

▶ **Are companies that show social responsibility more successful, Ms Culescu?**



Maria Culescu

Founder and President of the aid organisation M.A.M.E. Association that supports patients with cancer and other severe illnesses (for more information visit: www.asociatiamame.com), Bucharest, Romania

“I believe in the future because I see more and more people – and, therefore, businesses – that would like to demonstrate active and financial social responsibility.”



- ▶ **Culescu:** Yes, of course, if their goals and strategy are also good! In my opinion, companies should look at social responsibility as an opportunity to make a direct contribution to sustainable society.
- ▶ Social involvement has to be seen as an investment. Companies can use it to provide long-term support to the community in which they operate. I am happy to see that a growing number of Romanian companies are increasing their activities in this area.

- ▶ Many managers are obviously starting to look beyond sales performance – they have recognised that having the respect of others can also be a success factor and

“Social involvement has to be seen as an investment.”

creates a win-win situation for both company and society. Companies can improve their image while doing something good for society. It is therefore quite clear to me

that social involvement is a competitive advantage.

- ▶ The Romanian VIG subsidiary Asirom has become one of our most reliable cooperation partners, and our project work with them is highly successful. This relationship is based on reciprocity. We provide our partner with all of the documents and reports needed to ensure efficient evaluation. This transparency creates trust and, in the end, long-term cooperation.

Corporate social responsibility

We have great confidence in the future and do our part to shape it, including working beyond the boundaries of our Company. As a successful international insurance group, we feel it is our responsibility to help bring about a future worth living. We have therefore given ourselves the goal of successfully combining the profit-making aspects of our business with social and environmental factors.

SOCIAL FACTORS

Customers

Customer proximity using local management

Vienna Insurance Group uses local management to get closer to customers than others. The local managers and employees of the VIG companies in each country know the needs of the people in their region the best and can therefore also act quickly in the interests of all their customers. Instead of viewing the CEE region as homogeneous, VIG takes into account the structural differences and stages of development of the different insurance markets. As a result, business models are not simply transferred from one country to another without change. Products and distribution must instead be appropriate for the situation in each individual market and must be custom-tailored to meet the specific needs of local customers.

Complaint management

Customer satisfaction is the number one priority for Vienna Insurance Group. If a customer or consumer representative is nevertheless dissatisfied with a product or service provided by a Group company, they can quickly and easily turn to a central point of contact for the company. These contacts are responsible for the complaint process as a whole and are located directly in the managing board team or in company units close to the managing board.

DONAU VERSICHERUNG AS AN EXAMPLE OF COMPLAINT MANAGEMENT

Donau Versicherung has had a central complaint management department for many years that expertly and

reliably responds to concerns raised by customers and consumer representatives. Although the customer advisor is the first point of contact and many questions can be answered by the experts at the call centre, this ombudsman's office plays an important role in responding to highly specific customer issues and requests. At the same time, it functions as an independent intermediary between functional departments and people with complaints.

Donau Versicherung expanded and further improved its complaint service in 2013. The central ombudsman's office and regional contacts were given a new electronic system that further improved complaint entry and processing. The central complaint management department is able to immediately access all necessary information. This means that customers throughout Austria can be given information at the push of a button. Analytical evaluation of criticism received also helps the company find out what customers think about its products and procedures and the source of any dissatisfaction. As a result, the ombudsman's office views complaints first and foremost as an opportunity to make improvements that are in the customers' interest and therefore also in the interests of the company.

Using local management get closer to customers than others

Customer satisfaction

"We are the leading insurer in the CEE region – due to customer proximity and our customer-orientation" – this basic concept is firmly anchored in the Vienna Insurance Group mission statement and expresses the importance of customer-orientation. This concept is also applied in practice, as shown by the many awards received by VIG companies for outstanding products and services. Here are a few examples:

- The highly renowned daily newspaper "Hospodářské noviny" publishes an annual ranking of leading Czech financial services companies. In 2013, Kooperativa received first place for non-life insurance companies, as well as second place in the "Most Customer-Friendly Non-Life Insurance Company" category.

- In 2013, UNION Biztosító received an award for service quality in business property insurance from the Association of Independent Insurance Brokers (FBAMSZ), whose members represent around 60% of this market.
- The Bulgarian Vienna Insurance Group companies received awards in two of seven categories in the “Insurance Company of the Year 2013” competition organised by the Bulgarian Association of Insurance Brokers (BAIB). Bulstrad Non-Life was chosen as the “Fairest Insurance Company in 2013” for quick payment of claims due to personal injury covered by motor liability insurance. Bulstrad Life received an award for “Life Insurance Company of the Year 2013”.

