

Non-Financial Statement Raiffeisen Bank Romania 2022

1.1. About Raiffeisen Bank

Raiffeisen Bank Romania is part of the Raiffeisen Bank International AG (RBI) Group, one of Austria's largest providers of corporate and investment banking services and a leading universal bank in Central and Eastern Europe (CEE).

The Group's 13 subsidiaries operate in Austria and Central and Eastern European countries, offering a comprehensive portfolio of financial services, including leasing, asset management, and mergers and acquisitions.

Raiffeisen Bank International

2022	2021
Approximately 44,000 employees	Approximately 46,000 employees
17.6 million customers	19 million customers
1,770 banking units	1,770 banking units

1.2. Mission, vision and values

For more than 29 years we have been supporting the Romanian economy by offering financial products and services developed to meet the needs of our customers. With responsibility as a fundamental principle, we indirectly contribute to the growth and development of Romanian society, knowing that the investments we make today will be reflected in the future.

In doing so, our mission is to support the development of sustainable and thriving communities, to understand the needs of our clients and help them reach their full potential, and to provide security, guidance and easy-to-use financial services.

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.

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.

Responsibility

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

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.

1.3. Corporate governance

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

Raiffeisen Bank S.A. (the Bank) values responsible and transparent management, aiming to inform stakeholders (not only capital market participants) accurately and maintain their trust. 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 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.

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 Structures

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 Supervisory Board

The Supervisory Board exercises 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 and membership of the Supervisory Board can be found [here](#).

During 2022, Supervisory Board meetings took place and their decisions were made by the unanimous votes of the attending members. Also, a number of 34 decisions were made by circulation.

The Supervisory Board has set up a number of 4 committees, namely: Audit Committee, Nomination Committee, Remuneration Committee, and Supervisory Board Risk Committee.

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 and its membership can be found [here](#).

The Management Board set up a number of 10 committees, namely: Asset and Liabilities Committee, Risk Committee, Credit Committee, Problem Loan Committee, Private Individuals Credit Committee, Rules and Procedures Committee, Security Council, Costs and Investment Committee, Investment Committee and Product Governance Committee, to which it has delegated a number of powers mentioned in the statutes of those committees.

1.4. Business Ethics and responsibility

Through its Compliance Department, Raiffeisen Bank oversees the provision of an ethical business environment internally and in relation with contractual partners, as only a fair and responsible business environment promotes the development and progress of economic, social, and environmental factors.

The Bank complies with national and international legislation, and with the regulations Group wide Code of Conduct.

The Bank's Code of Conduct (updated in January 2022) forms the foundation of a corporate culture based on integrity. The Bank expects all its 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.

Employees are encouraged to report any suspicions of compliance or ethical violations or breaches of the Code of Conduct, such as bribery and corruption, alleged money laundering and violations of the financial sanctions system, fraud and theft, conflicts of interest, and other violations of the Code of Conduct. Two channels are therefore available to them to submit complaints, while remaining anonymous:

- The Whistleblowing platform (managed at RBI Group level) where only a limited number of people from RBI Group Compliance or RBI Group Internal Audit will have access to the submitted complaint;
- Whistleblowing E-mail – dedicated local e-mail address.

During the reporting period, a total of 4 whistleblowing complaints were received, but there were no confirmed cases of corruption among employees.

Socio-economic compliance

Strict compliance with legal requirements is essential for our business, as any breach leads to imbalances, both in terms of stakeholder trust and operational costs. Compliance with legislative regulations is a fundamental performance indicator for Raiffeisen Bank Romania's business model.

Product and services transparency

The promotion and marketing processes of our products and services comply with the national and international regulations in force. The Bank has developed a strict policy framework that aims to provide our customers with complete information, while at the same time protecting them against possible losses. It is essential for both us and the customer that the risks associated with accessing products and services are clearly explained to the customer.

Accurate and responsible marketing communications are extremely important in this regard, because we want to offer our clients the opportunity to make informed decisions, in accordance with their needs and possibilities, knowing all the details and responsibilities of each party.

Transparent and clear communication about the Bank's products and services is a prerequisite for maintaining the trust of our customers.

Anti-corruption and anti-fraud policy

Raiffeisen Bank complies with Romanian anti-corruption legislation as well as Raiffeisen Bank International Group standards, applying the most strict of these standards. The Bank promotes a zero-tolerance policy to fraud and corruption among its employees and business partners by ensuring effective management of the fraud risk associated with the products and services it offers and preventing its image from being associated with illegal business.

Corruption and bribery can take many forms, including offering or accepting direct or indirect payments, excessive gifts, sponsorships, 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.

Raiffeisen Bank takes a proactive approach to identifying and preventing fraud and developing an anti-fraud culture.

Anti-money laundering policy

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

- An anti-corruption policy implemented company-wide, reviewed in August 2020
- An anti-fraud policy, updated in April 2019
- A policy on managing and preventing conflicts of interest for employees, revised in September 2019
- A policy on conflicts of interest for Raiffeisen Bank's Management and Supervisory Board members, updated in April 2019.

Corruption risks are monitored both internally and externally in the relationship with service and product providers and in sponsorship and charitable actions.

Anti-corruption policies and practices are systematically made known to employees and business partners through training and information sessions.

In addition to mandatory courses on anti-corruption and anti-fraud policies, which are compulsory for all Raiffeisen Bank Romania employees, employees are required to know the bank's procedures and are informed about them annually. They are required to complete a declaration of compliance every year. The purpose of the declaration is for employees to confirm that they are aware of the obligations they must comply with in terms of internal and legal regulations. At the same time, one of the main purposes is to prevent potential conflicts of interest or market abuse by completing trading accounts held by employees.

The assessment of transactions aims to identify and avoid potentially significant risks, such as bribery, position abuse, reputational risks, etc.

Conflicts of interest

At Raiffeisen Bank Romania level, specific policies are defined regarding Conflicts of Interest, both for the Bank's staff and for the Governing Bodies (Management and Supervisory Boards). 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 employees 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 to acts of corruption, fraud, and market abuse.

Political contributions

In accordance with ethical principles and its sponsorship policy, the Bank does not make direct or indirect political contributions, nor does it provide sponsorship in cash or in-kind to political parties or politicians.

