



The Bank Is the People!

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Erste Bank a. d. Novi Sad
Corporate Social Responsibility Report 2020







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The Bank Is the People!

Erste Bank a. d. Novi Sad

Corporate Social Responsibility Report 2020

Foreword

— **Slavko Carić** • **Chief Executive Officer of the Bank**



DEAR COLLEAGUES AND FRIENDS,

The previous year placed before us big and difficult challenges, the likes of which most of us had never encountered before and which we could not have foreseen. For more than a year, we have been living in an altered reality, which has affected all aspects of our lives: above all, caring for our own health, followed by the health of the people closest to us, the operation of companies in almost all sectors of the economy, and the way in which we spend our free time. At the same time, what has not changed is Erste Bank's firm commitment to be a reliable partner, in all circumstances, to our customers and the communities in which we operate, as well as our employees who have once again confirmed that they are our greatest asset, and have enabled the Bank to reset in an extremely short period of time and successfully adapt to new and by no means simple working conditions.

The COVID-19 pandemic crisis has shown just how important stability and preparedness are, but at the same time flexibility, mutual understanding and support as well. We have put our customers' needs first, as always, and we monitored them carefully and, responding exceptionally quickly, we have implemented a large number of initiatives through which we have shown our customers that we are here to provide them with the best possible support. I am proud that we are among the first banks in Serbia that have successfully adapted their operation to the conditions of the COVID-19 crisis. We have enabled access to payment cards and online banking also without a visit to the bank, credit moratoria for a large number of customers have been granted, we have provided our elderly fellow citizens with the opportunity to use their funds as simply as possible, despite being in lockdown, and for legal persons, we have enabled adequate support for maintaining liquidity and working capital. We did not hesitate in deciding to be the first bank to launch an important international business recovery programme with the

European Investment Bank. I am exceptionally proud of this cooperation, which has enabled us to offer new sources of liquidity, as well as the possibility of financing working capital and investments for particularly vulnerable companies fighting to survive and to preserve jobs.

Reflecting on the altered business conditions, post-COVID consequences that are still present and what more we can do to support and help our customers, we have gone a step further and supported them in a different, more creative and, at the time, most effective manner. We have understood that they need promotional assistance in order for them and their companies to reach an audience at the national level. We have allowed them to use our media space, filmed advertisements for them, designed online campaigns, promoted them on our social networks. In doing so, we have shown our micro, small and social enterprises that #webelieveinthem (#verujemounjih) and respect what they do.

The fact that we have succeeded in justifying our customers' trust is also evidenced by our results at the end of the year – total deposits grew by 38 percent, and loans by more than 17 percent.

In addition to responding to the new situation, we have remained equally committed to our long-standing initiatives, and have continued implementing previously set long-term plans. We have continued lending through the Step-by-Step social banking programme, and we have invested additional efforts in further developing the #ErsteZnali financial education programme. We have also not forgotten our partners in the area of culture and art, which defines society. We have supported various events such as the Belgrade Dance Festival, the Alan Ford Runs a Lap of Honour exhibition, Bitef, the Guitar Art Festival, the Science Festival, 125 years of the Natural History Museum, etc. We have continued investing significantly in the transition to a new Bank operating system, which will provide us

with even greater flexibility and enable us to take a leading role in the digital transformation of financial services, which are priorities in modern banking.

The year behind us has shown clearly that commitment to social responsibility and long-term sustainability is an inseparable part of modern business, and that the role of companies is far more comprehensive, including, in addition to economic impacts, social and environmental impacts as well. At Erste Bank, since the very beginnings, more than 200 years ago, we have understood our role in precisely this way – we wish to develop long-term and stable relationships with all key stakeholders, and to contribute actively to the welfare of society of which we are part.

Publishing a corporate social responsibility report is much more to us than systematically presenting information about activities from the past year – it is an integral part of our strategic approach which involves dialogue and stakeholder engagement, as well as the setting and monitoring of measurable goals and performance indicators in the areas of responsibility to employees, customers, the community and the environment. Our planning and reporting processes are aligned with internationally recognised sustainability standards, and with the United Nations Sustainable Development Goals. The present report is the fifth one compiled in accordance with the Global Reporting Initiative Standards (GRI), and is intended for all our partners and employees, with the aim of providing a transparent insight into achieved results, strategic commitments and plans.

Lastly, I would like to thank all our customers, associates and partners for placing their trust in us to navigate successfully this difficult year together, as well all our colleagues who, year after year, add value to everything we do through their commitment. Thank you!

Sincerely,

SLAVKO CARIĆ



Foreword

— **Jasna Terzić** • **Member of the Executive Board of the Bank**



DEAR FRIENDS,

The present document is the Erste Bank Corporate Social Responsibility Report for one of the most challenging years, which placed many uncertainties before us, changed our plans and encouraged us to adapt more quickly to a new way of life and work in 2020. As a bank, we faced a new reality, a new way of doing business, different customer demands and special conditions of work, thinking and complete restructuring.

Our organisational culture, as a system of beliefs and common values we share, has had a major impact on the way in which we approached the changes and how we cooperated with each other. I believe it was precisely our organisational culture and the values we foster – trust, innovation, support, responsibility, and creativity, that helped us to respond quickly, recognise the importance of common goals and jointly work to achieve them. Team spirit is best felt in challenging times, such as these. For that reason, I would like to use this opportunity to thank all our colleagues for their courage and determination in overcoming all the challenges, a job exceptionally well done, the additional hard work and effort you invested and the resilience you have displayed. Thank you!

As a responsible employer, the Bank has continued to care for the welfare of every employee, which also involves, in the pandemic conditions, in addition to initiatives aimed at employee care so far, total commitment to ensuring safe and healthy working conditions. Following the declaration of the state of emergency, numerous activities were very quickly implemented to that end, including the procurement of protective equipment, reduction of working hours and employee rotation in branches,

working from home wherever possible, as well as support for those belonging to vulnerable groups. Immediately after the first coronavirus cases in the region were recorded, a team was formed that monitored the situation, suggested next measures and implemented them on the ground. In a short period of time, new rulebooks and instructions were developed that were applied at every step, in order to protect that which is most important to us – our employees. Exceptional cooperation between the coronavirus team members, followed by that between all Bank employees, contributed to more easily overcoming major challenges, and I am convinced that the team spirit that we have additionally developed during this crisis situation will be the very foundation for many other joint creative tasks in the future.

In the difficult pandemic conditions, we have remained a reliable partner to our employees and customers, as well as to the community in which we operate – during 2020, Erste Bank donated over five million dinars in emergency assistance to nine healthcare institutions and centres across Serbia. We also did not forget our traditional partners in the area of culture and art, education, financial literacy promotion and sport, and we also opened the door to some new partnerships. We have been a partner and source of support to all of them in overcoming the effects of the pandemic that strongly impacted these sectors.

Our local community support programmes have also been adapted to the specific conditions that characterised the past year. Through the Step-by-Step social banking programme, during 2020, 44 start-ups, 4 non-governmental organisations and 12 farms were supported. In spite of all the difficulties caused by the

pandemic, the total volume of loans granted through this programme in 2020 remained at the previous year's level. The #ErsteZnali platform, a comprehensive, free and non-commercial financial education programme, implemented its activities in an online format, through workshops and educational modules, reaching as many as 111,180 website visits. The quality and innovativeness of this programme were also confirmed by numerous awards received during 2020 – the 2020 AWARD in the PR Communication in Integrated Campaigns category, which is awarded by the Serbian Public Relations Association, followed by third place at the first online Erste Retail Summit, as well as being ranked among the five most significant campaigns and projects in the Balkans in the finals of the European Excellence Award, the leading European award in the area of public relations and communications.

In the pages that follow, you will find an abundance of information about our approach and contribution to different important social topics – such as financial inclusion, equal opportunities, gender equality, environmental protection, which are also encompassed by the United Nations Sustainable Development Goals that guide us at Erste Group and Erste Bank Serbia in defining our strategies and goals. Through the Corporate Social Responsibility Report, we strive to show accurately not only information about our performance in the most significant areas, but also all those principles in which our strength lies – in true team spirit, a common vision that we realise with commitment and the fact that we are always there for each other, for our customers and the local community. Together, we continue to build our Bank of the future!

Sincerely,

JASNA TERZIĆ



1. Company Profile

— 1.1 Erste Grupa

The First Austrian Savings Bank (Erste österreichische Spar-Casse) was established in Vienna in 1819 as the first financial institution which opened its doors to everyone, regardless of their origin, status, nationality or assets. More than 200 years later, Erste Group continues to be committed to the goal of making financial and social progress available to everyone.

Erste Group Wins Best Private Bank Awards

Erste Group Bank AG (Erste Group) won the Best Private Bank in Central and Eastern Europe title in the latest edition of the Global Private Banking Awards organised jointly by The Banker and PWM magazines. Erste private banking also received the Best Private Bank in Austria 2020 award from these two professional journals, which are part of the Financial Times group.

In order to determine the recipients of the Global Private Banking Awards, a judging panel composed of 15 leading industry professionals considered the entries of more than 120 private banks and compared their achievements on the basis of key figures in the areas of portfolio management, asset allocation, risk management, diversity, growth strategies, customer care, sustainable and impact investing, business models, succession planning, philanthropy services, staff retention, education and training of private bankers, business continuity measures in response to COVID-19 and, last but not least, innovation.

Visionary principles on which it was established form the foundations of what Erste Group is today: a modern bank that does business with retail and corporate clients and has a strong commitment to Central and Eastern Europe. Our founding principles also provide us with guidelines for the future – we shall continue to help clients take care of their financial health, to create and safeguard prosperity and pursue new business ideas and personal goals.

Erste Group employs almost 46,000 staff, who serve 16.1 million customers in seven Central and Eastern European countries (Austria, Serbia, Czech Republic, Slovakia, Hungary, Romania, and Croatia).

In addition to retail banking, Erste Group provides financing services as well as advisory services to corporate customers related to investment and access to international capital markets, public sector financing and interbank market operations.



„We performed well in all our markets in an exceptionally challenging year. Our operating results remained stable and our capitalisation is excellent. We want our shareholders to share in these results, which is why -- in line with the ECB recommendation -- we will propose a dividend of 50 cents per share for 2020 at the Annual General Meeting and also reserve up to one euro per share for a potential dividend payout at a later date”, stated Stefan Dörfler, CFO of Erste Group Bank AG on YE 2020 results.

Non-financial Reporting in Erste Group

Since 2017, Erste Group has included (consolidated) non-financial reports in the annual report, thus fulfilling its obligation to publish non-financial indicators in the area of environmental protection, social issues and the economy. For 2020, the report was compiled in accordance with the standards of the Global Reporting Initiative (GRI) and is subject to an independent audit by Deloitte.

Erste Group's sustainability goals, related to the United Nations Sustainable Development Goals (SDGs), pertain to three areas: environmental, social and governance:

Environmental	Social	Governance
<ul style="list-style-type: none"> • Clean energy & energy security • Resource & energy efficient buildings • Smart mobility and transportation • Resource depletion & waste management • Pollution prevention, preservation of water and maritime resources • Protective land use, forestry • Protection of biodiversity • Animal welfare 	<ul style="list-style-type: none"> • Human rights • Healthcare, education and job safety • Diversity and equal opportunity • Employee attraction, relations and retention, employee rights • Customer engagement & financial literacy • Product integrity, safety and reliability • Advertising & marketing ethics 	<ul style="list-style-type: none"> • Management and ownership structure • Corporate management procedures • Executive and employee compensation • Supply chain standards • Anti-competitive practices • Bribery, corruption & ethics • Political lobbying & donations • Tax & financial transparency

Detailed financial and non-financial Erste Group reports are available at www.erstegroup.com

Erste Group in Brief:

- Serves 16 million customers
- Employs 46,000 staff
- Operates 2,228 branches in 7 countries

Erste Group's Business Position:

- One of the leading financial service providers in the eastern part of the European Union
- Among the TOP 3 banks in its core markets
- Innovation leader in retail banking in the home market of Austria

Key Business Results in 2020:

- Total assets: EUR 277.4 billion
- Operating profit: EUR 2.9 billion
- Net profit: EUR 783 million
- ROE: 14.2%

Erste Group Holiday Campaign

The end of the year and the holidays are not only a time when we take stock of our achievements and plan our future steps, they are also a time when we need to awaken optimism in each other and do our best to ensure that people around us enter the new year with faith in themselves and faith in love. This year has taught us, if nothing else, that we sometimes also need to slow down, take a step back, appreciate the little things and be thankful for what we have.

Despite the fact that we have been living in an altered reality for the past nine months, our colleagues at Erste Group tried to also paint for us the end of 2020 in a holiday spirit and a spirit of optimism. Edgar and his Christmas story continue our marketing campaigns that have achieved dizzying success across Europe in recent years. Two years ago, we met Henry the Hedgehog, and Hanna the Bumblebee brought joy to the end of 2019 for us. Edgar's story is Erste Group's third international Christmas clip.

The Christmas campaign with Edgar as the protagonist was broadcast via digital channels in eleven countries during 2020. It was also shown in Austria, Hungary, Montenegro, and Serbia. Regardless of age, it is important that we always take care of each other, not just during the holidays – we thus met Edgar, an experienced composer who, in spite of his impaired hearing, finds faith in himself and instead of merely reminiscing, with the help of Mary, the friendly nurse, once again sits in front of the piano and begins to play his favourite melodies. We believe that this optimistic, emotional and inspiring story will reach a large number of people in all the countries in which our bank operates and send a simple but important message #believeinlove

Sustainability at Erste Campus

With a surface area of 25,000 m² and a gross usable floor space of 165,000 m², since 2016 Erste Campus has brought together at a single location all 4,500 employees of Erste Group in Vienna. The Campus also houses Europe's largest financial education initiative, the Financial Life Park – FLiP, which enhances the financial knowledge and skills of the youth through a playful mix of multimedia and tailored interactive content. The main goal is to raise awareness early on about finances as an integral part of daily life, leading to sound financial decisions and prevention of over-indebtedness in the future, and to provide general education about the banking sector.

Campus building is barrier-free and guarantees access to people with disabilities, and is also characterised by numerous innovations which help reduce its environmental impact: activation of the concrete core for heating and cooling using geothermal pillars in combination with district heating/cooling from the municipality of Vienna, double-skin facades with smart external protection from sunlight and windows that open, night-time temperature reduction, modern LED lighting and energy recovery from the elevator systems.

In December 2020, construction began on a solar energy supply system on the roof of the Erste Campus. In total, 764 solar panels, covering an area of 2,000 square meters, will produce 250,000 kWh of electricity per year, which corresponds to the consumption of five branches or 125 private households. In addition to measures that have already been taken, such as the transition to 100% green electricity, the use of rainwater and a district cooling system, this marks a further important milestone in making Erste Group's head office in Vienna even more climate-friendly.

Gender Equality in Erste Group

Erste Group defines diversity and inclusion as an integral part of its corporate strategy and states this commitment clearly in its Statement of Purpose and its Code of Conduct. The Group actively promotes a work environment free of discrimination and harassment and values the work and worth of each and every person regardless of gender, age, disability, marital status, sexual orientation, skin colour, religious or political affiliation, ethnic background, nationality or any other aspect unrelated to their employment.

Erste Group has implemented a variety of initiatives to support the development of female leadership. Across the Group, over 40% of managerial positions are currently held by women. Focal areas for 2021 and beyond are to increase further the number of women in top executive positions and develop the internal female talent and succession pipeline in all markets. In Austria, the Erste Women's Hub employee resource group has continued key initiatives such as the promotion of female financial literacy and virtual networking formats and has developed new fora of exchange for parents who – given the environment created by the current pandemic – often face challenges when reconciling their home office and home-schooling responsibilities.

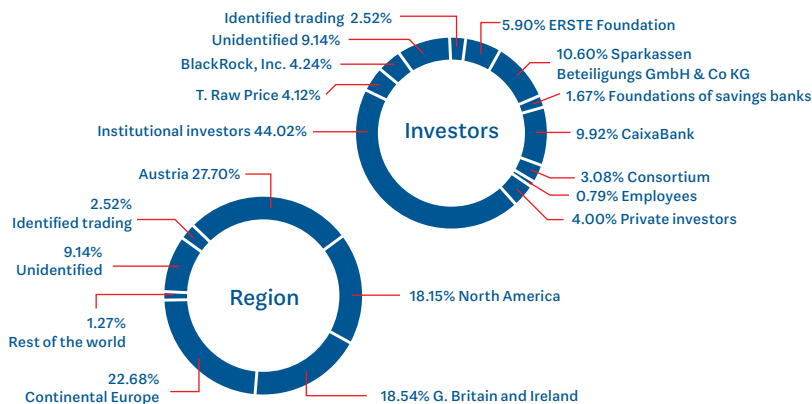
Erste Group is one of 380 companies across 11 sectors from 44 countries and regions around the world included in the 2021 Bloomberg Gender-Equality Index (GEI). Companies come from a variety of industries, including automotive, banking, consumer services, engineering and construction, and retail. Through disclosure of gender-related metrics using the GEI framework, the firms included in the 2021 GEI have committed to provide a comprehensive insight into their investment in gender equality at work and in the communities in which they operate, raising the bar of what should be expected from other companies within the same industry. Erste Group was included in this year's index for scoring at or above a global threshold established by Bloomberg, reflecting a high level of disclosure and overall performance across the framework's five pillars.

“It's a great honour for Erste Group to be selected for the Bloomberg Gender Equality Index for a third year in a row. The issue of gender equality is becoming ever more important for companies and investors – and that's a good thing. At the same time, our inclusion in the GEI encourages us to become even better in this sphere, because there's still a lot to be done. Women currently hold 40 per cent of the leadership positions across our group and we will continue on a path to full parity”, said Bernd Spalt, Erste Group CEO.



SHAREHOLDER STRUCTURE AS OF 31 DECEMBER 2020

“The Bloomberg GEI assesses not only the concrete measures we have taken, but also the degree of transparency with which we collect and share our diversity data and indicators. We significantly improved in these points in the newest ranking. I’m very proud of that, because I’m convinced that a data-based and transparent approach to diversity management is essential,” says Julia Valsky, Head of Group Diversity Management at Erste Group. “Covering a broad range in the area of gender diversity, but also in many other dimensions, makes us more colourful and better – and, of course, being recognized in the Bloomberg GEI is a great motivation to continue on our path.”



— 1.2 Erste Bank in Serbia – Tradition and Innovation



Erste Bank a.d. Novi Sad in Brief (as of 31 December 2020):

- Serves almost 510,000 customers
- Employs close to 1,150 staff
- Has a network of 88 business outlets and 4 commercial centres

Novi Sad Savings Bank (Novosadska štedionica), the predecessor of Erste Bank, was established in Novi Sad in 1864 as the first financial institution in the territory of present-day Serbia. Novi Sad Savings Bank and The First Savings Bank in Austria, Erste österreichische Spar-Casse, share a long history and were founded on the same values from the very beginnings, as well as on the same vision to create the financial independence of citizens as a precondition for prosperity in society.

Erste Bank a.d. Novi Sad is a part of Erste Bank Group, which has been operating in Serbia since 2005, when it acquired the majority stake in Novosadska Banka. In December 2005, Novosadska Banka changed its name to Erste Bank a. d. Novi Sad, launching an intensive transformation process.

Our focus is on doing business with individuals, local communities, and small and medium-sized enterprises. We insist on the speed and quality of our services, thus contributing to a stable and sound growth of our customers. We continue to expand the satisfied customer base and increase our market share in key segments. Striving to respond to all needs of our customers, we push the boundaries in the areas of e-banking and card business in the financial market of Serbia.

Erste Bank in Serbia continues to follow its founders' principles and offers support to clients so that, believing in their ideas and potential, they make sound financial decisions – both for themselves and their loved ones, and the growth and development of their business ventures. In order to provide the best financial support to our clients, we are building the bank of the future.



Our Key to Success:

Growth – Our responsible growth strategy for the next 200 years is not only about finances. Instead, it involves, above all, unwavering commitment to the welfare of people and society at large.

Client-focused culture – In our work, we focus on building personal, stable and long-term partnerships with our clients throughout their private and professional lives.

Corporate culture – Believing in ourselves, we challenge traditional views, inspiring and encouraging everyone in our bank to prosper, do better and exceed expectations.

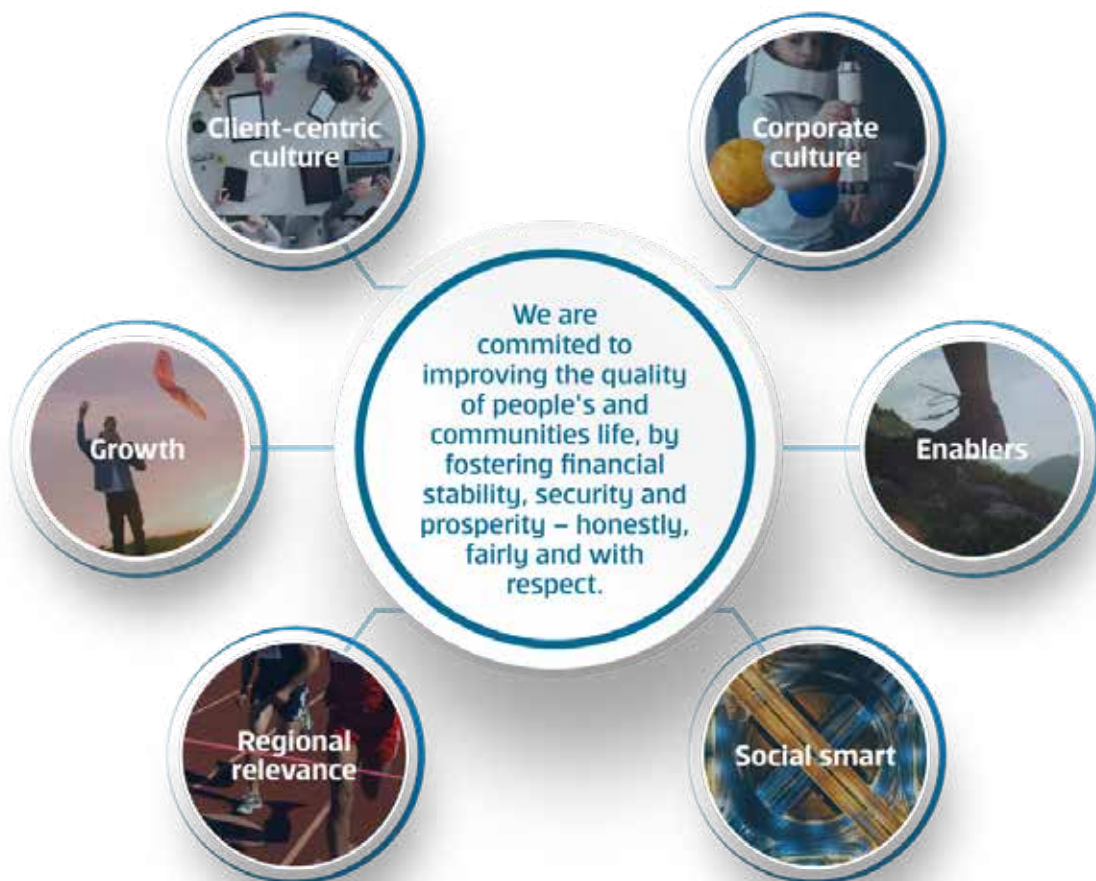
Enablers – Supporting client development is an active and interactive journey during which by changing ourselves and others, we steer the bank and the surroundings toward high performance.

Social smart – By doing banking in a holistic manner, we are enhancing dialogue within our communities while igniting our digital capabilities to be connected to everyone in real time.

Regional relevance – Driven by our continuous success, stability, relevance, and cross-border competencies, our goal is to become the leading bank in non-EU countries in our region.

Erste Bank's Values:

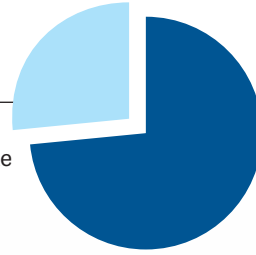
- **Support** – we listen, understand and help
- **Responsibility** – we assume responsibility for the development of the Bank and of ourselves
- **Trust** – we keep our word and build quality relations
- **Innovation** – we encourage the new and constantly improve the existing
- **Creation** – we create value for our customers, shareholders and ourselves.



Erste Bank a.d. Novi Sad shareholders are:

26%

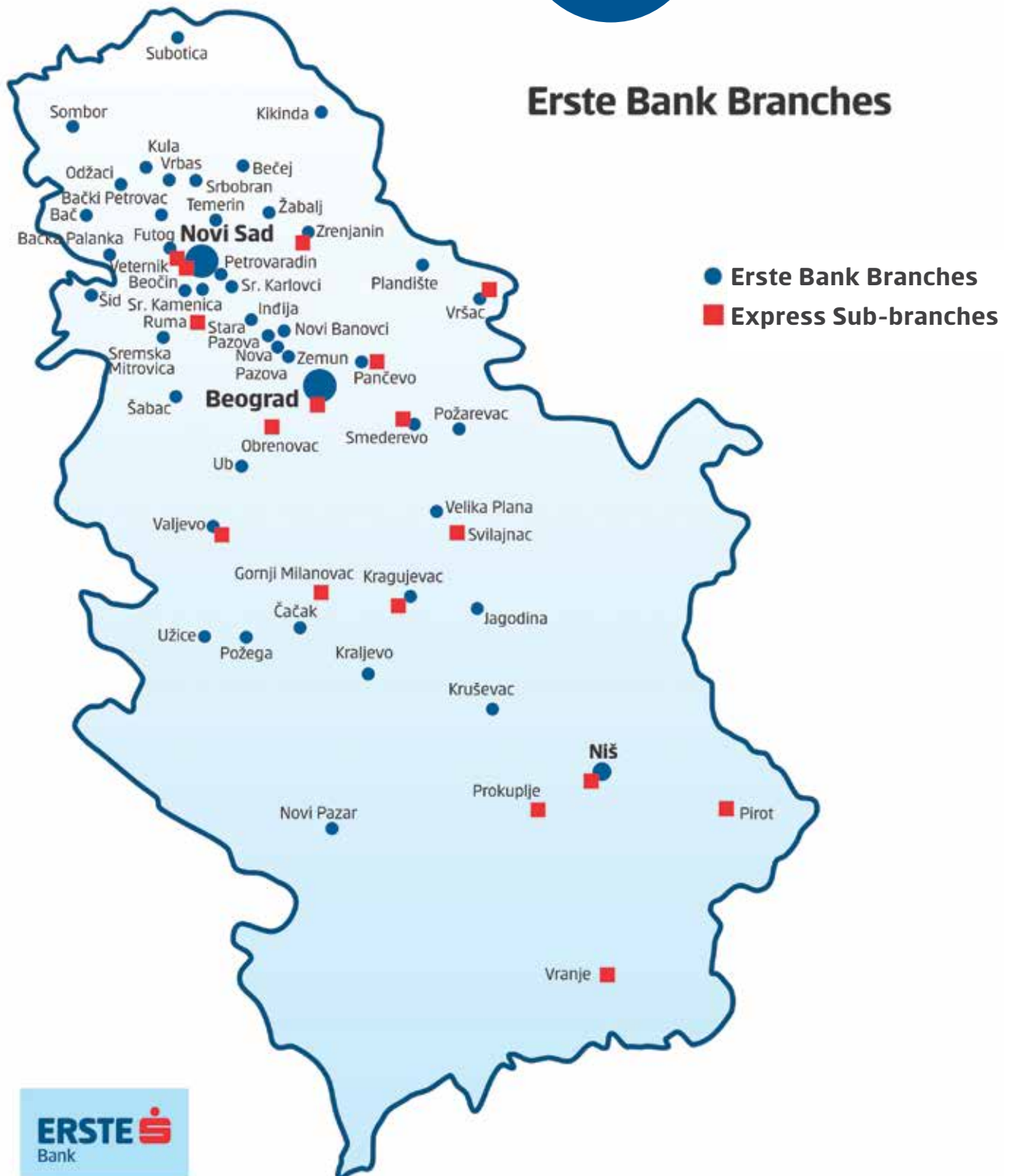
Steiermaerkische Bank und
Sparkassen AG with a 26% stake



74%

Erste Group Bank AG
with a 74% stake

Erste Bank Branches



Key Business Results in 2020:

- **Loans to individuals and micro customers** went up by 16% relative to the end of 2019 and amounted to 97.05 billion dinars; **deposits** of individuals and micro customers rose by 28.2% to 101.32 billion dinars.
- **Corporate loans** rose by 18.8% relative to the end of 2019 to 94.15 billion dinars; **corporate deposits** rose by 57.4% to 74.27 billion dinars.
- **Net interest income** went up by 11.5% relative to the same period of the previous year to 8.16 billion dinars, while **net fee and commission** income went up by 7.9% to 1.91 billion dinars.
- **Net result** amounted to **1.33 billion dinars** at the end of Q4 2020, down by 50.2% relative to the same period of 2019, in line with projections.
- **Total assets** increased by 24.1%, from 231.45 billion dinars at the end of 2019 to 287 billion dinars at the end of 2020.
- **NPL** ratio at the end of 2020 was 1.4%.
- **The number of digital distribution channel users** was 27.3% higher at the end of 2020 relative to the end of 2019, so now about 380 thousand Erste Bank customers use internet and mobile banking.