Further awards and official recognition of VIG companies are provided starting on page 26 of this report.

Employees

The success of Vienna Insurance Group is based on the daily dedication of around 23,000 employees with an extensive variety of experience, qualifications and expertise. The diversity of the different Vienna Insurance Group companies is also a reflection of the diversity of its employees. This diversity is part of day-to-day life within Vienna Insurance Group. Respect for different cultures and the cross-border exchange of experience and know-how have played an important role in the sustained success of the Group. As an employer, VIG’s goal in this respect is to promote the professional and personal development of its employees and support them in demonstrating and further developing their abilities.

Employee distribution

The Group had an average of 23,139 employees in 2013, with approximately 57% in the field sales force and 43% in administration.

Percentage of women

Approximately 59% of employees in the Group are women. Women held approximately 20% of the positions on the managing boards of VIG insurance companies at the end of 2013.

EMPLOYEES BY REGION

	2013	2012	2011
Austria	5,235	5,405	5,364
Czech Republic	4,852	4,814	4,892
Slovakia	1,557	1,572	1,596
Poland	1,742	1,751	1,945
Romania	2,727	3,480	3,991
Remaining markets*	6,483	6,344	6,022
Central functions**	543	720	1,092
Total	23,139	24,086	24,902

* 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 Holding, Neue Heimat Holding, Progress, TBIH, VIG Fund, VIG Holding, VIG RE and the non-profit housing societies

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 60 largest German insurance companies, where an average of 8.6% of the managing board positions are held by women.

A good third of the managers newly appointed to the managing board of a VIG insurance company in 2013 were women. This appointment policy is not based on an internal quota for women, but is instead the result of selecting applicants strictly on the basis of qualifications. The percentage of women in top positions at Vienna Insurance Group can be expected to continue increasing over the medium term.

Including distribution, women hold a good 40% of the management positions at the level directly below the managing board in VIG insurance companies across Europe (not including distribution: 45%). Removing barriers to women’s careers is one of the key elements of the personnel strategy at Vienna Insurance Group.

VIG people management strategy – first year of implementation

The VIG people management strategy is based on the Company’s business strategy, values and management principles and includes the following strategic objectives:

- 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

All of the initiatives planned for the VIG people management strategy were carried out successfully in the first year of implementation of the strategy. Among other things, new expert competences were introduced on a pilot basis in three countries and five companies, managers were offered a new in-depth leadership programme, and existing management development initiatives were continued. In addition, a development programme was designed for experts and the people management internet and intranet websites were revised. Recruiting and on-boarding standards were prepared and approved Group-wide, and the existing staff diagnostic programme was modified based on the new competence model.

Initiatives at Group level

VIG CORPORATE UNIVERSITY – MANAGEMENT DEVELOPMENT IN 2013

The Group-wide advanced training programmes offered by the VIG Corporate University are closely aligned with VIG's business strategy and competences. As a platform for intellectual exchanges with renowned external lecturers and colleagues in the VIG Group, these programmes strengthen the "team spirit" of the Group and promote a performance-oriented attitude while building a shared understanding.

VIG's custom-designed "Leadership Development Programme (LDP)" was provided for management for the third time in 2013 in cooperation with the IEDC – Bled School of Management in Slovenia. For twelve days, 28 managers from eleven countries and 20 VIG companies discussed the topics of leadership, change management, strategic challenges and operational excellence with renowned international professors.

In order to ensure sustainability in shared learning and a diversity of perspectives with respect to management topics, an in-depth seminar was offered for the LDP for the first time in 2013. Almost all of the first LDP graduates took part in the intensive leadership workshop, "The Art and Practice of Effective Communication and Conflict Resolution". Together with an experienced Swiss leadership trainer and a professor from the French Insead Business School, the 24 participants discussed aspects of managing and being managed, dealt in detail with the logic of emotions, and examined the latest communications theories using concrete practical examples.

STAFF DIAGNOSTIC

The Staff Diagnostic plays a central role in the personnel development process. It is used across the Group with the goal of identifying and systematically developing employee potential and assigning employees precisely where their skills, interests and knowledge can be used the best. When needed, it is also used during recruiting as a way of introducing objectivity. The four variations of the Staff Diagnostic are offered in German and English, and are performed in other local languages as needed. This standardised Group-wide evaluation creates a basis for professional development and career planning across the Group.

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**

All of the existing variations of the Staff Diagnostic for managers and employees were modified during the reporting period to take into account the Group-wide competence model that was revised in 2011 and expanded with expert competences in 2012. This included redesigning and implementing the Development Centre – a Group analysis procedure for employees – which continues to be used primarily as a basis for individual targeted employee development.

