

Non-Financial Statement

Raiffeisen Bank Romania 2021

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

2020	2021
Approximately 45,000 employees	Approximately 46,000 employees
17.2 million customers	19 million customers
1,800 banking units	1,770 banking units

Raiffeisen Bank Romania

2020	2021
333 agencies	300 agencies
726 ATMs	1,119 ATMs
23,400 POS	25,864 POS
392 multifunctional machines	455 multifunctional machines
2,072,343 private individual clients	2,258,504 private individual clients

1.2. Mision, vision and values

For more than 28 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 2021, 4 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 5 committees, namely: Audit Committee, Nomination Committee, Remuneration Committee, 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.

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, the regulations of the [Corporate Governance Code](#) (CGC) of the Bucharest Stock Exchange and the Group wide Code of Conduct.

[The Bank's Code of Conduct](#) (updated in January 2020) 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 7 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.

In 2021, there were 40 legal actions for non-compliance with social and economic laws and/or regulations, of which 24 pending and 16 closed.

During the same reporting period, the Bank received 21 fines totalling 60,500 lei for erroneously charged fees and commissions, incorrect/incomplete information on bank services, technical/operational errors, late responses to complaints and 11 warnings due to late responses to complaints and incorrect information on bank services.

Through the Centre for Alternative Dispute Resolution in Banking, 100 cases were closed with total customer benefit of approximately €380,000.

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

Corruption risks 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 Board and Supervisory Board members, updated in April 2019

Corruption risks are monitored both internally and externally, in relation to service and product providers and in sponsorship and charitable actions.

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

In 2021, 13 information notices (one related to gifts and invitations and the others related to fraud) were sent out in the monthly newsletter on the mandatory compliance with ethics and conduct rules.

A total of 312 business partners (suppliers) were informed about anti-corruption policies and procedures.

In addition to mandatory courses on anti-corruption and anti-fraud policies, Raiffeisen Bank Romania employees are required to know the bank's procedures and are informed on a yearly basis. They are required to submit a compliance statement every year. The aim of the statement is for employees to acknowledge they are required to comply with internal and legal regulations. At the same time, one of the main objectives is to prevent potential conflicts of interest or market abuse by disclosing the trading accounts held by employees.

In 2021, there were no:

- confirmed incidents of corruption
- confirmed incidents leading to termination of employment or disciplinary action against employees for acts of corruption
- confirmed incidents leading to termination or discontinuation of employment due to corruption
- court actions/public proceedings brought against the organisation or its employees, 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:

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

Operations assessment aims to identify and avoid potentially significant risks, such as bribery, abuse of authority, 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.

In 2021, there were no legal actions concerning the Bank's anti-competitive behavior or violations of anti-trust and monopoly laws in which the organization was identified as a participant.

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)	2021	
	Number	% of total
Trained employees	1.549	32,68%
Total number of training hours on the organisation's policies and procedures on human rights compliance	530,00	0,20%

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.

The material topics were divided into 3 categories:

Economic and governance topics
Impact on local economy
Business ethics and responsibility
Sustainable lending
Relations with suppliers
Digitalization, information security, and data protection
Environmental topics
Combating climate change
Responsible resource consumption
Social topics
Inclusion and access to financial services and products
Financial education
Fair working environment
Volunteering and community investment
Transparency in relation to stakeholders

2.2. Affiliations

Association/ Organisation	The company holds a position in the management structures
The Council of Banking Employers in Romania (CPBR)	Steven van Groningen, Member of the CPBR Board of Directors
Employers' Confederation "Concordia" (CPC)	Steven van Groningen, Chairman of the Concordia Board of Directors
Financial Services Employers Federation	Steven van Groningen, President, on behalf of the CPBR
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)	Steven van Groningen, CDR Steering Committee Member
Foreign Investors Council (FIC)	Steven van Groningen, Member of the FIC Board of Directors
Romanian Business Leaders	No
Austrian Business Club Bucharest	No
Aspen Institute Romania (ASPEN)	Steven van Groningen, Founding Member of the Aspen 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)	Alin Neacșu, NRCC Board Member (<i>until March 2021</i>)
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	Corina Vasile, 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 credit solutions for private individual clients

We want to offer our private individual clients responsible products and services that are tailored to their needs, but at the same time contribute to the transition to a sustainable economy.