Anti-competitive behaviour

The Bank follows the rules of fair competition and the rules governing market conduct at national and international level as an important prerequisite for sustainable development.

Human rights

The Bank supports the protection of human rights stipulated in the [European Convention on Human Rights](#) as well as in the [Universal Declaration of Human Rights](#).

The Bank undertakes not to engage in business that does not comply with these principles, not to directly or indirectly finance any transactions, projects, or parties, or cooperate with any business partner (client, supplier) that does not comply with these standards or is alleged to have violated human rights. As part of the Raiffeisen Group, a signatory to the [United Nations Global Compact](#), we are committed to consistently comply with the ten responsible business principles, two of which are directly aimed at respecting fundamental human rights: businesses should support and respect the protection of internationally proclaimed human rights and make sure that they are not complicit in human rights abuses.

The Code of Conduct reinforces the Bank's alignment with the principles of respect for human rights. Raiffeisen Bank aims to actively promote a culture of respect for human rights.

During the reporting period, training sessions were held to this end as follows:

Human rights training (employees)	2022	
	Number	% of total
Trained employees	4,852	97%
Total number of training hours on the organisation's policies and procedures on human rights compliance	10,430	4.4%

1.5. Risk management

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, Raiffeisen Bank reports the Leverage Ratio, the Liquidity Cover Ratio and Net Stable Funding Ratio to the National Bank of Romania (NBR).

In 2014, the Bank also completed the implementation and reporting of the European Banking Authority (EBA) standards concerning forbearance and non-performing exposures. Since 2015, the Bank also applies the NBR and EBA regulations on recovery and resolution, and since 2018, it applies IFRS 9 provisions.

In the context of the complex regulatory environment, the Bank continues its efforts to adapt 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 1st.

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 1st.

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 1st, 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 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 processes 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 ensure 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 market risk among all employees through specialized training programs.

2. Our responsibility to the economy

2.1. Materiality analysis

We are aware of our role in society and our responsibility towards our customers and partners. In order to measure our contribution to sustainable development and the economic, social and environmental impact we generate through our business, each year we measure a number of non-financial indicators specific to our business, which we communicate transparently through this sustainability report.

A key step in establishing these indicators is identifying material topics, i.e. those topics that reflect the Bank's most significant economic, social and environmental impact.

The list of potential material topics was established based on an analysis of the current legislative context, relevant trends, and topics in the banking financial sector, and other international sustainability reporting standards (SASB).

The results of stakeholder consultations conducted by the company during the reporting period were also analyzed:

Based on the list of potential material topics, two surveys were sent to the parties involved in the process, as follows: a questionnaire distributed to the stakeholder categories identified by the Raiffeisen Bank Romania team (external analysis) and a survey distributed to management and specialists within the bank (internal analysis). The questionnaires had different sections to assess the positive and negative impact dimensions. For each potentially material theme, the extent of positive and negative impact could be assessed on a scale from 0 to 3 (no impact, low, moderate and high impact), and each theme was also accompanied by an explanation of possible forms of impact. Respondents were also given the option of N/A - don't know/don't answer.

The responses received were centralised and analysed, resulting in the following material themes:

1. Combating climate change
2. Responsible consumption of resources
3. Impact on the local economy
4. Business ethics and responsibility
5. Environmental risk management, including climate-related risks
6. Environmental impact through credit policy
7. Digitisation, information security and data protection
8. Relationship with suppliers
9. Fair working environment
10. Inclusion and access to financial services and products
11. Transparency in relation to stakeholders
12. Sustainable lending
13. Financial education
14. Volunteering and community investment

2.2. Affiliations

Association/ Organisation	The company holds a position in the management structures
The Council of Banking Employers in Romania (CPBR)	Zdenek Romanek, Member of the CPBR Board of Directors
Employers' Confederation "Concordia" (CPC)	No
Financial Services Employers Federation	No
Romanian Association of Banks (RAB)	No
Romanian Association for Electronic Payments (APER0)	No
Romanian Factoring Association (ARF)	Cristina Kalinov, member in the Board of Directors ARF
Fund Managers Association (AAF)	No
Credit Bureau	Vladimir Nikolov Kalinov, member of the Board of Directors
Turnaround Management Association (TMA)	Mircea Busuioceanu, founding member
The Coalition for the Development of Romania (CDR)	Cristian Sporiş, CDR Steering Committee Member
Foreign Investors Council (FIC)	no
Romanian Business Leaders	No
Austrian Business Club Bucharest	No
Aspen Institute Romania (ASPEN)	Cristian Sporiş, Member of Board of Directors Romania Institute
Romania Green Building Council (RoGBC)	No
American Chamber of Commerce in Romania (AmCham)	Cristian Sporis, Vice President
Switzerland-Romania Chamber of Commerce	No
German-Romanian Chamber of Commerce (AHK)	No
Netherlands-Romanian Chamber of Commerce (NRCC)	no
German Economic Club Association (DWK)	No
United Way	Vladimir Kalinov, Chairman
Green Revolution	Cristian Sporis, member of the Board of Directors
Romanian Diversity Chamber of Commerce	Alina Rus, member of the Board of Directors
Junior Achievement Romania	Bogdan Popa, member of the Board of Directors
Sustainable Romania Coalition	Member

Since 2010, the Group has joined the world's largest social responsibility and sustainability initiative, the United Nations Global Compact. As such, we are committed to upholding and promoting the ten principles of the 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.

LABOUR

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 achievement of the goals set by the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, which includes 17 Sustainable Development Goals (SDGs) and 169 related targets and provides a common blueprint for peace and prosperity for people and planet, now and in the future.

In January 2021, Raiffeisen Bank International became a signatory to the UN Principles for Responsible Banking, a unique framework for a sustainable banking industry developed through a partnership between banks around the world and the United Nations Environment Finance Initiative (UNEP FI).

