



WE CREATE **ADDED VALUE**

Protecting what matters.

# AN OVERVIEW OF VIG

Vienna Insurance Group is the leading insurer in Central and Eastern Europe. The most important facts about VIG at a glance.

## OUR VISION

We want to be the first choice for our customers. Our stakeholders see us as a stable and reliable partner. This enables us to consolidate our position as the leading insurance group in Austria, Central and Eastern Europe.

## OUR VALUES

Diversity  
Customer proximity  
Responsibility

## OUR MISSION

We stand for stability and competence in the field of risk protection. We use our experience, know-how and diversity to move closer to our customers. We see it as our responsibility to protect the values that matter to our customers.

## OUR PROMISE

We enable customers to live a safer and better life:  
**Protecting what matters.**



VIG shares were represented in two sustainability indices in 2017. Both indices list companies that have implemented comprehensive environmental, social and governance areas. The VÖNIX index only lists Austrian companies, while the FTSE4GOOD index lists companies worldwide.

VIG has been listed on the Vienna Stock Exchange since 1994. The significance of the Central and Eastern European economic area is underscored by the Company's second listing on the Prague Stock Exchange in February 2008.

around **70%**  
of the shares are held by the principal shareholder Wiener Städtische Versicherungsverein

around **30%**  
of the shares are in free float

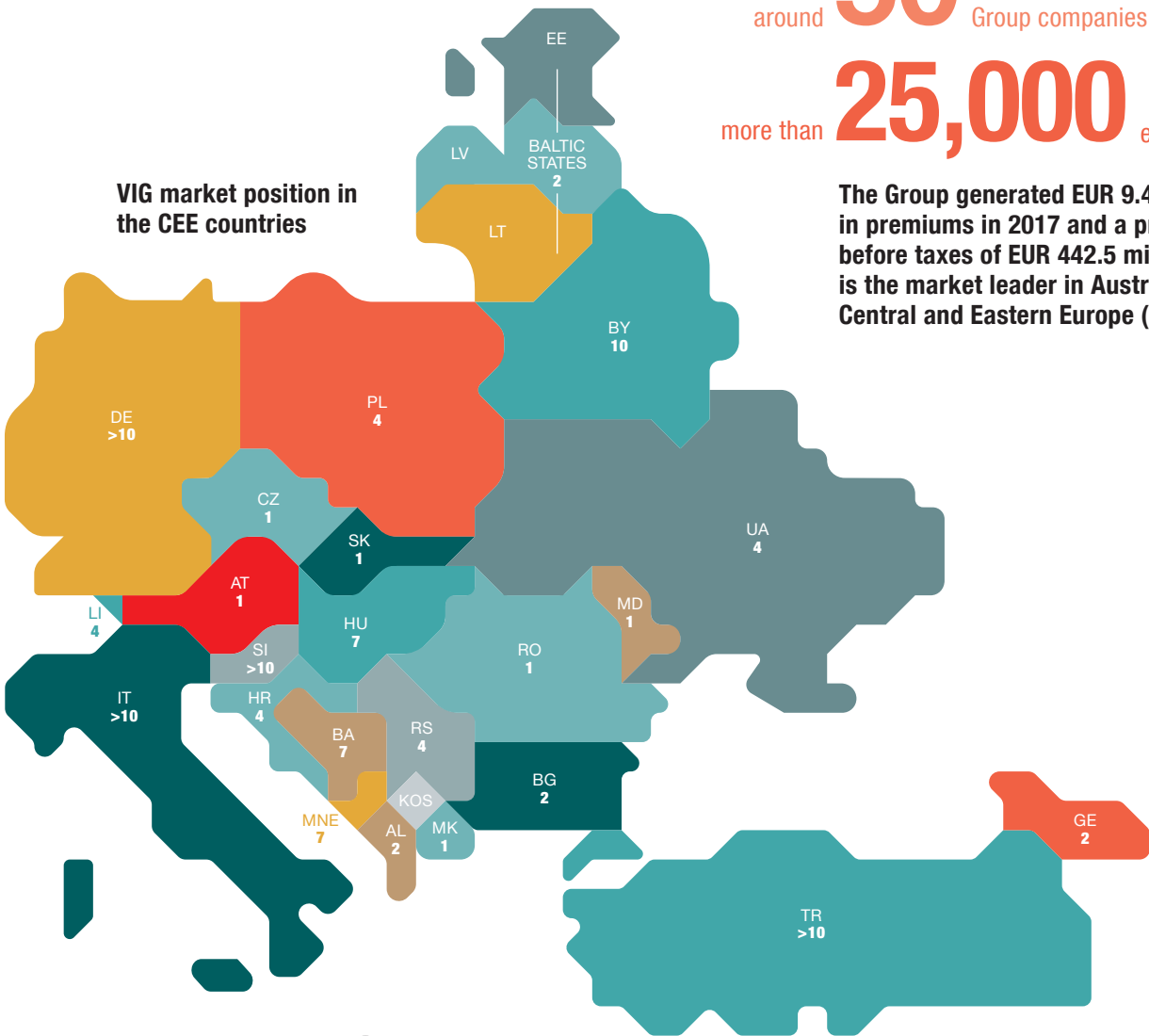
**A+**  
Standard & Poor's has confirmed VIG's excellent credit rating for years. As a result, VIG has the best rating of all companies in the ATX, the leading index of the Vienna Stock Exchange.

**25** countries

around **50** Group companies

more than **25,000** employees

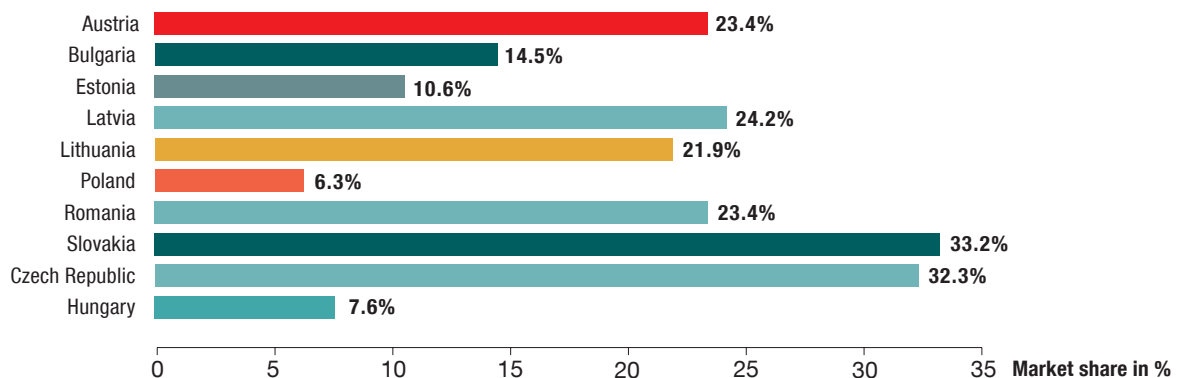
**VIG market position in the CEE countries**



The Group generated EUR 9.4 billion in premiums in 2017 and a profit before taxes of EUR 442.5 million, and is the market leader in Austria and Central and Eastern Europe (CEE).

# NO. 1

in Austria and the CEE region



Status market ranking and market share: 1<sup>st</sup>-3<sup>rd</sup> quarter of 2017, Hungary 1<sup>st</sup>-4<sup>th</sup> quarter 2016

## Consolidated non-financial report

The title of this report is **“We create added value”**. This refers not only to financial, but also to social and environmental added value. Vienna Insurance Group (VIG) is more than just its premium volume. The Group is also concerned about the effect its actions have in and outside the Company – on its customers, employees, shareholders and other groups in society. That is what this Sustainability Report is about.

The graphic appearance of the report is based on a colourful, stylised map representing VIG’s 25 markets. The different colours of the countries represent the vibrant diversity of the day-to-day working life within the Group.

Our goal is to make this Sustainability Report as easy to read and as clear as possible. For this reason, formulations such as him/her, etc. have been avoided. All references in the text are to be understood as referring equally to men and women without discrimination.

**Around 50 Group companies in 25 countries work together for a successful, fair future.**



## Dear Ladies and Gentlemen,

you have the first independent Vienna Insurance Group Sustainability Report in your hands. The report illustrates the great importance that corporate social responsibility has for us – based on the report's motto "We create added value". Because VIG offers added value for its customers, shareholders, employees – and our society as a whole.

Sustainability is not just a buzzword for us, but has been part of our day-to-day working life for decades. For close to 200 years, our Group's insurance services have fulfilled many important functions in society. These are just a few examples: Insurance makes the individual's lives more secure and allows planning for financial risks. Insurance products for new technologies also increase the readiness to implement innovative business ideas. At the same time, good insurance reduces the burden on public finances. People make private provisions for their old age and day-to-day risks. If this is not done, and individuals suffer losses they are unable to bear themselves, then the loss is often covered by the state, i.e. taxpayers. Insurance companies are also important capital providers for an economy, as they make long-term capital available for many productive uses. These examples illustrate how a modern society is difficult to imagine without insurance, and that forward-looking, responsible action forms the core of the business model.

Our principal shareholder, Wiener Städtische Versicherungsverein, holds around 70% of our shares. It shares VIG's business values and has an interest in the sustainable and successful performance of the Group. VIG and Wiener Städtische Versicherungsverein have been involved in the social and cultural area for a long time. Two years ago, VIG began increasing its sustainability activities at the strategic level. The process started with a materiality analysis that allowed us to identify the CSR topics that our stakeholders and management felt should be top priority. These findings were incorporated in our new sustainability strategy in reporting year 2017, and we revised our business values and mission statement at the same time. An overview of this process and the strategic topics for coming years is provided starting on page 8.

Our CSR strategy, and the sections of this report, are divided into five core areas. Starting on page 14, you can read about the measures we took to integrate sustainability into our core business. The next section starting on page 20 shows how our decentralised structure guarantees us the greatest possible proximity to customers, and allows us to offer innovative and target specific insurance products that increasingly also offer more environmental and social added value. "We create added value" also applies to our employees. Starting on page 26, you can learn how VIG uses its

award-winning recruiting to attract new employees, and how it provides intense training and education to give them the knowledge they need to perform their day-to-day work. A newly developed diversity programme not only permits diversity, but also promotes it with the aim of achieving sustainable success. In the Society section, we discuss the social projects that our employees are involved in, and how we reward social involvement in and outside our Company, and make even the youngest age group enthusiastic about social issues (starting on page 32). In the final Environment section starting on page 40, you can read how we conserve resources and create awareness of climate risks.

I hope reading this report provides sustainable enjoyment.

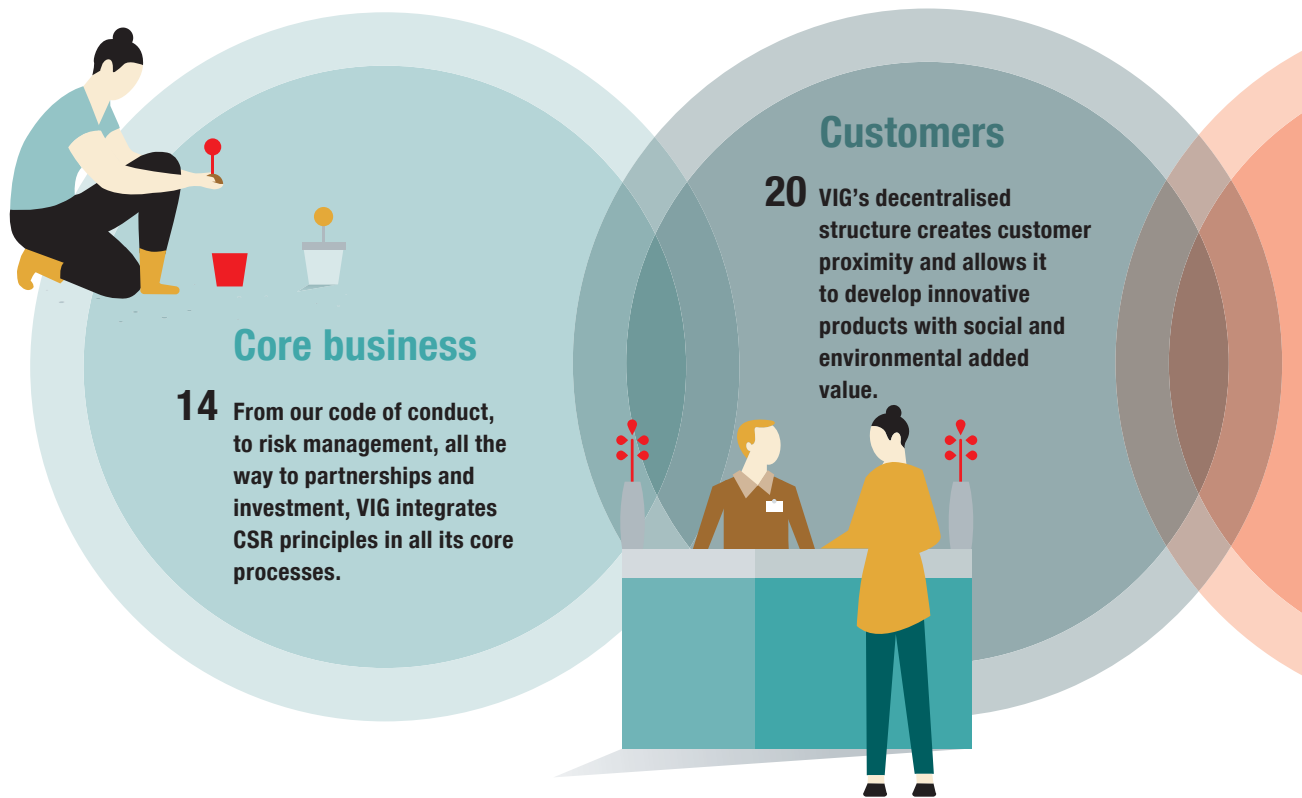


**Elisabeth Stadler**  
General Manager

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# STAKEHOLDERS AND THEIR REQUIREMENTS PLAY A KEY ROLE IN OUR STRATEGY

**VIG is in constant dialogue with its stakeholder groups, such as customers, distributors and society. This is the only way it can learn how to best align their requirements with its own objectives.**

A large company like VIG is the focus of a large number of stakeholder groups. These stakeholders influence VIG, and VIG in turn influences them. It is therefore crucial that VIG remains in constant dialogue with its stakeholders. To make communication as effective and efficient as possible, an appropriate form of dialogue must be used

to address each group, with the frequency of contact depending greatly on the stakeholder group, its interests in the Company and desire for communication.

