

## APPENDIX TO DIRECTORS' REPORT

### Raiffeisen Bank Romania 2020 non-financial statement

#### About Raiffeisen Bank

Raiffeisen Bank S.A. ("Raiffeisen Bank Romania", "Raiffeisen Bank", "the Bank"), part of the Austrian banking Group Raiffeisen ("the Group"), has been present in Romania since 1994. Offering a full range of banking products and services, at the end of 2020 the Bank's network consisted of 333 agencies, 726 ATMs, over 23,400 POSs and 392 multifunctional machines and a portfolio of 2,072,343 million private individual customers, 99,197 SMEs and 5,313 companies.

In 2020, we continued to focus on digitally transforming banking, a process that was accelerated by the pandemic. The number of electronic payments made increased significantly by 80% in the first half of the year. Smart Mobile was the most downloaded mobile banking application in Romania in March<sup>1</sup> 2020, transactions made through the mobile and internet banking apps increased by 73% compared to 2019, while digital payments made through RaiPay, Apple Pay or Garmin Pay doubled. If 83,000 customers were using these applications last year, they now make up 200,000 users. These increases in numbers demonstrate the customers' appreciation for the Bank's digital solutions.

#### Mission, vision and values

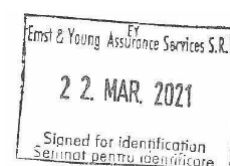
In Raiffeisen Bank's vision, ensuring the sustainable development of the company is our obligation towards the society, stakeholders and ourselves. Our mission is to enable this journey towards a sustainable community and to support customers by providing them with the right financial products and services. In our day-to-day work, we are guided by solid values, which are reflected in everything we do: collaboration, responsibility, learning and proactivity.

The year 2020 emphasized the importance of transparency and the ability to respond to unforeseen situations. Although it was a difficult year, full of unpredictable events, which forced us to reevaluate the way we operate, we acted quickly in order to ensure the continuity of the business in safe conditions and to come to the aid of our employees, customers and partners, but also to support society in facing this challenge.

We want to deliver "Proper banking" to our customers, and this requires responsibility and commitment. We prove these values define us by publishing an annual sustainability report, a practice that has already become a tradition, this being the twelfth year in which we transparently publish non-financial performance indicators.

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<sup>1</sup> According to AppAnnie monitoring app.



An essential part of developing the sustainability report is identifying the areas where the Bank generates economic, social and environmental impacts, as well as consulting our stakeholders. The materiality analysis research was conducted between January and February 2021. This process is carried out every two years and follows the methodology proposed by the Global Reporting Initiative (GRI) standards. The sustainability report also meets the requirements of the Order of the National Bank of Romania no. 7/2016 and the Order of the Ministry of Public Finance 3,456/2018.

The areas where Raiffeisen Bank generates significant impact, resulting from the analysis carried out with the help of the Bank's management team (board members and department managers) are the following:

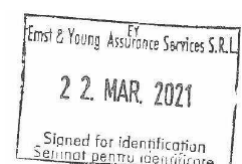
1. Occupational health and safety
2. Human rights assessment
3. Financial education
4. Volunteering and community investments

Transparent information regarding products and services Stakeholder consultation revealed the following areas of interest:

1. Management and leadership
2. Anti-corruption
3. Human rights assessment
4. Transparent information regarding products and services
5. Innovation

The 29 material topics resulting from the analysis were grouped into three categories:

1. Economic:
  - Anti-corruption
  - Management and leadership
  - Innovation
  - Public policy
  - Anti-competitive behavior
  - Economic performance
  - Market presence
  - Indirect economic impacts
2. Social
  - Customer privacy
  - Sustainable finance
  - Marketing and labeling
  - Transparent information regarding products and services
  - Procurement practices
  - Employment
  - Occupational health and safety
  - Diversity and equal opportunity
  - Training and education
  - Labor-management relations
  - Non-discrimination
  - Human rights assessment
  - Volunteering and community investments
  - Socioeconomic compliance



- Stakeholders and community engagement
  - Financial education
  - Security practices
3. Environment
- Energy
  - Waste
  - Emissions
  - Materials

## Affiliations

- Employers' Associations: The Council of Banking Employers in Romania (CPBR), Employers' Confederation "Concordia"
- Professional Associations: Romanian Association of Banks (RAB), Romanian Association for Electronic Payments (APEROP), Romanian Factoring Association (ARF), Fund Managers Association (AAF)
- Business Associations: The Coalition for the Development of Romania, Foreign Investors Council (FIC), German Economic Club 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)
- Others: Aspen Institute Romania (ASPEN), Romania Green Building Council (RoGBC)

Steven van Groningen, President & CEO of Raiffeisen Bank, holds the following positions on the governing bodies of the various associations: Chairman of the Concordia Board of Directors; Member of the CPBR Board of Directors; Member of the FIC Board of Directors; CDR Steering Committee Member; Founding Member of the Aspen Romania Institute.

As part of the Raiffeisen Bank International Group, we respect and promote the ten principles of the United Nations Global Compact (UNGC):

## HUMAN RIGHTS

principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

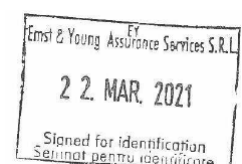
principle 2: Businesses should make sure that they are not complicit in human rights abuses.

## 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.

We also support and contribute to the 17 Sustainable Development Goals, outlined by the United Nations and adopted by all Member States (including Romania) since 2015. This set of goals is a framework designed to guide the sustainable development of the society. The sustainability report that will soon be published is also to include a mapping of the Bank's contribution to achieving these goals.

In addition, we are founding members of the Chamber of Commerce for Diversity, which aims to promote diversity and inclusion in business and support entities run by persons belonging to minority groups, including women, LGBTQ+ people, people belonging to ethnic minorities and people with disabilities.

## Corporate governance structure

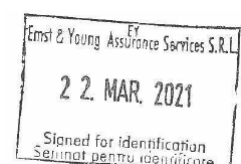
Corporate governance is the set of principles and mechanisms based on which the company's management exercises its leadership and control prerogatives, in order to achieve its goals proposed by implementing the adopted strategy, always having a fair conduct towards customers, counterparties, shareholders, investors or supervisory authorities.

The Bank places great importance on responsible and transparent management, which aims to ensure that the Bank correctly informs its stakeholders and maintains their trust (not just capital market participants). Thus, the Bank applies the principles defined in the Corporate Governance Code (CGC) of the Bucharest Stock Exchange (BVB), which can be found on the Stock Exchange's website, [here](#).

### The General Shareholders' Meeting

The General Shareholders' Meeting (GSM) is the superior decision-making authority of the Bank. The General Shareholders' Meeting may be Ordinary or Extraordinary. In accordance with the Bank's Articles of Incorporations and the legislation in force, the General Meeting Shareholders' Meeting has a series of main competences:

- The Ordinary General Shareholders' Meeting:
  - To discuss, to approve or to modify the annual financial statements of the Bank, upon the analysis of the Management Board's and Supervisory Board's reports, as



well as that of the report and the opinion issued by the financial auditor, and to establish the dividends, if any;

- To elect the members of the Supervisory Board and the financial auditor of the Bank;
- To revoke the members of the Supervisory Board and the financial auditor of the Bank, whenever it is considered necessary;
- To set the remuneration for the Supervisory Board members, as well as the general principles and limitations with respect to the additional remuneration of the Supervisory Board members and the general principles and limitations with respect to the remuneration of the Management Board members;
- To consider the performance of the Management Board members, to discharge them of liability and to decide to sue them, if necessary;
- To approve the budget of revenues and expenses and the business plan for the following fiscal year.

o The Extraordinary General Shareholders' Meeting:

- The change of the Bank's legal form;
- The merger of the Bank with other companies;
- The Bank's dissolution or division;
- The issuance of bonds and conversion of such bonds from a category into another or into shares;
- Decrease the Bank's share capital;
- Any amendments to the Articles of Incorporation of the Bank.

The manner in which the General Shareholders' Meetings are conducted, as well as the regulations with respect to the shareholders' rights and obligations, are regulated by Law no. 31/1990 on trading companies.

### Administration structure

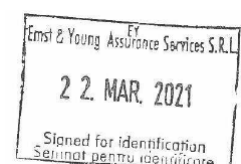
The administration of Raiffeisen Bank S.A. is performed by a dual management system consisting of the Management Board and the Supervisory Board. The dual management system allows for the segregation of the company's management responsibilities – carried out by the Management Board – from the responsibilities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

#### The Management Board

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.

Competences delegated to the Management Board:

- Relocation of headquarters to another address;
- Modification to the Bank's activity, except changing the main field of activity and the main object of activity;
- Increase the Bank's share capital, except when this is made through an increase in the nominal value of the shares (provided that the increase is not achieved through the incorporations of



- reserves, benefits and issuance premiums), in which case the decision regarding the share capital increase will be made by the Extraordinary General Shareholders' Meetings unanimously;
- Establishment and closing down any territorial bank units with no legal entity.

### The Supervisory Board

The Supervisory Board exercises an ongoing control over the Bank's current management activity conducted by the Management Board. The Supervisory Board consists of 9 members appointed by the General Shareholders' Meeting within four-year mandates, being possible to be re-elected for additional mandates.

The main competences of the Supervisory Board:

- To set the exact number of Management Board members, as well as their competences;
- To appoint and revoke the Management Board members;
- To verify the Bank's managerial operations are compliant with the law, with the Articles of Incorporation and with the resolutions of the General Shareholders' Meeting;
- To provide the General Shareholders' Meeting with at least a yearly report with regard to the supervision activity undertaken;
- To convene the General Shareholders' Meeting on an exceptional basis, should this be required in the best interest of the Bank;
- To establish advisory committees as required by law, but not only, as these will be considered necessary in order to develop the Bank's activities. The committees will consist of Supervisory Board members;
- To approve and to periodically review the general principles of the remuneration policy as well as its implementation. To directly oversee the remuneration of the senior officers in the risk management and in compliance functions.

