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# The Bank Is the People!

Erste Bank a. d. Novi Sad  
Corporate Social Responsibility Report 2022

**ERSTE**   
Bank



ERSTE

ERSTE LEASING RENT

MEDIGROUP  
Bolnica



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# **The Bank Is the People!**

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Erste Bank a. d. Novi Sad

Corporate Social Responsibility Report 2022

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# 1. Foreword

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— **Jasna Terzić** • Chief Executive Officer of the Bank

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## DEAR FRIENDS,

It is with great pleasure that I present to you the Erste Bank Corporate Social Responsibility Report (CSR) 2022. At a time when sustainability and management in line with ESG principles (Environmental, Social and Governance) are among the most topical issues in the business sector, I can proudly state that this is our fifteenth report on the impact we have on society and the environment through our business, which demonstrates our vision in recognising the importance of these issues and the leadership role of the business sector in achieving sustainability goals.

Over the past fifteen years, we have developed and improved our strategic approach, as well as reporting practices, following the most relevant global initiatives and platforms, such as the United Nations Global Compact and the UN Sustainable Development Goals. The activities we have implemented contribute to achieving sustainable development goals and are related to reducing inequalities and poverty, quality education, economic growth and climate change. At the same time, our business is fully aligned with UNGC principles (respect for human and labour rights, environmental protection and anti-corruption). Sustainability reporting itself has undergone a dynamic period of development over the past fifteen years, and now the reporting obligation is also part of domestic regulations. Following the best practices, as of this year, Erste Bank has successfully transitioned to the implementation of the new GRI Universal Standard, the most widespread reporting standard globally. Since 2023, our Bank has introduced two new expert positions: ESG Advisor to the Bank's Executive Board and CSR, Diversity and Inclusion Manager. We

are thus further demonstrating our consistency and determination to deal with these topics in an appropriate, strategic and proactive manner with the support of top management.

For us at Erste Bank, the year 2022 was particularly significant, as all our efforts were directed towards the most important objective – digital transformation. After the successful transition to the new system on 3 May 2023, I can proudly say that our employees have proved once again, through their efforts, commitment, enthusiasm and professionalism, that they truly “live” for our bank's success, that with the right team, boundaries can be pushed, underlining again that the Bank Is the People.

Our customers' expectations, when it comes to innovative and personalized digital solutions, new products and services, will be met once we have achieved the full potential of our new operating system, which will enable us to be even more efficient and get as close as possible to our customers, meet their expectations and justify their trust. We will also harness the power of new technology to strengthen further our brand, to create new stories and messages that are useful to customers in their daily lives, in the moments that matter to them.

A topic to which we will continue to be extremely committed in the coming period is financial health. As a responsible company and as a financial institution, we want to provide support, share our knowledge and experience, give advice and empower the general public in the field of financial education. We consider it our obligation but also our responsibility. It is important to us that all generations of our society become acquainted with

the world of finance in a way that is clear, interesting and understandable to them. This is why we have developed and implemented various initiatives, from Guardians of the Dragon's Treasure and the Money School for Pupils programme intended for the youngest and the Step-by-Step programme for entrepreneurs, to the financial education platform for citizens – ErsteZnali.

Success is not a matter of chance – it is the result of an immense amount of work, great commitment and enthusiasm on the part of our colleagues. I am proud of our work environment which is characterised by respect and understanding – values to which each of you contributes individually. I am also proud of the fact that Erste Bank has been recognised by relevant institutions in our country as a company that is passionate about and wholeheartedly fosters gender equality policies. Our commitment to gender equality goes beyond our own work environment. In 2022, we launched additional women's entrepreneurship support programmes, and the response and feedback from women entrepreneurs so far confirm that we are on the right track.

You can find detailed information about all of these initiatives but also a number of others that we are implementing, in the pages of this report. Once again, I would like to thank all our customers, partners, associates, as well as all colleagues for their support and trust, and I look forward to continuing to build a more sustainable future together.

Sincerely,

**JASNA TERZIĆ**

## 2. Erste Group – We Build Financial Health

Established in Vienna back in 1819 as the First Austrian Savings Bank (Erste österreichische Spar-Casse), Erste Group started its strategic expansion in Central and Eastern Europe in 1997. Since then, owing to numerous acquisitions and organic growth, it has become one of the largest financial service providers in this part of Europe.