A summary of the major stakeholder groups and their associated channels of communication:

## **CUSTOMERS**

- personal contact by customer advisors, customer visits to service offices or by video, telephone, email ...
- feedback via social media channels
- customer surveys
- customer/market analysis

## **EMPLOYEES**

- annual, structured employee reviews
- employee events
- surveys
- idea exchanges
- intranet, employee newspapers, newsletters
- personal contact with potential employees at job fairs and cooperations with universities

## **SHAREHOLDERS AND INVESTORS**

- continuous capital market information
- contacts in the Investor Relations team
- regular telephone conferences when publishing results
- annual general meeting
- participation in investor conferences

## **DISTRIBUTORS AND BUSINESS PARTNERS**

- personal contact
- workshops and trainings
- newsletters
- distribution portals
- events

## **SOCIETY, MEDIA, NGOS, AUTHORITIES**

- press conferences and interviews
- personal contact by Group Communication & Marketing
- voluntary work
- regular dialogue with NGOs
- participation in initiatives, support for projects and realisation of the Company's own art and social projects
- dialogue with regulatory and political bodies

## **INDUSTRY MEMBERS**

- membership in insurance associations
- industry networking events
- participation in conferences



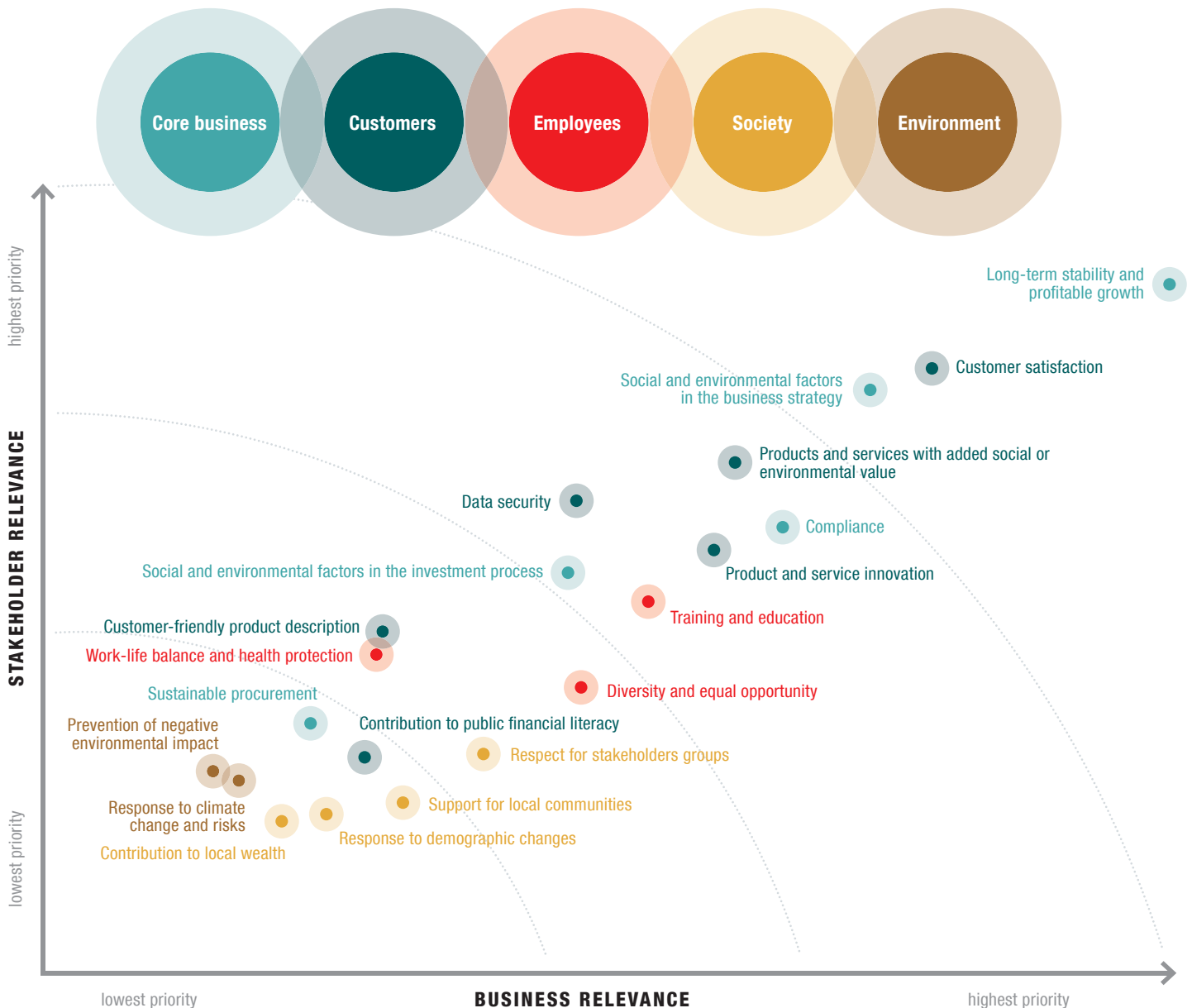
**STARTING POINT FOR THE SUSTAINABILITY STRATEGY:  
THE MATERIALITY ANALYSIS**

To identify the topics that stakeholders consider important in terms of sustainability, VIG began a wide-ranging materiality analysis for the first time in 2016. First, the question of which sustainability topics play a role in VIG's business had to be answered internally. Information was gathered from international standards and sustainability ratings, and from comparisons with other insur-

ance companies. The topics identified in this way were examined for relevance with internal experts and the CSR officers from a number of Group companies and assigned to five topic areas. The different internal (employee, management) and external stakeholder groups (large customers, distributors, investors, analysts, political stakeholders, NGOs, experts, media and suppliers)

were then surveyed online. Around 770 people took advantage of this opportunity to provide their opinion. The result is the materiality matrix shown here. Its two dimensions, "stakeholder relevance" (employee and external stakeholders) and "business relevance" (management) provide a clear indication of which sustainability topics are most important from VIG's point of

view and the point of view of its stakeholders, and should therefore be given priority. The linear distribution of topics in the matrix does not show any major outliers in the top left and bottom right areas, indicating that management's weightings and priorities are closely aligned to those of employees and external stakeholders.



Take responsibility and help shape the future:

# A DETAILED LOOK AT VIG'S SUSTAINABILITY STRATEGY

## Core business

VIG's core business has always required being able to think in terms of and for many generations, assume responsibility and satisfy all of the future commitments we make to customers today. Forward-looking management and profitable growth are basic requirements for the long-term stability of the Group. Economic objectives should also be aligned with social and environmental factors.

### PRIORITIES

- manage forward-looking long-term growth and financial stability
- include social, environmental and governance factors in the general business and risk strategy
- integrate environmental concerns, social concerns and human rights in the investment process
- comply with applicable legal and regulatory requirements and self-imposed internal requirements (e.g. Code of Business Ethics) and prevent corruption and bribery

### MEASURES AND RESPONSIBILITIES

- combine economic objectives with social and environmental factors and integrate them in core business processes (Management)
- internally examine and discuss how non-financial factors can be included in the investment process (Asset Management)
- continuously improve the compliance management system, e.g. using workshops and trainings (Compliance)
- increase knowledge about CSR topics and keep track of current developments in the area of sustainability (CSR Officer)



# Customers

VIG protects its customers against day-to-day risks. The needs of policyholders differ from country to country. Since the management and employees on-site know these needs the best, VIG relies on local entrepreneurship with decentralised structures and short decision-making processes. There is, however, one thing that unites all of the companies – their efforts to achieve the highest level of customer satisfaction. In addition, VIG services should be available to a section of the public as broad as possible, and an increasing number of products that provide social and environmental added value should be offered.

## PRIORITIES

- provide the best possible protection and handle claims promptly to ensure customer satisfaction
- offer products and services with environmental and social added value
- use innovative products and services to satisfy customer needs, e.g. digital innovations
- ensure data security

## MEASURES AND RESPONSIBILITIES

- develop more products with social or environmental added value (all Group companies)
- continue developing innovative products and services (all Group companies)
- continuously improve complaint management (Complaint Management)



# Employees

The success of an insurance company depends greatly on the know-how, dedication and qualifications of its employees, and their service-orientation towards customers. VIG therefore positions itself as an employer of choice in a challenging international environment in order to find and retain employees who go along with its corporate culture and strategy with conviction. VIG values different perspectives, which improves its competitive chances. All the different experiences, backgrounds, needs and expectations that people bring with them are dealt with fairly and justly, allowing each VIG employee to follow their ideal development path. Extensive training and education opportunities and the opportunity to gain international experience also create an attractive working environment.

## PRIORITIES

- create a working environment with modern management and attractive development opportunities that draws the right people to work for VIG
- consciously promote diversity as a success factor

## MEASURES AND RESPONSIBILITIES

- position VIG as a locally attractive employer with an international background (Human Resources)
- increase management and expert skills throughout the Group (Human Resources)
- strengthen and continuously improve the awareness and appreciation of diversity (Human Resources)

# Society

Dealing respectfully with stakeholder groups is as important to VIG as promoting fair and just societies in the 25 countries where Group companies operate. As an insurance company, VIG examines and follows socio-economic trends closely and steadily improves its awareness of social problems. It uses its own programs to address social issues, and supports organisations that help disadvantaged people. Since 2011, the Group's "Social Active Day" has allowed employees to use one working day a year to take part in a social initiative.



# Environment

Climate risks – in particular natural disasters – determine to a great extent whether and to what scale insurance coverage is available and affordable. VIG has therefore extensively improved its expert knowledge in the area of natural disaster modelling. This knowledge is used in product design and price setting and therefore helps customers improve their awareness of risk. VIG will continue to focus more closely on climate risks in the future and develop and promote awareness-raising initiatives. Environmental protection and resource conservation are also playing an increasingly important role in the day-to-day working life of the Company, and in its office buildings.

## PRIORITIES

- address climate change and climate risks
- use energy and materials efficiently, minimise greenhouse gas emissions and air pollution, especially from office buildings and personal transport

## MEASURES AND RESPONSIBILITIES

- raise awareness of climate risks (all Group companies)
- collect and analyse key environmental figures (CSR Officer)
- use energy-efficient construction for new office building projects (Management)
- increase the use of alternatives to air and car business travel, i.e. public transport and video conferences (Travel Coordination and travellers)

## PRIORITIES

- treat stakeholders respectfully and communicate openly and transparently
- support local communities and social initiatives (e.g. “Social Active Day”)

## MEASURES AND RESPONSIBILITIES

- continue to expand the “Social Active Day” (Group Sponsoring and all Social Active Day coordinators)
- take stakeholder interests into account and initiate regular stakeholder surveys (CSR Officer and all employees with stakeholder contact)

## THE CSR AREA HAS THE FOLLOWING ORGANISATIONAL STRUCTURE:

VIG feels that CSR applies to all areas, so the Group Managing Board is responsible for it. The CSR Officer in the General Secretariat reports directly to the Managing Board, coordinates CSR within the Group and approves topics with the responsible individuals in Group headquarters and CSR officers in the major Group companies outside Austria. Workshops and a continuous exchange of information help to steadily improve CSR in the Group.

# “WE THINK IN TERMS OF GENERATIONS”

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## **General Manager Elisabeth Stadler about sustainability as it relates to the business of an insurance company and integrating sustainability into its strategy**

### **Can a large insurance company like VIG avoid the topic of sustainability today?**

Absolutely not. However, if you look more closely at this issue, you see that sustainability has always been a central element of the insurance business.