Throughout the year, the Bank continued to invest in faster and easier credit processes, making developments to simplify and improve customer experience. Starting April 2021 all our customers were able to access FlexiCredit anytime and anywhere directly from the Smart Mobile app. The process is 100% online and secure, all necessary documents are electronically signed and the entire granting flow, up to receiving the funds in the account, takes no more than 10 minutes. Our customers have enthusiastically welcomed this launch and the fact that we had 200% more customers accessing 100% online credit in 2021 compared to 2020 confirms their appreciation.

Our 2021 credit strategy has continued to focus on responsible lending thus managing to achieve a steady growth in personal loans volumes, 30% higher compared to 2020. Our personal loans portfolio is exclusively fixed interest, thus offering customers protection in the context of rising market interest rates. Improving our portfolio has also been our focus during the year and we developed tailor-made offers, including interest rates, offering simple and easy access to loans through several distribution channels, namely through the agency network the Smart Mobile app.

We also continued to support customers who wanted to purchase their home through the "New Home" governmental program. The Bank registered a 40% increase in loan volumes compared to 2020.

Regarding the Bank's commitment to sustainability and responsible lending, our strategy is aligned with specific EU regulatory requirements and, in order to support climate change

adaptation, we offer sustainable lending products (green loans). We continue to encourage customers to apply for such green loans and offer them an interest rebate so that we can achieve a positive and measurable impact on the environment.

40% of the mortgages granted by the Bank in 2021 financed Class A energy performance buildings.

Sustainable credit solutions for corporate customers

2021 brought significant changes to our sustainable financing for corporate customers by incorporating the ESG (Environmental, Social, Governance) framework.

In addition to establishing sustainability governance structures, proactive meetings were held with Raiffeisen Bank's clients on sustainability issues. During this process, Raiffeisen Bank International provided us with expertise, tools, and resources.

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). Acting as a leader within the group, Raiffeisen Bank has strengthened its position as a local market leader in sustainability by increasing stewardship and engagement with corporate clients on multiple ESG dimensions:

- we introduced sustainability features to corporate loan products as green and sustainability-related loans/ KPIs
- we defined specific ESG sector credit policies
- we communicated with clients via workshops and questionnaires on various topics related to integrating ESG principles into their business, such as willingness and challenges of ESG data collection, as well as knowledge sharing regarding the risks and opportunities generated by industry-specific ESG elements.

At the same time, in 2021 our colleagues have been working on developing and implementing product scorecards that set out the qualifying criteria for funding green projects in order to be eligible for Green Bonds. During the reporting period, product scorecards were developed for 4 product categories:

- Clean transport
- Energy efficiency
- Renewable energy
- Green buildings

The requirements and the qualification flow were based on the Raiffeisen Bank International's ESG Rulebook and the Corporate Credit Application Guidelines.

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.

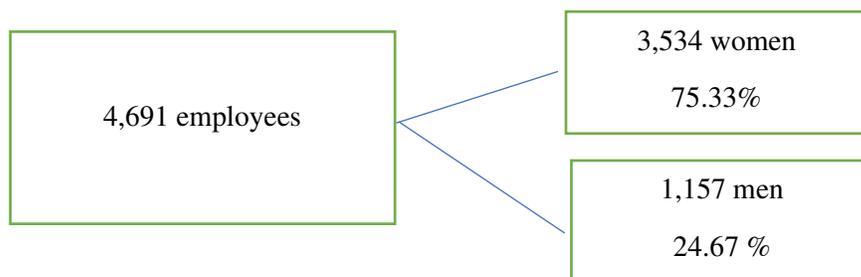
3. Our responsibility to society

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 are proud of the team we built within Raiffeisen Bank Romania, a team dedicated to performance, to our customers and communities and that shares our values and mission, responsibility being one of our fundamental principles for *more than banking*.