Today, Erste Group employs almost **45,500 staff**, who serve **16.1 million customers** in **more than 2,029 branches** in seven Central and Eastern European countries (Austria, Serbia, Czech Republic, Slovakia, Hungary, Romania, Croatia).

### Key Business Results in 2022:

- Total assets: EUR 323 billion (2021: EUR 307 billion)
- Increase in operating profit by 16.3% to EUR 4 billion
- Net profit: EUR 2.16 billion (2021: EUR 1.92 billion)
- CET1 ratio: 14.2 (2021: 14.5%)





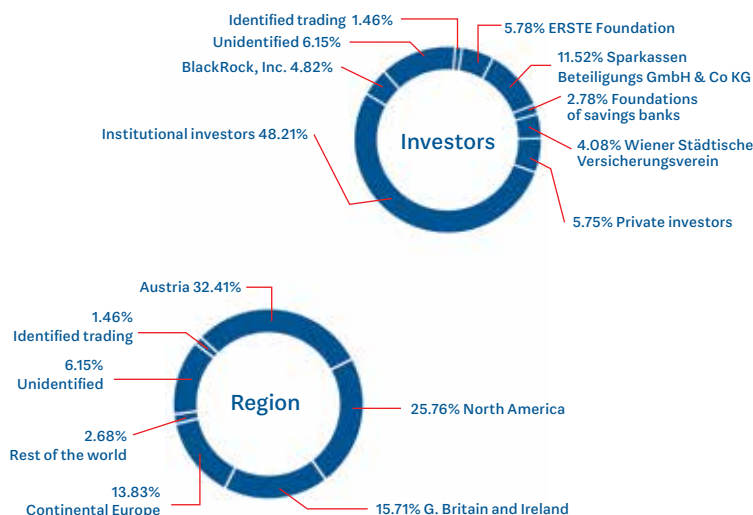
For more than 200 years, Erste Group's operation has been founded on the visionary principle according to which financial services should be available to everyone, regardless of their origin, status, nationality or assets. Today, at a time when our planet and society are undergoing rapid transformation, Erste Group is also changing and shifting its focus away from providing financial services and towards building financial health.

Erste Group is also one of the founding members of a UN initiative that is committed to promoting universal financial inclusion and fostering a banking sector that supports the financial health of customers. Signatories of the initiative commit to set targets within 18 months from signing and subsequently publish annual reports. A total of 28 banks have signed the Commitment, with Erste Group being the only financial institution headquartered in Austria and Central and Eastern Europe to do so.

“We will continue to support the people and businesses in our region in improving financial prosperity, both through our lending practices and our commitment to customer-oriented innovation”, explains Willi Cernko, Erste Group CEO.



SHAREHOLDER STRUCTURE AS OF 31 DECEMBER 2022



## What is Financial Health?

We, as a financial institution, see it as our responsibility, obligation and honest desire to provide support, share knowledge and experience, give advice and empower the general public in the field of financial education. To be financially healthy and stable is to strike a balance between the amount of money earned, saved and spent. The key lies in good financial information and decision-making, balancing real needs, means and desires. Financial health is built on trust. Individuals and companies need to be sure that their income will provide them with a sustainable way of life in the present and future, in good and in bad times.

When assessing and analysing financial health, the following is considered:

1. Do you live within your financial means?  
Are your expenses and income in balance?
2. Have you built up sufficient reserves to mitigate the impact of unplanned expenses?
3. Are you protected enough against risk?
4. What measures are you taking to increase your income?
5. How do you manage your debts?

We base the assessment of our customers' financial health on these five indicators. In addition, we develop new products and services, and develop data management to offer the best advice to customers.

It is important to us that all generations of our society become acquainted with the world of finance in a way that is clear, interesting and understandable to them, as well as age-appropriate. It is only by making financially well-informed decisions that we can move towards a financially healthy society.

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## — 2.1 Sustainability in Erste Group

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We firmly believe that Erste Group's economic success in our region can only be sustainable if the green transition is successful and social justice is enhanced. These two dimensions of long-term prosperity of the region match perfectly the mission and tradition of Erste Group.

