

## AN INTERVIEW



**“Long-term thinking is in our DNA.”**

**Petra Ringler**  
CSR-Officer

**What is the importance of CSR for an insurance company?**

As an insurance company, we promise our customers to deliver a clearly defined service in the future. Take life insurance or health insurance, for example, and you are talking about a time frame of 30 or even 60 years. Long-term thinking is in our DNA, so to speak, as part of our core business. The fact that VIG has this kind of vision is proof of our company's 190-year old history.

**Which CSR topics are of particular importance to VIG?**

On the one hand these include topics concerning employees, diversity, fairness, environmental concerns, and support from social and cultural institutions. On the other hand I believe that we must integrate CSR much more into our core business. How can we sustainably support our customers with their safety and financial security needs? How do we as an insurance group handle the demographic changes or natural disasters, which occur more and more frequently? These are central issues and questions, which strongly influence the product design of our Group companies and also our company's strategy.

**Where else do you see the need for action over the coming years?**

As I mentioned, many of the topics we have been dealing with intensively for quite a while. Now it is time to build a solid roof for all those diverse measures and to communicate our plans to the outside world even more. In doing so, one of our foremost interests in the design of our CSR agendas is to structurally involve our customers, employees and business partners and to proactively ask them, which topics are important to them. What good are our best ambitions and intentions, if they fail to address the real target, namely long-term satisfied customers, employees and shareholders?

**The whole interview is available at: [www.vig.com/en/CSR\\_Interview](http://www.vig.com/en/CSR_Interview)**



**Patrick Göttlicher**  
Special operations project  
InterRisk, Germany



**Goran Kesić**  
Sales  
Wiener Städtische Osiguranje, Serbia



**Barbara Grötschnig**  
Group Sponsoring  
VIG Holding, Austria



**Daniela Michaličová**  
Marketing  
Komunálna, Slovakia

Capable, responsible, diverse: the people behind Vienna Insurance Group

# Responsibility both in & outside the Company

**Our involvement does not end at the office door. We also actively tackle issues and provide help outside our daily business lives. In addition to helping with the professional development of its employees, VIG also uses social initiatives to contribute to their personal development.**

VIG has a long tradition of social involvement. This is why we actively initiate and promote social programmes and projects that are dedicated to those who are socially disadvantaged.

**Bringing social involvement to life.** Our Social Active Day deserves special mention. Started in 2011, it allows every VIG employee to dedicate one working day per year to a social initiative. Employees support a wide range of projects and social organisations that differ greatly across regions. Around 4,000 VIG employees set a strong example of greater involvement, charity and solidarity in 2015. **Patrick Göttlicher** was one of them. He

contributed his organisational talent from “Wiesbadener Tafel” to help enable disadvantaged children and their families, and seniors without caregivers to take a boat cruise on the Rhine. It was clear that Serbian-born **Goran Kesić** also wanted to provide help by renovating the homes of families with children who have cancer as part of the NURDOR project.

The Günter Geyer Award is granted each year with support from Wiener Städtische Versicherungsverein, the principle shareholder of VIG, to honour this contribution to society within the Group. In 2015, one of the award winners for social involvement was the Slovakian compa-

ny Komunálna, which took third place, and **Daniela Michaličová** as Head of Marketing for the company. She is the main person in the Group responsible for the “Child-Friendly Community” project, which trains social workers, among others, to better recognise and understand the needs and problems of young people.

**Barbara Grötschnig**, Head of VIG Group Sponsorship, and her dedicated team are responsible for all social and cultural activities in the Group: In addition to coordinating the Social Active Day, this also includes the annual wrapping of VIG's headquarters in the Ringturm

## Gustav Mahler Youth Orchestra

Vienna Insurance Group sponsors the Gustav Mahler Youth Orchestra, one of the world's leading youth orchestras. It is a place of learning for talented European orchestral musicians and encourages young Austrian musicians to play music with their colleagues from all over Europe, traditionally including many from Central and Eastern Europe. More than 2,000 young people apply each year, but after the rigorous selection process only the best are invited to join the orchestral projects. VIG has supported the Gustav Mahler Youth Orchestra for many years, thereby also promoting international understanding and equal opportunities.