In 2021, our team consisted of 4,691 employees, 75.33% of whom were women, and the average age was 37.2 years.



Employees by working hours			
	Men	Women	Total
Full time	1,115	3,445	4,560
Part time	42	89	131
Total employees	1,157	3,534	4,691

Employees by employment contract				
	Head offices		Network/Agencies	
	Men	Women	Men	Women
Permanent	789	1.551	309	1.762
Temporary	46	148	13	73
Total employees	835	1.699	322	1.835

Number of employees in head offices	No.	Percentage of total employees
Sky Tower	572	12%
Office Building	1,035	22%
Brasov Operational Center	651	14%

Employee turnover

Category	New employees		Employees who left the company	
	Number	Percentage of total employees at december 31st 2021	Number	Percentage of total employees at december 31st 2021
Gender				
Women	668	14%	851	18%
Men	233	5%	287	6%
Total	901	19%	1,138	24%
Age				
<30	630	13%	454	10%
30 - 50	258	5%	538	11%
>50	13	0%	146	3%
Total	901	19%	1,138	24%
Office/location				
Head offices	545	11%	504	11%
Network/Agencies	356	8%	634	13%
Total	901	19%	1,138	24%

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.

Employees by age and role within the company								
Category	Men				Women			
	<30	30-50	>50	Total	<30	30-50	>50	Total
B-1*	0 0%	20 0.42%	2 0.04%	22 0.46%	0 0%	9 0.19%	11 0.23%	20 0.42%
B-2**	1 0.02%	57 1.21%	5 0.10%	63 1.33%	2 0.04%	60 1.27%	11 0.23%	73 1.54%
Other management position	8 0.17%	91 1.93%	12 0.25%	111 2.35%	10 0.21%	182 3.87%	45 0.95%	237 5.03%
Specialists	303 6.45%	566 12.06%	92 1.96%	961 20.47%	905 19.29%	1,884 40.16%	415 8.84%	3,204 68.29%
Total	312 6.64%	734 15.62%	111 2.35%	1,157 24.61%	917 19.54%	2,135 45.49%	482 10.25%	3,534 75.28%

*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 2021, 52.24% of management positions (B-1 and B-2) in Raiffeisen Bank Romania were held by women.

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

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:

- 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 bookkeeping of work-related accidents at the Territorial Labor Inspectorates and at the General 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 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 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 2021 Raiffeisen Bank Romania recorded only one work-related accident. This occurred while working in our head office, when a colleague lost her balance going down the stairs, fell and fractured her leg. The employee was granted sick leave according to the medical certificate issued by the authorities.

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	1

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.

In 2021, a meeting of the Remuneration Committee was held and the decisions of the Committee were taken by unanimous vote of the members present. Two decisions were also taken by circulation.

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.

Value of the average salary, compared to the salary at national level	2021		2020		2019	
	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	133	367	146	355	149	370
Average junior employee salary: Bucharest	143	392	111	271	115	286
Average junior employee salary: outside Bucharest	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			
	2021	2020	2019
Specialists	6.8	6.3	6.3
Management	3.5	3.3	3.3
Top Management	1.4	1.1	1.1

Parental leave

In 2021, the total number of employees who took parental leave was 423 (7 men and 416 women).

Parental leave	2021		2020		2019	
	Men	Women	Men	Women	Men	Women
Total number of days of leave*	954	27,591	762	22,670	430	22,085
No. of employees who were entitled to parental leave	14	521	16	511	48	586
No. of employees who benefited from parental leave	7	416	6	398	6	420
No. of employees who returned to work at the end of their parental leave**	4	121	3	153	0	158
No. of employees who returned to work after maternity/paternity leave and were still employed 12 months after their return	4	121	1	151	0	134
Return rate	0%	75%	0%	74,83%	0%	84,00%
Retention***	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.

In 2021, employee training was exclusively online, mainly through webinars delivered both by external providers and the Bank's internal trainers, who delivered new courses and continued adapting courses from classroom to online.