### **In what way?**

As an insurance company, we promise to provide customers benefits in the future. In the area of life insurance, decades often pass between the time we make our commitment and the time benefits are paid. A long-term perspective like this requires that we act in a sustainable manner. In other words, thinking in terms of generations is our core business.

### **What does sustainability mean for VIG from a strategic perspective?**

As I said, long-term thinking and responsible action form the foundation of our business. We also have a long tradition of cultural and social involvement together with our principal shareholder Wiener Städtische Versicherungsverein, and this will continue to be the case in the future. In the future, however, we want to include sustainability even more in our strategic considerations. We have formulated a strategy for this that is directly tied to our business strategy and uses the motto “Take responsibility and help shape the future”.

### **What is the strategy based on?**

We performed a materiality analysis in 2016. Instead of spreading our efforts

widely, we want to focus precisely on the areas that are most important to our stakeholders. We first conducted a large online stakeholder survey to identify relevant topics. The result of the survey is a so-called materiality matrix that shows precisely which sustainability topics are the most important and where we can achieve the greatest benefits.

### **And which areas are those?**

We identified five strategic areas of activity. They concern the core business, product and customer responsibility, dealing with employees, social involvement and development, and environmental concerns.

### **What exactly does this mean?**

These areas of activity form a general framework that was also used for the structure of this report. We have carefully considered priorities and measures for each of these areas, and naturally who is responsible for each area. In the product and

**“Long-term thinking and responsible action form the foundation of our business.”**

Elisabeth Stadler



© Sebastian Reich

Sustainability is a strategic priority for Elisabeth Stadler, General Manager of VIG.

customer responsibility area, for example, we have a goal of also offering products and services with environmental or social added value. We offer, for example, lower premiums for electric cars and special insurance packages to help people with lower incomes.

**VIG is a corporate group with strong regional companies. The “sustainability” label will undoubtedly be understood differently in Austria than other countries. Won’t this cause frequent misunderstandings?**

I am sure that if you ask five people, regardless of where they come from, you will receive five different definitions of sustainability. This is precisely the reason we carefully considered and formulated a strategy. It makes it clear to everyone what we mean by sustainability and how we want to help shape future society.

**How will you ensure that everyone pulls together, in spite of the differences in culture and language?**

Quite simply: We will talk with one another. Even though we rely on local entrepreneurship and the Group companies have a great deal of decision-making discretion, there are many opportunities to exchange information and learn from one another. This takes place at all levels, both in management and the functional areas – and therefore naturally also takes place with respect to sustainability-related topics.

**And if you could make a closing statement about your outlook for the future ...**

... I would see us as continuing to promote important topics that concern society – such as nursing care, private old-age provisions and digitalisation, to mention just a few.





# Core business

10

years of close partnership between VIG and the Erste Group. Both companies are market leaders in the CEE region.

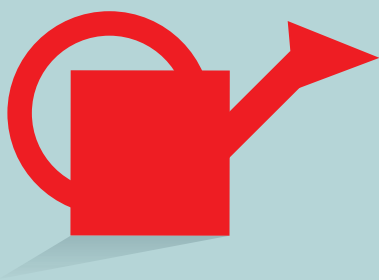
More than  
100,000

affordable rental units managed by non-profit housing societies in which VIG holds an interest.



3.6

billion euros is the value of VIG's interests in non-profit housing societies.



# SUSTAINABLE AT THE CORE

VIG's sustainability strategy has a major effect on its core business processes. An overview in five sections.

## 1

### DUE DILIGENCE

## Management based on an awareness of responsibility

**A clear code of conduct for all, a sustainability-oriented remuneration system and in-depth risk management are some of the tools that VIG uses to ensure responsible action.**

### **The Code of Business Ethics, a minimum standard**

VIG has prepared a Group-wide minimum standard, the Code of Business Ethics, to ensure that it fulfils its social responsibility. The code addresses compliance with the law, human rights, non-discrimination, prevention of market abuse, corruption and bribery, money laundering and terrorist financing, data and environment protection. The code of conduct applies to all VIG employees, regardless of their position in the Company. Each Group company is responsible for proper implementation and internal communication of the code.

The Code of Business Ethics is available at [www.vig.com/en/corporate-responsibility](http://www.vig.com/en/corporate-responsibility)

### **Good corporate governance**

VIG defines corporate governance as all measures for ensuring responsible management and effective supervision that is aimed at increasing the long-term value of the Company. The provisions of the Austrian Corporate Governance Code are important to VIG, and the Company is in full compliance with its rules.

VIG's long-term perspective is also reflected in its remuneration rules for members of the Managing Board of VIG Holding. The amount of variable remuneration the

Managing Board can receive is limited and depends, for example, on the long-term performance of the business. Target achievement is always evaluated over multiple periods, and the evaluation also includes non-financial factors.

Full reliable information is needed to make sound strategic decisions. VIG therefore has experts who provide the Managing Board and local company management with in-depth analyses to help them in their decision-making. Clearly defined channels of communication ensure that needed information can be exchanged between individual Group companies and VIG Holding.

The Managing Board of VIG Holding also informs the Supervisory Board about important sustainability topics. The main topic in 2016 was the results of the stakeholder survey. The focus was on the new sustainability strategy in this reporting year. Sustainability is also addressed at the CEO Conference attended each year by all Group company CEOs.

The Corporate Governance report is available in the Group Annual Report starting on page 38 and at [www.vig.com/en/investor-relations/corporate-governance](http://www.vig.com/en/investor-relations/corporate-governance)

### **Risk management, always watching**

VIG's business is exposed to many risks. These include investment and underwriting risks (including the risk of natural disasters), as well as risks related to issues such as ethical corporate governance, data protection and competition law. To achieve sustainable business development, these

risks must be dealt with at all levels of the Group. VIG uses an integrated risk management system for this purpose, implemented by risk management departments at the VIG Holding and local company levels.

Risk inventory and risk control are examples of the risk management processes in the VIG Enterprise Risk Management department. The first of these processes quantitatively and qualitatively identifies all types of risks across the Group. The second process specifies how the risks should be controlled. Both of these processes are continuously improved.

Further information on VIG risk management is provided in the 2017 Group Annual Report starting on page 144

### **KEYWORD "RISK":**

Assuming social responsibility exposes VIG to certain risks during its business activities, such as risks due to non-compliance with the Code of Business Ethics, risks due to bribery and corruption, negative effects on the environment due to excessive resource consumption, discrimination or loss of data. The sustainability strategy addresses these risks.

# 2

## COMPLIANCE

### “Culture of integrity”

#### Group Compliance Officer Jasmin Schwarz discusses the organisation of the VIG Compliance area and how corruption and bribery are dealt with in the Group

Our Compliance organisation has two priorities. It ensures compliance with statutory and regulatory requirements, and obligations that VIG has voluntarily assumed. It is also responsible for promoting a culture of integrity. Like VIG itself, the Compliance organisation has a decentralised structure and is described in guidelines approved by the Managing Board that specify roles, responsibilities and minimum standards.

We are responsible for monitoring the legal situation and recommending implementation of any necessary measures, providing advice to employees, implementing various measures to prevent violations of the rules, identifying and assessing compliance risks, and monitoring existing processes and potential compliance incidents.

As the Group Compliance Officer, I coordinate the activities of the local compliance officers at the Group level. Annual meetings attended by all of my colleagues in this area are a key element of this organisation where we can discuss how to prevent such things as corruption and bribery, anti-competitive behaviour, market abuse and money laundering.

The risk of corruption and bribery is also an important part of the annual Group-wide compliance risk analysis, which identifies and assesses all the compliance risks in Group company business processes, describes existing controls and evaluates



© Klaus Rainger

Jasmin Schwarz is Head of Compliance at VIG.

their effectiveness. No significant risks were identified in the reporting year.

The Group Code of Business Ethics is the main document for our culture of integrity. It stipulates that we explicitly reject any form of corruption and bribery. Our employees are not permitted to give gifts or invitations whose value exceeds statutory or locally defined standards and/or which are given with the aim of obtaining prohibited benefits. The same applies to the receipt of gifts and invitations.

Raising awareness is important to us. Our employees are given training that makes them aware of their duty to prevent corruption, and familiarises them with the different types of corrupt behaviour. The compliance officers act as central points of contact to answer specific questions and help identify problems in cases of doubt.

The Code of Business Ethics requires employees to confidentially contact their superiors or compliance officer of the Group company when problems arise or in case of uncertainty. The same applies if behaviour contrary to the Code is observed. Of course, employees making such reports can suffer no disadvantage as a result. We pay special attention to ensure this does not happen. All reports are examined carefully and as long as required to finally clarify the issue. Routine controls are also performed periodically. Strict action is taken if inappropriate behaviour is identified during one of these controls. Reports are sent directly to the Managing Board to ensure that inappropriate behaviour is quickly addressed. We are not aware of any cases of corruption in the reporting year.

# 3

## UNDERWRITING

### Custom coverage

#### The corporate and large customer business requires in-depth risk assessments by specialists and extensive training for the employees involved.

VIG Holding is responsible for the corporate and large customer business, which extends far beyond the borders of Austria. In this business, VIG uses its extensive network and cross-border personalised support services to provide custom-tailored insurance solutions for international companies.

The underwriting process in the corporate and large customer business begins with a careful in-depth risk assessment that analyses each transaction individually. »

The goal is to properly assess the risks being insured, but also to offer risk management services to policyholders that allow them to operate successfully and sustainably.

Above a certain policy size, potential transactions are subjected to a more extensive risk assessment. Risk managers use objective and subjective criteria to analyse the risk situation. The long-term planning in the potential customer's business model plays an important role when the experts evaluate these criteria. If sustainability risks are identified, the customer is given appropriate recommendations to help avoid these risks. This promotes sustainability and ensures that the risks can be insured.

Transactions that appear questionable from a sustainability point of view, such as nuclear energy, are only covered to the normal market extent as required by law. VIG also does not offer insurance coverage to individuals or companies that are on sanction lists applicable to VIG. These lists are checked before a policy is concluded and periodic follow-up checks are performed.

The responsibilities of an underwriter require extensive training. In 2008, a Group-wide training and education programme was therefore established for large customer underwriters and claims specialists. In addition to specialised training, the "VIU Underwriting and Claims Handling Academy" also focuses on networking and the exchange of best practices. The same applies to the conference held each year for chief underwriters and the heads of claims departments of Group companies. CSR topics are also addressed in the periodic newsletter.



## Ties that stand the test of time

**VIG has enjoyed a close partnership with the Erste Group for many years. Strict requirements exist for outsourcing business activities to service providers.**

VIG is fair, respectful, appreciative and transparent when dealing with business partners and prefers long-term, reliable relationships. In exchange, VIG expects its partners to also follow high quality standards and act responsibly.

### **Erste Group, a preferred partner**

VIG acquired all of Erste Group's insurance operations around ten years ago. A long-term agreement was concluded at the same time that made VIG and Erste Group mutually preferred partners – after all, the two companies are leading financial service providers in Central and Eastern Europe. In practice, the agreement is mainly implemented by an exchange of services between Erste Group banks and VIG insurance companies at the local level. The insurance products of VIG companies are distributed through the bank branches and in some cases also through the Erste Bank "George" online portal. In return, VIG companies offer Erste Group banking products to their customers. The cooperation is therefore a win-win situation for both companies.

In addition to sharing a leading role as financial service providers in the CEE region, Erste Group and VIG also have a shared understanding of social responsibility. Erste Bank integrates sustainability criteria

and principles in its business strategy and banking products, and has reported on its activities in accordance with Global Reporting Initiative guidelines for many years.

### **Outsourcing, clearly regulated**

VIG companies can outsource a variety of functions and business activities, even those classified as critical and important under regulatory law. This allows business processes to be optimised operationally, technically and in terms of cost. Outsourcing involves potential risks, such as possible dependency on the service provider used, and more extensive quality control. VIG takes great care when choosing service providers and strictly observes statutory requirements.

A Group-wide guideline sets minimum standards for outsourcing in order to minimise such risks. It defines, for example, processes for monitoring and quality control that are aimed at ensuring that the service provider actually provides the contracted services. Additional stricter rules, such as the appointment of an outsourcing officer, apply when functions and business activities considered critical or important under regulatory law are outsourced.

# 5

## INVESTMENTS

### Affordable housing

**In addition to helping fulfil its obligations to its customers, VIG's investments also provide affordable housing across Austria.**

An insurance company's investment strategy must ensure that long-term obligations to customers can be fully satisfied at all times. This has top priority for VIG. It therefore focuses on good credit ratings and stable investment returns. VIG primarily invests in sound European government bonds, corporate bonds and real estate. By investing in local government bonds, VIG provides long-term capital to satisfy the funding needs of CEE countries.

Each Group company is, as a rule, responsible for its own investments. The

Asset Management department of VIG Holding, however, monitors Group-wide changes, sets limits and guidelines. One of the ways risk is managed is by using a strategic asset allocation with upper and lower limits for each asset class and each Group company.

