

Handbook

Management of Corporate Responsibility and Sustainability in the Raiffeisen Group

Version 1

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Corporate Responsibility & Sustainability
Raiffeisen Group

Table of content

Introduction

1. Scope of application

2. Definitions

3. Management approach

4. General principles

5. Key issues

6. Scope of responsibility

7. Objectives

8. Evaluation

9. Continuous improvement

10. Disclosure

11. Responsibilities

Appendix: Assessment and handling of ISO 26000 core topics and other sustainability issues

Introduction

This handbook outlines how corporate responsibility and sustainability at Raiffeisen are managed at Group level. With this handbook, Raiffeisen aims to ensure a shared understanding of professional sustainability management within the Group and, in particular, to set out the division of roles between Raiffeisen Switzerland, the Raiffeisen banks, and the Raiffeisen Group companies. It will be made available internally and externally to interested parties.

The handbook is based first and foremost on the ISO 26000 standard. The international ISO 26000 standard is a guideline with recommendations for professional management of corporate responsibility and sustainability. It is not a certifiable management system standard, but rather provides guidance. It was developed based on a multi-stakeholder approach (with experts from more than 90 countries and 40 international and regional organisations encompassing the different sustainability stakeholders) and is intended to provide support for organisations with the development, implementation and improvement of professional sustainability management.

Alongside ISO 26000, considerations from the following two standards, which are likewise fundamental, are also incorporated in the handbook: (1) Global Reporting Initiative (GRI) standards; (2) United Nations Environmental Programme Financial Initiative (UNEP-FI) Principles for Responsible Banking. The Raiffeisen Group has been disclosing its sustainability efforts pursuant to the GRI standards “comprehensively” since 2018, and in 2021 signed up to the UNEP-FI Principles for Responsible Banking. Both the GRI standards and the Principles for Responsible Banking are likewise based on multi-stakeholder processes and boast a high level of credibility.

The handbook is structured as follows: First, the scope of application of the handbook is set out (1) and the key terms defined (2). It then sets out which operational tasks are the primary focus for the management of corporate responsibility and sustainability at Raiffeisen Group level (3), and how recognised principles of corporate responsibility and sustainability management are thereby implemented (4). The section on “Key issues” outlines how the strategic focus in the area of sustainability and how the key (sustainability) issues are developed for the Raiffeisen Group (5), and how Raiffeisen determines the scope of its responsibility in relation to these issues (6). The handbook then details how the Raiffeisen Group sets strategic goals for the key issues (7) and how the status of implementation within the Group is measured (8). Other issues covered are continuous improvement (9), disclosure of sustainability information (10), and responsibilities within the Group (11).

ISO 26000 sets out various issues that should be taken into consideration as part of corporate responsibility and sustainability management. The Appendix addresses these and other issues relevant to Raiffeisen. It explains the extent to which these issues must be prioritised across the Group in the Raiffeisen context and how they are managed within the Raiffeisen Group. For each section and subsection, details are provided of the documents, processes and regulations most relevant to the respective issue.

1. Scope of application

Raiffeisen bases its management of corporate responsibility and sustainability at Group level on the recommendations and guidance provided in standard ISO 26000. This way, Raiffeisen aims to ensure professional sustainability management at Group level and, in particular, to set out the division of roles between Raiffeisen Switzerland, the Raiffeisen banks, and the Raiffeisen Group companies.

The Raiffeisen banks are independent cooperative members that founded the Raiffeisen Switzerland cooperative together. They delegate tasks to and procure services from Raiffeisen Switzerland. As part of the Raiffeisen Group, the Raiffeisen banks are therefore linked by a joint strategy and shared operational guidelines and processes, and are mutually dependent on each other. Raiffeisen Switzerland, for its part, has a stake in various companies that likewise form part of the Raiffeisen Group.

2. Key definitions

Corporate responsibility: An organisation’s responsibility for the impacts of its decisions and activities on society and the environment; through transparent and ethical conduct, a responsible company contributes to sustainable development, takes account of shareholder expectations, and complies with the applicable laws and standards of ethical behaviour.

Sustainability: According to the sustainability principle, resources are only consumed to the extent that they will remain available to future generations in sufficient quality and quantity. In practice, the principle means that decisions must always take account of ecological, social and economic aspects, and that business activity must be compatible with sustainable development.

Stakeholder: An individual or a group whose interests are affected by Raiffeisen's decisions, or who have a significant influence on decisions at Raiffeisen.

Due diligence: Comprehensive process to identify the actual and potential negative social, ecological and economic impacts of an organisation's decisions and activities with the aim of avoiding and mitigating negative impacts.

3. Management approach

The Raiffeisen Group's corporate responsibility and sustainability management is focused on the following tasks:

- **Responsible business conduct (see 4 below):** Establishment and maintenance of processes and activities to ensure ethical business conduct in harmony with corresponding international and national standards and practices and the business ethics positioning of the Board of Directors.
- **Stakeholder dialogue (see 4 below):** Holding dialogue with the Raiffeisen Group's stakeholders.
- **Strategy:** Identification of the sustainability issues key to the Raiffeisen Group (see 5 below) and of the scope of responsibility with regard to these issues (see 6 below) and anchoring the issues in the Group's strategic framework for sustainability, including the definition of strategic goals (see 7 below).
- **Evaluation (see 8 below):** Evaluation of the status of implementation within the Group with regard to corporate responsibility and sustainability, particularly via sustainability controlling and sustainability ratings.
- **Continuous improvement (see 9 below):** Continuous improvement, particularly by means of projects as well as training and consultancy at Group level.
- **Disclosure (see 10 below):** Disclosure of the key information on corporate responsibility and sustainability at Raiffeisen Group level.

The corresponding overarching processes for corporate responsibility and sustainability management are those of "Responsible business conduct" and "Sustainability management".

[DW023 Responsible business conduct](#)
Sustainability management

4. General principles

The basic principles of sustainability management are by now generally accepted and are set out, for example, in the ISO 26000 guidelines, in the GRI standards, and in the UNEP-FI Principles for Responsible Banking. The following offers a brief explanation of the extent to which the Raiffeisen Group implements these principles in its corporate responsibility and sustainability management. The implementation of certain principles is explained in further detail later on and in the Appendix.

Responsible business conduct: A company's business model and business decisions should be compatible with ethical principles.

Raiffeisen aims to shape its business according to ethical principles: Sustainability has been an enterprise value since 2015, while solidarity has been an explicitly formulated cooperative value since 2020. The Raiffeisen Strategy 2025 contains an explicit commitment to sustainability. In 2021, Raiffeisen Switzerland signed up to the UNEP Principles for Responsible Banking on behalf of the Raiffeisen Group. Raiffeisen explicitly recognises the goals of the Paris Climate Agreement as well as human rights. The stated values, guiding principles and commitments give the Raiffeisen Group general guidance in relation to ethical business conduct. Building on this, the Board of Directors at Raiffeisen Switzerland explicitly adopts a business ethics position once each year.

The corresponding guidelines are subsequently operationalised and implemented by means of due diligence for responsible business activity. A business ethics review is likewise carried out in the event of new product or service launches. In its dealings with clients, the Raiffeisen Group places great emphasis on fairness, reliability and transparency in accordance with its mission statement.

[Enterprise values](#)

[Raiffeisen Strategy 2025](#)

[UNEP-FI Principles for Responsible Banking](#)

[Permanent directive on responsible business conduct](#)

Process for responsible business conduct

Product launch processes

Respect for stakeholder interests: The interests of a company's stakeholders must be discussed on an ongoing basis and taken into consideration in business decisions.

Respect for the interests of clients, employees and other stakeholders is one of the principles among the UNEP-FI Principles for Responsible Banking, which Raiffeisen has recognised since 2021 and which also form the basis for sustainability disclosure in accordance with the GRI standards. In line with this, Raiffeisen Switzerland consults the stakeholders of the Raiffeisen Group when determining issues that are key to strategy, management and disclosure in the area of corporate responsibility and sustainability, and holds an annual dialogue with them. Raiffeisen Switzerland also engages in bilateral dialogue with various stakeholders of strategic significance to the Group and institutionalises exchange with these stakeholders, in part through memberships of national and international organisations and initiatives. Raiffeisen has compiled principles for engagement with the stakeholders of the Raiffeisen Group in a corresponding tool.

Stakeholder dialogue tool

Accountability: A company has a responsibility to stakeholders like clients or employees, to the environment and to society. Disclosure of the company's positive and negative impacts on the economy, society and the environment gives stakeholders and society the opportunity to take note of and assess these effects of the company as well as the progress that has been achieved. This, in turn, fosters trust in the company.

Raiffeisen therefore gives a "comprehensive" account of the implementation of corporate responsibility and sustainability as part of its business reporting in accordance with GRI standards.

[Sustainability Management Report \(part of the annual report\)](#)

[GRI Content Index \(supplement to the annual report\)](#)

Sustainability management process

Transparency: Transparency, for a company, means that it communicates openly, clearly, objectively and completely about its impacts as well as about successes and challenges.

Transparency is vital for the Raiffeisen Group with its cooperative structure. Regular, credible and fact-oriented internal and external communication on corporate responsibility and sustainability is important for the understanding of these issues and their effective implementation. A particularly important factor in generating transparency is comprehensive disclosure according to the GRI standards in the annual report, particularly in the Sustainability Management Report.

Communication on sustainability follows the Raiffeisen Group's principles of communication. Its main focus is on application of the guiding principles for disclosure of the applied standards (GRI standards, UNEP-FI Principles for Responsible Banking, ISO 26000). (See also Section 10 Disclosure, below.)

[Annual report](#)

[Sustainability Management Report \(part of the annual report\)](#)

[Permanent directive on internal and external communication at Raiffeisen Switzerland](#)

Respect for the rule of law: The applicable law and the principles of the rule of law shall be respected.

Given the focus of its business model on the Swiss market and legal sphere, Raiffeisen is active almost exclusively in Switzerland and thus within a constitutional state in which, for example, equality under the law and human rights are respected and the principle of separation of powers is implemented. Compliance with applicable law

is ensured within the Raiffeisen Group by means of Raiffeisen's internal control system (ICS) in particular. The ICS comprises all the control structures and processes intended to ensure the proper conduct of operations, compliance with statutory, regulatory and internal provisions, and complete, reliable reporting. In operational terms, legal compliance group-wide is ensured by means of the compliance function in particular. Operational responsibility for compliance lies with the Raiffeisen banks, the Group companies and Raiffeisen Switzerland.