Among the new initiatives launched in 2021 is the **SME Ready** development program for colleagues in the SME line of business, which addresses their training based on the concerns and expectations of Romanian entrepreneurs.

A new course dedicated to employees was focused on sustainability and ESG (Environment, Social, Governance) principles with 10 modules on what sustainability means, how ESG principles can be integrated into a company's business, what is a company's responsibility towards society and the environment and what are the main programs and laws that encourage a responsible business model. Over 293 participants attended the training in 2021, of which 157 completed all modules.

One important learning and development resource is the **EasyClass e-Learning Platform**, whose sections have been updated and enhanced with new topics, while the platform itself has been expanded by adding new sections (Mortgage Academy and Sustainability training).

The **Digital Academy** section, found on the EasyClass e-Learning Platform, is a learning resource regarding the Bank's approach to advising clients in the use of digital tools made available by Raiffeisen Bank; this year 3 modules of online courses for colleagues in the agency network were added.

As far as the unit network is concerned, the **Raiffeisen School training program** also continued online. The three modules are aimed at both new and experienced colleagues and include introductory courses on the company's activities, understanding of products, operations, lending, customer relations and require the use of multiple learning methods, adapted to the current business context and in line with new trends and technologies.

For central administration employees, we continued our leadership and professional skills development programs. **Leadershift** leadership program continued in 2021, aimed at all managers, both new and existing, who have not previously gone through a leadership module, a program that gives managers the right tools to support the development of the people they work with and the teams they lead.

Transform the Present, started in 2020 and continued in 2021, aims to identify and develop the leadership behaviors that represent the strengths of our organizational culture. The **Lead the Future** program, which aims to identify and develop the leadership skills of colleagues in non-managerial positions, continued and was completed in 2021.

The Bank has implemented the **WorkFromHome program** in the head office since 2019, and during the pandemic, we extended the program to the Brasov Operational Center. We continue to work in a hybrid system with eligible roles. At the same time, in 2021 we introduced the option to work from anywhere in the country for certain positions in our headquarters, allowing remote work, thus making it accessible to pursue careers in areas such as IT, Compliance, Risk, Operations, etc.

With support from local management, we continued to implement flexible working hours, with different start and end times, to reduce transport and office crowding during the pandemic.

We continued the **Banking University** webinars program, delivered exclusively online. Our expert colleagues in various fields related to banking hosted webinars for other colleagues interested in professional development, thus sharing highly applied practical knowledge.

Raiffeisen Bank continued its RStyle well-being program online, with 7,586 participants, aiming to encourage an optimal work-life balance for employees.

We have also made improvements in mental health awareness and support by continuing the **TuContezi@Raiffeisen** employee psychotherapy program, which has benefited over 300 people.

Average number of training hours/employee, by category						
	2021		2020		2019	
	Men	Women	Men	Women	Men	Women
B-1*	54.68	66.80	59.91	55.55	35.82	61.62
B-2**	37.86	42.59	39.97	39.96	42	37.67
Other management positions	40.41	50.14	23.34	27.98	28.24	27.15
Specialists	40.46	61.38	33.94	53.54	32.89	33.30
Total	40.58	60.26	33.37	50.95	32.70	32.97

Examples of training sessions, by topic (hours)	2021
MIFID	41,832
Sales Skills	17,588
Basic Credits	4,732
Transform the present	4,172
Basic Operations	3,860
Go IT	1,844
Total hours	74,028

Human Resources-Business Partnership. Performance Management

The performance partnership continued in 2021, with feedback sessions for the previous year and goal setting for 2021 both on-site and online. In 2021 we began working with Objectives and Key Results as monitoring tools in the performance management process.

Performance evaluation and career development plan				
	Men		Women	
	No.	%	No.	%
B-1*	22	100	20	100
B-2**	63	100	73	100
Other management positions	111	100	237	100
Specialists	961	100	3,204	100
Total	1,157	100	3,534	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 2021, the recruitment team completed 1,410 hires and selections by identifying the right candidates both inside and outside the organization.

