

Principles for Responsible Banking

Reporting and Self-Assessment

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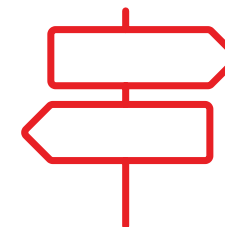
The Principles for Responsible Banking (PRB) provide a framework for a sustainable banking system. They are designed to bring the industry into alignment with the United Nations' Sustainable Development Goals (SDGs) and the requirements of the Paris Climate Agreement. The PRB embed sustainability at the levels of strategy, portfolio and transactions across all business areas.

Raiffeisen signed the Principles for Responsible Banking of the United Nations Environment Programme (UNEP) in 2021. By doing so, Raiffeisen has committed itself to continuously improving the impact of its business activities and the company's contribution to society in line with the PRB.

* Figures based on Raiffeisen's Annual Report 2023 (with the exception of the figures used for the impact analysis).

Principle 1: Alignment

We will align our business strategy to be in harmony with and contribute to the needs of individuals and the goals of society as expressed in the UN Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.



Reporting and Self-Assessment Requirements

Business Model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (percent) in terms of geographies, segments (i. e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Bank's Response

The Raiffeisen Group consists of Raiffeisen Switzerland and 219¹ Raiffeisen banks, all of which are organised as cooperatives. A total of 2.06 million people are cooperative members of the Swiss Raiffeisen banks. Raiffeisen Switzerland is also a cooperative, which was founded by the Raiffeisen banks. It undertakes a range of core functions for the Raiffeisen banks, such as strategy, risk management, product development and marketing. Raiffeisen's cooperative model is unique in the Swiss banking sector and has enabled the Raiffeisen Group and its staff of 12,328 employees to grow successfully for almost 125 years.

Raiffeisen's business activities focus mainly on mortgage provision and corporate lending in Switzerland and on pension and investment solutions for the Swiss population. Raiffeisen is active in all regions of Switzerland and is the market leader in Swiss private client banking: With a total of over 3.69 million clients, the Group is the second-largest player in the Swiss banking market. This means that more than 40 percent of the Swiss population are clients of Raiffeisen. Raiffeisen is also the most accessible bank in the country. With 784 locations, Raiffeisen has a branch network that is denser than any other in Switzerland. In addition, Raiffeisen operates around 1,550 ATMs in Switzerland. Raiffeisen is the main bank for more than one third of its clients, calculated on the basis of current product use. In 2023, around 98 percent of Raiffeisen's private clients and close to 100 percent of its corporate clients reside in Switzerland. In principle, Raiffeisen serves all client segments. However, as Raiffeisen focuses on retail banking, its range of products and services generally does not meet the specific needs of very wealthy clients. Its corporate clients are predominantly Swiss SMEs and only a few large companies.

When it comes to financing residential property, Raiffeisen's core business, the banking group is the market leader in Switzerland. Around one in every five mortgages in Switzerland originates from Raiffeisen. With a mortgage volume of CHF 211.0 billion, its market share in mortgages is 17.8 percent. At the same time, Raiffeisen has significantly strengthened its pension and investment offers in the recent past and can report positive developments. On the one hand, CHF 2.9 billion of net new money flowed into pension and investment securities accounts in the year under review, and on the other hand, the number of customer deposits at Raiffeisen increased by a total of 1.5 percent (CHF 3.1 billion). The total net new money inflow of CHF 4.9 billion illustrates the extent to which clients trust Raiffeisen. At the end of 2023, Raiffeisen's client deposits amounted to CHF 207.8 billion.

Raiffeisen's corporate clients comprise around 221,000 – mostly small and medium-sized companies Raiffeisen supports around one third of companies in Switzerland with financing solutions and advisory services.

Links and References

[Annual Report 2023](#)

- Raiffeisen in figures (p. 2–3)
- Business model (p. 12–18)
- Result (p. 29–32)

Website

[Financial Information](#)

[Raiffeisen Bankengruppe](#)

[Raiffeisen Organisation](#)

¹ These and all the following figures included in this report are reported as of 31 December 2023 (with the exception of the figures used for the impact analysis).

In addition, as a cooperative, Raiffeisen has long been investing in Switzerland, thus generating added value for its cooperative members and for society. In 2023, the Raiffeisen banks and Raiffeisen Switzerland created added value of CHF 413 million through investing in member benefits, employee training and continuing education, support for local projects and climate action. Raiffeisen demonstrates social commitment through a variety of sponsoring activities: the Raiffeisen banks support local associations, social institutions and cultural events. Furthermore, the Raiffeisen banks are important taxpayers and are seen as attractive employers and trainers across Switzerland.

Strategy Alignment

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

Yes No

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Guiding Principles on Business and Human Rights
- International Labour Organization fundamental conventions
- UN Global Compact
- UN Declaration on the Rights of Indigenous Peoples
- As appropriate, applicable legal requirements for reporting on environmental risk assessments, e.g. on climate risks – please specify which: *TCFD, FINMA Disclosure Requirements in the Area of Climate-Related Financial Risks, Ordinance on Mandatory Climate Disclosures, GRI, Federal Act on the Amendment of the Swiss Civil Code (SCO 964a-c)*
- As appropriate, applicable legal requirements for reporting on social risk assessments, e.g. on modern slavery – please specify what these are: *GRI, Federal Act on the Amendment of the Swiss Civil Code (SCO 964a-l), Ordinance on Due Diligence and Transparency Regarding Minerals and Metals from Conflict Areas and Child Labour (DDTrO)*
- None of the above

One of the six strategic approaches outlined in the «Raiffeisen 2025» strategy is Raiffeisen's desire to distinguish itself as a sustainable cooperative bank: «We set ourselves apart as a sustainable cooperative.» For Raiffeisen, sustainability means acting responsibly and considering the ecological and social impact of its business activities, in addition to the economic effects. In this context, a designated sustainability strategy was developed in 2020 at Group level and in close consultation with internal and external stakeholders and experts. This strategy was formally adopted by the Executive Board in 2022. The emphasis is on improving corporate responsibility and sustainability management across the Group, as well as boosting the beneficial effects of business activities on sustainable development and minimising the negative impact. The sustainability strategy defines the two key action areas «Strengthen sustainability management» and «Achieving impact». It comprises a total of ten focus topics on which Raiffeisen concentrates when strengthening its sustainability performance.

The key elements of «Strengthen sustainability management» are:

- the setting of sustainability goals,
- the creation of professional governance for sustainability management,
- stakeholder engagement, and
- transparency.

The focus topics of «Achieving impact» are:

- the expansion of the range of sustainable products and services,
- responsibility in business conduct,
- responsible approach to clients,
- employee diversity and expertise,
- the mitigation of climate change, and
- ensuring long-term economic success.

The sustainability strategy is based on a materiality analysis and considers the Principles for Responsible Banking of the United Nations Environment Programme Finance Initiative (UNEP FI), including the results of the PRB impact analysis conducted in 2022. Moreover, the consideration of the Sustainable Development Goals (SDGs) is of relevance for Raiffeisen as well as regulatory developments (e.g. Art. 964a ff. of the Swiss Code of Obligations). It thus not only addresses sustainability issues that are significant to the Raiffeisen Group's sustainability, but also sustainability issues on which the Raiffeisen Group has a significant impact. Furthermore, Raiffeisen supports the goals of the Paris Climate Agreement and a climate-neutral Switzerland as part of its sustainability strategy.