That is why our strategic priorities in striving for sustainability are the following:

1. Green transition – leading financial institution
  - I. Strengthening our leading position in green financing in Central and Eastern Europe in order to provide opportunities for growth in the future;
  - II. Creating the foundation for reaching the climate neutrality of our portfolio by 2050 – our contribution to climate protection is simultaneously the precondition and basis for the long-term resilience of our customers and our investments;
  - III. Setting an example of effective climate protection measures – climate neutrality in own operations by 2023;
2. Social inclusion – social cohesion via integration
  - I. Promoting financial inclusion through our social banking activities, by strengthening social cohesion and civil society;
  - II. Supporting customers and younger generations to achieve financial health and attain financial education;
  - III. Investing in accessible housing and contributing to the welfare of the lower middle class, especially including young professionals, young families and public servants;
  - IV. Promoting gender equality as an important element of a healthy corporate culture.

Sustainability principles are implemented in all aspects of own operations – for example, the Erste Campus, which brings together over 4,500 employees of Erste Group in Vienna, uses 100% green electricity, rainwater, a district cooling system, and has 764 solar panels that produce 250,000 kWh of electricity per year. In addition, the Campus houses Europe's largest financial education initiative, the Financial Life Park (FlIP), which is intended to enhance the financial knowledge and skills of the youth.

### Erste Group Holiday Campaign Sheds a Light on Solutions to Challenges Currently Facing Society

**Erste Group's 2021 animated holiday advert continued the success of previous holiday adverts, touching on a major challenge that we all face – the energy crisis. Mutual support and the desire for togetherness inspire us all to open up our hearts to each other more – this is the clear message sent by this new advert. With over 225 million views in the past four years, holiday adverts have placed Erste Group among the most successful global brands when it comes to holiday campaigns. "This year's advert addresses all of us and the many challenges we are facing as a society right now. In times of need, strong communities are the ones in which people help each other out. That's what we want to show in #believeinchristmas. Coming closer together – that's what Christmas is really about. ", explains Mario Stadler, Head of Group Brand Management and Communications at Erste Group.**

When it comes to gender equality in the workplace, Erste Group's objective is to achieve women's representation in the highest managerial positions of 37%, as well as of 40% in other managerial positions by 2025. To that end, Erste Group has implemented a variety of initiatives to support the development of female leadership, including the establishing of the Erste Women's Hub in Austria, an employee resource group working on key initiatives in this area. Erste Group is one of 418 companies across 45 countries and regions included in the 2022 Bloomberg Gender-Equality Index (GEI), a modified market capitalisation-weighted index that aims to track the performance of public companies committed to transparency in gender-data reporting. Erste Group has thus been selected for the Bloomberg GEI Index for the fourth consecutive time.

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. In preparing its reports, Erste Group uses the principle of double materiality, and consults its stakeholders. For 2022, the report was compiled in accordance with the standards of the Global Reporting Initiative (GRI Standards 2021) and following the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Detailed financial and non-financial Erste Group reports are available at <https://www.erstegroup.com/en/about-us/sustainability-esg>

# 3. Erste Bank in Serbia – Tradition and Innovation

In 2005, Erste Bank acquired Novosadska Banka, the oldest financial institution in our country, established in 1864.

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 and partners. 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 and attain financial health – both for themselves and their loved ones, and their business ventures.

In order to provide the best financial support to our clients, we are building the bank of the future.



## Erste Bank a. d. Novi Sad in Brief (as of 31 December 2022):

- Serves 465,000 customers
- Employs over 1,300 staff
- Has a network of 87 business outlets and 4 commercial centres