RELAUNCH OF THE VIG INTERNET AND INTRANET SITES

Extensive work was done in 2013 for the relaunch of the “Jobs & Career” pages on the VIG Internet and intranet sites. The intranet redesign was aimed at increasing the motivation and loyalty of employees as well as making more information available to them. The focus was on providing increased regular communication on topics such as VIG goals, values and current personnel development projects and opportunities. The redesign of the “VIG Career Lounge” at www.vig.com was aimed at presenting VIG as an attractive employer by providing clear and appealing information on career and development opportunities. For both platforms, VIG employees were invited to tell their personal “VIG Stories” to create a living image of the culture and diversity in the Group.

MOBILITY IN PRACTICE

Internationality, diversity and mobility are very important to Vienna Insurance Group. Close cooperation and exchanges between VIG Holding in Vienna and the operating companies are part of the day-to-day life of the Company. VIG mobility programmes in 2013 included standardised job rotation programmes offering transfers for several months into the asset management, actuarial, enterprise risk management, personal insurance performance management, finance and accounting departments of VIG Holding. The seven participants came from Albania, Bulgaria, Hungary and Macedonia.

In addition, 20 knowledge transfer trips and international introductory programmes took place between companies

and between companies and the Group holding company in the year just ended. VIG employees use these intensive training courses – visits of between two and 30 days – to prepare for a new position or to increase and deepen their professional knowledge.

Initiatives at the holding company level

VIG JOB MARKET

As a service-sector company, it is particularly important for Vienna Insurance Group to attract ambitious qualified employees and be an attractive, long-term employer for them. Requirements profiles and interview guidelines based on VIG competences are important tools used for targeted recruitment. The Group-wide internal job market allowed Vienna Insurance Group employees to actively apply for local and international positions in 2013 and develop their skills within the Group. This retains knowledge and talent within the Group, while simultaneously opening up new career prospects. In 2013, around 20% of available positions were assigned internally.

**VIG – a place of
internationality,
mobility and
diversity**

In order to ensure that employees and management have the skills needed for the success of the Company, the new Group-wide competence model is also used during recruiting.

ONBOARDING

It is important to Vienna Insurance Group that its employees feel comfortable in their working environment from day one. VIG Holding uses an extensive introductory programme to help new employees joining the Group. During the Welcome Day, employees are introduced to the main points of contact in the Group headquarters during their first day at work. Each employee also receives a manual that provides detailed information about the Group and an initial overview of the Company's structure and procedures.

During the first nine months, new employees of VIG Holding take an established two-module training course providing more detailed information on, for example, the history of the VIG Group, the main business processes in the Company and the main insurance products. The onboarding programme ends with “Sales Day”, where new employees are introduced to the challenges of sales on location at a business office and learn valuable first-hand information about the sale of insurance products.

CREATING LONG-TERM RELATIONSHIPS WITH STUDENTS AND GRADUATES

In order to establish and strengthen “Vienna Insurance Group” as an employer brand, VIG uses a long-term approach tailored specifically to each target group when addressing the different groups of applicants. In order to reach the target group consisting of students and graduates of universities and universities of applied science, VIG participates in “Career Calling”, Austria’s largest annual career fair, “High Potentials Day”, a recruiting event organised by the Austrian weekly magazine “Profil”, and the “Recruiting Breakfast” held by the Career Planning Centre (ZBP) at the Vienna University of Economics and Business. The Company was also represented at the first “fair.versity” career fair held by the Austrian Federal Economic Chamber (WKO) in 2013. This fair is aimed at applicants interested in diversity and an international orientation.

In 2013, VIG also began a cooperation with the “Master Class Central & Eastern Europe” study programme, a compact two-semester programme at the Vienna University of Economics and Business aimed at teaching management skills, with a special focus on the management and control of multinational companies in Central and Eastern Europe. This cooperation allows VIG to assist students from the CEE region and young talented trainees with an affinity for this economic and geographical region. It also awarded scholarships for future managers with a CEE background to attend the “Discover Management Programme” as part of its cooperation with the IEDC – Bled School of Management in Slovenia.

Initiatives at individual company level

Many initiatives were also implemented at the individual company level in 2013. The following examples have been chosen from the many available to illustrate the work of the VIG companies in the area of people management.

AUSTRIA – WIENER STÄDTISCHE PROMOTES INFORMATION EXCHANGE WITH EMPLOYEES ON PARENTAL LEAVE

Wiener Städtische started the “Eltern-Kind-Jause” (Parent-Child-Snacktime) in 2013 in order to maintain contact with employees on parental leave. The aim of the event is to bring mothers and fathers on parental leave up-to-date twice a year on current developments in the Company, thereby making it easier to return to work. Equal treatment in the workplace, numerous training and advanced training opportunities, a balance of career and family, and open internal and external communication are values that form part of day-to-day life at Wiener Städtische.