The UN Sustainable Development Goals (SDGs) are primarily intended for states. However, in light of its status as a banking group with a high market share in real estate financing in Switzerland, Raiffeisen wishes to make its contribution to the SDGs. Raiffeisen is affected in particular by SDG 7 (affordable and clean energy) and by SDG 13 (climate action) and aims to make a positive contribution in these areas as well as reducing negative impacts. Since its inception in 2020, Raiffeisen's sustainability strategy has been validated annually via a formal dialogue with both internal and external stakeholders which confirmed the continued relevance of the strategy. Raiffeisen's non-financial disclosure 2023 underwent an external audit with limited assurance in accordance with the Global Reporting Initiative (GRI) standards by Ernst & Young Switzerland (EY).

Annual Report 2023

- Group Strategy (p. 24 ff.)
- Sustainability (p. 51–58)

Website

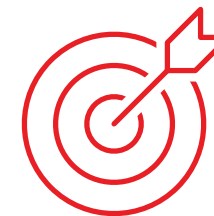
[Strategie Raiffeisen 2025](#)

[Nachhaltigkeitsstrategie](#)

[Nachhaltigkeitsmanagement](#)

Principle 2: Impact and Target Setting

In addition to monitoring the associated risks, we will continuously increase our positive impacts on people and the environment that result from our activities, products and services, while reducing the negative impacts. To help achieve this, we will set and publish goals with which we can have the greatest impact.



Reporting and Self-Assessment Requirements

Bank's Response

Links and References

2.1 Impact Analysis

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfil the following requirements/elements (a–d).

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Raiffeisen defined its greatest positive and greatest negative impacts based on the impact analysis' results while also taking into account Switzerland's official goals and commitments related to sustainable development as well as Raiffeisen's cooperative business model and its strategic priorities.

Raiffeisen used the UNEP FI Portfolio Impact Analysis Tool (version 2) to conduct an impact analysis of its portfolio as of mid-2022. The consolidated company data as of 31 December 2021 was used in the analysis. After thorough assessment whether a re-run of the analysis is required, Raiffeisen has decided not to carry out the impact analysis again in 2024, as both Raiffeisen's strategic focus and its business activities – and consequently the composition of the portfolio – have not changed significantly in the recent past. Hence, the results of the impact analysis 2022 are still valid today. Raiffeisen intends to reconduct the impact analysis by the end of 2025 to have most recent information at hand for the continuous development of our sustainability strategy.

As part of the 2022 impact analysis, we analysed our consolidated activities in the areas of private, business, and corporate clients in Switzerland based on the domicile in 2021, which means that more than 95 percent of the clients that make up Raiffeisen's business were included in the analysis. Consequently, activities carried out outside Switzerland were not included, as this share is not significant for the analysis (see Annual Report 2021: only 2.5 percent of Raiffeisen's private and investment clients and 4.4 percent of the corporate clients are domiciled outside of Switzerland based on the number of clients).

b) Portfolio Composition: Has your bank considered the composition of its portfolio (in percent) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

- i) by sectors & industries for business, corporate and investment banking portfolios (i. e. sector exposure or industry breakdown in percent), and/or
- ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/ major activities lie in terms of industries or sectors.

When conducting the impact analysis in 2022, the following breakdown of our overall business in Switzerland was taken into account (as per balance sheet methodology): (1) Private client business clearly accounts for the largest share at around 90 percent. (2) The remaining part is made up of business and corporate clients business, whereby the vast majority of clients here are small and medium-sized enterprises (SMEs), self-employed persons and only a few large enterprises. At the time of the analysis, the main sectors and industries that Raiffeisen finances were commercial and residential properties (mortgages), agriculture, manufacturing, construction, wholesale and retail which has not changed significantly in 2023.

Furthermore, the following statements can be made about Raiffeisen's balance sheet as of December 31, 2023, based on certain key figures: the balance sheet total was 297.1 CHF billion. Of this, mortgage loans of 211.0 CHF billion represented by far the largest amount. Client deposits accounted for 207.8 CHF billion. These indicators were not directly processed in the impact analysis. Further key balance sheet figures can be found in the Raiffeisen Group Annual Report.

[Annual Report 2023](#)

- Raiffeisen in figures (p. 2)
- Client structure (p. 74)
- Key figures (p. 202 ff.)

[Annual Report 2021](#)

[Key figures Raiffeisen Group](#)

Reporting and Self-Assessment Requirements	Bank's Response	Links and References
<p>c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.</p>	<p>As a cooperatively organised company, Raiffeisen wants to conduct its business responsibly. It is guided by applicable legal and regulatory requirements and takes account of environmental, social and governance factors. As a cooperative bank, Raiffeisen focuses on the Swiss retail market. Accordingly, Raiffeisen is subject in particular to the legal and regulatory framework of Switzerland. In the area of sustainable development, Raiffeisen is guided by Switzerland's official goals and commitments. Consequently, Raiffeisen supports a climate-neutral Switzerland and the goals of the Paris Climate Agreement and sets corresponding goals at company level.</p> <p>Specifically, the official documents listed below are relevant to Raiffeisen in terms of sustainable development and are also taken into account in Raiffeisen's sustainability strategy:</p> <ul style="list-style-type: none"> • Switzerland's 2030 Sustainable Development Strategy (Agenda 2030) • Switzerland's Energy Strategy 2050 • Switzerland's Climate Strategy <p>To obtain detailed information on Raiffeisen's interaction with its key stakeholders, please refer to section 4 «Stakeholders» in this document as well as the section in the Annual Report > Sustainability > «3 – Involve external stakeholders».</p>	<p>Annual Report 2023</p> <ul style="list-style-type: none"> • Sustainability strategy (p. 52 ff.) • Involve external stakeholders (p. 56 f.) <p>Website</p> <p>Agenda for sustainable development 2023</p> <p>Energy Strategy 2050</p> <p>Climate Strategy 2050</p>
<p>Based on these first three elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)? Please disclose.</p>	<p>The impact analysis carried out in mid-2022 revealed the following (potential) impacts on the SDGs: The greatest positive impacts were identified for the areas of «Inclusive, healthy economy» (SDG 8.9), «Health and sanitation» (SDG 3.6) and «Housing» (SDG 3.11).</p> <p>These positive impacts validate Raiffeisen's cooperative business model as a Swiss retail bank that covers the basic banking needs of private and corporate clients and thus contributes to an inclusive and healthy economy. Raiffeisen focuses on enabling the general public and SMEs to save, make provisions for retirement and finance private and business property and capital goods. In addition, Raiffeisen has a decentralised organisation and is present in all regions of Switzerland with locally rooted, independent banks. This guarantees proximity to our clients and also creates many jobs far away from the large centres. With these basic services, Raiffeisen can contribute, among other things, to housing construction and other critical infrastructure (e.g. health and sanitation) and thus to the basic needs of Swiss society. One strategic goal for Raiffeisen is to further increase the number of its cooperative members and to further expand its corporate clients business. This will further increase the positive impact on an «inclusive, healthy economy». The latter is therefore considered to be the first area of impact.</p> <p>In contrast, the greatest negative impacts were identified for the areas of «Climate» (SDG 13) and «Resources and waste» (SDG 6, 12, 13, 14, 15). Further negative impacts were identified for the areas of «Soil and biodiversity» (SDG 3, 14, 15), albeit to a lesser extent.</p> <p>The negative impact on the climate is mainly due to the focus on the mortgage business. Buildings are responsible for around a quarter of Swiss CO₂ emissions. Corporate finance is also linked to climate change to some extent. The Raiffeisen Group directly generates CO₂ emissions through operating 784 banking locations, business travel, cargo shipments as well as upstream and downstream processes. The impact analysis thus validates Raiffeisen's strategic focus on climate change. Considering this, efforts to educate mortgage clients about the significance of improving a building's energy efficiency and climate compatibility will continue (see also «Principle 3: Clients»). The same applies to efforts to increase the product range's climate compatibility and reduce the company's emissions. Hence Raiffeisen prioritises «Climate» as its second impact area.</p> <p>The negative impact on resources and waste is mainly due to the fact that Raiffeisen exclusively serves the resource- and waste-intensive Swiss economy and society. Raiffeisen plans to analyse its direct influence on resources and waste and the potential for additional measures.</p>	<p>Annual Report 2023</p> <ul style="list-style-type: none"> • Sustainability strategy (p. 52 ff.) • Portrait (p. 14 ff.) • Group strategy (p. 24 ff.) <p>TCFD Report 2023</p> <ul style="list-style-type: none"> • p. 8; 13; 6; 24–30 <p>Website</p> <p>Agenda for sustainable development 2023</p> <p>Energy Strategy 2050</p> <p>Climate Strategy 2050</p>