„A challenging year is behind us. A year in which we demonstrated the importance of stability and preparedness, as well as flexibility, mutual understanding and support. The situations we weathered together with our clients presented a test, but also a proof that our clients can rely on us at all times. This resulted in a total growth of deposits by over 38 percent and of loans by over 17 percent. I am extremely grateful to my colleagues for their efforts because we finished this demanding year ranking first by retail customer experience. As a responsible institution and systemically important bank in Serbia, we pay attention to all aspects of our business operation. Recognising uncertainty across Europe and following, above all, a responsible approach to managing our customers' money, we allocated part of our profit to potential risk costs amidst the pandemic. At the same time, we continue with intensive, significant investments in the transition to the new core banking system of the Bank, which will provide us with even more flexibility and enable us to pay even more attention to our customers' needs, because good customer experience is a key priority in modern banking” stated Slavko Carić, CEO of Erste Bank a.d. Novi Sad, on YE 2020 results.

A detailed financial report is available on the Bank's website: www.erstebank.rs

New Concept of Branch Operation Organisation

Bank clients' habits change in line with technological innovation and trends, as well as the digitalisation of banking services. Although various payments, opening accounts and submitting a loan application can also be performed through digital services, the traditional branch retains an important role in banking operation and relations between clients and the bank. However, its function has changed and is increasingly centred around counselling and education.

The priorities of branches are for clients to receive efficient service and appropriate advice based on which they will make the best possible financial decision. In addition to faster service, employees have more time at their disposal for providing clients with advisory services and financial education. The interior design of the new outlets is completely aligned with this mode of operation.

The new concept of business organisation, which keeps pace with the development of modern banking, has already shown itself to be exceptionally successful in other countries in which Erste Group operates.

The branches are equipped with an ATM and self-service zone, available 24/7. In the self-service zone, there is also an ATM for corporates to deposit daily takings, which will help additionally reduce queuing and facilitate all clients' operations.

Express Sub-branches

During 2020, we opened another express sub-branch, but also closed one. Therefore, we still provide our services via a network of 24 express sub-branches, introduced in order to provide the best customer experience.

Accessibility of Facilities

In line with our commitment to promote financial inclusion in all aspects, our Bank's office building in Belgrade, as well as 52 business outlets of the Bank, have been adapted to enable autonomous access

to persons with disabilities. Thus, 59.09% of all our facilities (the total number of business outlets includes express sub-branches as well) are accessible to persons with disabilities.

The accessibility of the facilities is clearly indicated on the Bank's website. In addition, each branch has a possibility of working with persons in wheelchairs at customer desks and in conference rooms.

Forty-four branches in total now have tactile surfaces installed on the floor, clearly guiding persons with visual impairments to the nearest teller's counter. The number of branches accessible to persons in wheelchairs is 31.

In 2020, four branches with three or more teller's counters were adapted (the Kula, Beočin, Indija, Nova Pazova and Žabalj branches). Now nine branches have a clearly marked part of the teller's counter of an appropriate height for working with persons in wheelchairs, and 21 branches have an induction loop enabling direct unhindered communication of the teller with persons who use new-generation hearing aids.

Sirius Offices

After Sirius Offices, a new unique business complex, was opened in Belgrade in 2017, following a EUR 40 million investment, Erste Group launched the second phase of construction. Erste Group Immorent invested an additional EUR 25 million to build another 12,500 gross square metres on eight floors, as well as 200 parking spaces. During 2020, despite very difficult operating conditions due to the COVID-19 pandemic and subsequent restrictions, owing to huge efforts invested in resolving organisational, technical and logistical issues, this project was completed successfully as well.

The main idea behind the Sirius project is environmental sustainability, which is why the premises were built according to the highest environmental standards, in order to provide ideal work conditions and optimise user costs. The business complex was built in line with the BREEAM certification and is characterised by the highest environmental standards, high energy efficiency, minimal energy consumption for cooling and heating, and the use of recycled materials during construction.

As another interesting project and contribution to sustainability, in cooperation with the Belgrade Beekeepers' Association that launched the urban beekeeping service, we came up with the idea to install three beehives on the roof of one of our buildings in Novi Beograd. Having together created a home for them on top of our building, we decided to give their habitat a personal touch, by branding the beehives in which they work so hard. Today, we can proudly say that the result of our idea and their hard work is – "Homemade honey from bees from our constellation".

Other Erste Group Members in Serbia



Erste Bank a.d. Novi Sad is the majority owner of S-Leasing d. o. o, with an equity stake of 75%, while 25% is owned by Steiermaerkische Bank und Sparkassen AG, Graz, Austria.



2. Strategic Approach to Corporate Social Responsibility

To Erste Bank, corporate social responsibility presents a strategic corporate governance framework based on investment in long-term and stable relationships with all key stakeholders, and on our commitment to contribute actively to the development and prosperity of the society of which we are an integral part.

Since adopting the first CSR Strategy in 2009, Erste Bank has systematically incorporated corporate social responsibility in its business, which makes it one of the first companies in Serbia to approach this topic in a strategic manner. It was this kind of approach that has enabled the Bank, from one year to the next, to upgrade its CSR practices, monitoring actual trends in its environment and stakeholder needs, and in that way upgrade and develop its monitoring and measuring system.

The Strategy has been regularly revised over the previous years in accordance with the Bank's business goals, its stakeholders' expectations and changes in the external environment. The current strategy was adopted in 2015 and its validity has been extended from 2019 initially to the end of 2021. The CSR Strategy is adopted by the Executive Board of the Bank. The basic principles of the CSR Strategy include the connection of CSR initiatives with business, as well as a balanced, holistic and integrative approach.

It is with great pleasure and commitment that the Bank has for 13 years regularly reported on its non-financial performance and sustainability impacts. CSR reporting is to us much more than a systematic and clear presentation of data and description of activities that marked a given year – it has been for more than a decade an integral part of a broader process to which we have a long-term commitment, constant upgrading of the CSR strategy and socially responsible practices.

According to the adopted Strategy, the corporate social responsibility framework consists of areas, priority topics and related activities. The areas are permanent elements of the framework and the Strategy of the Bank and, in addition to arising from the definition of the Bank's corporate social responsibility, they arise from a previously conducted state-of-play analysis, especially a CSR trend analysis, evaluation of the results of implementation of the Bank's Strategy so far and an analysis of stakeholders' views and expectations. Topics and related activities within each area may change in the medium term depending on the current internal and external context. Action plans are updated accordingly for each area as well.

In order to determine the successfulness of the Strategy implementation and the degree of achievement of the set goals, Erste Bank monitors the performance indicators defined in the annual action plans for each of the areas. The monitoring and measurement process also significantly contributes to a greater transparency and quality of CSR reporting (About this Report, p. [93](#)).





AREA	GOAL	PRIORITY TOPICS	GRI STANDARDS – ASPECTS
CORPORATE GOVERNANCE GRI 102 GENERAL DISCLOSURES GRI 200 ECONOMIC TOPICS	FURTHER IMPROVEMENT OF EXISTING GOOD CORPORATE GOVERNANCE PRACTICES	TRANSPARENT GOVERNANCE PRACTICES	GRI 102 GENERAL DISCLOSURES 102-18 – 102-26 102-35, 102-36 GOVERNANCE 102-16 VALUES, PRINCIPLES, STANDARDS AND NORMS OF BEHAVIOUR 102-17 MECHANISMS FOR ADVICE AND CONCERNS ABOUT ETHICS
		PREVENTION OF CONFLICTS OF INTEREST	GRI 102 GENERAL DISCLOSURES 102-25 CONFLICTS OF INTEREST GRI 205 ANTI-CORRUPTION GRI 205-1 OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION GRI 205-2 COMMUNICATION AND TRAINING ON ANTI-CORRUPTION
		CSR DEVELOPMENT THROUGH JOINT INITIATIVES	GRI 102 GENERAL DISCLOSURES 102-12 EXTERNAL INITIATIVES 102-13 MEMBERSHIPS OF ASSOCIATIONS
RESPONSIBILITY TO CUSTOMERS	EVEN STRONGER INTEGRATION OF CSR IN CORE BUSINESS	RESPONSIBLE FINANCING	GRI FINANCIAL SERVICES SECTOR DISCLOSURES PRODUCTS AND SERVICES PORTFOLIO FS 1-5, FS 9 ENVIRONMENTAL AND SOCIAL POLICIES AND AUDIT FS 7 MONETARY VALUE OF PRODUCTS AND SERVICES DESIGNED TO DELIVER A SPECIFIC SOCIAL BENEFIT FS 8 MONETARY VALUE OF PRODUCTS AND SERVICES DESIGNED TO DELIVER A SPECIFIC ENVIRONMENTAL BENEFIT GRI 412 HUMAN RIGHTS ASSESSMENT GRI 412-3 SIGNIFICANT INVESTMENT AGREEMENTS AND CONTRACTS THAT INCLUDE HUMAN RIGHTS CLAUSES OR THAT UNDERWENT HUMAN RIGHTS SCREENING
		FINANCIAL INCLUSION	GRI FINANCIAL SECTOR DISCLOSURES LOCAL COMMUNITY FS 14 INITIATIVES TO IMPROVE ACCESS TO FINANCIAL SERVICES FOR DISADVANTAGED PEOPLE MARKETING AND LABELLING OF PRODUCTS AND SERVICES FS 16 INITIATIVES TO ENHANCE FINANCIAL LITERACY
		RESPONSIBLE COMMUNICATION WITH CUSTOMERS	GRI 417 MARKETING AND LABELLING OF PRODUCTS AND SERVICES GRI 417-1 REQUIREMENTS FOR PRODUCT AND SERVICE INFORMATION AND LABELLING GRI 417-2 INCIDENTS OF NON-COMPLIANCE CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELLING GRI 418 CUSTOMER PRIVACY GGRI 418-1 SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA

AREA	GOAL	PRIORITY TOPICS	GRI STANDARDS – ASPECTS
RESPONSIBILITY IN THE WORKING ENVIRONMENT	FURTHER DEVELOPMENT OF MOTIVATING WORK ENVIRONMENT, BASED ON EMPLOYEES' RIGHTS AND NEEDS	EMPLOYEE DEVELOPMENT AND ADVANCED TRAINING	GRI 401 EMPLOYMENT GRI 401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER GRI 401-3 PARENTAL LEAVE GRI 404 TRAINING AND EDUCATION GRI 404-1 TOTAL HOURS OF TRAINING GRI 404-2 PROGRAMMES FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMMES GRI 404-3 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS
			GRI 405 DIVERSITY AND EQUAL OPPORTUNITY GRI 405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES GRI 412 HUMAN RIGHTS ASSESSMENT GRI 412-2 EMPLOYEE TRAINING ON HUMAN RIGHTS POLICIES OR PROCEDURES
		OCCUPATIONAL HEALTH AND SAFETY	GRI 403 OCCUPATIONAL HEALTH AND SAFETY GRI 403-2 RATES OF INJURIES GRI 102 GENERAL DISCLOSURES 1102-41 COLLECTIVE BARGAINING AGREEMENT GRI 403-4 HEALTH AND SAFETY TOPICS COVERED IN FORMAL AGREEMENTS WITH TRADE UNIONS
		SOCIAL SUPPORT TO EMPLOYEES	GRI 204 PROCUREMENT PRACTICES GRI 201-1 PROPORTION OF SPENDING ON LOCAL SUPPLIERS GRI 414 APPLYING THE SOCIAL ENVIRONMENT CRITERION IN SUPPLIER ASSESSMENT GRI 414-1 NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA
RESPONSIBILITY IN SUPPLY CHAIN	MINIMISING THE NEGATIVE IMPACTS AND MAXIMISING THE POSITIVE IMPACTS THE BANK HAS ON SOCIETY AND THE ENVIRONMENT THROUGH ITS SUPPLY CHAIN	APPLYING THE SOCIAL ENVIRONMENT CRITERION IN SUPPLIER ASSESSMENT	GRI 308 APPLYING THE ENVIRONMENTAL PROTECTION CRITERION IN SUPPLIER ASSESSMENT GRI 308-1 NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA
		APPLYING THE ENVIRONMENTAL PROTECTION CRITERION IN SUPPLIER ASSESSMENT	GRI 413 LOCAL COMMUNITIES GRI 413-1 OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMMES
RESPONSIBILITY TO LOCAL COMMUNITIES	FURTHER DEVELOPMENT OF LOCAL COMMUNITIES IN ALL RELEVANT ASPECTS	PROMOTION OF THE MEMBERS OF THE COMMUNITIES IN WHICH THE BANK OPERATES	GRI 201 ECONOMIC PERFORMANCE GRI 201-1 GENERATED AND DISTRIBUTED ECONOMIC VALUE

RESPONSIBILITY TO ENVIRONMENT	CONTRIBUTION TO PRESERVATION OF THE ENVIRONMENT BY MINIMISING THE NEGATIVE IMPACTS AND MAXIMISING THE POSITIVE IMPACTS OF THE BANK	RESPONSIBLE RESOURCE MANAGEMENT	GRI 302 ENERGY GRI 302-1 ENERGY CONSUMPTION WITHIN THE ORGANISATION GRI 302-3 ENERGY INTENSITY GRI 302-4 REDUCTION OF ENERGY CONSUMPTION GRI 303 WATER GRI 303-1 WATER WITHDRAWAL BY SOURCE GRI 305 EMISSIONS GRI 305-1 DIRECT EMISSIONS GRI 305-2 INDIRECT EMISSIONS GRI 305-4 EMISSIONS INTENSITY GRI 306 WASTE GRI 306-2 WASTE BY TYPE AND DISPOSAL METHOD
		RESPONSIBLE FINANCING	GRI FINANCIAL SECTOR DISCLOSURES PRODUCTS AND SERVICES PORTFOLIO FS 1-5, FS 9 ENVIRONMENTAL AND SOCIAL POLICIES AND AUDIT FS 8 MONETARY VALUE OF PRODUCTS AND SERVICES DESIGNED TO DELIVER A SPECIFIC ENVIRONMENTAL BENEFIT
		RAISING EMPLOYEE AWARENESS OF ENVIRONMENTAL PROTECTION	GRI 103 MANAGEMENT APPROACH

STRATEGY AREAS ARE DEFINED IN SUCH A WAY THAT THE BANK CAN MEET REASONABLE EXPECTATIONS AND NEEDS OF ALL STAKEHOLDERS PRESENTED IN THE MAP (pp. [24](#) - [25](#)).

THE GOALS FOR EACH AREA ARE BASED ON THE PREVIOUS STRATEGY'S GOALS AND THE RESULTS ACHIEVED THROUGH ITS IMPLEMENTATION

THE PRIORITY TOPICS FOR EACH AREA ARE DEFINED BASED ON THE LARGEST IMPACTS AND, CONSEQUENTLY, THE LARGEST/ PRIMARY RESPONSIBILITIES OF THE BANK.

Our Key Stakeholders

Erste Bank stakeholders are identified in accordance with the principles of the internationally recognised AA1000SE standard (AccountAbility: 2011), which involve assessing the level of dependence on the company activities, types of responsibility, interaction intensity level, impact and different perspectives brought by dialogue.

Communication with stakeholders is continuous and two-way and takes place through appropriate channels for each stakeholder group, as presented in the table.

STAKEHOLDER	SUBGROUP	COMMUNICATION CHANNEL
EMPLOYEES	BANK EXECUTIVE BOARD	OFFICIAL EB DECISIONS, THE BULLETIN, OPEN DOOR DAY AND MEETINGS
	MANAGEMENT (L2 AND L3)	MEETINGS AND CONSULTATIONS
	SALES NETWORK EMPLOYEES	INTRANET, INTERNAL MAGAZINE, CSR REPORT, TRAININGS
	TRADE UNION	REGULAR MEETINGS
	VOLUNTEERS	INTRANET, INTERNAL MAGAZINE, CSR REPORT, MEETINGS, SOCIAL NETWORKS
	OTHER EMPLOYEES	INTRANET, INTERNAL MAGAZINE, CSR REPORT, TRAININGS
SHAREHOLDERS	/	FINANCIAL REPORTS, CSR REPORTS, BANK WEBSITE
ERSTE GROUP	ERSTE HOLDING	CSR REPORTS, MEETINGS AS NEEDED, EMAIL COMMUNICATION
	ERSTE FOUNDATION	CSR REPORTS, MEETINGS AS NEEDED, EMAIL COMMUNICATION
	ERSTE GROUP MEMBERS	CSR REPORTS, EMAIL COMMUNICATION
BUSINESS COMMUNITY	ERSTE BANK SALES NETWORK IN SERBIA AND ERSTE GROUP SUBSIDIARIES FOUNDED IN SERBIA	CONFERENCES, EVENTS, MEETINGS, CSR REPORT, BANK WEBSITE
	BUSINESS ASSOCIATIONS PROMOTING CSR	CONFERENCES, EVENTS, MEETINGS, CSR REPORT, BANK WEBSITE
	OTHER BUSINESS ASSOCIATIONS	CSR REPORT, BANK WEBSITE
	OTHERS	CSR REPORT, BANK WEBSITE
CLIENTS	INDIVIDUALS	BRANCHES, BANK WEBSITE, CSR REPORT, SOCIAL NETWORKS
	LEGAL PERSONS - SMALL ENTERPRISES AND ENTREPRENEURS	BRANCHES, BANK WEBSITE, CSR REPORT, SOCIAL NETWORKS
	LEGAL PERSONS - SMALL AND MEDIUM-SIZED ENTERPRISES, LARGE CORPORATES AND PUBLIC SECTOR	BRANCHES, BANK WEBSITE, CSR REPORT, MEETINGS, AGREEMENTS
ENVIRONMENT	/	N/A
COMMUNITY	LOCAL LEVEL (LOCALITIES IN WHICH THE BANK OPERATES)	BRANCHES, BANK WEBSITE, SOCIAL NETWORKS, CSR REPORT
	NATIONAL LEVEL	MEDIA, BANK WEBSITE, SOCIAL NETWORKS, CSR REPORT

NON-PROFIT ORGANISATIONS	CONSUMER ASSOCIATIONS	BANK WEBSITE, SOCIAL NETWORKS
	PARTNERS	BANK WEBSITE, SOCIAL NETWORKS, CSR REPORT, MEETINGS, EMAIL COMMUNICATION
	OTHERS	BANK WEBSITE, SOCIAL NETWORKS, CSR REPORT
MEDIA	SPECIALISED (ECONOMY, FINANCE AND BANKING)	INTERVIEWS, ARTICLES
	NATIONAL	INTERVIEWS, ARTICLES, QUERIES, BANK WEBSITE, SOCIAL NETWORKS
	LOCAL	INTERVIEWS, ARTICLES, QUERIES, BANK WEBSITE, SOCIAL NETWORKS
GOVERNMENT INSTITUTIONS	REGULATORY BODIES	BANK WEBSITE, CONFERENCES
	PUBLIC ADMINISTRATION INSTITUTIONS	BANK WEBSITE, CONFERENCES
	PROJECT PARTNERS	BANK WEBSITE, CSR REPORT, MEETINGS, EMAIL COMMUNICATION
	LOCAL SELF-GOVERNMENT UNITS (LOCALITIES IN WHICH THE BANK OPERATES)	BANK WEBSITE, CONFERENCES

Stakeholder engagement and listening to their views and expectations is of key importance for the strategic approach to corporate social responsibility, but also for the long-term sustainability and success of any company. When preparing the new 2015 CSR Strategy, Erste Bank conducted a comprehensive survey of the views of external and internal stakeholders, whose findings were taken into account in defining priorities. Through the stated communication channels, the following topics stood out as the most relevant to the stakeholders: responsible communication towards customers, promotion of CSR in the business sector, employee development and advanced training, anti-corruption and competition protection, and occupational health and safety.

Sustainability Management

Engagement of the top management is of key importance for successful CSR integration in all business aspects. The Executive Board of the Bank proposes new strategic directions, gets involved in strategy review, but also in the strategy preparation process itself by giving suggestions and proposals. Executive directors are directly involved in this process, including at least one person from the specific organisational unit who is responsible for further activities and implementation. The Senior CSR Expert reports to the Director of the Communications Department and the Executive Director of the Marketing and Communication Division, who report to the CEO of the Bank.

With the aim of comprehensive management of all impacts of our business, when assessing customers and selecting projects the Bank will finance, special attention is paid to the principles and objectives of natural and social environment protection management. In addition to principles and goals, the **Natural and Social Environment Protection Policy** adopted in 2012, whose implementation involves several divisions, also provides for the actions to be taken with the aim of analysing and mitigating possible negative impacts. In June 2013, the **Responsible Financing Policy** was also adopted, with the intention of defining, based on Erste Group's Principles of Responsible Financing, the principles of responsible financing in relation to socially, environmentally and ethically sensitive sectors. The Policy regulates credit and reputational risks that may arise due to inappropriate choice of customers from the viewpoint of the business activity in which they operate and potential impacts of such financing on society, regardless of the type of customer.

In addition to striving for constant reduction of negative impacts, the Bank supports projects that have positive social and environmental impacts on the community and offers products that contribute to social inclusion. In this way, Erste Bank has once again reaffirmed its commitment to contributing to sustainability in a broader social context, while anticipating and preventing potential adverse impacts of its operation on the social and natural environment. Adequate identification of direct and indirect impacts is the crucial first step in sustainability management in accordance with the precautionary principle*.

*The precautionary principle is Principle 15 of the Rio Declaration of the United Nations defined at the Rio de Janeiro Earth Summit in 1992.

More details about our approach to this area in chapters Responsibility to Customers and Responsibility to the Environment, pages **57** and **91**.

Erste Bank's Contribution to GDP

GENERATED AND DISTRIBUTED VALUE IN 000 RSD	2018	9,752,719	2020
TOTAL INCOME	8,720,250	6,204,014	10,212,707
TOTAL EXPENSES	5,261,708	2,907,515	6,518,265
OPERATING EXPENSES	2,291,712	2,728,180	2,939,133
PERSONNEL EXPENSES	2,585,215	/	2,897,803
EXPENSES RELATED TO CAPITAL PROVISION	/	6,273	/
EXPENSES RELATED TO LIABILITIES TO GOVERNMENT	60,069	558,283	51,247
DEPRECIATION COSTS	320,581	3,763	622,542
EXPENSES RELATED TO THE COMMUNITY	4,131	3.763	7,540



3. Good Corporate Governance

All employees, managers, as well as members of the highest management bodies of Erste Group are committed to the highest corporate governance standards. Good corporate governance is the basis of successful sustainability management, as well as of the building and continuous improvement of the relationship of trust with all stakeholders. Our governance and control system has two goals - to maintain smooth operation of our Bank and to protect the interests of all our stakeholders. We are fully committed to compliance with all legal provisions and the regulatory framework relating to our business. In addition, there is constant assessment of compliance with internal standards, which are adjusted, as needed.

We establish and maintain a proactive and transparent dialogue with regulatory bodies and supervisory authorities on a regular as well as ad hoc basis. In order to ensure this, we define and implement effective procedures for ensuring compliance with regulations, including clear regulatory reporting processes; support regulatory bodies in their efforts to optimise and maintain local and international regulatory standards and continuously refresh and improve our knowledge and understanding of regulations within Erste Bank.

The CSR Strategy of Erste Bank also recognises corporate governance as an area of special importance, with the aim of improving the existing good corporate governance practices and promoting their application in the business community. In realising these goals, we are focused on the following priority areas:

- Transparent governance practices
- Anti-corruption and protection of competition
- CSR development through joint initiatives

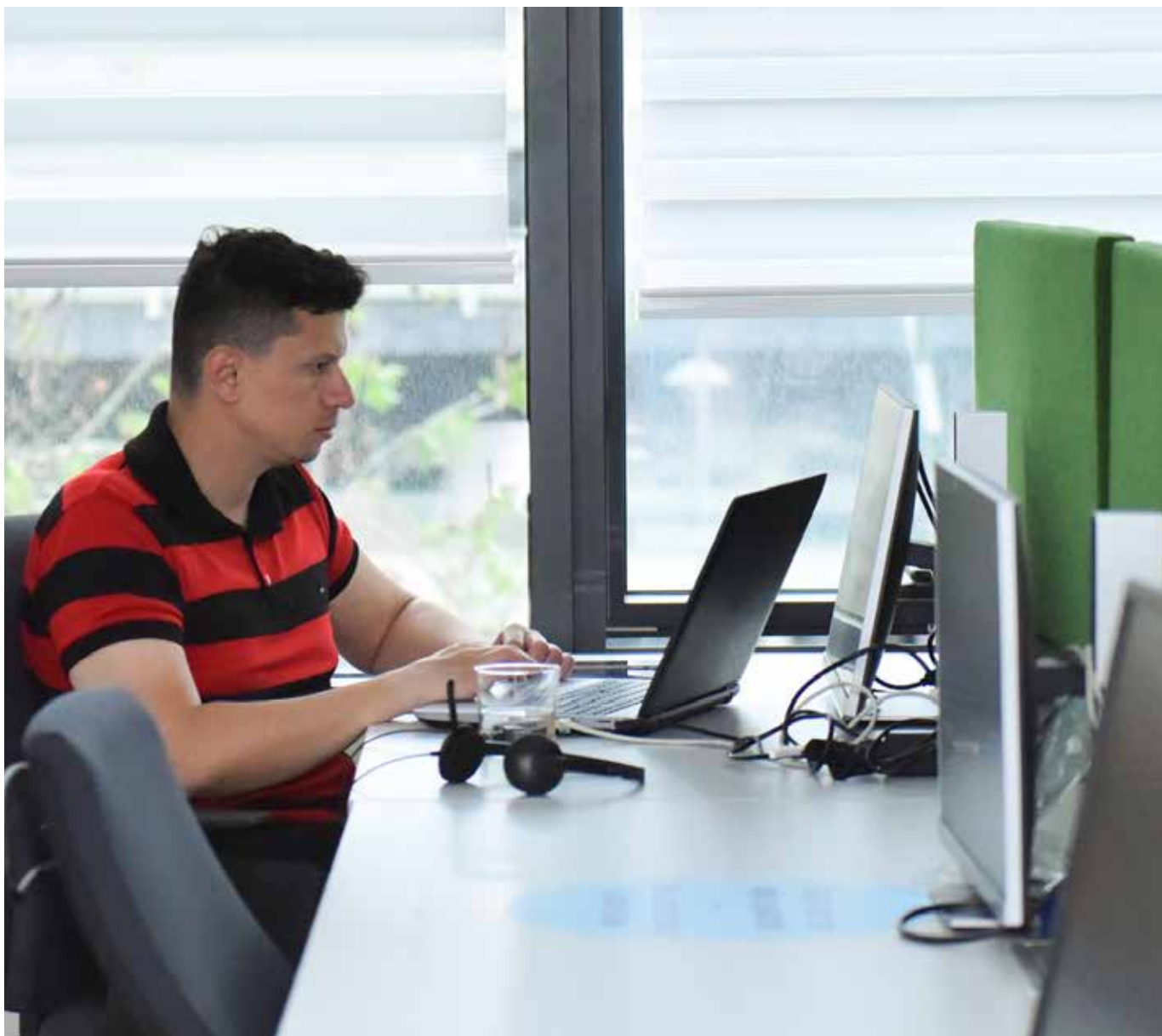
In addition to the CSR Strategy, good corporate governance practices are also defined and guaranteed by a number of other strategic documents adopted by the Bank:

- General Terms of Business
- Code of Business Conduct
- Articles of Association of Erste Bank a.d. Novi Sad
- Procedure for Preventing Conflicts of Interest in Erste Bank a.d. Novi Sad
- Gift Policy
- Conflict of Interest Management Policy
- Policy for Conflicts of Interest Arising from Secondary Activities
- Anti-corruption Policy
- AML/TF Programme
- Programme for Compliance with Anti-monopoly Regulations
- Financial Crime Risk Management Policy
- Whistle-blower Protection Rulebook
- Whistleblowing Procedure
- Procedures for Establishing Employee Responsibility
- Remuneration Policy

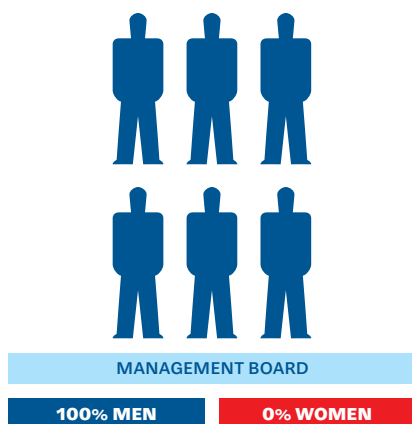
Code of Business Conduct

In October 2016, the Bank Executive Board adopted a new code of business conduct, in order to encourage and promote a certain set of values and manners of conduct of Erste Bank employees. The Code further underlines what the Bank as an employer and provider of financial services and products appreciates and values, clearly defines obligations and provides the basis for employees acting together to present the company as a good corporate citizen. It is a guide for all employees, regardless of the management level.

The Code builds upon the Bank's vision, mission and corporate values: support, responsibility, trust, innovation and creativity. The Code of Business Conduct of Erste Bank is based on the basic principles adhered to by our Group and all its members, and the document itself is based on the Code of Conduct of Erste Group. The Code of Business Conduct directs us to protect and further strengthen our good reputation and build trust among our stakeholders, acting responsibly, respectfully and sustainably in all aspects of our business.

