

# SOCIAL INVOLVEMENT IS MORE THAN JUST A HEADLINE FOR US

The Social Active Day is an example of our multi-faceted social involvement. In 2012, VIG employees dedicated a total of **4,195** working days to the socially disadvantaged. By allowing time off for these activities, we provided around 19 man-years free of charge to social causes.



From left to right:  
Milan Medek, head of marketing, Kooperativa, Czech Republic  
Alexandra Mühlbacher, Group sponsoring, Vienna Insurance Group, Austria  
Ana Shishovska, Supervisory Board assistant, Winner Life and Non-life, Macedonia

# PEOPLE MANAGEMENT AND CORPORATE SOCIAL RESPONSIBILITY

## PEOPLE MANAGEMENT

**We are the market leader in our core markets today, and very proud of it. A key element of our formula for success is to maintain local entrepreneurship, decision-making freedom and cultural diversity – with ambitious, qualified employees WHO ensure the best customer service and create an important difference between us and our competitors.**

VIG does not consider its employees to be "human resources", because they bring their professionalism, reliability, trustworthiness and sense of fairness and solidarity with them – the true cornerstones of the insurance business. VIG has therefore chosen the name "People Management" for its services to employees.

### Employee distribution

The Group had an average of 24,086 employees in 2012. Approximately 55.9% of all Group employees were in the field sales force and approximately 44.1% were in administration.

### EMPLOYEES BY REGION

	2012	2011	2010
Austria	5,405	5,364	5,407
Czech Republic	4,814	4,892	4,903
Slovakia	1,572	1,596	1,572
Poland	1,751	1,945	1,900
Romania	3,480	3,991	4,383
Remaining markets*	6,344	6,022	5,741
Central functions**	720	1,092	1,100
<b>Total</b>	<b>24,086</b>	<b>24,902</b>	<b>25,006</b>

\* Remaining markets: Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Estonia, Georgia, Germany, Hungary, Latvia, Liechtenstein, Lithuania, Macedonia, Serbia, Turkey, Ukraine

\*\* Central functions include the following companies: BIAC, Central Point, ELVP, LVP, Neue Heimat Holding, Progress, TBIH, VIG Fund, VIG Holding, VIG RE and the non-profit companies

### Percentage of women

58% of the employees in the Group are women. Women hold approximately 20% of the positions on the managing boards of VIG insurance companies. This means that the average percentage of women holding top management positions at Vienna Insurance Group is significantly higher than in comparable companies, such as the 61 largest German insurance

companies, where an average of 6% of the managing board positions are held by women. Including distribution, women hold approximately 40% of the management positions at the level directly below the managing board in VIG insurance companies across Europe (not including distribution: 45%).

### VIG people management strategy

The main strategic elements of VIG people management are derived from our business strategy, values and management principles:

- Establishing service quality and customer-orientation as the most important core competences of employees
- Strengthening VIG's position as an attractive local employer with an international background for ambitious individuals
- Developing Group-wide management and expert competences
- Further improving diversity by, for example, removing barriers to women's careers

Vienna Insurance Group is using many initiatives to pursue these objectives now and in the coming years.

### Initiatives at Group level

#### VIG competence model – expansion to include expert competences

The Group-wide core competences defined by VIG describe the employee and management conduct and approaches that form the basis for the Company's success. After revising core and management competences in 2011, the focus was shifted in 2012 to another employee group critical to the success of the Company – experts. In order to increase their value and visibility in the Group, career profiles, specific competences and career paths were developed. A detailed procedure involving a large number of executives and experts from the Group was used for this purpose.

A pilot project implementing the competences is planned for 2013. The expert competences will then be rolled out across the Group in 2014 and 2015 based on the findings of the pilot project, and specific opportunities prepared that are aimed at increasing their value to the Company and providing development perspectives.

### Executive development in 2012

As part of the Group-wide training initiative, the custom-designed Leadership Development Programme was provided for the executive target group again in 2012. Renowned lecturers from the IEDC – Bled School of Management in Slovenia held discussions on the topics of strategy, leadership and operational performance with high-level VIG participants. The target group included both young and experienced executives, primarily top management from across the Group. With close to 30 participants from 20 different Group companies and eleven different countries, 30% of them women, the programme illustrated the diversity in the day-to-day life at VIG. Graduates of the Leadership Development Programme are offered targeted in-depth seminars on varying topics with a variety of renowned experts.

In addition, a new three-module programme was developed in 2012 for the target group of "young executives and high potential individuals for management positions". The focus is on the topics of management role development, management tools and sales-orientation in daily practice. Learning expeditions to other companies and discussions with charismatic external and VIG professionals help participants change their perspectives and see the bigger picture.