2.3. Sustainable lending

Sustainable lending for individual customers

We want to offer our individual customers responsible products and services that are tailored to their needs, but at the same time contribute to the overall goal of transitioning to a sustainable economy. During the year, the bank continued to invest in faster and easier lending processes, making developments to simplify and improve the customer experience. In the structure of real estate loan sales, the share of fixed-rate loans for one period reached over 60%. We have also come to the aid of customers by offering them the possibility of changing the interest rate from variable to fixed for 5 years to counter the impact of rising interest rates.

Our lending strategy in 2022 continued to be geared towards responsible lending. As a result, Mortgage Green lending has reached a share of over 50% of home purchase loan volumes.

In terms of the Bank's involvement in sustainability and responsible lending, our strategy is aligned with specific EU regulatory requirements and in support of climate change adaptation we offer sustainable lending products (green loans). We continue to encourage customers to apply for these green loans and incentivise the granting of these loans by granting them at a reduced interest rate, so as to achieve a positive and measurable impact on the environment.

Sustainable lending for corporate clients

Sustainable financing continued to be a key issue in 2022, both from the local perspective of Raiffeisen Bank Romania, but also at Raiffeisen Bank International Group level.

Locally, the support and orientation towards financing sustainable companies and projects, but also towards supporting projects with social impact is demonstrated both by the increase in the volume of sustainable financing, as well as by the diversification of the segments addressed, mentioning here new types of financing, such as those in the area of circular economy, green transport and social financing. In 2022, Raiffeisen Bank Romania acted as sustainability coordinator in two syndicated financings.

Part of Raiffeisen Bank Romania's efforts to increase sustainable financing materializes in actions aimed at increasing the recognition and notoriety of the sustainability concept in the market. Therefore, we have organized events on ESG principles and initiated discussions with our clients, in order to identify the opportunities generated by the transformation process of the Romanian economy towards a sustainable economy and to identify potential transition risks included in this period.

At the same time, some of our clients were asked to complete ESG questionnaires in order to collect quantitative and qualitative information from the market. On this occasion we discussed with our clients the difficulties that the calculation of data relevant to the sustainability area poses, such as the calculation of greenhouse gas emissions allocated to Scopes 1, 2 or 3, and what are the main impediments in delivering this data. We believe that a key issue, both for 2022 and beyond, is the availability of ESG data,

especially as the need for such data is generated by regulatory developments at European or local level and by the market.

If in 2021, the RBI Group became an official signatory to the UN Principles for Responsible Banking, in September 2022 the RBI Group reaffirms its commitment to sustainability by setting its own emissions reduction targets endorsed by the Science Based Targets initiative. These targets are therefore recognised as being in line with the levels required to meet the Paris Agreement targets. The Science Based Targets Initiative (SBTi) is a collaboration between CDP, the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). SBTi defines and promotes best practice in science-based target setting and independently evaluates company targets.

In order to identify sustainable transactions, the RBI ESG Rulebook has been supplemented and further developed. The internal guidelines cover both dimensions - client and business transaction and focus on the correct and consistent definition of Greenwashing in order to avoid it.

The conditions and the flow of the framework have been developed based on the RBI Rules (RBI ESG Rulebook - Raiffeisen Bank International ESG Rulebook) and on the Corporate Credit Application Working Procedure.

During the reporting period, Raiffeisen Bank published its first Green Bond Report, issued in 2021 and the Sustainable Bond Framework, whereby the bank allocates funds raised through the issuance of sustainable, green or social bonds to sustainable projects aligned with its sustainability strategy - green buildings, renewable energy projects, energy efficiency, green transport and agriculture, pollution prevention and control projects, circular economy, sustainable management of water resources, but also social projects - access to essential health services, education and infrastructure, affordable housing and financing for small and medium-sized enterprises in underdeveloped regions at national level.

The Sustainable Bond Framework has been assessed by the ESG (Environment, Social and Governance) rating agency, Sustainalytics, which confirmed the credibility and positive environmental impact of the eligible projects defined in the Framework, as well as its alignment with the highest market standards (ICMA Principles for Sustainable, Green and Social Bonds).

Thus, the Sustainable Bond Framework contributes to the achievement of 7 of the Sustainable Development Goals set by the United Nations (UN):

- SDG 2 - Eradicate hunger
- SDG 7 - Clean and affordable energy
- SDG 8 - Decent work and economic growth
- SDG 9 - Industry, innovation and infrastructure
- SDG 11 - Sustainable cities and communities
- SDG 12 - Responsible consumption and production
- SDG 13 - Action on climate change
- SDG 15 - Earth Life

2.4. Information security

Transaction security is a top priority for Raiffeisen Bank, because we want to give customers the confidence to make transactions even at night or on weekends and access to their private account information anytime and from anywhere in the world. We strictly comply with both national information security regulations and European legislative frameworks.

In order to provide our customers with the safest possible access to financial and banking products and services, we constantly implement measures to protect them against all forms of cyberattacks.

We constantly communicate information to customers to help them protect themselves against existing risks, especially when using digital banking services. Customers can access a dedicated section on Bank's website outlining the steps we take for the safety of their transactions, as well as steps to follow and helpful tips for:

- [Safe online shopping](#)
- [Safe online transactions](#)
- [Safe mobile transactions](#)
- [Avoiding online fraud](#)

Personal data protection

Personal data protection is a constant concern for Raiffeisen Bank Romania. The Bank focuses on implementing the necessary information protection measures, both by technical means and by administrative controls based on best practices in the field. The purpose of these approaches is the need for continuous improvement in the field of data security and customer service. At company level, there are internal policies and procedures that govern how the confidentiality and security of the data of any data subject is ensured.

In order to ensure compliance with the applicable law, the Bank has appointed a Data Protection Officer (DPO), making it mandatory to consult them on all matters relating to personal data protection, including:

- the approval of internal rules and procedures, including any change with an impact on the processing and protection of personal data;
- the design of new flows/processes/services or banking products/operations involving the processing and protection of personal data;
- ensuring compliance with requests for the exercise of the rights of the data subject and/or complaints concerning the way in which the Bank complies with the legal provisions on the protection of personal data;
- carrying out any impact analysis in the field of processing and protection of personal data;
- investigating any security incident with an impact in the field of processing and protection of personal data.