VIG also wants its investments to make an active contribution to improving society. Its ongoing investments in affordable housing in Austria is an important example of this. VIG has indirect real estate investments with a book value of around EUR 3.6 billion due to its interests in non-profit societies, which provide more than 100,000 units of affordable rental housing. These units are needed because of the increased pressure on the Austrian real estate market due to urbanisation and migration.

Rents have increased by a third in many Austrian cities in recent years, far exceeding the increase in income. This makes it increasingly difficult for people with lower incomes to find affordable housing. VIG's investments in this area make an important contribution to housing market stability and social solidarity.

Environmentally friendly construction methods are also important. The use of energy-efficient design for new construction and continuous renovation of existing non-profit housing reduces energy consumption. And the construction of multi-storey non-profit housing projects reduces the amount of land used. Three examples of non-profit housing societies in which the Group holds investments are provided below.



© Hertha Hirnauer

#### SELF-MANAGED

The property developer Schwarzatal realised a self-managed housing project in cooperation with an association at the site of the former Nordbahnhof railroad station in the Leopoldstadt district of Vienna. Future tenants had the opportunity to take part in planning their own units and the common areas. The project received many awards, including the "Austrian Government Award for Architecture and Sustainability".



© Alpenländische Heimstätte

#### AWARD-WINNING

This barrier-free passive house in Gallenkirch has an unusual design for its village structure, particularly its space-saving multi-storey construction. Realised by the property developer Alpenländische Heimstätte, the building received numerous awards, including the Austrian government "klimaaktiv Gold" environmental award and its selection as "klimaaktiv Property of the Month".



© GIWOG

#### EXCELLENT RENOVATION

Uninsulated walls, countless thermal bridges, electric boilers – the energy design of the 137-unit GIWOG project in the southern part of Graz corresponded to the standards in the 1980s. Renovating the building by installing solar facades reduced energy use by 90% for heating, and more than 50% for hot water. The project received the "Styrian 2015 Wood Construction Award".

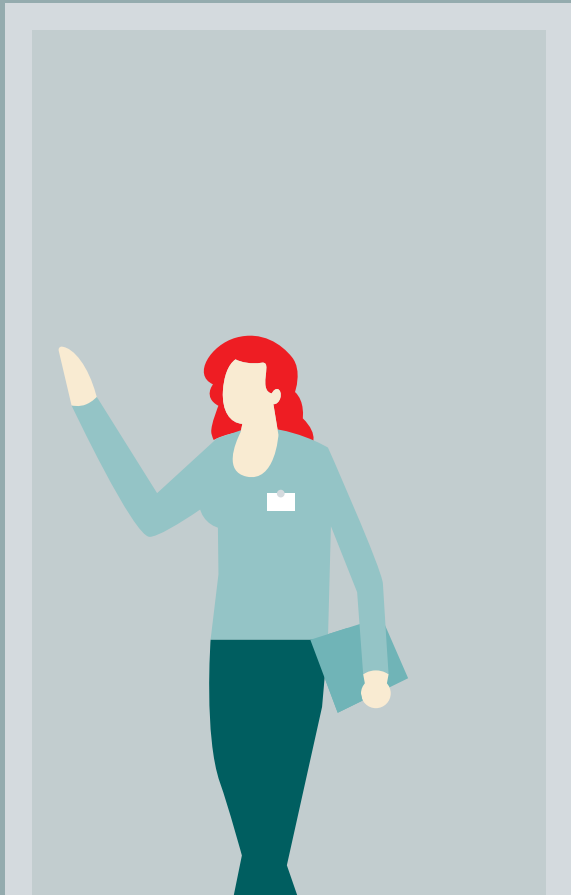


VIG offers a number of motor insurance products to reward environmentally-aware customers. Donau Versicherung offers a

**10%**

premium reduction for alternative drive vehicles. The discount is even greater when an electric car is insured. In this case, the reduction is

**30%**



Wiener Städtische's free  
"Wetter Plus" weather app has  
been downloaded more than

**100,000**



times from the Android and Apple stores.  
The storm warnings help people  
protect their belongings.



**350**

euros deductible (maximum) – a unique  
insurance product available throughout  
Austria allows carsharing customers to  
save up to this amount on their  
deductible in the event of damage.

**Customers**

# CLOSE TO OUR CUSTOMERS

**VIG relies on local employees when designing products. They know the best, what their respective customers need. As a result, the Group has a product range that is broad, while at the same time accurately targeted.**

Not all customers are the same, and this particularly applies to a widely positioned international Group like VIG. Due to the different cultures and market conditions that exist in the countries of Central and Eastern Europe, the needs of the people in these countries also vary greatly. VIG therefore gives the management of local Group companies great freedom when designing products. These managers are located on-site and have first-hand knowledge of their customers' needs. VIG's decentralised structure and rapid decision-making allows it to quickly react to market changes and develop targeted product and service innovations.

The Group is also represented by more than one brand in most of its markets, which allows it to target specific groups even more precisely – naturally without losing sight of its Group-wide values and principles. In addition, regular international meetings of managers and employees make it easier to exchange best practice examples in the product area and promote a shared corporate culture.

One current international initiative is based on the digital transformation trend. In addition to process automation, this trend also affects products and services, and “customer journeys”, which is why local projects have been discussed and initiated with Group companies under this initiative since 2016. Existing online products are also evaluated to determine whether they can be transferred to other countries. The “Group Development and Strategy” unit of VIG Holding functions as a digital hub in this regard to manage the digitalisation activities of the individual Group companies.

More information on the VIG digitalisation strategy is available in the Group Annual Report starting on page 30.



**“Creative and independent – but always in the customer’s interest”**

**Petra Ringler, Group CSR Officer, on the social added value provided by insurance services and outstanding insurance products for a wide variety of target groups.**

**VIG wants to offer its customers insurance products “with added value”. What exactly does this mean to you?**

Insurance companies by definition fulfil a number of important economic functions that have become integral parts of our world. Where would we be as a society if there was no protection for emergencies? Insurance services help members of society protect their assets and livelihood, which is clearly social added value. VIG, however, wants to go even further.

**What do you mean specifically?**

We also want our products and services to offer environmental and social added value, for example, by providing incentives to conserve resources or adopt a healthy lifestyle. One tangible example are life insurance products that our customers can use to invest in a variety of sustainability funds. We offer a broad range of products across the Group that have a positive effect on the environment (see examples on the next double-page spread). Once again, the individual Group companies



are responsible for the product design to insure that the products meet individual needs.

**In what way?**

Take health insurance as an example. Our Austrian Group company Wiener Städtische, for instance, has a supplementary product, “BESSER-LEBEN” (Better Life), that provides a wide range of offers in the wellness, fitness, future provision and lifestyle areas, both at home and abroad. The “SecurMed” health insurance offered by Donau Versicherung provides for regular health checks by top medical practitioners. Our Czech company PČS gives health advice by telephone. In Germany, InterRisk offers a number of insurance products that include the shipping of medications. We allow the greatest possible freedom when products are developed, but also exchange best practice examples to strengthen internally as a Group.

**But you also want to use your products to target specific groups. Which ones, for example?**

Our student products are a good example. We also offer different products in different markets for this target group. In Austria, for instance, a full package of household, third party liability, legal expense and accident policies is available specifically for this target group. The Croatian Wiener Osiguranje focuses on the accident insurance. InterRisk in Poland provides discounts for students and the product includes online doctor consultations, followed by the prescription for the needed medicine. In the Baltic states, on the other hand, InterRisk mainly focuses on travel insurance for students, as many live in other countries during their studies.

**Which other groups do you want to target with your added-value products?**

Some of our Group companies offer price discounts or include special products in their range for people with special needs.

**Could you also name a few examples of these?**

Kooperativa in the Czech Republic, for example, concluded an agreement with the Czech National Disability Council and has committed to providing better products for this target group. It also offers special products, such as policies for insulin pumps or wheelchairs. Our second Czech company, ČPP, also has something special in its range of products. In addition to lower-priced policies for target groups like seniors, it also cooperates with the used car dealer AAA Auto, which sells used cars specially equipped for people with disabilities.

**How do customers benefit from this cooperation?**

Cars like these are often extremely expensive when new. Customers save twice as a result of this cooperation, since the motor insurance rates they receive from ČPP are also up to 30% lower. Examples like these show how creative and independent our international subsidiaries are – but always in the customer’s interest.

More than  
**300**

offers are available in the wellness, fitness, future provision and lifestyle areas for Wiener Städtische customers purchasing the “BESSER-LEBEN” (Better Life) supplementary health insurance product.



© Klaus Ringler

Petra Ringler has been responsible for Group-wide CSR since 2015.

“We also want our products and services to offer **environmental and social added value.**” Petra Ringler



# A WIN FOR CUSTOMERS – AND THE **ENVIRONMENT**

VIG offers a number of products and services with environmental added value for both business and private customers.

## RENEWABLE ENERGIES

VIG is a leading insurer of renewable energy systems for corporate and large customers in Austria and Central and Eastern Europe. It insures wind, hydroelectric and photovoltaic systems, and was even a pioneer in insuring biomass power plants. By providing financial protection for technological advances, VIG is making an important contribution to the further development of climate-friendly energy production.



## MOTOR VEHICLE REPAIRS

The motor insurance offered by Czech Group company ČPP promotes the concept of reuse and protects the environment in this way by conserving resources. It makes use of used replacement parts to repair damage to insured cars. Wiener Osiguranje in Croatia uses a similar model that also offers customers on-site repairs in certain cases.



## WEATHER SERVICE

The Austrian Group company Wiener Städtische is offering a free “Wetter Plus” weather app for Android and Apple iOS in collaboration with ZAMG, Austria’s central institute for meteorology and geodynamics. The app provides a great deal of helpful information on current and future weather events for mobile smartphone users in Austria and abroad. And an integrated storm warning system allows people to protect their belongings. Customers of Wiener Städtische and Donau Versicherung, which offers a similar service, can also receive storm warnings by SMS.



## EMERGENCY SHUTDOWN OF INDUSTRIAL PLANTS

Large industrial plants can be shut down in emergencies to prevent damage or abnormal situations from becoming a danger to humans and the environment. In the case of entire production lines or similarly large systems, the shutdown could last for days – and the cost could be immense. VIG offers coverage for these pecuniary losses.



## ENVIRONMENTAL RESTORATION COSTS

The European Environmental Liability Directive introduced strict provisions for preventing damage to flora, fauna, water-bodies and soil in 2004. The directive also governs the restoration of such damages. The restoration costs could threaten the continued existence of the party causing the damage. VIG offers a product that covers this risk in the corporate and large customer business. In addition to protecting against financial losses, the product also involves all relevant stakeholders, such as environmental protection organisations, if needed.



## CLIMATE BONUS

Environmentally-conscious drivers who purchase motor third party liability insurance from Donau Versicherung can save money with the company’s CO<sub>2</sub> bonus. Customer cars whose CO<sub>2</sub> emissions are 130 grams per kilometre or less receive a ten percent premium reduction. Alternative drive vehicles also receive a bonus, in this case a nature bonus that also reduces motor premiums by 10%. Electric cars can even receive a 30 percent bonus. Wiener Städtische offers a similar CO<sub>2</sub> bonus or price reduction for alternative drive vehicles.



© shutterstockXturgil



## CARSHARING

At the end of 2017, Wiener Städtische became the first insurance company in Austria to offer deductible coverage for users of carsharing services. This resource-saving trend is growing particularly rapidly in major cities, allowing many people to avoid owning a car. Wiener Städtische's "Selbstbehaltsretter" product makes the change to carsharing even easier by paying up to EUR 350 of the customer's deductible in the event of damage. Another advantage of the product is that it can be purchased online in a matter of minutes – thereby fitting perfectly into the life of this mobile target group.

## Data protection and IT security

Whether it is customer data or employee data, confidential data is in good hands with VIG. Data protection is important in many areas of our day-to-day work. It applies to the processing of insurance applications and claims handling, all the way to the use of social media channels. Data protection is governed by strict European and national laws. A Data Protection Officer in VIG Holding is responsible for implementing data protection in Austria and coordinating data protection throughout the Group. Each of the Group companies outside Austria also has a data protection officer. These officers are responsible for the data protection management system, analysing the data protection requirements of new projects and providing practical employee training. They also exchange information during workshops and share best practice solutions. Applicable information is also available to employees on the VIG intranet.