## 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.

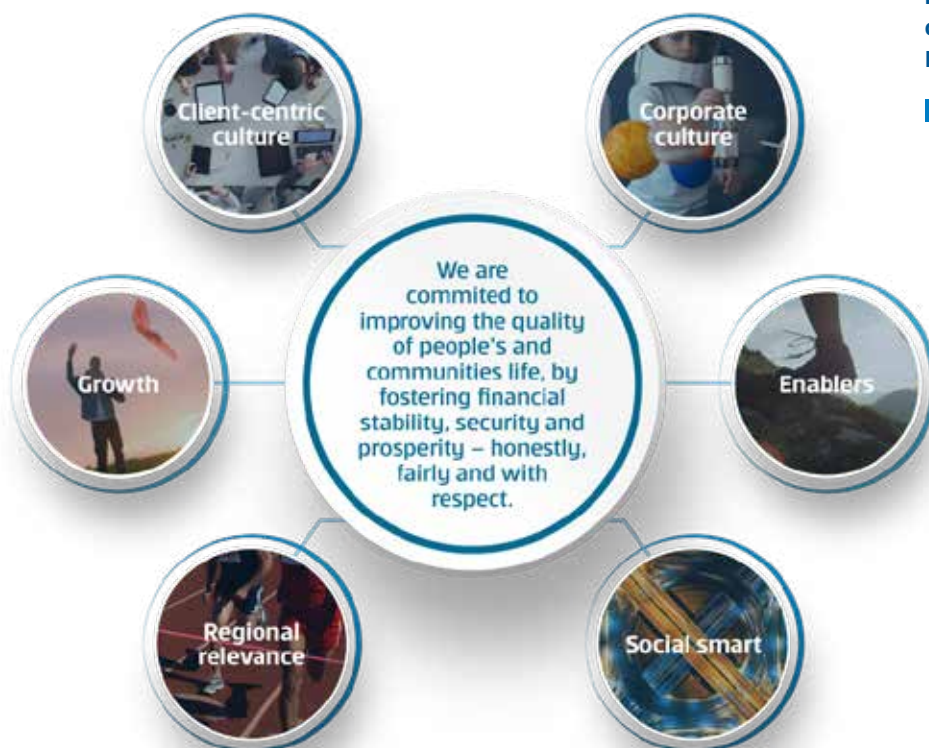
**Client-focused culture** – In our work, we focus on building personal, stable and long-term partnerships with our clients throughout their private and professional lives.

**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 Group's and Erste Bank's New Corporate Identity – Modernised and Optimised for Digital Media

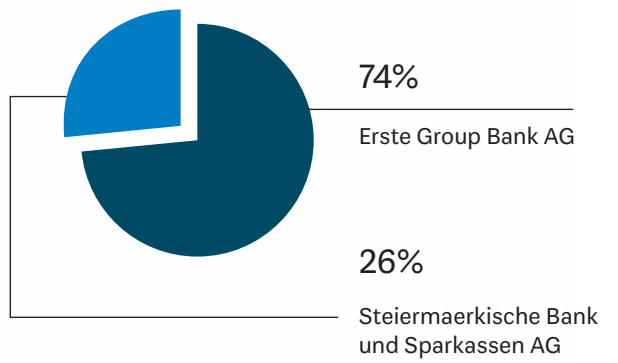
The overall visual identity of Erste Group and, therefore, also that of Erste Bank in Serbia, will be completely altered and modernised in line with an exciting business chapter during which we will continue to follow the vision of our founders, as well as the beliefs and values on which Erste Group is founded. Gradual implementation, i.e. the introduction of a completely new appearance in the local market, begins from January 2023.

New corporate standards enable our brand to be presented in a simple and clear way, which is modern and adaptable to all communication channels. With its entirely new appearance, it impressively highlights the purpose of our existence and a commitment to financial health. “A brand can only be successful in the long run if it is a reflection of clear values and beliefs – and lives in accordance with them. That is what has set us apart ever since our establishment more than 200 years ago. We place our customers at the centre of everything we do and we build with them an equal relationship full of mutual respect. We want people to recognise our values, feel this vision of ours, and that is precisely to what our new corporate group design will contribute“, said Willi Cernko, Chief Executive Officer of Erste Group.

### 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:



## Key Business Results in 2022:

- Loans to individuals and micro customers went up by 5.3% relative to the end of 2021 and amounted to 110.71 billion dinars; deposits of individuals and micro customers rose by 7.7% to 132.18 billion dinars.
- Corporate loans rose by 9.1% relative to the end of 2021 to 111.55 billion dinars; corporate deposits rose by 13.3% to 94.84 billion dinars.
- Net interest income went up by 13.8% relative to the same period of the previous year to 10.2 billion dinars, while net fee and commission income went up by 22% to 3.35 billion dinars.
- Net result rose to 2.41 billion dinars at the end of 2022.
- Total assets increased by 10.3%, from 320 billion dinars at the end of 2021 to 352 billion dinars.
- NPL ratio at the end of 2022 was 2.5%.

**“I am proud that this year we again recorded growth in the most important business segments. Solid loan growth in all categories and a double-digit corporate deposit growth confirm that our customers recognise us as a safe partner on whom they can always rely. This would not be possible without all our employees investing huge efforts to meet the customers’ needs. We will continue to be there for our customers, providing them with, apart from personalised banking products, multi-layered support through various educational and advisory programmes, for which we are recognisable in the market”,** stated Jasna Terzić, CEO of Erste Bank a. d. Novi Sad.