Information on the Bank's processing of personal data can be found at any time on our Personal Data Processing and Privacy Policy page <https://www.raiffeisen.ro/despre-noi/politica-de-confidentialitate/>, and customers can also address questions to the DPO by sending a message to dpo@raiffeisen.ro.

Specific personal data protection control activities are carried out in accordance with the provisions and recommendations included in the general data protection governance framework, in compliance with the regulations issued by the Group on personal data strategy and governance and takes into account principles, policies and standards accepted throughout the organisation. They comply with the principles and rules applicable to the processing of personal data carried out by Raiffeisen Bank, by setting out the requirements to be complied with by Raiffeisen Bank employees when processing personal data in the performance of their duties (including in the context of HR activities).

In 2022, 42 incidents of cases of unauthorised disclosure of personal data were identified, which were caused by operational errors regarding the transmission of personal data and/or the performance of personal data processing operations without the prior express information and/or consent of the individuals concerned.

3. Our responsibility to society

3.1 Fair working environment

Through our human resources policies and programs, such as recruitment, compensation, retention, diversity and equal opportunities, anti-discrimination and human rights, training and professional development, the right to freedom of association and collective bargaining, or employee health and safety norms, we create a fair working environment where all our employees can feel valued and respected. Such policies have an impact not only on employee wellbeing, but also on society as a whole and on company performance.

We want our employees to feel good and be happy so that we, as an organization, can provide customers with the best financial expertise and top-notch digital solutions.

That's why we've integrated the "people come first" philosophy into our day-to-day business, with visible results in the metrics we measure: employee job satisfaction has increased from 76% last year to 80% in 2022, and eNPS has seen a significant increase from 71% to 80%. The bank's concern for employees is appreciated, the Care & Concern indicator has increased from 75% to 79% and Wellbeing has increased from 72% to 79% (employees appreciate that they work in the context of work-life balance). The percentage of those who feel they value their knowledge and skills at work increased from 86% to 89%.

We are proud of the team we have built within Raiffeisen Bank Romania, a team dedicated to performance, to our customers and to our communities and who follow our values and mission, responsibility being one of our fundamental principles to do banking right.

In 2022, our team consisted of 5,000 employees, 75.34% of whom were women, and the average age was 36.94.

Employees by working hours			
2022	Men	Women	Total
Full time	1,190	3,640	4,830
Part time	43	127	170
Total employees	1,233	3,767	5,000

Employees by employment contract				
	Head offices		Network/Agencies	
	Men	Women	Men	Women
Permanent	889	1,895	305	1,737
Temporary	30	51	9	84
Total employees	919	1,946	314	1,821

Number of employees in head offices	No.	Percentage of total employees
Sky Tower	135	3%
Office Building	1,651	33%
Brasov Operational Center	811	16%
Employees subordinated to the central administration located in the Network	268	5%

Employee turnover

Category	New employees		Employees who left the company	
	Number	Percentage of total employees at december 31 st 2022	Number	Percentage of total employees at december 31 st 2022
Gender				
Women	884	18%	686	14%
Men	339	7%	272	5%
Total	1,223	24%	958	19%
Age				
<30	761	15%	431	9%
30 - 50	434	9%	433	9%
>50	28	1%	94	2%
Total	1,223	24%	958	19%
Office/location				
Head offices	779	16%	516	10%
Network/Agencies	444	9%	442	9%
Total	1,223	24%	958	19%

The data are representative for Romania (geographical location), and involuntary departures due to agency closures were also taken into account in the calculation of staff turnover.

Diversity and equal opportunities

Through our workplace diversity policy we ensure that all our employees are given equal opportunities, while creating opportunities for groups that may be disadvantaged. The aim of this policy is to support and facilitate an inclusive work environment that embraces all that makes us different and recognises the benefits that these differences bring, namely:

- attracting, retaining and motivating employees from the broadest talent pool
- promoting a culture that reflects our values
- enhancing innovation, creativity and stimulating critical thinking
- creating a dynamic work environment that drives performance and increased employee engagement and satisfaction
- enhancing the connection between our employees and the communities we serve.

Discrimination and harassment (e.g. on grounds of age, ethnicity, race or color, national origin, religion or belief, political or other opinions, gender, sexual orientation, or disability) are incompatible with maintaining a fair and integrated work environment in which employees can achieve the highest levels of individual productivity and job performance. There is no room and no excuse for any form of discrimination, harassment, or intimidation within Raiffeisen Bank Romania.

For any complaint or grievance of discrimination, employees are advised to use salariati.sesizari@raiffeisen.ro.

Promoting and embracing diversity issues is part of Raiffeisen Bank Romania's social responsibility. Thus, we have developed the Diversity Strategy when selecting members of the Management Bodies, which takes into account diversity issues, knowledge and skills, and candidate experience.

Because we strongly believe that diversity plays an important role both in a company's performance and in the well-being of society as a whole, we became signatories of the Diversity Charter in 2018, publicly pledging to respect and promote values such as equal opportunities, anti-discrimination and social inclusion. To reinforce our commitment, at the end of 2019, a Diversity and Inclusion Officer was appointed within Raiffeisen Bank Romania, whose role is to turn our vision into concrete actions.

Employee diversity

Categorie	Categorie				Categorie			
	<30	30-50	>50	Total	<30	30-50	>50	Total
2022								
B-1*	0.00 0.00%	20.00 0.40%	2.00 0.04%	22.00 0.44%	0.00 0.00%	7.00 0.14%	12.00 0.24%	19.00 0.38%
B-2**	1.00 0.02%	61.00 1.22%	7.00 0.14%	69.00 1.38%	2.00 0.04%	59.00 1.18%	19.00 0.38%	80.00 1.60%
Alte poziții de management	8.00 0.16%	91.00 1.82%	12.00 0.24%	111.00 2.22%	13.00 0.26%	183.00 3.66%	65.00 1.30%	261.00 5.22%
Specialiști	340.00 6.80%	592.00 11.84%	99.00 1.98%	1,031.00 20.62%	1,038.00 20.76%	1,899.00 37.98%	470.00 9.40%	3,407.00 68.14%
Total	349.00 6.98%	764.00 15.28%	120.00 2.40%	1,233.00 24.66%	1,053.00 21.06%	2,148.00 42.96%	566.00 11.32%	3,767.00 75.34%

*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.