**“In 2017, we addressed the security aspects of modern digital solutions in the international working group on IT security.”**

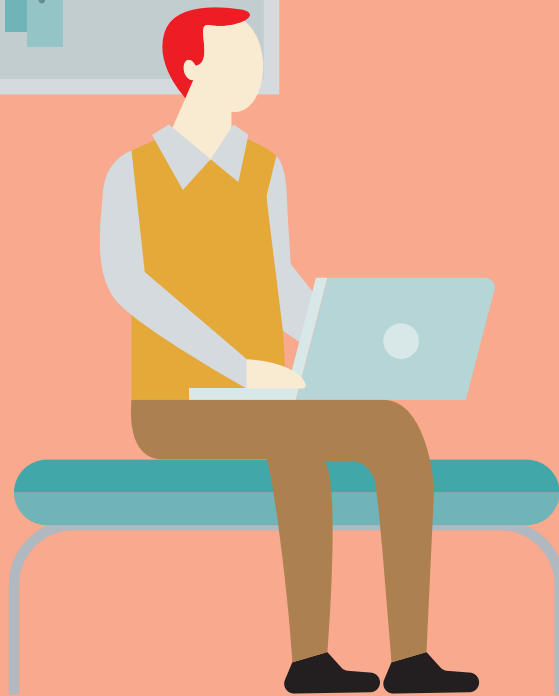
*Axel Hielle, IT Security Officer*

Protecting personal data is also a technical challenge. VIG security guidelines, which define clear requirements for the Group companies, are based on the ISO 27001 standard. IT security incidents must be reported to VIG Holding

in a monthly report, while critical incidents must be reported immediately. In addition to the steering committee for IT security, VIG also has an international working group that deals with current IT security topics. The IT security guidelines also apply analogously to external service partners, which must have received certain internationally recognised certifications in order to work together with VIG. VIG has no information on any breaches of personal information in the Company during the reporting period.

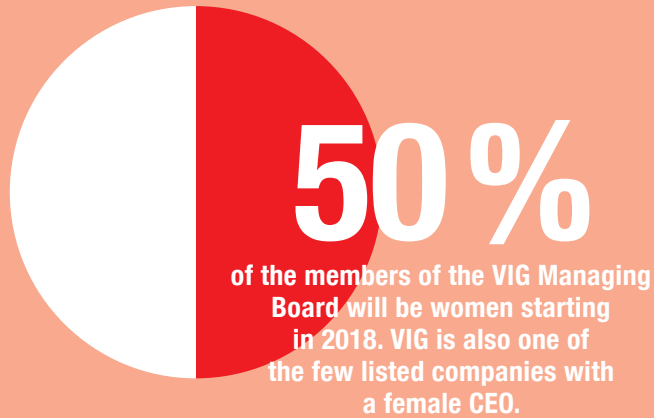
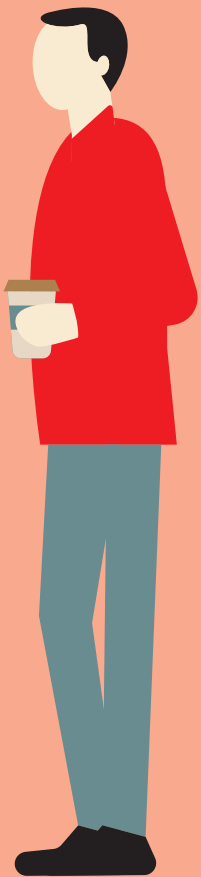
## Complaint management

Customer satisfaction is a top priority for VIG. If customers are nevertheless dissatisfied with a product or service, they can easily contact the complaints department in the company concerned, where the employees will examine and handle their concerns quickly. They have the theoretical knowledge and practical experience needed to handle complaints professionally. Regular training courses help them expand their knowledge and keep it up to date. The complaints are also periodically analysed in order to identify and remedy repeated or systematic problems.



# 600

highly motivated sales employees  
were hired by the Georgian VIG  
company GPIH in the past two years.



Employees at all Group companies spent an average of

**4.2**

days in training in 2017.

VIG companies support their employees with health-promoting measures and stress management.

**78.6%**

of the companies offer ergonomic workplaces.



# Employees

## VIG human resources strategy



- ✓ Position VIG as a locally attractive international employer
- ✓ Strengthen core employee skills: customer orientation and service quality
- ✓ Provide training and education to promote management and expert skills
- ✓ Value diversity and use local initiatives to improve it

### WORK IN THE BEST ENVIRONMENT

VIG also respects and supports international human rights in its human resources work. There is, of course, no forced labour or child labour in any VIG companies. Discrimination is not tolerated. The Group recognises employee rights such as freedom of assembly, collective agreement negotiations and the choice of worker representatives. Collective agreement results are recognised and associated statutory provisions are observed in each country. Employees and their representatives are regularly informed about important business decisions.

## VIG employees in numbers in 2017

employees

**25,059**

field employees

**13,609**

office employees

**11,450**

**22.1%**

outside CEE\*

\*incl Austria, Other Markets, excl Central Functions

**77.9%**

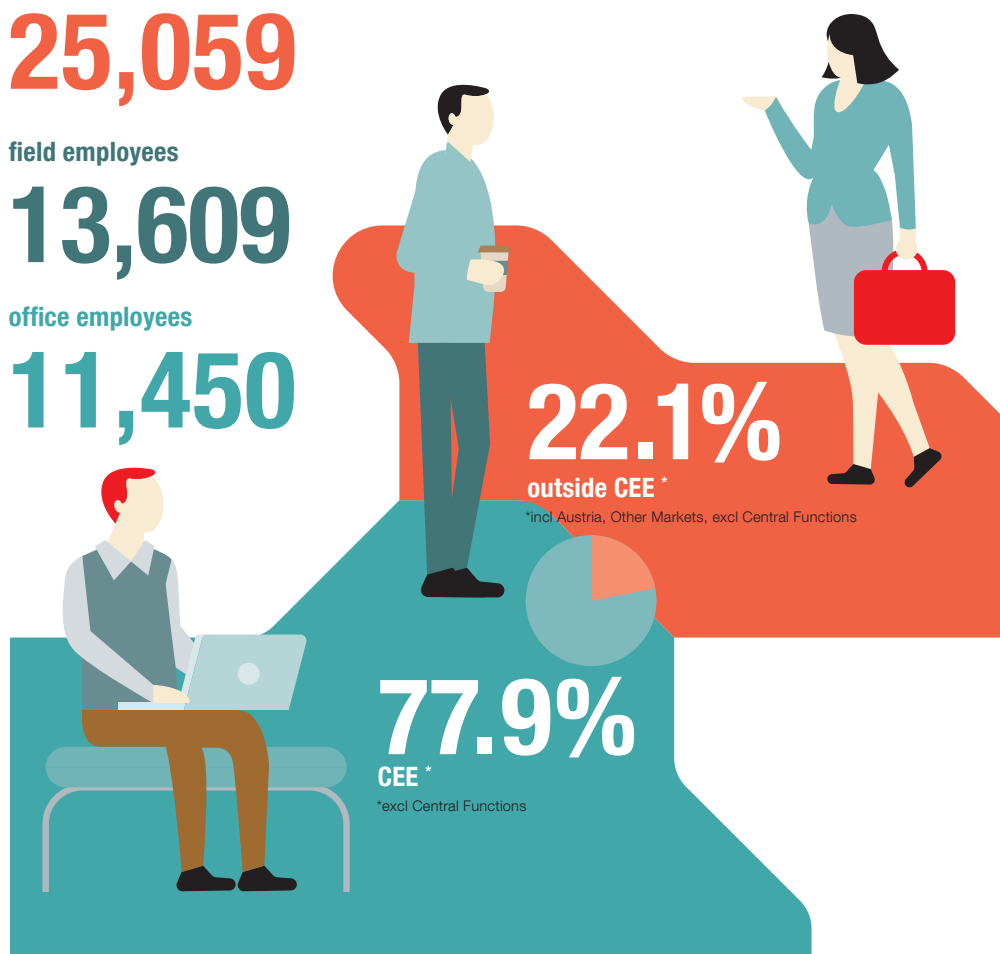
CEE\*

\*excl Central Functions

### VIG AWARDED TOP RECRUITER

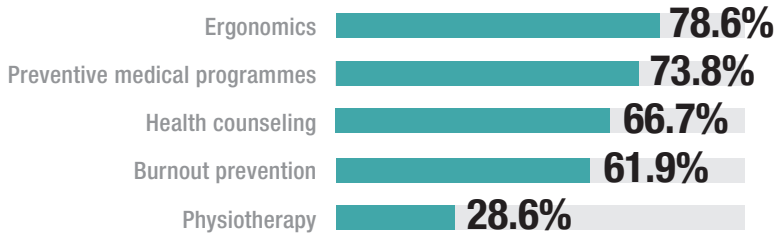
After receiving Silver for three years, VIG Holding finally won the Gold award at the end of 2017 in the annual "Best Recruiters" study. As a result, the leading insurance company in Central and Eastern Europe is now also the company with the highest quality recruiting in the industry. "We are extremely proud that we were able to move up into 1<sup>st</sup> place,"

stated Birgit Moosman, Head of VIG Human Resources. "It required a great deal of hard work, and I would once again like to thank my team for their efforts." VIG's recruiting receives top marks not only in the industry, but also in Austria, where VIG Holding placed 24<sup>th</sup> in a ranking of 412 companies.



## Healthy employees are important to us

Occupational health and safety risks are comparatively minor in an office environment. Traffic accidents between home and work and during field sales activities present the biggest risk of an accident. The focus is therefore on topics such as stress management and a healthy working environment. The chart below shows how widely distributed programmes and activities of this kind are in the local VIG companies:



The average number of sick days per employee in 2017 was **8.8** days.\*

\*The number of sick days has limited applicability to the occupational health status of employees in an international service company with a varied range of employees. For example, a high average number of sick days in a company could be due to a small number of employees with long-term illnesses. Recording employee illness, however, is also connected with local social laws, e.g. to determine whether employees should receive immediate pay compensation.

## FAIR, PERFORMANCE-BASED REMUNERATION

Employee remuneration is based on business objectives, the risk management strategy and the long-term interests of VIG. The remuneration is designed to attract and retain talented, experienced and capable employees in a competitive environment. If the remuneration includes variable components and no minimum wage is required under national law or collective agreements, the fixed remuneration must be sufficiently high to prevent employees from depending too greatly on their variable remuneration. In addition to remuneration, the Group companies also offer many fringe benefits that differ from company to company, such as childcare, medical facilities and flexible working hours.

The average number of days of training per employee in 2017 across all VIG insurance companies was

**4.2** days.

“The management training programmes provide the optimal combination of sound training and Group-wide learning and consistently focus on operational implementation.”

Gerhard Hopfgartner, State Director for Vienna (Wiener Städtische) and graduate of the Group-wide Leadership Programme

## Good to know: Training and education

The success of a financial service provider depends greatly on the dedication and skills of its employees. They need to receive the best possible training to deal with demographic, social, regulatory and technological challenges.

As a rule, the local VIG companies design and organise training and education for their employees. Best practices are also intensively exchanged within the Group during regular meetings of HR managers.

In addition, high-quality training and education programmes are also developed at the Group level:

- The **Corporate University** offers custom-tailored leadership and expert programmes that are developed and conducted in cooperation with renowned international business schools.
- The **VIG Technical Academies** provide in-depth functional training for employees in special areas, such as underwriting.
- The **Mobility programme** gives young talented employees the opportunity to learn from other departments and/or VIG companies.

© Elke Mayr



# “DIVERSITY IS CRUCIAL FOR OUR SUCCESS”

**Diversity Officer Angela Fleischlig-Tangl talks about diversity in VIG, three key points in the new diversity strategy and an unexpected finding that was made when developing this strategy.**



Angela Fleischlig-Tangl has been the VIG Diversity Officer since May 2017. In this newly created position, she advises both VIG Holding and local VIG companies on matters related to diversity management.

© Klaus Rainger

**To what extent is diversity an issue for a company like VIG?**

As a company with around 25,000 employees and around 50 Group companies in 25 countries, we automatically have a high level of diversity. We combine many nations, languages and cultural backgrounds. And we want to promote this diversity.

**Why?**

Innovation is needed to meet the challenges facing our industry today: a combination of technological and demographic change, changing customer needs and increased regulatory requirements. Innovation is more successful if different perspectives are included, and these different perspectives are available when one has a diverse range of employees. And it is quite clear that employees who are given a fair chance and opportunities for development, and who feel they are fully accepted and like having found the right employer will do their jobs with pleasure. This automatically leads to better work performance. In other words, diversity is crucial for our success.

**Since 2017, you have also been analysing diversity from a strategic point of view. What have you found?**

Interestingly, our internal analysis showed that we have already unknowingly implemented many measures that we would associate with diversity management today. One could say that diversity is part of our DNA.

**Can you give an example?**

We have always tried to ensure that our employees are able to find the best balance between work and family. And we already have a diverse Managing Board. Not only is

our General Manager Elisabeth Stadler one of the very few female CEOs of listed companies, but starting in February 2018 our Managing Board team will be half women and half men.

**What are the main points of your new diversity concept?**

We follow a bottom-up approach. This means that our diversity management includes all employees. In this way, we ensure that appropriate employees are available when responsible positions are being filled.

**What does diversity mean in VIG?**

For us, diversity reflects both the similarities and differences we meet in VIG, and in our markets, local companies, partners, customers and employees. In VIG, diversity management means that we respect diversity, accept it with open arms and intentionally use it for our success.

**How are you implementing the diversity concept?**

VIG has made gender, generational and international diversity its priorities at the Group level. Our Group-wide competence model, international mobility programme and training and education are based on these priorities. The local companies choose their own priorities based on the local entrepreneurship – in all cases with the goal of improving the awareness of diversity and the skills needed to deal with it respectfully.

