



GRI INDEX AND COMMUNICATION ON PROGRESS (COP)
2015

Disclaimer:

We took the utmost care in the collection and preparation of the data provided in this report. Nevertheless, the document may contain errors. Any statements regarding future developments or expectations expressed in this report are assumptions that were made based on the data and

information available at the time of preparation. Thus, unforeseeable events may lead to deviations from the projections and expectations expressed in such statements.

BAWAG P.S.K.: GRI INDEX AND COMMUNICATION ON PROGRESS (COP) 2015

For the eighth time, BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse AG (referred to as BAWAG P.S.K. in the following) is reporting not only on its financial performance in the previous year, but also on its efforts for the people of Austria and the effects of its day-to-day operations on the environment and climate.

Along with the current CSR Report 2015, the CSR Update 2014, the CSR Report 2013, and the annual reports can be used as additional sources of information about BAWAG P.S.K.'s CSR activities.

REPORTING BOUNDARIES

- ▶ The CSR Report 2015 and the GRI Index and UN Global Compact progress reports are only released in online versions.
- ▶ The CSR Report 2015 is directly tied to the Update 2014 and provides information about new developments and the progress of the measures as well as the development of the indicators.
- ▶ The reporting period for the data and indicators is the years 2013–2015.
- ▶ Important aspects that pertain to 2016 and were already known at the time the report was being prepared were taken into account.
- ▶ The content was developed together with the members of the BAWAG P.S.K. CSR Committee in accordance with the guidelines of the Global Reporting Initiative and in line with the principles of materiality, transparency, and comparability.
- ▶ The CSR Report 2015 is oriented towards the guidelines of the Global Reporting Initiative, version 4.0, and the Core “In Accordance” option and also contains disclosures specified by the set of industry-specific indicators for financial services.
- ▶ The GRI document also contains the UN Global Compact progress reports (Communication on Progress). More information about the indicators for the ten Global Compact principles and the six UN Global Compact Women’s Empowerment Principles can be found in this document starting on page 11.
- ▶ The CSR Report 2015 pertains to the company BAWAG P.S.K. with the following limitations:
 - The subsidiaries are not accounted for in the social indicators in the CSR Report 2015 (see below for exceptions in the ecological indicators). These companies act independently through their own governance bodies. Therefore, all of the content and data related to employees pertain to BAWAG P.S.K. and have a coverage ratio of 83% in relation to all employees of BAWAG P.S.K. Group.
 - The environmental and energy indicators also include the subsidiaries easybank, BAWAG P.S.K. Leasing, BAWAG P.S.K. Wohnbaubank, and BAWAG P.S.K. Immobilien. The economic indicators pertain to the entire BAWAG P.S.K. Group.

SELECTION OF CONTENT FOR THE REPORT, MATERIALITY PROCESS

The current CSR Report 2015 shows where BAWAG P.S.K. can make and plans to make a direct contribution to sustainable development – both within the Bank and externally, for stakeholders and customers, with regard to current social issues, and in the protection and conservation of natural resources.

Back in 2011, BAWAG P.S.K. defined which topics are relevant for the Bank in a multi-stage process. First, the Bank asked external stakeholders to share their perspectives, and this feedback was then supplemented with internal points of emphasis. The industry-specific guidelines for financial services providers and the assessments of sustainability rating agencies were also taken into account. The results of this process form the basis for the Bank's CSR strategy, the measures of the sustainability program derived from this, and the content disclosed in the CSR Report 2015. BAWAG P.S.K.'s CSR strategy is broken down into six focuses of action. These are described by the following GRI aspects (refer to the subsequent GRI Index for additional information):

1. Responsible action

- ▶ Transparent information policy
- ▶ Compliance
- ▶ Anti-corruption
- ▶ Anti-competitive behavior
- ▶ Indirect economic impacts
- ▶ Audit
- ▶ Procurement practices
- ▶ Investment

2. Dialogue with stakeholders

- ▶ Local communities
- ▶ Active ownership

3. Customer orientation

- ▶ Product portfolio
- ▶ Customer health and safety
- ▶ Product and service labeling
- ▶ Marketing communications
- ▶ Customer privacy

4. Staff development and training

- ▶ Employment
- ▶ Occupational health and safety
- ▶ Training and education
- ▶ Diversity and equal opportunity
- ▶ Equal remuneration for women and men
- ▶ Non-discrimination

5. Environmental protection

- ▶ Energy
- ▶ Emissions
- ▶ Products and services
- ▶ Transport
- ▶ Procurement practices

6. Civic engagement and personal commitment

- ▶ Local communities

The selected aspects according to GRI G4 are presented in the GRI Index and are broken down by the corresponding effects that may occur within the Bank or externally.