## Core competences of VIG employees

- > Service quality and customer-orientation
- > Personal responsibility and contribution to the success of the business
- > Openness to change and solution focus
- > Collaboration and networking

### Initiatives at the holding company level

#### Internal job market

The Vienna Insurance Group internal job market has become an important tool in the Company. Close to 30% of available positions were assigned internally to dedicated and qualified applicants in 2012. This opens up new and exciting international career prospects for employees and retains their knowledge within the Group. VIG therefore plans to use new initiatives to further expand the Group-wide internal job market.

#### Support for students and graduates from the CEE region

In cooperation with educational institutions and student networks, the Group is performing targeted personnel marketing aimed at both increasing Company awareness in this target group and improving access to top graduates. In 2012, VIG once again provided support for students and graduates from the CEE region and for young, highly-talented trainees with an affinity for this region.

Together with its principal shareholder, Wiener Städtische Versicherungsverein, VIG renewed its support for the "European Fund for the Balkans" by providing scholarships for students from the CEE region. The goal of this organisation is to bring the Western Balkans, including political and economic conditions, closer to the EU. The Group also provided scholarships to selected high potential individuals with a CEE background enabling them to attend the Summer Academies of the Bled School of Management in Slovenia. In addition, the foundation was laid for cooperation with the Master Class Central & Eastern Europe study programme at the Vienna University of Economics and Business, a compact, practice-oriented study programme focusing on the areas of management and business in the CEE region.

During expansion of its cooperations with national and international educational institutions, VIG plans to further develop its access to high potential individuals as an additional recruiting channel in 2013, and position VIG as an attractive regional employer with an international background.

## IDENTIFY AND DEVELOP MANAGEMENT SKILLS EARLY

### **Mobility in practice**

Internationality, diversity and mobility are very important to Vienna Insurance Group. Close cooperation and exchanges between the holding company and Group companies are part of the day-to-day life of the Company. VIG mobility initiatives in 2012 included four job rotation programmes in the asset management, actuarial, enterprise risk management and controlling areas. Participants came from Bulgaria, Georgia, Slovakia, Serbia, Czech Republic and the Ukraine. Many individually-tailored knowledge transfer trips also took place, in which highly compressed training courses were used for intensive knowledge transfer during short stays of two to ten days. In addition, custom-tailored introductory programmes were used to provide both new and established employees and executives with a look into a variety of companies in different VIG countries to prepare them for their (new) positions.

### **Initiatives at individual company level**

A large number of projects in the people management area were also implemented at the individual company level in 2012. The following examples have been chosen from the many available to illustrate the work done by the companies last year.

#### **Wiener Städtische roadshows: ten times throughout Austria – ten times a total success**

Wiener Städtische focused strongly on information and motivation in a series of events throughout Austria in 2012. Under the motto "Showing foresight", the Managing Board team invited employees to a total of 10 events throughout Austria to provide information on current activities and future challenges. The roadshows also served as networking meetings and an important initiative for strengthening the team spirit and collaborative efforts of individual groups and departments. The primary objective was to strengthen the ties between companies and employees that form an important foundation for the continuing success of Wiener Städtische.

#### **Training and advanced training projects for improving service management in Kooperativa (Czech Republic)**

With support from the European Social Fund, Kooperativa realised what has to have been the largest project in the area of training and advanced training in the Czech Republic in 2012. In the first phase, internal service guidelines were updated or newly revised with the objective of improving the quality of service management. These manuals provided the basis for detailed training courses focusing on service management, sales training methods, professional competences for customer advisers and social competences for call centre employees. A total of 550 employees were trained in approximately 1,500 courses under this initiative.

#### **Improved recruiting processes at the two Slovakian companies Kooperativa and Komunálna**

The people management departments of Kooperativa and Komunálna, two of the Slovakian Group companies, concentrated on employee recruiting in 2012. During revision of the recruiting process for office staff, Kooperativa worked with executives in related areas to focus on a more detailed examination of the professional and social competences of applicants. Komunálna also used targeted onboarding measures to make fundamental changes to the recruitment of field staff. Even before being hired, potential applicants are given the opportunity to familiarise themselves with the activities of a customer advisor during "taster days". These allow new employees to gain a realistic picture of the job requirements and environment while accompanied by a senior advisor.