During 2020, 4 Supervisory Board meetings took place and their decisions were made by the unanimous votes of the attending members. Also, a number of 19 decisions were made by circulation.

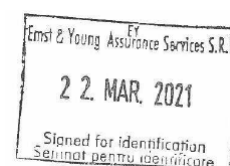
The Supervisory Board has set up a number of 5 committees from among its members, namely: the Audit Committee, the Nomination Committee, the Remuneration Committee, the Executive Credit Committee and the Supervisory Board Risk Committee.

## Business ethics and responsibility

In addition to strictly complying with national and international law, the regulations of the Code of Conduct implemented at Group level, as well as the norms of the Corporate Governance Code (CGC) of the Bucharest Stock Exchange, Raiffeisen Bank's daily activity is guided by ethics and responsibility.

The Bank's Code of Conduct (updated in January 2020) forms the foundation of a corporate culture based on integrity. The Bank expects all employees to act responsibly, not engage in any inappropriate behavior, especially intentional, violating or requiring others to violate the Code of Conduct.

Employees are advised to express their concerns and promptly report any fraudulent attempts or possible violations of laws or regulations to their managers. Any breach of the Code of Conduct may have consequences under the labor law, including early termination of the employment contract.



The company also expects all suppliers and partners of the Bank to comply with the Code of Conduct or other identical or similar rules, regulations and standards.

All employees are encouraged to report any suspicions about irregularities in their day-to-day work. Thus, two channels are available for them to submit notifications, remaining under the protection of anonymity:

- The Whistleblowing platform (managed at RBI Group level): [rbi.whispli.com/whistleblowing](http://rbi.whispli.com/whistleblowing)
- Whistleblowing E-mail – dedicated local e-mail address: [whistle.blowing@raiffeisen.ro](mailto:whistle.blowing@raiffeisen.ro)

In 2020, 7 complaints were reported via Whistleblowing E-mail. Of these, 4 were disproved, and 3 concerned inappropriate behavior of some employees. Thus, measures were adopted according to the internal regulatory and legislative framework.

### Conflicts of interest

At the level of Raiffeisen Bank Romania, specific policies are defined, in force, regarding Conflicts of Interest, both for the Bank's staff and for the Governing Bodies (Management and Supervisory Board). Governing bodies are responsible for establishing, approving and overseeing the effective implementation of conflicts of interest policies.

Conflicts of interest are monitored in order to prevent bribery and corruption, as well as to prevent any other conduct that could have a negative impact on the Bank's customers and partners. The conflicts of interest internal policies are intended to help identify, assess, manage and mitigate or prevent current and potential conflicts of interest, including those related to the financial services provided by the Bank.

Internal policies require staff and management bodies to immediately report any situation that could lead to a conflict of interest resulting from close personal relationships, additional employment contracts, participation in events, gifts, invitations and transactions with financial instruments. Conflicts of interest could also arise in connection with acts of corruption, fraud and market abuse.

In 2020, the Bank registered two complaints from employees/partners regarding the existence of potential conflicts of interest at company level.

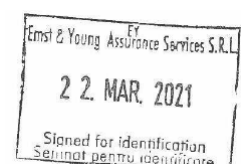
Based on the complaints received, the Bank performed specific internal audits and took measures to manage and monitor conflicts of interest in accordance with the internal regulatory and legislative framework.

More information on how the Bank ensures that it minimizes the risk of conflicts of interest can be found in the Financial Report, *Conflicts of Interest* section.

### Anti-corruption policy

The Bank takes responsibility for preventing and combating corruption and bribery and implements a rigorous internal set of rules that meet the highest international standards. Raiffeisen Bank complies with the Romanian legislation on anti-corruption, as well as the standards of the Raiffeisen Bank International Group. When there are differences between the Romanian legislation and the Group standard, Raiffeisen Bank applies the more restrictive standard.

Corruption and bribery can take many forms, including by offering or accepting direct or indirect payments, excessive gifts, sponsorship donations, preferential payments or facilitating services. Employees are authorized to accept or offer gifts and invitations that are appropriate to their position in the company only



in certain circumstances, subject to the limitations, approvals and registration requirements defined in the Bank's internal rules, but are strictly prohibited from offering or receiving monetary gifts or equivalent.

Acts of corruption committed by employees or partners who have contractual relations with the Bank are unacceptable.

The risks of corruption are assessed and closely monitored by the Anti-fraud and Anti-corruption Department, which is responsible for developing, updating and implementing internal regulations designed to eliminate the risk of acts that contravene the Bank's ethical standards:

- a company-wide anti-corruption policy, revised in August 2020
- a policy on managing and preventing conflicts of interest, revised in September 2019
- a policy on conflicts of interest for members of the Management Board and the Supervisory Board, updated in April 2019

The Anti-Fraud and Anti-Corruption Department assesses and monitors the risks of corruption both within the company and externally, in relation to service and product providers and in sponsorship and charitable actions.

In 2020, all employees were informed regarding the company's anti-corruption policies and procedures during a mandatory training. In fact, in 2020 there were no cases of corruption involving Raiffeisen Bank employees or company partners.

Thus, the Bank was not involved in any corruption incident leading to the dismissal or disciplinary sanction of employees and there were no public lawsuits or lawsuits against the Bank, based on suspicions of corruption.

During the reporting period, 36% of Raiffeisen Bank's operations were assessed in terms of corruption risks in 4 areas:

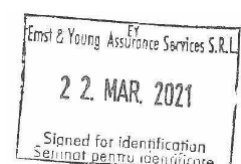
1. The process of vetting new employees
2. Supplier screening process (services, rented spaces)
3. Sponsorship and charitable actions
4. Conflicts of interest - including gifts and invitations

The evaluation of operations aims to identify and avoid potentially significant risks, such as giving and taking bribes, abuse of authority, reputational risks, etc.

#### Personal data protection

During the reporting period, there were 25 legal proceedings, concluded with final court decisions, regarding violations of the legislation regarding customer data protection and privacy, in which customers requested that Raiffeisen Bank delete negative data from record systems such as Credit Bureaus, and to cease future reporting of negative data to the Credit Bureau. Another 11 lawsuits were filed in 2020 following the sanctioning of the Bank by the National Authority for Consumer Protection for non-compliance with laws and/or regulations in the social and economic field.

In 2020, there were no legal proceedings regarding the Bank's anti-competitive behavior or anti-trust and monopoly violations, in which the organization was identified as a participant.





Indicator	2018	2019	2020
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 and 28 fines	2 warnings and 25 fines
Total number of fines/warnings for non-compliance with laws or regulations regarding processing customer personal data	7 warnings	2 warnings and 1 fine	0 warnings or fines

## Risk management in the banking sector

The Raiffeisen Group approaches risk in a prudent manner, in line with its long-term development objectives.

The risk management function is independent of the commercial one and focuses on the management and control of the following risks: credit risk, market risk, liquidity risk, operational risk, reputational risk.

The Management Board has overall responsibility for the establishment and oversight of the Bank's risk management framework. In this respect, it established the Assets & Liabilities Committee (ALCO), Credit Committee, Problem Loans Committee and Risk Committee, which regularly report to the Management Board and are responsible for developing and monitoring the Bank's risk management policies in the specified areas.

Raiffeisen Bank's risk management policies are established to identify and analyze the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to risk limits. Risk management policies and systems are regularly reviewed to reflect changes in the market conditions, products and services offered.

Starting January 2014, following the issuance and coming into force of the EU Directive and Regulation regarding Basel III implementation, the Bank reports to the National Bank of Romania (NBR) the Leverage Ratio, the Liquidity Cover Ratio (LCR) and Net Stable Funding Ratio (NSFR).

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 applied by the Bank starting with 2015. Starting 2018, the Bank applies the IFRS 9 requirements.

In the context of the complex regulatory environment, the Bank continues its efforts of adapting the IT architecture, as well as the risk policies and procedures, to the new legislative requirements and to the market evolution.

The Bank is currently developing and implementing tools to identify, measure and manage social and environmental risk.

## Credit risk

Credit risk analysis and assessment functions for all activity segments are fully centralized and currently represent a single point of contact for the entire Bank. Credit risk activity is organized by industries and specialized by customer segments. This allows a quick reaction to any major change in the micro or macroeconomic environment of Raiffeisen Bank or its customers.

Starting with 2009, the Bank implemented a standardized early warning system in order to monitor certain categories of non-retail borrowing customers and retail borrowing customers.

This system monitors, on a monthly basis, the selected portfolio, in order to identify early warning signs and explain them. Based on these signs, customer portfolio is split into risk groups and actions/strategies are proposed for the customers considered problematic.

Raiffeisen Bank S.A. received NBR's approval to determine the capital requirement for credit risk according to internal rating-based (IRB) models approach starting 2009, July 1<sup>st</sup>. As regards the retail portfolio, Raiffeisen Bank received NBR's approval to determine the capital requirement for credit risk according to advanced internal rating-based models approach (AIRB) starting 2013, December 1<sup>st</sup>.

## Market risk

Regarding market risk, the Bank currently uses the standard approach for capital requirement calculation. The market risk management is currently implemented through a market risk limits and warning levels structure applied to the Bank's exposures towards interest rate risk, both from trading book and from banking book, foreign exchange risk and other subtypes of market risks. The close monitoring process and the monitoring frequency of the established limits and warning levels assure a prudent market risk profile for Raiffeisen Bank.