GRI INDEX IN ACCORDANCE WITH G4 – CORE OPTION

BAWAG P.S.K. strives to continuously measure and evaluate its performance according to sustainability criteria. In order to prepare the data in a way that ensures comparability and transparency, the Bank orients its reporting towards the performance indicators of the Global Reporting Initiative (GRI). This GRI Index 2015 was prepared “in accordance with” the guidelines as per the GRI definition and fulfills the requirements for the

“Core option.” Along with the GRI guidelines, the industry-specific indicators for financial services are also disclosed.

The following index provides an overview of the reported GRI indicators according to the G4 standard. The indicated page numbers refer to the CSR Report 2015, which can be downloaded here: <https://www.bawagpsk.com/CSR-Reports>

GENERAL STANDARD DISCLOSURES

G4 code	Content according to G4 (Core)	Reference/Comments
Strategy and analysis		
1	Statement from the most senior decision-maker	p. 4
Organizational profile		
3	Name of the organization	p. 26
4	Primary brands, products, and services	p. 5
5	Location of the organization's headquarters	p. 5, p. 26
6	Countries where the organization operates	p. 5, https://www.bawagpsk.com/FinancialResults
7	Nature of ownership and legal form	p. 5
8	Markets	https://www.bawagpsk.com/FinancialResults
9	Scale of the organization	p. 6, https://www.bawagpsk.com/FinancialResults
10	Figures and information regarding total workforce	p. 17

Composition of workforce / governance bodies by age group and gender (2015)		Age group <30	30–50	>50	Total
Men	Managing Board		5		5
	Division managers / senior managers		16	8	24
	Regional marketing managers / sales managers / department managers		50	13	63
	Branch managers / group managers / team managers	12	116	30	158
	Non-management functions	135	446	553	1,134
Total (men)		147	633	604	1,384
Women	Managing Board				
	Division managers / senior managers		2	1	3
	Regional marketing managers / sales managers / department managers	2	18	2	22
	Branch managers / group managers / team managers		45	25	70
	Non-management functions	236	785	492	1,513
Total (women)		238	850	520	1,608
Total		385	1,483	1,125	2,992

Nationality (2015)		Austria	Other
Managing Board			5
Division managers / senior managers		21	6
Regional marketing managers / sales managers / department managers		81	4
Branch managers / group managers / team managers		221	7
Non-management functions		2,537	110
Total		2,860	132

G4 code	Content according to G4 (Core)	Reference/Comments
Regional distribution by province (2015)		
		Total
	Vienna	2,089
	Styria	215
	Lower Austria	187
	Upper Austria	144
	Carinthia	101
	Salzburg	83
	Tyrol	77
	Burgenland	47
	Vorarlberg	37
	Abroad	12
	Total	2,992
11	Employees covered by collective bargaining agreements	100% of the employees are covered by collective bargaining agreements.
12	Supply chain	p. 5, p. 15–16
13	Significant changes in the organization's size, structure, or ownership	p. 5
14	Precautionary principle	p. 11
15	External agreements, principles, or initiatives	p. 11
16	Memberships	Transparency International (Austrian Chapter), UN Global Compact, UN Global Compact WEP
Identified material aspects and boundaries		
17	Description of the reporting boundaries	Reporting boundaries (see above)
18	Process for defining the report content and the aspect boundaries	Selection of content for the report (see above)
19	Identified material aspects and topics	Selection of content for the report (see above), p. 10.
20	Aspect boundary for each material aspect within the organization	The aspect boundaries for the individual aspects are described in the corresponding sections.
21	Aspect boundary for each material aspect outside the organization	The aspect boundaries for the individual aspects are described in the corresponding sections.
22	Restatement of information provided in previous reports	Reporting boundaries (see above)
23	Changes in the scope and aspect boundaries	Reporting boundaries (see above)
Stakeholder engagement		
24	List of stakeholder groups engaged by the organization	p. 12
25	Selection of stakeholder groups	p. 12
26	Approach to stakeholder engagement	p. 12
27	Key topics and concerns of stakeholder groups	p. 12
Report profile		
28	Reporting period	Reporting boundaries (see above)
29	Publication of most recent previous report	2014 (Update), Report 2013
30	Reporting cycle	Annual
31	Contact points	p. 26
32	GRI Index	BAWAG P.S.K. GRI Index
33	External assurance for the report or for report contents	None
Governance		
34	Governance structure of the organization	https://www.bawagpsk.com/FinancialResults
Ethics and integrity		
56	Corporate values, principles, and codes of conduct	p. 11