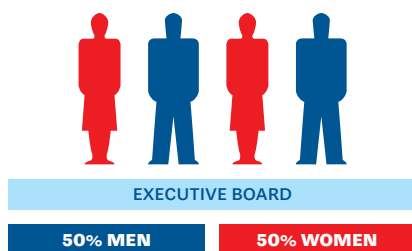


— Transparent Governance Practices



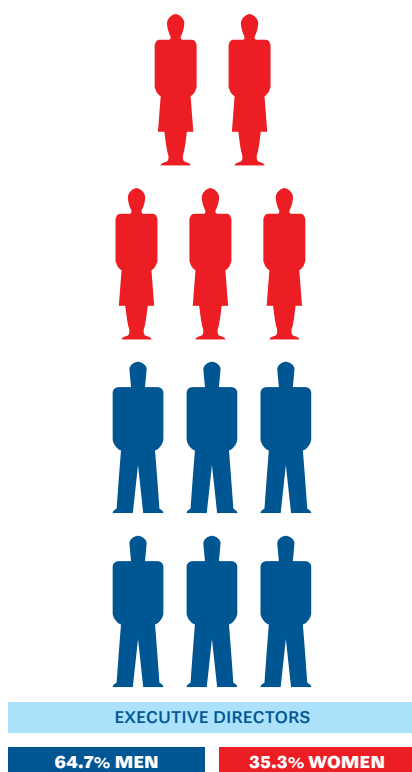
The Management Board of Erste Bank has six members:

- Ingo Bleier, Chairman of the Management Board
- Aleksandar Vlahović, non-executive member of the Management Board
- Hannes Frotzbacher, member of the Management Board
- Georg Bucher, member of the Management Board
- David O'Mahony, member of the Management Board
- Goran Pecikoza, non-executive member of the Management Board



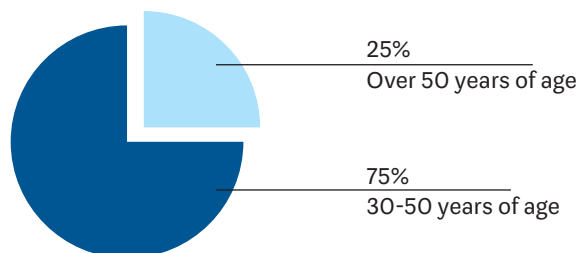
The Executive Board has four members:

- Slavko Carić, Chief Executive Officer of the Bank
- Jasna Terzić, member of the Executive Board
- Aleksandra Radić, member of the Executive Board
- Tomislav Stena, member of the Executive Board

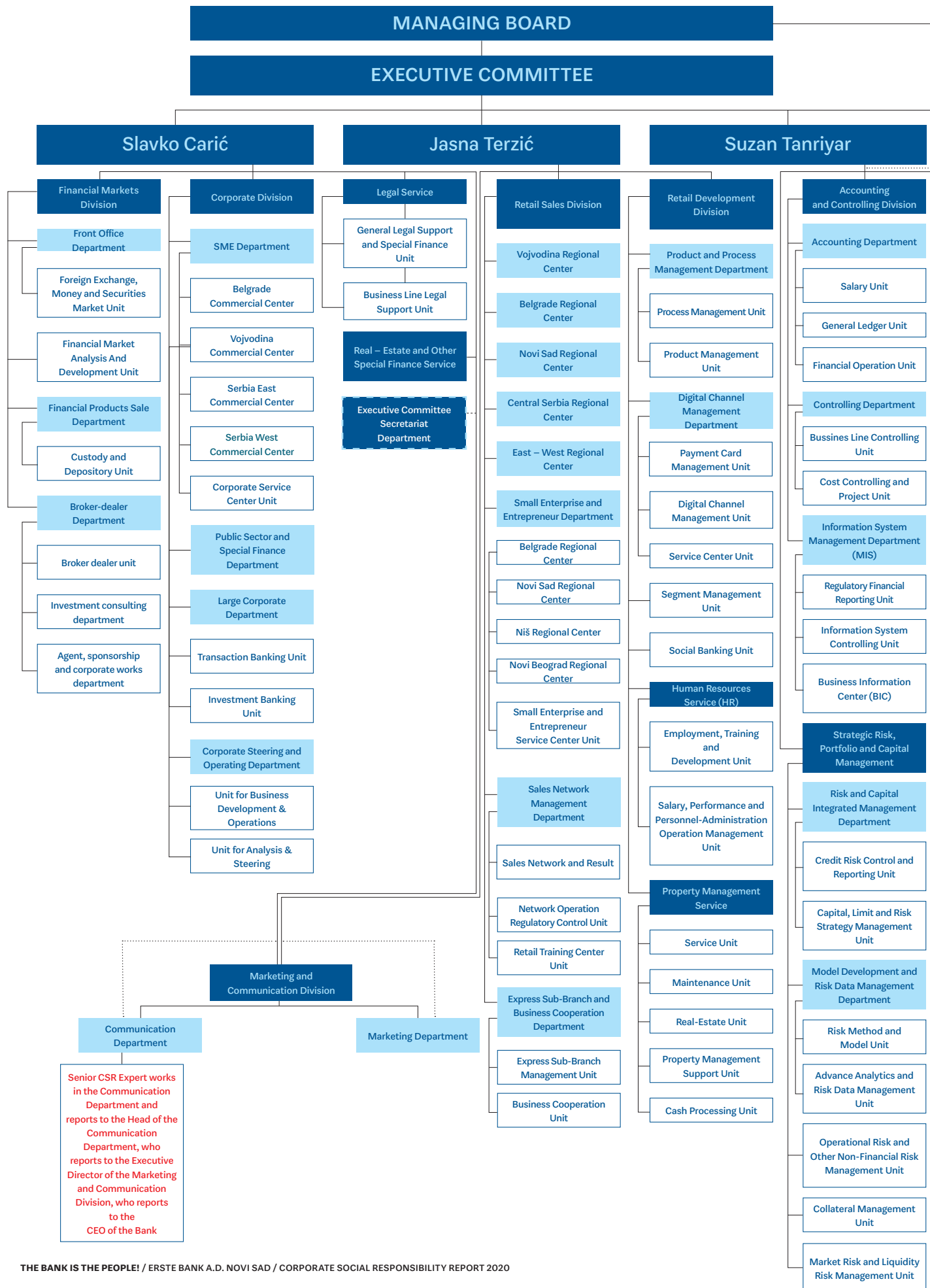


Age structure of the Executive Board of the Bank:

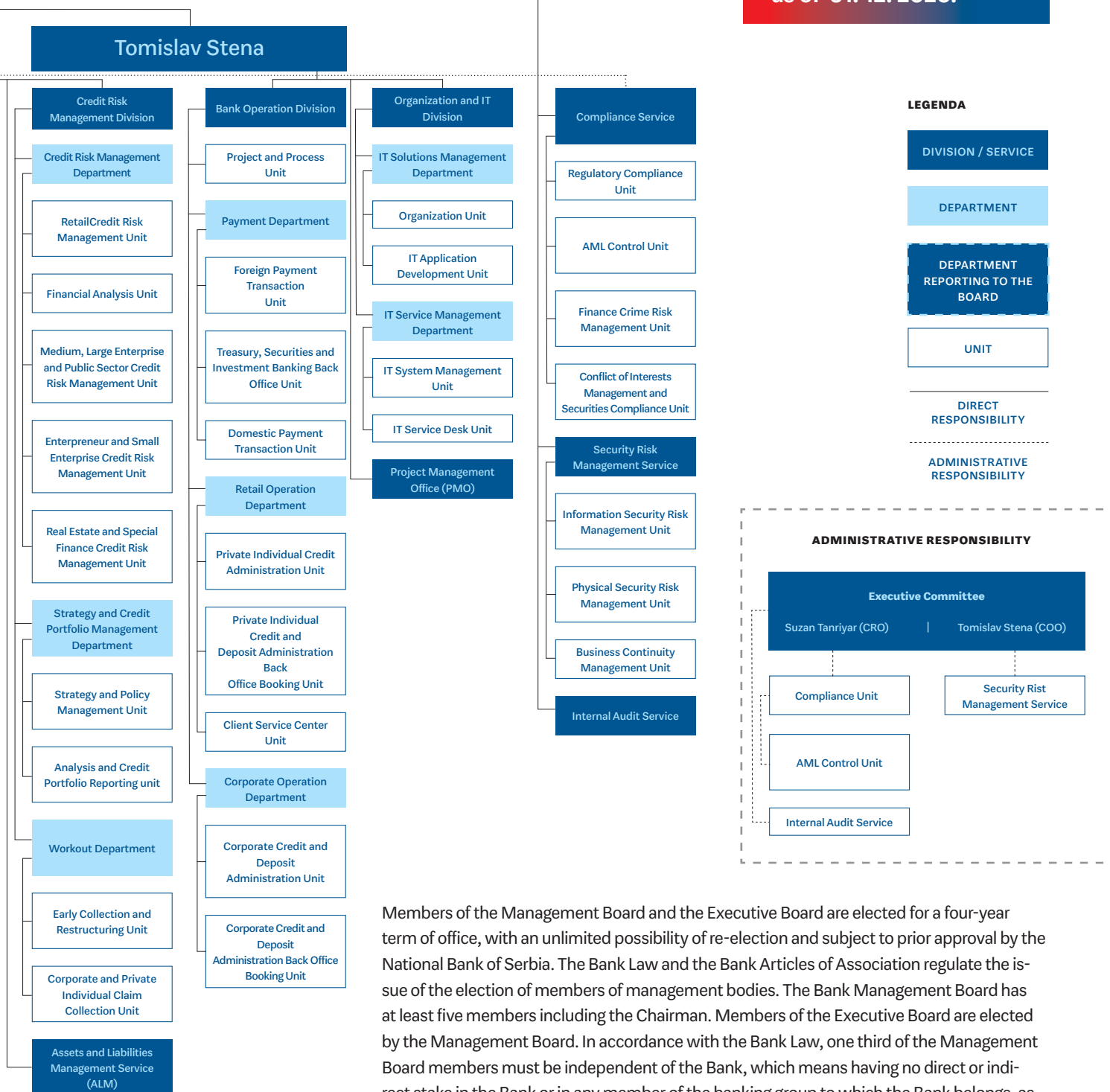
- Under 30 years: /
- 30–50 years: 75%
 - Over 50 years: 25%



Information about shareholders and members of the top management bodies of Erste Bank a. d. Novi Sad is available at www.erstebank.rs



Organisational Chart of Erste Bank a.d. Novi Sad as of 31. 12. 2020.



Members of the Management Board and the Executive Board are elected for a four-year term of office, with an unlimited possibility of re-election and subject to prior approval by the National Bank of Serbia. The Bank Law and the Bank Articles of Association regulate the issue of the election of members of management bodies. The Bank Management Board has at least five members including the Chairman. Members of the Executive Board are elected by the Management Board. In accordance with the Bank Law, one third of the Management Board members must be independent of the Bank, which means having no direct or indirect stake in the Bank or in any member of the banking group to which the Bank belongs, as well as not being employed with the Bank or any member of the banking group to which the Bank belongs or with any shareholder of the Bank. The National Bank of Serbia may prescribe additional requirements a person must meet in order to be considered independent of the Bank. The Management Board members must have a good business reputation and relevant qualifications prescribed by the National Bank of Serbia. At least three members of the Bank Management Board must have relevant experience in the area of finance and at least one member of the Management Board must have active knowledge of the Serbian language and permanent residence in the territory of the Republic of Serbia.

The Bank Executive Board has at least two members, including the Chairman. The Chairman of the Executive Board represents the Bank. When entering into legal transactions and taking legal actions within the purview of the Executive Board, the Chairman of the Executive Board must obtain the signature of one member of this Board. The Executive Board members are permanent, full-time employees of the Bank. The Executive Board members must also have a good business reputation and relevant qualifications prescribed by the National Bank of Serbia and at least one member of the Executive Board must have active knowledge of the Serbian language and permanent residence in the territory of the Republic of Serbia. All members of the Executive Board must have temporary residence in the territory of the Republic of Serbia. The legal provisions relating to the appointment of members of the Management Board apply accordingly to the appointment of members of the Executive Board. According to the Bank Articles of Association, a member of the Management Board may not be a member of the Executive Board at the same time. The next management level of the Bank are executive directors of divisions and services.

In order to avoid conflicts of interest, the general principle that must be adhered to by all employees and consequently the Board members as well, is to recognise a conflict of interest and inform the Compliance Service of this without any exception or delay, as defined by the Conflict-of-Interest Management Procedure and the Conflict-of-Interest Management Policy. In addition, in accordance with the Bank's internal documents, when it comes to the Bank employees and their external activities, the approval is given by the competent member of the Executive Board upon the recommendation of the Compliance Service. When it comes to a member of the Executive Board, the required approval is given by the Management Board.

As for the system of remuneration and bonuses for executive directors, bonuses are defined by the Performance Management Policy and the Remuneration Policy. According to these documents, individual bonuses of managers depend on three criteria: the Bank's financial results, their professional conduct and measured individual results. Qualifying for a performance bonus depends on the impact that a job category has on business performance. The higher the impact on the achievement of the Bank's business performance, the greater the possibility of getting a bonus. The bonus potential of the Executive Board members is defined by their employment agreements and the percentage of bonus potential to be paid depends primarily on the Bank's results and then on the individual performance that is evaluated after the end of the financial year at the meetings of the so-called Career Committee (Remuneration Committee), where the top (competent) management of the Group and the Management Board discuss the performance of individual Board members and thus the amount of bonus to be awarded to them.

The performance of the Executive Board is evaluated by quarterly reports on the Bank's operation that are considered by the Management Board. The duties, rights and responsibilities of the Executive Board Chairman and members are regulated by the Bank Law, the Bank's Articles of Association, the Rules of Procedure of the Executive Board, as well as the decisions of the Management Board. The Executive Board answers for its work to the Management Board and to the shareholders of the Bank. The Management Board of the Bank answers to the General Meeting, i.e. the shareholders of the Bank, and its work is regulated by the Bank Law, the Bank's Articles of Association and the Management Board's Rules of Procedure.

Communication Channels between the Management Bodies and Employees

When publishing annual results or in cases of certain announcements whose subject is of strategic importance to the Bank, the CEO of Erste Group and members of the Management Board of Erste Bank address the employees by video messages or email.

Meetings of the European Employees' Council of Erste Group (EEC), comprising elected representatives of employees and employees' trade union representatives, are held three times a year. EEC meetings are held in a two-day format and the CEO of Erste Group and the Head of the Human Resources Service of Erste Group are regular guests



at these meetings, and other members of Erste Group's Management Board team are occasional guests. The aim of the EEC is to exchange information among Erste Group members and work on improving the labour-law status of employees at Erste Group. At the meetings, reports by EEC representatives from each Erste Group country are presented and analysed individually, and joint positions are taken, action plans are passed and answers to topical issues are sought. Since the trade union organisation of Erste Bank a. d. Novi Sad has its representatives in the EEC as well, the employees in Erste Bank a. d. Novi Sad may submit questions to the CEO of Erste Group and to the Erste Group Management Board through their trade union representatives. In 2020, due to specific COVID-19 conditions, a hybrid meeting was held, attended by some of the participants in person, and online by others.

When it comes to the Executive Board of the Bank, its members contact the employees by direct emails several times a year with strategic information and guidelines for further business operation. The Bulletin regularly informs the employees of organisational and personnel changes, annual or quarterly results and other strategic topics and events. Furthermore, the key messages of the management conferences attended by all levels of managers at the Bank are communicated to the employees through the internal magazine and the portal.

The email address otvoreno@erstebank.rs is open for any questions, proposals, ideas or suggestions of employees.

Risk Management and Internal Audit

Our risk management is designed so as to optimise sustainably our operation and profit. In order to ensure this, we promote consistent and prudent approach to risk management in the whole Group, and identify, measure and control the financial and non-financial risks that have an impact on our business, while optimising risk assumption.

The first line of defence against risks in the Bank is its operational management, which is also the owner of process-related risks, covering and being responsible for the assessment, control and mitigation of risks, i.e. implementation of internal controls. The second line of defence comprises Risk Management and Compliance (AML, Fraud and others), which support the first level and supervise the implementation of efficient risk protection measures. The third line of defence is internal audit, which provides assurance to the top management regarding the efficiency of the established system of risk management controls and processes. Therefore, the first and second levels of defence are required to assess potential risks in their domain and define the manner in which they will control such risks, while the employees are required to implement control procedures in their daily work.

In line with the National Bank of Serbia's Decision on Risk Management, as well as for the purpose of the Internal Capital Adequacy Assessment Process (ICAAP), the Bank is required to consider all materially significant risks in accordance with its risk profile. Additionally, in accordance with an assessment of materiality of the above types of risk, the Bank has developed appropriate processes, methodologies and tools to manage them.

According to the latest materiality assessment, the Bank is exposed to the following materially significant risks:

- Credit risk, including default risk, country risk, credit exchange risk, credit interest risk and credit concentration risk;
- Liquidity risk (including the funding concentration risk);
- Interest rate risk in the banking book;
- Market risks in the trading book;
- Operating risk;
- Compliance risk;
- Reputational risk;
- AML and FT risk;
- Strategic risk;
- Macroeconomic risk (cross-cutting risk type).

Internal audit is an independent Bank function which is organised with the task of performing continuous supervision over the established internal control system, thereby contributing to the stability and safety of Bank operation. In their work, auditors follow international internal audit standards and published standards of best professional practice. The compliance of the internal audit's work with international standards, as well as the assessment of its effectiveness and efficiency, is subject to audit by Erste Group, as well as certified reviewers of internal audit quality.

The internal audit performs its tasks in line with the Internal Audit Charter and Methodology with the aim of reporting to management about all findings affecting the Bank's operation. While performing audits, the Internal Audit assesses whether all significant risks have been identified, as well as whether adequate control systems have been established. The Internal Audit formulates its findings in the form of recommendations whose implementation contributes to the improvement of operation and risk management efficiency, as well as the improvement of internal control systems in the Bank's processes.

Compliance Practices

The goal of our compliance programme is to ensure trust in our Bank. It includes the prevention of and fight against money laundering and terrorism financing, violation of financial sanctions, fraud and corruption, all for the purpose of preserving and reinforcing customers' trust in our Bank and preserving its good reputation. The programme also encompasses the issues of security and safety and meets all international regulatory requirements and compliance standards.

In order to ensure this, we:

- Define standards and regular checks in all relevant business processes in order to identify and prevent potentially illegal or unethical practices, and use appropriate techniques and management systems for this purpose;
- Identify, report and do not execute suspicious transactions relating to terrorism financing, abuse of sensitive information, market manipulation and insider trading;
- Know our customers and do business only with customers who properly identified themselves and only in the cases where we understand the customer's business;
- Identify, solve and/or disclose any potential conflicts of interest;
- Pursue strict anti-corruption and anti-bribing policies, prevent bribe giving and receiving and/or facilitation payments;
- Define arrangements consisting of rules, tools and channels for their implementation and sanctioning, all for the purpose of ensuring adequate safety and security of our employees, assets and reputation;
- Provide a pleasant and safe environment to our customers, business partners and visitors;
- Provide regular compliance training for our employees;
- Encourage all our employees to raise any concerns, provide a whistle-blower protection programme (ensuring anonymity) and monitor the implementation of adequate measures in the event of violation, while respecting and protecting the rights of individuals;
- Signed the Declaration against Corruption of the UN Global Compact in Serbia and are committed to its implementation in our everyday business.

Prevention of Fraud and Abuse

There is a unit in Erste Bank that is engaged solely in abuse and fraud prevention, the Financial Crime Risk Management Unit, but the prevention of fraud requires constant engagement and support of all colleagues. One of the basic tools for internal fraud management is the reporting of any suspicion of fraud – the so-called Whistleblowing – where, in addition to customers and partners, reports may be made by Bank employees, primarily with the aim of protecting the Bank and therefore their own job and status, as well as the Bank customers. The Bank places an emphasis on fraud prevention and detection of potential fraud before it occurs, while deriving

conclusions from detected cases in order to improve further the process that would prevent such events, thus reducing the number of negative effects, bad loans and, ultimately, making future products cheaper for customers and the Bank more competitive in the market.

Furthermore, Erste Bank is a member of the Forum for the Prevention of Abuse in Credit Operations, whose main objective is efficient protection of corporate and retail customers of banks, as well as the banks themselves, from fraud and abuse in the process of loan approval and disbursement. The Forum members exchange data and information relevant for fraud detection and prevention. The Bank and the other Forum members are obliged to keep confidential any data or information obtained in the communication with the other Forum members, in line with regulations and Bank business policy documents. EBS employees have also made a significant contribution to the establishment of a local chapter of the most relevant global association - ACFE.

Anti-corruption

Erste Bank applies the so-called zero tolerance policy to all acts that are unlawful, including corruption. The Bank bases its activities on the prevention of conduct that may lead to corruption, as follows: conflict-of-interest risks, reputational risk and competition protection. The Bank has adopted the Anti-corruption Policy and the Donation and Sponsorship Procedure, which cover this subject-matter, and according to which any form of corruptive conduct is strictly forbidden. The Anti-corruption Policy (adopted in 2016) was raised from the level of guidelines to the A1 document level, as the highest-level document approved by the Executive and Management Board, demonstrating the importance the Bank attaches to the issue of anti-corruption.

The Bank monitors any conflict of interest that arises from regular activities and in which the participants are aware of consequences and any conflict of interest into which the participants are brought intentionally and which leads precisely to corruption. In this context, there are two types of conflicts of interest that may indicate corruption: internal, relating to Bank employees, and external, relating to customers and business partners of the Bank.

Internal conflict of interest that may indicate corruption is defined as any conflict that may arise, among other things, as a difference between an employee's private and business interests, where the private interest is expressed in monetary terms, while the business interest is expressed in loyalty to the employer, respect for customers, implementation of and compliance with all regulations, preservation of the employer's reputation and one's own reputation, etc. The mechanisms that reduce this type of conflict of interest include the raising of employees' awareness of the Bank's organisational culture and policy regarding these acts, pointing to their consequences, mandatory reporting of all employees' private business activities and their analysis in terms of conflict of interest, possibility of reporting perpetrators or suspicion regarding perpetrators through the Whistleblowing process, implementation of the Gift Policy and controls in the area of financial crime risk management.

The Bank includes in external conflicts of interest that may indicate corruption any conflict of interest of a customer (or other business partner) between the private interest to save, obtain more favourable terms, an easier and faster way of obtaining money in general, and interest in fair business, compliance, respect for the banking institution, etc. The mechanisms that mitigate this type of conflict of interest include primarily an analysis of customer-related reputational risk and a repeated raising of employees' awareness of the avoidance of such types of conflict of interest, as well as advising employees on transferring the activities that may give rise to a conflict of interest to other organisational units where this conflict cannot arise or can, at least, be managed, their training on the consequences and importance of reporting suspicion regarding perpetrators, implementation of the Gift Policy, control in the area of financial crime risk management, mandatory implementation of an independent tender model of supplier evaluation, etc.

In 2020, an official corruption risk analysis was conducted in all business units of the Bank. This analysis is carried out every two years, subject to mandatory review in case new relevant information to be assessed appears. Detected

risks relate to the sales function, which interacts with customers, which can give and receive any kind of incentive. Risks are mitigated by permanent training, as well as control of gifts received from employees or given to employees.

Employee awareness raising and dedicated trainings are extremely important parts of the system of managing corruption-related risks. For the top management levels, if needed, a so-called Tone at the Top training, dealing with general topics relating to corruption and reputational risks, is conducted. The management training also includes e-learning modules, as well as special presentations for specific positions. During 2020, all four EB members of the Executive Board (100%), as well as all 17 executive directors, attended a special targeted training on anti-corruption.

The Bank's anti-corruption policies and procedures are available to all employees through our internal portal, and all employees have an obligation to get informed regularly about newly adopted documents. During 2020 targeted trainings on anti-corruption were attended by 83.2% employees in Erste Bank and 80.5% employees in express sub-branches, with all of them successfully passing the test.

The topic of anti-corruption is an integral part of the training for all new employees, which is conducted once a month and includes training concerning non-financial risks, financial crime risks, general provisions on the conflict of interest, corruption and reputational risk. The goal of the training is to inform the employees about zero tolerance, risks, detection methods, methods of reporting and escalating risk-related cases, the relevant documents that an employee should be familiar with and contact persons for any issue in this area. The training is conducted in direct communication by using presentations. Anti-corruption training has been integrated in the system of e-learning and e-testing as part of the anti-fraud training for all employees periodically, or at least once every two years, as well as the system of face-to-face trainings, which the Financial Crime Risk Management provides to the Bank functions each year. Anti-corruption trainings through the system of e-learning and e-testing as part of the anti-fraud training are conducted by presenting information, and then, by using a special TEA application, testing employees on the stated topics, with the aim of strengthening awareness of risks, the existence of legal provisions and documents containing them, as well as risk mitigation measures and persons in charge of risk management.

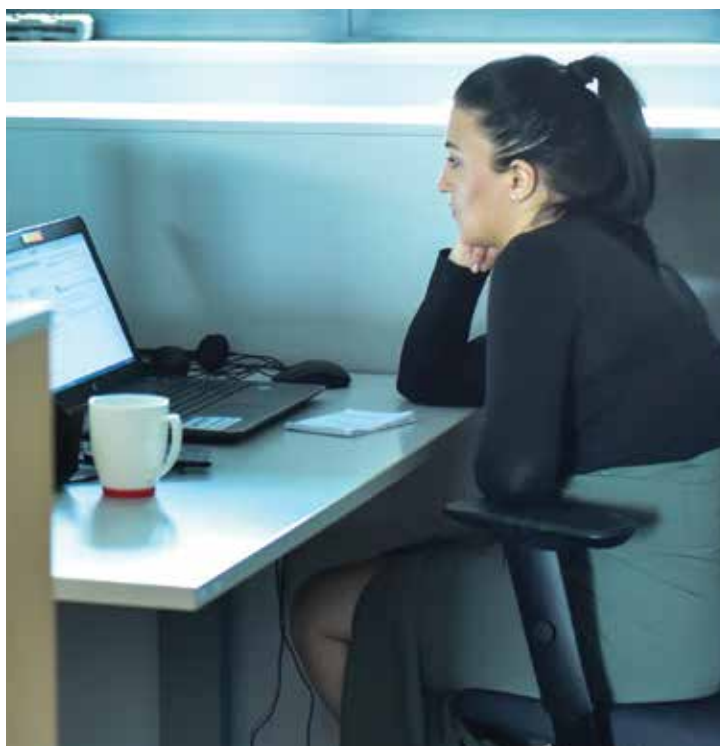
In addition to strengthening its internal capacities, the Bank communicates its policies and procedures in this area to its customers and business partners for the purpose of a comprehensive approach to corruption prevention. The provisions relating to anti-corruption and conflict of interest are integral parts of the General Terms of Business that are an integral part of the agreement with each customer and are publicly available on the Bank's website, as well as in annual CSR reports. Special meetings are held with customers and business partners where deemed necessary.

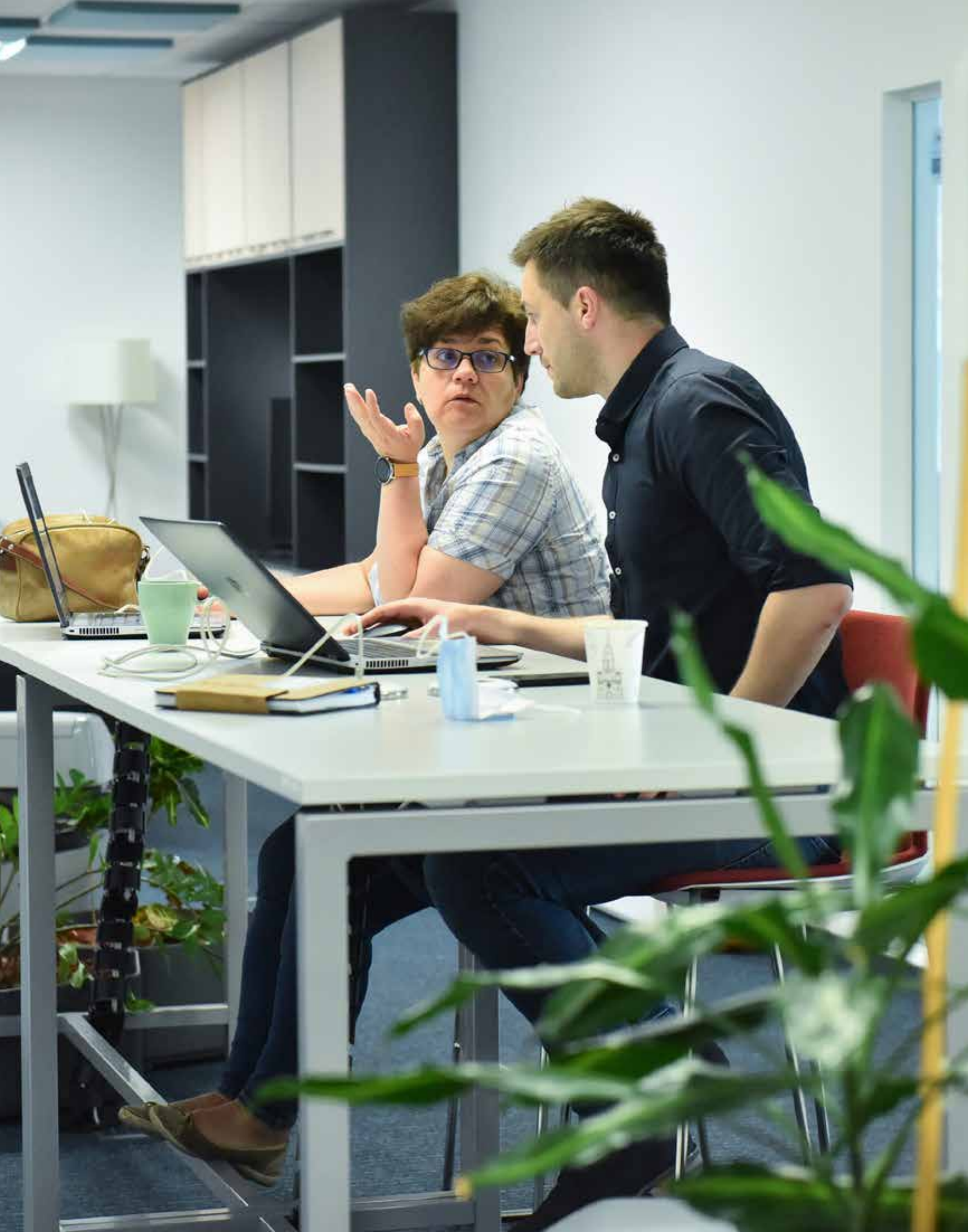
Protection of Competition

Free competition and compliance with the competition protection regulations are not only an important market principle but also a firm business commitment and goal of the Bank.