AUSTRIA – GREATER FOCUS ON “CAREER AND FAMILY” IN DONAU VERSICHERUNG AND S VERSICHERUNG

Achieving a balance between career and family is of key importance to Donau Versicherung. In order to give this issue the same importance in its strategic people management, Donau Versicherung decided to take part in the comprehensive “Audit berufundfamilie” (Career and Family Audit) programme and received the government seal of approval under this programme.

s Versicherung also took part in this audit process and has committed to implementing additional measures to reconcile career and family in the next three years. As a result, s Versicherung also has the right to use the government “Audit berufundfamilie” seal of approval as a family-friendly employer.

CZECH REPUBLIC – FOUNDING OF THE ČPP ACADEMY BY GROUP COMPANY ČPP

In 2013, the Czech Group Company ČPP received funding from the European Social Fund in the area of training and advance training for its two-year project “Professionalism through Education”. The ČPP Academy was founded as

Employee loyalty from a family-friendly personnel policy

part of this project. Accreditation of the first participants in the six-month vocational continuing training programme took place in September of the reporting period. 24 employees from regional head offices throughout the Czech Republic successfully completed the programme. The programme was centred on training internal specialists to provide detailed information on ČPP products and services to sales employees or business partners.

SLOVAKIA – NEW KOOPERATIVA TRAINING PROGRAMME VIA VIDEO CONFERENCE

The Slovakian Group company Kooperativa started an innovative environmentally-friendly pilot project for digital training using video streaming in 2013. This type of distance training is currently in the test phase and is aimed at helping the company's own field sales force by saving valuable time and travel expenses. Unlike conventional e-learning platforms, online training meetings ensure there is an interactive exchange between participants, and individual contact between trainers and participants.

POLAND – COMPENSA NON-LIFE AWARDED TITLE OF "RELIABLE EMPLOYER"

The Polish Chamber of Commerce awarded the title of "Reliable Employer" to the Polish Group company Compensa Non-Life in 2013. The award reflects the company's successful long-term efforts in the area of employee rights, benefits and fringe benefits. The evaluation process for the "Reliable Employer" award began in 2009 and was carried out by the Polish Chamber of Commerce and the "Teraz Polska" ("Poland now") Polish Promotional Programme Foundation in cooperation with NGOs and universities.

ROMANIA – IMPLEMENTING THE NEW VIG EXPERT COMPETENCES IN OMNIASIG

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 the expert group was added to the model in 2012, the Romanian Group company Omnisig became one of the first companies to take part in the pilot project to implement these expert competences. The goal of the pilot

project is to identify examples of best practice during the implementation process so that the experience gathered can be made available to help Group companies in the next stage. Working closely with the project team of the people management department of VIG Holding, numerous workshops, feedback rounds and training courses were already conducted with the Managing Board and managers in 2013.

Company values and conduct

Strong ethical values have formed the basis of the successful business development of the Group from the very beginning, and are deeply rooted in the Vienna Insurance Group self-image. Honesty, integrity, customer satisfaction, diversity and equal opportunities guide the corporate behaviour of Vienna Insurance Group in relation to its employees, customers, business partners and shareholders.

VIG code of conduct

Above all, Vienna Insurance Group stands for trust and security. To fulfil these demands, a standardised code of conduct, the code of business ethics, was created based on the Company mission statement and VIG values. It applies to all VIG employees and governs conduct related to matters such as compliance with laws, discrimination, the environment, bribery and corruption, data privacy, insider trading and money laundering. In the interests of transparent corporate communication, the code of business ethics is also published on the VIG website at www.vig.com/en/corporate-responsibility.

Wiener Städtische as an example of VIG compliance

Wiener Städtische has had a new compliance department since 1 April 2013. Compliance is generally defined as the observance of rules, i.e. internal Group guidelines, but also including in particular the observance of statutory provisions. Compliance can also be understood as "value management". In this sense it concerns the basic attitude and conduct of a company and the people working in the company that are applied in practice and communicated both within and outside of the company. Wiener Städ-

tische has dealt extensively with these topics for a very long time. Establishing the new department means that they can now be institutionalised and reorganised.