[Articles of Association of Raiffeisen Switzerland Cooperative Model](#)

[articles of association for Raiffeisen banks](#)

[Sustainability Management Report \(part of the annual report\)](#)

[Permanent directive on the internal control system \(ICS\) and process management](#)

[Permanent directive on organisation of compliance and the compliance function within the Raiffeisen Group](#)

Compliance with international standards and practices: International standards and practices in the area of corporate responsibility and sustainability must be observed wherever possible, particularly if the local legal framework does not provide sufficient protection for society and the environment.

Raiffeisen operates almost exclusively in the Swiss market and legal sphere and therefore within a functioning constitutional state. It is therefore unlikely that Raiffeisen will be confronted with situations where insufficient national legal provisions will force it to refer to international standards and practices – situations, for example, where there is inadequate national protection of human rights and companies would therefore have to ensure internationally recognised human rights protection independently of the applicable national law. Where there are legal cases involving foreign elements – e.g. concerning supplier or other business relationships with foreign partners – corresponding standards and practices will be consulted on a risk basis. This is essentially ensured through the compliance function and the due diligence for responsible business activities.

[Permanent directive on responsible business conduct](#)

Respect for human rights: Human rights, as fundamental rights of all people, must be recognised.

Raiffeisen recognises the human rights enshrined in the International Bill of Human Rights. In Switzerland, human rights are translated into binding law by means of the fundamental rights guaranteed by the constitution. Thus, by complying with Swiss law, Raiffeisen also respects human rights. At the same time, Raiffeisen reviews compliance with human rights on a risk basis in individual cases as part of the due diligence for responsible business conduct. "Risk basis" means that checks will be carried out where there is a relevant risk that Raiffeisen may become involved with human rights violations.

Strategic sustainability framework

[Permanent directive on responsible business conduct](#)

Environmental protection: The environment must be protected and natural resources used sustainably.

As a signatory to the UNEP-FI Principles for Responsible Banking, Raiffeisen is expressly committed to environmental and climate protection and thus also to the goals of the Paris Climate Agreement. Definition, management and evaluation of climate-related risks and opportunities is disclosed in accordance with the TCFD criteria. The management of resources and pollution is handled on the basis of the ISO 14001 standard (RCH).

Strategic sustainability framework

[Sustainability Management Report \(part of the annual report\)](#)

[Disclosure according to TCFD \(supplement to the annual report\)](#)

5. Key issues

Raiffeisen systematically reviews all issues that have a sustainability context for their specific materiality to the Raiffeisen Group and the Raiffeisen business model. Firstly, this review includes a materiality assessment pursuant to the GRI standards. This uses stakeholder and expert feedback to determine which issues affect the Raiffeisen Group and its stakeholders to a particular degree. Secondly, there is a review and assessment of the relevance for the Raiffeisen Group of the key issues explicitly named in the ISO 26000 guideline. This broadly based review and assessment addresses the various potential expectations within society and stakeholder interests. Thirdly, the impact analysis pursuant to the UNEP-FI Principles for Responsible Banking serves to identify where the greatest impact from Raiffeisen's activities actually occurs. The two reviewing approaches of

the GRI standards and the UNEP-FI Principles for Responsible Banking are carried out periodically and not necessarily at the same time. Each year, the issues Raiffeisen has identified to be key are critically examined with stakeholders as part of the stakeholder dialogue.

[ISO 26000](#)

[GRI standards](#)

[UNEP-FI Principles for Responsible Banking](#)

Tool for identifying key issues

Materiality matrix in the [Sustainability Management Report](#) (part of the annual report)

Assessment and handling of ISO 26000 core topics and other sustainability issues (Appendix)

UNEP-FI impact analysis

6. Scope of responsibility

Raiffeisen has a responsibility in relation to all the issues defined as key. Negative impacts of business activity should therefore be reduced here specifically to the greatest extent possible and positive impacts strengthened. This ensures that the Group conducts its business activities in line with sustainable development. The approach to the core topics of ISO 26000 and other sustainability issues, as outlined in the Appendix, explains how Raiffeisen upholds this responsibility.

Assessment and handling of ISO 26000 core topics and other sustainability issues (Appendix)

7. Objectives

The Strategy 2025 sets out the overriding ambition or the “community sustainability level” the Group is aiming for. It specifies its distinction as a sustainable cooperative as one of a total of six main approaches. Strengthening achievements in the area of sustainability is one strategic initiative in the context of this strategic approach.

Raiffeisen defines a strategic framework for sustainability in order to implement the sustainability level targeted across the board on the Group level. In terms of content, this links up to Raiffeisen’s responsibility with regard to the sustainability issues identified as key to Raiffeisen and formulates guiding principles and more specific strategic aims. It is examined annually as part of the stakeholder dialogue and adapted where necessary. Within the strategic objectives, operational objectives are being formulated from 2021 onwards and published as Key Performance Indicators (KPIs) as part of the annual disclosure.

[Raiffeisen Strategy 2025](#)

Strategic sustainability framework

[Sustainability Management Report](#) (part of the annual report)

8. Evaluation

The implementation status of corporate responsibility and sustainability is evaluated at Group level by means of the sustainability controlling, sustainability ratings, and during the annual stakeholder dialogue. On top of this, there are also internal audits of sustainability management as well as the management of individual issues. Where necessary, second opinions from external experts are obtained for specific issues.

Sustainability controlling: The status of implementation of corporate responsibility and sustainability at Raiffeisen Group level is reported and assessed at least once a year based on data gathered from across the Group. The corresponding information is disclosed “comprehensively” in line with the GRI standards, first internally and then externally as part of the annual reporting, most notably in the Sustainability Management Report. It is analysed in detail and forms a basis for improvement measures.

Sustainability management process

Sustainability ratings: Raiffeisen actively and purposefully obtains one to two recognised, independent and professional sustainability ratings and also takes part in substantial third-party initiatives to assess the sustainability of companies. “Actively” refers to the fact that Raiffeisen actively shares information with the rating agency. The findings obtained through these evaluation processes flow into the continuous improvement process to boost its performance in the area of sustainability.

ISS ESG rating report

[Sustainability in Swiss retail banking: WWF rating of Swiss retail banking 2020/2021](#)

Stakeholder dialogue: As part of the annual stakeholder dialogue, Raiffeisen presents the status quo of the implementation of corporate responsibility and sustainability, as identified in the Sustainability Management Report, to its stakeholders and puts the strategic framework for sustainability up for debate. Any suggestions subsequently flow into the definition of operational measures and can also lead to adaptations in the strategic framework and the strategic objectives.

Stakeholder dialogue tool

Internal audits: Internal audits are carried out both for Group management of sustainability and also on specific issues of sustainability management. Any findings obtained here flow into the continuous improvement process to boost performance in the area of sustainability. The Raiffeisen banks may also be included in the internal audits.

External audits: External partial audits of the annual disclosure of sustainability performance will be carried out based on the applied GRI standards and the UNEP-FI Principles for Responsible banking as soon as these are established within the Group.

Second opinions: Raiffeisen regularly consults external experts for the purposes of quality assurance, particularly for the development and implementation of new measures to enhance corporate responsibility and sustainability.

9. Continuous improvement

Findings from sustainability controlling, sustainability ratings, stakeholder dialogue, internal audits, and purposefully obtained second opinions flow into the continuous strategic improvement process to enhance the sustainability performance of the Raiffeisen Group. The sustainability performance is continually enhanced accordingly through concrete measures.

Projects: As part of the Strategy 2025, a bridge project on “Improving sustainability performance” has been created with a corresponding project budget. The project will continually improve and promote the Raiffeisen Group’s sustainability performance.

Sustainability management process

[Strategic project to improve sustainability performance](#)

Training and consultancy: Awareness and competence in the area of corporate responsibility and sustainability are being further enhanced within the Raiffeisen Group through continual training and consultancy:

- Included as a topic on induction day for new employees
- Included as a topic in the induction workshop for new bank managers and members of the Board of Directors
- Advice for Raiffeisen banks and Raiffeisen Switzerland departments.

10. Disclosure

Since 2018, Raiffeisen has been “comprehensively” disclosing the sustainability performance of the Raiffeisen Group according to the standard of the Global Reporting Initiative, and since 2020 Raiffeisen has been guided in this disclosure by the UNEP-FI Principles for Responsible Banking and the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD). Among other things, the disclosure covers the key issues from a sustainability perspective, the objectives formulated for these issues, the challenges, and the measures to boost the level to be achieved in these issues. The disclosure is carried out for the Group as a whole, i.e. the Raiffeisen banks are included in the disclosure. As independent units of the Raiffeisen Group, the Raiffeisen banks also publish their own annual reports, in which they address sustainability issues as they see fit.

Here, Raiffeisen follows the principles for disclosure and communication required in the aforementioned standards. These are, in particular: credibility, relevance, comprehensibility, completeness, comparability, and consistency between internal and external communication.

The Executive Board of Raiffeisen Switzerland and the Strategy Committee of the Board of Directors, **as the committee responsible for sustainability**, receive and approve an internal report twice a year on corporate responsibility and sustainability at Group level. The Board of Directors receives this report annually.

[Annual report](#)

[Sustainability Management Report](#) (part of the annual report)

11. Responsibilities

In the context of responsibilities relating to corporate responsibility and sustainability, a distinction should be drawn between, on the one hand, responsibility for the overarching management of these issues according to the handbook and, on the other, responsibility for the issues identified as key within the framework of this overarching management.

Management of Corporate Responsibility and Sustainability: Responsibility for the management of corporate responsibility and sustainability at the Raiffeisen Group level lies with Raiffeisen Switzerland, and within Raiffeisen Switzerland with the Corporate Responsibility & Sustainability department. The department reports to the Chairman of the Executive Board. It reports twice a year to the Executive Board and to the Strategy Committee and once a year to the Board of Directors. Also once a year, the Board of Directors adopts the “business ethics positioning” for the Raiffeisen Group as proposed by the Corporate Responsibility & Sustainability department.

The Raiffeisen banks are involved in the overarching management of corporate responsibility and sustainability in particular through specialist committees, with the main one being the specialist committee for corporate development and digitalisation. Fundamental strategic issues would require the involvement of the Raiffeisen Bank Council (RB-Rat). On top of that, there is the option of informal consultations (“sounding”) with selected Raiffeisen banks.

[Regulation on the Authorisation Procedure of Raiffeisen Switzerland](#)
[Head of Executive Staff division specifications](#)

Assessment and handling of ISO 26000 core topics and other sustainability issues (Appendix)

Management of key sustainability issues: Responsibility for the key sustainability issues is based on the distribution of competences within the Raiffeisen Group. More information on the relevant distribution of roles between Raiffeisen Switzerland and the Raiffeisen banks and on the most important regulations for management of the individual issues is provided in the Appendix.