The diversity strategy is also described in the Corporate Governance Report in the 2017 Group Annual Report.



## Diversity wins: Group company model projects

### GPIH GEORGIA: A SECOND CHANCE

The Georgian VIG company used special job fairs to target older people who were unemployed. In spite of the demanding selection procedure, close to 600 highly motivated sales employees have been hired in the last two years, mainly women. The hiring search was accompanied by a social discourse and was copied in other industries in the end.

### KOOPERATIVA CZECH REPUBLIC: YOUNG AND OLD

Old and very young generations of employees meet in many companies. Czech company Kooperativa is examining this in a pilot project that intentionally forms teams composed of millennials and employees close to retirement. This mentor model functions excellently. One side brings decades of experience and tricks, and the other side knows new technologies and adds a breath of fresh air.



GPIH in Georgia gives women a second chance for employment.

### WIENER STÄDTISCHE: PROSPECTS FOR DAUGHTERS

On “Daughter’s Day” each year in Vienna, Wiener Städtische opens its doors to girls from eleven to 16 years old to give them an inside look at an Austrian insurance company. The goal is to find talented young employees and show the girls new career opportunities apart from the traditional occupations for women. The girls learn about women’s careers in insurance by following a puzzle quest and performing difficult tasks, and enjoy an award presentation at the end of the day.

### VIG GENDER DISTRIBUTION

Group-wide	Women	Men
Supervisory Board	18.0%	82.0%
Managing Board	22.9%	77.1%
Management level directly below the Managing Board	42.5%	57.5%
VIG as a whole	62.2%	37.8%

### VIG Holding

Supervisory Board	40.0%	60.0%
Managing Board	40.0%	60.0%
Management level directly below the Managing Board	26.9%	73.1%
VIG as a whole	57.5%	42.5%

### GROUP-WIDE NATIONALITIES

22

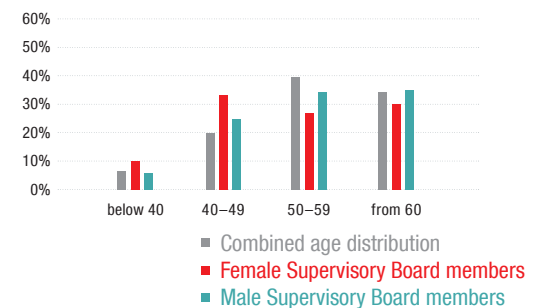
nationalities in the  
Managing Boards

21

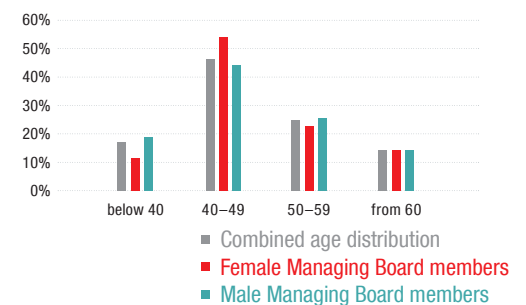
nationalities in the  
Supervisory Boards

### GROUP-WIDE AGE DISTRIBUTION

#### Supervisory Board



#### Managing Board





Around  
**5,000**

employees were involved  
in environmental and  
social projects during the  
Social Active Day.

**27**

“PflegerInnen mit Herz” (Carers with  
a Heart) received awards in  
December 2017 for their dedication  
in the area of nursing care.

**100,000**

euros is the size of the “Günter Geyer  
Award for Social Consciousness” that is  
awarded to three Group companies each  
year. The money is used for  
social projects.



**Society**



Around  
**5,000**  
 employees  
 in  
**21**

countries get involved in  
 the Social Active Day.



© CPP (lower left), © Union Bizneszó (middle right), all others: © VIG Holding

Renovate playgrounds, plant trees, help in homeless shelters: On “Social Active Day”, VIG employees can dedicate their time to social and environmental projects.

# SERIOUS ABOUT RESPONSIBILITY

**In addition to its responsibilities to employees and customers, VIG is also involved in many social issues. The Group's numerous social initiatives and support for the arts and culture show that its commitment continues long after the office has closed.**

Being an insurance company means first of all working with probabilities, mathematical models, mortality tables, dismemberment schedules, large numbers and data series without end. Numbers that stand for people and their risks. In short, many people see insurance as a highly theoretical business.

In the case of VIG, however, there is much, much more. VIG shows that an insurance company can also serve soup to the needy, talk about peace with children from 22 countries and turn its company headquarters into an art installation. "To retrieve as a company to the role of an observer towards society is not enough for us," stated Barbara Grötschnig, Head of VIG Sponsoring. "The many initiatives we are involved in show that we take our social responsibility seriously – day by day."

## ONE DAY AS A GIFT

"Day by day" applies quite literally to one of VIG's initiatives: the "Social Active Day", which lets every Group employee dedicate one working day to a good cause. This initiative was brought to life in 2011 by VIG's principal shareholder, Wiener Städtische Versicherungsverein, and quickly became a success. Around 5,000 employees from Group companies in 21 countries

participated in 2017. There are many ways to help people in difficult situations, such as working in homeless shelters or refugee houses like the "Zweite Gruft" and "Haus Noah" in Vienna, or renovating a playground at an orphanage, as happened in the Hungarian city of Székesfehérvár. There are also opportunities for employees who would rather use their "Social Active Day" for helping the environment instead of people, such as a tree-planting initiative in a region of Georgia destroyed by civil war. The initiative is a win-win situation for everyone involved, according to Barbara Grötschnig: "The associations and organisations are happy to receive an extra helping hand – and the employees realise that being socially involved can make a major difference."

## SOCIAL INVOLVEMENT DESERVES RECOGNITION

Those who make a difference in this way should be recognised. This applies even more to people who are also socially involved as volunteers in their free time. There are quite a few people like this in VIG, and the number is growing steadily. For this reason, VIG's principal shareholder began awarding a prize in 2013 to give such involvement greater visibility and hopefully motivate others to



**"The many initiatives we are involved in show that we take our social responsibility seriously."**

Barbara Grötschnig, Head of VIG Sponsoring



© "PflegerIn mit Herz", Association/Richard (2)

act in the same way. The silent heroes of the Group are nominated by their colleagues for the "Award in recognition of commitment of voluntary activities". The 2017 prize winners from Austria and the CEE region were honoured at the end of November in a ceremony in the Company headquarters, the Ringturm building. One of them was Nino Sabakhtarishvili, Senior Operator in the call centre of the Georgian Group company GPI Holding, who helps socially disadvantaged families in her free time. She visits these families several times a week and provides them with basic necessities, such as food and clothing. Her voluntary involvement is reward enough, said Nino Sabakhtarishvili, "but the prize is a nice additional sign of recognition." That is also due to the prize itself: a pre-Christmas weekend in Vienna for her and a companion. Their itinerary included visits to Schönbrunn Palace and the Vienna Kunsthistorisches Museum, and an evening concert in the Wiener Konzerthaus.

## NURSING CARE, A MATTER OF THE HEART

Another initiative shows the importance of help, and therefore the importance of recognising those that provide help. The initiative concerns nursing care, a topic that directly or indirectly affects a growing number of people. "Most people are unaware of the importance of nursing care until they are affected themselves. To change this, and thank carers for their outstanding commitment, we created the 'PflegerIn mit Herz' association in 2012," explained Günter Geyer, President of the association



Lucky winners: 27 "PflegerInnen mit Herz" were honoured for their outstanding commitment on the Erste Campus at the beginning of December (top). One of them was Jürgen Gutenbrunner (bottom right), winner in the "Nursing and healthcare professionals" category, with Günter Geyer, President of the "PflegerIn mit Herz" association and Chairman of the Managing Board of Wiener Städtische Versicherungsverein.

and Chairman of the Managing Board of Wiener Städtische Versicherungsverein.

There are a half a million people in Austria alone whose lives would be almost unimaginable without support and assistance from others. The "PflegerIn mit Herz" initiative therefore aims to give a human face to nursing care in Austria and create broad public awareness.

The search for the best carers in the country took place for the sixth time in 2017, for the first time in three categories:

- Nursing and healthcare professionals
- Family carers
- 24-hour care providers

The 27 winners chosen by an expert jury – three for each Austrian state – were invited to Vienna at the beginning of December where they each received EUR 3,000 in prize money. Jürgen Gutenbrunner won the "PflegerIn mit Herz" award in the "Nursing and healthcare professionals" category for Styria in 2017. Gutenbrunner works in the LKH University Hospital in Graz and was pleased to receive the award: "I help seriously ill children in my job as a care assistant. I do my best each day to help these children through this difficult time, and a smile from the children is the best thanks I could receive. To receive the 'PflegerIn mit Herz' award on top of this makes

>>



© Ludwig Schredl

**"We created the 'PflegerIn mit Herz' association to thank carers for their outstanding commitment."**

Günter Geyer, Chairman of the Managing Board of Wiener Städtische Versicherungsverein

# Culture, boundless

**The wrapping of the Ringturm building in Vienna is just one – although easily the most prominent – example of the support provided to the arts by VIG’s principal shareholder.**

“Weitblick” (Vision), a work of art by the Belgrade painter Mihael Milunović, is already impressive due to its sheer size alone. The work, consisting of 30 printed mesh panels, each three metres wide and up to 63 metres long, turned the Ringturm building in Vienna into the most prominent art installation in Austria in the summer of 2017. The wrapping of the Ringturm, which was brought to life by VIG’s principal shareholder Wiener Städtische Versicherungsverein, is not only spectacular, but has now also become a tradition. This striking office tower located on the Schottenring in Vienna has been transformed into a huge work of art in the summer since 2006. Although the artists invited to design wrappings for the Ringturm were initially mainly Austrian painters like Christian Ludwig Atternee and Xenia Hausner, invitations

for the wrapping of the Ringturm have also been given to artists from neighbouring countries starting in 2012. In 2017, Wiener Städtische Versicherungsverein also transformed the Ringturm wrapping into a series of creative one-of-a-kind bags. A total of 350 fashionable shopping bags were hand-made in Vienna by employees of the socially integrative Vienna label, “garbage upcycling design”.

The “Architecture in the Ringturm” exhibition series, concerts, cabaret and discussion evenings take place within the Ringturm building. As a result, VIG’s headquarters building is not just a symbol for cross-border cultural exchange, but also a place of encounter and dialogue for the many varied examples of support and cooperation that VIG and its principal shareholder provide for the arts and culture.

© Wiener Städtische Versicherungsverein/Robert Nowald (6)



The VIG headquarters building becomes a work of art in the summer. Although the Ringturm wrappings were mainly designed by Austrian artists in the beginning, artists from Central and Eastern Europe have also been invited since 2012.



me very happy indeed,” said the carer from Styria. “PflegerIn mit Herz” is a joint initiative by Wiener Städtische Versicherungsverein and Wiener Städtische and receives broad social support. The Austrian Federal Ministry of Science, Research and Economy, Austrian Federal Ministry of Labour, Social Affairs and Consumer Protection, Erste Bank and the Sparkasse banks have been on board since the start, and the Austrian Federal Economic Chamber and Vienna Chamber of Labour have also provided support for the campaign since 2014.

### AWARD-WINNING LOCAL SUPPORT

If individuals can achieve so much, then groups can achieve even more. This is the idea behind the “Günter Geyer Award for Social Consciousness”. Each year, the principal shareholder gives Gold, Silver and Bronze awards, together with a total

of EUR 100,000 in prize money, to three of the around 50 VIG companies. Local social involvement has always been a tradition in the Group companies. The Group would like to remain true to this tradition and help spread the desire to be socially active throughout the Company. GPIH, Union Biztosító and BCR Life (see right) were the winners in 2017. The prize money is earmarked for social projects and is aimed at encouraging the winners to continue along this path.

Continuing along this path also applies to the Group as a whole. “We are moving in the right direction,” stated Barbara Grötschnig, Head of Sponsoring. That does not mean, however, that VIG can now lean back and relax. “On the contrary,” promised Grötschnig, “we will continue to steadily increase our involvement. Society can continue to count on VIG in the future.”

### Winners of the “Günter Geyer Award for Social Consciousness” in 2017:

**1<sup>ST</sup> PLACE:  
GPIH GEORGIA**



GPIH started the “Don’t be an Egoist, be an Ecoist” campaign with two NGOs in 2015 to raise public awareness of health and the environment across the country. “Tickets” for highly polluting cars and tree-planting campaigns created major media coverage and a public sensation throughout the country – and also increased the number of motor insurance customers by 25%. GPIH also organised a special job fair for people who did not fit traditional job market criteria (see page 31).

## Power to the children

**Hundreds of children from 22 countries spent two enjoyable weeks in Austria this summer – while actively learning about social involvement.**

Social consciousness can be learned very early in life – while having fun at the same time. This was shown once again at the eighth “VIG Kids Camp” organised by VIG and its principal shareholder last summer. Around 500 children of VIG employees from Austria and Central and Eastern Europe, including Georgia, Slovakia, Poland and Hungary, spent two summer weeks filled with exciting activities, such as discovery tours, hiking, sports and sightseeing tours in Austria. One of the main highlights was a workshop with star photographer Lois Lammerhuber, who worked on the topic of “Peace” with the 9 to 13-year-olds.