## Liquidity risk

The Management Board defines the liquidity risk strategy based on recommendations made by the units responsible for liquidity and funding management in cooperation with the area responsible for monitoring and controlling of liquidity risk.

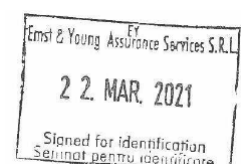
The main tools used for liquidity risk management and control purposes are: liquidity gap report, liquidity scorecard, regulatory liquidity indicator, early warning system, regulatory liquidity coverage ratio (LCR), and internal stress test.

## Operational risk

Starting with January 1<sup>st</sup>, 2010, Raiffeisen Bank determines and reports the capital requirement for operational risk using the standard approach that was approved by the National Bank of Romania's in November 2009.

This approval was based on the operational risk management framework developed by Raiffeisen Bank by implementing an operational risk management model based on three defense lines and on certain advanced tools, such as: operational risk incidents database, operational risk indicators, risk scenarios, risk assessment matrix. Both the operational risk management tools and process are continuously improved, being aligned with the operational risk management framework implemented at the Group level.

## Reputational risk



Within the Bank, reputational risk management is structured on the following directions: defining the management framework and identification, evaluation, monitoring, and management of the risk.

In order to implement the risk strategy for reputational risk, the Bank defined and approved the Reputational Risk Policy, which describes the roles and responsibilities regarding reputational risk, and also the tools used to insure proper management and control of this risk.

Tools used for assessing and managing reputational risk:

- reputational risk indicators (indicators that measure the perception and behavior of the customers – i.e., number of complaints; indicators that measure the public perception in the mass media; and indicators reflecting the relationship with government authorities);
- collecting and reporting of reputational risk events, which are managed using specific flows and actions;
- assessment of reputational risk as part of the Bank's risk profile.

Reputational risk is a priority for the Bank, and therefore we continuously focus to improve the management process, especially in terms of raising the awareness of all employees through specialized training programs.

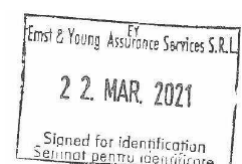
## Sustainable finance

We are aware of the essential role that the financial system plays in the transition to a green economy. Our wish is that Raiffeisen Bank contributes to the sustainable development of the company and generates a positive impact, both through the way it operates and through the projects it chooses to finance.

Thus, the Environmental and Social Risk Management Policy was implemented in 2014, which provides the framework on which the Social and Environmental Management System is developed. It includes criteria that apply to internal activity, such as topics regarding human resources management, procurement practices with minimal negative impact, but also criteria applicable in the financing (through loans or investments) assessment process for corporate clients.

In addition, in 2020 we continued to map out our portfolio, based on environmental, social and corporate governance (ESG) topics. Raiffeisen Bank's portfolio includes renewable energy projects, sustainable real estate projects, financing initiatives aimed at supporting entrepreneurship and, in 2020, it also included financing programs aimed at supporting the economy and the corporate environment in the context of the COVID-19 pandemic.

The sustainability criteria used in the portfolio mapping process are defined according to internal rules of Raiffeisen Bank International, developed following the European legislation in force. These are grouped into two main categories: green financing (which generates a positive impact on the environment and climate) and social financing (which generates a positive impact on the society or includes social aspects). In addition to topics such as renewable energy and sustainable real estate, green financing includes criteria such as energy efficiency, sustainable mobility, waste and emission reduction, protection of nature and other environmental issues. Social financing includes, among others, criteria such as social entrepreneurship, healthcare, culture and education.



At the end of 2020, 12.9% of the value of loans granted to corporate clients were directed towards sustainable real estate projects.

15.7% of the value of loans granted to corporate clients were directed towards projects aimed at supporting the society and companies in the COVID-19 context.

32% of Raiffeisen Bank International's green bond portfolio is found in Romania.

Sustainability and sustainable crediting are also aspects that we take into account regarding individual customers. 47% of the real estate loans granted by the Bank in 2020 financed the acquisition of high energy performance (energy class A) real estate.

At the beginning of 2020, we added Raiffeisen Global Equity to our investment products offer. It is the first fund in Romania that incorporates environmental, social and corporate governance (ESG) factors in its investment decision. The fund, denominated in euro and managed by Raiffeisen Asset Management, aims to provide individual investors with access to the growth potential of both global and local stock markets, under professional investment and risk management terms. Raiffeisen Global Equity proved to be of high interest for investors.

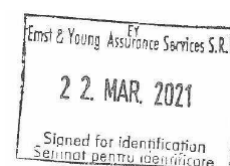
## Our team

We are aware of the responsibility we have towards our employees, yet we are also aware of the risks that can appear. We are permanently guided by solid values and we take actions that prevent and minimize the potential impact of these risks.

Considering Romania's current labor market, lack of motivation & satisfaction and staff turnover can represent risks that can alter the Bank's operational continuity. Therefore, we minimize these risks by having a constant dialogue with our employees, in order to measure their satisfaction level, that can guide us when it comes to developing an action plan based on their specific feedback and needs. We are also permanently connected to the labor market evolution and trends. Therefore, ever since 2019, the Bank developed the Work From Home Program, as work schedule flexibility became more and more important for our employees.

The tools we use to stay in permanent touch with our employees: we are offering them multiple channels to contact us and communicate their complaints, suggestions and feedback. Also, we perform an annual performance evaluation, helping employees professionally evolve and stay in line with their objectives, needs and wishes. Moreover, to help keep them motivated and ensure work-life balanced, we organize the RStyle well-being program, with themes that approach mental and physical health.

Another risk that can also affect the Bank is the lack of workforce in Romania. Therefore, it is very important for us to develop long lasting, trust worthy relationships with our employees, helping them evolve professionally and develop new skills. At Raiffeisen Bank Romania, one of the fundamental aspects of the Human Resources policy is continuous learning. In order to support that, we provide numerous trainings and courses for them to try, learn and develop new skills. In 2020, our colleagues had a total of 15.676 hours of training.



## Work environment

We are aware that our performance would not have been possible without the work of a close-knit team, made up of almost five thousand people at the end of 2020. An open-minded team that is dedicated to our customers and communities, acting guided by solid values, which embody Raiffeisen Bank's vision.

Our values

### Collaboration

We work together. If we collaborate, discuss, listen and help each other, we will always have the desired results. We will create an environment of understanding, respect and trust, in which we encourage diversity and teamwork.

### Responsibility

We act responsibly. We take responsibility for our actions, for significant changes. Individually or as a team, we make decisions responsibly and take responsibility for the results of our work. We are aware of the consequences of our actions and we are responsible members of society, for which we support sustainable business.

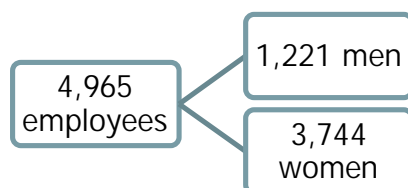
### Learning

We are eager to learn. This way we come to know personal progress and learn from experiences, education and sharing knowledge. Sometimes, experimenting can lead to mistakes, but this way we will be able to become even better, because learning and curiosity help us innovate.

### Proactivity

We are proactive. We look towards the future and we lead the change. We focus on opportunities, not on threats and we transform indecision into decisions and reactivity into proactivity. Through courage and determination, we make a difference, because even slow progress today will lead to great results tomorrow.

In 2020, our team consisted of 4,965 employees, of which 75.41% were women, while the average age was 37.5 years.



### Employees by working hours

Employees by working hours	2020		
	Men	Women	Total
Full time	1,204	3,684	4,888
Part time (from 1 h to 7 h)	17	60	77
Total employees	1,221	3,744	4,965

#### Employees by employment contract

Employees by employment contract	2020			
	Head offices		Network/Agencies	
	Men	Women	Men	Women
Permanent	793	1,501	372	2,041
Temporary	37	110	19	92
Total employees	830	1,611	391	2,133

#### Number of employees in head offices

Number of employees in head offices	2020	
	Number	% of total employees in head office
Sky Tower	637	13%
Office Building	1,020	21%
Braşov Operational Center	536	11%

#### Employee Opinion Survey

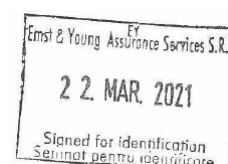
In 2020, the Bank conducted another annual edition of the research study on the level of commitment and efficiency, Employee Opinion Survey (EOS), in collaboration with the company selected at Group level, through a platform that offers us direct access to manage the study as administrators. This study helps us understand the factors that influence the two important pillars for our organization (commitment and efficiency). In addition to the standard questions agreed at Group level, we maintained the practice of including additional questions, specifically created to measure the perception of leadership traits for all management levels.

#### Internal Collaboration Satisfaction Survey (ICSS)

In 2020, the Bank conducted a new annual edition of the satisfaction study on the internal interaction carried out during the year, in collaboration with our traditional partner in this project, IPSOS Romania. Through this study, we evaluate the level of employee satisfaction every year, so that we can initiate specific actions, in order to increase employee satisfaction regarding internal collaboration, to achieve performance and, last but not least, to increase external customer satisfaction through our services.

#### Employee turnover

In 2020, employee turnover decreased significantly, reaching 14.62%, compared to 24% in the previous year.