Employees in senior management positions recruited from local communities	No.	%
	42	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 2021, 3 trainee management programs were implemented: **Raiffeisen ITOps Academy, BeTech Academy, Raiffeisen TechSquad Internship**, aimed at talent acquisition and skills training. Applicants were early-stage students, future specialists in enterprise technologies and beyond, from the IT Division. The participants were selected from around 120 applicants during the recruitment and selection process and their training process consisted of both a dedicated buddy, training sessions (from service providers), and a team project, through which the students had the opportunity to apply the notions acquired in the program (learning by doing).

We continued the **internships** carried out within the Central Administration, complying with social distancing requirements and using online communication channels. The internships are only addressed to students or master students who want to get acquainted with the spirit and culture of a multinational organization.

Employee Opinion Survey 2021

In 2021, the Bank conducted a new annual edition of the Engagement and Efficiency Survey, EOS, in collaboration with the agreed Group-wide company through a platform that we can access directly and create the survey. With this study, we understand the factors that influence the two important pillars for our organization (engagement and efficiency). In addition to the standard, agreed-upon group questions, we also included 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 effects of the pandemic were reflected in the way communities function, in people's dynamics, and in their trust in public institutions. For us, 2021 was a time to reflect, refocus and emphasize the strategic directions we perceived as critical for the period ahead. We spent time talking to our partners to ensure that our support is strategic and that we make a real contribution to the foundations of a society ready to meet any challenges.

Following consultation with the company's stakeholders, a process we undertake annually in preparing the Bank's sustainability report, we expanded our community engagement strategy with a new direction: innovation. The decision to add innovation to Raiffeisen Bank's strategic community investment directions comes in response to the social and environmental challenges we are currently facing.

Education continues to be the main area we support. It accounts for 30% of the Bank's community investment budget, the largest share of the areas supported. We support financial education programs for children and youth, access to education and school dropout prevention programs for children from disadvantaged backgrounds, and vocational, entrepreneurial, and leadership education programs for students and graduates.

An important direction outlined following consultation processes is the support provided to community partners. Just as organizations dedicate time and resources to growing communities, we believe it is our responsibility to help community partners grow, connect to the resources of the communities they serve, and develop in a healthy way beyond the funding we provide. That is why in 2021 we partnered with the Community Relations Association and developed a mentoring and training program for organizations participating in the Raiffeisen Communities grant competition.

We continue to be a partner to the cultural sector, which is still affected by the restrictions imposed during the pandemic. Art is one of the main channels that contribute to shaping public awareness and keeping communities together.

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

Promoting sports as a healthy lifestyle continues to be one of Raiffeisen Bank's strategic community investment directions, and 2021 gave us the joy of doing sports together: thousands of runners lined up for the 2021 edition of the Raiffeisen Bank Bucharest Marathon.

The main results of 2021 are:

- the total investment value reported using the LBG methodology reached close to €1.85 million, an increase of 9% 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 counted, for the second year in a row, 11 winning projects instead of 10. The 11 editions of the program have funded over 150 community projects with more than €1 million.
- in 2021, the number of employees volunteering increased by 10% compared to the previous year with 572 colleagues choosing to volunteer again this year, spending 890 hours (an increase of 16% compared to the previous year) in programs run by the Leaders Foundation, United Way and Hercules Association or in judging and supporting projects in the Raiffeisen Communities grant program.

Community investment

Arguably one of the greatest strengths of our commitment to communities is that we are a consistent and predictable partner. We want all our partners to know that they can plan for the long term, that we support their vision, and contribute in ways that impact their targeted causes. In 2021 we continued to increase our community investment, with the total value of sponsorships reported using the LBG methodology amounting to 9,070,000 lei, 9% higher than the previous year's investments. In addition to these community investments, we supported sports and cultural events with sponsorships of over 1,122,000 lei. Thus, the total value of sponsorships provided by Raiffeisen Bank in 2021 exceeded 10,192,000 lei.

