of approved requests
March 16th – June 15th

Segment	Through EO 37/2020	Payment of installments delayed – voluntarily adopted measure by the Bank
Private individual clients	31,766	23,288
SMEs	1,621	1,230
Medium and Large Corporations	65	109

Moreover, Raiffeisen Bank is a partner of the IMM Invest Romania Program that enables SMEs significantly affected by the COVID-19 crisis to insure their liquidities, by accessing one or more credits with the purpose of investing and/or one or more credits/credit lines for working capital, guaranteed by the National Loan Guarantee Fund for SMEs in the name and account of the Romanian state, through the Ministry of Public Finance.

Until July 2nd, the Bank recorded over 5,000 requests for IMM Invest credits, out of which over 1,000 were approved, adding up to approximately 500 million lei.



Fii eroul care susține eroii.
Donează direct din
noul Smart Mobile.



Measures for our partners

Since the very beginning of the state of emergency, we decided to support our partners, suppliers and the state during this difficult time, by speeding all payments we were required to make.

In March 2020, we directed 85 million lei to our suppliers and partners (12% more than in March 2019). Out of which, 33 million lei (almost 40%) represent payments made before they were due. Most companies receiving these payments are local, with operations in Romania.

At the same time, the Bank paid taxes and fees worth 27 million lei at the end of March 2020, although legislation in force allows their delay for up to 30 days after the state of emergency ends.

33 million lei, payments to suppliers and partners before they were due

>27 million lei, taxes and fees payed to the state

Measures for the community

During a time when the crisis caused by the COVID-19 pandemic was increasing in significance, many municipal and county hospitals in Romania faced a shortage of protective gear for doctors and of disinfectant materials. The Bank received multiple financial sponsorship requests from hospitals in the country wishing to directly purchase these materials, considering the procedures through which hospitals were receiving protective equipment were difficult and long.

As such:

- ✓ We supported the Romanian medical system through donations worth 2 million lei directed at county and municipal hospitals that were in urgent need of funds for protective gear for their medical personnel.
- ✓ We donated protective equipment worth 100,000 lei for 15 nursing homes in the country.
- ✓ We donated computers for children in vulnerable communities, that could not experience distance learning.
- ✓ For some of the educational projects we support, we redirected funds for purchasing tablets for pupils in disadvantaged areas.
- ✓ We launched the option of donating directly through the Raiffeisen Smart Mobile app, through which our clients can support three non-governmental organizations involved in the fight against COVID-19: Association for Community Relations, Regina Maria Foundation and SMURD Foundation.



The crisis we are currently living has affected numerous industries, and besides tourism and HoReCa, the cultural and creative industries recorded significant losses. Now more than ever it has become clear how important cultural events (concerts, exhibitions, theatre plays) are for our mental health and well-being.

With a significant percentage of the population isolated at home, multiple movement restrictions and canceled cultural events, the online has become an important element in this area. Many artists and cultural institutions migrated towards the digital environment, sharing online content with the public, making it available for free most times.

That is why we launched the **Raiffeisen Art Project – Virtual Session** in June. There, we broadcast and promote the cultural products of those theaters and cultural events organizers we collaborate with.

Harnessing the tools of the digital medium, Raiffeisen Art Project expands public access, people from anywhere in Romania, as well as those abroad being able to enjoy valuable artistic creations. At the same time, it also promotes artists during this period, offering a solution to continuing their activity in the context created by the sanitary crisis.

The Virtual Season is structured into four sections:

- **Theatre**
with recorded or live shows
- **Music**
with recorded or live recitals, concerts or shows
- **Explorator**
includes diverse projects with a cultural component
- **Conversations**
containing films and interviews with artists, musicians, cultural managers or live chat artist sessions, communicating with the public, under the hashtag #stagiunevirtuala

The platform will be updated weekly with projects or news.

The videos can be accessed for free and are available for a limited period of time that is announced at every project launch.

So far, we have launched a series of theatre shows on the virtual platform:

- **Absolut** show by ACT Theatre, casting Marcel Iureș
- **N(AUM)** show, casting Oana Pellea and Cristina Casian
- **Bravul Soldat Șvejk** show, produced by the National Theatre "Radu Stanca" in Sibiu
- Preview of the **Caragiale e de vină!** show, written by Matei Vișniec, casting Oana Pellea and Mircea Rusu
- **Păi... despre ce vorbim noi aici, domnule?** show, casting Marcel Iureș and George Mihăiță, directed by Alexandru Dabija

We are aware that the journey ahead is paved with unknown elements, but we strongly believe that should we stick together, we shall overcome all challenges. We have committed to support our stakeholders, to stay by their side and to work together to conquer all threats. We can only hope that this period of time will open the gates to a world we all wish to live in.

The information regarding measures taken by the Bank during the coronavirus pandemic covers the period between March and June 2020.

When the information presented refers to data relevant only to a certain period of time (e.g. the month of March), this is mentioned in the text.



DIGITAL SOLUTIONS FOR RESPONSIBLE BANKING

Sustainability report
2019