



## Diversity and Inclusion at Erste Group

***“No age, no gender, no social status, nor nationality should be excluded from the benefits which are provided to all the depositors of the Savings Bank.”  
(Founding Document of the Erste österreichische Spar-Casse – 1819)***

A diverse and inclusive workforce is essential for business success. Companies that are committed to diversity and inclusion build business more effectively, have higher customer satisfaction, better brand image and more engaged employees. Erste Group sees diversity and inclusion as a vital part of its business strategy and key for attracting the best and brightest talents, who are able to offer the right products and services to a diverse client base.

Erste Group’s diversity and inclusion principles are embedded in its Statement of Purpose and Code of Conduct, which places emphasis on providing a work environment free of discrimination and harassment and valuing the work and worth of each and every person, regardless of gender, age, marital status, sexual orientation, physical ability, race, skin color, religious or political affiliation, ethnic background, nationality, citizenship or any other aspect unrelated to employment. In 2013, Erste Group formally established diversity management in the organization and the function of Group Diversity manager who is responsible for defining Erste’s diversity strategy together with the management board. As a part of its diversity management approach, Erste Group monitors and reports the following diversity indicators: gender balance on all levels including managerial positions, gender representation in talent programs and in the succession pools, age distribution across the group, the share of employees on parental leave by gender, flexible working arrangements by gender, the average training days per employee by gender, employees with disabilities and the cultural mix of employees by entity in the group. Other monitored areas include gender representation in recruitment to managerial positions and the gender pay gap. A comprehensive Erste Group Diversity Fact Sheet is updated and published on an annual basis.

In 2018, Erste Group had the following diversity priorities:

- increase the number of women in top management by at least 1 percentage point and develop more group-wide initiatives to support female leadership;
- make IT careers more attractive for women through the Erste WIT – Erste Women in IT initiative;
- develop and encourage more initiatives in the area of LGBT inclusion;
- further develop local diversity initiatives in CEE;
- continue monitoring the gender pay gap on a country-by-country basis and identify
- measures for closing it.

### Policies and Commitments

At the end of 2015, the Management Board of the Holding and the employees’ council signed a company agreement on preventing discrimination and promoting respectful behavior in the workplace. The company agreement aims at providing the employees a timely and efficient support

mechanism against discrimination, bullying and/or sexual harassment and at preventing or stopping these situations from occurring. An Anti-Discrimination Officer was appointed and works with management on awareness and prevention and councils, advises and mediates in matters concerning harassment and discrimination. Unconscious bias trainings were also offered for both managers and recruitment staff in Austria.

In December 2016, the Management Board of Erste Holding approved the Group-wide Diversity Policy, which provides the formal structures and processes for diversity management in the Group. The Policy has been implemented in all local banking subsidiaries and local diversity managers are in place to define priorities and initiatives which support the group diversity strategy.

### **National Diversity Charters**

In 2014 Erste Holding and Erste Bank Oesterreich signed the Austrian Diversity Charter (Charta der Vielfalt) and Ceska sporitelna signed the Czech Diversity Charter in 2015. In 2016, Erste Bank Hungary signed the Hungarian Diversity Charter and in 2017 Erste Bank Croatia became a signatory to the Croatian Diversity Charter. By the end of 2018, all local Erste banks in had become signatories to their national Diversity Charters, with BCR and Slovenska sporitelna joining in 2018.

### **UN Global Compact – Sustainable Development Goals (SDGs)**

Erste Group is a signatory to the UN Global compact and is actively contributing to the implementation of the UN sustainable development goals and Agenda 2030. Its diversity strategy and activities support gender equality (Goal 5), decent work & economic growth (Goal 8) and reduced inequalities (Goal 10) and good health and well-being (Goal 3).

### **Diversity Focus Areas:**

#### **Female Leadership & Gender**

The CRD IV (2014) regulation requires all financial services providers in the EU to set a target for the underrepresented gender in management bodies (Boards and Supervisory Boards). In 2014, the Nominating Committee of the Holding Supervisory Board approved a Group-wide target to have 35% women in Board and B-1 positions (combined) by 2019 and a second target of 35% women in supervisory boards by 2019. These are Group targets which are aggregated from the following entities: Holding, EBOe, Ceska sporitelna; Slovenska sporitelna, Erste Bank Hungary, Erste Bank Croatia, Erste Bank Serbia, Banca Comerciala Romana. While the target does not apply individually to the aforementioned entities, they are encouraged to align with the group target. At the end of 2018, 30% of positions in top management in the Group were filled by women. The share of female supervisory board members stood at 35,2% at the end of 2018. **BCR** is the only bank in the Group that is almost at total gender parity in top management, with 47% women in those positions. In 2018, **EBOe** reached 41% women in all levels of management.

Many measures and initiatives to support the development of female leadership are being implemented throughout the Group. In Austria, the **Erste Women Hub** employee resource group focuses on supporting women advance their careers, reaching out to female clients and encouraging an inclusive work environment. In 2018, it and continued with key initiatives such as the WoMentoring program, financial education for women, networking events for female employees and clients. It launched a new initiative “Power Lunch” where women can learn more about important strategic topics in banking from female experts. In 2018 Erste Women’s Hub organized 8 events for employees and clients attracting over 600 participants. The Erste Women’s

Hub not only aims to support women in their careers through networking and mentoring, but it also has in its vision to close the gender pay gap by 2025. As a signatory of the Austrian Diversity Charter, Erste Group is committed to the principles of equal opportunity and transparency especially in remuneration.