Category	2020			
	New employees		Employees who left the company	
	Number	Percentage	Number	Percentage
Gender				
Women	581	11.70%	520	10.47%
Men	192	3.87%	206	4.15%
Total	773	15.57%	726	14.62%
Age				
<30 years	453	9.12%	291	5.86%
30-50 years	296	5.96%	335	6.75%
>50 years	24	0.48%	100	2.01%
Total	773	15.57%	726	14.62%
Office/location				
Head offices	331	6.67%	269	5.42%
Network/Agencies	442	8.90%	457	9.20%
Total	773	15.57%	726	14.62%

When calculating employee turnover rates, employees who left the company involuntarily, as a result of agencies closing, were also included.

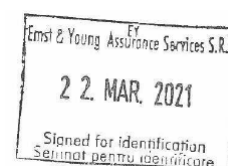
## Diversity and equal opportunities

We strongly believe that all citizens have equal rights, that diversity is an essential element of any strong society, and we strive to ensure that we, at Raiffeisen Bank, also contribute to the development of an inclusive world by including this belief in our day-to-day work, through the policies and measures adopted at Bank level. In addition to complying with national legislation, we are guided by internationally developed principles in this regard, such as the European Convention on Human Rights and the Universal Declaration of Human Rights.

We emphasized how important this topic is to us in 2018, when we signed the Diversity Charter, and thus, publicly committed to respect and promote values such as diversity, equal opportunities and social inclusion. In addition, at the end of 2019, a Diversity and Inclusion Officer was appointed within Raiffeisen Bank, responsible for transforming our vision into specific measures.

Starting June 2020, we launched an internal communication campaign on diversity - Part of Diversity. The communication campaign included articles and interviews with colleagues or representatives of the subject of diversity, addressing various topics - collaboration between generations and the benefit of learning at any age, successful women, causes of discrimination, identifying various disabilities. The approach included an information and awareness component, but also concrete actions for diversity. We used the training materials from the eLearning platform on the subject of diversity and we prioritized interesting courses on the subject of diversity every month, which addressed several topics: understanding unconscious prejudices, maintaining cohesive multigenerational teams, reconciling diversity, cultivating a passion for learning.

We included the course Code of conduct in coworker relations in the portfolio of mandatory courses that Raiffeisen Bank employees must follow and we launched, in the second half of 2020, a course on diversity at the Banking University. The course is mainly addressed to colleagues with recruitment responsibilities (including managers), but also to all colleagues interested in the subject of diversity at work and in their



personal contribution to a more inclusive work environment. The topics presented refer to the stereotypes in thinking & prejudice; the role of emotional intelligence; discrimination - types and forms of discrimination; harassment and its forms; statistics & challenges for Romania; recommended actions in case of discrimination; individual contribution to a diverse and inclusive work environment; behaviors of leaders who support diversity and inclusion.

During 2020, we published and updated our policy on diversity in the workplace and the policy on the prevention of discrimination and harassment in the workplace.

Starting August 2020, we included the ideal employee profile in the job announcements for new positions (internally and externally): "At Raiffeisen Bank, the selection and promotion of people is based exclusively on skills. We are open to diversity and non-discrimination and encourage the inclusion of all employees, for an efficient, creative and pleasant work environment, with a good work-life balance! In our bank, the ideal employee profile does not take into account age, but enthusiasm and passion, it does not take into account religion, but the desire to learn, it does not take into account gender, but professionalism, it does not take into account ethnicity, but rather skills and competences! The more different we are, the more value we can create together."

During 2020, we conducted several surveys to find out the expectations and suggestions of colleagues about working during the pandemic, so as to ensure that we maintain a proper work-life balance. The most important suggestions received from our colleagues were related to ensuring a flexible work schedule and the possibility to continue working from home/remotely and to ensure sanitary protection measures. These proposals have been implemented and developed throughout the organization.

In 2020, there were no incidents of discrimination among employees and no human rights violations were recorded.

#### Employees by age and role within the company

Category	2020							
	Men				Women			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Board	0	4 54.14%	3 42.86%	7	0	0	0	0
B-1*	0 0.00%	19 0.38%	3 0.06%	22 0.44%	0 0.00%	8 0.16%	12 0.24%	20 0.40%
B-2**	0 0.10%	39 0.79%	9 0.18%	53 1.07%	3 0.06%	63 1.27%	11 0.22%	77 1.55%
Other management position	9 0.18%	131 2.64%	18 0.36%	158 3.18%	12 0.24%	243 4.89%	87 1.75%	342 6.89%
Specialists	301	575	112	988	906	1.920	479	3.305



	6.06%	11.58%	2.26%	19.90%	18.25%	38.67%	9.65%	66.57%
Total	315	764	142	1.221	921	2.234	589	3.744
	6.34%	15.39%	2.86%	24.59%	18.55%	44.99%	11.86%	75.41%

\*B-1 (Board-1) represents the first level of management, after top-management/Management Board.

\*\*B-2 (Board-2) represents the second level of management, after top-management/Management Board.

In 2020, 56.4% of senior management positions (Board-1 and Board-2) within Raiffeisen Bank Romania were held by women, experiencing a slight increase compared to the previous year (55.34%).

	2018		2019		2020	
Number of employees with disabilities	Men	Women	Men	Women	Men	Women
Specialists	4	14	12	13	5	16

## Remuneration and benefits policy

### Remuneration Committee

The Remuneration Committee assists the Supervisory Board regarding remuneration, in particular of the members of the Management Board and the Supervisory Board, in accordance with the principles and limits approved by the General Shareholders' Meeting and taking into account the long-term interests of shareholders, investors and of other interest holders in the Bank. The attributions, organization and way of operation are defined in the Rules of Organization and Operations of Raiffeisen Bank S.A.

The Remuneration Committee consists of 3 members of the Supervisory Board:

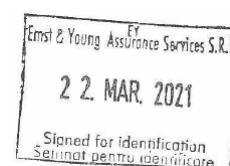
- Johann Strobl - President
- Hannes Mösenbacher - member
- Ileana-Anca Ioan - member (independent member of the Supervisory Board)

During 2020, a meeting of the Remuneration Committee took place, the decisions were made by the unanimous votes of the attending members. Also, 2 decisions were made by circulation.

### Remuneration system

The system of remuneration of Raiffeisen Bank S.A. promotes fair and efficient risk management and does not encourage assuming risks over the tolerated levels. This is in line with the Bank's and the Group's long-term business strategy, goals, values and interests and it incorporates measures to avoid conflict of interest.

The remuneration policies of Raiffeisen Bank S.A. are approved by the Bank's Supervisory Board through the Remuneration Committee.



The compensation system in Raiffeisen Bank S.A. is governed by the following principles:

1. The compensation system supports the company's long-term business strategy and goals, its interests and values by using the set of key performance indicators (KPI) of RBI and the key cultural competences.
2. The principles of compensation incorporate measures to avoid conflicts of interest.
3. The compensation policy and principles are in accordance with and promote solid and efficient risk management practices and avoid variable payment for assuming risks over the tolerant level for the institution through KPIs and process management (e.g. the process of Assessing Performance, risk committees).
4. Compensation is based on a functional structure and it is linked to performance. Besides, special rules are applied to the personnel whose professional activity has a material impact on the risk profile.
5. Compensation is competitive, sustainable and reasonable and it is defined in accordance with the relative value of work, market and practice.
6. Fixed compensation is defined, in principle, in accordance with the market conditions.
7. The compensation structure (the variable payment proportion relative to fixed compensation) is balanced, which allows each employee to have an adequate level of remuneration based on the fixed salary.
8. All variable payment programs include minimum levels of performance and a maximum payment threshold.
9. Individual performance is the product of the results obtained and of the competences based on both quantitative and qualitative measures, valued within the process of performance assessment and considering financial and non-financial criteria.
10. The personnel employed in controlling functions is compensated independently from the business unit they supervise, has appropriate authority and their remuneration is determined on the basis of achieving their own goals without taking into consideration the results of the area they monitor. The fixed and variable remuneration structure should be in favor of the fixed remuneration.

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 performance management system. Therefore, all variable compensation schemes are linked to performance management or a comparative system of setting the targets.

Value of the average salary, compared to the salary at national level	2018		2019		2020	
	Average employee salary compared to average salary (%)	Average employee salary compared to minimum salary (%)	Average employee salary compared to average salary (%)	Average employee salary compared to minimum salary (%)	Average employee salary compared to average salary (%)	Average employee salary compared to minimum salary (%)

Average employee salary	147	361	149	370	146	355
Average junior employee salary: Bucharest	204	500	123	304	178	434
Average junior employee salary: outside Bucharest	107	261	131	326	107	259

Both full-time and part-time Raiffeisen Bank employees have access to the same benefits, regulated by the Remuneration Policy and the Collective Labor Agreement:

- healthcare
- insurance in case of disability or invalidity (resulting from work-related accidents)
- parental leave
- retirement benefits

All employees of the Bank benefit from the provisions of the Collective Labor Agreement.

Value of the benefits package as % of salary	2018			2019			2020		
	Specialists	Management	Top Management	Specialists	Management	Top Management	Specialists	Management	Top Management
	6.3	3.3	1.1	6.3	3.3	1.1	6.3	3.3	1.1

#### Parental leave

In 2020, 404 employees applied for and received parental leave (398 women and 6 men).

Parental leave	2018		2019		2020	
	Men	Women	Men	Women	Men	Women

Ernst & Young Assurance Services S.R.L.  
22. MAR. 2021  
Signed for identification  
Semnat pentru identificare

Total number of days of leave*	3,236	22,853	430	22,085	762	22,670
No. of employees who were entitled to parental leave	10	616	48	586	16	511
No. of employees who benefited from parental leave	3	437	6	420	6	398
No. of employees who returned to work at the end of their parental leave**	4	136	0	158	3	153
No. of employees who returned to work after maternity/paternity leave and were still employed 12 months after their return	3	95	0	134	1	151
Return rate	100.00%	31.12%	0.00%	84.00%	0.00%	74.83%
Retention	75.00%	69.85%	0.00%	85.00%	33.00%	98.69%

\*No. of days of parental leave taken in 2020 by those who started the leave that year.