#### **People Management as a sparring partner during establishment of "VIG Ekspert" in Poland**

The establishment of VIG Ekspert was one of the most complex people management projects in Poland in recent years. VIG Ekspert combines the expertise of the three Polish companies Compensa Non-life, Benefia Non-life and InterRisk, with the goal of standardising claims pro-

## **USING JOB-ROTATION PROGRAMMES TO SEND KNOWLEDGE TRAVELLING**

cessing and associated processes in this region and optimising efficiency for the benefit of customers. The People Management department, led by Compensa, was involved in this change process from the start, beginning with employee transfer planning and related contract changes, all the way to the definition of recruiting processes for filling vacant positions. Custom-tailored activities were also introduced in the training and development area. One of the steps taken to identify, promote and develop the potential of future executives was the introduction of a development centre that serves as a basis for precisely tailored development and training measures.

#### **Introduction of a multi-stage career model for insurance advisers in Asiom**

In 2012, the Romanian company Asiom introduced a new multi-stage career programme for insurance advisers that included both financial and non-financial incentive systems. It consists of four stages and is intended to provide advisers with concrete career perspectives. Qualification for the next stage depends on criteria such as length of

time with the company, quantitative factors and the quality of their portfolio. Regular valuations are performed every three months.

#### **VIG core competences introduced to Hungarian Group companies**

In order to take advantage of synergies, internal service centres for areas such as IT, accounting, controlling, actuarial services and people management were formed in 2012 by combining departments of the two Hungarian companies Union Biztosító and Erste Biztosító. The VIG core competences were used when establishing the new common work culture and management philosophy. These competences were carefully embedded in the newly defined processes and tools in close collaboration with management. Use of the competences in this way was essential for successful project implementation and realignment of the corporate culture. The competences can now be combined to form requirements profiles and provide an important foundation for future recruiting.

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## CORPORATE SOCIAL RESPONSIBILITY

**We are convinced that success can be shared, and that doing so increases success. As a leading insurance group in Austria and the CEE region, we share our success with those around us, addressing social and cultural concerns in particular in the countries where we operate.**

Vienna Insurance Group does not disregard social and environmental concerns in its efforts to achieve financial success. This is the only way we can be true to our fundamental goal of value-oriented growth, as success cannot be sustainable or worthwhile unless high ethical standards are also being maintained.

Sustainable conduct has a number of different aspects in VIG. On the one hand, the values of openness and mutual appreciation in our corporate culture are naturally applied when dealing with customers and partners and communicating with shareholders, and in our dealings with one another within the Group. On the other hand, the Group companies are also strongly involved in social and cultural issues outside of their core business. This section is intended to provide a brief look at the wide range of activities of the Group.

### Social responsibility in practice

Many social initiatives are essentially made possible by the support provided by Wiener Städtische Versicherungsverein, the principal shareholder of Vienna Insurance Group.

#### Social Active Day extended to 17 countries\*

Vienna Insurance Group initiated the Social Active Day in 2011. The motto "Take your chance and care!" was used to encourage VIG employees in nine countries to become involved in a good cause. As a rule, these employees were allowed to take one working day off for this purpose.

In view of the overwhelming response to this, the Social Active Day was extended to include a total of 17 countries in 2012. The result was an unmitigated success, with 4,195 working days or approximately 19 man-years of volunteer time being given to providing active support for a

wide variety of charities under this initiative, including special-needs facilities, homeless shelters and initiatives, nursing homes, orphanages, children's aid and environment protection programmes.

#### VIG Kids Camp\*

With support provided by VIG's principal shareholder, Wiener Städtische Versicherungsverein, around 500 children of Vienna Insurance Group employees from 19 countries spent 14 days of their summer holidays in three different summer camps. These include the "City Camp" in the Strebersdorf area of Vienna, "Country Camp" in Wagrain, Salzburg, and the "Mountain Camp" in Altaussee in the Salzkammergut area.

Under the motto "I'm painting my summer", the children between nine and 13 years of age were encouraged to give their creativity free rein and put their ideas of the perfect summer on paper. A jury that also included educators and art experts selected the most imaginative and creative submissions.



The children enjoyed two weeks full of exciting activities ranging from hiking tours and expeditions through salt and stalactite caves to sightseeing tours in Salzburg and Vienna, with time naturally also given to a variety of games and water fun. Participants also had new and

interesting experiences with children coming from many other European countries.

#### Günter Geyer Social Active Award\*

In 2012, Wiener Städtische Versicherungsverein, the principal shareholder of Vienna Insurance Group, awarded a new prize for outstanding social commitment, named after General Manager Günter Geyer, for the first time. The prize was awarded to Group companies whose social activities – or those of their employees – performed in the service of their fellow men deserve special mention. The companies received a total of EUR 100,000 with this award to promote further social projects.