### **Erste Women in IT – Erste WIT**

Erste Women in IT (WIT) was launched in 2017 in response to the fast growing demand for technical skills and digital know-how on the labor market and a labor force which currently cannot meet that demand. WIT is an agile network, the goal of which is to create an attractive environment for women with a STEM background in Erste Group. In 2018, WIT organized a discovery day at Erste Campus where school-aged girls were introduced to project management and IT careers in the framework of “Daughter’s Day”. It also organized an event „Digital World – Opportunities for Women and Companies“ with a key note from Austrian Federal Minister for Digitalization and Economy Margarete Schramböck.

**Erste Bank Hungary** launched *Erste Nó (Erste Women - Women’s Club)* which focuses on promoting a family friendly organization, the work-life balance of working women and supporting mothers returning from maternity leave. *Erste Nó* played an active role in defining the Bank’s diversity strategy and priorities for 2018-2019. **Ceska sporitelna** continues to actively support female talent through its “Diversitas” program. It offers both internal and external (cross-business) mentoring as well as a wide variety of leadership and development programs for women. It is the main partner of the British Chamber of Commerce’s Equilibrium cross business mentoring program for female business leaders - now in its 8th year. It’s Ladies Leaders Library provides a platform for female managers who serve as role models and inspiration. **Slovenska sporitelna** piloted a mentoring program for female managers and talents and launched a platform to feature inspirational women who can serve as role models. It organized the conference “ZenyZenam” (women to women) for the second year in a row in October 2018 for its female managers with over 150 participants. **Erste Bank Serbia** is signatory of the Women's Empowerment Principles initiated by UN Women which reinforces its commitment to supporting programs and projects that support women empowerment. It is also a signatory of the UN Global Compact.

### **Reaching out to female clients**

**Erste Women Talk** is an exclusive networking event for female clients and their friends (potential clients) in Austria. Two events were held in 2018: one in for female private banking clients and another for premium clients. The talks present a platform for female advisors to network with clients and answer questions on the latest trends in banking and finance, as well as Erste products and services. The events also feature “pop-up” shops from female start-ups supported by Erste. Ceska sporitelna’s **Ladies Investment Club** organizes events for female clients in Prague and in the regions.

### **Talent and Succession Planning**

To increase the number of women in senior management positions, Erste Group aims for a greater gender and age balance in its talent pools. The International Talent Pool (ITP) targets high performing employees with combined high potential and includes junior professionals up to the B-3 management level. At the end of 2018, there were 37% women in the ITP. The next level is represented by the Group Key Positions Pool which aims at preparing leadership talents for head-of-division roles. This pool comprises 30% women. The Executive Pool, which identifies and

develops executive level talent, has 33% women in its ranks. Erste Group also offers an annual Graduate Program for university graduates. The aim of the program is to attract top graduates and provide fundamental banking and risk management knowledge. In the current program 50% of the participants are women. BCR has 70% women in its local talent pool, which reflects the female/male ratio in the bank.

### **Life Balance and Flexibility**

A healthy balance between work and family life is a key driver for greater employee engagement and productivity. Erste Group offers a wide variety of family-friendly measures and evaluates them on a regular basis to ensure that they truly meet the employees' needs. These measures differ from country to country and include flexible work arrangements, short sabbaticals, and regular meetings for employees on maternity/parental leave, as well as workshops and seminars on time management, balance and successful reintegration into the workplace after maternity/parental leave. In 2016, the "MiniCampus" Kindergarten officially opened its door to over 120 children at Erste's Headquarters in Vienna. One of the priority measures ensuing from the Career and Family (*Beruf & Familie*) Certification Audit which was conducted again in **Erste Holding** and **EBOe** in 2018 is to encourage more men to take full advantage of paternity leave options. Currently, out of all employees on parental leave in the Group, only 4,1% are men. The share on men on paternity leave is the highest in Austria (all entities), where almost 21,1% of all employees on leave are men.

Being a family-friendly company is one of the main pillars of **Erste Bank Hungary's** diversity strategy. In 2018, ErsteNő (Erste Women Club) started to implement its own strategy to improve work-life balance, support mothers returning from maternity leave and promote female careers at EBH. It promoted home-office and flexible work at the bank EBH and invited mothers on maternity leave to participate in social programs and linked them to the internal communication networks of the organization. ErsteNő also organized events such as self-defense workshop for women, coaching for fathers, summer camps for Erste children, female leader panel discussions, charity programs and networking events.

Flexible working is also a priority for **Ceska sporitelna**, which offers part-time, home office, shared positions and flexible working hours. The Čáp (Stork) parents program organizes events in for parents in Prague and the regions. Parents on leave have access to a e-learning and coaching and those who return can receive a child care subsidy of up to 4000 Kc per month. New fathers receive 5 extra days of paid leave to spend time with their newborn babies and so far 98% of eligible fathers have taken this. In 2018, the bank piloted a 4 day work week in some regions, as well as an initiative where mothers returning from leave can work part time in branches greeting and directing clients.