Our approach to this topic implies that we:

- Inform our employees about the conduct that violates free and fair competition and forbid them to make or enter into any business deals that violate free and fair competition;





- Do not abuse our market position, and ensure that all business mergers and associations meet all applicable requirements prescribed by anti-monopoly laws;
- Do not violate the rights of third parties when it comes to trademarks and intellectual property rights, and protect our own rights from potential abuse by third parties.

The Competition Protection Programme implemented by Erste Bank since 2011, includes several documents relating to the following key areas:

- Fair competition – alignment with the principles of the Competition Protection Law for employees
- Anti-corruption Guidelines – an integral part of the Anti-Fraud Management Compliance (Management and Coordination of Abuse and Fraud Prevention)
- What to do in the event of raid
- Application form for permission to contact competitors
- Procedure for handling communication with regulatory bodies and other government bodies in off-site and on-site supervision procedures.

Familiarisation with the Programme has been included in the Welcome to Erste regular onboarding training since 2013. The training includes raising awareness of the significance of the competition protection issue and providing information about the detrimental consequences of violation of competition protection regulations. In 2020, a total of 121 new employees received this training.

In 2020, quarterly reporting to Erste Group continued and there were no incidents or proceedings initiated against the Bank in connection with violation of free competition.

CSR Development through Joint Initiatives

Erste Bank is an active member of business and industry associations dedicated to corporate social responsibility, participating in joint initiatives and sharing good practices in corporate governance, but also other areas of CSR.

The Bank has been a member of the local chapter of the United Nations Global Compact initiative in Serbia as well as the Responsible Business Forum, since their establishment.

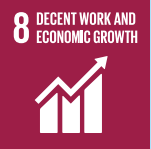







The principles of the United Nations Global Compact are rooted deeply in our business, and we improve our progress reporting practices year after year, which now also include reporting according to the UN Women's Empowerment Principles. Furthermore, the Bank promotes and, with its numerous initiatives, supports the new UN Sustainable Development Goals defined in late 2016. Read more about the Global Compact principles and the Bank reporting on pp. **102 - 104**.





www.ungc.rs

www.odgovornoposlovanje.rs

— How Erste Bank Supports UN Sustainable Development Goals (SDGs)

CORPORATE GOVERNANCE	RESPONSIBILITY TO CUSTOMERS	RESPONSIBILITY IN WORK ENVIRONMENT	RESPONSIBILITY IN THE SUPPLY CHAIN	RESPONSIBILITY TO LOCAL COMMUNITIES	RESPONSIBILITY TO ENVIRONMENT	ERSTE BANK SUPPORTS THE GOAL OF THE FOLLOWING PROGRAMMES, PROJECTS, ACTIVITIES
						<ul style="list-style-type: none"> ✓ Social banking ✓ Inclusive products ✓ Financial literacy ✓ Erste Foundation programmes ✓ Superste donation programme ✓ Corporate volunteering
						<ul style="list-style-type: none"> ✓ Social banking ✓ Financing sustainable agriculture through social banking
						<ul style="list-style-type: none"> ✓ Annual employee medical check-ups ✓ Modern working conditions ✓ Flexible working hours ✓ Solidarity Fund
						<ul style="list-style-type: none"> ✓ Cooperation with high schools, post-secondary colleges and universities, as well as certain student organisations ✓ Superste donation programme ✓ Financial literacy ✓ Employee development ✓ Accessibility of the facilitiesa
						<ul style="list-style-type: none"> ✓ EBS Diversity and Inclusion Policy ✓ Collective Bargaining Agreement ✓ UN Women's Empowerment Principles ✓ Share Your Knowledge – Become a Mentor ✓ Support to programmes especially aimed at empowering women and girls
						<ul style="list-style-type: none"> ✓ EBS Environmental Protection Principles ✓ EBS Energy Management Policy ✓ Special financing
						<ul style="list-style-type: none"> ✓ Special Financing ✓ Retail energy efficiency loans ✓ EBS Energy Management Policy ✓ EBS Environmental Protection Principles

CORPORATE GOVERNANCE	RESPONSIBILITY TO CUSTOMERS	RESPONSIBILITY IN WORK ENVIRONMENT	RESPONSIBILITY IN THE SUPPLY CHAIN	RESPONSIBILITY TO LOCAL COMMUNITIES	RESPONSIBILITY TO ENVIRONMENT	ERSTE BANK SUPPORTS THE GOAL OF THE FOLLOWING PROGRAMMES, PROJECTS, ACTIVITIES
						<ul style="list-style-type: none"> ✓ EBS Equal Opportunities and Non-discrimination Employment Policy ✓ EBS Trade Union ✓ Collective Bargaining Agreement ✓ Employee development programmes ✓ Teller Solidarity Fund ✓ Youth internships and scholarships ✓ Financial inclusion: social banking and inclusive products
						<ul style="list-style-type: none"> ✓ Social banking ✓ Inclusive products ✓ Support to local hubs ✓ Support to programmes promoting innovation and entrepreneurship ✓ Superste donation programme
						<ul style="list-style-type: none"> ✓ EBS Diversity and Inclusion Policy ✓ Mobility within Erste Group ✓ Social banking ✓ Responsible financing
						<ul style="list-style-type: none"> ✓ Social banking ✓ Corporate volunteering ✓ Superste donation programme ✓ Erste Foundation ✓ The Bank is a member of the Aarhus Centre in Serbia ✓ Accessibility of the facilities
						<ul style="list-style-type: none"> ✓ EBS Energy Management Policy ✓ EBS Environmental Protection Principles ✓ Supply chain – support to domestic suppliers ✓ Erste Group Procurement EGP Code of Conduct for Goods and Service Suppliers ✓ Erste Group Procurement Supplier Audit ✓ Supplier Questionnaire (SAQ) ✓ Mandatory certified EGP employee training related to supplier and procurement ethics organised by CIPS - The Chartered Institute of Procurement and Supply

CORPORATE GOVERNANCE	RESPONSIBILITY TO CUSTOMERS	RESPONSIBILITY IN WORK ENVIRONMENT	RESPONSIBILITY IN THE SUPPLY CHAIN	RESPONSIBILITY TO LOCAL COMMUNITIES	RESPONSIBILITY TO ENVIRONMENT	ERSTE BANK SUPPORTS THE GOAL OF THE FOLLOWING PROGRAMMES, PROJECTS, ACTIVITIES
						<ul style="list-style-type: none"> ✓ EBS Environmental Protection Principles ✓ EBS Energy Management Policy ✓ Recycling ✓ Use of recycled and FSC paper ✓ Special financing
						<ul style="list-style-type: none"> ✓ Corporate volunteering ✓ Use of recycled and FSC paper in everyday operation
						<ul style="list-style-type: none"> ✓ Bank operation in this area is regulated by a series of documents relating to responsible financing, anti-corruption and anti-money laundering
						<p>Partners are of key importance for programme quality and success</p> <p>Some partners of the Bank:</p> <ul style="list-style-type: none"> ✓ UN Global Compact in Serbia ✓ Responsible Business Forum ✓ Trag Foundation ✓ Smart Kolektiv ✓ Erste Foundation ✓ EcoNomics Expert Community Association ✓ Business Innovation Programs ✓ Kragujevac Business Innovation Centre ✓ Swisscontact ✓ KfW ✓ EBRD ✓ EIB ✓ EIF ✓ MIGA ✓ Arhus Centre ✓ CIPS – The Chartered Institute of Procurement and Supply

Our People

As a responsible employer, Erste Bank provides a modern, attractive and stimulating work environment for engaged and committed people, who are ready to learn and develop professionally. Caring for the satisfaction and motivation of our employees is at the top of the Bank's priorities, in addition to the imperative of providing equal opportunities, the protection of rights and transparent communication.

Our Achievements in 2020:

- ✓ Owing to the commitment and engagement of our employees, Erste Bank is one of the first three banks in Serbia that aligned their operation to COVID-19 crisis conditions.
- ✓ With the adoption of the new Collective Bargaining Agreement, employee rights were further improved.
- ✓ The training organisation and tracking application AMOS was rolled out.

With the aim of providing and enhancing the stimulating work environment, our focus is on the following priority topics:

- Employee development and advanced training
- Occupational health and safety
- Social support to employees

Our approach to these complex topics is defined in the Bank's strategic documents, dealing with different areas of responsibility to employees:

- Code of Business Conduct
- Recruitment Policy
- Training and Development Policy
- Remuneration Policy
- Performance Management Policy
- Diversity and Inclusion Policy
- HR Strategy
- Communication Strategy
- Rulebook on Occupational Health and Safety
- Collective Bargaining Agreement



Response to the COVID – 19 Crisis

Organisational culture has a major impact on the way we approach change, how we cooperate, because it guides and affects our behaviour. It was precisely our organisational culture and the values we foster that helped us to respond quickly in the COVID-19 crisis situation in which we all suddenly found ourselves, to recognise the importance of common goals and to work together to achieve them. Team spirit is best felt in difficult times, which proved to be the case in this situation as well.

Immediately after the first coronavirus cases were recorded in the region, a team was formed that monitored the situation, suggested next steps and implemented them on the ground. Our main goal was to inform employees properly and to provide them with safe working conditions, but also to protect our customers to the best of our ability. After the state of emergency was declared, numerous activities were very rapidly implemented to that end, including the procurement of protective equipment, reduction in working hours and employee rotation in branches, enabling working from home wherever possible, as well as support for those belonging to vulnerable groups. Likewise, we needed to adjust to new regulatory demands within very short deadlines, while at the same time being available to customers and enabling them to access financial services as simply as possible. Teams from various organisational units took part in this, including back-office colleagues.

We are proud to be one of the first three banks in Serbia that aligned their operation most quickly to the new situation that emerged. More than fifty employees, gathered in several teams, provided intensive support for working from home to all other colleagues. In several waves, during the first two weeks, almost 80% of employees from administration facilities worked from home, activities in business facilities were minimised, employees who continued to work in Bank premises were distributed on several different floors, and there were no visitors. The Crisis Management Team, the Crisis Event Response Team and the Business Continuity and IT Infrastructure Management Team together assessed the situation and the necessary steps to be taken, and addressed challenges.

During this crisis, we learned a lot of valuable lessons about our organisational culture and internal processes:

- We are ready to respond quickly in challenging situations
- Some activities can be done equally well in non-traditional environments
- The areas of business continuity management and occupational health and safety additionally stood out as indispensable in the Bank.

We are proud of all our employees for displaying great responsibility, selflessness and engagement under these circumstances.

Erste Bank has once again proved to be a responsible employer, always there for its employees, and that it cares about the welfare of each and every employee.

At times challenging but continuous cooperation, above all among members of the coronavirus teams, followed by that among all Bank employees, has helped to overcome more easily the big challenges and short deadlines we faced, and we hope that the team spirit that we developed further during this crisis situation will be the foundation for all other joint creative tasks in the future as well.

In 2020, the total number of employees in the Bank was 1,212, of which 26% men and 74% women. In the Bank's Executive Board, which has four members, women are also equally represented, occupying two positions in the Executive Board.

Erste Bank views diversity and inclusion as an essential part of its business strategy and a key to attracting the best talent, capable of developing and offering innovative and modern financial products and services to a large and very diverse customer base. Teams made up of employees with a broad range of professional and other interests, work experience, life experience and cultural perspectives, achieve greater potential for innovation and growth. Diversity and inclusion principles, as well as general guidelines for the development and implementation of goals and strategies related to these topics, are defined by the Diversity and Inclusion Policy, which includes guidelines for employees, in terms of introducing and describing the operational conflict management process, starting from determining the person in charge of the process itself – the ADR, to whom employees and other interested parties may turn in case they feel discriminated against or mistreated at work and in relation to their work, or believe that there are aforementioned cases, to defining the concrete steps to be taken with the aim of resolving the issue.

The Bank's operations in this area are fully compliant with the current Law on Gender Equality and the Rulebook on the Contents and Manner of Delivery of the Plan of Measures for Removing or Mitigating Gender Imbalance and the Annual Report on its Execution. Since 2018, gender sensitive language has been introduced into new general enactments, as well as verbal and written communication.

Changes in the total number of employees by gender:

TOTAL NUMBER OF EMPLOYEES AS OF 31/12/2018	1,117	TOTAL NUMBER OF EMPLOYEES AS OF 31/12/2019	1,154	TOTAL NUMBER OF EMPLOYEES AS OF 31/12/2020	1,212
WOMEN	810	WOMEN	850	WOMEN	894
MEN	307	MEN	304	MEN	318

Changes in the total number of employees in managerial and non-managerial positions by gender:

TOTAL NUMBER OF MANAGERIAL POSITIONS	2018	2019	2020	TOTAL NUMBER OF NON-MANAGERIAL POSITIONS	2018	2019	2020
	175	186	188		942	968	1,024
WOMEN	82	95	97	WOMEN	717	755	797
MEN	93	91	91	MEN	225	213	227

Changes in the total number of employees undergoing advanced or regular training by gender:

TOTAL NUMBER OF EMPLOYEES UNDERGOING ADVANCED OR REGULAR PROFESSIONAL TRAINING	2018	2019	2020
	1,043	999	666
WOMEN	743	709	474
MEN	300	290	192

	2018	2019	2020
TOTAL NUMBER OF EMPLOYEES	1,117	1,154	1,212
TOTAL NUMBER OF PERMANENT THIRD PARTIES	180	157	79
TOTAL NUMBER OF ENGAGED WORKERS	1,297	1,311	1,291

TOTAL NUMBER OF EMPLOYEES	2018		2019		2020	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
NOVI SAD	126	372	99	278	134	428
BELGRADE	120	197	90	149	122	227
OTHER	61	241	115	423	62	239
TOTAL	307	810	304	850	318	894

EMPLOYEE PERCENTAGE BY GENDER	2018	2019	2020
MEN	27%	26%	26%
WOMEN	73%	74%	74%

EMPLOYEE AGE STRUCTURE	2018	2019	2020
UNDER 30 YEARS	12%	14%	16%
30–50 YEARS	68%	68%	68%
OVER 50 YEARS	20%	18%	16%

TOTAL NUMBER OF EMPLOYEES BY TYPE OF CONTRACT	2018		2019		2020	
FIXED-TERM CONTRACT OR PERMANENT CONTRACT	FTC	PC	FTC	PC	FTC	PC
NOVI SAD	42	456	27	350	72	490
BELGRADE	25	292	21	218	40	309
OTHER	49	253	95	443	51	250
TOTAL	116	1,001	143	1,011	163	1,049

TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT	2018		2019		2020	
FULL-TIME (FT) OR PART-TIME (PT)	FT	PT	FT	PT	FT	PT
NOVI SAD	498	0	377	0	561	1
BELGRADE	316	1	238	1	348	1
OTHER	302	0	538	0	301	0
TOTAL	1,116	1	1,153	1	1,210	2

EMPLOYEE TURNOVER	2018	2019	2020
TOTAL NUMBER OF NEW EMPLOYEES	144	174	174
TOTAL NUMBER OF EMPLOYEES WHO HAVE LEFT THE COMPANY	102	132	100
TURNOVER RATE*	9%	10%	9.2%

* The turnover rate has been calculated according to the following formula: the number of employees who left the company/average number of employees in the reporting period × 100

Our Erste Culture

Organisational culture is a system of beliefs and common values that we share. It is all those experiences we have in common, gained in different situations, that guide our thinking and behaviour. We may also define the culture as solutions that have once proved themselves successful at solving problems, and become subconscious rules of behaviour, with an invisible but powerful impact on the behaviour of all of us. Culture is, actually, the way in which a company functions.

Organisational culture is extremely important because it affects strategic decision-making, determines the ability to adapt to changes in the environment, it is a control and coordination mechanism within the company, regulating conflicts and providing motivation.

Another important part of our Erste culture is our values. Trust, innovation, support, responsibility, creativity, are the foundation of our culture, what guides us every day. Our culture is reflected in our attitude towards each other and our attitude towards our customers, as we create the bank of the future together.

An additional, in a way, overarching segment, is Our Focus is Always on the Customer, because the way we treat each other and the way we go about our everyday activities affects the way we treat customers. As such, this segment is very important and requires constant work and improvement.



Onboarding in Erste Bank

Onboarding, as the process of introducing a new employee to the organisation, is key to quick and efficient familiarisation with the values, organisational culture, colleagues, rules, procedures and processes. A quality onboarding programme enables the new employee to understand the new environment and expectations, and thus leads to stress reduction, higher new employee retention rates, better work performance, and higher satisfaction with the work environment. That is why this process is approached in a very systematic manner in Erste Bank – in addition to the Welcome to Erste two-day programme, during which colleagues from different organisational units acquaint them with the functioning of their division or service, since 2018 the concept of Erste Buddy has been introduced, which includes seven days of additional support from the employee-buddy to the new employee.

During 2019, the first day of the programme was upgraded, placing an emphasis on familiarisation with the Bank's history, values, organisational culture, strategy, as well as the Erste brand. All new employees are acquainted with the work day in the branch, as well as the in the divisions related to work with individuals, through an original board game. New colleagues are acquainted with the part of the Bank which works with legal persons by watching a film we recorded with our employees. We continue to upgrade the new employee onboarding programme, through which we will formalise the first six months spent in the Bank.

Non-discrimination and Equal Opportunities

Prohibition of discrimination on any basis is the absolute precondition and the pillar of our approach to responsibility in work environment. In addition, the Bank applies the equal opportunity principle, which relates to all the stages of employment – from recruitment to opportunities for learning, development and advancement. The Bank's Recruitment Policy was updated during 2019 with provisions specifying, inter alia, the equal opportunity principle in the recruitment process and storing of documentation received in the recruitment and selection process.

In 2018, the Bank supported the UN Standards of Conduct for Business on Tackling Discrimination against Lesbian, Gay, Bi, Trans and Intersex People (LGBTI People). We are proud that we were among the first companies in Serbia publicly committing to leveraging its influence and its relations with numerous local players in order to advocate greater equality of LGBTI persons, both among its employees and in society at large.

The adopted principles of equality and respect for diversity are an integral part of two-day Welcome to Erste training, which is aimed at familiarising all interns and new Erste Bank employees with employee rights, anti-discrimination principles, the equal opportunity principle, and opportunities for professional development. The Welcome to Erste training also includes a presentation of all the organisational units of the Bank, as well as its Code of Business Conduct. During 2020, 121 employees, or 9.98% of the total number of employees, took part in trainings dedicated to human rights-related topics.

Erste Bank has had an Anti-Mobbing Counselling Office for nine years, comprising Bank employees from the Bank Trade Union committee. The Counselling Office carries out its work in coordination with the competent bodies of the Ministry of Labour and Social Policy, the Labour Inspectorate and the Anti-Mobbing Agency, monitoring the resolution of complaints filed on this basis. Complaints may also be lodged anonymously. We are particularly proud of the fact that during 2020, and in the preceding years, not a single complaint related to mobbing, violation or endangerment of human rights was lodged with the Counselling Office, which speaks to the success of our efforts to create a work environment in which the protection of all employee rights is fostered. In addition, through internal complaint mechanisms, the Bank has not received a single labour right-related complaint.

Erste Bank's internal complaint mechanisms related to labour rights include: appointed anti-mobbing support persons, as well as a mediator in case our employees and persons hired in any other way initiate an internal protection procedure. Should discrimination of any kind be reported, an ADR person has been appointed to receive such information and further conduct the procedure in relation to the information. Likewise, in addition to protection against mobbing and discrimination, the Bank also protects whistleblowers in case of disclosing information regarding non-compliance, human rights violations, abuse of public authority, endangerment of life, public health, safety, the environment, and in order to prevent large-scale damage. The Bank has appointed a person authorised to receive the information and conduct the procedure in relation to internal whistleblowing, and whistleblowers enjoy protection in accordance with the law.

RIGHT TO MATERNITY LEAVE	2018	2019	2020
THE NUMBER OF EMPLOYEES WHO EXERCISED THE RIGHT TO MATERNITY LEAVE*	48	35	44
THE NUMBER OF EMPLOYEES WHO RETURNED TO WORK AFTER THE EXPIRY OF MATERNITY LEAVE**	19	31	39
THE NUMBER OF EMPLOYEES WHO RETURNED TO WORK AFTER MATERNITY LEAVE AND WHO WERE EMPLOYED 12 MONTHS AFTER RETURNING TO WORK***	6	4	39
RATE OF RETURN TO WORK AFTER MATERNITY LEAVE	100%	100%	88%
RATE OF RETENTION IN WORK POSITION 12 MONTHS AFTER RETURNING TO WORK	100%	100%	100%

* The number refers to the employees who exercised the right to maternity leave in the January–December period of the relevant year.

** The number refers to the employees who returned to work during the relevant year after the expiry of maternity leave, but took the maternity leave in the previous period.

*** The number refers to the employees for whom the period of 12 months from their return to work expired during the relevant year and who took the maternity leave in the previous period.

Collective Bargaining Agreement

The Collective Bargaining Agreement, which was signed by the Trade Union and the Bank in 2020, guarantees benefits to all Bank employees beyond the statutory minimum provided for by the Labour Law. The agreement is a result of the readiness of both sides to work actively on promoting the rights of employees, who are the drivers and engine of change and improvements for which we are constantly striving. All areas of employee relations are regulated by this document, from hiring an individual, his/her rights and obligations, to his/her advanced training, safety and health. The Collective Bargaining Agreement applies to all employees, and its entire content is accessible to colleagues on the Bank's internal portal.

Erste Bank provides its employees with the following benefits:

- Retirement gratuity above the statutory minimum
- Severance pay in case of employment termination on the basis of redundancy above the statutory minimum
- Collective employee insurance against accidents at work and during commute
- Compensation for injury at work or occupational disease in accordance with the law
- Refund of necessary funeral expenses to immediate family members in the event of death of an employee
- Refund of necessary funeral expenses to immediate family members in the event of death of an employee, or a person with whom the employee lived in the same household and who was not a member of the immediate family
- Solidarity financial assistance to an employee due to prolonged or serious illness of the employee or a member of his/her immediate family
- Solidarity financial assistance to an employee because of his/her poor financial situation
- New Year's gifts to employees' children up to ten years of age
- Gift to employees for child birth
- Anniversary award for years of service with the employer
- The employer may also grant an anniversary award to an employee on the occasion of marking another important event relating to the employer
- Maternity leave with a guaranteed schedule of wage payment and return to job
- Right to special compensation during maternity leave, leave for the sake of caring for a child and special child care as the difference between the amount of wage benefit paid by the government and the last employee wage before the beginning of the leave
- Additional private health insurance - general health check-ups for employees
- Discounts for employees for certain goods and services
- Amounts of certain wage benefits and other receipts exceeding the statutory minimum (increased wage for working on holidays, at night, wage benefit in the case of temporary inability to work etc.)

The most important changes/new elements that the Collective Bargaining Agreement signed in 2020 brings, compared to the previous one that was in force as of 2017, are:

- An increase in the minimum base salary for the 2nd pay grade
- An increase in the amount of retirement gratuity for colleagues who have worked in the bank for longer than 20 years – 5 salaries, and more than 30 years – 7 salaries
- An extension of the period in which paid leave can be used for the anniversary day to the month when the labour anniversary is celebrated;
- Introducing working from home as a current work mode;
- The improvement and clarification of numerous provisions of the Collective Bargaining Agreement (redundancy, anti-mobbing, personal data protection, amicable dispute resolution, reasons for termination of employment contract, trainee work, trial work, prohibition of competition, etc.).

Internal Communications

Continuous, prompt and precise information exchange and timely familiarisation with Bank news are key to the efficiency of daily operation, but also to the engagement and satisfaction of employees. The year marked by the COVID-19 pandemic has additionally highlighted the importance of fast and precise two-way communication as a foundation of successful operation.

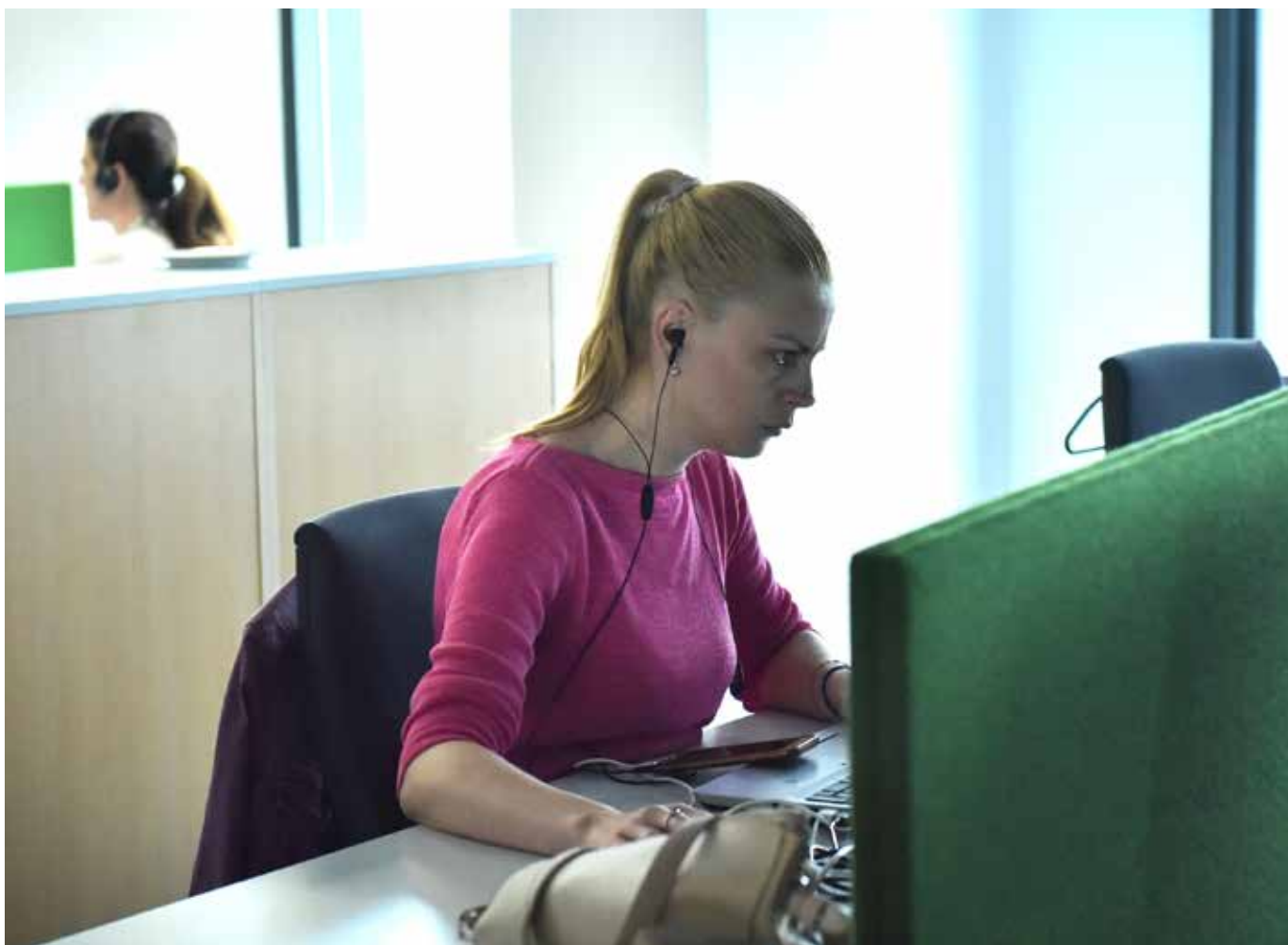
The basic platform for our everyday communication, the most important information and relevant documents, is our internal portal InfoNet. In order to make communication faster and easier, especially at the time of the pandemic, employees began intensively using, in addition to email, Skype for Business and Microsoft Teams. These applications helped us to hear and see each other, to more or less maintain a normal mode of work without going to the office.