## Wrapping of the Ringturm

The Company headquarters, the Ringturm building, once again became an art tower in celebration of its 60<sup>th</sup> anniversary. The work “Joys of Summer” by Croatian artist Tanja Deman is the eighth traditional wrapping of the Ringturm by Wiener Städtische Versicherungsverein. In addition to the artist herself, many art enthusiasts also attended the opening event.



## VIG Kids Camp

VIG Kids Camp was organised for the sixth time by Wiener Städtische Versicherungsverein, the principal shareholder of VIG. 500 children of VIG employees from 22 countries enjoyed an unforgettable experience full of adventure, excitement and social involvement. The children in the three camps, “City Camp” in Strebersdorf, “Country Camp” in Wagrain and “Mountain Camp” in Mariazell, dedicated one day to a social activity. Songs were rehearsed and dances learned, and then presented in an establishment for senior citizens. The children sang and danced to the great enjoyment of the audience.



**Stela Šeperić**  
Actuary  
Wiener Osiguranje, Croatia



**Enid Minarolli**  
Managing Board  
Sigma Interbanian, Albania



**Jiří Pařík**  
Legal department  
Kooperativa, Czech Republic



**Judit Pécsi**  
People Management  
Union Biztosító, Hungary

## AN INTERVIEW



## “Our focus is on people”

**Birgit Moosmann**  
Head of Human Resources

**What are your responsibilities at VIG?**

I am responsible for implementing Group-wide initiatives and incentives that set a framework for local heads of HR. Since they know local conditions the best, Group companies are independently responsible for the direction they take, such as providing local advanced training courses.

**What makes VIG an attractive employer for job seekers?**

We offer a wide range of opportunities and prospects. Our advanced training and development programmes focus on Group-wide collaboration and international experience. Continuing training is available in all areas, right through to the systematic promotion of expert careers and the development of managers. Employees can exchange information with their colleagues in other countries and develop an understanding of different cultures and local market conditions.

**What is particularly important to you about your work?**

Since our success is based on our 23,000 employees, we have a clear focus on people. Only by working together can we continue to provide excellent service to our customers in 25 countries. What particularly sets us apart is that our VIG team is motivated, diverse and capable, and speaks many languages.

**What are the priorities for the future?**

We want to continue promoting diversity within VIG and providing all employees with opportunities for development. Our goal is to become even better every day, so that we can continue to attract – and retain – the smartest minds for our company in the future.

building, the VIG Kids' Camp and refugee aid initiatives, to mention only a few.

**Learning without borders.** VIG combines responsibility and solidarity with the best possible support for its employees. In addition to respect for others at all staff levels, importance is also placed on identifying career opportunities, and recognising and promoting employee potential.

The mobility programme is a key component of employee development that gives highly talented employees practical insights into the processes, guidelines and standards of the different departments and Group companies. **Stela Šeperić** is one of the employees who took part in this programme. She is an actuary from Wiener Osiguranje, Croatia, and visited Vienna under the mobility programme. “I returned to Croatia with more knowledge, a wider professional network and many positive impressions,” stated Šeperić, summarising her experience.

**Jiří Pařík** also took part in the mobility programme. In his case, however, he joined VIG company Kooperativa in

the Czech Republic through its one-year trainee programme. “I learned about the Company in all of its aspects, and this experience will be highly valuable to me in my future work,” stated Pařík.

**Identify, promote and use potential.** In addition to employee training, priority is also given to management development. A range of training programmes covers both professional expertise and personal development. One of the key programmes is the International Management Development Programme for High Potentials and Young Managers (IMDP), which was developed in cooperation with the renowned Zeppelin University in Friedrichshafen. **Enid Minarolli** is one of the managers who took part in the programme. He was recently appointed to the Managing Board of Sigma Interbanian.