Within Raiffeisen Switzerland, responsibility is assigned based on the competence directive and functional specifications. At Raiffeisen Switzerland, the Corporate Responsibility & Sustainability department is responsible for the coordination of overriding sustainability issues such as climate change, human rights or sustainable finance, which concern various aspects across different departments. Corporate Responsibility & Sustainability is also involved operationally as an expert unit for ESG in relation to issues such as risk management, sustainable finance products or political positioning.

Appendix: Assessment and handling of ISO 26000 core topics and other sustainability issues

ISO 26000 cites core topics that must be taken into consideration as a general rule in sustainability management. At the same time, though, the core topics are not equally relevant to all companies. The assessment of relevance is significantly influenced by the sector in which the company operates as well as the country of production, sales markets, and the legal framework conditions applicable in these places. Basically, the idea is also always to assess how direct is the company's influence on the core topic.

The following presents the ISO 26000 core topics and certain other issues in brief, along with their significance for the Raiffeisen Group on a scale of 1 (low) to 5 (high). This evaluation is based on the principles of materiality determination and impact analysis. There is also information on which legal framework conditions Raiffeisen must take note of in its management of core topics and which internal regulations Raiffeisen has issued specifically on the issues.

An important factor in evaluating an issue's significance and the legal framework conditions is the fact that Raiffeisen focuses almost exclusively on the Swiss market and thus operates in a country with high incomes and living standards, a constitutional state and a functioning democracy. Within Switzerland, certain ISO core topics are regulated with sufficient legal efficacy. Internal regulations that go beyond ensuring compliance with the law are therefore not always necessary in the case of the Raiffeisen Group operating almost exclusively in Switzerland – naturally on the condition that Raiffeisen ensures compliance with the legal requirements. The corresponding operational responsibility for compliance lies with the Raiffeisen banks, the Group companies and Raiffeisen Switzerland. Compliance officers ensure the implementation of compliance here. Operational risks in connection with compliance are recorded and their plausibility checked by Group Risk Controlling. The internal control system (ICS) comprises control structures and processes in planning, management and downstream of business activities. It serves to ensure the achievement of business policy objectives and proper operations, including compliance – i.e. operations that comply with the legal requirements.

1. Working conditions

Relevance for Raiffeisen

The Raiffeisen Group employs more than 10,000 people in Switzerland (and around three people in the Netherlands). These people's employment, the structuring of working conditions, social security and the social dialogue are therefore a very important issue for Raiffeisen as a cooperative. Health and safety are also a top priority here. At the same time, health and safety within a bank involves comparatively lower risks than in other sectors of the economy. At Raiffeisen, mental health is potentially affected above all. Furthermore, this concerns not only Raiffeisen employees but also subcontractors. Employees' experience, competence and qualifications are key to the company's success. Good opportunities for continuing education and further development are therefore essential. Diversity and equal opportunities are other key issues for Raiffeisen, particularly against the background of recruitment and employee satisfaction, as well as the goal of a diverse Raiffeisen culture. Working conditions must be structured accordingly.

The following provides more details on various aspects of the working conditions and their implementation at Raiffeisen.

1.1. Employment and appointment (significance level 4)

Description	Employment and the conditions thereof have a major influence on individual standards of living. At the same time, the employer is in a position of power over the employee. Employees must be protected from abuse of this power by the employer. The relationships between employer and employee are therefore governed and protected by law in each country.
Applicable law	The Raiffeisen Group respects Swiss law. This forbids discrimination, exploitative or abusive working conditions, forced or child labour, and guarantees dignified working conditions, freedom of association, and the right to collective bargaining and equal pay; undeclared work is prohibited in Switzerland. Persons employed by Raiffeisen are protected by Swiss law.

Raiffeisen regulations	<ul style="list-style-type: none"> • Employment regulations • Employment policies • <u>Agreement on Conditions of Employment for Bank Staff (ACEBS)</u> • Template for Raiffeisen internal policies on the employment relationship in banks (employment regulations, employment policies, employee information sheets).
Explanations	<p>Since Raiffeisen employs people solely in Switzerland with very few exceptions, a high degree of security and fairness in working conditions within the Raiffeisen Group is already guaranteed by compliance with this legal framework.</p> <p>Raiffeisen Switzerland is subject to the ACEBS. The employment regulations and the employment policies implement all the ACEBS regulations and in part go beyond these to the benefit of employees. Since Raiffeisen Switzerland is responsible for the employment relationship of Raiffeisen banks, the ACEBS is also consistently implemented in the employment relationship of all Raiffeisen banks (indirectly subject to the ACEBS).</p> <p>The employment regulations and the ACEBS explicitly regulate the termination of an employment relationship and justification thereof. One important topic of the ACEBS is the procedure in the event of dismissal of all or a large number of employees, including advance information and the preparation of social plans. As a general rule, particular caution must be exercised in the dismissal of older employees. However, the localised Raiffeisen structure does mean that around 80% of employees work in one of the 225 independent Raiffeisen banks. That means that both large-scale increases and large-scale cuts in staff numbers are unlikely at Raiffeisen. Temporary hiring of employees is also largely avoided.</p> <p>Raiffeisen Switzerland's employment policy on "Equality and harassment in the workplace" explicitly prohibits discrimination of any kind (including on the basis of age, gender, ethnicity, nationality, religion, sexual orientation, sexual identity, physical and psychological impairments, and other personal characteristics) and recognises the right to personal integrity in the workplace.</p> <p>Data protection and data security are governed by the employment regulations (VI Rights and duties, 2.3 Data protection and data security). The regulations explicitly state that personal data may be processed or exchanged only within the context of concluding an employment contract, its execution, or in connection with the performance of the work by the employee. Essentially, the regulations are based on the Federal Data Protection Act (BDSG) and implement this in the points relevant to the employment relationship.</p>

1.1.Social security and working conditions (significance level 4)

Description	<p>Working conditions encompass remuneration, working hours, holiday, parental leave, workplace, and access to infrastructure such as canteens or medical care. These matters are normally governed by the contract. They affect not only the employee, but also their family and economic and social development.</p> <p>Social security refers to arrangements in cases such as loss of work, accidents, illness, parenthood or old age. These provisions are primarily the responsibility of the state. The focus here is on securing an income and thus continually guaranteeing the dignity of the individual and social justice.</p>
Applicable law	<p>The ILO Fundamental Conventions as well as other ILO agreements have been ratified by Switzerland and incorporated into the legal framework. Working hours and rest time are regulated in detail in the Labour Code. Swiss law also guarantees a high level of social protection. The social security system is essentially based on old-age, survivors' and disability insurance (OASI), supplemented by occupational old-age, survivors' and disability insurance, health and accident insurance, and unemployment insurance. In addition, there is private pension provision, which is also governed by law.</p>
Raiffeisen regulations	<ul style="list-style-type: none"> • Employment regulations • Employment policies • <u>Agreement on Conditions of Employment for Bank Staff (ACEBS)</u> • Template for Raiffeisen internal policies on the employment relationship in banks (employment regulations, employment policies, employee information sheets). • Remuneration regulations • Remuneration system tool • Articles of Association of the Raiffeisen Pension Foundation • Raiffeisen Switzerland's position on "part-time work and leadership"

Explanations	<p>The ACEBS collective employment agreement contains provisions that go beyond the legal framework, for example on working hours, holidays, salary and bonuses, or pension and insurance arrangements. The corresponding internal regulations in the employment regulations and the employment policies nevertheless go even further beyond the relevant provisions, thus guaranteeing even better conditions for employees. Since Raiffeisen Switzerland is responsible for the employment relationship of Raiffeisen banks, the ACEBS is also consistently implemented in the employment relationship of all Raiffeisen banks (indirectly subject to the ACEBS). The salary conditions for the banks set out in the remuneration regulations and in the remuneration system tool, including the occupational pension provision, are likewise attractive to employees. Finally, Raiffeisen maintains an independent pension foundation that takes care of employees' occupational pension provision. The options of part-time work, purchasing and saving up holiday, and flexible working, including working from home (the FlexWork employee information sheet), as well as competitive holiday and absence regulations that go beyond the statutory provisions offer employees of Raiffeisen Switzerland a progressive framework for a very good work-life balance. For example, mothers get 16 weeks of maternity leave, which rises to 24 weeks after the sixth year of service, while fathers receive up to 15 additional paid days off, which they can take from one month before to six months after the child is born. Thanks to the new home office regulation, "Raiffeisen FlexWork", up to 80% of the working hours required in a year can be performed location-independently, provided that the role and specific nature of the work make this possible and this has been agreed with the supervisor.</p>
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1.2.Social dialogue (significance level 4)

Description	<p>As an employer, an organisation makes a key contribution to a recognised social goal: improvement of living standards through secure, dignified work. At the same time, the employer is in a position of power over the employee, and protecting the employee from abuse of this power is essential. Against this background, social dialogue involves negotiations, exchanges and discussions between representatives of the authorities, employers and employees. Employees typically join together in employee organisations. Their independence is key.</p>
Applicable law	<p>In Switzerland, employees' freedom of association, freedom of assembly and the right to organise to protect their own interests are explicitly recognised in the constitution. In addition, Switzerland has ratified the relevant conventions of the ILO. Recognition of collective labour agreements is likewise governed by law. The Federal Act on Information and Participation of Employees in the Workplace also governs employee participation within companies.</p>
Raiffeisen regulations	<ul style="list-style-type: none"> • Employment regulations • Employment policies • <u>Agreement on Conditions of Employment for Bank Staff (ACEBS)</u> • Template for Raiffeisen internal policies on the employment relationship in banks (employment regulations, employment policies, employee information sheets).
Explanations	<p>Raiffeisen recognises the fundamental rights applicable within Switzerland, including freedom of association, freedom of assembly and the right to organise for employees to protect their own interests. The ACEBS, and as a signatory to it also Raiffeisen Switzerland, explicitly address the involvement of social partners in the introduction of wage systems. Since Raiffeisen Switzerland is responsible for the employment relationship of Raiffeisen banks, the ACEBS is also consistently implemented in the employment relationship of all Raiffeisen banks (indirectly subject to the ACEBS). Where there is no consensus with the employee representatives, the employee associations have to be consulted. If no agreement is reached, an arbitral tribunal will decide.</p> <p>Employee participation as part of the employee committee of Raiffeisen Switzerland is governed in the relevant employment policy. The employee committee has a right to information, the right to have a say, and is authorised to negotiate wages with the Executive Board. The relevant regulations are presented actively to the employees when contracts are signed and the employees have access to the corresponding documents and regulations at all times.</p>

1.3.Health and safety at work (significance level 3)