Along with the stated communication channels, colleagues also have at their disposal the internal magazine Pulse, in which we present our strategic plans, employees, teams, units and celebrate their personal successes and Bank's successes, as well as email addresses constantly available for any dilemmas, questions, ideas, advice, praise and criticism:

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Erste Bank a.d. Novi Sad

PLATNI PROMET

Banka obavlja
menjačke poslove -
otkup i prodaju efektivne
bez naplate provizije

— Employee Development and Advanced Training

New Training Organisation and Tracking Application – AMOS

The training organisation and tracking application AMOS (SAP SuccessFactors) was rolled out at the start of 2020.

The application enables a personalised “learning profile” for all employees, with information about current trainings, as well as completed trainings, available at all times. The application is already in use in Erste Group, which means that all the data is available to employees in one place, regardless of whether they attend a training in Vienna or Belgrade.

All activities, invitations, evaluations, tests, will be organised via the application AMOS. That will greatly help us to manage more easily large quantities of data and generate reports, while at the same providing a much-improved experience to our colleagues, who will be able to view themselves all the details of the training and add it directly to the calendar with one click.

Internal Trainers

In the Bank, special attention is paid to work with internal trainers. During 2020, we continued to work on developing internal trainers, and we selected 36 more new internal trainers through a competition. Currently, our pool of internal trainers is made up of 71 employees who are professionally active as trainers. We are continuously working on developing them, as well as including new areas for which they will be training our employees.

The personal and professional development of employees is one of Erste Bank’s most important strategic priorities. Our approach to employee development includes training and advanced training, appropriate resource planning, definition of key posts, succession plan management, principles of employee remuneration and benefits, performance management and employee promotion. Apart from contributing to higher motivation and satisfaction of our employees, this comprehensive approach also enables us to upgrade constantly our business processes.

Our employees are offered carefully designed professional trainings, as well as a life-long education and learning programme, which provides them with an opportunity to acquire necessary knowledge and skills with which they increase their competitiveness in an increasingly challenging labour market. In addition to internal trainings, Erste Bank enables the referral of its employees to external trainings, as well as study periods with a guaranteed return to work. We also offer our employees a possibility of integration in the internal Erste Group job market in all our seven countries, which is as part of our efforts to encourage mobility within the Group and become the most attractive employer in the financial market.

First-time manager training – in 2020, we continued to work on developing new managers via the First-Time Managers Toolkit programme, through which we empower all those who have become managers for the first time.

EMPR training programme entitled Effective Management Practices – in 2020 we continued working on improving management skills/knowledge for L4 managers (heads of units and managers of business centres/branches/sub-branches)

TOTAL NUMBER OF TRAINING HOURS BY EMPLOYEE CATEGORY	2018	2019	2020
MANAGERS	5,409	9,784	2,632.87
NON-MANAGERS	25,257	22,340	13,463

TOTAL NUMBER OF TRAINING HOURS BY GENDER	2018	2019	2020
MEN	7,944	10,704	3,739
WOMEN	22,722	21,420	12,357

AVERAGE NUMBER OF TRAINING HOURS ANNUALLY BY EMPLOYEE	2018	2019	2020
MANAGERS	30.91	52.6	14
NON-MANAGERS	26.81	23.08	13.5

AVERAGE NUMBER OF TRAINING HOURS ANNUALLY BY GENDER	2018	2019	2020
MEN	25.88	35.21	11.76
WOMEN	28.05	25.2	13.82

In Erste Bank, all employees have the possibility of creating personal development plans, and formal appraisal of work performance and individual development is carried out for all employees as well, once a year. At the end of each year, the goals for the following year are defined for each employee, through an agreement between the employee and her or his superior. The agreed goals are then entered into the EMMA performance management application. Those goals are, based on the developments in the first part of the year, reviewed mid-year, also as part of the discussion between the employee and the superior. The final assessment of goal realisation, of achieved successes and challenges in the previous year, is reviewed at a meeting between the employee and the superior in the first quarter of the following year. The performance appraisal also includes a competency assessment, and based on the overall performance appraisal, possibilities regarding career development and total agreed wages are assessed.

Erste Bank fosters a fair employee remuneration practice based on quantitative and qualitative studies, complex analyses of performance, results and bonuses from preceding years, as well as on the alignment with the Bank's strategic priorities. When it comes to the Bank's sales force, the Top Performers' Club made up of the best-performing employees in sales has been introduced into the remuneration system. For the best in different positions, i.e. the winners of golden, silver and bronze medals in each of the regions where the Bank is present, there are additional incentives. For key employees involved in the LIFT project, compensation via a half-year bonus was introduced, in order to reward and additionally motivate colleagues who, with their efforts, actively contribute to this project, which is of key importance for the Bank.



— Occupational Health and Safety and Social Support to Employees

Human Resources Service, the Security Risk Management Service and the Trade Union are in charge of occupational health and safety and social support to employees, with the assistance of all other organisational units of the Bank.

The Security Risk Management Service is in charge of physical protection, technical protection, IT security, business continuity management, fire protection, emergencies and occupational health and safety. Since 2019, there has been an appointed occupational health and safety officer in the Bank, while that function was previously outsourced to an external company. Regular trainings are organised with the aim of informing the employees of the procedures in the event of robbery and other emergencies, as well as training on handling aggressive customers, basic fire protection training, first aid training (which are attended by all managers and at least 2% of the total number of employees), training of employees for safe and healthy work and trainings on the use of the technical protection system. In addition to that, procedures, instructions and advice are communicated to employees through the internal magazine *Pulse*.

Occupational health and safety in Erste Bank are regulated by the Rulebook on Occupational Health and Safety. In addition, the Instruction for Occupational Injury Reporting, the Instruction for Occupational Accident Reporting, the Instruction for Reporting Accidents to Wiener Insurance, and the Employee Training Programme for Safe and Healthy Work, are applied.

Erste Bank provides its employees with basic health check-ups once a year. The Bank is especially committed to promoting health in the workplace with the aim of preventing diseases and improving the well-being of people at work. Medical check-ups provided to our employees include the following set of preventive check-ups: basic medical check-up, full blood test, ophthalmological examination, ECG, ultrasound test of breasts, thyroid or abdomen. In 2020, around 400 employees had free health check-ups.

We place the highest emphasis on preventing the most common health problems related to many hours spent in front of the computer, so through various internal communication channels we encourage employees to engage in physical activity, providing useful advice on incorporating healthy habits into one's daily routine. Last year was definitely different and care for own health and health of our loved ones, as well as of colleagues was a priority. During the year, advice on prevention and health preservation were often provided.

In 2020, a total of seven occupational injuries were recorded, which were light. There were no injuries with serious consequences.

RATE OF SERIOUS INJURIES AT WORK*	2018	2019	2020
EMPLOYEES	0.44	0	0
ENGAGED WORKERS (SECURITY, CLEANING ETC.)	0	0	0
INDEPENDENT SUBCONTRACTORS	0	0	0

*The rate of serious injuries at work was calculated according to the following formula: total number serious injuries at work (5) / total number of work hours × 200,000

RATE OF INJURIES AT WORK*	2018	2019	2019
EMPLOYEES	1.50	1.20	0.57
ENGAGED WORKERS (SECURITY, CLEANING ETC.)	0	0	0
INDEPENDENT SUBCONTRACTORS	0	0	0

* The rate of injuries at work was calculated according to the following formula: total number injuries at work (5) / total number of work hours × 200,000

When it comes to the security and protection of life and health at work, the Collective Bargaining Agreement regulates the following topics in detail:

- Prevention of mobbing
- Collective employee insurance
- Personal data protection
- Maternity protection
- Special child care
- Protection from the termination of employment agreement
- Protection of persons with disability
- Notification of temporary inability to work.

Concepts, bodies and authorities that, in addition to the Trade Union, supervise and enforce the agreed rights and obligations are clearly defined in the Collective Bargaining Agreement.

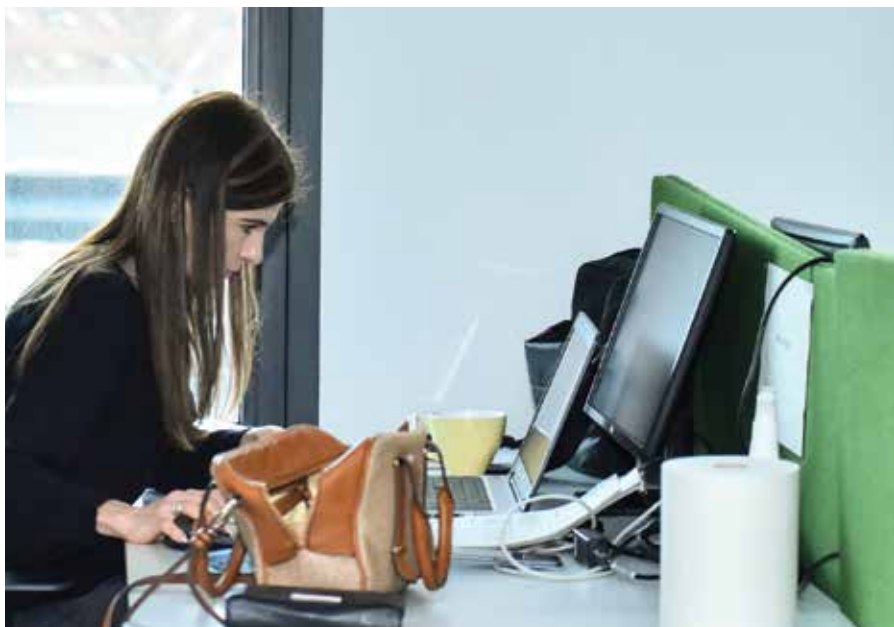
Erste Bank Trade Union

The Erste Bank a. d. Novi Sad Independent Trade Union (SOSS) has been active for fifteen years under this name, continuing the tradition of the Bank's trade unions that is over 40 years old. In partnership with the employer, various activities are carried out aimed at employee labour-law protection and improvement of their social status. The Trade Union is managed by a committee comprising 14 representatives from all organisational units and a chairperson elected every five years.

Trade Union has been managing, together with the Bank, the Marina Čurčić Solidarity Fund, which aims to help employees who find themselves in an adverse financial situation. Over the course of 2020, through voluntary direct contributions of employees and the allocation of part of the trade union membership fee, 380,825.52 dinars were raised, accompanied with the transfer of voluntary payments from the Teller Solidarity Fund in the amount of 436,350.00 dinars, while the Bank paid 2,400,000 dinars into the fund. The funds raised in 2020 benefitted 111 employees and seven children beneficiaries of solidarity scholarships.

Successful cooperation with the European Works Council was continued in our headquarters in Vienna, by means of regular conferences held four times a year, discussing all matters of importance to the Group employees, which were, however, scaled down in 2020 and held exclusively online due to the COVID-19 pandemic.

European Workers' Organisation for Social Affairs launched the "help4health" initiative aimed at forming the Fund and defining more precisely the conditions, procedures and possibilities for obtaining aid for the medical treatment of all Erste Group employees (and their immediate family members). Activities related to this aid can be implemented through our Solidarity Fund, making it possible to raise more substantial funds for necessary treatments abroad.



Responsibility to Customers



Our achievements in 2020:

- ✓ Ending in 2020, through the Step-by-Step programme, more than 300 start-ups, social enterprises and civil society organisations received support, and 409 jobs were created
- ✓ The platform ErsteZnali.rs registered 111,180 page visits during 2020
- ✓ At the first online Erste Retail Summit, held in August 2020, for the first time Erste Bank won the CX award – an award for achieved improvements in customer experience

Erste Bank, as a reliable and responsible financial institution, places customer satisfaction first. That is why we carefully monitor their needs and develop products and services that meet those needs in the best possible way. Aware of our most important impacts and responsibilities in the community in which we operate, we are particularly focused on the development of social banking and inclusive financial products, as well as citizens' financial literacy, thus contributing to inclusive growth and sustainable development of society.

In the area of responsibility to customers, Erste Bank has strategically defined the following priority topics:

- Responsible financing
- Financial inclusion
- Responsible communication with customers

During 2020, which was exceptionally challenging for everyone, including our customers, we carefully monitored their behaviour and expectations, responded very fast and implemented numerous initiatives owing to which we showed customers that we are there to provide them with the best possible support. We enabled access to payment cards and online banking even without coming to the bank, a moratorium was approved on credit liabilities for a large number of clients, we provided pensioners with the possibility to use their funds as simply as possible, despite being in lockdown, and we enabled adequate support for maintaining liquidity and working capital for legal persons.

— Responsible Financing

In assessing customers and selecting projects it will finance, Erste Bank is guided by the principles and objectives of natural and social environment protection management, which are defined in the eponymous policy, as well as the principles of responsible financing in relation to socially, environmentally and ethically sensitive sectors which are defined by the Responsible Financing Policy.

Natural and Social Environment Protection Policy regulates credit and reputational risk that may arise due to inappropriate natural and social environment protection management, from the viewpoint of the Bank itself (directly), as well as from the viewpoint of the Bank's investments, i.e. the customers with whom the Bank works (indirectly). This policy contains the principles and goals of natural and social environment protection management and has an impact on the selection of customers and projects to be financed by the Bank, but also on the actions that should be taken with the aim of further analysis and mitigation of any negative effects.

All customers who apply for a credit product of the Bank (loan, overdraft facility, guarantee, etc.), regardless of the exposure level, complete a questionnaire prescribed by the Natural and Social Environment Protection Policy, which contains questions regarding:

- Operation in accordance with the national and international legal regulations related to natural and social environment protection;
- Impacts of raw materials, semi-finished and finished products of the company on natural and social environment;
- Threats to waters, soil, air and/or population in the vicinity of the locations at which the company operations take place;
- High-quality waste and energy efficiency management;
- Respect of employee rights and transparent operation towards society and key stakeholders.

The aim of the questionnaire is the provision of a valid customer statement, while the Relationship Managers are obliged, in accordance with the Policy, to assess the information provided by the customer and request additional information or send a request for due diligence, as needed. When a loan application is initiated at the Corporate and Micro Client Risk Management Departments, the Risk Manager assesses the risks in connection with social and environmental topics and their impact on credit risk and reputational risk. If deemed necessary, the Risk Manager may request additional information, including environmental and other licences, or send a due diligence request.

Responsible Financing Policy regulates credit and reputational risks that may arise due to inappropriate choice of customers from the viewpoint of the business activity in which they are engaged and potential impacts of such financing on society, regardless of the type of customer.

The result of these assessments may be a refusal to finance if the financing has detrimental effects on society or the environment.

An example that is most commonly used in the Policy application training courses explains the importance of clear differentiation between customer assessment and the assessment of the specific application for financing, regardless of the customer's core business. This means the following: if company A, which is engaged in oil refining and categorised as a polluter, requests financing from the Bank, prior to the final decision it is important to consider for what purpose financing is requested. If the application was submitted for financing the purchase and installation of major systems for the treatment and isolation of toxic substances that are by-products of the production process, the Bank will finance the project in accordance with its Responsible Financing Policy, but care must be taken of the risk control measures – checking whether the granted funds are used for the intended purpose.

In 2020, 41 customers were checked for compliance with the Responsible Financing Policy of a total of 73 cases – individual customer applications. In one case cooperation was terminated upon analysis.

The Responsible Financing Policy and the Natural and Social Environment Protection Policy are available to employees on the Bank's internal portal, the InfoNet.

This, as well as other internal documents of the Bank, are subject to reviews and updates, if necessary, at least once a year, in line with the General and Individual Enactment Management Policy of Erste Bank a. d. Novi Sad.

Financial inclusion

In Erste Bank we believe the preconditions for inclusive and sustainable growth lie in eliminating barriers and improving access to financial products and services for all citizens and sectors of society. We place a special emphasis on innovation in the development of entrepreneurship, which we believe to be a pillar of economic growth and social prosperity. We are also strategically committed to supporting the development of social entrepreneurship in Serbia, as one of the sustainable ways of resolving social challenges, and, in addition to creating inclusive programmes and financial products and services, we also strive to create, through our work on improving financial literacy, the preconditions for better economic sustainability of society as a whole.

Step-by-Step Programme

Step-by-Step Programme is an Erste Grupe social bank programme for the promotion of financial literacy and prosperity in our region. We provided tailor-made banking services to people who are very often not considered as attractive customers by conventional banks, so they are not adequately serviced.

The Programme is aimed at supporting start-up business owners in creating jobs, empowering non-governmental organisations to contribute to further development of our society, as well as supporting low-income individuals. In order to provide our clients with the opportunity to improve their economic situation, we offer banking products such as checking and savings accounts, insurance products and financing. By providing special-purpose loans, we help our clients start a small business, finance home renovations, attain more education, increase their mobility and obtain the right to health protection.



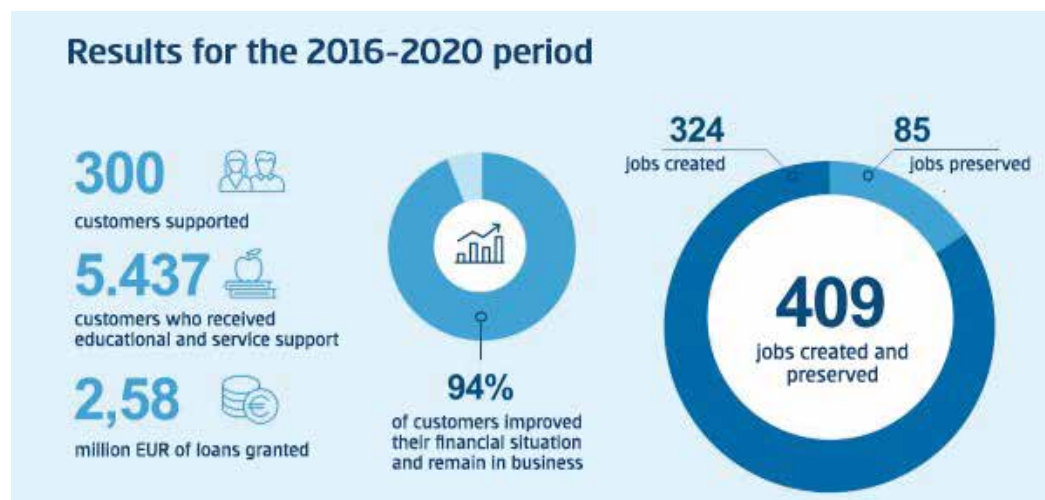
It is worth pointing out that we combine our products with financial education and business trainings to help clients make sound financial decisions. With the aim of ensuring long-term success, we provide a continuous mentoring programme for clients to support them in overcoming financial and business challenges.

The goal of this program is to help improve the financial stability of our clients and to further support the region in reaching its potential for systematic and sustainable growth.

Research conducted by Erste Bank has found that after the first two years in business, barely a quarter of start-ups in Serbia survive in the market. In the case of Step-by-Step programme beneficiaries, 97 percent of them continued to operate and develop their business after the first two years.



As part of the Step-by-Step social banking programme implemented by Erste Bank in Serbia since 2016, the growth and development of more than 280 start-up companies in Serbia was supported by the end of 2020, and more than 20 loans were approved to non-profit organisations and social enterprises, which will use them to multiply the positive impact on the community and society as a whole. By 2020, through the programme, more than 2,600,000 euros of funds were placed and 409 new jobs were created.



Our Village

Through the social banking programme, in 2019 we joined the Our Village project, which is implemented by Delta Holding at Dubočani and Mala Jasikova villages near Zaječar. The project is aimed at improving agricultural production and social life in these localities. So far, 20 agricultural households have been granted loans in the total amount of about EUR 170,000. The loan purposes were varied: planting new orchards, purchasing a protective fence, irrigation equipment, purchasing cattle, building barns and other facilities, financing planting material, etc. A training and mentoring programme specially adapted to the needs of agricultural households was designed and carried out. There is visible progress on all farms that were granted loans. The loans were used in an efficient manner, creating conditions for income growth, capacity expansion and the improvement of work processes, resulting in positive results. All the locals who were granted loans regularly settle their liabilities to the bank, thus showing a high level of responsibility to the project. Today, we can proudly say that the working and living conditions have been improved and that farms are recording higher incomes compared to the period prior to the project, and, importantly, they are applying the knowledge and skills they gained during the project in their everyday work, which is also contributing to the improvement of the result of their operation.

Original Leaders

Under the Social Banking Unit, a partnership with the Novak Đoković Foundation is also implemented as part of the Original Leaders project. The aim of the project is to strengthen the capacity of social enterprises in Serbia, and the role of the Social Banking Unit is to provide training and mentoring support to project participants on the topic of finance.

In spite of all the difficulties caused by the COVID-19 pandemic, the total lending volume in 2020 remained at the previous year's level. In total, 868,902 euros in new loans was granted through 60 loans, of which 44 loans were granted to start-ups in the total amount of 451,219 euros, four loans in the total amount 376,824 euros were granted to non-governmental organisations, while 12 loans in the total amount of 40,859 euros were granted to farms through the Our Village project.

The year of crisis, fear, and uncertainty, frightened and endangered many, especially entrepreneurs who had only just launched their businesses. During the 2020 crisis situation, mentors from the Step-by-Step programme were in regular contact with all customers. Mentoring activities were focused on four main topics: adapting to the new crisis situation, sales, marketing, and cash flow buffers. Mentors checked in on every customer, provided advice about the terms of the moratorium, provided information about the government assistance programmes and other regulatory and business news. Together with mentors, customers made plans on how to modify their regular business processes and adapt to new circumstances in the crisis situation. Likewise, we developed documents about government assistance mechanisms and clarifications about application requirements. Together, they managed to continue to successfully survive, grow and develop their businesses.

Advertising Campaign Aimed at Customers

Every day, we are at the disposal of our customers, entrepreneurs, and companies, with a range of bank products and services. However, in the current situation we have considered whether they and their employees need a different type of support and how we can contribute to their operation in a different way.

We wanted to step out of what we normally provide to them, to do the right thing in this period of crisis and help them to be even more visible, to acquaint the broader public with their stories, products and what they are investing all their efforts in. To inspire all of you, just as they have inspired us.

Starting from the idea of solidarity in the challenging period of the current crisis, Erste Bank created TV ads and leased TV ad slots for four weeks for its customers – start-ups, micro, small and medium-sized enterprises, as part of its business support campaign.

In order to help business segment customers to maintain and improve their operation in the current crisis, Erste Bank invested funds in a TV campaign that would support them in directly reaching the broadest consumer audience and presenting them their products and stories.

Viewers across Serbia thus had an opportunity to familiarise themselves with unique products of domestic companies, such as premium forest mushroom spreads Šumska tajna made by the Stanišić Bio company in Veternik, bio-fruit rolls and juices from a farm in Futog called Dolovac Organic, textile products of the Stotex company in Stari Banovci, craft beer of the Belgrade-based Dogma Brewery, cosmetic products of Leskovac-based DPC Hemigal, but also industrial plant components manufactured by Novi Sad-based NS-Steel.

Most of these domestic companies underline greater recognisability and visibility of their products and brand as one of the key results of the TV and online campaign, which is important to them in terms of improving sales, but also further expanding their operation.

We believe in true support.
We are sending gratitude to all of our clients.

**THANK
YOU!**

Our country needs people who believe in themselves.
And a Bank that believes in them.

— Financial Literacy

With the aim of achieving further progress in the area of financial inclusion, Erste Bank approaches systematically to the provision of information and education on financial topics, to not only its current and potential clients but the community as a whole. Financial literacy enables citizens to plan their finances in a sound manner as well as manage them adequately, making informed and responsible decisions which contribute to their sustainability and can have a positive impact on their future.

The Bank approaches the topic of financial literacy in several ways:

- By implementing the Step-by-Step programme, which provides comprehensive education and support to start-ups, social enterprises, civil society organisations and individuals at risk of poverty;
- By creating the #ErsteZnali digital platform, which brings complex financial subjects closer to all of us in an interesting and understandable manner;
- By providing direct support to social enterprises through different forms of mentoring, advisory, product purchases, marketing support, etc.;
- By taking part in and supporting programmes, conferences and events that promote entrepreneurship, self-employment and self-sufficiency.

Financial Literacy through the Step-by-Step Programme

The **Step-by-Step** programme's contribution to the development of financial literacy is comprised of several elements:

- **An online training platform** aimed at providing support in developing business plans. The platform combines several types of content (presentations, video, collaborations, etc.) in order to enable beneficiaries to attain the necessary knowledge in a way that is most suitable to them;
- **Offline workshops**, which were customised to the programme beneficiaries' needs with the aim of raising their business capacities. The workshops were held in several towns in Serbia in order to facilitate access to as many beneficiaries as possible;
- **One-year mentoring support** to which each programme beneficiary is entitled. Mentors are experienced entrepreneurs from different industries, who, with their knowledge and experience, help new entrepreneurs take their businesses to the next level.

In addition to the training under the Step-by-Step programme, the Bank seeks, in different ways, to improve the financial literacy of not only its customers, but also the community at large. As in the past, in 2020 Erste Bank provided information to clients through all the Bank's official profiles on social networks and other digital channels by publishing advice on proper financial management, results of surveys on financial habits of the population and other useful information on financial trends, products and benefits for customers.

#ErsteZnali

In order to help citizens to make sound financial decisions, as well as develop a responsible attitude towards money, Erste Bank launched #ErsteZnali, a comprehensive, free and non-commercial financial education programme in 2019. On the platform, 33 educational modules have been published so far, in the development of which 25 experts from different parts of the bank were involved as volunteers. The ErsteZnali.rs platform had 111,180 page visits during 2020, and 4 online workshops were also attended by a total of 325 persons. For details on the platform, please refer to the chapter Our Fellow Citizens in the Communities in which We Operate, p. 74.

Inclusive Products and Services for the Elderly

Loans for pensioners with collective insurance included are a product intended for our oldest customers, individuals who would otherwise not have access to loans after reaching the age of 70. The advantage of loans for pensioners with collective insur-

ance is that there is no health questionnaire as with regular life insurance where many pensioners might not meet the conditions for insurance coverage. Likewise, insurance premiums are paid not by the customers, but by the bank, while the customers pay back the instalments on a monthly basis.

The purpose of the loan may be cash payment with the possibility of refinancing, and refinancing liabilities to the Bank for: cash loans, refinancing loans, consumer loans, car loans, credit card debt, overdraft facilities with the possibility of additional cash payments.

In 2020, 2,940 loans in the amount of 1,112,969,701 dinars were granted. Cash loans account for 6.86% of the total amount or 11.23% of the total number of approved cash loans and refinancing loans.

Savings Habits in Serbia

Increased saving is an ongoing trend not only in Serbia, but also in the EU countries. In addition to creating a rainy-day fund, which has been one of the key savings motives for citizens of Serbia for a number of years, saving is also an investment in the future. During the current pandemic, Erste Bank customers saved more than in the period from March to August of the previous year, both when it comes dinar and foreign currency savings. The presence of the rising trend of citizens' savings across Serbia has also been demonstrated by a recent analysis by the National Bank of Serbia, with the same phenomenon being recorded in the EU countries as well.

Based on all of these findings, the conclusion can be reached that the new pandemic-related circumstances have additionally increased citizens' awareness about the importance of saving and setting up a safe rainy-day fund, especially in times when it is not known how long the uncertainty will last.

Savers agree that the fund they have put aside provides them with financial security, as well as with the possibility of investing in the future and state them as the key reasons for saving in the current situation.

The 2020 Erste Bank survey on the savings habits and attitudes of the citizens of Serbia has shown that we save 5,210 dinars a month on average, which is 439 dinars more than last year. This amount is also the highest it has been in the past six years, so we are putting aside almost one thousand dinars more monthly than in 2015.

Saving is important or very important to more than two thirds of our fellow citizens (69 percent), with the number of people recognising its importance increasing in the past three years. Slightly more than half of the respondents (56 percent) actually do save in some form, and this number has likewise been on the rise from one year to the next.

Although the average monthly savings amount in this year has recorded slightly higher growth than before, citizens' level of satisfaction with the sum that they are currently able to put aside for saving has slightly declined this year for the first time since 2015, with 27 percent of citizens satisfied with their savings, compared to 31 percent last year.

Creating financial reserves for emergencies continues to be the most frequent motive, which drove three quarters of respondents to save, two percent more than the previous year. Next, we save for smaller and bigger purchases and renovations (35 percent of citizens), as well as for retirement and travel. Citizens' interest in savings products and other financial services of banks is 14 percent higher than in 2019 – led by sight savings deposits, term savings deposits and life insurance as savings product types. Interest in these products has been constantly growing in the past four years.

Accordingly, the share of people keeping cash at home or in a safe has continued to decline. It is at its lowest level in the past eight years, with slightly more than one fifth (22 percent) of our fellow citizens now storing money in that way, which is, for example, half the 2013 level.

Virtual Money Meetup

The Centre for Financial Education and Empowerment (CEFIN) organised Virtual Money Meetup, a series of educational online lectures on saving and personal finance in November 2020. All participants had an opportunity to get useful advice regarding saving, housing loans and personal finance from lecturers and panelists.