“The programme promotes out-of-the-box thinking to best equip managers for current and future challenges in the insurance industry. The experimental approach and professional exchange of information with my colleagues in the Group were particularly valuable

to me,” stated Minarolli about the programme.

**Focus on experts.** Part of the VIG competence model has experts as its target group and thus offers an alternative to the traditional management career. **Judit Pécsi**, Head of Human Resources for Union Biztosító, played a major role in the introduction of the expert career in the three Hungarian Group companies. “We know what an important role our experts play in the success of our company. By implementing the expert career profile, we are able to offer clear development and career prospects to this professional group,” explained Pécsi.

VIG is always on the lookout for motivated people whose spirit and involvement can help us on our path to success, and who add to the colourful diversity that makes Vienna Insurance Group what it is.

## MORE ON THE TOPIC

Learn more about the importance of CSR in the Group and the many exciting prospects that VIG offers as an employer at: [www.vig.com](http://www.vig.com)

## Mobility as a key factor

## Silver at Best Recruiters

For the second time, VIG Holding has been rewarded with the silver label by Career's Best Recruiters. This study evaluates around 500 Austrian companies each year. It looks at how the companies present themselves, and how they address and treat job candidates. The award reflects the success of the Human Resources strategy VIG introduced to position itself as an employer of choice. The award once again recognises the efforts of the VIG HR Management team in terms of presence at career events and on career websites, and the high level of service provided during candidate management.



## Georgia: GPI sets HR trends

In 2015, the HR and Marketing department of Georgian Group company GPI organised an exclusive conference for the HR managers and CEOs of their corporate customers from a total of 80 companies. The speakers included many Georgian and international experts. GPI used this to position itself in Georgia as a pioneer in the area of HR management and as a strong business partner. VIG's competence model, which focuses on the development of various employee groups, was also presented. The event was highly praised by everyone in attendance, as well as the media.

~60% percentage of women

## Women power

VIG had an average of 23,000 employees in 2015, with approximately 56% in the field sales force and around 44% in administration. Approximately 60% of the employees in the Group are women. The share for the Managing Boards of VIG insurance companies is around 22% and at the next management level below approximately 40%.

## VIG UPDATE



KORNEL STADLER

### “Green light for Solvency II”

#### Ronald Laszlo

Head of VIG Enterprise Risk Management/Solvency II Project

**VIG implements the European directive with its own partial modeling.** The European insurance sector continued to be intensively involved with the introduction of Solvency II in 2015. Insurance company regulatory activities were focused on developing new risk management methods and models appropriate for Solvency II that could go live on 1 January 2016, and with making the necessary adjustments to the IT systems.

One major aspect of Solvency II is the change in capital requirements for insurance companies. Insurance companies must have sufficient capital to allow them to withstand a potential 1-in-200-year loss (capital requirement). The key performance indicator for solvency is the solvency ratio, which reflects the relationship between equity capital and the capital requirement. The equity capital is calculated using an economic balance sheet, and the capital requirement either using a predefined standard formula or using an internal company model. However, the latter requires approval from the supervisory authorities.

Since the standard formula did not adequately reflect VIG's risk profile, VIG decided to internally model the property and casualty area and real estate investments and to develop a partial model. This complex multi-year project was successfully brought to a conclusion with approval from the supervisory authority for the Group, the Austrian Financial Markets Authority (FMA), at the end of 2015. VIG is the only Austrian company that can boast an approved internal model.

Based on this partial internal model, the solvency ratio is expected to be in the area of 200% at the level of the listed VIG group. This – together with VIG's rating – confirms that the Group has excellent capital resources which give it sufficient freedom to continue actively pursuing its chosen strategy.