A Compliance Committee was established to ensure that all Wiener Städtische employees have a sound understanding of compliance issues. It is comprised of 18 compliance representatives, mainly senior managers, and the Compliance Officer, who meet four times a year to discuss any compliance cases, current and necessary preventative measures, and further development of the compliance system. The code of conduct is included in the documents given to new employees and sets down strict internal requirements for compliance with laws and regulations, anti-discrimination, prevention of bribery and corruption, insider trading, confidentiality, data privacy and environmental and social responsibility. This information is also available at any time on the intranet. This information is supported by regular training courses dealing with the guidelines mentioned above.

Society

Vienna Insurance Group is aware of its social responsibility to the people in its 24 countries and uses a wide range of projects and measures to proactively meet this responsibility. Many of these social and cultural initiatives are made possible primarily through the major support provided by its principal shareholder Wiener Städtische Versicherungsverein.

Social Active Day*

Vienna Insurance Group began the Social Active Day initiative in 2011. It encourages Group employees to become involved in a good cause and as a rule allows them to take one working day off for this purpose. Because of the impressive response, the Social Active Day has been successively expanded since it began, so that Group companies in 19 countries now participate. Employees used 4,566 working days for volunteer activities in 2013.

A few examples of these activities from the different Group companies are presented below:

AUSTRIA – ACTIVE SUPPORT FOR CANISIBUS

Day after day, two Caritas buses travel along a fixed route in Vienna to deliver hot soup and bread to people who often have this as their only warm meal of the day. The meal is gratefully received not only by homeless people, but also by men and women who take the soup home for their families. In addition to a meal, they also receive consolation and encouragement from Caritas employees. Many VIG Holding and Wiener Städtische employees helped the volunteers for these buses under the Social Active Day initiative.

CZECH REPUBLIC – HELP FOR FLOOD VICTIMS OF ČPP EMPLOYEES

Around 160 employees of the Czech Group company ČPP assisted a large number of initiatives as part of Social Active Day, including providing help to victims of the devastating flood of 2013. The volunteers helped the victims remove mud and clean up after this serious natural disaster.

ROMANIA – ASIROM ASSISTS ORGANISATION FOR CANCER PATIENTS

Employees of the Romanian Group company Asiom have supported the non-profit organisation M.A.M.E. with a variety of projects since 2011. The organisation mainly helps cancer patients, especially socially disadvantaged children and young people, by providing art therapy, self-help groups, advice on applying for funding for therapy in other countries, etc. M.A.M.E. has already helped more than 120 patients since it was established in 2009 (see also page 60).

ALBANIA – FIRST SOCIAL ACTIVE DAY

The first Social Active Day in Albania took place in 2013 and was immediately well received: the VIG company InterAlbanian started the “Keep the beach clean” initiative and 70 employees took part. Together with school children, they cleaned the beach at the seaside city of Orikum in

Southern Albania, thereby helping neighbouring beach areas create public awareness of the need to avoid and dispose of garbage. The initiative also attracted great attention in a large number of local media.

CROATIA – ERSTE OSIGURANJE MOTIVATES CHILDREN TO PLAY OUTDOORS

Motivate children to spend more time playing outdoors – this was the aim that the volunteers from the Croatian VIG company Erste Osiguranje undertook to achieve in 2013 when they began their “Day of children’s games” initiative. Play camps were organised in Zagreb, Split, Osijek, Rijeka and Pula between April and June. The goal of the initiative was to encourage sports activities and the team spirit of the children.

UKRAINE – FIRST SOCIAL ACTIVE DAY

As part of the first Social Active Day in the Ukraine, around 50 employees of the Group company UIG renovated a playground for the Yolochka orphanage in Simferopol on the Black Sea. A trip to an ostrich farm was also organised for special needs children from the Kiev region.

HUNGARY – HELP FOR CHRONICALLY ILL CHILDREN

At the end of May 2013, over one hundred employees of the Hungarian VIG companies Union Biztosító and Erste Biztosító continued a tradition that first began in 2008. As part of the Social Active Day, Bátor Tábor, a vacation camp for chronically ill children in the Hungarian city of Hatvan, was prepared for the arrival of the children. Outdoors, the volunteers did some gardening and repair work and laid 24 tonnes of wood chips on the pathways. The indoor work included painting walls and organising the children’s rooms.

Günter Geyer Social Active Award*

Wiener Städtische Versicherungsverein, the principal shareholder of Vienna Insurance Group, awards a prize for outstanding social commitment each year, named after General Manager Günter Geyer. The annual prize is

awarded to three Group companies whose social activities, or those of their employees, deserve special mention for their achievements in the service of their fellow men. The prize winners also receive EUR 100,000, which is provided for the promotion of additional social projects.

