

## DEFENSE SECTOR

### Introduction

Raiffeisen Bank International AG (RBI) is embedded in the Austrian Raiffeisen Banking Group. The basic principles governing our group are derived from the philosophy of Friedrich Wilhelm Raiffeisen (1818-1888), who felt that all economic activities should be based on social solidarity, self-help and sustainability.

We are committed to sustainable corporate management and to the social and environmental responsibility that goes with it. Our commitment is based on good corporate governance and on global standards (including United Nations Global Compact) for responsible business practices, active management of our operations, careful risk management and due diligence.

It is our understanding that our business may have an important effect on each pillar of sustainability: in the economic sphere, in society and on the environment. We therefore strive to achieve long-term profitable business while avoiding, amongst others, social and environmental harm. Furthermore we want to contribute to the improvement of environmental protection and social standards.

### Our concerns related to the defense sector

We respect and support the protection of human rights stipulated in the European Convention on Human Rights as well as in the UN Universal Declaration of Human Rights. We aim to engage in business, which is in line with these principles. We seek not to be involved in business with products that are intended to be used for the suppression of demonstrations, political unrest or other violations of human rights. This applies in particular to countries where political unrest or military conflicts or other violations of human rights are ongoing or expected.

Controversial weapons (nuclear, biological, chemical weapons, blinding laser weapons, anti-personnel mines, cluster munitions, depleted uranium ammunition, incendiary weapons, non-detectable fragments) are weapons that are either illegal — as their production and use is prohibited by international legal provisions — or deemed particularly controversial, because of their indiscriminate effects and the disproportionate harm they cause (mass destruction).

### Our policy

We aim to avoid the mobilisation and promotion of military business (as to financing, advisory or other banking services, participation, investment funds focusing on military business) while recognizing internationally accepted principles of peacekeeping and self-defense under the United Nations Charter.

We implemented this restrictive approach especially regarding

- entities manufacturing, maintaining or trading, moreover providing assistance services, technologies dedicated to controversial weapons and their relevant suppliers (key technologies and components), and
- wholesale arms merchants.

We do not provide any services in relation to controversial weapons or companies engaged in controversial weapons.

We seek to continue the cooperation with entities (and holdings) producing defense products on a very selective basis, however in general, with strict segregation from military business and connected activities.

We apply strict requirements on services related to defense products and execute comprehensive controls over

these transactions to comply with the relevant embargo regulations and other legal requirements as well as additional conditions according to our internal risk management decisions.

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