The impact on soil and biodiversity can be primarily explained by Raiffeisen's traditional role in the agricultural sector and its strong position in the mortgage business. Raiffeisen will continue to analyse the need for measures in these areas as well.

d) For these (min. two prioritized impact areas):
Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i. e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health & inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The impact analysis shows that, with both its Group strategy and the current sustainability strategy, Raiffeisen has defined areas that contribute to the implementation of the Principles for Responsible Banking – namely in the two impact areas «**Climate**» and «**Inclusive, healthy economy**».

Accordingly, a number of indicators have already been defined that can be used to review performance in these impact areas.

In the area of Climate, Raiffeisen already reveals comprehensive information and key figures when disclosing climate information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD Report for short), which are also used to monitor impact in this area. In its TCFD Report, Raiffeisen presents, for example, information on the share of financing for CO₂-intensive sectors. The Annual Report also describes Raiffeisen's client structure in detail.

Indicators for an inclusive, healthy economy are the number of cooperative members and the number of corporate clients – especially SMEs. Other key figures include the breakdown of corporate clients by domicile as well as by segment. Taking these key figures as a basis, it is clear that Raiffeisen provides comprehensive banking services to the Swiss economy, primarily to SMEs.

Raiffeisen uses the following impact indicators for the two main impact areas:

«Climate»

- Operational CO₂ emissions (Scope 1 and Scope 2): change in Scope 1 and Scope 2 absolute emissions compared to the previous year
- Mortgages CO₂ emissions: 1) emission intensity for residential properties 2) emission intensity for commercial properties compared to the previous year
- Exposure to corporate clients in emission-intensive sectors: share of financing in CO₂-intensive sectors
- Footprint of all funds: average carbon footprint of Raiffeisen funds

«Inclusive, healthy economy»

- Number of cooperative members
- Number of corporate clients, by domicile and segment
- Asset volume share of private and corporate clients business (in total and in percent)
- Number of locations (branches)

Annual Report 2023

- Raiffeisen in figures (p. 3 f.)
- Markets and clients (p. 17)
- Group Strategy (p. 24 ff.)
- Ensure transparency (p. 58 f.)
- Mitigate climate change (p. 72)
- Client structure (p. 74 f.)

TCFD Report 2023

- p. 5–7; 23–30

Website

[Strategie Raiffeisen 2025](#)

[Nachhaltigkeitsstrategie](#)

[Nachhaltigkeitsmanagement](#)

[Nichtfinanzielle Offenlegung](#)

Self-Assessment Summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

«Climate»; «Inclusive, healthy economy»

How recent is the data used for and disclosed in the impact analysis?

<input type="checkbox"/> Up to 6 months prior to publication	<input type="checkbox"/> Up to 12 months prior to publication
<input type="checkbox"/> Up to 18 months prior to publication	<input checked="" type="checkbox"/> Longer than 18 months prior to publication

Reporting and Self-Assessment Requirements	Bank's Response	Links and References
<p>2.2 Target Setting</p> <p>Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.</p> <p>The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a–d), for each target separately:</p> <p>Alignment: which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.</p> <p>Baseline: Have you established a baseline for selected indicators and assessed the current state of alignment? Please state the indicators used and the year of the baseline.</p>	<p>As already described in relative detail in the «Context» section (please see 2.1.c), the Swiss legal system and legislation are particularly relevant for Raiffeisen. Consequently, Raiffeisen is guided by the corresponding official documents of the Swiss Confederation with regard to both strategic and specific objectives in the area of sustainability.</p> <p>In addition, the following international frameworks and standards, among others, are relevant for Raiffeisen:</p> <ul style="list-style-type: none"> • UN SDGs (United Nations Sustainable Development Goals) • GRI (Global Reporting Initiative) • TCFD (Task Force on Climate-related Financial Disclosures) • PCAF (Partnership for Carbon Accounting Financials) • PACTA (Paris Agreement Capital Transition Assessment) • Net-Zero Banking Alliance (NZBA) <p>Further memberships are mentioned in section Principle 4 «Stakeholders» and in Raiffeisen's latest Annual Report.</p>	<p>Annual Report 2023</p> <ul style="list-style-type: none"> • Sustainability strategy (p. 52 ff.) • Involve external stakeholders (p. 56 f.) <p>TCFD Report 2023</p> <ul style="list-style-type: none"> • p. 5 <p>Website</p> <p>Strategie Raiffeisen 2025</p> <p>Nachhaltigkeitsstrategie</p> <p>Nachhaltigkeitsmanagement</p> <p>Nichtfinanzielle Offenlegung</p>
<p>c) SMART Targets (incl. key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.</p>	<p>«Climate»</p> <p>In 2022, Raiffeisen calculated reduction targets for the first time, based on the methodology of the Science Based Targets initiative, applicable to the indicators mentioned under 2.1. In 2023, Raiffeisen recalculated its CO₂ reduction targets, using a more recent base year (2022) and an adjusted time horizon up to 2030.</p> <p>«Inclusive, healthy economy»</p> <p>The baselines for the indicators mentioned under 2.1 were developed in 2020 within the scope of the Group strategy back then which is still valid as of now (2023). Accordingly, 2020 is also used as the baseline.</p>	<p>TCFD Report 2023</p> <ul style="list-style-type: none"> • p. 2; 5–6
	<p>«Climate»</p> <p>The Raiffeisen climate strategy provides the basic framework for achieving the climate targets formulated by Raiffeisen. The overarching target of the climate strategy is net zero² by 2050, a target to which Raiffeisen has been committed for some time. This target should already be achieved in operations (Scope 1 and 2) by 2030.</p> <p>To achieve these targets, measures are being implemented in five thematic areas:</p> <ul style="list-style-type: none"> • <i>Measure:</i> GHG emissions and climate-change-related opportunities and risks are measured according to GHG Protocol and PCAF and follow the TCFD recommendations. This also includes emissions related to financing and investments. • <i>Disclose:</i> Climate information is disclosed according to GHG Protocol, PCAF and TCFD. • <i>Reduce:</i> GHG Protocol emissions must be reduced consistently, whereby science-based climate goals stipulate corresponding reduction paths. Raiffeisen formulated reduction targets in line with the method of the Science Based Targets Initiative (SBTi). • <i>Compensate:</i> Remaining operational emissions are offset by purchasing CO₂ certificates or emission credits from climate protection projects that meet the Gold Standard³. • <i>Engage:</i> Raiffeisen is also involved, for example, in the Swiss Climate Foundation and the CEO4Climate initiative for a climate-friendly Switzerland. 	<p>Annual Report 2023</p> <ul style="list-style-type: none"> • Raiffeisen in figures (p. 2) • Achieving impact (p. 65 ff.) • ESG-related financial risks (p. 62 f., 105, 159) • Mitigate climate change (p. 72) • Maintain open and fair interaction with clients (p. 73 ff.) <p>TCFD Report 2023</p> <ul style="list-style-type: none"> • p. 5–6; 23–31 <p>Website</p> <p>Klimawandel eindämmen</p>

² Net zero means (1) reducing emissions as much as possible and (2) offsetting remaining emissions via «removals». Remaining emissions must be removed from the atmosphere on a natural (e.g. afforestation) or technological (e.g. carbon capture) basis.