SPECIFIC STANDARD DISCLOSURES

Economic indicators

Ermittelte wesentliche Aspekte	G4 Indikatoren (Kern)	Verweis/Anmerkungen
Economic performance	DMA Economic performance	p. 6
	EC1 Direct economic value generated and distributed	p. 6
Market presence	DMA Market presence	p. 5
	EC5C PO1 Entry level wage compared to local minimum wage	The entry level wages are more than 10% higher than the minimum wage defined by the collective bargaining agreement.
	EC6 Proportion of senior management hired from the local community	See LA13 for data; there is no company policy to favor local staff (99.8% of all employees work and live in Austria)
Indirect economic impacts	DMA Indirect economic impacts	p. 5, p. 13
	EC7 Investments in public infrastructure and communities	p. 13–14
	EC8 Type and extent of indirect economic impacts	p. 13–14
Product portfolio	DMA Policies with specific environmental and social components applied to business lines	p. 11
	DMA Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	p. 13–16
	DMA Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	p. 18–20
	DMA Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	p. 13–16
	FS6 Percentage of the portfolio for business lines by specific region, size, and sector	https://www.bawagpsk.com/FinancialResults
	FS7 Products with a significant social benefit	p. 13–14
	FS8 Products with a significant environmental benefit	p. 13–14
Procurement practices	DMA Auditing of processes to assess sustainability risks	p. 13–16
	FS11 Percentage of assets managed according to sustainability criteria	p. 13
	DMA Procurement practices	p. 11, p. 15–16
	EC9 Proportion of spending on local suppliers	Approx. 99% of the suppliers are located in Austria. There is no official policy to favor local suppliers.
	EN32 LA14 HR10 SO9 Proportion of new suppliers assessed according to sustainability criteria	BAWAG P.S.K.'s sustainable procurement policy (Supplier Code of Conduct, see page 11) has been firmly established at BAWAG P.S.K. for several years and focuses on corresponding certifications and domestic suppliers. In cases of suspected violations of the Supplier Code of Conduct, the Procurement, Real Estate & Facility Management division would react immediately. So far, however, no such cases have occurred.

Environmental indicators

Identified material aspects	G4 indicators (Core)	Reference/Comments
Energy	DMA Energy	p. 23
	EN3 Energy consumption within the organization (Scope 1 and 2)	p. 22
	EN4 Energy consumption outside of the organization (Scope 3)	p. 22
	EN6 Reduction of energy consumption through efficiency measures	p. 23
	EN7 Reductions in energy requirements of products and services	p. 23
Emissions	DMA Emissions	p. 23
	EN15 Direct greenhouse gas emissions (Scope 1)	p. 22
	EN16 Indirect energy-related greenhouse gas emissions (Scope 2)	p. 22
	EN17 All other indirect greenhouse gas emissions generated outside of the organization (Scope 3)	p. 22
Products and services	EN19 Reduction of greenhouse gas emissions	p. 23
	DMA Products and services	p. 23
Transport	EN27 Mitigation of environmental impacts of products and services	p. 23
	DMA Transport	p. 23
	EN30 Environmental impacts of transporting products, materials, and members of the workforce	p. 22

Social indicators

Identified material aspects	G4 indicators (Core)	Reference/Comments	
Labor practices and decent work			
Employment	DMA Employment	p. 17–20	
	LA1 New employee hires and employee turnover		
	Employees leaving (2015)		Number
	Total		371
	By region		
	Vienna		252
	Other		119
	By age group		
	<30		61
	30–50		226
	>50		84
	By gender		
	Women		187
	Men		184
	New hires (2015)		Number
	Vienna		88
	Other		16
Total		104	
	LA2 Benefits provided to full-time employees	p. 21	
Occupational health and safety	DMA Occupational health and safety	p. 20	
	LA5 Representation of the workforce in health and safety committees	Regulated by law in Austria	
	LA6 Injuries, occupational diseases, lost days, absenteeism, and fatalities	p. 20	
		2013 2014 2015	
	Number of accidents reported to AUVA and BVA*	19 18 19	
*Austrian Workers' Compensation Board (Allgemeine Unfallversicherungsanstalt; AUVA) and Austrian Social Insurance Authority for Civil and Public Servants (Versicherungsanstalt für öffentlich Bedienstete; BVA); 6 workplace accidents and 13 commuting accidents in 2015.			
	LA8 Inclusion of health and safety in collective agreements	Regulated by law in Austria	