### **Generation Management**

Demographic changes not only have an impact on age structure but also on the demands, expectations, notions and beliefs at the workplace. They influence corporate and leadership culture, and call for different work models while modern technology presents new demands for knowledge management. Modern businesses need to deal with shifting values, flexibility of working time, home office, a multi-generational workforce, as well as strategic workforce planning. By 2020, there will be five generations in the work place and Erste Group has to be an attractive employer for all generations, and has to leverage the skills, knowledge and expectations of all these generations.

To support generation management and inclusion, various lectures and workshops on antidiscrimination, unconscious bias and inclusive leadership were offered in **Erste Holding** and **Erste Bank Oesterreich**. Best practice sharing and benchmarking with other companies also took place. **Erste Bank Hungary** identified age diversity as an important priority for the organization and organized leadership trainings in 2018 that focused on cross-generational aspects, as well as how to attract and retain colleagues of different generations. The bank introduced a mentoring program in 2018 where junior leaders could be mentored by senior managers across the organization. A total of 66 mentees and 44 mentors completed the program in 2018. **Česká spořitelna's** Moudrá Sova (Wise Owl) program supports reverse and intergenerational mentoring for employees older than fifty and younger than thirty. The program also offers English conversation in informal happy hours

### **LGBTIQ Inclusion**

In 2017, the employee resource group *ErsteColours* LGBTIQ & Friends was launched in Austria, promoting inclusion by focusing on LGBTIQ (lesbian, gay, bisexual, transgender, intersex, queer) issues in human resources, retail and society. In 2018, it established a LGBTIQ + person of trust and participated in Vienna Pride week in June. *ErsteColours* was also instrumental in integrating LGBTIQ topics in existing training programs for managers and trainers and raised awareness on these topics at events and diversity talks. Erste Group is also one of the founding companies of B-Rich Building Bridges – a cross business network of companies in Austria active in the area of LGBTIQ inclusion. In October 2018, **Erste Bank Serbia** signed the UN Standards of Conduct for Business on Tackling Discrimination against LGBTI people and joined other companies in Serbia in the commitment to implement the standards.

### **Disabilities and Accessibility**

Inclusion and accessibility are an integral part of our diversity strategy and are in the spirit of our Statement of Purpose. In most countries where Erste does business there are legal requirements for companies with over 250 employees to employ 4% disabled or pay penalties. Local initiatives throughout the Group aim at creating both a more inclusive environment for employees with disabilities as well as ensuring barrier-free banking for clients with disabilities. In 2018, **Erste Bank Hungary** placed a special focus on the topic of disabilities and accessibility. It once again participated in the Hungarian Diversity Charter's Diversity Week 2018 initiative (from 22-27 May 22) during which it launched the Equal Chances taskforce that focuses on both employees and clients with disabilities. It held a panel discussion with an NGO for the disabled and a young disabled actor who starred in the Hungarian film "Kills on wheels" (2016) which dealt with disabled youth. The bank also participated in job fairs for the disabled and has identified positions that can be filled by disabled applicants.

**Ceska sporitelna** continued with its initiative "Transition – Without Barriers" which aims at the integration and inclusion of employees with disabilities. It covers the full costs of ergonomic tools to eligible employees and introduced a special icon – a wheel chair - on its career web to show positions suitable for disabled candidates and publishes positions on a special job web for the disabled in the Czech Republic. Ceska is also actively reaching out to clients with disabilities through its "Barrier Free Banking" initiative, which provides a special website <http://bankabezbarier.cz/> for banking services for the disabled. **Erste Bank Oesterreich** launched

a special feature in the George Go app which makes mobile banking fully accessible for clients with visual impairments.

### **Promoting Intercultural Understanding**

Culturally diverse teams are colorful, creative and flexible in reacting to the changing demands and realities of today's business world. Valuing and understanding cultural diversity leads to inclusion and integration, as well as better teamwork and cooperation. As of the end of 2018, there were over 50 different nationalities employed throughout Erste Group. In the Holding, currently there are 46 different nationalities working. To promote intercultural understanding, an **International Dinner Initiative** was launched in Austria in 2015 providing opportunities for employees from different cultures to introduce their traditional home country cuisines. In 2018, a total of three dinners were organized (Bulgarian, a Slovak-Austrian dinner cruise on the Danube and a Romanian Halloween party). Since its inception, employees from all over the world hosted a total of 14 dinners which enabled some 1,098 colleagues to learn more about other cultures and enjoy delicious exotic food.

Local diversity priorities will also continue to be encouraged and developed in 2018.

### **The diversity priorities for 2019 are the following:**

- reach the target of 35% women in top management and 35% women on supervisory boards and develop more group-wide initiatives to support female leadership;
- develop financial literacy initiatives both for female employees and clients;
- further develop local diversity initiatives in CEE;
- continue monitoring the gender pay gap on a country-by-country basis and identify measures for closing it.