Description	Health and safety at work is the promotion and ensuring of the greatest possible physical, mental and social wellbeing and safety of employees. The social cost of work-related illnesses, accidents and deaths is significant.
Applicable law	Health and safety at work are comprehensively regulated in Swiss law and the corresponding ordinances.
Raiffeisen regulations	<ul style="list-style-type: none"> • Employment regulations • Employment policies • <u>Agreement on Conditions of Employment for Bank Staff (ACEBS)</u> • Template for Raiffeisen internal policies on the employment relationship in banks (employment regulations, employment policies, employee information sheets), employment policies • Tool for SIBE Occupational Health and Safety • Employee Assistance Programme (EAP) • Healthy Living and Working Programme • <u>Supplier Code</u>
Explanations	<p>Safety at work is addressed in a tool for the Group as a whole. This covers workplace design, technical equipment, accident prevention and preventative measures.</p> <p>The Employee Assistance Programme EAP offers group-wide professional advice and solution-oriented coaching from external specialists – confidentially, externally, and free of charge. This option provides support for employees in the event of problems in the workplace, health issues, and personal matters.</p> <p>In accordance with the employment policy, Raiffeisen Switzerland also offers a more extensive company health management scheme. With the “Healthy Living and Working” programme, Raiffeisen Switzerland promotes a sustainable style of living and working and supports its employees in cultivating their physical and mental health, as well as improving their work-life balance. Among other things, this involves campaigns, healthy catering, expert talks on health topics, and case management. In late 2021, a campaign is being launched on the topic of “mental health”. Individual projects in this Raiffeisen Switzerland programme are set to be expanded to the Group as a whole in future. Until then, the Raiffeisen banks maintain their own corresponding programmes independently at their own discretion.</p> <p>In the Supplier Code, subcontractors and partners are also required to comply with legal and Raiffeisen-specific requirements.</p>

1.5 Development, continuing education and training (significance level 5)

Description	Staff development means expanding the range of options open to employees, nurturing their employability, and thus enabling them to enjoy decent standards of living. Such development simultaneously fosters the organisation’s own success. Alongside an increase in competence, experience and qualifications, the training also focuses on issues such as discrimination, family responsibility and health protection. Furthermore, strong vocational training helps young people starting out in their professional lives and thus lays the foundations for employability and lifelong learning.
Applicable law	Vocational training is governed by the Vocational Training Act and corresponding vocational training ordinances.
Raiffeisen regulations	<ul style="list-style-type: none"> • Employment regulations • Employment policies • <u>Agreement on Conditions of Employment for Bank Staff (ACEBS)</u> • Template for Raiffeisen internal policies on the employment relationship in banks (employment regulations, employment policies, employee information sheets).
Explanations	<p>Alongside mandatory training, Raiffeisen also offers various optional possibilities for continuing education and further development across the whole Group. The employment policy on continuing education and training for Raiffeisen Switzerland sets out the support for permanent employees, while the banks regulate the matter independently. Raiffeisen can contribute to the costs to a large extent. The topic is a fixed component of the regular employee appraisals and the corresponding meetings and is monitored as part of this process. The Raiffeisen Academy offers an extensive range of further training courses for the whole Group and includes mandatory courses for all employees. New employees and new bank managers and BoD members are also given a short introduction to the issue of sustainability and corporate responsibility during their induction days.</p>

1.6. Diversity and equal opportunities (significance level 5)

Description	<p>Diversity and equal opportunities mean that employees reflect the existing differences within society, such as gender, origin, training, age, sexual orientation, etc. across all levels. Diverse teams take into account widely different perspectives, experiences, competences and personal backgrounds.</p> <p>Fostering diversity and equal opportunities can be hugely beneficial to a company, for example bringing access to a larger and more diverse group of potential employees, which also brings benefits for society in terms of stability and development. A balanced mix contributes to client-oriented solution development overall – because clients are equally diverse.</p>
Applicable law	<p>In Switzerland, equal rights are enshrined in the constitution. The Gender Equality Act regulates such equal rights in detail.</p>
Raiffeisen regulations	<ul style="list-style-type: none">• Employment regulations• Employment policies• <u>Agreement on Conditions of Employment for Bank Staff (ACEBS)</u>• Template for Raiffeisen internal policies on the employment relationship in banks (employment regulations, employment policies, employee information sheets).
Explanations	<p>Compliance with the regulations on equal rights and equality within the Raiffeisen Group are ensured by means of the internal control system and the compliance function. The principle of equal treatment is explained in detail in the employment policy. Among other things, equal pay must be guaranteed and sexual, psychological or physical harassment is expressly prohibited. At Raiffeisen, equal pay is analysed periodically in accordance with the Gender Equality Act and reviewed by an external body. With the “Balanced Organisation” programme, Raiffeisen Switzerland aims to foster diversity even further.</p>

2. Fair terms and conditions

Relevance for Raiffeisen

Preventing corruption is a high priority for Raiffeisen. It aims to conduct its business activities conscientiously and sustainably in accordance with the law and basic ethical principles. At the same time, Raiffeisen operates almost exclusively in the Swiss market where, according to Transparency International, perception of corruption is low, property rights are well protected by an effective legal framework, and significant violations of competition occur relatively rarely. Raiffeisen aims to generate added value for its clients, employees, investors and other partners in the long-term as an independent and reliable partner. Accordingly, Raiffeisen places great emphasis on abiding by the principles of fair competition. Raiffeisen actively participates in political discourse and represents its own political interests vis-a-vis the Federal Assembly, the Federal Administration, relevant stakeholders and the general public. As a typical domestic bank, Raiffeisen is a convinced advocate of the Swiss militia system and supports it. Corporate responsibility and sustainability play an important role here. Raiffeisen does not want to be associated with serious negative impacts on the environment and society through global supply relationships. At the same time, since Raiffeisen is a service provider, procurement plays only a minor role. In addition to this, the focus on the Swiss market means there is a limited risk of supplier relationships with potentially serious negative impacts on the environment and society.

2.1. Anti-corruption (significance level 5)	
Description	Corruption involves the exploitation of power to achieve personal gain. Corruption may take various forms, for example bribery, conflict of interests, fraud, money laundering, embezzlement and obstruction of justice. Corruption harms an ethical reputation and can result in legal sanctions. Corruption undermines the rule of law, promotes inefficiency and distorts competition.
Applicable law	Swiss law prohibits corruption and Switzerland has signed various agreements to fight corruption. On the one hand, criminal law contains provisions on private bribery and bribery of officials, while on the other there are comprehensive legal provisions on money laundering and anti-terrorist financing. Raiffeisen has taken the relevant precautions and implements the applicable legal requirements.
Raiffeisen regulations	<ul style="list-style-type: none"> • Risk policy for the Raiffeisen Group • Risk policy of the Raiffeisen banks • Permanent directive on combatting money laundering and terrorist financing within the Group • Permanent directive on organisation of compliance and the compliance function within the Group • Guidance on due diligence to combat money laundering and terrorist financing • Employment regulations • Employment policies • Template for Raiffeisen internal policies on the employment relationship in banks (employment regulations, employment policies, employee information sheets). • Permanent directive on contract management • Permanent directive on the internal control system (ICS) and process management
Explanations	<p>Compliance with legal requirements in the area of corruption is ensured by means of the internal control system and the compliance function. In the Raiffeisen Group, anti-corruption responsibilities are defined at all levels of the hierarchy, enshrined in internal policies, and assumed by Raiffeisen Switzerland and the individual Raiffeisen banks. Strict internal policies govern business relationships with politically exposed persons (PEPs), the combating of money laundering and terrorist financing, and adherence to laws imposing economic and trade sanctions. Criminal violations of these guidelines will be reported to the authorities (MROS). For reporting such circumstances internally at Raiffeisen Switzerland, an anonymous, confidential whistle-blower process is available.</p> <p>Both Raiffeisen Switzerland and the Raiffeisen banks are responsible for taking action to prevent money laundering. Every Raiffeisen bank has a compliance as well as an anti-money laundering officer. They receive annual training and are professionally supported by Raiffeisen Switzerland. The Raiffeisen banks reach out to Raiffeisen Switzerland if they suspect money laundering or terrorist financing. Raiffeisen Switzerland coordinates all further steps and instructs the Raiffeisen</p>

banks on how to respond. Thanks to the standardised purchasing process, the issue of corruption within the Raiffeisen Group is governed thoroughly and uniformly. The standardised purchasing process ensures that these actions take place in accordance with the rules and that all requirements are met. Employment policy 20 (Dealing with gifts) also sets out how employees should handle gifts and the guideline values that apply. This way, employees are prevented from offering or receiving bribes and remain independent in their dealings with clients or suppliers. **Employees are permitted to accept gifts that can be used up in one day. Employees are permitted to accept benefits of a value up to around CHF 200 in each case (several benefits in the same context are to be added together). "Packaged trips", i.e. business workshops as a basis for weekends or short trips may only be accepted in consultation with the division manager or, for division managers upwards, with the next highest supervisor. Employment policy 21 sets out the sanctions to be applied in the event of non-compliance.**

2.2. Responsible political engagement (significance level 4)

Description	The Swiss political model is based on the militia system. This requires and expects political participation by all, meaning those affected also become participants. By conveying information and assessments of political proposals and their impacts on those they are aimed at (affected businesses, interest groups and organisations), companies, interest groups and organisations participate in the political debate and thus exercise indirect influence on the legislative process. Through support for political processes and influence over the development of public political processes, organisations can influence society as a whole, both positively and negatively. Organisations should therefore avoid manipulations, exerting excessive influence, intimidation and coercion so as not to undermine the civil political process.
Applicable law	Pursuant to article 16 of the constitution, everybody has the right to form their opinion freely and to express and disseminate it without hindrance. Article 28 of the constitution enshrines freedom of association and the right of association.
Raiffeisen regulations	<ul style="list-style-type: none"> • Employment regulations • Terms and Conditions of Business of Raiffeisen banks_Terms and Conditions of Business of Raiffeisen Switzerland
Explanations	<p>By voluntarily completing and publishing the form for the EU transparency register for interest representatives (see: EU form for the transparency register for interest representatives), Raiffeisen ensures a high degree of transparency regarding its interest representation at Raiffeisen Group level, which is exercised by Raiffeisen Switzerland. In the form, Raiffeisen Switzerland also commits to the code of conduct it contains. Positions on the most important political transactions are published transparently on the Raiffeisen Switzerland website . In addition, the Raiffeisen Forum in Bern serves as a platform for political opinion-forming and is made available to political actors free of charge for events.</p> <p>Raiffeisen supports the parties represented in the Federal Assembly with a transparently disclosed financial contribution determined on the basis of objective criteria (the Federal Constitution, number of seats in the National Council and the Council of States). This is paid to the parties once a year. The amount is not excessive and matches corresponding supporting payments made by other Swiss companies for the militia system. The support model is set out transparently on the website.</p> <p>Raiffeisen also supports its employees in exercising political office by making working time available for this purpose. Around 350 Raiffeisen employees have a political mandate at national, cantonal or municipal level. Raiffeisen fosters a balance between this militia engagement and professional requirements. The employment regulations allow permission to be granted for the performance of public duties without deductions from holidays or wage payments for Raiffeisen Switzerland, while the banks govern this individually.</p>

2.3. Fair competition (significance level 4)

Description	Fair competition stimulates innovation and efficiency, reduces product costs, boosts equal opportunities, and has a positive influence on economic growth and standards of living in the long term. Violations of competition cause reputational damage and can have legal consequences. Such violations include price-fixing, bid-rigging or predatory pricing.
Applicable law	Swiss competition and antitrust law guarantees a high degree of competition in the Swiss market.