³ The Gold Standard is an independent quality standard for climate protection projects. It was launched in 2003 by the WWF and other international NGOs. All Gold Standard-certified activities must deliver impact toward a minimum of 3 UN Sustainable Development Goals.

At a strategic level, Raiffeisen, like Switzerland, is pursuing the climate target of net zero by 2050. Net zero for Scope 1 and Scope 2 operational GHG emissions is expected to already be achieved by 2030. On that basis, Raiffeisen calculated science-based reduction targets for the first time in 2022. In the year under review, Raiffeisen recalculated its CO₂ reduction targets using a more recent base year and an adjusted target horizon up to 2030. These targets are complemented by key performance indicators (KPI), operational targets and measures, which are summarised in a «transition plan». The reduction targets cover operational emissions in Scope 1 and Scope 2, and emissions from Raiffeisen's mortgage lending activities. In 2023, mortgage loans cover with 74.9 percent a major part of Raiffeisen's total assets (2023: CHF 211 billion). For the time being, Raiffeisen is not setting further reduction targets in connection with loans to corporate clients or investments in corporate bonds. This is because, due to a lack of more precise data, emissions in this case can only be calculated using sector-based assumptions. The development of the CO₂ intensity and the carbon footprint of Raiffeisen funds, financial investments and the trading book is monitored, but Raiffeisen does not currently define any target values. In line with Raiffeisen's NZBA Commitment, Raiffeisen intends to ensure that decarbonisation targets ultimately cover the carbon-intensive sectors and relevant asset classes, if possible, as of 2025.

Finally, Raiffeisen continuously reviews whether additional sustainability targets need to be set as part of the sustainability strategy.

The following KPIs are reported for these impact indicators:

- *Operational CO₂ emissions (Scope 1⁴ and Scope 2⁵):* change in Scope 1 and Scope 2 absolute emissions compared to the previous year
- *Mortgages CO₂ emissions:* 1) emission intensity for residential properties 2) emission intensity for commercial properties compared to the previous year
- *Exposure to corporate clients in emission-intensive sectors:* share of financing in CO₂-intensive sectors
- *Footprint of all funds:* average carbon footprint of Raiffeisen funds

«Inclusive, healthy economy»

The results of the impact analysis affirm that Raiffeisen's cooperative business model has a positive impact on society and the economy. Raiffeisen will maintain this business model in the future. As part of its focus on this impact area, Raiffeisen will continue to contribute to an inclusive and healthy economy. In line with the targets of the Group Strategy 2025, Raiffeisen wants to maintain and expand its positive impact as a retail bank that covers the basic banking needs of its clients. To achieve our targets, we want to stand out as a solution-oriented cooperative with proximity to its customers that is focused on meeting their needs and that embodies cooperative values.

Our targets in this regard form part of the Raiffeisen Group's current strategy for the period 2020 to 2025, namely to increase both the number of our cooperative members (KPI target: 2.11 million by 2025) as well as the number of our clients by 2025 (KPI target: 3.79 million by 2025) as indicated in Raiffeisen's Annual Report 2023. In mortgage business, we want to remain number one and grow organically in the market. By achieving these targets, Raiffeisen will increase its contribution to an inclusive and healthy economy in Switzerland, for example by building housing. As in previous years, Raiffeisen wants to continue to grow in the corporate client segment and support even more companies (especially SMEs) with its products and services. For the corporate client segment, it is not yet possible to publish additional targets and KPIs. Raiffeisen will look into this possibility accordingly.

The following KPIs are reported for this impact area:

- number of cooperative members
- number of corporate clients, by domicile and segment
- asset volume share of corporate clients business in total client volume (in percent)
- number of locations (branches)

⁴ Scope 1: direct greenhouse gas emissions from stationary sources in the company itself, such as heating or own vehicles.

⁵ Scope 2: indirect greenhouse gas emissions from energy generation outside the company, such as electricity and district heating.

d) Action Plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

«Climate»

A first important milestone of the Raiffeisen climate strategy should be achieved by 2030, with the achievement of net zero in operations (Scope 1 and 2). In 2022, Raiffeisen closely examined both its climate strategy and its climate targets as part of its overarching targets. This resulted in the first calculation of science-based reduction targets for the Raiffeisen Group with an associated initial transition plan. In 2023, Raiffeisen recalculated its CO₂ reduction targets using a more recent base year and an adjusted target horizon up to 2030. These targets are complemented by key performance indicators (KPI), operational targets and measures, which are summarised in a transition plan. These show how Raiffeisen intends to achieve the targets by 2030 and 2050 respectively. The first milestones in the reduction targets concern Scope 1 and Scope 2 operational emissions (target: reduce GHG emissions (t CO₂ eq) by 42 percent by 2030 compared to 2022⁶) and emissions from Raiffeisen mortgage lending activities⁷ (target 1: reduce GHG emissions (kg CO₂ eq per m²) by 2030 for mortgages (commercial properties) by 61 percent per m² compared to 2022; target 2: reduce GHG emissions (kg CO₂ eq per m²) by 2030 for mortgages (residential properties) by 45 percent compared to 2022 per m². This line of business covers more than 70 percent, measured by the balance sheet total. As the underlying methods evolve, the target will also evolve in the coming years. It is planned to achieve these milestones by implementing various measures as described in Raiffeisen's TCFD Report 2023 in section «Transition plan: Measures».

Potential negative impacts regarding «Climate» are described in section 2.1 Impact Analysis in this report and measures to mitigate potential negative impacts are disclosed in our TCFD report 2023 (e.g. setting incentives and advising our customers, providing ESG reports to our investment clients or implementing a due diligence check to ensure responsible business conduct).

«Inclusive, healthy economy»

Based on the Group Strategy 2025, Raiffeisen wants to maintain and expand its positive impact as a retail bank that covers the basic banking needs of its clients. To achieve our targets, we want to stand out as a solution-oriented cooperative with proximity to its customers that is focused on meeting their needs and that embodies cooperative values. Specific measures include improved efficiency in the mortgage lending process (from 2023), holistic client advisory services (from 2024) and a comprehensive self-service offering (from 2025).

As part of the Group Strategy 2025, the following interim targets and milestones have been defined until 2023 and have been achieved according to the Annual Report 2023:

- Number of cooperative members: Target 2023: 2.04 million (target achievement: 2.06 million)
- Number of clients: Target 2023: 3.69 million (target achievement: 3.69 million)

In the corporate clients business, the general target is to further strengthen Raiffeisen's leading market position as a close and credible bank for entrepreneurs in the Swiss SME market and to win even more corporate clients as Raiffeisen clients in the future.

Raiffeisen has integrated the topic of financial literacy into the advisory process for its client advisors. They convey this knowledge in meetings with their clients and in other ways. Further details and measures are described in the Annual Report 2023 in chapter «Increasing the financial knowledge of clients».

Furthermore, as a member of the Advance Gender Equality in Business initiative, Raiffeisen is networked throughout Switzerland and across industries, thus contributing to the dialogue between business organisations, academics and policymakers. Through this partnership, Raiffeisen offers its employees the opportunity to exchange views across sectors, even outside the Group. It also regularly takes part in St. Gallen diversity benchmarking at the University of St. Gallen. By doing so, Raiffeisen contributes to transparency with regard to the development of diversity in the industry.