Wiener Städtische in Austria received first place in 2013 for its outstanding consciousness-building activities in the area of nursing care – especially for the “Carer with a Heart” initiative. Second place went to Kooperativa Slovakia for its extensive efforts to help disadvantaged children and youth with special needs. Third place was awarded to Bulstrad Life in Bulgaria, among other things for the repeated assistance given to the Radost children’s home by employees of the company.

Special Recognition Awards for Social Involvement granted for the first time*

In addition to helping charitable organisations, Wiener Städtische Versicherungsverein, the principal shareholder of VIG, would like to motivate Group employees to go beyond the Social Active Day and become socially active in their free time to promote the ideas of civil society. For this reason, a Special Recognition Award for Social Involvement was established in 2013 to recognise the involvement of these employees. Nominations for this award are made by fellow employees, and a jury selects ten winners from the nominations submitted.

**4,566 working
days for social
involvement
under the Social
Active Day
initiative**

Employees from six countries (Bulgaria, Macedonia, Austria, Slovakia, the Czech Republic and Hungary) received the award in 2013. A lawyer, for example, provides free legal advice to victims of crime and also uses her professional expertise outside of her work. Other awards were given to a voluntary member of a Red Cross crisis intervention team and the co-founder of a support organisation for kidney patients and their families. The winners were invited to enjoy a busy weekend schedule of sightseeing and cultural events in Vienna.

VIG Kids Camp*

Wiener Städtische Versicherungsverein once again organised a number of summer camps in 2013, at which around 500 children of VIG employees from 20 countries spent two weeks of their summer holidays. Under the motto "Paint what you want to become", the children aged between nine and 13 could express their ideas of a dream job on paper. The most imaginative and creative submissions were awarded an invitation to Kids Camp.

Those invited could then choose between the "City Camp" in the Strebersdorf area of Vienna, the "Country Camp" in Wagrain, Salzburg, and the "Mountain Camp" in Altaussee in the Salzkammergut area. Activities ranged from hiking tours and expeditions through salt and stalactite caves to sightseeing tours in Salzburg and Vienna, along with a variety of games and water fun. The children also had new and interesting experiences with

children from many other European countries. The Company was therefore also promoting intercultural exchange, thereby contributing to a culture of harmonious interaction.

Vienna Art Week

Vienna Insurance Group has supported Vienna Art Week since 2006. In 2013, under the motto "Projecting Worlds", the cultural festival explored topics and positions related to the role of artistic expression in reinforcing identity. Close to 35,000 art enthusiasts visited around 180 individual events (e.g. gallery tours, curator tours, artist talks, etc.). 72 programme partners (institutions, galleries, alternative spaces, special project partners and artists) successfully managed to present the immense quality and variety of the Vienna art scene. For the first time, Vienna Art Week also used the motto "Curators' Picks" to invite international curators to come to Vienna and discover the great variety of the Viennese art scene as well as introducing the scene into the international discourse. During the Open Studio Days, around 3,000 people visited the studios of 84 Viennese artists.

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, it has offered highly talented musicians throughout Europe up to the age of 26 the opportunity to work together with the great conductors and soloists of our time. The Gustav Mahler Youth Orchestra has been an ambassador of Unicef Austria since 2012.

In 2013, Herbert Blomstedt agreed to be a guest conductor. During its Easter tour the Gustav Mahler Youth Orchestra went, among other places, to Vienna, Paris, Zagreb, Bratislava and Lisbon. As a special honour, during Wagner Year 2013 the orchestra was invited to give two concert performances of Richard Wagner's *Rienzi* under the direction of Philippe Jordan at the Salzburg Festival.

Slovakian artist Dorota Sadovská wraps the Ringturm*

The sixth traditional wrapping of the Ringturm during the summer months of 2013 reflected the strong, expressive commitment of Wiener Städtische Versicherungsverein to its role as a facilitator of cross-border dialogue. The work "Ties" by the young Slovakian artist Dorota Sadovská was created exclusively for the Group headquarters. The work expresses the theme of reciprocal ties, the joy of moving together and meeting. The symbol of three female figures in a circle has been recognised since ancient Greece as a symbol for the best way of managing material resources: by taking, giving and returning. The symbolism of "Ties" is also reflected in the concept of insurance as mutual sharing.

"Architecture in the Ringturm" exhibition series*

The "Architecture in the Ringturm" series of architectural exhibitions has been held regularly since 1998 in the exhibition centre at VIG Group headquarters. It is aimed at making the architecture of the countries in which VIG operates widely accessible to the public free of charge.

* Wiener Städtische Versicherungsverein, the principal shareholder of VIG, provided all or a major part of the support for these activities.

**Around 500 children
from 20 countries at
VIG Kids Camp 2013**

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 focused on his theoretical reflections, showing him to be an impressive thinker.