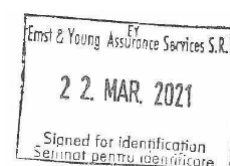
\*\*No. of employees who began their parental leave in 2020 and in prior years, and returned to work.

### WorkFromHome Program

The Bank has implemented the WorkFromHome Program within its headquarters since 2019, and in 2020 this program was extended to the agencies network and the Braşov Operational Center, with applicability for eligible functions in terms of job content and information security.

**In 2020, 40% of Raiffeisen Bank employees worked from home in order to be protected in the context of COVID-19.**

With local management administration, flexible hours work schedule was implemented, with different start and end working hours, in order to combat congestion in the means of transport and at the office in the pandemic context.



## Employee development

Employee training and education is a constant concern for our organization and one of the strategic directions in human resources. Through the development programs offered to our employees, we aim to directly contribute to individual, team and therefore organizational performance.

At the beginning of 2020, employee training mainly took place in the classrooms, and starting with March, through online sessions - webinars. These were supported by both external suppliers and the Bank's internal trainers.

In 2020, we launched development programs inspired by the organizational strategy and aligned with the organizational culture, aiming to strengthen employees' functional and leadership skills, as well as increase their level of engagement. The programs offered 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. Starting March, they were exclusively organized online.

A challenge for 2020 was to adapt courses developed for in-person training to being taught online by the Bank's internal consultants, in order to ensure the continuity of the learning process. We adapted all the materials and the delivery method in a very short time, ensuring a rapid shift to the different needs of the learning process in the context of the pandemic. In developing and delivering the programs, we aimed to contribute to the employees' learning and education process, providing quality content and approaching modern methods. We also continued to optimize support methods and technologies: experiential learning, interactive platforms and gamification.

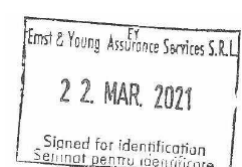
In 2020, we also launched a new section on the Bank's e-learning platform, EasyClass, an online library, which includes over 500 courses divided into 12 topics. The platform also offers a catalog with the description of each course, giving our colleagues the opportunity to choose and browse any topic of interest to them.

The EasyClass e-learning platform also hosts the Digital Academy program, consisting of online courses for our colleagues in the agencies, a learning source to help them advise the Bank's clients in using the digital tools provided by Raiffeisen Bank.

Regarding the agencies network, the Raiffeisen School training program that addresses new employees continued online starting March and was adapted to the specifics of the activity in the agencies. It includes introductory courses in the company's activity, understanding of products, operations, lending, customer relations and involves the use of multiple learning methods, adapted to the current business context and in step with new trends and technologies. The course syllabus for colleagues in the agency network is configured according to the specifics of each role in the agency. In 2020, 240 sessions were organized within this program.

For the employees in head offices, we continued the professional skills and leadership development programs. In 2020, we continued organizing Leadershift - the leadership program addressed to all managers, both new and existing, who have not previously attended a leadership module.

The program provides managers with the right tools to support, in this role, the development of the people they work with and the teams they coordinate.



Another program launched in 2020 is Transform the Present, which aimed to identify and develop leadership behaviors that are the strengths of our organizational culture.

In 2020, we also developed the Lead the future program, a program that aims to identify and develop the leadership skills of colleagues in non-managerial positions.

We continued the Banking University program through webinars. Our fellow experts in various fields related to banking have held online webinars for other colleagues interested in growing professionally, thus sharing highly applicable practical knowledge. Among the sessions held at the Banking University were new topics, such as the Agile Basics, Part of Diversity webinars, etc.

In 2020, 23 lecturers actively participated in the Banking University online program, and 997 colleagues participated in one or more of the 106 sessions held during the year.

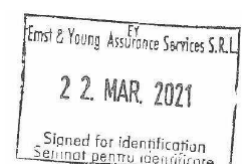
At the same time, Raiffeisen Bank continued the RStyle well-being program, in order to encourage employees maintain an optimal work-life balance. The program has been running for 7 years, and in 2020 focused on two pillars: RBody and EmotionR. The online events had various topics: sports, nutrition, health, personal development and parenting. In the online version, the events received the same appreciation as in previous years.

Average number of training hours/employee, by category	2018		2019		2020	
	Men	Women	Men	Women	Men	Women
B-1*	63.56	76.36	35.82	61.62	59.91	55.55
B-2**	68.08	68.91	42.00	37.67	43.74	37.36
Other management positions	33.58	30.60	28.24	27.15	23.34	27.98
Specialists	39.82	36.75	32.89	33.30	33.77	53.62
Total	40.28	36.87	32.70	32.97	33.37	50.95

B-1 (Board-1) represents the first level of management, after top-management/Management Board.

\*\*B-2 (Board-2) represents the second level of management, after top-management/Management Board.

Examples of training sessions, by topic (hours)	2020
Sales Skills	8,020
Basic Operations	2,064
Agile Basics	1,588
Induction	892
Basic Credits - Mortgage	1,812
Easy Mortgage	1,300



Total no. of hours	15,676
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## iGrow

In 2020, the iGrow platform was relaunched, with a new design and new functionalities, with the role of presenting possible career developments for all positions in the Bank.

## Human Resources – Performance Management Business Partnership

The performance partnership was also carried out in 2020, with the organization of on-site feedback sessions at the beginning of the year for the previous year, while the setting of objectives was organized through online sessions. In 2020 we changed our benchmark on values, and will include in the evaluation: Collaboration, Learning, Responsibility, Proactivity.

Performance evaluation and career development plan	Men		Women	
	No.	%	No.	%
B-1*	22	100%	20	100%
B-2**	53	100%	77	100%
Other management positions	158	100%	342	100%
Specialists	988	100%	3,305	100%
Total	1,221	100%	3,744	100%

\* B-1 (Board-1) represents the first level of management, after top-management/Management Board.

\*\* B-2 (Board-2) represents the second level of management, after top-management/Management Board.

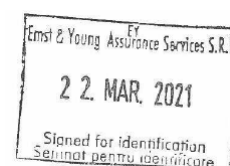
## Recruitment

In 2020, the recruitment team completed over 1,000 recruitments and selections, by identifying the right candidates, both inside and outside the organization.

## Programs for new hires

In 2020, the management trainee program called Banker2Be, aimed at acquiring talent and skills training, took place as follows: 14 young people were trained for a period of 3 months, learning the activity in agencies, with an emphasis on sales responsibilities. After completing the training period, the young people were employed in Raiffeisen agencies.

At the same time, at the beginning of the year, 7 young future specialists in enterprise technologies within the IT Division started their careers as part of the Raiffeisen Siebel CRM Academy program. The young people were selected from about 100 candidates who participated in the recruitment and selection process. Their training process consisted both in being allocated a dedicated buddy, trainings (from service providers) and in a team project, through which the young people had the opportunity to apply the notions accumulated in the program (learning by doing).



During 2020, we employed a number of 19 young people who took part in Management Trainee programs addressing key areas of the Bank, such as the Business Intelligence team, the Compliance Department and the Audit Department.

Towards the end of the year, we responded to business needs in areas such as Banking Security, IT Audit and Accounting-Reporting by organizing the Raiffeisen BeTech Academy program. By selecting 7 candidates from the over 190 applications, the recruitment process took place in parallel, each candidate having the opportunity to opt for a specific business area, depending on their knowledge and profile.

The internships within Central Administration were carried out complying with social distancing norms, according to regulations in force and using the online communication channels.

The internships are addressed only to students or master students who want to get acquainted with the spirit and culture of a multinational organization. During an internship, young people are presented with the activity flows within a bank.

## Occupational health and safety

The Occupational Health and Safety management system was implemented based on the Health and Safety Law no. 319/2006 and the Methodological Norms for applying the provisions of the law by Government Decision no. 1,425/2006.

The purpose of the Internal Service for Occupational Health and Safety (OH&S) is to ensure the best conditions in the work process, protection of life, physical and mental integrity, maintaining the health of workers or other persons participating in the work process.

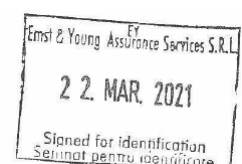
Responsibilities of the internal service:

- organizes and carries out the occupational health and safety activity;
- elaborates and carries out the general induction training for the Bank's employees;
- identifies the risks of work-related accidents and occupational disease and proposes measures to assess them (with the help of the occupational physician and healthcare providers);
- keeps records of work-related accidents in the Bank's units, as well as of occupational diseases;
- collaborates in the research, registration and record of work-related accidents at the Territorial Labor Inspectorates and at the Labor Inspectorate;
- prepares the documentation for complying with the legislation and norms regarding maternity protection;
- collaborates in the development of rules, procedures, regulations and instructions in the field of occupational health and safety and organizes first aid courses.

At the same time, the service analyzes and evaluates the risks of accidents and occupational diseases. This is a crucial step in the overall OH&S management process with regard to the strategy for selecting appropriate security measures, aiming at intrinsic prevention, choosing the optimal protection measures and providing information on risks. Access to information is done through the e-learning platform: Compulsory courses – OH&S training.