[Annual Report 2023](#)

- Strategic goals for 2025 and goal achievement in 2023 (p. 28)
- Result (p. 29 ff.)
- Increasing the financial knowledge of clients (p. 74 f.)

[TCFD Report 2023](#)

- p. 2; 4–5; 19–31

⁶ To foster its own energy management, Raiffeisen Switzerland is also a member of the voluntary corporate initiative «Energie-Modell Zürich». This has agreed with the federal government to increase energy efficiency by 14% and reduce emissions by 20% by 2030 (base year 2020). The membership requires Raiffeisen Switzerland to subject itself to an annual external audit by «Energie-Modell Zürich».

⁷ 100 percent of the mortgage volume can be evaluated for the asset class mortgages (residential properties), and 95 percent of the mortgage volume can be evaluated for the asset class mortgages (commercial properties).

Potential negative impacts with regard to "Inclusive, healthy economy" are described in section 2.1 Impact Analysis in this report and measures to mitigate potential negative impacts are disclosed in our Annual Report 2023 (e.g. increasing the financial knowledge of clients and protection against debt accumulation).

Self-Assessment Summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: Climate			... second area of most significant impact: Inclusive, healthy economy		
Alignment	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

2.3 Target Implementation and Monitoring

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only):

describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

«Climate»

Since the last report in 2023, Raiffeisen has achieved the following milestones within the «Climate» area: The CO₂ emissions intensity in connection with the operation of infrastructure and related activities has been continuously reduced over the past few years. Compliance with standards that regulate energy, mobility, resources and procurement have made an important contribution to achieving this target. The use of public transport is generally trending upwards.

Further details regarding emissions financed according to the standard of the Partnership for Carbon Accounting Financials (PCAF) as well as greenhouse gas emissions from energy, transport, paper, and water consumption are disclosed in Raiffeisen's TCFD Report 2023 in section 4 «Metrics and targets». By joining the Net-Zero Banking Alliance (NZBA) in 2023, Raiffeisen committed to the target of reducing the greenhouse gas emissions from its lending and investment portfolios to net zero by 2050 at the latest.

«Inclusive, healthy economy»

Raiffeisen is well on track with implementing targets within the framework of the Group Strategy. On the one hand, Raiffeisen's target to increase the number of its cooperative members to over 2 million by 2025 has already been achieved: starting with 1.96 million cooperative members at the end of 2021, two years later by the end of 2023 it was 2.06 million. On the other hand, while 3.61 million individuals were counted as Raiffeisen clients at the end of 2021, this number increased to 3.69 million clients by the end of 2023. Hence, Raiffeisen is on track to achieve its target of 3.79 million clients by 2025 (as indicated in the Annual Report 2023). In addition, the leading position in the mortgage market was maintained in 2023 with a market share of 17.8 percent, and organic growth was achieved in line with the market. The development in the corporate clients business is also positive – more and more companies, especially SMEs, are placing their trust in Raiffeisen and opening a client relationship with the local Raiffeisen bank in their respective region.

Annual Report 2023

- Raiffeisen in figures (p. 2–3)
- Business model (p. 12–18)
- Result (p. 29–32)

Annual Report 2021

- Group Strategy Raiffeisen 2025 (p. 22 ff.)

TCFD Report 2023

- Metrics and targets (p. 23–30)

Principle 3: Clients

We work responsibly with our clients to promote sustainable practices and enable economic activities that create shared prosperity for present and future generations



Reporting and Self-Assessment Requirements

Bank's Response

Links and References

3.1 Client Engagement

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

Does your bank have a policy or engagement process with clients and customers in place to encourage sustainable practices?

Yes In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

In line with its mission statement, the Raiffeisen Group sets store by fairness, reliability, and transparency in business relations with its 3.69 million clients. Raiffeisen therefore maintains a competent, open and fair interaction with them.

The Raiffeisen Group takes into account environmental and social factors, as well as increasing client demand with regard to sustainability, when designing and developing its financial products and services – both for private and investment clients as well as for corporate clients. When promoting sustainability in the mortgage business, Raiffeisen sees its role primarily in routinely making its clients aware, at an early stage, of the potential for boosting energy efficiency and reducing CO₂ emissions and presenting appropriate financing solutions. For example, a modernisation check was introduced, providing clients with an illustration of their property's energy efficiency.

Furthermore, in 2023, 1,145 consultations were carried out based on the Raiffeisen Modernisation Planner (RAI-mo). This number is expected to continue rising. The various self-service offers in the field of energy efficiency and renovation are also becoming increasingly important. These offers were accessed more than 24,000 times in 2023. In order to also promote energy efficiency in relevant heating systems and reduce their CO₂ emissions, Raiffeisen also supports the «Renewable Heating» programme of SwissEnergy. This federal programme aims to help private home owners switch to heating systems using renewable energy, by providing neutral and professional advice. In 2023, 2,276 Renewable Heating incentive consultations were carried out.

In addition, certain Raiffeisen banks grant an «eco discount» on mortgages if certain sustainability criteria are met. This Eco mortgage was further developed in 2023. Investments in renewable energy can now also be financed (investment in a renewable heating system, e.g. heat pump, district or solar heating, or wood as a replacement for a fossil heating system, as well as investments in a photovoltaic installation or solar panels for heating water).

The implementation of sustainability in the pension and investment business has been based on the «Sustainability Strategy for Investing & Retirement» since 2020. Work on implementing the Swiss Bankers Association's (SBA) «Guidelines for the financial service providers on the integration of ESG-preferences and ESG-risks into investment advice and asset management» was completed in 2023. As a result, all investment advisors received in-depth training in the fourth quarter on the topic of sustainable investing in general and the Futura Policy.

As part of the 2023 annual reporting, all pension fund assets were screened for ESG factors. Since 2019, all pillar 3 pension funds at Raiffeisen have been sustainable. In 2023, the proportion of sustainable «Futura» funds in the total volume of all Raiffeisen funds has increased to 94.6 percent. All investment advisors received in-depth training in 2023 on the topic of sustainable investing in general and the Futura Policy. In the interests of transparency, Raiffeisen Switzerland presented its first Active Ownership Report in 2023.

Annual Report 2023

- Raiffeisen in figures (p. 2)
- Achieving impact (p. 65 ff.)
- Maintain open and fair interaction with clients (p. 73 ff.)

TCFD Report 2023

- p. 2; 8–9

Website

[Wohnen und Hypotheken](#)

[Nachhaltigkeit für Kundinnen und Kunden](#)

In 2019, Raiffeisen Switzerland placed the very first sustainability bond on the Swiss capital market for investors. Also, Raiffeisen Switzerland established a green bond programme in 2021. This focuses on the refinancing of mortgages granted to finance energy-efficient, low-emission buildings in Switzerland.

In 2021, a «Responsibly Sourced & Traceable» approach was adopted for all Raiffeisen gold ingots. This makes it possible to precisely trace the source of the gold and attaches importance to companies in the supply chain being environmentally and socially responsible. Since 2021, investors have also had the opportunity to invest responsibly in the asset class gold through the «Raiffeisen ETF – Solid Gold Responsibly Sourced & Traceable». Raiffeisen was the first retail bank to implement a corresponding approach for a gold ETF. This has been recognised for the second time in a row with the Swiss ETF Award: The «Raiffeisen ETF – Solid Gold Responsibly Sourced & Traceable» won the Swiss ETF Award 2023 in the «Best Commodity and Precious Metal ETFs and ETPs» category in 2023, after Raiffeisen had been named «Newcomer of the Year» in the previous year.