GENERATED AND DISTRIBUTED VALUE IN 000 RSD	2020	2021	2022
Total income	10,212.707	11,653.462	13,444.697
Total expenses	6,518.265	6,999.734	7,904.890
Operating expenses	2,939.133	3,081.578	3,765.767
Personnel expenses	2,897.803	3,170.463	3,400.769
Expenses related to capital provision	/	/	/
Expenses related to liabilities to government	51,247	63,862	74,373
Depreciation costs	622,542	680,764	663,358
Expenses related to the community	7,540	3,066	623

A detailed financial report is available on the Bank’s website:  
[www.erstebank.rs](http://www.erstebank.rs)



## Management Structure

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's Articles of Association regulate the issue of the election of members of the Bank management bodies. The Bank Management Board has at least five members including the Chairperson. 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 Chief Executive Officer. The Chief Executive Officer represents the Bank. When entering into legal transactions and taking legal actions within the purview of the Executive Board, the Chief Executive Officer 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.

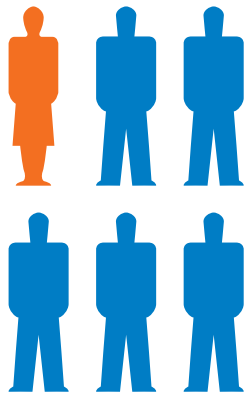
### **Change at the Helm of Erste Bank – Jasna Terzić is the New Chief Executive Officer of Erste Bank a. d. Novi Sad**

Following all necessary approvals from the National Bank of Serbia, Jasna Terzić was appointed Chief Executive Officer of Erste Bank on 1 June 2022.

In addition to her new role as Chief Executive Officer of Erste Bank, Jasna Terzić continued to be in charge of the Retail Division, and she has temporarily taken on responsibility for the capital market and the corporate business, until a new member is appointed for this business segment. After graduating from the Faculty of Economics of the University of Novi Sad, specialising in international economic relations, Jasna Terzić stepped into the world of banking almost three decades ago. Since October 2005, she has been a Member of the Executive Board of Erste Bank. She is in charge of retail segment, small business and entrepreneurs, marketing, human resources and asset management.

Since the very beginning, Jasna Terzić has been very committed to working to modernise banking services and improve customer relations. As a result, for years now the customer satisfaction index has been among the highest in the Serbian banking market, and market share in the retail business segment is over seven percent. Under her leadership, the unique Step-by-Step programme was also launched, intended for start ups, social enterprises and civil society organisations that traditionally lacked access to banking products.

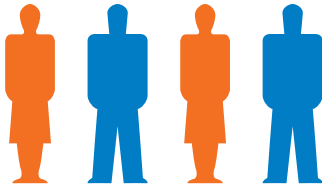
“Her impressive experience, contribution to the development of our bank's business in Serbia, constant desire to learn and develop, but also the energy she possesses, assure me that she will successfully continue to lead Erste Bank“, said Ingo Bleier, Chairman of the Management Board of Erste Bank a. d. Novi Sad and Member of the Executive Board of Erste Group.



MANAGEMENT BOARD

83.3% MEN

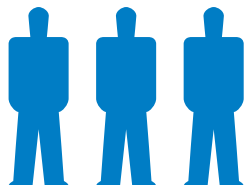
16.7% WOMEN



EXECUTIVE BOARD

50% MEN

50% WOMEN



EXECUTIVE DIRECTORS

58% MEN

42% WOMEN



**Management Board of Erste Bank had six members as of 31 December 2022:**

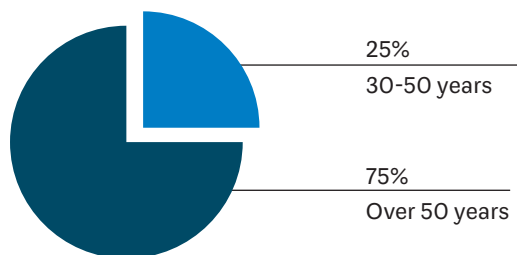
- Ingo Bleier, Chairman of the Management Board
- Aleksandar Vlahović, non-executive member of the Management Board
- Tijana Vještica, non-executive member of the Management Board
- Hannes Frotzbacher, member of the Management Board
- Georg Bucher, member of the Management Board
- David O'Mahony, member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