BAUHERRENPREIS 2012**6 MARCH 2013 TO 5 APRIL 2013**

The Bauherrenpreis, one of the most prestigious architectural awards in Austria, has been awarded each year since 1967 by the Austrian Architects Association (ZV). It honours the functionality, design, social relevance and open area design of buildings whose success is partly due to the commitment of the client. The exhibition showed the projects submitted for the Bauherrenpreis 2012. Using plans, photographs and models, it drew an impressive picture of contemporary Austrian architecture. In addition to the award-winning projects, the exhibition also looked at the projects chosen by the nominating juries in each province.

THEOPHIL HANSEN. CLASSICAL ELEGANCE IN EVERYDAY LIFE**18 APRIL 2013 TO 9 SEPTEMBER 2013**

The exhibition series dedicated a large personal exhibition to the architect Theophil Hansen to mark his 200th birthday. Born in Denmark, he was without doubt one of the most important protagonists of the Vienna Ringstraße era. He designed the Austrian Parliament Building, Old Stock Exchange, Musikverein concert hall, Palais Ephrussi and Palais Epstein, and had a major influence on the architectural world in Vienna during this period of prosperity. The exhibition also cast light on Hansen's lesser-known creations in Central and Eastern Europe, e.g. in what is known today as the Ukraine or Czech Republic.

MONTENEGRO LANDSCAPE CONTRAST, ARCHITECTURAL CONTEXT**19 SEPTEMBER 2013 TO 15 NOVEMBER 2013**

The exhibition series turned to Montenegro for the first time in 2013. The characteristic landscape in this small country on the Adriatic Sea is impressive and is increasingly becoming a destination for international visitors. The architecture of Montenegro, however, is less well known. Both the urban and architectural tradition along the coast show the historical influence of the sea republic of Venice. There is quite a difference between this strip of land along the sea and the mountain region. The rural architecture in the hilly and mountainous areas has a long tradition and was presented together with the coastal region, which is reminiscent of Dalmatian cities.

BAUHERRENPREIS 2013**27 NOVEMBER 2013 TO 10 JANUARY 2014**

For the third time, the exhibition series showed all of the projects nominated for the Bauherrenpreis award, with special attention given to the seven award winners. A total of 90 projects were submitted to the Bauherrenpreis 2013 competition. Volunteer juries selected up to five buildings for each province, and after extensive examination an international jury – Dörte Mandrup, Arno Brandlhuber, Christian Kühn – chose seven award winners from the 30 projects that were nominated.

ECONOMIC FACTORS**Indirect economic effects****The structure of the insurance industry as an important factor for the economic development of a region**

The establishment of a stable, reliable insurance industry is critically important in many respects for the economic development of a country. Insurance services are an essential part of the national financial infrastructure and have a stabilising effect on the entire economy. Reliable local insurance companies familiar with local conditions are particularly important for countries that rely on foreign investors and cooperations for major economic projects like infrastructure. VIG has successfully assumed exactly these responsibilities many times in the past two decades, thereby making a very early contribution to the economic development of countries in the CEE region.

In the area of private insurance, both non-life and life insurance are valuable instruments for developing and protecting rising prosperity. The automotive industry, for example, plays a major economic role in many CEE countries and requires a functional insurance industry. Private health insurance and life insurance are also valuable supplements to limited government healthcare and pension systems. Due to its strong market presence, VIG has a major influence in shaping these areas.

Sustainable investments

As the leading insurance group in its core markets, VIG is aware of its responsibility to make sustainable investments, and its responsibility to promote innovative environmentally-friendly ideas. "Think globally – act locally" – VIG also gives top priority to this principle for goal achievement when making its investment decisions. In the area of infrastructure investments this means supporting as many local infrastructure projects as possible that guarantee a sustainable improvement in local living conditions. The investments in energy-efficient social housing in Austria are a recent example of this. The VIG-supported expansion of the healthcare system in the form of outpatient clinics providing medical care in many areas of Georgia also follows this principle. In addition, VIG continues to follow its long tradition of energy and resource efficiency when designing its own office buildings.

ENVIRONMENTAL FACTORS

District cooling provides environmentally-friendly air conditioning in the Group headquarters

District cooling uses waste heat from thermal waste utilisation or electricity generation in a closed cooling water system for building air conditioning. Due to its highly efficient generation mix, district cooling in Vienna makes a significant contribution to CO₂ reduction and is considerably more cost-effective than conventional cooling methods.