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

Together for society

In 2021, **527 employees** spent 890 hours volunteering, an increase in both the number of volunteers and the time dedicated to community projects. The average amount invested in community projects increased to 132,050 lei. The average Raiffeisen Bank contribution per employee also increased to 1,933 lei.

In the last year, 9300 (an increase of almost 1,000 people) Raiffeisen Bank customers were active donors and donated more than 1,857,736 lei via Direct Debit. In addition, we also supported other banks' customers in managing donations using the Direct Debit mechanism. Thus, in 2021 we supported 1,076 users, who donated more than 237,400 lei to community projects.

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.

Type of community partners (%)	NGO	Public institution	Medical institution	Non-profit organisation	Educational institution
2021	95	0	0	4	1
2020	78	1	20	1	0
2019	95	1	0	3	1

Raiffeisen Bank contributions and leveraged resources		
	Raiffeisen Bank contribution	Leveraged resources
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, volunteer motivation and the impact volunteering has on Raiffeisen Bank employees.

Why the Bank employees participate in volunteering activities?	
The cause/project you promoted convinced me	11%
trusted that the project developed by the community partner (NGO) will generate a positive change	16%
My colleagues/friends convinced me to get involved	3%
I consider that my involvement can contribute to improving the beneficiaries' life	34%
I consider it a good opportunity to develop new abilities	8%
I consider it a good opportunity to learn new things	5%
I have already volunteered and I want to continue	23%

Volunteering has helped me develop my...							
	Ability to work as a team	Communication skills	Negotiation/persuasion skills	Problem solving skills	Leadership skills	Organisational and planning skills	Decision-making skills
Irrelevant to this activity	11%	2%	16%	8%	11%	3%	13%
To a small degree	6%	3%	15%	10%	13%	5%	8%
To a degree	16%	32%	29%	24%	39%	22%	23%
To a large degree	60%	53%	29%	48%	29%	62%	55%

The people we help through our community projects

In 2021, more than **191,000 people** were involved in the Bank's community partner initiatives. Projects aimed at changing behavior, improving knowledge and skills continue to generate increasingly profound impacts among beneficiaries. These results inspire us to believe that we can achieve our long-term goals of creating new generations of people with a more responsible outlook and behavior towards the environment and communities, and that they will have the tools to build healthy communities.

"Raiffeisen's impact on the project is significant. Jazz in the Park is a festival that has grown year after year. In 2019, the festival won the Best Small Festival in Europe title, and then in 2020, our momentum came to a sudden halt. Raiffeisen was the first partner to confirm their support for us during the pandemic and for that we are grateful. While the funding provided us with technical support, the openness shown by the Raiffeisen team gave us motivation and greatly helped our morale." Alin Vaida, Fapte Association

"It was wonderful what we were able to do together! And, in an unexpectedly happy ending story, the law on environmental education in the national curriculum was enacted in early 2022. So, by 2023, the material created is likely to significantly contribute to national environmental skills education. Because a partner like you was inspired to support us to do something tangible and comprehensive in time to make real change." Camelia Gui, Regional Food Bank Association Cluj

"We were able to reach small villages where information is not available, we met dedicated teachers from all over the country willing to do extra activities with children, which, had we not developed the online platform, we would not have been able to meet." Adriana Lupsa-Tataru, Happy Moms Association

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 2021, 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*	2021	2020
Local suppliers and service providers**	1,337	1,335
Other suppliers and service providers	121	119
Total	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	2021 (Euro)
Local suppliers and service providers	134,548,147 (661,976,883Lei)
Other suppliers and service providers	37,989,677 (186,909,210Lei)
Total	172,537,824 (848,886,093Lei)

Average exchange rate: 1 EUR = 4,92 RON

In 2021, 77.98% of supplier expenditure was directed to the 91.7% local suppliers.