As part of the lecture on Saving and Personal Finance, Nevena Milutinović, manager of an Erste Bank branch in Belgrade, offered useful advice on personal finance in current challenging times through practical examples from everyday life, as well as on how to save money. Likewise, she also answered the most frequently asked questions about different types of saving.

During the panel discussion Let's Talk About Money, organised in cooperation with the Centre for Moms, participants Jovana Ružičić, the founder of the Centre for Moms, Karolina Herbut, financial adviser and President of CEFIN and Marija Mutić, coordinator of the financial education programme at Erste Bank spoke about attitude towards money, earning and spending money, as well as habits and beliefs about money, which we acquire and pass on within the family.

At the educational panel on housing loans, experts from the real estate agency CityExpert and Erste Bank offered answers to most frequently asked questions by citizens regarding this topic. By talking about procedures and practical advice, they helped participants to gain all the important information in one place and avoid going to several banks.

At the event, the financial education platform #ErsteZnali was also presented, intended for everyone who wants to improve their financial knowledge. As an increasingly important part of general literacy, financial literacy leads to improved quality of life for every one of us. In addition, it contributes to the prosperity of society as a whole, as well as to reducing risk of poverty, and improving social inclusion and stability.

Erste Bank supported the organisation of the event, partnering with the Centre for Moms, CityExpert and Karolina Herbut.

Support to Entrepreneurship

In line with the SME Customer Strategy which involves partnerships and provision of access to favourable sources of funding at a lower interest rate, as is the case with large companies, Erste Bank implemented several programmes directed towards the SME sector.

In 2020, Erste Bank was once again selected as one of the partners of the Programme Supporting SMEs in the Procurement of Equipment, implemented by the Ministry of Economy in partnership with banks and leasing companies, in order to facilitate entrepreneurs' access to financial resources needed to improve business. A public call was launched in the second half of May 2020, and for the first time, the Programme also included medium-sized enterprises, in addition to entrepreneurs, micro and small companies, which have a total amount of one billion dollars at their disposal. A criterion for maximum subsidy amount was also introduced, in line with the number of company employees, so that companies with one employee may receive up to one million dinars, companies with two to five employees 2.5 million, and those with six and more employees up to five million dinars in grants. The enterprise or cooperative finances five percent of the cost, the Ministry co-finances a fourth of the cost, while the remaining 70 percent of the amount needed is financed through bank or leasing company loans, which do not have to be secured by a mortgage, but rather by a pledge on purchased equipment or tools.

The European Bank for Reconstruction and Development (EBRD) and Erste Bank have signed agreements on new credit lines in dinars and euros, in the amount of 40 million euros and 2.2 billion dinars, for financing small and medium-sized enterprises in Serbia, as the country is recovering from the pandemic crisis.

Companies have at their disposal long-term and short-term loans in both currencies, the purpose of which is broad and includes a range of possibilities, from financing investments and working capital, as well as liquidity, to revolving loans.

“At this moment, it is especially important to provide support for SMEs to advance or preserve their operations through financing their activities and needs, related to investments, working capital or liquidity. It is with particular pleasure that we are continuing our fruitful, long-standing cooperation with the European Bank for Reconstruction and Development, which allows us to support this very important segment of the Serbian economy under favourable conditions.” stated Slavko Carić, CEO of Erste Bank Serbia.

The European Investment Bank (EIB) and Erste Bank have agreed on a EUR 30 million credit line to enable the strong recovery of small and medium-sized enterprises (SMEs) and mid-caps in Serbia in response to the COVID-19-induced economic contraction. The credit line will allow EBS to on-lend to companies severely affected by the pandemic, helping them retain jobs, preserve liquidity and ensure business continuity. This is the first operation in Serbia as part of the EIB's EUR 400 million financial programme earmarked for the private sector in the Western Balkans to ensure a fast response to and recovery from the COVID-19 pandemic, as announced at the EU-Western Balkans Summit held in Zagreb in April 2020. The loans will be available to companies operating across different sectors severely hit by the pandemic, such as wholesale and retail trade, hospitality, transport, food and beverages, and services. With the funds from the EU bank, Erste Bank will help the sustainable economic recovery of Serbian SMEs by addressing their short-term working capital needs, but at the same time enabling longer-maturity investments.

Furthermore, the European Investment Fund (EIF) and Erste Bank signed an InnovFin SME Guarantee Facility Agreement in 2019, based on which Erste Bank will grant up to 70 million euros in loans under more favourable conditions to innovative companies in Serbia in 2019 and 2020. Loans are intended for companies with up to 499 employees, which need investment and working capital loans in order to develop and upgrade processes, products and services. The minimum loan amount is 25,000 euros, while the maximum is seven and a half million euros, with a maturity of one to 10 years. Loans can be in euros or in dinars. The guarantee enables lending at a reduced interest rate and with reduced collateral requirements for those investing in the production or development of innovative products, processes and services which may present a certain risk.

— Responsible Communication with Customers

Transparency and accessibility are the core principles by which Erste Bank is guided in its communication with customers. Following modern banking trends, we are increasingly turning to digital communication channels, but branches still play an important role in communication with clients, especially when it comes to advisory services. In 2020 our business network had 88 outlets and 4 commercial centres, and express sub-branches have greatly contributed to us being even more accessible to our customers.

The lockdown during the pandemic definitely caused an increase in customers' need for digital services of banks, while more intensive use of ATMs for withdrawing money has been observed. All active electronic banking users have increased their activities on online channels, and those who were passive likewise recognised the need for easier and safer conducting of financial transactions and other banking activities electronically. In retail business, since the start of 2020, as many as 85% of all payments have been carried out via electronic banking, which was reflected in fantastic growth in this area. Compared to the end of 2019, we now have 42% more mobile banking users.

Superdigitals

Digitalisation is an important step and change which has a major impact on business operation and our community. Erste Bank is undergoing a digital transformation and, since 2019, we have connected our colleagues in a Superdigitals digital community, the members of which are there to help both colleagues and our clients to adapt quickly to change. Superdigitals actively share knowledge, monitor trends, detect and solve problems encountered in using electronic services, answer questions, comment and exchange experiences.



L.I.F.T

In 2021, Erste Bank is migrating to a modern, flexible and stable core banking system with global application and an excellent reputation. In order to ensure the preconditions for successful implementation and functioning of the future system, a comprehensive transformation programme called L.I.F.T. – Link to the FuTure, has been launched, in which a large number of employees and external associates are involved.

The transformation is aimed at additionally fuelling our growth and efficiency – through the implementation of innovation and advanced solutions, enabling us to optimise processes and improve customer experience. After the analysis, design and development, 2020 was the year of testing.

Your Opinion Matters to Us!

Communication channels available to our customers:

- Through the Suggestions and Complaints section on the Bank's website www.erstebank.rs
- Call Centre – for all information about products and services and feedback from customers:
 - A toll-free telephone number for calls from Serbia for all landline and mobile networks (8 a.m. to 7 p.m. on business days and 8 a.m. to 2 p.m. on Saturdays) 0800/201 201
 - For mobile phone calls and calls from abroad +38160/48 48 000
- Skype (8 a.m. to 7 p.m. on business days and 8 a.m. to 2 p.m. on Saturdays) Skype name: ErsteBankSerbia
- ERSTE (available via all networks) 37783
- Official Facebook and Twitter profiles, through which customers receive answers to their questions in the shortest time possible
- Advisors in our branches – on business days, for advisory and any other type of assistance
- Addresses for communication with stakeholders:
info@erstebank.rs,
dop@erstebank.rs,
zivotnasredina@erstebank.rs
- Complaint channels:
zalbe.stanovnistvo@erstebank.rs,
zalbe.mikro.preduzeca@erstebank.rs,
zalbe.preduzeca@erstebank.rs,
dop@erstebank.rs
- Brochure available at all Bank branches

With the L.I.F.T. programme we are creating the bank of the future – for our current and future clients, employees and shareholders, with the aim of enabling a stimulating work environment and a superior banking experience.

Customer Information

Information about products and services is provided to consumers pursuant to the Law on the Protection of Financial Service Users, while the Bank is striving to ensure that any type of information provided to customers is clear and accurate. Easily accessible and transparent information about Bank products and business practices is required by consumers and end users in the process of informed decision-making. In cases where an advertisement for deposits or loans includes an interest rate or any numerical data relating to cost or income, the Bank clearly and accurately specifies, based on a representative example, the following:

- Information about the type of deposit/loan
- Information about the level and variability of annual nominal interest rate
- Information about the effective interest rate
- Information about the currency in which the deposit/loan is contracted
- Information about the period for which the deposit/loan is contracted
- Information about the deposit/loan indexing criterion
- Information about the total amount of deposit/loan
- Information about all costs.

This data relates to all retail deposit and loan products, which are among the most common products of the Bank. When it comes to corporate customers, information is provided at meetings with clients.

During 2020, Erste Bank did not record any cases of non-compliance with the regulations concerning adequate customer information about the products and services, which was established by a detailed review of the grievance and complaint management application. No cases of customer privacy violation, or complaints regarding the loss of customer personal data or complaints regarding the respect of human rights were recorded, either.

The Erste Bank complaint management system includes the Grievance and Complaint Management Procedure, the procedure – process for lodging complaints by insurance service users, and the instructions for the RepoZZa application, owing to which all customer complaints, as well as their commendations and suggestions sent through any communication channel, including verbal complaints, are consolidated in one place, from where they are processed faster by the Customer Service Centre Unit of the Operations Division and the unit within the Marketing Department that manages quality processes. After recording the complaint, the competent services check all of the customer's allegations and, after all checks, a response is sent to the customer.

Responsible Marketing

In marketing in general, Erste Bank is guided by the principles clear and unambiguous communication. The key principles in advertising Bank products and services in the media, are: relevant, clear, transparent, ethical and human approach. In surveys carried out at regular time intervals, we monitor these principles through a set of questions, in such a way as to check and measure these aspects through each advertising message, or advertising campaign.

Apart from the adopted values which the Bank promotes and applies and based on which, in a self-regulating manner, the entire communication of Bank products and services is also designed, the Bank did not adopt any special rules. In the course of implementing advertising campaigns, the Bank strictly complies with the provisions of the Advertising Law, Consumer Protection Law and the Law on the Protection of Financial Service Users, which largely regulate the area of marketing communications, but also with separate NBS provisions and regulations which govern this area. In addition, the Bank is among the first members of the National Association for Ethical Standards in Advertising (NAESO), a self-regulatory body that works on promoting ethical standards in advertising and marketing communications, in partnership with all media market actors, government institutions, professional associations and international organisations.

Erste Bank also ensures that its suppliers (e.g. printing companies) are required to meet ISO quality standards, that subcontractors (e.g. agencies and production companies) comply with all legal regulations regarding hiring labour, including the ban on hiring minors, as well as comply with other public regulations in the execution of advertising campaigns. The Bank gives priority to social enterprises in the selection of producers, thus supporting their business.

Customer Satisfaction

During 2020, Erste Bank continued its activities on improving customer experience. Bank communication with customers was given priority, in order for the information that customers receive to be clear, easy to understand and transparent. In cooperation with an external partner, communication guidelines were set based on principles of behavioural psychology. In the first phase, all notifications that the bank sends to customers were changed such that first an analysis of all notification was performed from the perspective of the customer, in order to attain the customer's understanding of the message we are sending, after which changes were made bearing in mind the customer as the final recipient of the message. In total, over 70 different notifications that the bank automatically sends from the system were changed. The second phase, which began in the second half of 2020, covered employees who engage in direct written communication with customers. The following communication channels were included: responding to customer grievances and complaints, responding to service centre inquiries, the understandability of electronic banking and the terms we use for this service, the information we post on the bank's website and responses to comments on social networks. The plan for the coming period is to familiarise all employees with the new communication guidelines, with a special emphasis on employees in the sales network.

At the first online Erste Retail Summit, held in August 2020, for the first time our bank won the CX award – an award for achieved improvements in customer experience.

Every year, the Erste Group conducts strategic market research with the aim of determining its market position as measured by customer satisfaction. The focus is on three main customer segments: retail (individuals), small enterprises / entrepreneurs and medium-sized and large enterprises (legal entities).

When it comes to retail business, the Banking Market Monitor survey is carried out every quarter. The survey is conducted on an annual nationally representative sample of 2,400 customers of banks in Serbia. In every quarter, about 150 Erste Bank customers participate as well. The survey covers the following topics: bank recognisability, trust as the key customer relationship indicator, the key aspects of customer relationships: referrals, satisfaction generally and specifically, the simplicity of doing business with the bank, the likelihood of changing banks and the likelihood of repeat purchase, as well as satisfaction with the points of contact with the bank. The survey method is CATI – telephone calls and interviews.

For small enterprises and entrepreneurs, the Micro Market Vision survey is carried out once a year. The survey is conducted on an annual nationally representative sample of 1,000 customers of banks in Serbia in this segment. The share of Erste Bank customers in the entire sample is 157 customers in 2020. The survey covers the following topics: market share by number of customers, as well as market share by customers for whom we are the main bank, market share from the perspective of product use, the key aspects of customer relationships: referrals, satisfaction generally and specifically, the simplicity of doing business with the bank, the likelihood of changing banks and the likelihood of repeat purchase, as well as detailed examination of satisfaction through aspects related to payment services, loans, saving, digital services, customer and employee-focus, as well as aspects related to image. The survey method is CATI – telephone calls and interviews.

For small and medium-sized enterprises (SME), the SME Market Vision survey is carried out once a year. The survey is conducted on an annual nationally representative sample of 550 customers of banks in Serbia in this segment. The share of Erste Bank customers in the total sample is 140 customers in 2020. The survey covers the following topics: market share by number of customers, as well as market share by customers for whom we are the main bank, market share from the perspective of product use, the key aspects of customer



relationships: referrals, satisfaction generally, the simplicity of doing business with the bank, the likelihood of changing banks and the likelihood of repeat purchase, as well as detailed examination of satisfaction related to payment services, loans, saving, digital services, customer and employee-focus, as well as aspects related to image. The survey method is CATI – telephone calls and interviews.

Based on the results of these surveys, the Customer Experience Index (CXI) is calculated as a measure of Erste Bank customers' level of satisfaction compared to customers of other banks in Serbia. Detailed results of the CXI customer satisfaction survey are not communicated to parties outside the Bank. Results or parts of the survey are used for internal needs of the Bank and serve to improve the quality of service provided and customer satisfaction. The part relating to general satisfaction and referrals of Erste customers is communicated externally, and may be published via external communication channels or marketing campaigns.

In addition to the Customer Satisfaction Survey, Erste Bank also measures customer satisfaction with granted products, by using the so-called event-triggered surveys. Each individual for whom a current account or a foreign currency account was opened, who deposited savings or to whom a cash loan or a housing loan was granted, receives an online survey or is called by phone by the Bank within one week at the latest, and is given an opportunity to state his/her experience and (dis)satisfaction with the process. Customers from small business and entrepreneur segment are surveyed after each loan is granted. In this way, not only can the customers immediately convey their experience to us, but they also give the Bank a possibility to react immediately if they are not satisfied with the process. Based on this survey, the CEX satisfaction index is calculated.

The CXI index is part of the bonus model for the Bank management /Executive Board members, L2 and L3 managers) and the CEX index is part of the bonus model for employees in the sales network. In 2020, Erste Bank's CXI index is 70.8, and it has a total score 1.4 above the average for its Top 3 competitors. Erste Bank records the best score in the retail segment where the bank ranks first for the second year in a row with a score of 73.5, and has a score 5.4 higher than the average for its Top 3 competitors.

The most frequently used bank service are payments and payment services. For that reason, surveys also focus on this product/service as the most important for customers. In 2020, the score for carrying out payments through Erste Bank by segment is as follows:

- Individuals: a score of 90 (on a scale of 0 to 100) and 3 points above the average for all competitors included in the survey (the condition is that they have a sufficient sample of customers in the nationally representative sample);
- Small businesses and entrepreneurs: a score of 92 (on a scale of 0 to 100) and 1 point above the average for all competitors included in the survey (the condition is that they have a sufficient sample of customers in the nationally representative sample);
- Medium-sized and large enterprises: score of 89 (on a scale of 0 to 100) and 2 below the average for all competitors included in the survey (the condition is that they have a sufficient sample of customers in the nationally representative sample).

Responsibility in the Supply Chain



Following trends and current frameworks of understanding socially responsible and sustainable operation, Erste Bank also manages, in addition to direct impacts, indirect impacts occurring through its chain of suppliers. We are monitoring and improving our performance in this area, focusing on the following priority topics defined by our strategy:

- Applying the social environment criterion in supplier assessment
- Applying the environmental protection criterion in supplier assessment.

Our Supply Chain

In line with the approach to procurement of Erste Group, Erste Bank in Serbia is primarily oriented toward local suppliers, i.e. companies registered in the territory of the Republic of Serbia, and 76% of the procurement budget is directed to them. In 2020, we cooperated with 886 suppliers in total, while total expenses for all procurement were EUR 24,661,516 (indicated total expenses pertain to expenses within the mandate of Erste Group Procurement).

Procurement in Erste Bank is centralised at the Erste Group level and performed by Erste Group Procurement (EGP) which coordinates procurement in all seven countries in which Erste Group operates. EGP's goal is to satisfy all needs of different Erste Group entities for goods and services – on time and in accordance with their special quality-related requirements, under the best conditions possible (price, payment terms, guarantees, reliability, etc.), locally or abroad.

The e-Procurement tool, translated into the languages of all seven countries in which the Erste Group operates, is used for conducting the procurement. All bidders registered for the relevant procurement category in the Bank's database, as well as the bidders who can meet the requirements in the Invitation to Bid, who apply through the Bank website, have the right to participate. In the procurement process, equal conditions for all bidders are ensured: information is sent to all bidders at the same time and in the same format, and the bids are only visible after the expiry of the deadline for their submission. Bid evaluation is performed based on the evaluation matrix designed by the budget owner before starting the procurement process.

Another tool, which Erste Bank uses for procurement, and was among the first introduced in Serbia owing to the support of the Erste Group Procurement, is e-Auction. E-Auction is used in cases when specified technical criteria for goods and services are met and equal, whereby the price becomes the most important procurement criterion. Prior to the start of the auction, the bidders are informed in detail about all the auction terms, and during the auction itself, they can view their position in the ranking.

Supplier Code of Conduct

The principles of cooperation and the main requirements for suppliers are defined in the Supplier Code of Conduct, which applies across the Group, in order to ensure that all those with whom we do business support the basic standards of our Group. The basic principles of the Code are:

- Supplier's financial stability
- Operativeness – quality policy or system
- Good governance – compliance, corruption, conflict of interest, responsible marketing, etc.
- Corporate social responsibility – respect of human rights and labour rights
- Environmental protection – environmental protection policy, application of the precautionary principle
- Monitoring and audit – supplier's compliance with the Code, application, monitoring and compliance with the specified goals.

Our suppliers must operate in accordance with national and local laws, decrees and regulations, fulfil all their legal obligations in connection with the safety and health of their employees and contractors, strictly comply with environmental legislation, as well as respect and apply the basic principles of corporate social responsibility (protection of fundamental human rights and labour rights, environmental protection, promotion of occupational health and safety, anti-corruption).

In case of non-compliance with the Supplier Code of Conduct, the appointed compliance officers decide, if needed, on further measures.

Applying Social and Natural Environment Protection Criteria in Supplier Assessment

Erste Group promotes compliance with social, environmental and ethical standards in the operation of its suppliers which it considers partners in the sustainable approach to business. That is why procurement decisions at the Erste Group level and locally also include a social and environmental impact assessment, which is conducted by suppliers whose turnover exceeds EUR 100,000 filling out the Supplier Audit Questionnaire (SAQ). This questionnaire has been applied since April 2014 to ensure that the suppliers with which we cooperate comply with our corporate social responsibility standards. SAQ ensures full transparency and enables timely risk assessment and identification prior to signing contracts with suppliers.

The results of the audit conducted by using the questionnaire are complemented by additional supporting material and provide the basis for supplier assessment in the procurement process. In addition to initial evaluation, standard assessments are also conducted, which cover the most important or potentially the highest-risk suppliers. When it comes to the sectors identified as particularly sensitive, the questions relating to the protection and respect of human rights of employees, as well as certification, are an integral part of the Request for Proposal.

Any suppliers that are unable to provide satisfactory results of the audit will be subject to exclusion.

The SAQ questionnaire includes the following topics relating to the impact of suppliers on the social and natural environment:

LABOUR RIGHTS
HIRING PRACTICES
OCCUPATIONAL HEALTH AND SAFETY PRACTICES
DISCRIMINATION AND INCIDENTS (SUCH AS HARASSMENT OR VERBAL, PSYCHOLOGICAL, PHYSICAL OR SEXUAL ABUSE)
FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING
FAIR REMUNERATION
REASONABLE WORKING HOURS
COMPLAINT MECHANISMS IN PLACE
LOCAL COMMUNITY
IMPACT ON LOCAL COMMUNITY
CORRUPTION RISK
PROTECTION OF COMPETITION
COMPLIANCE
COMPLAINT MECHANISMS IN PLACE
HUMAN RIGHTS
ABOLITION OF CHILD LABOUR
ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT
ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR
ENVIRONMENTAL PROTECTION
WASTE TREATMENT
ENVIRONMENTAL IMPACT OF PRODUCTS AND SERVICES
COMPLIANCE

Questions related to environmental protection relate to compliance, environmental impact of products and services, waste treatment and investment in environmental protection, and additionally, and in case of goods procurement, the SAQ questionnaire contains questions relating to potentially hazardous chemicals, the possibility of product recycling, the policy for taking over products at the end of their useful life and similar standards (such as the Energy Star standard).

During 2020, Erste Bank Serbia considered cooperation with a total of 129 new suppliers. Of the 53 suppliers in total that recorded a turnover of over EUR 100,000, 38 suppliers (72%) were subjected to an analytical review. No supplier was the subject of a special impact assessment beyond the SAQ questionnaire, because there were no significant negative impacts or potential risks identified.

Our Fellow Citizens in the Communities in which We Operate

As a true partner of the communities in which it operates, Erste Bank continued to support their survival and further development in 2020. In accordance with its Corporate Social Responsibility Strategy, Erste Bank has continued with its constant strategic and proactive investment in the community even in these challenging times. Listening to the needs of communities, communicating every day with their representatives and following the modern trends of sustainable development, we have long ensured that the support goes beyond exclusively financial support to include the exchange of knowledge and experiences, educational and mentoring support, as well as the networking of different resources for the sake of the common good.

The Bank supports the communities in which it operates in various ways and through different programmes, which it most often implements in partnership with the relevant representatives of all sectors. The Bank believes that the synergy of different resources provides the best results and, therefore, strives to recognise quality partners, ideas, initiatives, programmes and changes society for the better by supporting them. The Bank also very actively strives to connect and network its partners in order to maximise the positive results of the programmes.

The year behind us was challenging for everyone, including numerous traditional programmes, events, as well as new initiatives. The Bank monitored its traditional partners in order to help them to overcome the time of crisis and still implement their programmes in new and innovative ways.

In 2020, the following Bank programmes were implemented:

- Sponsorship programme
- Emergency donations as aid to the healthcare system of Serbia during the COVID-19 pandemic⁹
- Step-by-Step, a programme of educational, financial and mentoring support to start-ups and social enterprises (for more details about the programme please refer to the chapter Responsibility to Customers, pages 58 - 60.)
- ErsteZnali, an educational platform on the topic of financial literacy

All Bank programmes are subject to the monitoring of achieved results, analysis and, accordingly, revision. Likewise, changes in the external environment, and modern trends of life and communication are continuously monitored. The Bank receives feedback from stakeholders through surveys conducted as the new CSR strategy is prepared, or questionnaires regarding specific programmes.

Sponsorship and donation requests can be sent by interested parties to the email addresses sponzorstva@erstebank.rs and dop@erstebank.rs, respectively. Requests are first reviewed by a person in charge of community investment, and final decisions on support are taken by the Head of the Marketing and Communication Division, together with the Executive Board. The Bank has a rule in place to ensure that every support request receives a response.

The community investment report is an integral part of the CSR report, which the Bank publishes annually and which is available on the Bank website. All the programmes that the Bank supports encourage inclusion, equality, discrimination on any basis is strictly prohibited, with a special emphasis on working to economically and socially empower vulnerable groups in society.

Our Achievements in 2020:

- Almost 16.3 million dinars were invested in 40 different festivals, events, projects and initiatives in communities through Erste Bank donation and sponsorship programmes
- Additionally, over five million dinars in emergency aid were provided to nine different health care institutions and centres to help fight the COVID – 19 virus.
- Over 60 students and graduates had an opportunity to develop professionally through Erste Bank's internship programme.

— Financial Literacy

Guardians of the Dragon's Treasure

The book *Guardians of the Dragon's Treasure*, which teaches children how to take care of money and provides them with the knowledge that is the foundation of future financial literacy, is also part of our ErsteZnali comprehensive financial education programme. The book's author is Dragica Mujković, the Head of the Communications Department of Erste Bank, and it was published by Kreativni Centar, with the support of the Bank. Good money management and sound spending habits are established from an early age and that is why it is important that we teach our kids on time and set good examples for them. When did money minting begin in Serbia? Why is gold valuable, and why did it not bring happiness to King Midas? Answers to these and many other questions can be found in the book *Guardians of the Dragon's Treasure*, intended for the financial education of children from first through sixth grade. In addition to numerous fun facts from the history of money, the book contains tasks that take readers on an interesting adventure during which they also gain new knowledge.

With the aim of achieving further progress in the area of financial inclusion, Erste Bank approaches, in a systematic manner, the provision of information and education on financial topics, to not only its current and potential clients but the community as a whole. Financial literacy enables citizens to plan their finances in a sound manner as well as manage them adequately, making informed and responsible decisions which contribute to their sustainability and can have a positive impact on their future.

#ErsteZnali

Making financial decisions has a major impact on our lives and is an integral part of our everyday lives, regardless of where we live, how old we are and what we do for a living. In order to help citizens to make good financial decisions, as well as to develop a responsible attitude to money, Erste Bank launched #ErsteZnali, a comprehensive, free and non-commercial financial education programme in 2019.

The start of the programme was marked by the launch of the ErsteZnali.rs platform, which offers knowledge, information, useful advice and interesting facts from different areas of finance, with the aim of bringing them closer to the broader public in an understandable way. The activities were designed to be interactive, interesting as well as useful to the majority of beneficiaries, accompanied with examples from everyday life and the use of games and knowledge competitions to motivate the younger population. The platform itself does not mention specific Bank products, exclusively sharing knowledge and advice about different aspects of money management.

How to set savings goals and manage a personal budget? What type of debt is most appropriate for a given situation? What are the different types of cards and what are they for? What can anyone wishing to start their own company expect? So far, 33 educational modules dealing with this and many other topics have been published on the platform, and 25 experts from different areas of the Bank were involved in developing them as volunteers.

The platform ErsteZnali.rs recorded 111,180 page visits during 2020, and four online workshops were held as well, which were attended by 325 people in total.

Find out more about the ErsteZnali programme at www.ersteznali.rs

A Year of Awards for #ErsteZnali

The year behind us was very successful in terms of awards for our #ErsteZnali programme. At the 23rd annual PR awards of the Public Relations Society of Serbia for the highest quality and best communication activities in the previous year – PRIZNANJE (Recognition) 2020, this programme received the award in the PR Communication in Integrated Campaigns category.

At the first online Erste Retail Summit, held in August, the presentation of our project #ErsteZnali – a financial education programme, won third place. The topic of this year's event was the prosperity of our customers and society as a whole, with a special emphasis on the coronavirus pandemic crisis.

Likewise, the #ErsteZnali programme advanced to the finals of the European Excellence Awards, the leading European awards in the area of public relations and communications, among the five most significant campaigns and projects in the Balkans.

Драгица Мујковић

ЧУВАРИ ЗМАЈЕВОГ БЛАГА



Креативни центар

— Support to Youth

We believe it is the responsibility of society as a whole to support young people in their learning, personal development, employment, entrepreneurship, as well as their social and environmental initiatives, given that it is they who are our future. In order to take on part of that responsibility ourselves, we developed different mechanisms of support – by placing our resources at their disposal, we are encouraging them to turn their ideas into reality.

Scholarships for Studies at the Graz University

During 2020, undergraduates and graduates of economics, law, natural sciences, as well as metallurgy, geology and concert opera singing from Serbia and the region had the opportunity to apply for the new cycle of Best of South East scholarships, which were implemented by Erste Group and Steiermärkische Sparkasse Bank in cooperation with the Graz University, the Graz University of Music and Performing Arts, the Graz University of Technology and the Leoben University of Mining, Metallurgy and Materials.

As part of the programme, students are entitled to a scholarship in the amount of up to 9,000 euros, which includes a monthly allowance of up to 750 euros, tuition fees and registration at the Graz University, as well as an intensive German language course at the Treffpunkt Sprachen University Language Centre. During their one-year stay in Graz, the scholarship holders have an opportunity to attend a training or do internship at Steiermärkische Sparkasse or another company, and they will have an opportunity to continue their development by learning from Erste Bank experts upon returning from Austria.

Internships for Young Talents

Starting one's professional career by attaining one's first practical knowledge and experience during internships is of exceptional importance for young people, above all because it helps them position themselves in the competitive labour market. Through cooperation with education institutions and the development of internship programmes, Erste Bank seeks to help young people launch their professional career and adjust to work in a business environment.