All employees are trained and have the obligation to carry out their activity in such a way as to not expose themselves or other people participating in the work process to risk of injury or occupational disease. When a hazard is observed, the employee is trained and informed to strictly follow the next steps:

- turn off the equipment and/or halt the activity;





- evacuate the personnel from the danger zone;
- notify specialized services and their superiors;

Training is done every six months, on the e-learning platform. Also, the related materials regarding occupational health and safety are made available to employees on the Bank's Intranet: President Division – OH&S Team. Within the company there is an Occupational Health and Safety Committee composed of 8 trade union representatives and 8 employer's representatives.

The company's risks are identified through the method developed by the National Research and Development Institute for Occupational Safety (INCDPM): The method of assessing the risks of occupational injury and illness. Risk is a dimension of danger characterized by two elements: probability and severity.

Workers can report any situations that pose a threat to their safety using the dedicated e-mail address: [protectia.muncii@raiffeisen.ro](mailto:protectia.muncii@raiffeisen.ro).

Many accidents occur due to carelessness, impatience and speed or inability to make the right decisions under certain conditions. In the urban areas, there are large crowds of traffic participants of all types: drivers, cyclists, motorcyclists and pedestrians. To prevent such incidents, we organize regular trainings on work-related accidents and defensive driving courses. However, in 2020, two incidents took place in which Raiffeisen Bank Romania's employees were involved. The accidents took place on the pedestrian crossing, while the traffic light was green for pedestrians. The victims' statements show that they were traveling from home to work, on their usual route. The victims started crossing the street at the pedestrian crossing and were hit by a car. The two employees (a man and a woman) benefited from sick leave for the required period, as per the medical certificate.

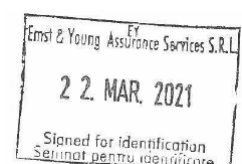
## Sustainable partnerships

The COVID-19 pandemic once again emphasized the need for transparency, accountability and commitment: we had to adapt to the new context as soon as possible in order to maintain a safe environment for our employees, customers and partners.

Although it still poses many challenges, the current context also gives us the opportunity to reflect, analyze and act differently. One thing is certain: we need change, commitment, responsibility and sustainable investment. We can turn this moment into an opportunity and rethink the way we address the many warning signals that arose in the past years - climate change, unequal opportunities, access to education - and to come together to support the sustainable development of Romanian society.

## Our suppliers

Year	Local suppliers and service provider (RON/EUR)	Other suppliers and service provider (RON/EUR)	Total (RON/EUR)
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2018	838,905,442/ 180,022,627	187,752,397/ 40,290,214	1,026,657,839/ 220,312,841
2019	1,064,804,905/ 227,765,755	159,057,866/ 34,023,073	1,223,862,771/ 261,788,828
2020*	748,746,734/ 154,792,486	197,742,810/ 40,880,447	946,489,544/ 195,672,933

\*Average exchange rate: 1 EUR = 4.8371 RON

79% of the Bank's procurement budget was spent with local suppliers, who represent over 93% of all suppliers.

Year	Local suppliers and service provider	Other suppliers and service provider	Total	Out of which new suppliers
2018	1,154	116	1,270	76
2019	1,202	136	1,338	91
2020	1,366	102	1,468	372

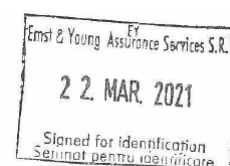
## Community investments

From the beginning of the COVID-19 pandemic, we knew that 2020 would not nowhere near what we planned before it started. We quickly understood that we need to be there for the community and all our stakeholders - from employees, customers, suppliers and partners, to the vulnerable social groups we support every year, to strategic community involvement programs and the national health system - and that only together we can overcome a situation for which no one was prepared.

Thus, we mainly allocated financial resources to community partners who were constantly connected to the urgent needs of society at that time, while also offering in-kind resources and volunteering hours provided by our colleagues during the work hours and beyond.

Education continued to play an important role in our portfolio of community projects and the largest share of the community investment budget (36%). We continued the strategic educational partnerships, which in turn adapted. Financial education and access to education programs for children from vulnerable backgrounds played an important role in Raiffeisen Bank's community investments, as have entrepreneurial education and leadership programs.

The pandemic had a major impact on culture. Supporting Romanian arts and culture is one of Raiffeisen Bank's strategic community investments directions. Therefore, we kept our promise and supported artists who experienced extremely uncertain times. We understood the need to transform physical events into online ones and we chose to support the efforts this industry made to survive, an industry that is vital to our society's health and development.



We approached projects promoting sports as part of a healthy lifestyle similarly. We all understood that playing sports can play an essential role in maintaining our emotional and physical balance. We continued supporting sports events in 2020, even if some of them had to adapt, for the safety of the participants. The 2020 edition of the Raiffeisen Bank Bucharest International Marathon could not fill the streets of the Capital with color. However, over 3,000 runners from all over the country gathered virtually and ran independently for a duration of two weeks.

Our urban ecology programs continued in 2020 - I'velo Urban and I'velo Relax bike rental centers helped respect social distancing norms and provided a safe and environmentally-friendly alternative to traditional urban mobility.

We knew that only if we joined forces could we overcome this challenge. That collaboration between authorities, companies and the civil society is needed, as we are aware that we all play a role in minimizing the negative impacts of the pandemic. We joined the business sector, NGOs and state institutions in their efforts to support the national health system during the first months of the pandemic. Although healthcare is not one of the Bank's strategic community investments areas, the urgency of the situation led us to get involved in fighting the spread of the virus. We acted quickly and allocated 1.6 million lei in direct donations to several hospitals across the country, at the onset of the pandemic.

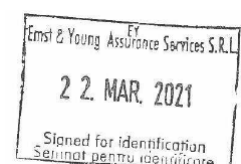
Looking back, this year has undoubtedly been a turning point. A difficult year, but one that offered us the opportunity to directly see and feel how valuable generosity and solidarity are. This year has given us the opportunity to reposition ourselves, as a society, on values such as solidarity, empathy and responsibility.

The main results of 2020 are:

- The total value of investments reported using the LBG methodology exceeded 1.43 million EUR, reaching an average of 333 EUR per employee.
- Just as in previous years, NGOs were our main community partners, but we also came to the aid of public institutions such as hospitals or educational institutions.
- The 10<sup>th</sup> edition of the Raiffeisen Communities grants program attracted 149 applicants, out of which we chose 11 winning projects, instead of the usual 10 projects. These were subsequently financed with 50,000 lei each to meet local needs in different areas of education.
- 518 colleagues chose to volunteer this year, dedicating 766 hours to the programs organized by the Leaders Foundation, United Way and the Hercules Association or to judging the projects in the Raiffeisen Communities grant competition.
- We continued to support projects regarding culture and sports that bring art and culture closer to people and that encourage people to embrace a healthier lifestyle. We continued the partnerships dedicated to the Sibiu Theater Festival, the SoNoRo Festival, the Bucharest International Marathon and others.

Community investments key figures (2019 vs. 2020)

2019	2020



285 employees volunteered to the community projects supported by the company	518 employees volunteered to the community projects supported by the company
The Bank's employees allocated 1,058 hours to volunteering in the projects supported by the company	The Bank's employees allocated 766 hours to volunteering in the projects supported by the company
On average, community partners managed funds of 111,322 lei	On average, community partners managed funds of 106,661 lei
Raiffeisen Bank's contribution per employee = 1,448 lei	Raiffeisen Bank's contribution per employee = 1,614 lei

Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Investment value (lei)	4,874,168	5,153,524	6,110,235	8,049,468	7,586,711	7,586,711	7,871,837	8,668,890	7,745,378	9,626,271	7,292,715	6,929,994