First prize went to Kooperativa (Czech Republic), which has had an extensive social programme for many years. The company has a particularly long-term cooperation with the organisation "Pomocné tlapky" ("Helping Paws"),

which trains and distributes assistant dogs for disadvantaged individuals. Second prize went to Union Biztosító for its involvement in connection with the Bátor Tábor Camps for chronically ill children. And third prize went to the Helios insurance company, which arranged activities with and for the St. Tereza orphanage.

#### Examples from Group companies:

##### Wiener Städtische supports "Carer with a Heart" campaign

Wiener Städtische was one of the supporters of the "Carer with a Heart" campaign in 2012, which searched for the most popular nursing carers in Austria. The goal was to make "nursing care" a topic of discussion and give it a face – the face of a dedicated individual tirelessly providing nursing care to those in need.

Close to a thousand nominations were received during the campaign, and nine were selected by the jury as particularly worthy. They are Austria's "Carers with a Heart". The winners, one from each province, were awarded prizes in the Wiener Städtische Ringturm building for their service and importance to society. Official estimates illustrate the challenges. By 2050, the number of people over 80 years of age in Austria will rise from close to 440,000 today to more than 1.1 million.

##### Kooperativa Christmas campaign – a tree for a better life

Employees of Kooperativa (Czech Republic) participated in a very special Christmas campaign named "A tree for a better life" in 2012. In cooperation with non-profit organisations, Christmas trees were set up in Kooperativa's office buildings and decorated with the wishes of people who could not afford to buy presents to put under the tree. All of the employees who wanted to take part in the campaign could help Santa Claus in his work by taking a wish slip from the tree and then making it possible for the wish to be granted. The wishes were divided into two categories: wishes of up to CZK 500 (around EUR 20), and those from CZK 501 to CZK 3000 (around EUR 20 to EUR 120). A total of 470 wishes were granted by this campaign.

##### PSLSP enters into a long-term cooperation with a crisis centre

The Slovakian company PSLSP decided to undertake a very special social project in 2012 and entered into a long-term cooperative programme with a crisis centre for single mothers and their children. A wide range of activities was scheduled toward the end of the year for the residents of the centre. PSLSP employees participated in these activities, bringing variety into the often difficult day-to-day life of the children and their mothers. The success of the cooperation encouraged both sides to plan further activities.

##### "Asirom is always at your side" campaign

The employees of the Romanian Group company Asirom are always deeply involved in social issues. The "Asirom is always at your side" campaign was one of their initiatives in 2012. The aim of this initiative was to raise money for people in an area hit by a severe snow storm in February 2012. The campaign was a resounding success, allowing food, water and blankets to be purchased with the donations.

## NEW ENVIRONMENTALLY-FRIENDLY, RESOURCE-SAVING OFFICE BUILDING IN PRAGUE

#### Contributions to the environment

##### Sustainable building – Kooperativa and ČPP headquarters receives "best office building" award

The new headquarters of the two Czech Group companies Kooperativa and ČPP received an award for "Best Office Building 2011" at the MIPIM Awards held during the international real estate trade fair in Cannes.

The "Main Point Karlín" project was a clear winner in its category, which included 100 submissions from 47 countries. In addition to exceptional architecture, special mention was also made of the building's environmental aspects. The building, designed by the renowned Czech architectural office DaM, includes an optimised lighting system and modern, environmentally friendly air conditioning that uses water from the nearby Vltava river. The building was also awarded platinum certification in April 2012, the highest possible certification awarded by the US Green Building Council LEED (Leadership in Energy and Environmental Design) for satisfying standards

for environmentally friendly, resource-saving and sustainable construction. The building received 87 points out of a total of 110 during the certification process, making it the leader in Europe.

The building provides a modern, attractive workplace for around 1,200 employees of the Czech Group companies and is located in the Karlin district of Prague, with excellent access to the subway system.

#### **Energy saving measures at VIG Holding and Wiener Städtische**

During office modernisation in the Vienna Ringturm building, Wiener Städtische and VIG Holding decided in favour of an integrated lighting system and chose a modern solution by installing approximately 1,000 Light Fields as recessed LED lights. The aim of the lighting renovation was to make use of modern technologies and longer lamp lifetimes to achieve significant energy savings. The overall design integrated a wide variety of lamp types for the different work areas in the Ringturm to provide optimal lighting for each task. The technically obsolete fluorescent lights in the ceilings were replaced by state-of-the-art recessed LED lamps satisfying the sustainability demands of the Group.

#### **Cultural commitment**

The Group feels that arts and culture make an important contribution to a society's quality of life. For this reason, Vienna Insurance Group, its Group companies and Wiener Städtische Versicherungsverein initiate and promote cultural projects and artists.