During 2020, we organised the internship programme, in the course of which interns had an opportunity to develop and gain different experiences in banking. Just some of the areas with which young talents familiarised themselves are retail and corporate banking, credit and strategic risks, development, marketing and communication, human resources, IT and banking operations. During the entire year, we provided the professional development of 65 students and graduates, some of whom were offered an opportunity to stay in the Bank.

The Bank facilitated the practical learning of young people in banking and finance from the following educational institutions: Belgrade Law and Business High School, Novi Sad Business College, Subotica School of Economics, University of Belgrade School of Economics, Belgrade Business School, Niš School of Economics, School of Economics, Finance and Administration (FEFA), Belgrade Banking Academy, Niš Economics High School, Svetozar Miletić Grammar School and Economics High School in Srbobran, Belgrade Economics High School, Užice Economics High School, and Business College for Economics and Entrepreneurship. In addition, Erste Bank also strives to establish partnerships with youth and student organisations and continuously support their work by participating in fairs, panels, workshops and mock job interviews.

Social Impact Award

Our young fellow citizens' ideas were awarded at the largest European competition for young people who wish to get involved in social entrepreneurship, the Social Impact Award, which was held in Serbia for the sixth time in a row. Our colleague Vladimir Jovanović, Social Banking Expert at Erste Bank, is one of the long-standing mentors in the programme and a member of this year's jury. The project is implemented by the Razlivalište organisation, with the support of Erste Bank, Vip mobile, L'Oreal, Coca-Cola HBC Serbia, the U.S. Embassy and the ERSTE Foundation. The Social Impact Award was launched in 2009 by the Vienna University of Economics and Business and the Impact HUB. In 2020, 4,000 participants went through the Social Impact Award programme in 14 countries and 591 ideas were submitted.

The Kompanijski vozači / Budi oslonac project (Company Drivers / Be a Pillar) won the audience award Glas zajednice (Voice of the Community) and further mentoring support for its development, while the Kreni – promeni (Go – Change), Ofinger (Clothes Hanger) and Smart Waste Monitoring System projects additionally also won a cash prize in the amount of 1,500 euros in start-up capital to launch their business.

The project of the Kreni – Promeni (Go – Change) team, comprised of Nataša Vlasiavljević, Kristina Urošević and Nikola Arsenić, enables the launching of social change through online petitions. They wish to achieve project self-sustainability and contribute to the feasibility of as many civic initiatives as possible. Prior to taking part in the Social Impact Award, they made a major contribution to the national campaign U ime kulture (In the Name of Culture) for restricting reality television programmes, which collected more than 42,000 signatures of support in 15 cities in Serbia in seven days.

The second award-winning team Ofinger (Clothes Hanger) is developing the website ofinger.rs through which clothing will be exchanged. The website users will collect points they will exchange for services and, in doing so, extend the life of clothing items. The idea comes from Milena Petrović and Marija Stojanović, young women who, upon learning that the fashion industry is the second-biggest polluter worldwide, decided to contribute to preserving their environment.



innovative system of sensors for measuring the level of waste in containers, which also monitors other data important for utility companies. The product includes a network of sensors, with a central monitoring application and a vehicle routing application that routes vehicles depending on the situation in the field, where workers have a plotted route in line with priority areas – those where the containers are full.

The Kompanijski vozači / Budi oslonac (Company Drivers / Be a Pillar) project was designed by Tijana Veković, Aleksandar Đokić, Katarina Tomić, Jovana Jović and Sonja Dragović. It consists of a digital platform for connecting people who take the same route to work every day. The car driver would thus be able to put in their usual route, and other users could apply to take the free places in the car. In doing so, not only would employees from different companies connect, they could split the fuel costs according to a clearly defined system.

“These young innovators are the driving force of our society and they deserve our support, our help in terms of sharing our knowledge and experience with them so that they can implement business ideas that solve social problems. Their entrepreneurial spirit and initiative in launching change in their environment should be an inspiration for all of us. For a number of years, Erste Banka has supported the Social Impact Award by providing one of the awards and through mentoring support to young people whom we help to develop their ideas,” emphasised Vladimir Jovanović, Social Banking Expert at Erste Bank, one of the long-standing mentors in the programme and a member of this year’s jury.

Share Your Knowledge – Become a Mentor

The Share Your Knowledge – Become a Mentor programme is a unique programme devoted to the personal and professional development of women. It is based on the concept of mentorship, and is aimed towards building mutual support of women, through exchanging knowledge, experiences, strengthening solidarity, promoting positive role models, networking and empowering women. The aim of the programme is the professional and personal empowerment of women in our society, through the exchange of experiences and knowledge. The programme has been jointly implemented by the U.S. Embassy, Erste Bank, the Organisation for European Security and Co-operation in Europe (OSCE) and the European Movement in Serbia since 2010.

In 2020, the 10-year anniversary of the exchange of knowledge and support and the fostering of solidarity among women was celebrated. The 10th anniversary generation of female participants was selected by a jury consisting of female representatives of the U.S. Embassy in Belgrade, Erste Bank in Serbia, the Organisation for Security and Co-operation in Europe (OSCE) and the European Movement in Serbia. The jury was faced with a very difficult task, given the great interest and exceptional quality of all female applicants.

A Mentoring Walk marking the International Women’s Day – 8 March, within the Share Your Knowledge programme, was held in Zaječar in 2020. The goal of the event was to point out the need for greater visibility of women in public life and to promote mentoring and women’s achievements. After the Walk through the main streets of Zaječar, a public debate was organised on the topic The Role of Women in Sustainable Development, at which Marina Milić, Deputy Mayor of the city of Zaječar, Lidia Vujičić, UN Women Representative, and Dunja Marušić, Communications Coordinator of the Timok Youth Centre, spoke, with project manager Zorana Milovanović serving as moderator.

— Individual and Corporate Philanthropy

Erste Bank seeks to support the creation of conditions for the highest possible quality of life in all the communities in which it is present. Considering that we are all, as organisations, but also as individuals, part of a broader environment in which we cannot make progress without the progress of people and organisations around us, we are strategically focused on developing and promoting corporate and individual philanthropy in Serbia.

In 2020, which was exceptionally problematic and challenging due to the COVID-19 pandemic, we strove to provide support to our traditional partners. Criteria for Erste Bank sponsorships include programmes that are implemented in the towns in which the Bank operates, and which relate to the areas that are aligned with our approach to community investment - culture and art, science promotion, entrepreneurship, financial literacy, education and sport. Sponsorship decisions are, inter alia, adopted in accordance with the specific rules and available budget for the given year.



National Day of Giving

The National Day of Giving was launched at the initiative of the Serbian Philanthropic Forum and is celebrated on 9 October - the birthday of Mihajlo Pupin, a renowned Serbian inventor and philanthropist. The National Day of Giving is an initiative aimed at developing a culture of giving in Serbia, as part of the Project for Improving the Framework for Giving implemented by the Ana and Vlade Divac Foundation with the support of the U.S. Agency for International Development (USAID). Erste Bank was one of the first companies to join this initiative.

Under the slogan Serbia Without Barriers, the third National Day of Giving was marked that was devoted, in 2020, to people with disabilities, i.e. the fight for full accessibility, through organising campaigns to remove barriers and build the infrastructure that would enable access to information and movement for everyone, people with disabilities and the elderly, and mothers with children, and all citizens alike.

Our Village

Aware of the importance of investing in the development of rural communities, we began our cooperation with Delta Holding as part of the Our Village project back in 2019. The project is implemented in the Dubočane and Mala Jasikova villages near Zaječar and is aimed at improving agricultural production and social life in these localities. During two years of the programme, the Bank took part in renovating both schools in villages, donated written off furniture for the needs of the local communities, the installation of the purchased children's playground is expected, which was delayed in 2020 to 2021 due to the COVID-19 pandemic. The Bank also successfully launched a campaign of collecting books for children and adults in order to help build library stocks in the villages. We are especially proud of the campaign of support to families that wish to remain in the village and expand their families, so the Bank opened savings accounts with small gift amounts for all newborn babies. The first phase of the project was aimed at educating the population in the area of livestock farming and fruit-growing, financing agricultural production, joining forces and applying for funds from domestic and international sources, and you can find more information about this on page 60.

— Major Donations and Sponsorships for 2020

Culture and Art

- Serbian Association of Classical Guitarists: XXI Guitar Art Festival, Belgrade
- Belgrade Dance Festival: 18th Belgrade Dance Festival, Belgrade
- Firefly Association for Affirmation and Creativity: Inclusive children's musical, Belgrade
- Parnas Creative-Affirmative Association: Film festival Seize the Film, Novi Sad
- Per.Art Association: Art and Inclusion, Novi Sad
- Zmaj Children's Games International Centre for Children's Literature, Novi Sad
- Belgrade Museum of Natural History: Marking the Museum's 125th anniversary and Celebrating Nature exhibition, Belgrade
- BITEF 2020: 54th Bitef Festival, Belgrade
- Fabrika d. o. o.: Gala Charity Event of the Sergei Polunin Foundation, Belgrade
- Museum of Yugoslavia: Alan Ford Runs a Lap of Honour exhibition, Belgrade
- Belgrade Philharmonic Orchestra: gift pop-up concerts, Belgrade and Novi Sad



Education and Science Promotion

- Social Responsibility Promotion Association: I learn + I know = I am valuable, Novi Sad
- FENOMEN Science and Art Promotion Centre: Science Festival, Belgrade

Entrepreneurship and Co-working

- EastWest Institute: Balkan Dialogues, Belgrade
- Tok: Social Impact Award, Smederevo
- UG Young Ambassadors Civic Association: KreNI – Conference of Creative Industries, Niš
- Novak Djokovic Foundation: Original Leaders – Support to the development and empowerment of social entrepreneurs, Belgrade

COVID – 19 DONATIONS

- CHC Dragiša Mišović
- CHC Bežanijska kosa
- Vojvodina Clinical Centre
- Republic Health Insurance Fund
- Novi Pazar General Hospital
- Beočin Primary Health Care Centre

Supporting the Community also under These New, Challenging Circumstances

The past year was a major challenge for all of us. People were concerned above all with their own health and the health of those closest to them. They tried to work hard, but also to protect their loved ones and help wherever possible. Under the dramatically altered circumstances, it was not possible to organise the volunteering and humanitarian campaigns to which we have always looked forward, and in which our employees would get involved in large numbers. Still, together we have found a way to place our time and knowledge at the community's disposal – our colleagues took part in numerous online lectures and workshops on the topic of financial literacy and education, got involved as mentors and members of the jury as part of programmes of partner organisations in the area of entrepreneurship, and, of course, they provided support to the participants in our Step-by-Step programme. Thus, more than 100 volunteering hours were invested in the community. We continue to find new ways to support the community in which we operate, while hoping that 2021 will bring back the possibility of meeting in person and activities in the field.

ERSTE Foundation

As the main shareholder of Erste Group, ERSTE Foundation secures the independent future of one of the largest financial service providers in Central, Eastern and South Eastern Europe. The foundation is committed to serving the common good, which is why it invests part of its dividends in the region in which Erste Group operates.

ERSTE Foundation focuses on four strategic goals:

1. Empower those who care - Most people want others to do well. ERSTE Foundation supports those who are committed to changing our society for the better, invests in the development of new digital approaches, in capacity building and organisational development of SCOs and in the expansion of network of sustainable social enterprises. It aims to empower people who actively address the social challenges of our time.
2. Financial health for all - Financial literacy is life literacy. Every human being wants financial independence and a dignified life in prosperity. To achieve these goals, we need a good understanding of how to use money. Everyone should have access to this knowledge, which is why ERSTE Foundation provides everyone who is interested with an opportunity to increase their financial literacy through developed programmes and tools.
3. Preserve a democratic Europe - The European idea is worth fighting for. Complex problems such as the climate changes, the negative consequences of globalisation and a completely changed present reality and use of media and information have led to fears and pessimism in many people. A new divide between the East and the West appears to be opening up. Simple solutions sound tempting but make the situation worse. ERSTE Foundation wants to connect the best ideas with political decision-makers, promote public interest journalism and facilitate the debate about a resilient, democratic, united Europe.
4. Protect contemporary culture - Culture is a central part of our identity. Every society needs culture: as a laboratory in which the past is reflected, the present is criticised and the future is imagined. Culture strengthens the complex identities in Eastern Europe's societies. ERSTE Foundation therefore wants to explore important artistic practices in recent Eastern European history. The cultural heritage of dissident history must be secured and accessible to an international audience. Artists need (free) spaces for their production, theorists need international recognition; and both, work and interpretation, should be accessible.

ERSTE Foundation in Serbia 2020

NGO Academy

The ongoing situation around COVID-19 forced the NGO Academy team to quickly adapt its programmes to new surroundings. During the eight months of the pandemic the NGO Academy managed to organise within its Regional Programme, twenty-one webinars as well as two digital Social Innovation and Management Programme modules. In 2020 participants from Serbia took part in four workshops and 14 webinars organised by the NGO Academy. In addition, four online courses were carried out by lecturers from Serbia. The NGO Academy partnered with the Vienna University of Economics and Business, Porticus Foundation and la Caixa Banking Foundation.

Reporting Democracy

Goal of the project is to unleash the power of independent journalism to scrutinise the issues, trends and events shaping the future of democracy in Central,



Eastern and Southeast Europe. Reporting Democracy is a cross-border journalistic platform dedicated to exploring where democracy is headed across large parts of Europe. In addition to generating a steady stream of features, interviews and analytical pieces by its own correspondents, Reporting Democracy supports local journalists by commissioning stories and providing grants for in-depth features and investigations. They translate many of our articles into local languages and make them available for republication through a growing network of local media partners.

Reporting Democracy is run in partnership with the Balkan Investigative Reporting Network, a non-profit network promoting free speech, human rights and democratic values in Southern and Eastern Europe and beyond. The geographic focus of Reporting Democracy spans Central and Eastern Europe and the Balkans, from the Baltic Sea to the Aegean. The project engages correspondents in the Višegrad Four countries of Poland, Czech Republic, Slovakia and Hungary as well as the Balkan states of Romania, Moldova, Bulgaria, Serbia, Croatia, Bosnia and Herzegovina, Montenegro, Kosovo, Albania and North Macedonia. Its coverage also touches upon Greece, Turkey, Ukraine and Russia.

Fellowship for Journalistic Excellence

Ten journalists are rewarded every year for e-stories from 14 countries between the Balkans and the Baltic coast. The output takes the form of features, analyses and investigations, presented in depth for a global audience. The project emphasises strong storytelling and rigorous, on-the-ground reporting – qualities traditionally associated with the best magazine journalism. The stories are produced through the Fellowship, which provides journalists with the financial and sustained editorial support required to uncover the processes shaping societies and democracies in the region. The Fellowship has been running since 2007. More than 140 journalists have so far participated in this world-class programme for professional advancement. In 2020, ERSTE Foundation expanded the programme to include four countries in Central and Eastern Europe: the Czech Republic, Hungary, Poland and Slovakia. Fellow from Serbia for 2020 is Marija Vucic, KRIK, journalist specialised in debunking fake news, who followed the viral spread of fake news against migrants in Serbia.

Journalism Prize “From Below”

The journalism prize for poverty reporting was created in 2010 in a project of the Austrian Anti-poverty Network (Die Armutskonferenz) designed by journalists and people experiencing poverty. The jury is made up of people experiencing poverty. The aim of the prize is to promote good journalism and poverty reporting which reflects the different aspects of poverty, treats people experiencing poverty respectfully and deals with the background and structural reasons of poverty. The journalism prize for poverty reporting helps to break down stereotypes and raise awareness regarding poverty and social exclusion. The active involvement of people experiencing poverty in decision-making process has an impact

on public opinion of people experiencing poverty – not seen as passive „victims” but as very active persons. With the support of ERSTE Foundation, in recent years the prize was introduced in Croatia, Hungary, Finland, Iceland, North Macedonia, Romania and Serbia by the Anti-poverty Networks in those countries. Awards Winners in Serbia in 2020 were Jelena Mijatović and Petar Klaić from the Youth Radio, Marija Grbic from the Independent Association of Journalists of Vojvodina, and Višnja Višnjic Milić from Radio Television Serbia. Project partners are Armutskonferenz (Austrian Anti-poverty Network) and European Anti-poverty Network – Serbia.



ISABELLE IOANNIDES



LESZEK DĄDZEWSKI



NICOLE KOENIG



PETER KREKO



GRIGORIJ MESEZNIKOV



ALIDA VRAČIĆ



BERND MARIN



NICCOLO MILANESE

Europe's Futures – Ideas for Action

The mission of this project is to bring together in a spirit of engagement committed, respected Europeans who will work both individually and jointly to contribute to a strong and democratic Europe by addressing three issues: the regression of democracy caused by a growing right and left-wing nationalist, populist, xenophobic political dynamic which challenges the basis of the rule of law; the nexus of migration, asylum and borders, as a key driving force of the fear in societies that arrivals from abroad will “dilute” their nation’s identity, that the nation will “lose its soul”; and the enlargement of the European Union to the Western Balkans as a test of the credibility of the European project.



In 2019/20 eight leading European experts took up engagement as Europe’s Futures fellows, succeeding seven from 2018/19. The group has managed to create a platform of voices presenting ideas for action whose goal is to reinforce and project forward a vision and reality of Europe which at the same time recognises the individualities of the member states, but emphasises that in today’s world only a united Europe can face up to the existing and oncoming challenges. It is an endeavour based on in-depth research, concrete policy proposals, and encounters with state and civil society actors, public opinion and media.

The programme is led by Ivan Vejvoda, IWM Permanent Fellow and former Senior Vice President for Programmes at the German Marshall Fund (GMF). In June 2020, Ivan Vejvoda became the Chair of the Governing Board of the Institute for Philosophy and Social Theory at the University of Belgrade.

Partner: Institute for Human Sciences in Vienna (IWM)

European Fund for the Balkans

Founded in 2007, the European Fund for the Balkans (EFB) is a joint initiative of European foundations that conceive, implement and support projects aimed at strengthening democracy, promoting European integration and reinforcing the role of South-Eastern Europe in tackling the emerging challenges in Europe.

Key goals of the European Fund for the Balkans: Providing means and platforms where informed and empowered citizens will take action and demand accountable institutions and democracy. Improving regional cooperation among the civil society in the WB region based on solidarity and demand-driven dialogue and exchange of ideas, opinions and actions. Supporting the process of affirming the political credibility of the enlargement policy across the Western Balkans region while insisting on the commitment to the principles of the Thessaloniki Agenda.

The Secretariat of the European Fund for the Balkans serves as the Fund’s headquarters. It is based in Belgrade, from where it covers the Fund’s activities throughout the Western Balkans region.

Partners: King Baudouin Foundation, Robert Bosch Stiftung

For more information visit: www.erstestiftung.org

Responsibility to the Environment

Erste Bank's longstanding strategic approach to environmental protection is reflected in the continuous impact assessment of our operation – we strive to reduce negative impacts wherever possible, and to contribute, through innovative solutions, to the improvement of the environment and sustainability. Setting goals in the area of environmental protection, as well as monitoring indicators and methods of measurement, are an integral part of our planning processes.

In addition to the consumption of resources, the Bank's largest environmental impact is caused by financing its clients' projects and operation. That is why we are focused on developing and maintaining high standards in the area of responsible financing, where we strive to set an example for others and be one of the leaders in financing renewable energy projects.

Our strategic approach entails three priority areas of the Bank's activities:

- Responsible resource management
- Responsible financing
- Raising employee awareness of environmental protection

The Bank's operation is in compliance with all current regulations relating to environmental protection. In addition, the Bank is guided in its operation by the Natural and Social Environment Protection Policy and the Responsible Financing Policy. You can find more information about these policies on page 57. We also rely on other adopted documents such as the Waste Management Procedure, the Energy Management Policy of Erste Group and the Basic Principles of Environmental Protection Management.

Our Achievements in 2020:

- ✓ Total investment of RSD 99,507,167.73 in environmental protection management
- ✓ Loans granted aimed at all citizens who wish to invest in energy efficient solutions totalling RSD 402,505,536.
- ✓ The percentage share of green energy in the total quantity of energy consumed in 2020 is around 70%.

Erste Group Commits to Gradual Reduction of Financing Coal-fuelled Thermal Electric and Electric Power Sector

Erste Group started the long-planned update of the chapter on fossil fuels in its Responsible Financing Policy, after the delay caused by the COVID-19 pandemic. The increasing urgency of problems caused by a rise in global temperatures motivated Erste Group to toughen its financing parameters for coal-related thermal power activities. "The COVID-19 pandemic is an obvious opportunity to restart the entire economy in an environmentally friendly manner. I believe that future growth must be based on sustainable projects", said Bernd Spalt, CEO of Erste Group.

The coal-fuelled thermal power sector is significantly contributing to the rise in temperature of our planet, thus also affecting both societies and future generations worldwide in terms of the preservation of the environment, human rights, and the welfare of citizens. Erste Group is taking a clear stand and joining other leading financial institutions in toughening its parameters for financing coal-related activities.

The global warming limit of 1.5°C, set by the 2015 Paris Agreement, can only be achieved if the use of coal as an energy source is phased out already by 2030. That is why Erste Group has committed to reducing progressively the financing of the coal-fuelled thermal power and electric power sector, with the ultimate aim of reaching zero net exposure by the end of 2030.

As regards coal, Erste Group now already has very low relative exposure to coal mining, but the energy mix of producers in the region is often based on available energy sources in countries. Bearing in mind the complete exposure to producers with a share of coal larger than 10% in their energy mix, coal-fired power generation now accounts for less than 0.3% of Erste Group's portfolio.

— Responsible Resource Management

When it comes to direct impacts, Erste Bank records reduction in consumption from one year to the next based on all the most significant parameters we monitor: energy, emissions, water, waste, transportation. Some of the most important measures which the Bank has implemented in previous years include:

- Developing the energy management system;
- Power supply generated from renewable energy sources (since mid-2019);
- Applying environmental standards in the interior decoration of branches;
- The use of certified materials for furnishing and adapting space – using environmentally friendly materials, furniture and carpeting in the renovation and furnishing of facilities
- Reduced operation of advertising signage in accordance with available possibilities;
- Installation of LED lighting – in two administration buildings there is full LED lighting;
- Replacing the heating system in facilities where necessary;
- Programming the air-conditioning system in accordance with employee working hours;
- Leasing and purchasing more environmentally friendly vehicles;
- Using video and telephone conferences with the aim of reducing business trips;
- Innovations in the printing system with the aim of reducing the consumption of energy, paper and toner.

TOTAL ENVIRONMENTAL PROTECTION COSTS (RSD)	2018	2019	2020
	87,033,789	59,039,738.93	99,507,167.73

Environmental Sustainability of the Facilities

In 2017, Erste Bank officially opened the Sirius Offices business complex, which is an Erste Group investment worth EUR 40 million. The complex was built in line with strict energy efficiency requirements, while guaranteeing minimum consumption of energy for heating and cooling, as well as with the use of renewable and recycled materials. Sirius Offices also became the new Belgrade headquarters of Erste Bank in the same year. During 2019, the construction of the second phase of the project was initiated, in which Erste Group Immorent invested an additional 25 million euros. During 2020 and in spite of much more difficult operating conditions due to the COVID-19 pandemic and the restrictions that followed, this project was likewise completed by investing enormous effort in resolving organisational, technical and logistical issues. Through the joint work of the local team that led the project, colleagues at ERSTE GROUP IMMORENT in Vienna and STRABAG, the facility was successfully built within the planned deadline and within the approved budget. The handover of the facility was completed on 30 October 2020.

Building A2 consists of the ground floor and 8 floors, with total gross surface floor space of 12,333,43 m². Below the building, there is an underground garage G2, on 2 levels, with 206 parking spaces and total gross surface floor space of 6,234,86 m². The first lessee moved in on 15 November 2020, after which further move-ins followed. The current building occupancy rate is 20%.

The Sirius building complex will boast the BREEAM (Building Research Establishment Environmental Assessment Method) certification, significant contribution to environmental protection, better working conditions, as well as optimal costs of business premise use.

Development of the Environmental Management System

In 2011, Erste Bank joined the ECOprofit project, launched by the Novi Sad City Administration for Environmental Protection in cooperation with the Austrian Development Agency and Denkstatt Consortium, Vienna. The Bank continued to participate actively in a new project at the Erste Group level, in cooperation with Denkstatt, called Environmental Data Collection (EDC project), and during 2014 the Bank further improved data quality and processing owing to the Project Credit360. The Credit360 application was implemented in late 2015 with the aim of improving the collection and management of this data at the Group level, and the full use of this application continued in the following period, as well as during 2020.

In the administration building of Erste Bank in Novi Sad, the cos Fi factor reduction system was installed, the existing valves on radiators were replaced by thermostatic valves, and environmentally friendly carpeting was installed back in 2016. These improvements were introduced based on a detailed energy efficiency study which the Bank carried out in 2014 as a part of cooperation with the Denkstatt company on local projects in Serbia.

In addition, a total of 26 branches in several cities have so far been renovated/adapted according to environmentally friendly criteria.

Rational Use of Water

When it comes to water, Erste Bank has been closely monitoring the consumption of this resource and conducting initiatives for consumption reduction since 2012. The water supply and wastewater disposal are ensured through a water supply (waterworks) and wastewater disposal (sewerage) system of public utility companies for water production and distribution and sewerage. Public utility companies for the production and distribution of water and sewerage conduct daily monitoring of water quality in accordance with the prevailing legislation which is aligned with the Directives of the EU and the World Health Organisation.

During 2020, water consumption was 10,908 m³ (2019: 9,810 m³, 2018: 9,608 m³).

Energy and Emissions

During 2020, the following initiatives for the improvement of energy efficiency were implemented:

- In three branches, the radiator heating system was replaced with an air-conditioning system. In one branch, the old heating system was replaced with a new one, with an A+ energy efficiency rating.
- The replacement of high-voltage signage/displays with newer generation LED signage/displays – as of 2020, in 27 branches old signage/displays were replaced with such signage



- The securing of energy passports for Erste Bank buildings that contain information about the buildings' energy grade, and indicate the energy consumption for heating per year during major adaptations, reconstructions and extensions – during 2020, the energy passport was obtained for one branch
- The replacement of air-conditioning units older than 10 years – during 2020, AC units were replaced in 14 branches
- Supplying Bank buildings with power from renewable energy sources – as of 2020, a total of 16 branches were supplied with this kind of energy
- The procurement of hybrid vehicles – during 2020, two hybrid vehicles were procured for the Bank's fleet

Of the total 72 locations where the Bank operates, 52 locations were included in the commercial green energy contract that we have with the company Energia Gas and Power. The share of green energy in total energy consumption in 2020 was about 70%. We are working on also transferring the remaining locations to the green energy contract in the coming period, where it is determined that the relevant technical conditions are met.

KEY INDICATORS ENERGY	2018***	2019****	2020
TOTAL ENERGY CONSUMPTION (GJ)*	16,098	16,115	15,757
ELECTRICITY	9,315	9,498	8,936
HEATING AND COOLING	6,783	6,617	6,821
TOTAL ENERGY SAVING (GJ)*	686	-	358

* Relates to energy from non-renewable energy sources up to 2018. In 2019 and 2020, relates to energy from non-renewable and renewable energy sources. The estimates are given based on utility bills, and the calculation is based on default data in accordance with the Environmental Data Collection Project in standardised form in line with the GRI

**** Due to the full effects achieved by the initiatives launched in the past, in 2019 there were no significant deviations relative to 2018.

ENERGY INTENSITY (KWH/A PER EMPLOYEE)*	2018	2019	2020
ELECTRICITY	2,316.43	2,286	2,047.97
HEATING AND COOLING	1,686.80	1,593	1,563.40

* Energy intensity is the necessary quantity of energy per unit according to the selected parameter, e.g. per employee or per product unit. Considering the nature of the Bank's business, the number of permanent employees at the end of the calendar year was taken as the parameter for calculating energy intensity.

KLJUČNI POKAZATELJI EMISIJE	2018	2019	2020
UKUPNE EMISIJE CO ₂ (T/CO ₂ EQ)*	2,842	1,514	648**

* CO₂ emission calculation is based on default data and is done in accordance with the Erste Group Environmental Data Collection Project in standardised form and in accordance with the GRI methodology.

** in 2020, there was a significant reduction due to the shift to working from home and business trips becoming impossible during most of the year, as a consequence of the COVID-19 pandemic

DIRECT AND INDIRECT EMISSIONS	2018	2019	2020
DIRECT GREENHOUSE GAS EMISSIONS (GHG – SCOPE 1)*	591 t/a CO ₂ EQ	339 t/a CO ₂ EQ	212 t/a CO ₂ EQ
INDIRECT GREENHOUSE GAS EMISSIONS (GHG – SCOPE 2)***	2,252 t/a CO ₂ EQ	643 t/a CO ₂ EQ	436 t/a CO ₂ EQ

* Include emissions related to the transport of materials, products or waste, and ventilation.

** Emission is determined by multiplying the actually consumed energy/Freon (kg/a), fuel (l/a) or mobility (km/a) by a corresponding CO₂eq equivalent emission factor.

*** Include emissions related to the consumption of electricity, heating and cooling.

**** Emission is determined by multiplying the actually consumed energy (kWh) by a corresponding CO₂eq equivalent emission factor (kg/kWh).