During their stay, the children once again made visits to retirement homes, where they entertained the seniors with song and dance performances, poetry readings and even magic tricks. At VIG Kids Camp, the youngest members of our society already learn the great value of diversity, social involvement and solidarity. And each year, the children themselves show how much people who are supposedly different actually have in common and how rewarding it can be to simply accept one another.

“Peace” was the motto of the VIG Kids Camp in summer 2017. In addition to playing and having fun, the focus was also on social values.





## 2<sup>ND</sup> PLACE: UNION BIZTOSÍTÓ



The Hungarian company Union Biztosító has expanded its CSR activities to include initiatives for training and integrating young adults. These include “Don’t give up”, a foundation that finds work for people with disabilities, thereby also helping make their lives more secure, and offers support and protection for children in disadvantaged families.

## 3<sup>RD</sup> PLACE: BCR LIFE



The Romanian company BCR Life also accomplished a great deal without a CSR budget, such as its “Super Hero” campaign, which called on its employees to donate 2% of their monthly income to a social organisation to assist Romani children. BCR Life also donated around 80 functioning computers that were no longer needed to an aid project (see page 43).



© Wiener Städtische Versicherungsverein (3)



## HUMAN RIGHTS

VIG makes a clear commitment to human rights in its Code of Business Ethics. In its immediate sphere of influence, this concerns how VIG treats its own employees. Good working conditions and recognition of employee rights form the basis for a fair and respectful relationship. The Company has its own diversity concept to promote diversity and equal opportunity (see page 30). Diversity is also valued when dealing with customers. To protect personal information and ensure confidentiality, top priority is given to exercising due care when processing customer and employee data (see page 25). VIG also complies with all economic sanctions that apply in its markets and chooses its business partners with care (see page 18).



## VIG HOLDING AND WIENER STÄDTISCHE PROVIDE SUPPORT FOR MANY ASSOCIATIONS AND COMMUNITIES

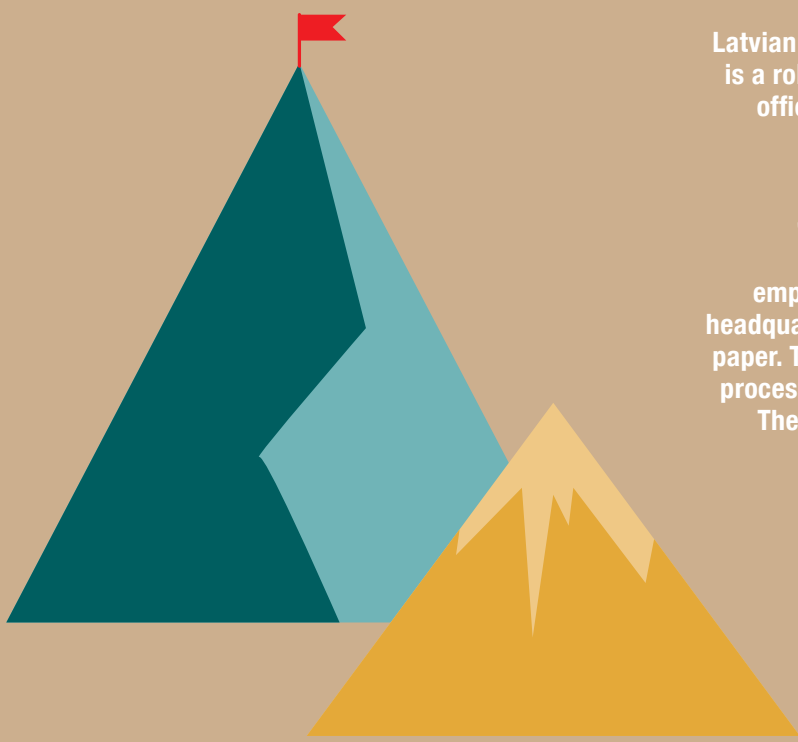
Some examples of their many partnerships:

- Arbeitsgemeinschaft für Datenverarbeitung (ADV) (Austrian Working Group for Data Processing)
- Aktienforum (Austrian Federation of Equity Issuers and Investors)
- Austrian Business Council for Sustainable Development (ABCSD) – respACT
- Friends of Theater in der Josefstadt
- Federation of Austrian Industries
- Kuratorium für Verkehrssicherheit (KFV) (Austrian Road Safety Board)
- Kuratorium Sicheres Österreich (KSÖ) (Advisory Board for a Safe Austria)
- Österreichischer Gewerbeverein (ÖGV) (Austrian Association of Cooperatives)
- Österreichische Gesellschaft für Meteorologie (ÖGM) (Austrian Society of Meteorology)
- Österreichische Gesellschaft für Umwelt und Technik (ÖGUT) (Austrian Society for the Environment and Technology)
- Österreichische Gesellschaft für Versicherungsfachwissen (GVFW) (Austrian Society for Specialised Insurance Knowledge)
- Austrian Institute for Research on Vocational Training (ÖIBF)
- Austrian Institute of Economic Research (WIFO)
- Vienna University of Technology Alumni Club – Association of the friends and alumni of the Vienna University of Technology
- Austrian Association for Public and Social Economy (VÖWG)
- Society of Friends of the Sigmund Freud Museum Vienna

The background features a stylized landscape with a large teal tree on the left, a person in a red shirt and brown shorts standing on a grey rock in the center, and several other trees in brown, yellow, and teal on the right. The sky is a light brown color with two white clouds. The overall design is modern and clean, using flat colors and simple shapes.

# 6,907,486

the number of kilometres of air travel by VIG in 2017. We are using new approaches such as video conferences to reduce our environmental footprint.



Latvian Group company BTA Baltic is a role model for the paperless office in the Group. Around

**300**

employees in the company's headquarters now use practically no paper. Therefore all communication processes were closely examined. The number of printers was reduced to

**4**

Romanian Group company BCR Life donated around

**80**

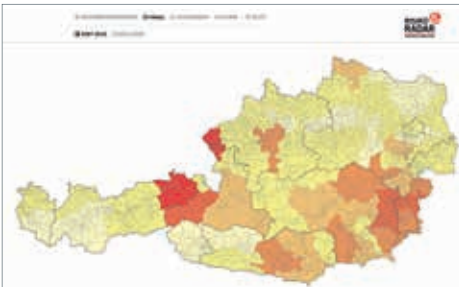
computers to a social project that then serviced and sold the equipment. This creates work and conserves resources.

# Environment

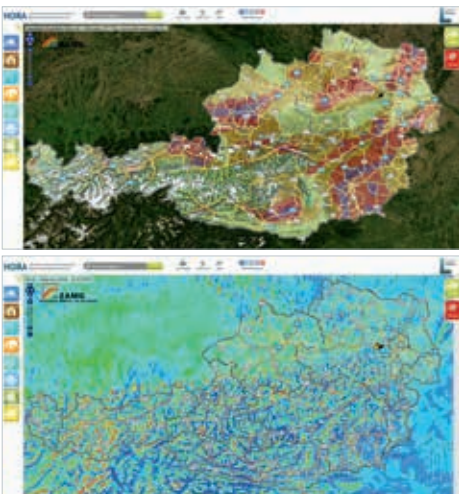
## Being aware of risks at all times

### Two online services create awareness of natural hazards.

As shown by the changes in previous years, a general increase is taking place in the intensity and frequency of natural disasters. The economic losses are considerable. Storms, hail and flooding generate losses in the millions practically every year. Good quality public weather and climate information play an important role in prevention. This is precisely the information offered by the “HORA” platform created by partners like Austria’s central institute for meteorology and geodynamics, the



Wiener Städtische’s “Risk Radar” shows natural hazards in all regions of Austria.



Austrian Federal Ministry for Agriculture, Forestry, Environment and Water Management and the Austrian Insurance Association together with VIG. The abbreviation stands for “Hazard Overview & Risk Assessment Austria”, a digital risk map that one could also think of as a kind of Google map for natural hazards.

The platform shows potential natural hazards like flooding, earthquakes, storms and snow load in all regions of Austria. “HORA” helps insurance companies and their customers make a precise assessment of risks. People considering building in a flood zone, for example, can obtain detailed information about potential risks. Its detailed risk maps can also be accessed by anyone on the Internet, thereby helping to raise the public awareness of risk. In addition to Austria, VIG is also promoting similar projects in Central and Eastern Europe.

The “Risk Radar” offered by Austrian Group company Wiener Städtische operates alike the “HORA” platform. With just a few clicks, online users can see how high the regional risk was for different natural disasters in the last five or ten years. For example, people thinking about moving to another community in Austria can immediately see what probabilities have been assigned to storm, hail, flooding and lightning risks in a particular location. These are based on Wiener Städtische’s extensive loss experience.

“HORA” is a detailed risk map of Austria. VIG is promoting similar projects in the CEE countries.

## Conserve resources: less is more

### VIG is using initiatives like the paperless office and increased online communications to systematically reduce its environmental footprint.

Even though service companies consume significantly less resources than manufacturing companies, conservation always makes sense. The insurance industry, for example, traditionally uses a great deal of paper, which is why VIG companies are using a variety of initiatives to try to reduce paper consumption. The digitalisation trend helps with that. Letters that were previously printed and sent by letter post to customers are now mainly sent electronically. And as digital signatures become more widespread, in addition to product information and simple correspondence, this is also happening with documents like insurance proposal forms.

BTA Baltic provides an outstanding example among VIG companies. The company in Latvia was so serious about realising a paperless office that the 300 employees in the company headquarters now only need four printers. All communication and value-creation processes were examined closely, all employees were given new electronic signatures and the previous file archive was digitalised and stored on servers. Every document is now just a few mouse clicks away.

In addition to making paper increasingly obsolete, digital technologies also help to reduce the number of kilometres travelled, thereby minimising CO<sub>2</sub> emissions. This is particularly important for a company with such broadly distributed geographic locations as VIG, which is therefore making efforts to replace personal meetings with video conferencing and teleconferencing whenever reasonable and possible. In

addition, training in the age of e-learning no longer requires trips to conference hotels. Webinars allow learning to take place any time and any place. This is also true for day-to-day work. Employees who spend a day in the home office now and then can better balance their private and professional lives – and leave the car in the garage.

To allow VIG to more precisely manage measures like these in the future, the first Group-wide key environmental performance indicators were calculated for the reporting year (see figures below).

Electricity use in kWh per employee

1,444

Heating use in kWh per employee

2,090

Kilometres of air travel by VIG

6,907,486

CO<sub>2</sub> emissions in kg per employee

1,646



© Ateliere fara Frontiere



Romanian Group company BCR donates outdated computers to the “Ateliere fara Frontiere” aid project, where they are used to help children.

## Old, but still far from a write-off

**Old furniture and computers do not necessarily have to land in the trash heap. Some VIG companies are giving them a second life. This conserves resources and helps disadvantaged people.**

Still valuable – this is true for a great deal of old furniture and equipment in VIG company offices. Although furniture might be worn and therefore no longer suitable when dealing with customers, it may nevertheless still have plenty of useful life left. Polish Group company Vienna Life, for example, gives furniture from closed offices to a school, and Romanian company Omnisig supports the “Păpăgeno Hermannstadt” aid association with its former furniture.

Furniture, however, does not need to be replaced very frequently. The situation is quite different for computers and related technical equipment. For data protection reasons alone, companies have to maintain IT technology at a state-of-the-art level. Computers are still highly capable after several years of use and are therefore ideal for conserving resources

by means of reuse. The “Ateliere fara Frontiere” aid organisation, for example, received around 80 outdated computers and monitors from Romanian company BCR Life in 2017. There they were professionally serviced by long-term unemployed people under supervision of technicians and then used for the education of disadvantaged children. Projects like these do good at a number of levels: reusing conserves resources and helps people in need.

A similar situation exists in Austria. The Austrian VIG companies donate old equipment to AfB, the first Europe-wide non-profit IT system provider. Most of its employees have disabilities. The equipment is technically checked, cleaned and then ready for sale – with even a one-year guarantee. AfB customers are often elderly people who greatly value the advice provided in the branches. The importance of initiatives like AfB is also shown by the figures: Austrian cooperation partners like VIG donated 47,650 items of equipment in 2016. Reuse of this equipment prevented the emission of 1,521 tonnes of CO<sub>2</sub> and saved 2,638 tonnes of iron and 5,226 megawatts of energy.

## Information about this report

This report covers the Group-wide activities of Vienna Insurance Group in the area of sustainability. Unless indicated otherwise, the key non-financial figures that are presented refer to VIG's operating insurance companies.

Sustainability Reports will be prepared each year starting in 2018. Reporting year 2017 is the reporting period for this report. Activities taking place in different time periods are indicated separately.

This report was prepared in accordance with the GRI Standards (Core option). The GRI content index starting on page 45 provides information on the names of the GRI Standards used.