In spite of the high cost of organisational and process-related changes and the strict capital requirements, the introduction of Solvency II was a step in the right direction. In the final analysis, it is concerned with making secure investments with a competitive advantage that provide long-term benefits to customers, the company and shareholders alike.

# Common compliance culture

## Group Compliance Officer, Natalia Čadek on the special function of codes of conduct in an international group of companies.

**If you look up the word “compliance” in the dictionary, you will come across terms like obedience or good behaviour. What exactly is compliance and what role does this function play in a company like VIG?**

First of all, we understand it to be the observance of all existing regulations by the company and its employees – laws, regulations and voluntary commitments. Compliance as a concept also involves putting organisational measures in place in the company to ensure observance with legal norms and internal company guidelines.

### What organisational measures of this type exist in VIG?

Training programmes are a very important element in this. They include not only topic-specific physical training courses, but also cross-department and cross-company workshops. Compliance also relies heavily on an exchange of information. We use an internal Group newsletter for this purpose, in which we focus on EU law. An in-depth exchange of information and experience also takes place in Compliance Committee meetings, which take place in VIG at both the holding company and Group level. Providing proactive support to employees on compliance-related issues also helps to raise awareness and create a compliance-conscious environment in the entire organisation.

### What role does Compliance play in an international company and what challenges arise in connection with the CEE region in particular?

First and foremost, it is concerned with preventing unlawful conduct in the entire organisation, because such conduct can have far-reaching consequences. In addition to fines and damage claims, there is also a risk of severe damage to the company's image and reputation. A special aspect of the compliance organisation in VIG is that it involves companies in 25 countries. This includes companies based in EU member states as well as those in third countries. In this context, the aim and key responsibility of Group Compliance is to ensure that a consistent understanding of compliance and a common compliance culture exist Group-wide. This is also the greatest challenge, particularly given the differences in legal frameworks.

### Does Solvency II now provide a common compliance framework for EU member states?

Yes, that is correct. Solvency II came into force at the beginning of 2016, and imposes new, far-reaching requirements on us. Intensive preparatory work took place in the period before it came into force. The focus was primarily on designing and communicating the Group-wide compliance organisation. Now it has come into force, we have to adjust our business operations to the new regulations and make



Compliance: Illegal conduct must be prevented.

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the new Solvency II regulatory regime a part of day-to-day life in our insurance company.

### What are employees concerned about? Which questions do you encounter the most?

They cover a broad range, from general questions about insurance law to ques-

tions about the correct way to deal with gifts and invitations. Since VIG shares are listed, we also frequently receive questions about issuer compliance at the holding company level. In any case, what is important is that our colleagues can turn to us if they are unsure. In this way, we can further develop our compliance organisation.

## THIS IS WHAT THE LOCAL COMPLIANCE OFFICERS HAVE TO SAY ABOUT THE TOPIC:

**Project-related workshops.** The compliance officers of the Austrian VIG companies meet regularly for project-related workshops to ensure an exchange of expertise between the companies. This makes synergies possible, since we often face very similar challenges.



**Ulrike Pruckner-Herran**  
Wiener Städtische,  
Austria

**International Compliance Committee meeting.** VIG compliance committee meetings are a valuable tool for cooperation. They ensure a shared understanding and an exchange of knowledge. The Group-wide compliance structure and regular communication are an important source of support for the local compliance departments.



**Jaanika Ulst**  
Compensa Life,  
Estonia

**Local meetings.** At the formal level, information is exchanged within the Group by means of periodic and ad hoc reports. At the same time, however, it is just as important to meet regularly in person to exchange views and experiences.



**Tomasz Gradkowski**  
Compensa Life &  
Compensa Non-Life, Poland

**Newsletter.** Regular and successful cooperation is the basis for our teamwork within the Group. Many compliance issues are solved jointly. We especially value the VIG compliance newsletter. It provides helpful information, particularly on current initiatives at the European level.



**Martin Laur**  
Kooperativa CZ,  
Czech Republic

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