Note: rates are calculated in relation to the total number of employees

In 2022, 52% of management positions (B-1 and B-2) in Raiffeisen Bank Romania were held by women.

Number of employees with disabilities								
Category	2022		2021		2020		2019	
	Men	Women	Men	Women	Men	Women	Men	Women
Specialists	7	16	6	14	5	16	12	13
Other management position	1	1	1	1	-	-	-	-
Total	8	17	7	15	5	16	12	13

Occupational health and safety

At the level of the organization, the occupational health and safety (OHS) management system is achieved through the conformity assessment of the OHS activity, i.e. through management involvement and employee consultation, through the OHS strategy, plans and procedures.

Our continued concern for Occupational Health and Safety coupled with our digitisation strategy has guided us towards automating the OHS training/testing process and electronic signature of training records.

The OHS management system was implemented in accordance with the Health and Safety Law no. 319/2006 and the Methodological Rules for the application of the legal provisions by Government Decision no. 1425/2006.

Within Raiffeisen Bank, there is an Internal Service for Occupational Health and Safety (OHS), which aims to ensure the best conditions in the work process, to protect life, physical and mental integrity, to preserve the health of employees or other persons participating in the work process.

Responsibilities of the internal service:

1. organizes and carries out the occupational health and safety activity;
2. elaborates and carries out the general induction training for the Bank's employees;
3. 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);
4. keeps records of work-related accidents in the Bank's units, as well as of occupational diseases;
5. collaborates in the research, registration, and bookkeeping of work-related accidents at the Territorial Labor Inspectorates and at the General Labor Inspectorate;
6. prepares the documentation for complying with the legislation and norms regarding maternity protection;
7. collaborates in the development of rules, procedures, regulations, and instructions in the field of occupational health and safety and organizes first aid courses.

8. analyzes and evaluates the risks of accidents and occupational diseases. This is a crucial step in the overall OHS 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 – OHS 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 the 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.

Ensuring access to information and communication of relevant information on occupational health and safety of employees is carried out via the Bank's Intranet/Division - President - OHS Team, as well as on a half-yearly basis via the e-Learning platform based on the established topics.

Employees can report dangerous situations concerning their safety in the workplace to the dedicated address: protectia.muncii@raiffeisen.ro.

The organization also has an Occupational Health and Safety Committee (OSHC) consisting of eight employee and eight employer representatives. The committee meets quarterly and whenever necessary. The designated employees, representatives of the internal prevention and protection service, and their representatives are invited to attend the meetings of the OSHC. Labor inspectors are also invited to attend. The President and the Secretary of the CSSM, in consultation with the workers' representatives, draw up the agenda of each meeting and send it to the members of the Committee and to the Territorial Labour Inspectorate at least 5 days before the date set for the Committee meeting.

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. The model developed within I.N.C.D.P.M, systematically addresses the causality of these events, allowing the development of a pragmatic tool to identify all risk factors in a system.

Workplace accidents happen most often through carelessness when employees are coming to or leaving the office - at pedestrian crossings, in traffic, when using public transport, or in office buildings due to slippery floors or going down the stairs.

In 2022 Raiffeisen Bank Romania recorded 2 work accidents with incapacity for work of more than 3 days, three minor accidents without incapacity for work or sick leave and zero fatalities.

The three events without incapacity for work are classified as light accidents, according to the opinions of the Territorial Labour Inspectorates and are not declared/recorded by RBRO, according to GD 1425/2006.

Work-related accidents	Number	
	Men	Women
Deaths caused by work-related accidents	0	0
Incidents with a high probability of causing serious injury	0	1
People involved in work-related accidents	0	2

Only data on the Bank's employees were taken into account in the information presented. The Bank does not currently monitor occupational health and safety issues at the level of contractors working in the Bank's premises/agencies.

Remuneration and benefits policy

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

The Raiffeisen Bank S.A. compensation system 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 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 structures are linked to performance management or a comparative system of setting the targets.

In the area of benefits, we wanted each colleague to be able to choose the benefits package that suited their needs, while being aware of the investment. That's why we have implemented a flexible and transparent system that allows employees to make their own choices regarding the elements of the benefits package offered by the bank: medical passes, meal vouchers, Pension Pillar III, holiday and cultural vouchers, courses and development programmes, sports and much more. The change was very well received among employees, with a measured level of satisfaction of 4.42 out of 5.

Average salary compared to national average	2022		2021		2020		2019	
	Average salary compared to national average salary (%)	Average salary compared to minimum wage (%)	Average salary compared to national average salary (%)	Average salary compared to minimum wage (%)	Average salary compared to national average salary (%)	Average salary compared to minimum wage (%)	Average salary compared to national average salary (%)	Average salary compared to minimum wage (%)
Average salary - employees	133%	370%	133	367	146	355	149	370
Average salary - junior employees	154%	430%	143	392	111	271	115	286
Average salary - junior employees outside Bucharest	100%	228%	100	276	103	250	107	265

Both full-time and part-time employees receive the same benefits, which are regulated by the Remuneration Policy and the Collective Labour Agreement.

All Bank employees (100%) benefit from the provisions of the Collective Labour Agreement.

Value of the benefits package as % of salary				
	2022	2021	2020	2019
Specialists	6.8	6.8	6.3	6.3
Management	3.5	3.5	3.3	3.3
Top Management	1.4	1.4	1.1	1.1

Parental leave

Parental leave	2022		2021		2020		2019	
	M	F	M	F	M	F	M	F
Total number of days of leave*	215	23215	954	27591	762	22670	430	22085
No. of employees who were entitled to parental leave	1233	3767	1157	3534	1227	3661	1221	3744
No. of employees who benefited from parental leave	10	507	14	521	16	511	48	586
No. of employees who returned to work at the end of their parental leave**	3	413	7	416	6	398	6	420
No. of employees who returned to work after maternity/paternity leave and were still employed 12 months after their return	7	126	4	121	3	153	0	158
Return rate	3	109	4	121	1	151	0	134
Retention***	100%	75%	0%	75%	0%	74.83%	0%	84.00%
Total number of days of leave*	43%	87%	100%	100%	33%	98.69%	0%	85.00%

*No. of days of parental leave taken in 2021 by those who started the leave that year.

