# Materiality analysis

## CLEARLY DEFINED PROCESS FOR IDENTIFICATION OF MATERIALITY

Erste Group's sustainability reporting provides current information on material sustainability topics. Topics were selected with the involvement of Erste Group employees working in the relevant business divisions. All social and ecological aspects along the value chain were analysed and prioritised. Erste Group is guided by the following principles:
  _ Integration of the concept of sustainability into the business model and reporting
  _ Materiality
  _ Involvement and inclusion of stakeholder groups
  _ Completeness

Material topics and the approaches used to identify these topics are briefly described below.

### Selection of topics in accordance with GRI G4 guidelines (reporting guidelines)
In its sustainability reporting, Erste Group is guided by the set of topics that resulted from the GRI multi-stakeholder dialogues as incorporated in the reporting principles and standard disclosure guidelines.
(https://www.globalreporting.org/reporting/g4/Pages/default.aspx)

### Definition of material stakeholder groups
In order to identify those sustainability topics that are of the highest importance to Erste Group, a stakeholder analysis was carried as a first step. The following relevant stakeholder groups were identified:
  _ Customers
  _ Employees
  _ Investors
  _ Society
  _ Environment
  _ Suppliers

### Material topics identified by team work
Topics of material relevance for sustainability reporting and for key stakeholders of Erste Group were defined on the basis of topics identified in institutionalised planning and strategic processes.

Material topics for sustainability reporting were identified by teams of the departments involved (see Column 2, Divisions).

Team members were employees with contacts to the respective stakeholders. Topics were integrated at key points and their potential impacts were analysed comprehensively. In addition, the aspects of the G4 Sector Disclosures (Financial Services) were also taken into account.
  _ Significance of economic, ecological and social impacts
  _ Likelihood and intensity of an impact
  _ Possibility of turning impacts into opportunities for Erste Group

### Topics consistent with corporate values
In its sustainability reporting, Erste Group covers topics that arise from its corporate values, its strategy, opportunities and risks and reflect the interests and expectations of key stakeholder groups.

### Inclusion of stakeholders
A stakeholder analysis was performed to establish the interests of stakeholders. With employee involvement at all major interfaces it was possible to identify and prioritise all relevant stakeholders and to define their concerns on the basis of direct feedback as well as exchanges of experiences.

### Communication tools and activities with stakeholders
It is the aim of Erste Group not only to inform stakeholders about corporate activities but to also include their interests and concerns in its discussion and decision-making processes. Communication tools and activities have been designed for obtaining stakeholder feedback as well as contributions resulting from the dialogue with them, (see Column 3).

Specifically, communication activities were used to survey the following stakeholder expectations:

_ Stakeholder expectations regarding actions and responses on the respective topics
_ Expectations regarding transparency on these topics

For each topic, it was also assessed whether impacts would occur within and/or outside the organisation. These assessments are based on the experiences of the responsible employees in each team and on the discussions held at group level.

Finally, the material topics were presented to and approved by the management board. A special focus was on their alignment with corporate objectives. Sustainability is hence an integral component of the Erste Group's corporate strategy.

## Materiality table

| Stakeholders | Divisions | Communication tools and activities | Material topics | Material GRI indicators within Erste Group |
|---|---|---|---|---|
| **Customers** | _ Retail Strategic Projects<br>_ Social Banking Development<br>_ Brands<br>_ Erste Hub<br>_ Ombudspersons<br>_ Sales / branches | _ Customer Experience Index Survey<br>_ Mystery shopping<br>_ s Lab online portal<br>_ Talks with customers | _ (Digital) innovation<br>_ Information and data security<br>_ Customer satisfaction<br>_ Financial inclusion<br>_ Product quality | _ PR 5<br>_ FS 6, 7, 10, 11, 14, 16 |
| **Employees** | _ Human Resources<br>_ Employees' Council<br>_ Health Centre<br>_ s Akademie<br>_ Erste School | _ Employee Engagement Survey – every two years<br>_ Performance reviews<br>_ 360-degree feedback<br>_ Erste Women's Hub<br>_ Mentoring<br>_ Job Grading<br>_ Career Model<br>_ Core & Leadership Competencies | _ Diversity and inclusion<br>_ Health promotion<br>_ Employee development<br>_ Equal opportunities<br>_ Talent promotion and planning<br>_ Leadership competency development<br>_ Employee engagement<br>_ Corporate culture | _ LA 1-3, 6, 9-12<br>_ G4 10<br>_ FS 16<br>_ HR 3 |
| **Investors** | _ Investor Relations | _ Road shows<br>_ Analyst and investor conferences<br>_ Annual general meeting | _ Transparency<br>_ Financial markets communication<br>_ Disclosure obligation | |
| **Society** | _ Community affairs and sponsoring<br>_ Erste Hub<br>_ Compliance<br>_ Good.bee | Direct contacts with:<br>_ NGOs, (e.g. Caritas)<br>_ Governmental organisations<br>_ Cultural organisations<br>_ Supervisory authorities | _ Financial literacy<br>_ Partnerships in social and cultural affairs<br>_ Fight against poverty<br>_ Corruption and bribery<br>_ Indirect economic impacts | _ FS 16<br>_ G4 57, 58<br>_ SO 3-5<br>_ EC 8 |
| **Environment** | _ Environmental management<br>_ Procurement<br>_ Product development | _ Direct contacts with NGOs (e.g. WWF, Greenpeace)<br>_ Participation in WWF Climate Group<br>_ Cooperation with local authorities (e.g. Ecoprofit Bratislava, ÖkoBusiness Plan Wien) | _ Climate protection<br>_ Ecological footprint<br>_ Sustainable products & services<br>_ Resource-efficient business management | _ EN 3, 5, 6, 15, 16, 18, 19 |
| **Suppliers** | _ Procurement | _ Supplier Audit Questionaire<br>_ Business Review<br>_ Supplier Scorecard<br>_ Product group strategy | _ Sustainability criteria in the supply chain<br>_ Local rather than cross-border procurement<br>_ Co-operation with suppliers | _ EN 32, 33<br>_ LA 14, 15<br>_ HR 10, 11<br>_ SO 9, 10 |