The Sustainability Report mainly provides information on social and environmental matters. Please see the 2017 Group Annual Report for additional information on the Company profile, business development, corporate governance and an overview of the Group companies, ([www.vig.com/en/investor-relations/downloads/annual-report](http://www.vig.com/en/investor-relations/downloads/annual-report)). Many of the company names mentioned in this report have been shortened. A table of abbreviations can be found in the 2017 Group Annual Report starting on page 235.

This report includes forward-looking statements based on current assumptions and estimates that were made by the management of Vienna Insurance Group to the best of its knowledge. Disclosures using the words "expected", "target" or similar formulations are an indication of such forward-looking statements. Forecasts related to the future development of the Company are estimates made on the basis of information available as of the date this report went to press. Actual results may differ from the forecasts if the assumptions underlying the forecast prove to be wrong or if unexpectedly large risks occur.

This report was prepared with the greatest possible care in order to ensure that the information provided in all parts is correct and complete. The possibility of rounding, type-setting or printing errors, however, cannot be ruled out completely.

### Information on key environmental figures

VIG's corporate carbon footprint was calculated based on the Greenhouse Gas Protocol Corporate Standard on the basis of the available data. The calculated greenhouse gas emissions, presented in CO<sub>2</sub> equivalents, include the emissions created directly (heating energy and fuel consumption – "Scope 1") and indirectly (electricity and district heating consumption – "Scope 2") by the Company, as well emissions due to air travel ("Scope 3"). The report and calculation of greenhouse gas emissions were prepared based on data that includes 44 of the 50 companies.

### Feedback

We would be pleased to receive feedback on this Sustainability Report and invite all stakeholders to send us their comments.

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In case of doubt, the German version is authoritative.

## GRI content index

GRI Standard	Disclosure	Page reference or reference to another document	Additional notes or omissions
<b>GRI 102:</b> <b>General disclosures 2017</b>	102-1 Name of the organization	page 51 (General information)	
	102-2 Activities, brands, products, and services	Flying page (Company profile)	
	102-3 Location of headquarters	page 51 (General information)	
	102-4 Location of operations	Group Annual Report 2017 (page 7 and page 9)	
	102-5 Ownership and legal form	Flying page (Company profile)	
	102-6 Markets served	Flying page (Company profile)	
	102-7 Scale of the organization	Group Annual Report 2017 (Flying page; Key figures at a glance)	
	102-8 Information on employees and other workers	pages 28–31	The total number of employees refers to 2017 as a whole. (see Group Annual Report, page 210) The following Group companies were not included when calculating training days, sick days, health-promoting measures and gender distribution at the management level below the Managing Board: AXA Life Insurance S.A. (Romania), Insurance Makedonija jsc Skopje (Macedonia), Wiener Re a.d.o. Beograd (Serbia). The following companies were not included when calculating the gender distribution at the Managing Board and Supervisory Board levels, Group-wide nationalities and Group-wide age distribution: AXA Life Insurance S.A. (Romania), Insurance Company Nova Ins EAD (Bulgaria).
	102-9 Supply chain	See note	VIG is a service provider. Supplier relationships are therefore not very important. VIG's most important suppliers include: reinsurance companies, IT providers, various advisory firms (incl. PR and marketing), postal service providers and office leasing companies.
	102-10 Significant changes to the organization and its supply chain	Group Annual Report 2017 (page 10; Acquisitions and mergers)	
	102-11 Precautionary Principle or approach	pages 16–19	
	102-12 External initiatives	See note	VIG companies take part in a wide variety of local external initiatives in each country.
	102-13 Membership of associations	page 39	
	102-14 Statement from senior decision-maker	page 3, pages 12–13	
102-16 Values, principles, standards, and norms of behavior	Flying page (Company profile) <a href="http://www.vig.com/en/corporate-responsibility/der-vig-code-of-business-ethics">www.vig.com/en/corporate-responsibility/der-vig-code-of-business-ethics</a>		
102-18 Governance structure	Group Annual Report 2017 (page 38; Corporate Governance Report)		

GRI Standard	Disclosure	Page reference or reference to another document	Additional notes or omissions
GRI 102: General disclosures 2017	102-40 List of stakeholder groups	pages 6–7	
	102-41 Collective bargaining agreements	page 28	Data on the percentage is not currently being collected.
	102-42 Identifying and selecting stakeholders	page 7	The stakeholder groups invited to take part in the online stakeholder survey were chosen during a workshop with internal VIG Holding experts.
	102-43 Approach to stakeholder engagement	pages 6–7	
	102-44 Key topics and concerns raised	pages 6–7	Almost all of the stakeholder groups taking part in an online stakeholder survey in 2016 indicated that long-term stability, profitable growth, customer satisfaction and an integrated business strategy were the most important topics. Investors also considered compliance very important. The customer group felt that products and services with added value were also very important. For employees, the work-life balance topic was very important. Distributors also indicated product and service innovations, and NGOs indicated a responsible investment process and support for local communities.
	102-45 Entities included in the consolidated financial statements	Group Annual Report 2017 (starting on page 245, Addresses of Group Companies)	
	102-46 Defining report content and topic Boundaries	page 7	
	102-47 List of material topics	page 7	
	102-48 Restatements of information		The 2017 VIG Sustainability Report is the first in this form for the Group.
	102-49 Changes in reporting		The 2017 VIG Sustainability Report is the first in this form for the Group.
	102-50 Reporting period	page 44	
	102-51 Date of most recent report		The 2017 VIG Sustainability Report is the first in this form for the Group.
	102-52 Reporting cycle	page 44	
	102-53 Contact point for questions regarding the report	page 44	
	102-54 Claims of reporting in accordance with the GRI Standards	page 44	
	102-55 GRI content index	pages 45–49	
102-56 External assurance		No external assurance has been provided for this report. Since this was VIG's first Sustainability Report in this form, the focus was on establishing internal structures.	



GRI Standard	Disclosure	Page reference or reference to another document	Additional notes or omissions
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## MATERIAL TOPICS

### Long-term stability and profitable growth

GRI 103: Management approach 2017	103-1 Explanation of the material topic and its Boundary	page 7	This topic was found to be the number 1 topic in the materiality analysis. <b>Impact:</b> inside and outside the organisation; shareholders, employees and customers are mainly affected.
	103-2 The management approach and its components	Group Annual Report 2017 (starting on page 18; strategy)	
	103-3 Evaluation of the management approach	Group Annual Report 2017 (starting on page 18; strategy)	
GRI 201: Economic performance	201-1 Direct economic value generated and distributed	Group Annual Report 2017 (starting on page 90; Consolidated Financial Statements)	

### Customer satisfaction

GRI 103: Management approach 2017	103-1 Explanation of the material topic and its Boundary	page 7	This topic was found to be the number 2 topic in the materiality analysis. <b>Impact:</b> outside the organisation; customers are mainly affected.
	103-2 The management approach and its components	page 9, pages 22–25	
	103-3 Evaluation of the management approach	pages 22–25	
GRI 102: General Disclosures	102-43 Approach to stakeholder engagement	pages 6–7	

### Social and environmental factors in the business strategy

GRI 103: Management approach 2017	103-1 Explanation of the material topic and its Boundary	page 7	This topic was found to be the number 3 topic in the materiality analysis. <b>Impact:</b> inside and outside the organisation; all stakeholder groups could be affected.
	103-2 The management approach and its components	pages 8–11	
	103-3 Evaluation of the management approach	pages 8–11	
GRI 102: General Disclosures	102-29 Identifying and managing economic, environmental, and social impacts	page 16	

GRI Standard	Disclosure	Page reference or reference to another document	Additional notes or omissions
<b>Products and services with added social and environmental value</b>			
GRI 103: Management approach 2017	103-1 Explanation of the material topic and its Boundary	page 7	This topic was found to be the number 4 topic in the materiality analysis. <b>Impact:</b> outside the organisation; customers are mainly affected.
	103-2 The management approach and its components	page 9, pages 22–25	
	103-3 Evaluation of the management approach	page 9, pages 22–25	
GRI G4: Financial Services Sector Disclosures	FS 6 Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	Group Annual Report 2017 (starting on page 61; Segment reporting in the Management Report)	
GRI G4: Financial Services Sector Disclosures	FS 7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose		This information is not currently available to VIG in this form. Examples are provided on pages 22–23.
GRI G4: Financial Services Sector Disclosures	FS 8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose		This information is not currently available to VIG in this form. Examples are provided on pages 24–25.

## Compliance

GRI 103: Management approach 2017	103-1 Explanation of the material topic and its Boundary	page 7	This topic was found to be the number 5 topic in the materiality analysis. <b>Impact:</b> inside and outside the organisation; management, employees, business partners, corporate customer decision-makers, shareholders and other stakeholder groups are affected.
	103-2 The management approach and its components	page 17	
	103-3 Evaluation of the management approach	page 17	
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	page 17	
GRI 206: Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Group Annual Report 2017 (page 185; Significant litigation)	This information is not collected in exactly this form. Information on significant litigation is published in the annual report.
GRI 419: Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	Group Annual Report 2017 (page 185; Significant litigation)	This information is not collected in exactly this form. Information on significant litigation is published in the annual report.

## Product and service innovations

GRI 103: Management approach 2017	103-1 Explanation of the material topic and its Boundary	page 7	This topic was found to be the number 6 topic in the materiality analysis. <b>Impact:</b> outside the organisation; customers are mainly affected.
	103-2 The management approach and its components	Group Annual Report 2017 (starting on page 28; Digitalisation, product innovations)	
	103-3 Evaluation of the management approach	Group Annual Report 2017 (starting on page 28; Digitalisation, product innovations)	

GRI Standard	Disclosure	Page reference or reference to another document	Additional notes or omissions
<b>Data security</b>			
GRI 103: Management approach 2017	103-1 Explanation of the material topic and its Boundary	page 7	This topic was found to be the number 7 topic in the materiality analysis. <b>Impact:</b> inside and outside the organisation; employees and customers are mainly affected.
	103-2 The management approach and its components	page 25	
	103-3 Evaluation of the management approach	page 25	
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	page 25	
<b>Training and education</b>			
GRI 103: Management approach 2017	103-1 Explanation of the material topic and its Boundary	page 7	This topic was found to be the number 8 topic in the materiality analysis. <b>Impact:</b> inside the organisation; employees are mainly affected.
	103-2 The management approach and its components	page 29	
	103-3 Evaluation of the management approach	page 29	
GRI 404: Training and Education	404-1 Average hours of training per year per employee	page 29	
<b>Social and environmental factors in the investment process</b>			
GRI 103: Management approach 2017	103-1 Explanation of the material topic and its Boundary	page 7	This topic was found to be the number 9 topic in the materiality analysis. <b>Impact:</b> inside and outside the company; inside the company it changes the investment portfolio, outside the company a number of different stakeholder groups could be involved.
	103-2 The management approach and its components	page 19	
	103-3 Evaluation of the management approach	page 19	
GRI G4: Financial Services Sector Disclosures	FS 11 Percentage of assets subject to positive and negative environmental or social screening		This information is not currently available. VIG plans to internally examine and discuss in the medium term how non-financial factors can be included in the investment process.
GRI 412: Human Rights Assessment	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		This information is not currently available. VIG plans to internally examine and discuss in the medium term how non-financial factors can be included in the investment process.

# Declaration by the Managing Board

This consolidated non-financial report for the reporting year 2017 was approved for publication on 19 March 2018.

Vienna, 19 March 2018



**Elisabeth Stadler**  
General Manager, Chairwoman  
of the Managing Board

**Areas of responsibility:**  
Management of the Group, Strategic Questions,  
European Affairs, Group Communication &  
Marketing, Group Sponsoring, Human  
Resources, Group Development and Strategy;  
**Country responsibilities:**  
Austria, Czech Republic



**Franz Fuchs**  
Member of the Managing Board

**Areas of responsibility:**  
Performance Management Personal  
insurance, Performance Management  
Motor insurance, Asset-Risk Management;  
**Country responsibilities:**  
Baltic states, Moldova, Poland, Ukraine



**Judit Havasi**  
Member of the Managing Board

**Areas of responsibility:**  
Planning & Controlling, Legal department,  
Group IT, Data Management & Processes;  
**Country responsibilities:**  
Romania, Slovakia



**Liane Hirner**  
Member of the Managing Board

**Areas of responsibility:**  
Finance and Accounting



**Peter Höfinger**  
Member of the Managing Board

**Areas of responsibility:**  
Corporate and Large Customer Business,  
Vienna International Underwriters (VIU),  
Reinsurance;  
**Country responsibilities:**  
Albania (incl. Kosovo), Belarus, Bosnia-  
Herzegovina, Bulgaria, Croatia, Hungary,  
Macedonia, Montenegro, Serbia



**Martin Simhandl**  
CFO, Member of the Managing Board

**Areas of responsibility:**  
Asset Management, Affiliated companies  
department, Treasury/Capital Market;  
**Country responsibilities:**  
Germany, Georgia, Liechtenstein, Turkey

## **General information**

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### **Illustrations:**

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### **Printing:**

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Editorial deadline: 23 March 2018

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**Our goal: Take responsibility and  
help shape the future.**