#### **Fifth wrapping of the Ringturm\* by László Fehér**

With this fifth wrapping of the Ringturm, Wiener Städtische Versicherungsverein, the principal shareholder of Vienna Insurance Group, once again puts a clear pictorial symbol of the arts into the public sphere. The prominent location on the Vienna Ringstraße, where it joins up with the Franz-Josefs-Kai and opens onto the Danube Canal, provides an effective venue for public presentations of contemporary art for residents of Vienna and the city's many visitors. The work, "Society", by the Hungarian artist László Fehér transforms the Ringturm from an office building into an "Art Tower". This was the first time that an artist from one of

Austria's neighbouring countries was commissioned to create a work of art exclusively for this installation. Günter Geyer's invitations to the opening ceremonies were accepted by the Chancellor of Austria Werner Faymann, the Prime Minister of Hungary Viktor Orbán and many other guests from the areas of culture, business and politics.

#### **Gustav Mahler Youth Orchestra**

Vienna Insurance Group has supported the Gustav Mahler Youth Orchestra since 2011. The orchestra was founded in 1986 with the aim of helping young Austrian musicians play music with their colleagues from the former CSSR and Hungary. Since 1992, the Gustav Mahler Youth Orchestra has been open to musicians younger than 26 years of age from anywhere in Europe.

The orchestra offers highly talented young musicians the opportunity to work together with the great conductors and soloists of their time. Auditions are held each year between October and December in more than twenty-five European cities. More than two thousand talented musicians from all over Europe apply every year. A jury of prominent orchestra musicians selects the musicians that may take part in the orchestral project. These musicians then work together with the most distinguished conductors and soloists of our time and appear in prestigious concert halls and festivals in Europe and around the world during Easter and summer tours.

#### **"Architecture in the Ringturm" exhibition series\***

Architectural exhibitions have regularly been presented in the "Architecture in the Ringturm" series since 1998. Principal shareholder, Wiener Städtische Versicherungsverein, uses this exhibition series to provide architects in all the countries where VIG operates with a venue that is accessible to the public free of charge.

#### **Adolf Loos and Vienna**

##### **1 December 2011 to 17 February 2012**

The exhibition is devoted to Vienna's most important international architect of the early modern period: Adolf Loos. In addition to the issue of his relationship with his chosen city, Vienna, the exhibition also uses iconographic sources to examine the design for Goldman & Salatsch, the architect's main work, known today as "Looshaus".

**Bauherrenpreis 2011 architectural award****28 February 2012 to 16 March 2012**

The Bauherrenpreis, one of the most prestigious architectural awards in Austria, has been awarded each year since 1967 to architects and their clients who have made special efforts to realise architectural projects of the highest quality. As architectural clients, Vienna Insurance Group and its Group companies in Austria and Central and Eastern Europe also see themselves as committed to this principle. They have worked together with renowned architects to realise numerous special buildings in previous decades, with the best example being the Ringturm itself. The exhibition presents all the projects that received the Bauherrenpreis 2011 for their functionality, design and social relevance, as well as all the projects nominated by the regional juries.

**UKRAINE****Cities\_Regions\_Traces****11 April 2012 to 25 May 2012**

This exhibition takes you on an architectural trip to the end of the 19th century, through the central locations and regional areas of the Ukraine: Lviv, Chernivtsi, Kiev, Kharkiv, the Transcarpathian Region and the Crimean Peninsula. The show provides a detailed look at the historical buildings documenting the reality of this era. At the same time, the selection of structures shown reflects the variation in the past that continues to characterise the country today.

**MARBURG – MARIBOR****A city panorama****11 July 2012 to 19 October 2012**

Maribor, a picturesque city located on the Drava River, is one of the European Capitals of Culture for 2012. For this reason, an architectural city panorama was dedicated to Maribor, the second largest city in Slovenia. In addition to the architectural highlights of the 20th century, the exhibition also shows the latest developments in this area and showcases the best works of the city's major architectural figures.

**MACIEJ NOWICKI****An architectural career between Poland, the USA and India****27 November 2012 to 15 February 2013**

The exhibition used photographs and drawings to take a closer look at the artistic creativity of the Polish architect Maciej Nowicki. He is considered to be one of the most interesting figures in the world of architecture during the late interwar and early post-war periods in Poland. After emigrating to the USA, he worked with Le Corbusier and Oscar Niemeyer, among others, on the design of the UN Headquarters in New York and the Dorton Arena, one of the most important stadiums of the post-war period. In addition to Nowicki's works, the exhibition also focuses on his theoretical reflections, showing him to be an impressive thinker.

\* Principal shareholder Wiener Städtische Versicherungsverein provided all or a major part of the support for these activities.