**No. of employees who began their parental leave in 2021 and in prior years, and returned to work..

*** Retention is calculated as the ratio of the number of employees who returned to work after the end of parental leave and were still employed 12 months after their return to the number of employees who returned to work after the end of parental leave.

Professional development

Employee training and development is one of the strategic human resources directions through which Raiffeisen Bank aims to contribute directly to the performance of individual employees, their team, and, implicitly, to the performance of the organization.

During 2022, 4360 colleagues attended at least one training course, with an average number of training days per employee of 5.07.

In 2022, employee training was done online, through webinars, but also in physical format, through classroom courses, both by external providers and internal Bank trainers. We ran development programmes derived from the organisation's strategy and aligned to the organisational culture. These aimed to strengthen both functional and leadership skills of employees and to increase employee engagement. The programmes supported were aimed at all employees in the organisation, both in the business segments and in the support areas, in order to increase the professional skills of the entire Raiffeisen Bank team.

The learning and development channels and tools we have made available to employees are varied: from technical courses and cross-cutting skills development programmes to certifications, conferences or workshops. In developing and delivering programmes we have aimed to support and facilitate the learning and education process of employees by providing quality content and using modern methods. We continued to optimise teaching methods and supporting technologies: experiential learning, interactive platforms and gamification techniques.

An important resource for development and continuous learning is the EasyClass eLearning platform. The content of the two existing categories, the Digital Academy and the Mortgage Academy, has been updated and enriched with new material, with a focus on diversifying content dedicated to training and improving the level of knowledge for the most appropriate advice to our clients

The Digital Academy is aimed at colleagues in agencies, where relevant content about products and services available through digital channels is always at their fingertips. This way, they can better guide their customers in accessing and using them, facilitating the transition to digital banking. A total of 2071 colleagues have accessed and completed the modules available under this programme.

The Mortgage Academy is also aimed at agency colleagues and includes information to help understand lending products and advise clients on accessing these products. A total of 1074 colleagues benefited from this programme in 2022.

In terms of the branch network, the Raiffeisen School training programme continued in both online and physical formats. The three modules of the programme are aimed at both new and experienced colleagues. They include introductory courses on the company's business, understanding products, operations, lending and customer relations. They involve the use of multiple learning methods, adapted to the current business context and in step with new trends and technologies. The course programme for colleagues in the agency network is tailored to the specifics of each role in the agency. In 2022, 230 sessions were organised under this programme and the number of participants was 3637.

For employees in central administration, we continued the professional and leadership development programmes. In 2022, the leadership programme called Leadershift continued, aimed at all managers, both new and existing managers who have not previously gone through a leadership module. The programme gives managers the right tools to support, from this role, the development of the people they work with and the teams they lead.

We continued the Banking University programme, running it online and in the classroom. Our colleagues, experts in various fields related to banking, gave courses to other colleagues interested in professional development, sharing practical knowledge with a high degree of applicability. Among the sessions held at Banking University there were also new topics: Introduction to Power Query, Operational Risk for Everyone, Jira - an adaptive tool for adaptive teams, Real Estate, Getting Started in the Cloud, Pricing Money, Access, Qlik - Advanced Business Solutions, Facilitating Online Meetings, General Use of Qlik Sense and Qlik View Tools, Situational Leadership, Come with us to click on Qlik. In 2022, 57 colleagues delivered webinars as lecturers and/or developed courses for the Banking University section of the EasyClass platform. The courses registered 1151 participants, in one or more of the 90 sessions held during the year.

Raiffeisen Bank continued the RStyle well-being programme online, with the aim of encouraging an optimal work-life balance for employees. The programme ran in 2022 around two pillars, namely RBody and EmotionR, and the events had various themes - sport, nutrition, health, personal development, parenting - and enjoyed the same appreciation as in previous years, with over 7,500 participants.

Among the initiatives continued in 2022, it is worth mentioning the IMM Ready development programme, aimed at colleagues in the IMM business line. The programme addresses their training from the perspective of the concerns and expectations of Romanian entrepreneurs.

A new initiative launched in 2022 is the Learning Journey. The objective is to bring clarity and progressively guide learning processes along the strategic directions of the organisation. Whether impacting the immediate work and development of colleagues' skills and knowledge, or looking ahead, managers can use these 'guides' in discussions with team members about individual learning objectives. Learning journeys on capability are currently available. Such as User Experience, Data, Advanced analytics, DevOps, Product Management, Agile, Cloud infrastructure, Integration management.

Average number of training hours/employee, by category						
	2021		2020		2022	
	M	F	M	F	M	F
B-1*	54.68	66.80	59.91	55.55	51.71	35.72
B-2**	37.86	42.59	39.97	39.96	20.06	21.02
Other management positions	40.41	50.14	23.34	27.98	39.48	37.91
Specialists	40.46	61.38	33.94	53.54	36.53	53.20
Total	40.58	60.26	33.37	50.95	36.49	51.46

Examples of training sessions, by topic (hours)	2022
MIFID	24,382
Sales Skills	13,728
Mortgage academy	8,650
Codul de conduita	9,323
Academia Digitala	14,779
Udemy	4,684
Total ore	75,546

The hybrid work mode, with a component of adaptation according to the specifics of the workplace and with a minimum number of days worked per week embraced by colleagues, specific to the headquarters and the Operational Centre Brasov, the program consisting of physical presence in the office a minimum of one day per week, the rest of the days outside the office, have created the perception of competitive benefit, with reflection in the well-being of employees, an aspect scored positively in the processes of attracting candidates and in the level of commitment.

All Raiffeisen Bank premises have been certified as safe in terms of the risk of infection and spread of COVID-19. Last year, we obtained "Safety in Place" certification for the prevention and control of the spread of infections with biological agents, based on the latest WHO and national competent authority regulations, as well as guidelines, guidelines and best practices formulated by specialists.

Human Resources-Business Partnership. Performance Management

Performance dialogues continued in 2022, with employees supported by the Targets and Key Results monitoring tools.