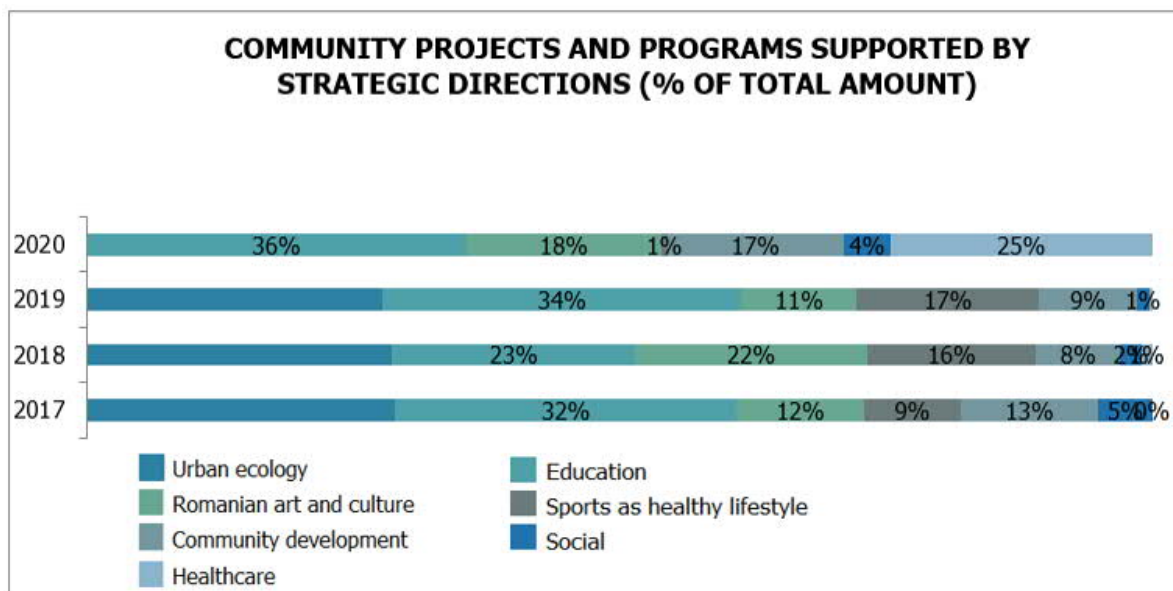
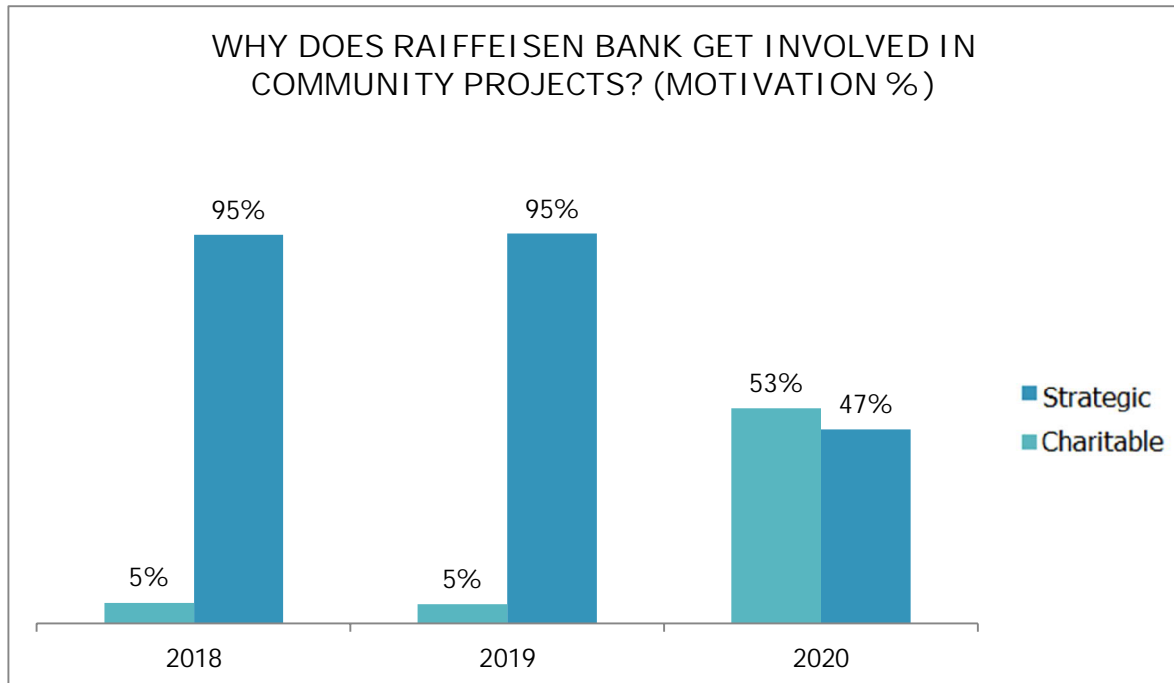
Approaching community investments strategically is important for Raiffeisen Bank, just as we approach business. Over the years, we have directed our investments into four strategic areas, without ignoring other urgent initiatives or needs of society. In 2020, the total value of sponsorships was 6,929,994 lei, 5% lower than the previous year's investments. The difference from the previous year comes from two considerations. The first is that for some of the annual strategic projects we have postponed the conclusion of sponsorship contracts from the end of 2020 to the beginning of 2021. Thus, these contributions will be found in the next reporting period. The second reason for the slight decrease of the community investment budget in 2020 was determined by sports and culture events being cancelled, as some of them could not be organized online, but will continue once the context allows it.

In 2020, the Bank diversified its community investments portfolio with donations that targeted hospitals in particular, but also other institutions that offer medical services in the COVID-19 context - county ambulance services or senior centers. We knew from the beginning of the pandemic and then during the emergency period that only together with our colleagues, partners, clients and communities, will we be able to return to normal. In short, our initiatives aimed at preventing the spread of the COVID-19 pandemic consisted of:

- Supporting the Romanian medical system through donations of 1.6 million lei to county and municipal hospitals and ambulance services that urgently needed funds for protective materials for medical staff.
- Donations of protection materials worth over 100,000 lei for 15 senior centers in the country.
- Computer donations to children from vulnerable communities who could not attend online classes.
- In the case of some of our education projects, redirecting funds towards the purchase of tablets for students from disadvantaged backgrounds.

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- Launching the option of donating right from the Raiffeisen Smart Mobile app, through which our customers were able to support three non-governmental organizations involved in the fight against COVID-19: the Association for Community Relations, the Regina Maria Foundation and the SMURD Foundation.



Together for the society

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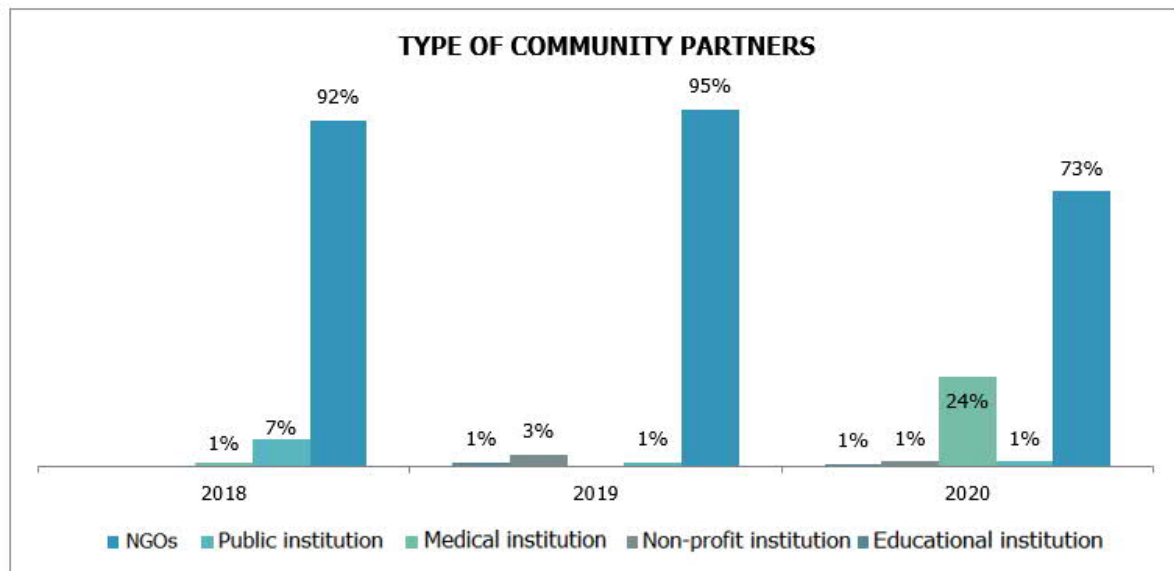
The year 2020 has shown us more than ever that we cannot have real change unless we all get involved. Therefore, we encourage our employees to volunteer or donate for the social causes we support, and we also offer our clients the option to make their own contribution. We have thus created the Direct Debit recurring donation system, through which our clients can quickly and easily become recurrent donors for the social projects in which they want to get involved.

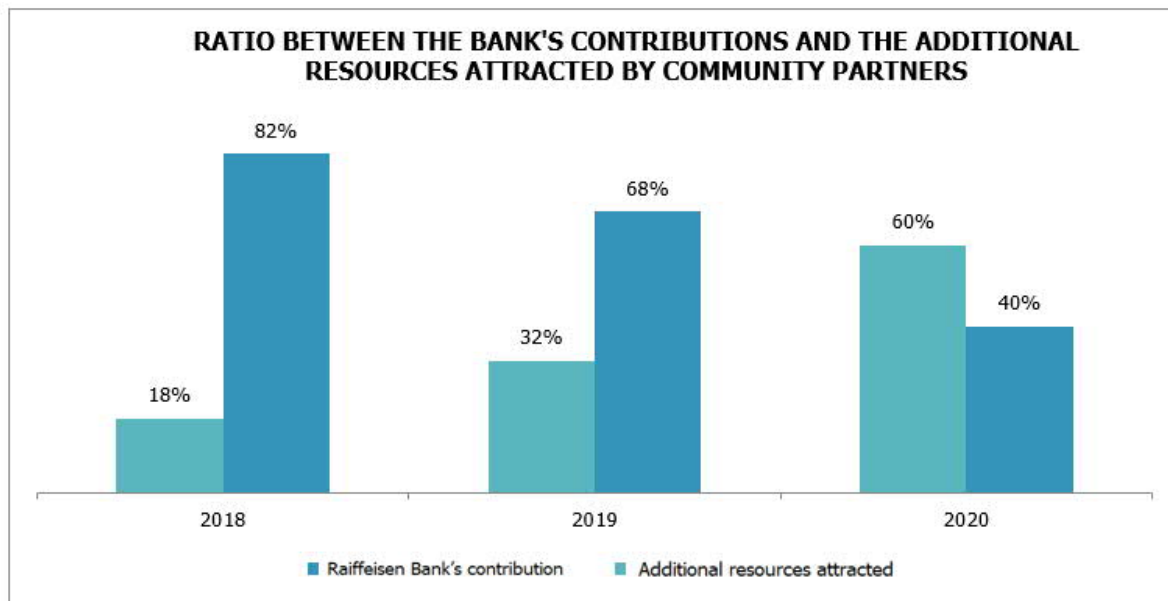
In the last year we had 8,466 active donors, compared to 7,526 in the previous year, who donated over 373,000 EUR. Alongside our clients, we also supported the clients of other banks in managing donations through this mechanism. Thus, in 2020 we supported 9,043 users of the mechanism, who donated over 420,700 EUR to community projects.

### Community partners

As expected, in 2020 we supported medical institutions, even if healthcare is not one of Raiffeisen Bank's community investments directions. NGOs continue to be the main partners in implementing community programs, as they are closely aware of the needs of the local communities in which we implement projects and the approaches needed to meet them.