The Schottenring district cooling station officially began operating in the first half of 2013. Along with a number of other companies, the Ringturm headquarters of Vienna Insurance Group and Wiener Städtische were also con-

nected to the Schottenring district cooling network. In addition to the benefits mentioned above, district cooling is also a space-saving alternative compared to conventional air conditioning systems. Using cooling supplied by a central cooling station allows valuable space to be saved for office and other uses.

Fewer business trips thanks to the new video conferencing room in the Group headquarters

VIG installed a modern video conferencing system in its business headquarters in 2013. Simultaneous audio, video and data transmission make the system ideal for virtual meetings, thereby rendering various business trips unnecessary. Video conferences can now be used for meetings with partners or other colleagues, e.g. in the Czech Republic, where the business headquarters of Kooperativa and ČPP also satisfy all of the technical requirements. In addition to reducing travel costs, this environmentally-friendly technology also makes it possible to reduce CO₂ emissions.

VIG headquarters uses environmentally-friendly building air-conditioning

Sustainable building methods for new construction projects

Opening of the new provincial headquarters in St. Pölten

The new provincial headquarters of Wiener Städtische and Donau Versicherung in St. Pölten was opened in 2013. The new building was built under the direction of the renowned architect Heinz Neumann, Neumann & Partner, and provides around 3,800 m² of modern workspace for the 180 employees at the provincial headquarters. In addition to providing modern office infrastructure, the design also meets state-of-the-art energy standards. Referred to as a "green building", it incorporates low-energy design, a photovoltaic system and geothermal cooling of the IT and building services rooms. This allows the two insurance companies to make a valuable contribution to environmental protection and resource conservation.

Environmentally-friendly headquarters of Kooperativa and ČPP

The headquarters of the two Czech VIG companies Kooperativa and ČPP in the Karlín district of Prague was designed with the goal of reducing its environmental impact as far as possible. The building was completed in 2012 and includes an optimised lighting system and a

modern, environmentally-friendly cooling system that uses water from the nearby Vltava river. The building was 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, sustainable construction.

EXAMPLE OF PRODUCTS WITH A FOCUS ON CSR

SUPERIOR 3 ethical fund

Wiener Städtische has offered its SUPERIOR 3 ethical fund for several years as part of its “United Funds of Success” line of unit-linked life insurance to provide customers a sustainable and ethical option for investing their savings premiums. The premiums are invested in the “Superior 3” fund managed by the bank Schellhammer & Schattera. An ethical advisory committee of competent individuals from the church, business and academia nominated for the fund defines specific requirements and conditions for these investments. In addition, information on social and environmental developments related to companies, sectors and countries is used continuously for investment decisions. Independent auditors monitor compliance with the selection procedure, thereby ensuring the transparency and credibility of the investment process.

Wiener Städtische energy bonus – preferential treatment of energy-saving homes

Climate protection is very important to Wiener Städtische and it is therefore promoting the use of sustainable, energy-saving home building methods by providing a premium credit of EUR 35 towards homeowners insurance. This energy bonus applies to all homes with an energy consumption of up to 70 kWh/m² and requires that energy certification or documentation of energy-saving measures be submitted.

Micro-insurance*

At the initiative of Wiener Städtische Versicherungsverein, Wiener Städtische offers an insurance package to Zweite

Sparkasse customers that is custom-tailored to their needs. Wiener Städtische has been a cooperation partner of Zweite Sparkasse, the “Bank for People without a Bank”, since 2007, making it the first insurance company in Austria to deal with the area of micro-insurance. Zweite Sparkasse helps people experiencing hardship who have no access to bank services because of their difficult financial situation.

There are around 40,000 people living in Austria who do not have a bank account for reasons beyond their control. They encountered social or financial hardship for a variety of reasons - mainly unemployment, divorce or illness - and subsequently also lost their bank account. This is where Zweite Sparkasse provides unbureaucratic assistance. It operates without a profit motive and aims to help people help themselves. Insurance products were developed for these people under this cooperation. For each account, VIG offers basic insurance coverage in the form of legal advice, which can be used free of charge once per quarter, and legal counselling to clarify issues in the individual's personal or working life. Free casualty insurance is also included, providing financial security for accidents and insurance coverage for leisure-time and work accidents around the clock. Household insurance may also be purchased for a monthly premium of EUR 3.

ČPP assists socially and medically disadvantaged individuals

ČPP continued its cooperation with AAA AUTO a.s. in 2013 under the project “AAA AUTO Mobility”. The company is the only used car dealer in the Czech Republic that offers cars to individuals with special needs at a favourable price, including conversion to make them suitable for use by disabled persons. ČPP is supporting this project by providing a discount on its motor liability and own-damage insurance for individuals with special needs.

**Wiener
Städtische is a
cooperation
partner of the
“Bank for People
without a Bank”**