In the new project to "agile" the retail network / introduce agile concepts in the retail network, the focus was on the topic of development dialogues, integrated into performance management.

Retail network optimisation

A new approach for banking has been the introduction of AGILE concepts in the retail network. The implementation aimed at creating an adaptive environment, following the transformations implemented in the network structure, through "clusters of independence" - autonomous teams with increased self-governance, capable of self-organisation, where we see more and more the effects of a mindset oriented towards the common good, and not only towards the individual one, where a system works that facilitates communication processes and continuous feedback transmission, both horizontally and vertically, compared to a conservative "waterfall" one.

Performance evaluation and career development plan				
	Men		Women	
	No.	%	No.	%
B-1*	22	100	19	100
B-2**	69	100	80	100
Other management positions	111	100	261	100
Specialists	1,031	100	3,407	100
Total	1,233	100	3,767	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 2022, the recruitment team completed 1738, hires and selections by identifying the right candidates both inside and outside the organization.

Employees in senior management positions recruited from local communities	No.	%
	41	100

Senior management = positions in the Board-1 category, reporting directly to the members of the Management Board (top management)

Local community = Romania (individuals born in Romania or with Romanian citizenship)

Location of significant operations = all the Bank's operations in Romania

Youth programs

In 2022, 3 trainee management programmes were run in the following business areas: Controlling & BI, IT (Development and Production) and Data science. These internship programmes were aimed at co-opting talent and skills training. Candidates were early-stage students, future technology specialists for businesses and beyond in the IT Division.

Following the recruitment and selection process, a total of:

- 5 in the BO and Controlling departments
- 13 in the IT department
- 5 in the Advanced Analytics department

Their training process consisted of both a buddy allocation (dedicated partner), training sessions (from service providers) and a team project, through which the young people had the opportunity to apply the notions they had acquired in the programme (learning by doing).

Management trainee programmes, with assignments in different departments in the Bank, including non-IT areas, were implemented in 2022 to support the business with resources trained in specific specialties, which can be transferred to related teams when opportunities arise. Understanding the culture, the

domain, involvement in projects ensured that new colleagues were quickly integrated and had the opportunity to have relevant input both during the learning process and later after transfer to specialist positions.

We continued the traineeships at headquarters level. These are aimed at students or Masters students who want to familiarise themselves with the spirit and culture of a multinational organisation. During an internship, young people are introduced to the workflows of a banking entity.

Employee Opinion Survey 2022

In 2022, the Bank conducted a new annual edition of the Engagement and Efficiency Survey, EOS. This is conducted in collaboration with the Group's approved company through a platform that we can access directly and where we can create the study as directors. With this study, we understand the factors that influence the two important pillars for our organisation (engagement and efficiency). In addition to the standard, Group-wide agreed questions, we have continued this year with a section of additional questions specifically designed to measure perceptions of strategic initiatives.

3.2 Volunteering and community investment

Raiffeisen Bank defines sponsorships as a community investment and therefore must be in line with the following 3 principles:

- are SMART investments: specific, measurable, realistic, relevant, time-bound
- are best practice projects
- have a positive impact on the quality of life of beneficiaries.

Our sponsorship policy aims to:

- ensure that education accounts for the largest share of the community investment budget
- provide support in increasing the fundraising and impact project implementation capacity of the company's community partners
- engage Raiffeisen Bank employees in volunteering in community projects supported by the Bank

The year 2022 started with a lot of hope from all of us, we were planning a year of recovery after two difficult years of pandemic. But a new crisis broke out right at our borders, which led to the need to react urgently to support refugees in urgent need of support. We also mobilised, together with many Romanians, to extend a helping hand to Ukrainians fleeing the war. Alongside these initiatives, we continued our strategic programmes.

Education remains the main area we support. It accounts for 40% of the Bank's EU investment budget, the highest share of the areas supported. We support financial education programmes for children and young people, access to education and dropout prevention programmes for children from disadvantaged backgrounds, and vocational, entrepreneurial and leadership education programmes for pupils, students and graduates.

We maintain our role as a partner to the cultural sector, which continues to be affected by the restrictions imposed by the pandemic. The arts are one of the main channels that contribute to shaping public awareness and keeping communities together.

Through our urban ecology and environmental protection projects we try to complement efforts to build healthy and clean communities.

Promoting sport as a healthy lifestyle remains one of Raiffeisen Bank's strategic community investment directions, and 2022 gave us the joy of doing sport together: thousands of runners took the start of the 2022 edition of the Raiffeisen Bank Bucharest Marathon.

The main results of 2022 are:

- the total investment value reported using the LBG methodology reached close to €1.382 million, a decrease of 25% over the previous year;
- NGOs continued to be the main community partners, but we also supported public institutions such as educational entities;
- The Raiffeisen Communities grant competition offered this year, in addition to the typical €10,000 funding, access to organisational development resources and the option to connect and network to initiate joint projects, a key element in creating a strong civil society;
- In 2022 increased the time allocated by our colleagues to volunteering initiatives education programs, but also blood donation, planting or judging projects in the Raiffeisen Communities competition.

Community investment 2022

The social events of recent years have reinforced our confidence that our approach as a trusted partner with long-term commitments is the right one. That's why we stood by our strategic partners and why they knew they had our support to continue their programmes. In 2022 the total value of sponsorships reported through the LBG methodology was almost RON 6 820 000, 25% less than the previous year's investment. In addition to these community investments, we contributed through sponsorships in sports or cultural events exceeding 179,490 RON. Thus, the total value of sponsorships provided by Raiffeisen Bank in 2022 exceeded RON 6,640,000.

Total community programs and projects investments (RON)	
2022.....	6,819,875
2021	9,070,021
2020	8,297,319
2019	7,292,715

Together for society

The strength of us all lies in our ability to change things together. For over 11 years, the Direct Debit Giving mechanism has been empowering people to change their communities and the lives of those who need a helping hand. Trust and efficiency are the driving forces behind this mechanism, which allows any

organization to bring recurring supporters on board. Our role in this mechanism is to facilitate the relationship between donors and organisations. Thus donations from ordinary people, customers of our bank and other banks, are processed monthly by our colleagues.

