

Annual Report 2004



Extract Corporate
Responsibility

Corporate social responsibility

Sustainability – which is based on an integrated view of commercial success in conjunction with social responsibility – has been a guiding principle of our movement since the foundation of the *Raiffeisen* organization in the 19th century and has remained one of the fundamentals of *Raiffeisen* thinking to this day. For that reason, it is a matter of course for *RZB* to test all its business activities for long-term economic, ecological and social compatibility.

Continuity and a sense of responsibility

To this day, the values that are often subsumed under the heading “Sustainability” have lost nothing of their validity at *Raiffeisen*. Quite the reverse: An understanding of business based on trust and ethical precepts is a particularly important trademark at *Raiffeisen* and key to its success in an industry that is otherwise characterized by tough competition.

Based on cooperative principles, *Raiffeisen*’s role in society as a “corporate citizen” has for 150 years been deeply rooted in its sense of responsibility to its employees, customers, investors, shareholders and the environment. Continuity and predictability are important anchors in *RZB*’s increasingly dynamic markets in Austria and Central and Eastern Europe. We combine the division of labour with the unhindered transfer of knowledge across borders throughout *RZB* – and that extends not just to product know-how or risk management processes.

Within the scope of our work together at *RZB*, the Group also makes an important contribution to Central and Eastern Europe’s overall development and, in turn, the standard of living in the region. For instance, we are strengthening small and medium-sized enterprises, preparing the ground for foreign direct investment and creating routes of access to international capital markets.

Transparency is key

RZB aims to achieve a balance between its striving to provide all interested third parties with as much information as possible and its obligation as a bank, where appropriate, to safeguard the private, commercial and market interests of those it does business with. Achieving that balance is the task of the Managing Board of *Raiffeisen Zentralbank* in conformity with Austrian company and banking law, our Articles of Association and the standing orders issued by the Supervisory Board. *RZB* applies the highest standards in the design of its financial reporting and reporting on risk management and prior and future activities. When decision-making, reporting, combating fraud, etc., it does not merely conform to the valid directives; it also plays an active part in creating them. For instance, members of *RZB*’s staff had key roles in the crafting of Austria’s *Corporate Governance Kodex*.

In this context, *RZB* sees sustainability as meaning more than having a sense of responsibility in compliance issues or adherence to embargo provisions. It also goes well beyond the minimum statutory requirements when it comes to combating money-laundering or the financing of terrorism. *RZB*’s use of professional tools to manage every business relationship and transaction has permanently strengthened its standing as a major clearing bank.

The workforce – an important asset

RZB's staff are the backbone and motor of its successful development. It is in the end the workforce who fill the abstract vision of *Corporate Social Responsibility* with life. Their qualifications and motivation are at the same time a decisive competitive advantage. It is therefore a matter of course for RZB to continually extend and refine its personnel development instruments on the basis of its employees' very high initial qualifications.

A fair and balanced human resources policy

The fostering of staff-members, their professional development and their training and the creation of working conditions that satisfy employees' needs at the same time as laying the foundation stones for corporate success are key goals of corporate policy – whereby RZB sees the fair treatment of staff and concern for their development as going equally without saying in those of its national markets that lack mature social welfare systems. Reflecting that commitment, RZB has developed a multitude of special facilities and options for staff over the past few years. For instance, RZB has concluded a teleworking agreement with the Staff Council that lets employees work at home. Thanks to that agreement and the company's child care support, for example in the form of the company kindergarten, RZB is making a major contribution to increasing the compatibility of work and family life and, in turn, equality of opportunity.

Staff profit particularly from exchanges within the Group, which RZB has been steadily intensifying. Besides facilitating the sharing of pure banking skills, the resulting encounters between staff-members from different cultural backgrounds also do a great deal to further the development of a corporate culture and spirit that is based on what we have in common.

Economic and ecological responsibility

Early recognition of ecological risks is an integral part of *Raiffeisen's* credit scoring procedures. That benefits both RZB and borrowers in that ecological damage will eventually harm not only the customer but also RZB, whether in the form of loan losses, liabilities or image problems.

Careful use of resources

Corporate growth usually also increases burdens on the environment and therefore implies growing responsibility for the additional resources that are used. As a signatory of the United Nations' *UNEP programme (United Nations Environment Programme)* for financial institutions, *RZB* views forward-looking environmental management as going without saying. Reflecting *Raiffeisen's* cultural vision, *RZB* sees the raised standards for the efficient use of resources as creating an obligation to society and, at the same time, as an opportunity to make an international contribution to increasing ecological awareness with the help of its workforce of about 23,000 people in Central and Eastern Europe.

The Environmental Committee also calls the tune in Central and Eastern Europe

Since 1996, all ecological issues and tasks have been the remit of *Raiffeisen Zentralbank's* Environmental Committee. Since being founded, the committee has been striving to achieve international agreement on the creation of standards for environmentally friendly business processes. For instance, the committee took the lead in setting up the *Central European Task Force* within the scope of the United Nations' *UNEP* environmental programme mentioned above. The *Central European Task Force* promotes all efforts and developments that aim for sustainability and environmental compatibility within the financial services industry in Central Europe. It proved possible to recruit the *EBRD* to chair the task force. *RZB* is an "Initial Core Member" in the task force's Steering Committee.

Raiffeisen Zentralbank has also demonstrated at a national level that sustainability – responsibly shaping all one's actions with an eye to their consequences – does have very concrete economic advantages. For instance, *Raiffeisen Zentralbank* collaborates with social institutions that run job schemes for the long-term unemployed in order to re-integrate them into the labour market.

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