Identified material aspects	G4 indicators (Core)		Reference/Comments
Training and education	DMA	Training and education	p. 18–20
	LA9	Number of training hours	p. 18
	LA10	Programs for skills management and lifelong learning	p. 18–20
	LA11	Feedback for employees regarding their performance and career development	p. 19–20
Diversity and equal opportunity	DMA	Diversity and equal opportunity	p. 17–18
	LA12	Composition of governance bodies and breakdown of employees according to gender, age group, and minority group membership	p. 18
Equal remuneration for women and men	DMA	Equal remuneration for women and men	p. 17–18
	LA13	Ratio of remuneration of women to men	p. 17–18
Human rights			
Investment	DMA	Investment	p. 12
	HR1	Inclusion of human rights aspects in significant investment agreements	p. 11
Non-discrimination	DMA	Non-discrimination	p. 11
	HR3	Incidents of discrimination and corrective actions taken	In 2015, there was one reported incident, which was settled amicably.
Society			
Local communities	DMA	Local communities	p. 12, p. 14–16, p. 24–25
	SO1	Operations with implemented local community engagement, impact assessments, and development programs	p. 13–16
	FS13	Access to banking services / supply security in low-populated or economically disadvantaged areas by type	p. 13–14
	FS14	Initiatives to improve access to financial services for disadvantaged people	p. 13–14
Anti-corruption	DMA	Anti-corruption	p. 11
	SO3	Assessment of operations for risks related to corruption	p. 11 The business units were examined for risks related to corruption in the course of an internal assessment in spring 2015.
	SO4	Communication and training on anti-corruption	Since 2010, BAWAG P.S.K. Group has had a gift policy covering the acceptance and giving of gifts and invitations. This policy was adapted to the new legal situation in Austria at the end of 2012 and the new version went into effect on 1 January 2013. A special self-directed learning program including a knowledge check was introduced in November 2014 and is mandatory for all relevant employees.
	SO5	Incidents of corruption and actions taken	No incidents of corruption were identified in 2015.
Anti-competitive behavior	DMA	Anti-competitive behavior	p. 11
	SO7	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No incidents in the reporting period
Compliance	DMA	Compliance with legal regulations	p. 11
	SO8	Fines and sanctions for non-compliance with legal regulations	No incidents in the reporting period

Identified material aspects	G4 indicators (Core)	Reference/Comments
Product responsibility		
Customer health and safety	DMA Customer health and safety	p. 9–11
	PR1 Assessment of health and safety impacts of products	p. 9–11
	PR2 Incidents of non-compliance with regulations concerning the health and safety impacts of products	No incidents in the reporting period
Product and service labeling	DMA Product and service labeling	p. 13–15
	PR3 Type of product and service information and proportion of products affected by such information	p. 13–15
	PR4 Incidents of non-compliance with obligations concerning product and service information and labeling	No incidents in the reporting period
	PR5 Results of surveys measuring customer satisfaction	p. 12
Marketing communications	DMA Marketing communications	Advertising/marketing is performed in line with the applicable legal regulations. The Legal division provides checklists for the legally compliant of measures. In addition, all campaigns undergo a legal review.
	PR7 Incidents of non-compliance with regulations and voluntary codes concerning marketing communications	No incidents of non-compliance in the reporting period. The marketing and communication guidelines were complied with.
Customer privacy	DMA Customer privacy	p. 11, p. 12
	PR8 Complaints regarding breaches of customer privacy and losses of customer data	No incidents in the reporting period
Compliance	DMA Compliance with legal regulations regarding products	p. 11
	PR9 Sanctions in connection with requirements regarding products and services	No incidents in the reporting period

UN GLOBAL COMPACT PROGRESS REPORTS

COMMUNICATION ON PROGRESS (COP)



As a signatory to the UN Global Compact, BAWAG P.S.K. is committed to complying with its ten principles, which focus on labor standards, human rights, environmental

protection, and anti-corruption. In addition, BAWAG P.S.K. endorsed the UN Global Compact Women's Empowerment Principles in fall 2015.