Raiffeisen regulations	<ul style="list-style-type: none"> • Raiffeisen Group mission statement • Permanent directive on compliance and the compliance function within the Group • FINMA circular (FINMA-RS 17/1) • Permanent directive on the internal control system (ICS) and process management • Permanent directive on contract management • Permanent directive on procurement of products and services • Permanent directive on responsible business conduct
Explanations	The Raiffeisen Switzerland mission statement includes a clear commitment to fair competition. Compliance with requirements in the area of competition and antitrust law is ensured by means of the internal control system and the compliance function. In Raiffeisen Switzerland's internal directive DW003 on the procurement of products and services, the basic principle of competition is outlined in more detail. For values of CHF 100,000 or more, invitations to tender must be issued via the Purchasing department. The banks govern procurement via Raiffeisen Switzerland or independently.

2.4. Responsibility in the supply chain (significance level 3)

Description	Procurement of goods and services can make it possible to influence suppliers and motivate them to act responsibly. Companies should prevent any negative effects arising for the environment and society through supplier relationships.
Applicable law	With the exception of child labour and conflict minerals, in Switzerland there is no specific legal framework for the assumption of responsibility in the organisation of supply chain relationships.
Raiffeisen regulations	<ul style="list-style-type: none"> • Permanent directive on responsible business conduct • Supplier Code
Explanations	At Raiffeisen Switzerland, permanent directive 023 establishes a process of due diligence for procurement in order to implement the principle whereby business relationships should not be linked to any grave human rights violations or other serious negative effects on the environment and society. The corresponding due diligence process is risk-based and is carried out by the units responsible for procurement. They are made aware of the relevant issues by means of the standardised process guidelines. In the event of ambiguities, they request a second review by a specialist unit responsible internally for corporate responsibility and sustainability. The Executive Board will decide in the event of disagreement. At the same time, at least once a year Raiffeisen Switzerland examines at portfolio level the extent to which the Raiffeisen Group's supplier relationships link it to serious negative effects on the environment and society. If a relevant link is identified, Raiffeisen Switzerland will try to contact the business partner and engages that the serious negative impacts are discontinued. Raiffeisen Switzerland will work to ensure the business partner halts the serious negative impact. If necessary, a decision is made to terminate the business relationship. In practice, such engagement does not have to be carried out often due to the Swiss market focused Raiffeisen business model. Furthermore, the Supplier Code outlines Raiffeisen's expectations of its suppliers with regard to environmental and social compatibility.

2.5. Respect for property rights (significance level 2)

Description	Property rights include tangible and intangible property rights such as ownership of movables and real estate, patents or brands. Respect for these rights is an important prerequisite for investments, innovation and general economic development.
Applicable law	Property rights are protected in Switzerland as "fundamental rights" under constitutional law and by various laws.
Raiffeisen regulations	<ul style="list-style-type: none"> • Permanent directive on compliance and the compliance function within the Group • FINMA circular (FINMA-RS 17/1) • Permanent directive on the internal control system (ICS) and process management
Explanations	Compliance with legal requirements relating to protection of property rights is ensured by means of the internal control system and the compliance function.

3. Clients

Relevance for Raiffeisen

Satisfied clients are crucial for the success of a company. Financial services are highly complex. In the marketing of products and services by financial institutions, therefore, particular attention should be paid to transparency, fairness, comprehensibility and objectivity. Banks also hold sensitive client data. With the increasing use of digital options, there is an ever greater need to protect such data. Clients have to be able to trust that their bank handles their data responsibly and protects them as best it can. Also very relevant to Raiffeisen and its clients is ensuring the sustainability of the product and service offering. With corresponding products, Raiffeisen and its clients can contribute to sustainable development.

Protecting clients' health, meanwhile, is a less relevant issue: The financial sector does not offer any products or services that directly endanger the health of clients. The sole concern here is financial emergencies that might lead to psychological risks. In client contact, for example with physical client contact in bank branches, the general provisions on health and safety are applied. Clients could be at risk in the event of bank robberies. Due to the generally high level of security and the rule of law in Switzerland, this risk is somewhat limited.

Access to essential services such as healthcare, food and water, housing, etc. – another topic of ISO 26000 – is also ensured in Switzerland. Banking services are usually not counted among such services.

3.1. Fair marketing, information and contracting (significance level 5)	
Description	Fair marketing, fact-oriented and unbiased information and advice, and fair contract terms enable clients to understand bank services and bank products, to make informed decisions, and to draw comparisons.
Applicable law	Product marketing among financial service providers is strictly regulated in Switzerland, for example through the Financial Services Act (FinSA), the Financial Services Ordinance (FinSO), the Collective Investment Schemes Act, and FINMA circulars. At the forefront of the corresponding rules of conduct are duties of information, verification of the appropriateness and suitability of clients for recommended financial instruments, duties of documentation and accountability, transparency and due diligence in client orders. In general, the Unfair Competition Act (UCA) prohibits reduction, incorrect, misleading or disparaging comparisons, and general misleading of consumers through false statements.
Raiffeisen rules and initiatives	<ul style="list-style-type: none">• Raiffeisen mission statement• Strategic sustainability framework• <u>Principles of the Swiss Fairness Commission</u>• FinSA implementation in 2021• Regular client surveys on transparency
Explanations	<p>As a cooperative banking group, Raiffeisen has local roots throughout Switzerland and thus offers all persons and groups of persons residing in Switzerland access to its banking services. This includes refugees.</p> <p>The Raiffeisen mission statement and the strategic framework for sustainability state that Raiffeisen should make its products simple and understandable. They should also offer value for money. Prices are transparently communicated, and clients must be able to make well-informed decisions. Furthermore, product and marketing information must not be misleading. It is important that information is comprehensive and balanced and potential risks are highlighted. Regulations (FinSA) state that investment and pension products must indicate risks. Transparency is reviewed regularly by means of client surveys (client panel).</p> <p>The requirements of FinSA are to be implemented in the internal regulations, processes and systems by the end of 2021 within the transition periods. In addition, in 2021, further requirements for a solid control framework for investment activity are also being implemented. In general, compliance with legal requirements is ensured by means of the internal control system and the compliance function.</p>

3.2. Client health and safety

Description	Protecting clients' health and safety requires the provision of products and services that do not put clients at risk. To this end, foreseeable and potential risks must be taken into account.
Applicable law	In Switzerland there are no specific legal provisions for protecting the health and safety of bank clients.
Raiffeisen regulations	<ul style="list-style-type: none"> • Employment policies (house rules, internal company regulations and working hours) • GCI Insurance robbery client accident insurance
Explanations	Raiffeisen places great emphasis on a high standard of security. Conduct in the event of robberies is a topic covered on the employment policy level. Raiffeisen's safety handbook contains an information sheet and a checklist on the topic of robberies both for Raiffeisen Switzerland and for the banks.

3.3. Sustainable consumption (sustainable products and services) (significance level 5)

Description	Sustainable consumption calls for sustainable products and services. In addition to the product and services in the narrower sense, there is also the matter of the sustainability of the value chain, lifecycle, and information for clients about sustainable consumption.
Applicable law	In Switzerland there are no specific regulations on the sustainability of bank products and services. At the same time, there are various environmental and social regulations intended to ensure sustainability in the economy, in line with the purpose of article 2 of the Swiss constitution.
Raiffeisen regulations	<ul style="list-style-type: none"> • Strategic sustainability framework • Permanent directive on responsible business conduct • Sustainability strategy for investment and pension provision • Campaigns and initiatives for climate-friendly, energy-efficient housing • Real estate energy evaluation in home-ownership consultancy • Raiffeisen modernisation planner • <u>Directive on Responsibly Sourced & Traceable Framework</u> • Sustainability Bond
Explanations	According to the strategic framework for sustainability, Raiffeisen products and services should be compatible with sustainable development. The range of products and services designated as sustainable is to be continuously expanded. The sustainability strategy for investment and pension provision therefore stipulates that by the end of 2021 all the actively managed investment and pension products and asset management mandates offered under the Raiffeisen brand must pursue a sustainability approach. As a general rule, according to permanent directive 023, Raiffeisen should not be linked to any serious negative effects on the environment and society through its business activities, including through lending or supplier relationships. Permanent directive 023 also excludes certain sectors (see also 4.1 on this matter). Furthermore, mortgage clients in particular are assisted in boosting the energy efficiency and climate compatibility of their property with various awareness-raising measures and campaigns (real estate energy evaluation systematically integrated into the consultation since 2015). Raiffeisen is also a member of strategically important organisations that promote these developments (Swiss Sustainable Finance, UNEP-FI Principles for Responsible Banking).

3.4. Client service, support, complaints (significance level 5)

Description	Companies are able to ensure client satisfaction through a high quality of products and services. After-sales support services as well as complaint and dispute settlement procedures ensure that clients' needs are still optimally met.
Applicable law	Under the Federal Act on Financial Institutions (FINIG), banks must sign up to the ombudsman's office.
Raiffeisen regulations	
Explanations	Raiffeisen clients are already involved in the design of products and services via the client panel. At the same time, the Raiffeisen Client Service Center is available to clients for questions and complaints. Answers to frequently asked questions can also generally be found in the corresponding Q&As on the Raiffeisen website. Complaints can also be directed to the bank ombudsman. At the same time, Raiffeisen conducts regular and ad-hoc surveys of client satisfaction by means of general population and client questionnaires and in the Support Center

after each call (4-5 questions). In the event of negative client feedback after the call (rating of 4 or less on a 10-point scale), the client is contacted again to rectify the problem. The brand tracking with the client satisfaction survey records comments and remarks, but this is anonymous and does not allow for any direct reactions.