Since the vast majority of Raiffeisen's corporate clients are domiciled in Switzerland, they are relatively effectively and efficiently regulated by Swiss law with regard to environmental, governance and social issues. Nevertheless, Raiffeisen also raises awareness of the topic of sustainability among corporate clients with selective and mostly temporary initiatives. For this purpose, a pilot project was carried out in 2023 with SwissEnergy's SME Platform for Energy Efficiency (PEIK), which advises SMEs on energy efficiency. In addition, the Go for Impact association received financial support in the year under review, so that it can press ahead with its activities to raise awareness among Swiss SMEs about climate benchmarking and target setting.

3.2 Business Opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a percent of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Constantly promoting sustainability, not only of its products and services, is of central importance for Raiffeisen. Consequently, the Raiffeisen Group always considers environmental and social factors as well as increasing client demand in terms of sustainability when designing and further developing its financial products and services – both for private and investment clients as well as for corporate clients.

In 2023, a number of important milestones were achieved:

- In the area of pensions and investments, the «Futura Framework» was further developed in 2023 and the sustainability of pension and investment products was further improved. For example, a sustainability reporting system was used that provides investors with comprehensive information on the sustainability of their investment solutions. In addition, it also transparently lists the contribution that each client's fixed assets make to the SDGs of the United Nations. The proportion of sustainable Futura funds in the total volume of all Raiffeisen funds has increased to 94.6 percent in 2023. All investment advisors received in-depth training in 2023 on the topic of sustainable investing in general and the Futura Policy in specific.
- Since the end of 2023, Raiffeisen has been able to make aggregated statements on the a) average sustainability rating and b) average greenhouse gas footprint of Raiffeisen investors for the first time as part of its sustainability reporting.
- In 2023, Raiffeisen supported the launch of a 100% electric commercial vehicle fleet for an active vendor partner as well as a number of other financing solutions for sustainable capital goods, such as a wide range of photovoltaic systems and energy-related investments.
- On the product side, additional fund products were introduced under the name «Futura Systematic». Regarding asset management, the majority of Raiffeisen mandates were converted to sustainability (Futura) and a new asset management mandate was created in the shape of «Futura Impact», which intends to achieve a positive and measurable ecological and social impact while taking financial goals into account. As of the end of 2023, 94.6 percent of investment products and 98.8 percent of asset management mandates bear the sustainable «Futura» label.
- With regard to fairness and transparency, various innovations were implemented in 2023, e.g. sustainability reporting for Investing & Retirement, and simplification of pricing in investment transactions.

[Annual Report 2023](#)

- Sustainability strategy (p. 52 ff.)
- Strengthen sustainability management (p. 55)
- Responsibility in business conduct (p. 59)
- Achieving impact – Create sustainable products and services (p. 65 ff.)
- Maintain open and fair interaction with clients (p. 73 ff.)

[TCFD Report 2023](#)

- p. 8–10

Reporting and Self-Assessment Requirements**Bank's Response****Links and References**

- Raiffeisen works with several financial education providers to increase the financial literacy of its clients.
- Group-wide introduction of due diligence check on responsible business conduct: In 2021, Raiffeisen Switzerland established a due diligence check to ensure responsible business conduct, based on an analysis of the impact of specific activities on the environment and society. This due diligence check was extended to the entire Group in 2023. By conducting this due diligence check, Raiffeisen aims to avoid causing, contributing to or being associated with serious human rights violations or environmental damage through its business activities. In 2023, 61 second checks took place.
- Publication of the first Active Ownership Report: Raiffeisen Switzerland presented its first Active Ownership Report in 2023.

The corresponding key figures (value, volume, etc.) can be found in the latest Raiffeisen Group Annual Report.

Principle 4: Stakeholder

We will proactively and responsibly consult, engage and collaborate with relevant stakeholders to achieve society's goals.



Reporting and Self-Assessment Requirements

4.1 Stakeholder Identification and Consultation

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Bank's Response

Regular and open dialogue with its internal and external stakeholders is extremely important to Raiffeisen. Thanks to their cooperative independence, the Raiffeisen banks are very close to their clients. Through their local presence, the banks are closely connected to local and regional stakeholders and are able to conduct regular dialogue. Discussion with stakeholders is part of the sustainability strategy and is practised on an ongoing basis. Raiffeisen has developed its sustainability strategy, which incorporates the Principles for Responsible Banking, in consultation with internal and external stakeholders.

At Raiffeisen Switzerland level, the most significant internal and external stakeholders in the area of sustainability are invited to participate in a dialogue on the sustainability strategy, its implementation and chosen focus topics at least once a year. One example is our materiality analysis, which defines Raiffeisen's strategic focus in the area of sustainability and is validated by stakeholders every year. Parties invited to engage in dialogue may include Raiffeisen banks, business partners, suppliers, client organisations, environmental organisations, business organisations, employee representatives and sustainability consultants. The focuses, participating organisations and results of this dialogue are disclosed in detail as part of our annual reporting.

Furthermore, Raiffeisen has institutionalised its exchange with various stakeholders and its commitment to a sustainable Switzerland through activities such as memberships. It is represented as a member in the following national and international organisations, committees and initiatives focused on sustainability:

- Swiss Sustainable Business Association (öbu), since 2007
- Swiss Climate Foundation (founding member), since 2008
- Zurich Energy Model as a member of the Energy Agency for Industry (ENAW), since 2013
- Swiss Sustainable Finance (founding member), since 2014
- Green and Sustainable Finance Working Group of the European Association of Cooperative Banks, since 2018
- Swiss Better Gold Association, since 2019
- Principles for Responsible Banking (PRB) of the United Nations Environment Programme Finance Initiative (UNEP-FI), since 2021
- Partnership for Carbon Accounting Financials (PCAF), since 2021
- CEO4Climate, since 2021
- Net-Zero Banking Alliance (NZBA), since 2023

A new addition in 2023 was Raiffeisen's membership of the Net-Zero Banking Alliance (NZBA), an alliance coordinated by UNEP-FI.

Links and References

[Annual Report 2023](#)

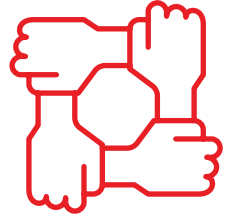
- Involve external stakeholders (p. 56 f.)

[GRI Content Index 2023](#)

- Stakeholder engagement (p. 4)

Principle 5: Governance and Culture

We will implement our commitment to these principles through effective corporate governance and a culture of responsible banking.



Reporting and Self-Assessment Requirements

5.1 Governance Structure for Implementation of the Principles

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as remuneration practices linked to sustainability targets.

Does your bank have a governance system in place that incorporates the PRB?

- Yes In progress No

Bank's Response

Effective sustainability management requires appropriate organisational structures, processes and responsibilities. The Principles for Responsible Banking are an integral part of Raiffeisen's sustainability strategy. This means that their implementation is ensured and monitored via the Raiffeisen Group's ordinary sustainability governance. The responsibilities for sustainability are spread across several levels in the Raiffeisen Group. Raiffeisen Switzerland has responsibility at Group level for the strategic direction when it comes to sustainability and for disclosing sustainability information. It takes sustainability factors into account in risk management and continues to develop the range of sustainable products and services. Raiffeisen Switzerland also communicates with internal and external stakeholders as well as the general public with regard to sustainability issues. In addition, it advises and supports the 219 Raiffeisen banks on various sustainability-related issues. For example, in 2024, Raiffeisen Switzerland launched a handbook with recommendations how the Raiffeisen banks can strengthen their sustainability efforts.

The Raiffeisen banks put sustainability into practice on a local level and take their own measures in their regional and local context. The Raiffeisen banks can be involved in issues relating to the overarching management of corporate responsibility and sustainability through the relevant specialist committees. Furthermore, there is the option of exchanging information with the Raiffeisen Bank Council with regard to fundamental strategic issues.