INTENSITY OF GREENHOUSE GAS EMISSIONS* (T/CO ₂ EQ PER EMPLOYEE)	2018	2019	2020
TOTAL GREENHOUSE GAS EMISSIONS (T/CO ₂ EQ)	2,842	1,514	648
TOTAL NUMBER OF EMPLOYEES	1,117	1,154	1,212
INTENSITY OF GREENHOUSE GAS EMISSIONS	2.54 CO ₂ EQ t/a	1.31 CO ₂ EQ t/a	0.53 CO ₂ EQ t/a

* Emission intensity includes CO₂ emissions related to direct and indirect greenhouse gas emissions, as well as emissions caused by transport. Intensity of emissions is emission per activity unit, product unit, or other parameter unique for the company. The number of permanent employees at the end of the calendar year was taken by the Bank as the parameter for calculation.



Transport

The emissions resulting from transport are a material aspect for our business sector in regular operating conditions, so this topic is among the priorities of Erste Bank. Fuel consumption, as well as emissions, have been monitored and recorded since 2013, including business trips, as well as employee transport. The impact materiality is determined based on the following criteria:

- CO₂eq emission based on annual mileage and annual fuel consumption of company vehicles

The decrease in the above-mentioned impacts is particularly contributed to by the Erste Group standards relating to environmentally friendly vehicles, i.e. company vehicles with CO₂eq limits of 120 g/km to 140 g/km.

In 2020, business trips were not possible during most of the year due to the COVID-19 pandemic, and a significant reduction in emissions from transportation was recorded.

MATERIAL ENVIRONMENTAL IMPACTS DUE TO TRANSPORT	2018	2019	2020
ENERGY USE			
DIESEL (L/A)	91,000	90,000	55,715
PETROL (L/A)	1,655	3,500	1,611
CO ₂ EMISSIONS T/A CO ₂ EQ	333	339	212

Management Waste and Recycling

In Erste Bank, responsible waste management is regulated by an internal document titled the Waste Management Procedure.

Our everyday activities result in the creation of significant amounts of paper waste, which is why we are focused primarily on reducing paper use and using certified paper, as well as recycling. Since 2009, the Bank publications, including the internal magazine Pulse, the Bank CSR report The Bank is the People!, as well as other Bank publications have been printed solely on FSC (Forest Stewardship Council) certified paper, which means that timber or paper is produced from responsibly and sustainably managed forests. This certificate reflects the highest level of quality assurance and sustainability in forestry, the timber industry and paper industry. Since 2019, the Corporate Social Responsibility Report has been published only in electronic format and according to the previously defined plan, the Bank also switched to the blended publishing of the internal magazine Pulse during 2020.

When it comes to recycling, the Bank strives to have a positive impact on sustainability by separating and delivering its waste for recycling. Our business facilities in Novi Sad and Belgrade are equipped with bins for PET packaging and glass waste, as well as office paper collection boxes.

An initiative from 2014 contributed to the decrease in generated waste, when the Bank started using the printing service of the Konica Minolta company, thus freeing itself from the obligation of collecting toner cartridges (except for the quantities left from the previous period). This reduced the quantity of used paper as well.

Employee Engagement

Employee awareness raising about the importance of responsibility and one's personal contribution to the preservation of the environment is one of the priority topics in Erste Bank's CSR strategy. That involves continuous communication and enabling employees to make a personal contribution as part of this globally important issue. We are proud to say that the reduction in waste generated and savings realised in previous years are a result of our employees' active engagement – both in everyday business activities, as well as in volunteering campaigns which are most commonly centred around environmental protection.

In 2020, we continued to support the humanitarian campaign Bottle Caps for Smiles, which is implemented across Serbia through the eponymous environmental organisation and entails the collection of plastic caps that are then recycled, with recycling proceeds being used for orthopaedic aids for children with disability or another developmental disorder.

WASTE AND RECYCLING	2018	2019	2020
TOTAL GENERATED WASTE VOLUME (T)*	12,396	19,980	25,827
HAZARDOUS WASTE	4,475	2,814	2,879
NON-HAZARDOUS WASTE	7,921	17,166	22,948
TOTAL VOLUME OF RECYCLED WASTE	12,396	19,980	25,827

* The stated quantity of waste refers to paper, electronic waste, toner cartridges, PET. and in 2019 also to metal waste. The Bank does not keep records of other types of waste.

RECYCLED WASTE	2018	2019	2020
PAPER (KG)	7,559	15,561	21,480
ELECTRONIC WASTE (KG)	4,475	2,814	2,879
TONER CARTRIDGES (KG)	0	0	0
PET (KG)	50	65	50
METAL (KG)	312	1,540	1,418

* Owing to cooperation with the Konica Minolta company, used toner cartridges are no longer recorded as Bank waste.



Investment in Sustainable Development

A responsible approach to financing is a fundamental part of our operation and of our strategic commitment to contribute to a sustainable future for our customers, employees and the community. Recognising climate change as one of the biggest global challenges of today's society, Erste Bank is committed to financing various energy efficiency and renewable energy source projects in line with its Responsible Financing Policy and Natural and Social Environment Protection Policy. Projects related to renewable energy sources involve very complex activities both for those implementing projects and financial institutions. Financing is based on environmental impact assessment studies in the community where the construction is to take place, the approval of local authorities, alignment with all local laws and regulation, as well as compliance with specific financing standards in this area. Read more about these policies in the Social and Economic Risk Management section on page 57.

Erste Bank, together with partners from the European Bank for Reconstruction and Development, is actively working to promote energy efficiency in households, and, accordingly, it is offering the option of energy efficiency loans for individuals, which can be used to replace windows or doors, adapt the building facade, purchase new lighting or other aforementioned measures, which help to increase cost-efficiency and savings.

Forum for Green Ideas

The Forum for Green Ideas was launched by the Trag Foundation in partnership with the Rockefeller Brothers Fund and Erste Bank in 2013. The programme is aimed at supporting citizens united in developing green entrepreneurial ideas in Serbia. Green entrepreneurial ideas are understood to mean innovative ideas that apply technologies and knowledge of the business sector to organise and jointly solve social problems, relying on community resources and protecting the environment in the function of sustainable development.

The competition finals were organised online in 2020, and, as always, the jury had a challenging task – to choose the three best green ideas that will be supported with 5,000 dollars each. In the new composition, for the first time together, the jury consisted of Nenad Radović, Independent Expert Associate, Small Enterprise and Entrepreneur Department, Erste Bank Serbia, Radoje Krajišnik, Product Range Manager and Project Coordinator for dm Inkubator, dm drogerie markt Serbia, Marijana Savić, Director of the NGO Atina and the social enterprise Bagel Bejrл, Paola Petrić, Programme Coordinator and Deputy Director of the Heinrich Böll Stiftung Belgrade Office, and Aleksandar Šćepanović, entrepreneur, Zanateria craft department store and the 2018 winner.

Three ideas won prizes that include donor financial support in the amount of USD 5,000, and the right to participate in the regional competition. The projects are:

- **First prize – BicikLO Mountain Biking Association:** The basic goal is to launch a company from an informal workshop for repairing and servicing bicycles Cyclo-garage. Through the reuse of discarded frames and installation of new parts, old bicycles are brought back to life, and the end goal is greater use of bicycles as an everyday mode of transportation in urban environments;
 - **Second prize – Zvezda Centre Association:** Scented Stars are an environmentally friendly product in the creation, manufacturing, promotion and distribution of which young people without parental care will be involved, in order to provide themselves with adequate support in the process of becoming independent and direct the attention of the social community to their situation. Scented Stars are wooden forms soaked in essential oils, intended for air freshening in vehicles or rooms;
 - **Third prize – Just Start DOO:** The idea is based on the development of the City&Me application, which encourages green activities on the part of citizens through rewards and, in measuring those activities, awards prizes to citizens such as theatre tickets, free parking, reduced cost of city utilities, etc. This application is an innovative solution, because in bringing different activities in one place and including numerous local players, it provides all citizens with an opportunity to directly bring about change in their environment.
-

The loan also includes a financial incentive in the amount of 15% to 20% of the loan amount for individual apartments – that is the grant amount paid out by the EBRD with EU support. Apart from that, funds refunded through the financial incentive do not have a predefined purpose - i.e. customers can use them freely for their other household needs. The average refunded financial incentive in the past year amounted to almost 500 euros per customer.

With the aim of improving energy efficiency, 952 loans were granted to individuals in the amount of 402,505,536 dinars during 2020. The aforementioned granted loans are the only consumer loans in the bank's portfolio.

When it comes to companies, the following funds were granted for energy efficiency and renewable energy source projects in 2020:

- From the EBRD 2019 credit line, 252,953 euros were granted for energy efficiency
- From the EIB 2018 credit line, 645,358 euros were granted for energy efficiency and 1,280,090 euros for renewable energy sources.
- From the KfW 2017 credit line, 3,570,421 euros were granted for energy efficiency and 1,514,467 euros for renewable energy sources.

From Bank funds, the Public Sector and Special Finance Department granted:

- 5,009,066 euros for energy efficiency and 6,002,218 euros for renewable energy sources.

From all lines, a total of 9,477,798 euros were granted for energy efficiency and 8,796,775 euros for renewable energy sources, totalling 18,274,573 euros. Energy efficiency loans were granted primarily for the replacement of machines or public lighting in cities with more energy efficient solutions, while renewable energy loans were granted for the construction of mini-hydroelectric power plants. The share of these granted loans in total loans granted by the Corporate Division in 2020 is 5.29%.

In December 2020, Erste Bank signed a Mandate Letter with the EBRD that announced new credit lines, which will be implemented during 2021: SME CSP loan – an energy efficiency line, for supporting investments in small and medium-sized enterprises in Serbia (up to five million euros), and the Resilience Framework (RF loan) – support as a response to economic consequences resulting from the COVID-19 pandemic caused by the SARS-CoV-2 virus (25 million euros).



About This Report

Corporate Social Responsibility Report 2020 of Erste Bank a.d. Novi Sad is its thirteenth CSR report and the tenth that follows the global sustainability reporting methodology, Global Reporting Initiative (GRI).

The Report was prepared in accordance with the Core option of the new version of GRI Reporting Guidelines, while also fulfilling some of the requirements for the Comprehensive option, indicated in the GRI Index (pp. **96 - 101**). The Report presents responses to 31 indicators, including the indicators and relevant management approaches from the GRI Financial Services Sector Supplement (FSSS), which makes this Report a relevant source of information also for the international financial institutions with which the Bank cooperates. The 2016 GRI Standards, as well as the GRI Financial Services Sector Supplement, have undergone changes in the data presentation method since 2015, with certain information presented as management approach instead of as indicators, but the type, quality and level of detail of the data provided by the Bank Report have remained unchanged. An overview of changes in the method of information presentation can be found in the GRI Index on pp. **96 - 101**.

According to the current agreement between the Global Reporting Initiative and United Nations Global Compact (UNGC), the Bank Report meets all the requirements of the UNGC Communication on Progress (UNGC COP). In addition, it brings an overview of activities aimed at enhancing gender equality and women's empowerment in accordance with the United Nations Women's Empowerment Principles, signed by the Bank. The Report also provides an insight into how the Bank contributes to new sustainable development goals, by reviewing activities and results realised so far and taking into account its impacts in the broader context of sustainability.

www.globalreporting.org
www.ungc.rs

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
13 GRI INDICATORS G3.1 C LEVEL	26 INDICATORS GRI G3.1 B LEVEL 2 INDICATORS GRI G3.1 FSSS	32 INDICATORS GRI G3.1 B LEVEL 10 INDICATORS GRI FSSS	37 INDICATORS GRI G4 10 INDICATORS GRI FSSS	37 INDICATORS GRI G4 3 INDICATORS GRI G4 FSSS*	37 INDICATORS GRI G4 3 INDICATORS GRI G4 FSSS*	28 INDICATORS GRI STANDARDS* 3 INDICATORS GRI FSSS	28 INDICATORS GRI STANDARDS* 3 INDICATORS GRI FSSS	28 INDICATORS GRI STANDARDS* 3 INDICATORS GRI FSSS	28 INDICATORS GRI STANDARDS* 3 INDICATORS GRI FSSS

* In the G4 version of the Financial Services Sector Supplement, as well as in the current version of the GRI Standards, certain pieces of information are presented not as indicators but in the management approach, which led to a decrease in the total number of indicators on which the Bank reports, while the type, quality and the level of detail of performance data the Report provides have remained at the same level. A detailed review of changes in the manner of presenting information can be found in the GRI Index, pp. **96 - 101**.

Representatives of all organisational parts of the Bank worked on the collection of the information necessary for the preparation of this Report, using their internal methods of performance monitoring and reporting. The Communication Department, in cooperation with its partner Smart Kolektiv, consolidated all the data obtained and prepared the Report, with approval by the Compliance and Security Risk Management Service. All financial data relating to the company's operation are presented on the basis of the 2020 non-consolidated financial report.

REPORT PARAMETERS	2020 CORPORATE SOCIAL RESPONSIBILITY REPORT OF ERSTE BANK A.D. NOVI SAD	
REPORTING CYCLE	ANNUAL	
REPORTING PERIOD	FOR 2020 (REPORT PUBLISHED IN 2021) RELATES TO THE FINANCIAL YEAR FROM 1 JANUARY 2020 TO 31 DECEMBER 2020	
PREVIOUS CSR REPORT	FOR 2019 (REPORT PUBLISHED IN 2020)	
FIRST CSR REPORT PUBLISHED	FOR 2008 (REPORT PUBLISHED IN 2009)	
REPORTING METHODOLOGY	GGLOBAL REPORTING INITIATIVE (GRI STANDARDS) (GRI INDEX, PP. 96 - 101) GRI FINANCIAL SERVICES SECTOR SUPPLEMENT UNITED NATIONS GLOBAL COMPACT (UNGC) COP	
OTHER STANDARDS	AA 1000SE STANDARD (ACCOUNTABILITY:2011)	
LIMITS	DEPENDING ON THEIR AVAILABILITY, CERTAIN DATA RELATE TO THE TWO MOST SIGNIFICANT FACILITIES OF THE BANK, ITS HEADQUARTERS IN BELGRADE AND NOVI SAD, WHILE OTHER DATA ALSO INCLUDE ALL ERSTE BANK BRANCHES ACROSS SERBIA. OTHER ERSTE GROUP MEMBERS IN SERBIA (P. 18) ARE NOT INCLUDED IN THIS REPORT.	
EXTERNAL VERIFICATION	/	
CONTACT POINT	<p>SONJA KONAKOV-SVIRČEV, SENIOR CSR EXPERT DOP@ERSTEBANK.RS</p> <p>SONJA.KONAKOV.SVIRCEV@ERSTEBANK.RS + 381 (0) 112015011 THE REPORT IS AVAILABLE AT: WWW.ERSTEBANK.RS WWW.UNGC.RS</p>	

In the preparation of the CSR report, the Bank relied on the GRI Reporting Principles defined with the aim of providing each reader with a clear insight into all aspects of operation, with an emphasis on the topics that are of the greatest importance to them.

REPORTING PRINCIPLES	CORPORATE SOCIAL RESPONSIBILITY REPORT 2020 OF ERSTE BANK A.D. NOVI SAD
THE REPORT CONTENT WAS DEFINED SO AS TO PRESENT THE TOPICS WHOSE MATERIALITY WAS RECOGNISED DURING THE PREPARATION OF THE CSR STRATEGY, ACCORDING TO THEIR STRATEGIC IMPORTANCE TO THE BANK AS WELL AS ITS STAKEHOLDERS (PP. 24 - 25)	STAKEHOLDER ENGAGEMENT IS A FUNDAMENTAL TOOL THE BANK USES TO UNDERSTAND AND MEET THE NEEDS AND EXPECTATIONS OF ITS STAKEHOLDERS (PP. 24 - 25)
THE BROADER SUSTAINABILITY CONTEXT IS A FRAMEWORK IN WHICH THE BANK CONSIDERS ITS OPERATION AND ITS SOCIALLY RESPONSIBLE ACTIVITIES, TAKING INTO ACCOUNT NATIONAL AND INTERNATIONAL TRENDS, IN PARTICULAR THOSE WITHIN THE BANKING SECTOR.	THE PRIORITY REPORTING ASPECTS RELATE TO 2020 AND THE ENTITIES DEFINED BY THE BANK AS INCLUDED (P. 94). COMPARATIVE DATA RELATIVE TO THE PREVIOUS YEARS ENSURE THE REPORT'S COMPLETENESS , AND PROVIDE STAKEHOLDERS WITH THE POSSIBILITY OF REVIEWING IN THEIR ENTIRETY THE RESULTS OF THE BANK'S OPERATION.
THE BANK STRIVES TO CONSIDER ITS SUSTAINABILITY IMPACTS IN AN OBJECTIVE MANNER AND PROVIDE AN UNBIASED VIEW OF ITS PERFORMANCE, THUS ACHIEVING BALANCED REPORTING.	IN LINE WITH GLOBAL REPORTING TRENDS, ERSTE BANK CONTINUES TO PRESENT DATA IN THE REPORT IN A CONSISTENT AND CONTINUOUS MANNER, RELYING ON THE GRI METHODOLOGY FOR THE TENTH CONSECUTIVE YEAR, ENSURING COMPARABILITY IN RELATION TO PREVIOUS REPORTING PERIODS AND OTHER NATIONAL AND INTERNATIONAL COMPANIES.
AS PART OF THE REPORTING PROCESS UPGRADING, THE BANK DEVELOPS AND IMPROVES ITS DATA MONITORING AND COLLECTION METHODS, GUARANTEEING THE ACCURACY OF THE STATED INFORMATION.	FOR ITS STAKEHOLDERS, THE BANK ENSURES THE TIMELINESS AND REGULAR AVAILABILITY OF INFORMATION, CONSIDERING THAT THE SCHEDULE OF ANNUAL PUBLICATION OF CSR REPORTS HAS BEEN ALIGNED WITH THE PUBLICATION OF ANNUAL FINANCIAL REPORTS SINCE 2008.
THE BANK STRIVES TO ENSURE THE ACCESSIBILITY AND CLARITY OF INFORMATION TO ALL READERS, ESPECIALLY BEARING IN MIND THE COMPLEXITY AND COMPREHENSIVENESS OF THE TOPIC.	ALL CLAIMS IN THE REPORT ARE SUPPORTED BY APPROPRIATE RELEVANT INFORMATION AND MAY BE VERIFIED, AND THE BANK GUARANTEES THEIR RELIABILITY , CONSISTENTLY COMPLYING WITH INTERNATIONAL STANDARDS AND METHODOLOGIES, AS WELL AS ERSTE GROUP GLOBAL GUIDELINES.

GRI Index and Indicators

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GRI INDICATOR COMPLIANCE LEVEL	
●	FULLY MET
→	PARTIALLY MET
○	NOT MET
*RED COLOUR MARKS INDICATORS FROM THE FINANCIAL SERVICES SECTOR SUPPLEMENT	
**THE REPORT WAS PREPARED IN ACCORDANCE WITH THE CORE OPTION OF THE GRI STANDARDS. ADDITIONALLY, SOME OF THE REQUIREMENTS FOR THE COMPREHENSIVE OPTION HAVE BEEN MET: 102-15, 102-19, 102-22 TO 102-26, 102-35, 102-36, 102- 17	
ADDITIONAL REMARKS: ACCORDING TO THE NEW GRI INDEX, FORMER INDICATORS EN27, EN30 AND EN31 ARE NOT PRESENTED IN THE FORM OF INDICATORS, BUT THROUGH THE ASPECT MANAGEMENT APPROACH: MATERIALS, ENERGY, EMISSIONS, EFFLUENTS AND WASTE AND GENERAL MANAGEMENT APPROACH. WITH THE INTRODUCTION OF THE GRI STANDARDS, FORMER INDICATORS EN34, LA16 AND HR12 HAVE BEEN COMBINED INTO 103-2-C (GENERAL MANAGEMENT APPROACH). INDICATOR PR5 HAS BEEN TRANSFERRED TO 102-43 AND 102-44, WHILE INDICATOR PR6 IS NOW PART OF 102-2. * WITH THE INTRODUCTION OF THE GRI STANDARD, FORMER INDICATORS G4-LA14, G4-HR10 AND G4-SO9 HAVE BEEN COMBINED INTO 414-1.	

Cross Reference Table of the United Nations Global Compact Principles and GRI Indicators

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PRINCIPLE 5 THE EFFECTIVE ABOLITION OF CHILD LABOUR; AND	412-2* 412-3* 414-1*
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PRINCIPLE 9 USE AND DEVELOPMENT OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES.	302-4
ANTI-CORRUPTION	
PRINCIPLE 10 BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY.	102-16 102-17 205-1 205-2

* ACCORDING TO THE ASSESSMENT OF THE OF THE REPORT AUTHOR

ADDITIONAL REMARKS: UNDER THE NEW GRI INDEX, FORMER INDICATORS EN27, EN30 AND EN31 ARE NOT PRESENTED IN THE FORM OF INDICATORS, BUT THROUGH THE ASPECT MANAGEMENT APPROACH: MATERIALS, ENERGY, EMISSIONS, EFFLUENTS AND WASTE AND GENERAL MANAGEMENT APPROACH.

— United Nations Women’s Empowerment Principles

In 2012, Erste Bank was one of the first signatories of the **United Nations Women’s Empowerment Principles** which present guidelines for the business sector on how to empower women in the workplace, market and the community. This report provides an insight into our long-standing engagement aimed at enhancing gender equality and empowering women in all areas of our activities.

THE REPORT DESCRIBES THE POLICIES AND PRACTICES RELATED TO SUPPORTING THE EMPOWERMENT OF WOMEN AND ENHANCING GENDER EQUALITY IN THE WORK ENVIRONMENT:		
ACHIEVING AND MAINTAINING GENDER EQUALITY IN TOP MANAGEMENT AND BOARD POSITIONS	✓	
ACHIEVING AND MAINTAINING GENDER EQUALITY IN MIDDLE MANAGEMENT POSITIONS	✓	
EQUAL PAY FOR WORK OF EQUAL VALUE	–	
FLEXIBLE WORK OPTIONS	✓	
AVAILABILITY OF SERVICES FOR CHILD CARE AND DEPENDENT PERSON	✓	
SUPPORT FOR PREGNANT WOMEN AND WOMEN RETURNING FROM MATERNITY LEAVE	✓	
RECRUITMENT AND RETENTION IN THE WORKPLACE, INCLUDING TRAINING AND DEVELOPMENT, OF FEMALE EMPLOYEES	✓	
SPECIFIC ISSUES OF HEALTH AND SAFETY FOR WOMEN	✓	
GENDER-BASED VIOLENCE AND HARASSMENT	–	
EDUCATION AND TRAINING OPPORTUNITIES FOR FEMALE EMPLOYEES	✓	
CREATING AND MAINTAINING AWARENESS OF GENDER EQUALITY IN THE WORKPLACE AND OF INCLUSION AND NON-DISCRIMINATION FOR ALL EMPLOYEES	✓	
MENTORING AND SPONSORSHIP OPPORTUNITIES FOR WOMEN	–	
THERE ARE NO PRACTICES STATED IN THE REPORT IN CONNECTION WITH THIS CRITERION	–	
OTHER ESTABLISHED BEST PRACTICES OR EMERGING PRACTICES	–	
APPROPRIATE POLICIES, PROCEDURES AND ACTIVITIES THAT THE COMPANY PLANS TO UNDERTAKE FOR ITS NEXT REPORT, WHICH RELATE TO THIS AREA, INCLUDING OBJECTIVES, TIME LIMITS, INDICATORS AND RESPONSIBLE PERSONS		

THE REPORT DESCRIBES THE POLICIES AND PRACTICES RELATED TO SUPPORTING WOMEN AND ENHANCING GENDER EQUALITY IN THE WORK ENVIRONMENT:		
DIVERSITY PROGRAMME FOR SUPPLIERS	–	
SUPPLIER BASE GENDER STRUCTURE	–	
SUPPORT FOR WOMEN BUSINESS OWNERS AND WOMEN ENTREPRENEURS	–	
MONITORING AND ENGAGING SUPPLIERS IN CONNECTION WITH WOMEN’S EMPOWERMENT AND GENDER EQUALITY, INCLUDING THE PROMOTION OF THE WOMEN’S EMPOWERMENT PRINCIPLES TO THE SUPPLIERS	–	
GENDER-SENSITIVE MARKETING	–	
GENDER-SENSITIVE DEVELOPMENT OF PRODUCTS AND SERVICES	–	
THERE ARE NO PRACTICES STATED IN THE REPORT IN CONNECTION WITH THIS CRITERION	✓	
OTHER ESTABLISHED BEST PRACTICES OR EMERGING PRACTICES	–	
APPROPRIATE POLICIES, PROCEDURES AND ACTIVITIES THAT THE COMPANY PLANS TO UNDERTAKE FOR ITS NEXT REPORT, WHICH RELATE TO THIS AREA, INCLUDING OBJECTIVES, TIME LIMITS, INDICATORS AND RESPONSIBLE PERSONS	–	

THE REPORT DESCRIBES THE POLICIES AND PRACTICES RELATED TO SUPPORTING THE EMPOWERMENT OF WOMEN AND ENHANCING GENDER EQUALITY IN THE COMMUNITY:		
CREATING DISCRIMINATION-FREE/STEREOTYPE-FREE AND GENDER-SENSITIVE PROCESS OF STAKEHOLDER ENGAGEMENT IN THE COMMUNITY	✓	
GENDER IMPACT ASSESSMENT OR CONSIDERATION OF IMPACTS IN CONNECTION WITH GENDER ISSUES AS PART OF SOCIAL AND/OR HUMAN RIGHTS IMPACT ASSESSMENT	–	
WOMEN AS BENEFICIARIES OF PROGRAMMES IN THE COMMUNITY	✓	
INITIATIVES IN THE COMMUNITY SPECIFICALLY AIMED AT THE EMPOWERMENT OF WOMEN AND GIRLS	✓	
STRATEGIES ENSURING THAT THE COMMUNITY INVESTMENT PROJECTS (INCLUDING ECONOMIC, SOCIAL AND ENVIRONMENTAL) HAVE A POSITIVE IMPACT ON WOMEN AND GIRLS	–	
STRATEGIES ENSURING THAT THE COMMUNITY INVESTMENT PROJECTS (INCLUDING ECONOMIC, SOCIAL AND ENVIRONMENTAL) INVOLVE FULL ENGAGEMENT OF WOMEN AND GIRLS	–	
THERE ARE NO PRACTICES STATED IN THE REPORT IN CONNECTION WITH THIS CRITERION	–	
OTHER ESTABLISHED BEST PRACTICES OR EMERGING PRACTICES	–	
APPROPRIATE POLICIES, PROCEDURES AND ACTIVITIES THAT THE COMPANY PLANS TO UNDERTAKE FOR ITS NEXT REPORT, WHICH RELATE TO THIS AREA, INCLUDING OBJECTIVES, TIME LIMITS, INDICATORS AND RESPONSIBLE PERSONS	–	

THE REPORT CONTAINS GENDER-DISAGGREGATED DATA OR RELATES TO THEM:		
ACHIEVING AND MAINTAINING GENDER EQUALITY IN TOP MANAGEMENT AND BOARD POSITIONS	✓	
ACHIEVING AND MAINTAINING GENDER EQUALITY IN MIDDLE MANAGEMENT POSITIONS	✓	
EQUAL PAY FOR WORK OF EQUAL VALUE	–	
FLEXIBLE WORK OPTIONS	–	
AVAILABILITY OF SERVICES FOR CHILD CARE AND DEPENDENT PERSON	✓	
SUPPORT FOR PREGNANT WOMEN AND WOMEN RETURNING FROM MATERNITY LEAVE	✓	
RECRUITMENT AND RETENTION IN THE WORKPLACE, INCLUDING TRAINING AND DEVELOPMENT, OF FEMALE EMPLOYEES	✓	
SPECIFIC ISSUES OF HEALTH AND SAFETY FOR WOMEN	✓	
GENDER-BASED VIOLENCE AND HARASSMENT	–	
EDUCATION AND TRAINING OPPORTUNITIES FOR FEMALE EMPLOYEES	✓	
CREATING AND MAINTAINING AWARENESS OF GENDER EQUALITY IN THE WORKPLACE AND ON INCLUSION AND NON-DISCRIMINATION FOR ALL EMPLOYEES	✓	
MENTORING AND SPONSORSHIP OPPORTUNITIES FOR WOMEN	–	
THERE ARE NO PRACTICES STATED IN THE REPORT IN CONNECTION WITH THIS CRITERION	–	
OTHER ESTABLISHED BEST PRACTICES OR EMERGING PRACTICES	–	
APPROPRIATE POLICIES, PROCEDURES AND ACTIVITIES THAT THE COMPANY PLANS TO UNDERTAKE FOR ITS NEXT REPORT, WHICH RELATE TO THIS AREA, INCLUDING OBJECTIVES, TIME LIMITS, INDICATORS AND RESPONSIBLE PERSONS	–	



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The Bank Is the People!

Erste Bank a. d. Novi Sad
Corporate Social Responsibility Report 2021

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We invite you to send your comments, proposals, suggestions and questions related to corporate social responsibility of Erste Bank Serbia to dop@erstebank.sr