The CSR Report 2015 is also an annual Communication on Progress (COP). Examples are provided of how each principle has been and is being implemented at BAWAG P.S.K. The page numbers refer to the CSR Report 2015, which can be downloaded here:

<https://www.bawagpsk.com/CSR-Reports>

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT AND EXAMPLES OF THEIR IMPLEMENTATION AT BAWAG P.S.K.:

The ten principles	Examples of their implementation
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights (COP 1)	p. 11 General/Principles/Guidelines: Code of Conduct, Human Rights Matrix
Principle 2: Businesses should make sure that they are not complicit in human rights abuses (COP 2)	p. 13 General/Principles/Guidelines: Code of Conduct, Supplier Code of Conduct Measures/Results 2015: The "New Chance" account had over 32,000 customers at the end of 2015, which highlights the necessity of this service.
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining (COP 3)	General/Principles/Guidelines: Freedom of association and the authorization of labor unions are protected by law in Austria. All employees are covered by collective bargaining agreements. There is an ongoing exchange of information between management and the Works Council, and new works council agreements are concluded on a regular basis.
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor (COP 4)	p. 11 General/Principles/Guidelines: Supplier Code of Conduct; nearly 100% of our suppliers are located in Austria. Before new contracts are concluded, customers are subjected to media screening to look for possible violations. The topics of freedom of negotiation, compulsory labor, working hours, and wages are covered in the Code of Conduct for Suppliers of BAWAG P.S.K. Group under item 3 "Respect for the basic rights, health, and safety of employees."

The ten principles	Examples of their implementation
<p>Principle 5: Businesses should uphold the effective abolition of child labor (COP 5)</p>	<p>p. 11 General/Principles/Guidelines: Supplier Code of Conduct</p>
<p>Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation (COP 6)</p>	<p>p. 11 General/Principles/Guidelines: Code of Conduct, Recruiting Policies Measures/Results 2015: Continuation of the Women's Promotion Plan aimed at promoting the equality of women and men at BAWAG P.S.K.</p>
<p>Principle 7: Businesses should support a precautionary approach to environmental challenges (COP 7)</p>	<p>p. 23</p>
<p>Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility (COP 8)</p>	<p>p. 23 Measures/Results 2015: BAWAG P.S.K. exceeded the savings target specified by the Austrian Energy Efficiency Act by 200% in 2015.</p>
<p>Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies (COP 9)</p>	<p>p. 23 The photovoltaic system on the facade of the building in Quellenstraße has been in operation since 2012. In addition, energy efficiency is promoted in the area of IT infrastructure.</p>
<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery (COP 10)</p>	<p>p. 11 General/Principles/Guidelines: Code of Conduct, Anti-Corruption and Gift Acceptance Guidelines, Conflict of Interest Policy. The Compliance & KYC division monitors compliance with the rules and regulations. All new hires must successfully complete training courses on the prevention of money laundering.</p>

THE SEVEN UN GLOBAL COMPACT WOMEN'S EMPOWERMENT PRINCIPLES AND EXAMPLES OF THEIR IMPLEMENTATION AT BAWAG P.S.K.:

After endorsing the UN Global Compact Women's Empowerment Principles in fall 2015, BAWAG P.S.K. is reporting on its progress in this area for the first time here. Examples are provided of how each principle has been

and is being implemented at BAWAG P.S.K. The page numbers refer to the CSR Report 2015, which can be downloaded here: <https://www.bawagpsk.com/CSR-Reports>

The seven principles	Examples of their implementation
Principle 1: Establish high-level corporate leadership for gender equality	Defined target ratio for the underrepresented gender in the Managing Board and Supervisory Board, Women's Promotion Program, Women's Mentoring Program, flexible working time models, point of emphasis in management development programs
Principle 2: Treat all women and men fairly at work – respect and support human rights and nondiscrimination	Human Rights Matrix, Recruiting Policies, Women's Promotion Program For further indicators, see: G4-LA1, G4-LA12, G4-LA13
Principle 3: Ensure the health, safety, and well-being of all women and men workers	Career and Family Audit, generation management, information events for expectant parents, Welcome Back events for parents returning from parental leave, company daycare centers at two locations For further indicators, see: G4-HR3, G4-LA6
Principle 4: Promote education, training, and professional development for women	Women's Promotion Plan, Women's Mentoring Program, specific seminars focusing on the further development of women For further indicators, see: G4-LA9, G4-LA11
Principle 5: Implement enterprise development, supply chain, and marketing practices that empower women	Women's Prize
Principle 6: Promote equality through community initiatives and advocacy	Women's Prize, Female Future Day, Women's Initiative
Principle 7: Measure and publicly report on progress to achieve gender equality	Report on measures, objectives and achievements in the annual CSR report and the Communication on Progress (COP).

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