3.5. Client data protection (protection and confidentiality of client data) (significance level 5)

Description	Client data protection regulates clients' right to privacy. It is about limiting the use of and securing the information pertaining to clients. Issues such as increasing digitisation bring new challenges for protection of personal data.
Applicable law	In Switzerland, client data protection in the banking industry is covered in particular by the Data Protection Act, as well as the corresponding FINMA circulars on Operational Risks (FINMA-RS 08/21), Corporate Governance (FINMA-RS 17/01) and Outsourcing (FINMA-RS 18/03).
Raiffeisen regulations	<ul style="list-style-type: none"> Permanent directive on information security (InfoSec)
Explanations	The permanent directive and the instruction on information security govern organisation, responsibility and procedure for management of information security within the Raiffeisen Group. Since it has overall responsibility for the compliance system, Raiffeisen Switzerland is tasked with centrally protecting client data within the Raiffeisen Group and operates an information security management system (ISMS) for the Group based on the ISO 27001 standard. The purpose of the system is to ensure information integrity, availability and confidentiality at all times. Information security is constantly reviewed and enhanced where necessary. Several projects are conducted each year to strengthen the Group's ability to withstand cyberattacks. Raiffeisen Switzerland also has a data protection officer who oversees the entire Group. This officer ensures compliance with the criteria set out in the Swiss Data Protection Act. Rules on data protection and data security are governed by internal directives.

3.6. Access to essential services, training and awareness-raising (significance level 1)

Description	Training and awareness-raising initiatives enable clients to make well-informed, conscientious purchase decisions in full awareness of their rights and obligations. Particular attention must be paid here to clients with a lower level of education and with disabilities. When concluding contracts, clients must be correctly informed of their rights and obligations.
Applicable law	Swiss law focuses primarily on information requirements in connection with financial service providers. There are no further duties to actively "educate" and "raise awareness" among clients or otherwise provide access to services. In Switzerland with its relatively high standard of living, there are no sections of the population that are structurally excluded from banking services.
Raiffeisen regulations	
Explanations	<p>Raiffeisen repeatedly conducts awareness-raising campaigns on topics that are important from a client perspective, such as energy efficiency of buildings financed through mortgages or sustainable investing and pension provision. This also includes a real estate energy evaluation by Raiffeisen as part of the home ownership consultation. Advice sheets ensure that advisors are able to inform clients and raise awareness appropriately.</p> <p>Money Mix (see Money Mix) is another offering to disseminate general knowledge on the topic of banking and finance. The seven modules are designed particularly for school classes and are available free of charge on Raiffeisen's website. With Money Mix Kids, children aged five to 12 years are also introduced to the topic of money. With the specific aim of strengthening financial literacy among school pupils, Raiffeisen has also entered into partnership with Schlaufux, a digital learning platform with explanatory videos, summaries and sets of exercises. By supporting SMEs during the Corona pandemic, Raiffeisen has taken responsibility for its clients even during the crisis.</p>

4. Human rights

Relevance for Raiffeisen

Corporate responsibility and sustainability are very important to Raiffeisen. Appropriate due diligence to avoid any links to human rights violations is therefore central to Raiffeisen. At the same time, with its focus on the Swiss retail banking market backed by a functioning legal system, Raiffeisen has very limited exposure to human rights violations and corresponding risks, as well as any complicity. Likewise, within the Swiss constitutional state human rights are effectively protected as fundamental rights.

4.1. Due diligence (significance level 4)

Description Companies should ensure that their business relationships align with responsible business conduct, taking into account environmental, social and governance factors, including human rights. Against this background, they should establish a corresponding due diligence process and if necessary influence the problematic behaviour of their business partners.

Implementation within the Raiffeisen Group

Applicable law In Switzerland, with the exception of conflict minerals and child labour, there is no specific legal regulation governing the exercise of responsibility through due diligence.

Raiffeisen regulations

- Permanent directive on responsible business conduct
- [Supplier Code](#)

Explanations **The permanent directive 023 governs the business relationships of Raiffeisen Switzerland, taking into account environmental, social and governance factors, with the aim of ensuring responsible business conduct in line with the business ethics positioning of the Board of Directors. This also covers prevention of links to serious human rights violations. According to the permanent directive, no new business relationships can be entered into if they cause, contribute to, or link Raiffeisen to serious human rights violations or other serious negative effects on the environment and society.** Furthermore, there shall be no credit financing, including leasing, and no securities

- issuing for companies that engage in the following business activities:
- Coal mining and processing, operation of coal-fired power stations
 - Oil or natural gas extraction
 - Tobacco processing
 - Development, production or sale of internationally banned weapons (atomic, biological, chemical weapons, cluster munitions and anti-personnel mines)

Since Raiffeisen Switzerland is at greater risk of becoming linked to serious negative effects on the environment and society through a business relationship, the permanent instruction on responsible business conduct is initially aimed at Raiffeisen Switzerland. In corporate clients business, Raiffeisen banks are primarily focused on SMEs and have outsourced purchasing to Raiffeisen Switzerland to a great extent. Nevertheless, the aim is to integrate Raiffeisen banks into the system. Already now, at least once a year Raiffeisen Switzerland examines at portfolio level the extent to which the Raiffeisen Group's business activities link it to serious negative effects on the environment and society, including human rights. For suppliers of products and services and for outsourcing partners with total contract volumes of CHF 100,000 or more, or where there is an increased risk, the Purchasing department will carry out an initial audit (including supplier self-disclosure). Raiffeisen Switzerland will then carry out a second audit if necessary. **If a relevant link is identified, Raiffeisen Switzerland will try to contact the business partner and is committed to ensuring that the serious negative impacts are discontinued. If necessary, a decision is made to terminate the business relationship.** In practice, such engagement does not have to be carried out often, however, due to the Swiss market focused Raiffeisen business model.

In addition, any suspicions of human rights violations can also be reported anonymously and confidentially at Raiffeisen Switzerland via the internal whistle-blower process.

4.2. Human rights risk situations (significance level 3)

Description In certain circumstances, business activity can result in a risk of human rights violations. These circumstances might be political instability, poverty, natural disasters, resource extraction, corruption, unregistered work, or complex supply chains.

Applicable law Switzerland imposes sanctions on countries and persons as a result of human rights violations. Raiffeisen complies with such sanctions where relevant.

Raiffeisen regulations	<ul style="list-style-type: none"> • Permanent directive on responsible business conduct • <u>Supplier Code</u>
Explanations	The permanent directive on responsible business conduct governs the business relationships of Raiffeisen Switzerland, taking into account environmental, social and governance factors, with the aim of ensuring responsible business conduct. The corresponding due diligence is risk-based. In the case of an increased risk of a link with serious negative effects on the environment and society, including human rights violations, more in-depth clarifications are undertaken and the transaction potentially halted (see sub-section 4.1 Due diligence). Raiffeisen is confronted with risk situations in connection with the purchase of gold from small mines in Latin America. The corresponding due diligence is based on OECD specifications. Permanent directive 023 is aimed initially at Raiffeisen Switzerland. The aim, however, is to integrate Raiffeisen banks into the system (see 4.1).

4.3. Avoidance of complicity (significance level 2)

Description	Complicity in human rights violations arises from companies trading in such a way that they aid and abet human rights violations. This may take place deliberately and directly, a company might tolerate human rights violations and profit from them, or it might be a silent accomplice by concealing human rights violations.
Applicable law	In Switzerland, human rights are protected as fundamental rights in the constitution. Criminal law prohibits serious human rights violations.
Raiffeisen regulations	<ul style="list-style-type: none"> • Permanent directive on responsible business conduct
Explanations	According to the permanent directive on responsible business conduct, no new business relationships can be entered into if they cause, contribute to, or link Raiffeisen to serious human rights violations or other serious negative effects on the environment and society. The Raiffeisen Group's business model as a collective with a focus on Switzerland means complicity is very unlikely (see 4.1).

4.4. Grievance mechanisms (significance level 3)

Description	Human rights violations typically arise in countries with a weak rule of law. Often, therefore, there is no possibility of taking a human rights violation case to a national court, so companies are expected to establish their own grievance mechanisms.
Applicable law	In the event of human or fundamental rights violations, legal action can be taken in Switzerland up to the European Court of Human Rights. The national contact point for the OECD guiding principles for multinational companies offers a further option for grievances, which triggers a mediation procedure.
Raiffeisen regulations	<ul style="list-style-type: none"> • Employment policies (equality and harassment in the workplace)
Explanation	Raiffeisen has a Client Contact Center, with which complaints of all kinds can be lodged. In the event of internal discrimination, particularly sexual harassment, a grievance can be lodged with Human Resources pursuant to the employment policy. Raiffeisen banks are advised to adopt or apply the employment policy on equality in the workplace. Alternatively, the affected person can report their grievance to their supervisor or the external MAP office. Corporate responsibility and sustainability takes on board external suggestions and complaints relating to Raiffeisen's positive and negative effects on the environment and society.

4.5. Discrimination and vulnerable groups (significance level 4)

Description	Human rights protection also includes protection against discrimination. Discrimination means unequal treatment of the same circumstances on unjustified grounds such as gender, sexual orientation, religion, nationality, or origin. Minorities that have suffered discrimination and corresponding disadvantages in the past require particular protection of their human rights and against discrimination.
Applicable law	Legal equality and protection against discrimination are guaranteed in Switzerland by virtue of the constitution and implemented in laws and ordinances. The Gender Equality Act specifically addresses this issue.