Last year, 9,223 Raiffeisen Bank customers were active donors and donated more than 2,019,854 lei (approx 409,500 EUR) via Direct Debit. In addition, 1,081 donors with accounts at other banks have Direct Debit donation contracts administered by Raiffeisen Bank, the amounts donated by them in 2022 will be 251,700 lei (approx 51,000 EUR)

Community Partners

NGOs remain key community partners, but as our focus on education programs has grown, we have also shifted our attention to supporting educational institutions.

Raiffeisen Bank contributions and leveraged resources		
	Raiffeisen contribution	Bank Leveraged resources
2022	65	35
2021	70	30
2020	45	55
2019	68	32

Volunteering at Raiffeisen Bank

Through our volunteering policy, we encourage and support our employees to volunteer in their communities, both individually and through corporate volunteering, both during working hours and in their free time.

The company provides 1 working day/year, divided up to fractions of 1 hour, for volunteering activities that employees can perform in community projects supported by the Bank.

The volunteering activities provided by Raiffeisen Bank are evaluated at the end of each year, based on the London Benchmarking Group methodology. Raiffeisen Bank volunteers receive a questionnaire at the end of each year that assesses the volunteering activities provided,

The people we help through our community projects

During 2022, more than 628,432 people were involved in the Bank's community partner initiatives, mainly in education initiatives, but also in cultural, sports and environmental events. In 2022 we had a special category of beneficiaries: refugees from Ukraine. Through our partner United Way and the Smart Mobile app in our banking platform, we offered our customers the chance to support refugees who have arrived in our country.

3.6 Supplier relations

The company's procurement policy is the one that regulates the goods and services procurement process within Raiffeisen Bank Romania. After going through the supplier selection and qualification process, the procurement department decides on the approval and registration of the supplier. In 2022, there were no significant changes in the supply chain or the Bank's relations with suppliers. Our suppliers fall into 3 categories: IT, Non-IT, and Space rentals.

Suppliers*	2022	2021	2020
Local suppliers and service providers**	1,446	1,337	1,335
Other suppliers and service providers	126	121	119
Total	1,572	1,458	1,454

*Supplier: Natural or legal entity that supplies the Bank with a good/product or provides a service

**Local Supplier: Supplier based in or registered in Romania

Supplier expenditure	2022 (ron)
Local suppliers and service providers	442,840,299.26
Other suppliers and service providers	276,340,878.15
Total	719,181,177.41

4. Our responsibility for the environment

At Raiffeisen Bank Romania, responsibility also extends to environmental protection. Although our direct environmental impact is low, as a financier, we play an important role in reducing the indirect impact of our Bank's portfolio through sustainable financing policies that support efforts to shift towards an economy that incorporates the principles of sustainable development.

Beyond complying with national legislative regulations, as part of Raiffeisen Bank International, we have adopted and strictly adhere to the environmental policy and internal Group-wide regulations. Thus, our commitments in this regard address issues such as energy efficiency, renewable energy consumption, sustainable transport and mobility and responsible procurement practices.

4.1 Fighting climate change

The main environmental risks we face in our day-to-day activities stem from the negative impact of the climate crisis on the entire economic sector: the dependence on non-renewable natural energy resources, the adoption of inadequate or disproportionate measures compared to the speed of environmental change, and the unwillingness of the economic sector to adapt to the current context and implement action plans to combat the effects and negative impacts of climate change. Moreover, a major national risk is also posed by frequent legislative changes in this area.

Energy

Electricity and energy for cooling		MWh	tep	GJ
	2020	16,135.1	1,387.6	58,086.4
	2021	15,600	1,341.6	56,160
	2022	14,877.56	1,279.47	53,559.21

Energy for heating (gas)		MWh	toe	GJ
	2019	13,525.4	1,163.2	48,691.3
	2020	10,835.8	931.9	39,008.8
	2021	10,632.72	914.41	38,277.79
2022	13,012.37	1,119.06	46,844.53	

Year	2020			2021			2022		
Unit of measurement	t	tep	GJ	t	tep	GJ	t	tep	GJ
Diesel	276.10	280.30	11,763.10	330.09	335.04	14,061.90	334.08	339.09	14,231.6
Petrol	18.6	19.5	809.1	8.13	8.54	353.70	26.89	28.23	1,169.98

Toe conversion factor	Electricity	Natural gas	Petrol	Diesel
		1 MWh=0,086 tep	1 MWh=0,086 tep	1 t = 1,05 tep

1 t diesel = 42,6 GJ

1 t petrol = 43,5 GJ

1 kWh= 3,6 * 10⁶ J

1 GJ=10⁹J

Transport

Transportation for employees	2020	2021	2022
Distance traveled by employees using their personal vehicles for business purposes (km)	426,300	808,838	429,921
Distance traveled by employees by taxi for business purposes (km)	685,193	313,192	383,226
Distance traveled with company cars (km)	4,980,600	5,767,969	6,111,277
Distance traveled by plane for business purposes (km)	368,273	222,435	370,608
Number of cars in company fleet	540	525	525
Diesel	527	509	503
Electric/Hybrid	3	4	10
Petrol	10	12	12

In 2022, activity has largely resumed as in the pre-pandemic period, explaining the increase in business travel.

4.2. Responsible resource consumption

Materials

Type of resources consumed	2020	2021	2022
Paper (kg)*	217,400	245,488	199,840
Printer cartridges and toners (pieces)	623	634	4,078
Printed materials (forms, of total paper consumption, in kg)	160,919.54	129,296	2,550

* non-recycled paper

Waste

Recycled waste (kg)	2020	2021	2022
Packaging materials (paper)	37,275	41,871	184,821
Glass	64,338	Data not monitored	85
Lighting fixtures	14,168	3,857	22,743.58
Batteries	220	4,662	3,024
Plastic	4,334	2,427	38,935
WEEE	3,258	13,392	14,921

Waste directed to disposal (kg)	2020	2021	2022
Household waste	2,361,453	2,045,259	5,331,145

Water consumption	2020	2021	2022
Water consumption (m³)	48,207	28,066	30,630