Type of community partners	NGOs	Educational institutions	Medical institutions	Non-profit institutions	Public institutions
2018	92%	0%	1%	0%	7%
2019	95%	1%	0%	3%	1%
2020	73%	1%	24%	1%	1%





### Volunteering at Raiffeisen Bank

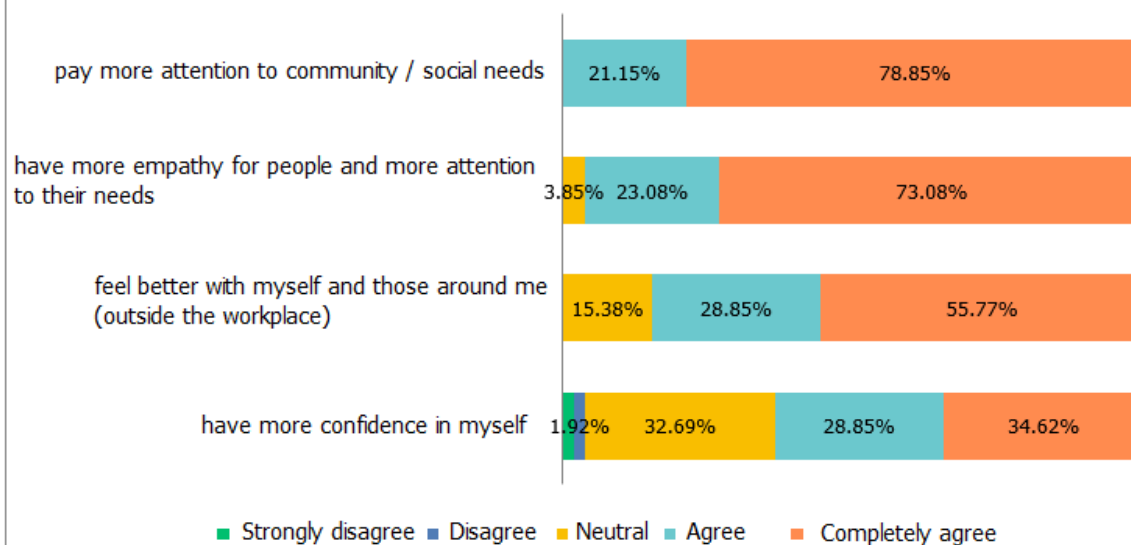
At first glance, we could say that 2020 was a year that did not offer volunteer opportunities given that restrictions were imposed in all communities. However, people have understood how acute social needs are and how important simple gestures of generosity are to some people. Volunteering plays a crucial role, and Raiffeisen Bank employees have proven that we can adapt and that nothing can stop us when we want to be close to each other.

In 2020, 518 colleagues volunteered during working hours, especially in projects dedicated to education, but not only. Volunteer opportunities have also moved online, but the motivation has remained just as strong. The main reason why Raiffeisen Bank employees have chosen to get involved is the belief that volunteering can help improve the lives of beneficiaries. In addition, volunteers see these activities as a vector of connection to the needs of the community and the needs of those around them, and in this context, trust in the organization for which they volunteer occupies an important place.

## Why do Raiffeisen Bank employees get involved in volunteering actions?



## Volunteering helped me...



The people we help through our community projects

Our partners have supported more than 373,000 people in their projects, generating profound changes in their lives – behavioral changes, improvements in knowledge and quality of life, whether we are talking about students in vulnerable communities who needed computers or help for online school or students who



have continued to take online financial education courses or even about cultural events that have moved to the virtual stage.

"Via Transilvanica helped small companies that benefited from the tourism brought to Via Transilvanica, small entrepreneurs or family businesses. By offering accommodation/meals or other local products and selling them, the quality of life in local communities has increased and will continue to increase due to the large number of tourists on the route."

Tăşuleasa Social Association

"By far the most significant change in the behavior of direct beneficiaries is the commitment to register as independent observers in the presidential, local and parliamentary elections, as a result of the deep understanding of the role they play in strengthening democracy and society."

Francophone Students Association from Iaşi, winner of Raiffeisen Communities grant in 2019

"Children who last year failed to write their name correctly are now reading, they know how find information in a text, they know how to write correctly."

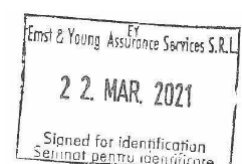
Teach for Romania Association

## Environmental protection

At Raiffeisen Bank, we see environmental protection as an important part of the responsibility we have towards local communities and the society. Although our direct environmental impact is limited due to the nature of our operations, as a Bank that offers financing products, we have a significant role in reducing the environmental impact of the Bank's portfolio, through sustainable financing policies that come to support efforts to transition towards an economy based on the principles of sustainable development.

The main environmental risks of our day-today activity are related to the negative impact the climate crisis has on the entire economical domain: dependency of natural resources, inefficient or rather poorly adjusted measures to the speed of changes in environmental factors, as well as a reduced capacity of businesses to adapt to the current context and implement actions plans aimed at reducing and tackling climate change. Moreover, an important risk at local level is represented by frequent legislative changes in this area.

In order to provide efficient measures to help tackle these risks, we carefully monitor the evolution of main relevant environmental indicators for our activity and we transparently report the progress for each of them both at Raiffeisen Bank International Group Level, as well as locally, in Raiffeisen Bank Romania sustainability report, a document that is public on the company website.



Not limiting to respecting the national legislation concerning the environment, as part of Raiffeisen Bank International, we have adopted and strictly follow an environmental policy and internal regulations at Group level. This is based on our commitments 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 implement measures in this sense, as to reach the environmental objectives set by RBI at Group level:

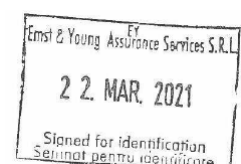
- Reducing greenhouse gas emissions resulting from energy consumption by 35%
- Getting 35% from the total energy consumption from renewable sources, at Central and Eastern Europe level
- Reducing paper waste by 25%
- Reducing water consumption by 25%
- Decreasing emissions resulting from employee transportation 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

Type of resource	2018	2019	2020
Paper (kg)*	300,488	311,975	217,400
Printer cartridges and toners (units)	6,568	2,204	623
Printed materials (forms, out of total paper consumption)	-	257,721.00	160,919.54

\*virgin paper

#### Waste

Recycled waste (kg)	2018	2019	2020
Packaging materials (paper)	86,194	64,338	37,275
Glass	8	14,168	0
Lighting fixtures	2,072	220	0
Batteries	0	4,334	4,662
Plastic	14,605	3,258	1,852



WEEE	96,488	75,957	78,675
Domestic waste	593,642	2,721,200	2,361,453

Out of the total amount of waste, 83,337 kg of hazardous waste (lighting fixtures, batteries, WEEE) and 39,127 kg of non-hazardous waste were recycled.

#### Energy

Total energy consumption	2018	2019	2020
Cooling electricity and energy (KWh)	21,530,000	18,430,000	14,330,000
Heating energy (gas) (KWh)	12,520,000	13,314,270	10,835,770

Fuel consumption (liters)	2018	2019	2020
Diesel	503,202	484,440	323,761
Petrol	36,432	28,369	24,881
Diesel for generators	3,493	5,350	7,726

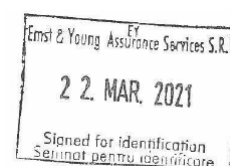
Fuel consumption from renewable sources	2018	2019	2020
Biodiesel	32,708.13	31,489.00	21,044.44
Bioethanol	-	2,270.00	1,990.51

#### Water consumption

Water consumption	2018	2019	2020
Water used (m <sup>3</sup> )	50,300	57,015	48,207

#### Transport

Transportation for employees	2018	2019	2020
Distance traveled by employees using their personal vehicles for business purposes (km)	966,016	1,022,950	426,300



Distance traveled by employees by taxi for business purposes (km)	832,443	1,193,554	685,193
Distance traveled with company cars (km)	7,239,047	7,325,747	4,980,600
Distance traveled by plane for business purposes (km)	-	3,131,462	368,273
Number of cars in company fleet	524	525	540
Diesel	470	502	527
Electric/Hybrid	3	3	3
Petrol	51	20	10

#### Emissions

Scope	Scope includes	Total (tons CO <sub>2</sub> eq)	
		2019*	2020**
Scope 2	Electricity consumption of Raiffeisen Bank Romania	4,570.27	3,553.55

\*In the 2019 non-financial statement, total emissions were calculated using an emission factor inaccurately taken from the energy supplier.

\*\*In the process of calculating the total emissions generated in 2020, the emission factor for 2019 was used (247.98 g CO<sub>2</sub>/KWh of energy produced - according to the statement of the electricity supplier), the one corresponding to the year 2020 not being available at the time of publication of the statement. The electricity supplier annually submits the electricity label related to the previous year by July 31<sup>st</sup> of the current year, according to ANRE Order no. 61/2016 - Electricity Labeling Regulation.

Currently, at local level, the Bank has not implemented a formal system for inventorying greenhouse gas emissions. However, we annually report to Raiffeisen Bank International the data on energy consumption, fuel and employee transportation, which are considered in the calculation of emissions generated at Group level.

#### Measures to reduce our environmental impact:

- During agencies being relocated, the classic neon tubes from 7 illuminated signs and 294 lighting fixtures were replaced with LED tubes, as well as 91 lighting fixtures.

Raiffeisen Bank S.A.'s non-financial performance indicators will be presented in detail in the Raiffeisen Bank Romania 2020 Sustainability Report. The Bank's 12<sup>th</sup> Sustainability Report is to be published in April this year.