Raiffeisen regulations	<ul style="list-style-type: none"> • Employment policies (equality and harassment in the workplace) • Articles of Association of Raiffeisen Switzerland Cooperative • Articles of Association of Raiffeisen Switzerland • Model articles of association for Raiffeisen banks
Content of Raiffeisen regulations and initiatives	<p>The strategic framework for sustainability cites the promotion of diversity and fair treatment of clients as strategic objectives. Pursuant to the Raiffeisen Switzerland employment policy, all employees, regardless of gender, age, ethnic origin, nationality, religion, sexual orientation, sexual identity, physical and psychological impairments, and other personal characteristics, have a right to protection of their personal integrity in the workplace. Discrimination of any kind (Raiffeisen Switzerland’s employment policy on “Equality and Harassment in the Workplace”), including on the basis of age, gender, ethnicity, origin, nationality, religion, sexual orientation, sexual identity, physical and psychological impairments, and other personal characteristics, is expressly prohibited and will not be tolerated by Raiffeisen. Sexual, psychological and physical harassment is considered discrimination and is prohibited and will result in sanctions. The employment policy on employee sanctions, which provides for a fair and proper investigation and clarification procedure, serves as an instrument for sanctions.</p> <p>Physical Raiffeisen locations (banks, offices, headquarters, branches) are almost entirely wheelchair-accessible. Wheelchair accessibility is consistently pursued in new buildings and conversions. E-banking is barrier-free to the extent that it can also be used by the blind and visually impaired. Finally, equal pay is also analysed periodically at Raiffeisen in accordance with the Gender Equality Act and reviewed by an external body. The banks are advised to adopt or apply the employment policy on equality in the workplace.</p> <p>The TransformationTrail programme raises awareness among all employees (including members of vulnerable groups) about the internal networking opportunities and their rights. The Balanced Organisation initiative actively fosters diversity. Both programmes will be expanded to the Group in future.</p>

4.6. Civil and political as well as economic, social and cultural rights (significance level 3)	
Description	Civil and political rights as well as economic, social and cultural rights include, for example, the right to personal freedom and security, prohibition of torture, freedom of religion, freedom of expression, the right to equal treatment in the courts, or the right to participate in the conduct of public affairs, the right to just and favourable working conditions, the right to join trade unions, the right to an appropriate standard of living, the right to family protection or the right to education. These rights are included in the UN Covenants I and II.
Applicable law	Civil and political as well as economic, social and cultural rights are guaranteed in Switzerland by virtue of the constitution and implemented in laws and ordinances.
Raiffeisen regulations	<ul style="list-style-type: none"> • Articles of Association of Raiffeisen Switzerland Cooperative • Model articles of association for Raiffeisen banks • <u>Agreement on the Conditions of Employment for Bank Staff (ACEBS)</u>
Explanations	The strategic framework for sustainability states explicitly that human rights must be upheld. Raiffeisen also respects the Swiss legal framework.

4.7. Fundamental principles and rights in the workplace (significance level 3)	
Description	The International Labour Organisation (ILO) sets out fundamental rights for workers in various conventions (ILO conventions). The most fundamental of these conventions, the ILO core labour standards, relates to prohibition of child labour, forced labour and discrimination in the workplace, equal pay, and guaranteeing the right to organise and the right to collective bargaining.
Applicable law	Switzerland has signed various ILO conventions, including the ILO convention on core labour standards. These are implemented in Swiss law and Raiffeisen respects this legal framework.
Raiffeisen regulations	<ul style="list-style-type: none"> • <u>Agreement on the Conditions of Employment for Bank Staff (ACEBS)</u> • Permanent directive on responsible business conduct • <u>Supplier Code</u> • Employment policies
Explanations	The aim of the ACEBS is to define employment contract rights and obligations in addition to the statutory

provisions and thus to make a positive contribution to the wellbeing and the development of employees and the subordinate banks, to maintain and promote the employability of employees, to deepen cooperation between employees and banks and between the social partners involved, establish rules for participation rights in the banks, hold constructive dialogue, and maintain industrial peace in the banking industry on the basis of good faith. In its regulations and policies, Raiffeisen grants employees the working conditions guaranteed by the ACEBS and even goes beyond this in many labour law regulations to the benefit of employees. The ACEBS was developed by the Employers' Association, the Bank Employees Union, and the Swiss commercial association in "social partnership". The ACEBS applies to Raiffeisen Switzerland; the banks are not directly subject to it but in practice adopt all the ACEBS's provisions in the employment relationship via Raiffeisen Switzerland's responsibility for all employment relationships within the Group (see 4.1).

The employment policy on responsible business conduct (see 4.1) and the Supplier Code state that suppliers and partners must follow responsible labour practices. The Supplier Code makes specific mention of the ILO core conventions (see also 4.5).

5. Environment

Relevance for Raiffeisen

Corporate responsibility and sustainability play an important role at Raiffeisen. At the same time, as a service provider Raiffeisen is not part of the very environmentally harmful industries or resource-intensive sectors, and in Switzerland environmental compatibility is also required by law.

The Raiffeisen Group directly generates CO₂ emissions primarily through building energy for operating bank branches as well as business travel and cargo shipments. At the same time, the mortgage business results in a fundamental link to Switzerland's building stock, which accounts for around 25% of the country's CO₂ emissions. The general principle is to offer products and services that do not contribute to climate change. Bank buildings and other bank infrastructure at Raiffeisen are located in urbanised areas and not in protected zones or places with high-value biodiversity. Nevertheless, as the biggest mortgage lender in Switzerland, Raiffeisen does have a particular interest in urban and rural housing development. In addition to this, there are issues such as raising awareness of environmental issues and biodiversity in relation to its own buildings and in mortgage issuing.

5.1. Avoiding pollution (environmental harm) (significance level 3)

Description	An organisation can improve its environmental compatibility by avoiding or reducing emissions in the air, the ground and water, by managing waste, and by handling hazardous and toxic chemicals and similar forms of pollution correctly.
Applicable law	In Switzerland environmental protection and avoiding pollution are issues that are governed by laws and ordinances.
Raiffeisen regulations	<ul style="list-style-type: none"> • Climate fund for Raiffeisen banks to promote climate compatibility in operations • Pro Futura programme
Explanations	<p>Raiffeisen aims to strengthen its sustainability performance in accordance with its Strategy 2025. Environmental impacts of an extent Raiffeisen considers unacceptable are measured and reduced within the framework of its environmental management organised pursuant to ISO 14001. This includes identification of environmental aspects and their relevance, including pollution (probability of occurrence and extent of damage), the implementation of a programme to avoid accidents and emergency measures, and exchange with stakeholders.</p> <p>The internal incentive programme Pro Futura strengthens the Group's environmental compatibility, including through avoidance of environmental pollution. The Environmental Management Circle facilitates ongoing discussion within the Group on environmental issues. The climate fund promotes the implementation of operational climate measures. Environmental aspects are also taken into account in events management in accordance with the process.</p>

5.2. Sustainable use of resources (significance level 2)

Description	In order to ensure access to resources for future generations, current consumption needs to change. Companies are therefore expected to use renewable resources and to pay attention to the following issues: water consumption, energy efficiency, material consumption and minimisation of resource consumption in the use of products as well as promoting their recyclability.
Applicable law	In Switzerland issues such as energy consumption, water consumption and other environmental aspects are governed by laws and ordinances.
Raiffeisen regulations	
Content of Raiffeisen regulations and initiatives	<p>Resource consumption is measured and reduced as part of the environmental impacts within the framework of the environmental management organised pursuant to ISO 14001. Part of this involves identifying the sources of resources used, implementing measures to increase environmental performance (e.g. promoting and raising awareness of sustainable construction, certifications, environmentally friendly heating systems, solar installations, etc.), strengthening sustainable purchasing and recycling, and promoting the circular economy.</p> <p>For example, Raiffeisen Switzerland and most Raiffeisen banks buy their paper via the internal webshop. Of the 152,453 tons of paper purchased from the webshop, 100% comes from sustainable forestry (FSC) and 99.86% from virgin fibre. In addition, since</p>

2014, 100% of the energy purchased across the whole group has come from renewable sources.

5.3. Climate change mitigation (significance level 5)

Description	CO ₂ emissions and other emissions from human activities drive climate change and therefore have a major influence on the development of natural and human habitats. Companies should identify and reduce their (direct and indirect) greenhouse gas emissions (“mitigation”). At the same time, they have to adjust to changes brought about by climate change (“adaption”).
Applicable law	The Federal Act on the Reduction of Greenhouse Gas Emissions (CO ₂ Act) and the Ordinance on the Reduction of CO ₂ Emissions set out the regulatory framework for the achievement of Swiss climate goals. Switzerland has likewise signed the Paris Climate Agreement and thus adopted the target of reducing global warming to significantly less than 2°C.
Raiffeisen regulations	<ul style="list-style-type: none"> • Risk policy for the Raiffeisen Group • Climate fund for Raiffeisen banks to promote climate compatibility in operations • Supplier Code
Explanation	<p>In accordance with the decision by the Executive Board, Raiffeisen supports the energy transition and is pursuing the goal of becoming “net zero” by 2050. The Group also aims to reach “net zero” operational emissions as early as 2030.</p> <p>Besides emissions caused by building energy and business travel as well as other operational activities, Raiffeisen also wants to know the extent of the emissions that it finances and is measuring these as of 2021 in accordance with the PCAF standard. On that basis, climate targets are to be set and measures defined by the end of 2021. The Scope 3 expansion of operational emissions also took place in 2021.</p> <p>As ESG factors, the physical and transitional risks associated with climate change are not mapped as a separate risk type, but are taken into account as risk drivers for existing risk types in risk management and are integrated into the existing risk framework as such. Risks and opportunities in connection with climate change are deliberated internally and since 2020 have been disclosed in accordance with the recommendations of the Task Force on Climate Related Financial Disclosures.</p> <p>Products and services should be compatible with sustainable development, which also includes compatibility with climate change. The sustainability strategy for investments and pensions states that by the end of 2021 all Raiffeisen’s investment and pension products should be sustainable. In its mortgage financing, Raiffeisen places great emphasis on raising awareness among clients with regard to the potential for increasing the climate compatibility of their properties.</p> <p>In relation to its own emissions, the Raiffeisen internal climate fund supports operational measures to reduce CO₂ emissions. The Pro Futura programme provides incentives for environmentally and climate-friendly operations within the Group. The CEO of Raiffeisen Switzerland is also a member of CEO4Climate.</p>

5.4. Environmental protection, biodiversity, restoration of natural habitats (significance level 4)

Description	Ecosystems have been changing rapidly over the last few decades, primarily as a result of human activities. Companies should be aware of their effects on the environment and should pay attention above all to: biodiversity, protection and restoration of ecosystems, sustainable use of land and natural resources, and environmentally friendly housing development.
Applicable law	In Switzerland, topics such as restoration of ecosystems or land use are governed by laws and ordinances.
Raiffeisen regulations	
Explanations	The office buildings and bank branches operated by Raiffeisen are generally located in urbanised areas in towns and villages and therefore not in the immediate vicinity of conservation areas or sites with a high level of biodiversity. Furthermore, environmental impacts of an extent Raiffeisen considers unacceptable are measured and reduced within the framework of its environmental management organised pursuant to ISO 14001. The SNBS sets out extensive requirements for tendering of new buildings and conversions, which are monitored by Raiffeisen Switzerland’s building consultancy service.

6. Community involvement

Relevance for Raiffeisen

Corporate responsibility and sustainability are very important to Raiffeisen. Proximity and democracy are values of the Raiffeisen Group. Regular and open exchange with stakeholders is extremely important to the Raiffeisen Group. The cooperative structure of the Raiffeisen banks means that they are very close to the client and closely connected to local stakeholders and municipalities. Raiffeisen generates income throughout Switzerland through local jobs. Raiffeisen also offers training positions across the country.