Within Raiffeisen Switzerland, the Board of Directors regularly deals with the Group's sustainability issues, both as a full Board and in its individual committees. The Executive Board of Raiffeisen Switzerland, supported by the respective units, implements the guidelines defined by the Board of Directors and makes the relevant operational decisions regarding sustainability.

The Sustainability, Policy & Cooperative unit reports to Raiffeisen Switzerland's Head of Executive Staff. It acts as an internal and external point of contact for sustainability issues. Within the focus topics of the sustainability strategy, it also implements strategic projects that create momentum and boost the Raiffeisen Group's sustainability performance. It is responsible for monitoring and sustainability reporting, and bears specialist responsibility for climate and environmental management. It is also responsible for the due diligence check to ensure responsible business conduct. This process was established in 2021 at Raiffeisen Switzerland and extended to the entire Group in 2023.

The Sustainability, Policy & Cooperative unit reports to the Executive Board and the Board of Directors' Strategy and Innovation Committee at least twice a year, and at least once a year to the full Board of Directors.

Links and References

[Annual Report 2023](#)

- Sustainability governance (p. 54 f.)
- Remuneration report (p. 136 ff.)

[TCFD Report 2023](#)

- p. 3–4

[GRI Content Index 2023](#)

- Remuneration policies (p. 3)

Reporting and Self-Assessment Requirements

Bank's Response

Links and References

In addition to and in cooperation with the Sustainability, Policy & Cooperative unit, which has overall responsibility for sustainability, other units deal with specific aspects of sustainability. For example, Risk Control deals with financial risks caused by ESG factors, including climate-related financial risks. The Human Resources unit is responsible for diversity. The Competence Centre for Sustainability, Investing & Retirement unit, which is part of the Investment & Retirement Centre, is responsible for sustainability aspects in connection with investments and retirement. In particular, this includes the Futura Policy for sustainable pension and investment solutions, including «active ownership» and investor dialogue, as well as training for investment and pension client advisors.

Influencing factors for the variable remuneration for employees and members of the Executive Board of Raiffeisen Switzerland are financial success of the Raiffeisen Group, success of the Group strategy, diversity of the organization, employee satisfaction, and public perception of Raiffeisen. The Board of Directors of Raiffeisen Switzerland recommends that the Raiffeisen banks align their respective local remuneration systems to the recommendations made by Raiffeisen Switzerland.

5.2 Promoting a Culture of Responsible Banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Raiffeisen's business model is based on cooperative and entrepreneurial values. Raiffeisen's cooperative values are democracy, solidarity and liberality. In addition to this are Raiffeisen's guiding corporate values of proximity, credibility, sustainability and entrepreneurship.

Sustainability has been a corporate value for Raiffeisen for many years and is a key element of the Group Strategy 2025. On the Raiffeisen Induction Day, all new employees are given compact information about our efforts in the area of corporate responsibility and sustainability. Also, Raiffeisen strives to promote a culture of responsible banking throughout the entire Group. In that context, the recently launched «Handbook of Sustainability Measures» for Raiffeisen banks contains various recommendations for promoting a responsible culture, amongst others.

Raiffeisen respects the legal system, human rights, fundamental environmental standards and the principles of the market economy. Within the framework of applicable policies and procedures, it is primarily the personal responsibility of every employee to promote compliance and minimise compliance risks in their respective field of employment.

Furthermore, Raiffeisen pursues the principle of avoiding any connection with serious negative impacts through its business activities (see 5.3). Due diligence to this effect was initially established at Raiffeisen Switzerland and subsequently extended to the Group.

Since 2020, Raiffeisen has conducted regular client surveys to check whether sufficient fairness and transparency are ensured and perceived as such by clients. Raiffeisen implements the regulations for product marketing at financial service providers, which promote fairness and transparency. Raiffeisen also engages in self-regulation. Raiffeisen generally prioritises security over profitability, and profitability over growth. Client advisors are regularly trained to follow these principles.

Client advisors are also trained on relevant sustainability topics, such as the sustainability features of Raiffeisen investment funds. The energy efficiency of buildings is another topic that can be included in advisory services.

It is important to Raiffeisen to encourage and promote diversity, equal opportunities and an inclusive culture. Promoting the expertise and diversity of Raiffeisen employees is a significant target of the sustainability strategy. In 2023, various measures were taken to foster a corporate culture in which diversity and equal opportunities are practised and strengthened.

Increasing the percentage of women in senior and management positions is a priority at Raiffeisen. The goal is to raise the proportion of women in senior positions across the Group to at least 31% by 2025. The Group has not quite hit this target yet. As of 31 December 2023, women held 30.4% of senior and management positions (previous year: 29.2%).

Raiffeisen Switzerland has adopted an employment policy entitled «Equal Treatment and Harassment in the Workplace», which prohibits any discrimination. In addition, regular equal pay analyses are carried out and Raiffeisen Switzerland was awarded the «Fair-ON-Pay» certificate.

At Raiffeisen Switzerland, individual bonuses have been abolished and a collective profit-sharing payment has been introduced. This remuneration model also applies to the members of the Executive Board of Raiffeisen Switzerland. In addition to individual performance, team performance is particularly valued and rewarded. Hence the focus has shifted from individual to collective performance.

[Annual Report 2023](#)

- Raiffeisen in figures (p. 3)
- Sustainability strategy (p. 52 ff.)
- Ensure long-term economic success (p. 70 ff.)
- Promote employee expertise and diversity (p. 78)
- Employees (p. 79 ff.)
- Remuneration report (p. 136 ff.)

Website

[Die Raiffeisen Gruppe](#)

[Nachhaltigkeitsstrategie](#)

[Arbeiten bei Raiffeisen Schweiz](#)

[Vielfalt & Gesundheit](#)

5.3 Policies and Due Diligence Processes

Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

As a banking group with a cooperative structure, Raiffeisen is committed to conducting its business operations responsibly. Firstly, this includes ensuring compliance. As a bank, combating corruption and preventing money laundering as well as dealing with tax issues is particularly relevant to Raiffeisen in this context. Responsible business conduct also includes the systematic inclusion of environmental, social and governance factors in risk management. In addition, a due diligence check is conducted to analyse whether relevant business relationships could be linked to serious negative impacts on the environment and society. On the basis of the new disclosure requirements applicable in Switzerland, information must be provided in this context, in particular on handling the issues of precious metals from conflict areas, child labour and human rights. Other aspects of responsible business conduct include specific tools such as a whistleblowing office and a supplier code of conduct. Raiffeisen operates a comprehensive risk management system that is aligned with the high regulatory requirements for an institution of Raiffeisen's size and complexity as well as with common market standards. In the context of risk management, Raiffeisen does not regard environmental, social and governance (ESG) factors as a separate risk category but as drivers of existing risks. These include credit, market and operational risks. ESG factors at Raiffeisen are accordingly integrated into the existing Raiffeisen risk management framework. They are thus covered by the Raiffeisen Group's risk strategy, risk tolerance and risk policy and taken into account.

[Annual Report 2023](#)

- Sustainability governance (p 54 f.)
- Responsibility in business conduct (p. 59)
- ESG factors in risk management (p. 62)
- Due diligence check on responsible business conduct (p. 63 f.)