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	toe	GJ
	2019	18,673.6	1,605.9	67,224.9
	2020	16,135.1	1,387.6	58,086.4
	2021	15,600	1,341.6	56,160

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

Note: In 2021, the Bank reviewed its internal electricity, natural gas, and water consumption monitoring and collection systems. As a result of the review, the figures presented in previous years have been updated, with differences compared to the figures presented in the 2019 and 2018 sustainability reports and non-financial statements. Thus, the total energy consumption for the whole company in 2019 was 3,220.1 toe (134,835 GJ). Consequently, the energy intensity value in 2019 was $10.73 \cdot 10^{-4}$.

Year	2019			2020			2021			
	Unit of measurement	t	Toe	GJ	t	Toe	GJ	t	toe	GJ
Diesel		421.22	427.5	17,943.97	276.10	280.30	11,763.10	330.09	335.04	14,061.90
Petrol		22.41	23.5	974.84	18.6	19.5	809.1	8.13	8.54	353.70

Renewable fuel consumption	2019	2020	2021
Biodiesel (litre)	31,489.00	21,044.44	24,497
Bioethanol (litre)	2,270.00	1,990.51	906.69

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 = 1.015 tep

1 t diesel = 42,6 GJ

1 t petrol = 43,5 GJ

1 kWh= $3,6 \cdot 10^6$ J

1 GJ= 10^9 J

Transport

Transportation for employees	2019	2020	2021
Distance traveled by employees using their personal vehicles for business purposes (km)	1,022,950	426,300	808,838
Distance traveled by employees by taxi for business purposes (km)	1,193,554	685,193	313,192
Distance traveled with company cars (km)	7,325,747	4,980,600	5,767,969
Distance traveled by plane for business purposes (km)	3,131,462	368,273	222,435
Number of cars in company fleet	525	540	525
Diesel	502	527	509
Electric/Hybrid	3	3	4
Petrol	20	10	12

In 2021, activity largely resumed to pre-pandemic levels, which explains the increase in distances travelled for business purposes.

Currently, at the local level, the Bank does not have a formal greenhouse gas inventory system in place. However, we annually report to Raiffeisen Bank International data on energy, fuel and employee transport consumption, which are taken into account in the calculation of Group-wide emissions.

4.2. Responsible resource consumption

Materials

Type of resources consumed	2019	2020	2021
Paper (kg)*	311,975	217,400	245,488
Printer cartridges and toners (pieces)	2,04	623	634
Printed materials (forms, of total paper consumption, in kg)	257,721.00	160,919.54	129,296

* non-recycled paper

Waste

Recycled waste (kg)	2019	2020	2021
Packaging materials (paper)	64,338	37,275	41,871
Glass	14,168	Data not monitored.	Data not monitored.
Lighting fixtures	220	Data not monitored.	3,857
Batteries	4,334	4,662	Data not monitored.
Plastic	3,258	1,852	2,427
WEEE	75,957	78,675	13,392

Waste directed to disposal (kg)	2019	2020	2021
Household waste	2,721,200	2,361,453	2,045,259

Of the total amount of waste, 17,248 kg of hazardous waste (lighting fixtures, batteries, WEEE) and 44,308 kg of non-hazardous waste were recycled.

Water consumption (m ³)	2019	2020	2021
	60,109	48,207	28,066

Measures to reduce environmental impacts

In 2021 we focused on the environmental performance of the buildings and sites where we operate.

The primary objective was to reduce energy consumption in our premises. To this end, in 2020 we started a project, still ongoing, to replace fluorescent lighting fixtures with LED panels in agencies. In 2021, the investment amounted to 1,818,548 lei.

Air conditioning (cooling and heating) equipment is a big energy consumer, which is why in 2021 we invested in replacing some of it with more energy-efficient models. We replaced 6 central heating units and 212 air conditioners, with investments amounting to 34,251 lei and 1,122,885 lei respectively.

Other energy efficiency improvements include the automation of certain building system features at our administrative offices in Bucharest (Sky Tower and By Tower), such as automatically switching off lights at a certain time or setting the temperature according to working hours. We are also focusing on water saving, which is why we replaced the batteries in

the washbasins with low-water consumption ones at the Brasov Operations Centre, an investment of €2,800.