At the same time, Raiffeisen operates almost exclusively within the Swiss market and thus in a high-tech and innovative country with a functioning health service, education system and cultural promotion. The interests of local communities are taken into account as part of democratic processes and a high standard of living guaranteed. Following on from this, in its local, regional and national engagement, Raiffeisen focuses primarily on areas such as culture and sport, climate change and sustainability.

6.1. Involvement and development of the community (significance level 2)

Description	Through diverse, proactive social engagement, a company has many opportunities to positively and sustainably impact society. Partnerships with local stakeholders help the company to understand their environment and to be a good “corporate citizen” and part of society.
Applicable law	In Switzerland there is no legal basis for community involvement and development on the part of companies.
Raiffeisen regulations	<ul style="list-style-type: none"> • Employment regulations • Employment policies • <u>Agreement on Conditions of Employment for Bank Staff (ACEBS)</u> • Template for Raiffeisen internal policies on the employment relationship in banks (employment regulations, employment policies, employee information sheets).
Explanations	Regular exchange with stakeholders is a guiding principle of the strategic framework for sustainability on the Raiffeisen Group level. The stakeholders of the Raiffeisen Group are invited to take part in a discussion annually by Raiffeisen Switzerland. On top of this, Raiffeisen banks maintain an exchange with their stakeholders in the local context. Each year, they hold the general assembly of cooperative members. Public functions such as exercising a public office, a fire service training course, participation in a national festival or extra-curricular youth work are recognised in the employment regulations as reasons for an absence without any deduction in wages or holidays.

6.2. Training and culture (significance level 1)

Description	Training and culture are fundamental to social and economic development and are part of social identity. Cultural preservation and promotion have positive effects on social cohesion. Training on human rights is an important part of this. Training should also extend to vulnerable and discriminated groups.
Applicable law	In Switzerland, there is no legal basis for fostering training and culture within companies.
Raiffeisen regulations	
Explanations	Based on Switzerland’s well-functioning education system, Raiffeisen’s local engagement generally focuses not on this topic but rather on sport and culture. The Museum Pass helps to support a large number of museums throughout Switzerland. The partnership with Swiss Tourism likewise contributes to raising awareness of Switzerland’s cultural assets.

6.3. Creation of jobs and skills development, access to technology (significance level 2)

Description	Employment positively impacts economic and social development. All companies can therefore help to fight poverty and improve living standards in this regard. Strong vocational training supports young people as they begin their professional lives. Ongoing skills development also maintains people’s employability, which is crucial for prosperity, growth and the development of people, companies and society as a whole. Access to modern technology is also a prerequisite for economic and social development. By advancing technologies and through innovation, an organisation supports these developments and helps to reduce differences between regions.
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Implementation within the Raiffeisen Group

Applicable law	In Switzerland there is no legal basis for job creation and skills development within companies. Vocational training is governed by the Vocational Training Act and corresponding vocational training ordinances.
Raiffeisen regulations	
Content of Raiffeisen rules and initiatives	Raiffeisen boasts strong local roots throughout Switzerland and offers around 10,000 different jobs and training placements within the country. Thanks to its localised structure with 225 independent cooperative banks, Raiffeisen also creates jobs in economically weaker regions of Switzerland. Raiffeisen also trains a substantial number of apprentices. In addition, Raiffeisen is involved with the Profil foundation, which promotes jobs for people with disabilities. Through its commitment to the Climate Foundation, Raiffeisen promotes the development of climate-friendly products and services by Swiss SMEs.

6.4. Wealth and income creation (significance level 3)

Description	Companies can contribute to an environment in which entrepreneurship, income and prosperity can thrive. This might take the form of an entrepreneurship programme, for example, cooperation with local suppliers, or recruitment of employees from the local community. Another important aspect is paying tax and abiding by the law.
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Implementation within the Raiffeisen Group

Applicable law	Tax law in Switzerland obliges companies to pay taxes at local, cantonal and federal levels. A proportion of the taxes thus always benefits the community directly. Beyond this, there is no legal basis in Switzerland for job wealth and income creation within companies.
Raiffeisen regulations	<ul style="list-style-type: none"> • Articles of Association of Raiffeisen Switzerland Cooperative • Model articles of association for Raiffeisen banks • Accounting and valuation principles • FINMA circular 2020/1 • Information on national and international tax issues
Explanations	<p>The cooperative model at Raiffeisen means many people across Switzerland are involved in its success. Through its strong local roots, in many places it guarantees local access to Raiffeisen banking services but also creates jobs and training placements, procures products and services, pays tax, and supports the local community. The instruction on "National and International Tax Issues" explicitly states that Raiffeisen offers no assistance in avoidance of ordinary taxation. Employees must uphold this in their dealings with clients. Furthermore, Raiffeisen is not permitted to accept any new assets from clients when it is known that these were not properly declared and taxed in the client's country of tax residence.</p> <p>Raiffeisen Switzerland and the Raiffeisen banks themselves pay their taxes in Switzerland (locally). Raiffeisen Switzerland B.V. Amsterdam in the Netherlands issues exclusively structured products and declares its taxes in the Netherlands. Its financial report is published in the commercial register (Kamer van Koophandel). The representation in Singapore was established for acquisition of software licences and is no longer operational. There are no other branches outside of Switzerland. The Raiffeisen Group does not engage in any international tax optimisation through the erosion of the tax base and transfer pricing. Raiffeisen rejects such practices. Furthermore, the Raiffeisen Group commits to publishing its financial figures accurately, legitimately, reliably, promptly, relevantly and completely and has this confirmed by an external audit.</p> <p>Raiffeisen also fosters entrepreneurship through various SME programmes.</p>

6.5. Investments in society (significance level 2)

Description	<p>Social investments are investments of a company's own resources in initiatives and programmes for improvements in the social sphere. These might relate to education, culture, health, infrastructure development or other projects for fostering development. These kinds of investments must take into account the needs and priorities of the communities that benefit from the investments.</p> <p>Threats to public health can have a significant impact on social development. Companies should make appropriate contributions to public health and should help to mitigate any threat to public health that may arise.</p>
Applicable law	In Switzerland there is no legal basis for investments in society by companies.

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Alongside the donations made by the Raiffeisen banks and Raiffeisen Switzerland to partners in Switzerland, Raiffeisen also supports the Swiss Better Gold Initiative, which helps small mines in Latin America to make their gold production more socially and environmentally compatible. Raiffeisen is directly affected by this issue through the precious metals business and is therefore involved accordingly.
The crisis organisation of Raiffeisen Switzerland permits effective participation in national health campaigns such as the containment of epidemics.

7. Governance

Relevance for Raiffeisen

The Raiffeisen Group is organised as a cooperative. Sustainability has been explicitly stated as one of Raiffeisen's four enterprise values since 2015. Since 2020, one of the Raiffeisen Group's six strategic approaches has been to differentiate itself as a sustainable cooperative and strengthen its sustainability performance in connection with this. Governance that meets these requirements is therefore very important to Raiffeisen.

7. Governance (significance level 5)	
Description	Governance refers to the system on the basis of which an organisation makes and implements decisions in order to achieve its goals. It consists of formal and informal mechanisms. Governance is an important factor for effective perception of entrepreneurial responsibility within an organisation. Effective governance incorporates the principles of responsible management into decision-making and implementation processes: accountability, transparency, ethical conduct, respect for stakeholder interests, respect for the rule of law, respect for international standards of conduct, and respect for human rights. Leadership and due diligence are other important elements of effective governance.
Implementation within the Raiffeisen Group	
Applicable law	Swiss law sets out the principles of governance for cooperative members in statutory form. There are also bank-specific provisions from FINMA on governance.
Raiffeisen rules and initiatives	<ul style="list-style-type: none"> • Articles of Association of Raiffeisen Switzerland Cooperative • Regulation on the Authorisation Procedure of Raiffeisen Switzerland • Raiffeisen banks authorisation procedure • Business regulations of Raiffeisen Switzerland • Group regulations concerning subsidiaries • Regulations on the risk policy for the Raiffeisen Group • Regulations on the risk policy of the Raiffeisen banks • Permanent directive on operational risk management and internal control system • Permanent directive on responsible business conduct • Employment regulations • Employment policies • <u>Agreement on Conditions of Employment for Bank Staff (ACEBS)</u> • Template for Raiffeisen internal policies on the employment relationship in banks (employment regulations, employment policies, employee information sheets). • Instruction on mandatory training at banks • Instruction on appointments to governing bodies at banks • Group Strategy 2025 • Strategic sustainability framework
Content of Raiffeisen rules and initiatives	<p>Raiffeisen Switzerland is a cooperatively organised bank whose shareholders are the 225 legally independent Raiffeisen cooperative banks in Switzerland with their own executive management and Board of Directors. Raiffeisen Switzerland supports the Raiffeisen banks and promotes them, assumes common tasks, looks after common interests, and ensures the viability and further development of the Group. Various internal regulations, directives and instructions provide for the legally correct compliance of the organisation and governance of this cooperative group structure.</p> <p>With regard to sustainability, the Board of Directors at Raiffeisen Switzerland adopted the Group Strategy 2025 back in 2020, which provides for differentiation as a sustainable cooperative as one of six strategic approaches. Part of this involves improving sustainability performance. Furthermore, with its annual "business ethics positioning", Raiffeisen's Board of Directors sets out a framework for the implementation of corporate responsibility and sustainability within the Group. Specific Group sustainability issues can also be addressed by the Board of Directors of Raiffeisen Switzerland and all the committees of the Board of Directors of Raiffeisen Switzerland. Raiffeisen Switzerland's responsibilities at Group level include general implementation of corporate governance in its localised business model. The Executive Board of Raiffeisen Switzerland puts requirements defined by the Board of Directors into practice as part of its management activities, with various departments involved in their implementation. At the end</p>

of 2020, it formulated a strategic framework for sustainability for the Group based on the requirements of the Group Strategy 2025.

The Corporate Responsibility & Sustainability department reports to the Chairman of the Executive Board of Raiffeisen Switzerland. It is responsible for the overall strategy as well as sustainability management at Group level and provides impetus for improving sustainability performance through strategic projects. Corporate Responsibility & Sustainability reports to the Executive Board and to the Strategy Committee of the Board of Directors twice a year, and to the Board of Directors once a year.

The 225 Raiffeisen banks implement sustainability on a local level in accordance with the binding provisions and recommendations of Raiffeisen Switzerland and its own positioning in the local and regional context. They are included in fundamental decisions via committees consisting of representatives of the Raiffeisen banks.