Website

[Verantwortungsvolles Geschäftsmodell](#)

In 2021, Raiffeisen Switzerland established a due diligence check to ensure responsible business conduct, based on an analysis of the impact of specific activities on the environment and society. The due diligence check was extended to the entire Group in 2023. For that matter, both an internal policy and a guidance document were developed to provide employees with the relevant information on the proceedings for the due diligence check. By conducting this due diligence check, Raiffeisen aims to avoid causing, contributing to or being associated with serious human rights violations or environmental damage through its business activities. The due diligence process implements the instructions of the Board of Directors, which is responsible for Raiffeisen's business ethics positioning. The due diligence consists of an initial check by the unit responsible for the transaction. The aim here is to identify transactions with increased risks and have them undergo a more detailed second check by the Sustainability, Policy & Cooperative department. The due diligence check includes clearly defined triggers and risk escalation processes up to the Executive Board. Moreover, companies from certain sectors are generally excluded from credit financing and securities issuance. In some instances, certification or other standards are required for supplier relationships. The due diligence also includes a comprehensive check of the existing business covered by the due diligence (e.g. at portfolio level) by the Sustainability, Policy & Cooperative unit. Along with the due diligence process, a content-based binding guideline and a review system to manage ESG issues in various business activities, including financing, was introduced in the Raiffeisen Group in 2023. All contents of the due diligence check, including business ethics positioning, are an integral part of Raiffeisen Switzerland's internal regulatory system. The Raiffeisen Supplier Code is part of the formal internal due diligence check introduced in 2021.

Self-Assessment Summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes In progress No

Principle 6: Transparency and Accountability

We will regularly review our individual and collective contributions to the implementation of the Principles and account for our positive and negative impacts on and contribution to societal objectives in a transparent manner.



Reporting and Self-Assessment Requirements

Bank's Response

Links and References

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes Partially No

If applicable, please include the link or description of the assurance statement.

The reporting on the Principles for Responsible Banking presented here has been validated by an independent external auditor in 2024 for the first time. The enclosed assurance statement covers the specific checks required for the Principles. This report is also predominantly based on the disclosure of non-financial information as part of business Raiffeisen's non-financial disclosure which underwent an external audit with limited assurance in accordance with the Global Reporting Initiative (GRI) standards by Ernst & Young Switzerland (EY) in 2023 for the second time. These successful assurances further underscore the credibility of the information disclosed here.

[Annual Report 2023](#)

- Ensure transparency (p. 58)
- Independent Assurance Report on the non-financial reporting 2023 (p. 91 ff.)

Website

[Financial Information](#)

6.2 Reporting on other Frameworks

Does your bank disclose sustainability information according to one of the standards and frameworks listed below?

- GRI
 SASB
 CDP
 IFRS Sustainability Disclosure Standards (to be published)
 TCFD
 Others: GHG, PCAF, PACTA, UNEP FI PRB.

By implementing its sustainability strategy, Raiffeisen aims to make improvements in its key environmental and social issues, progress in implementing the Principles, meet the expectations of responsible business conduct, and thus also minimise sustainability risks. This creates the conditions for setting ourselves apart as a sustainable and responsible cooperative.

[Annual Report 2023](#)

- Assessment of strategy implementation (p. 54)
- Outlook (p. 40)

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.

As part of its sustainability strategy, Raiffeisen continuously reviews where it stands in terms of the targets it has set itself and also examines which areas require additional measures. In concrete terms, Raiffeisen will continue to focus on the area of climate in the coming year. Raiffeisen has already set a first round of climate targets at the same time as it joined the NZBA. We work towards our second round of NZBA targets, which are due in October 2026.

The sustainability strategy also envisages integrating the Raiffeisen banks even more closely into the strategically agreed implementation of sustainability, through more intensive dialogue. This should strengthen the shared understanding of sustainability in the Raiffeisen Group and drive forward implementation of the strategy. To this end, the application of a Group-wide guiding document on sustainability measures, which was released at Group level in June 2024, will continue to play a role next year. Furthermore, Raiffeisen will further improve its ESG data management processes and the disclosure of non-financial information.

As for the impact analysis, Raiffeisen plans to conduct a revision in 2025 based on the company data as of 31 December 2024.

6.4 Challenges

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

- Embedding PRB oversight into governance
- Gaining or maintaining momentum in the bank
- Getting started: where to start and what to focus on in the beginning
- Conducting an impact analysis
- Assessing negative environmental and social impacts
- Choosing the right performance measurement methodology/ies
- Setting targets
- Other: ...
- Customer engagement
- Stakeholder engagement
- Data availability
- Data quality
- Access to resources
- Reporting
- Assurance
- Prioritizing actions internally

To the Management of
Raiffeisen Switzerland Cooperative, St. Gallen

Basle, 30 September 2024

Independent Assurance Report on certain sustainability disclosures for the year ended 31 December 2023

We have been engaged by the Raiffeisen Group (the Group) to perform a limited assurance engagement (the engagement) on the disclosures made in the report "Principles for Responsible Banking - Reporting and Self-Assessment" (the information) of the United Nations Environment Programme Finance Initiative ('UNEP FI') Principles for Responsible Banking ('PRB') for the reporting period from 1 January 2023 to 31 December 2023.

Specifically, we were engaged to provide limited assurance on sustainability disclosures related to the following reporting requirements:

- ▶ Impact Analysis (Reporting requirement 2.1)
- ▶ Target Setting (Reporting requirement 2.2)
- ▶ Target Implementation and Monitoring (Reporting requirement 2.3)
- ▶ Governance Structure for Implementation of the Principles (Reporting requirement 5.1)

We have been engaged to evaluate if the Group's description of processes, activities and their outcomes sufficiently reflects actions taken by the bank, rather than evaluating the applied approach itself. This individual assessment of whether Raiffeisen is aligned with the requirements of the Principles for Responsible Banking and is meeting its commitments is out of scope of this engagement and will be undertaken by a sustainability expert within the UNEP FI Secretariat (the Review Expert).

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the report, and accordingly, we do not express a conclusion on this information.



Applicable criteria

The Raiffeisen Group defined as applicable criteria (applicable criteria):

- ▶ UNEP FI Principles for Responsible Banking: Guidance for banks (Version 2)

A summary of the Principles and the Guidance is presented on the UNEP FI homepage. We believe that these criteria are a suitable basis for our limited assurance engagement.



Responsibility of the Management

The Management is responsible for the selection of the applicable criteria and for the preparation and presentation, in all material respects, of the disclosed information in accordance with the applicable criteria. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation of the information that is free from material misstatement, whether due to fraud or error.



Independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Our responsibility

Our responsibility is to express a conclusion on the above-mentioned information based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the information in the report are free from material misstatement, whether due to fraud or error.



Summary of work performed

Based on risk and materiality considerations we have undertaken procedures to obtain sufficient evidence. The procedures selected depend on the practitioner's judgment. This includes the assessment of the risks of material misstatements in the above mentioned information. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in scope than, for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or inclusion of data within IT systems.

Our limited assurance procedures included, amongst others, the following work:

- ▶ Evaluation of the suitability of the criteria used, their consistent application and related disclosures
- ▶ Interviews with relevant personnel to understand the process for collecting, collating, and reporting the information underlying the disclosures during the reporting period, including obtaining an understanding of internal control relevant to the engagement, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls

- ▶ Inspection of the relevant documentation of the systems and processes for compiling, analyzing, and aggregating the information relevant for the disclosures and, where applicable, testing such documentation on a sample basis
- ▶ Analytical review procedures to support the appropriateness of the data and to identify areas of the disclosures with a higher risk of misleading or unbalanced information or material misstatements
- ▶ Analytical review procedures of the Group's disclosures regarding plausibility and consistency with the references made to the Annual Report 2023 and information disclosed in the GRI Index included in the Supplement Report 2023.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.



Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the information for the reporting period from 1 January 2023 to 31 December 2023 have not been prepared, in all material respects, in accordance with the applicable criteria.

Ernst & Young Ltd

Dr. Mark Veser
Executive in charge

Prof. Dr. Andreas Blumer
Partner