**Executive Board of Erste Bank had four members as of 31 December 2022:**

- Jasna Terzić, Chief Executive Officer of the Bank
- Nikola Stamenković, member of the Executive Board
- Suzan Tanriyar, member of the Executive Board
- Andras Kaliszky, member of the Executive Board

**Age structure of the Executive Board of the Bank:**

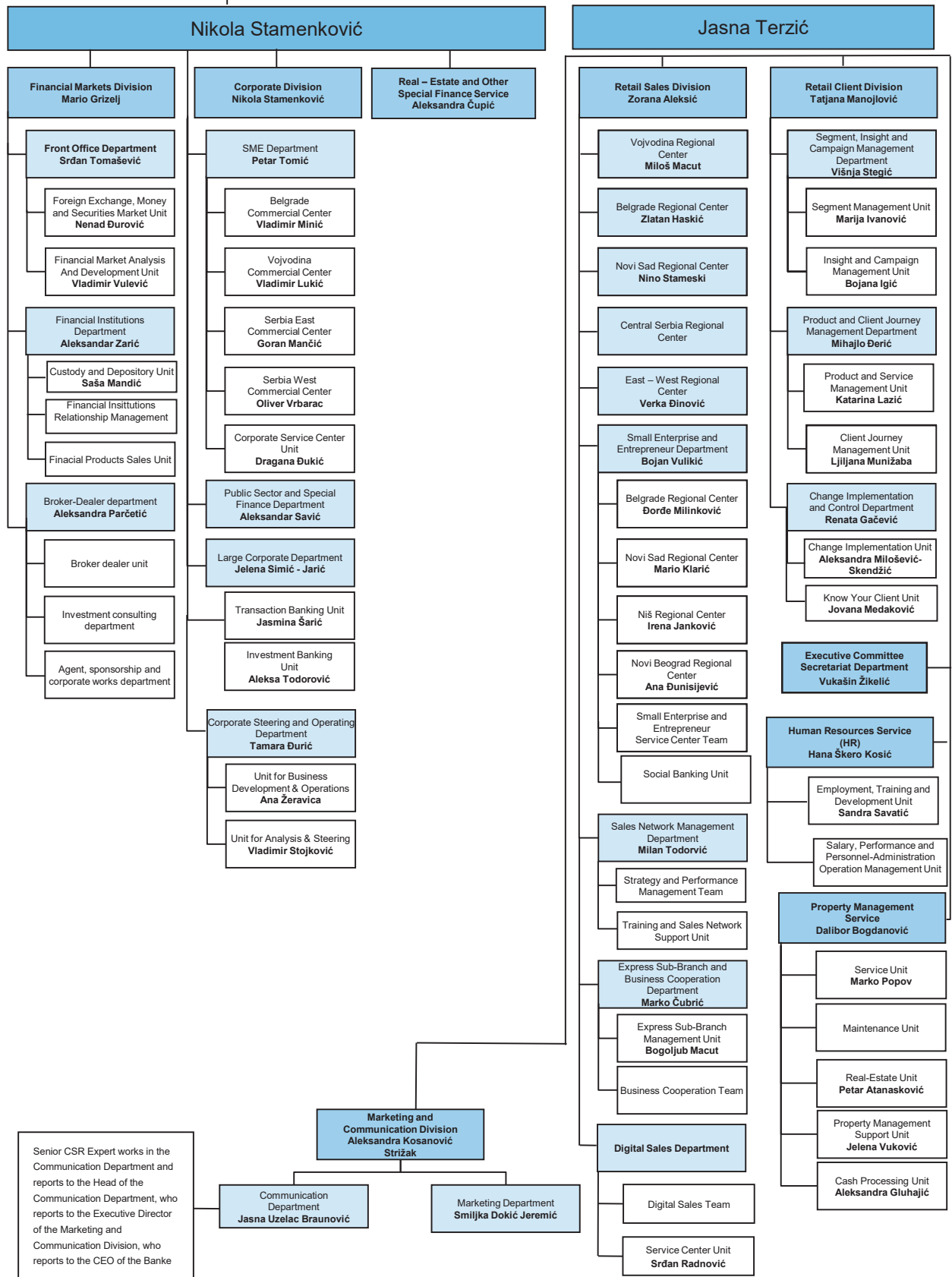
- Under 30 years: /
- 30–50 years: 25%
- Over 50 years: 75%



Information about shareholders and members of the top management bodies of Erste Bank a. d. Novi Sad is available at [www.erstebank.rs](http://www.erstebank.rs)





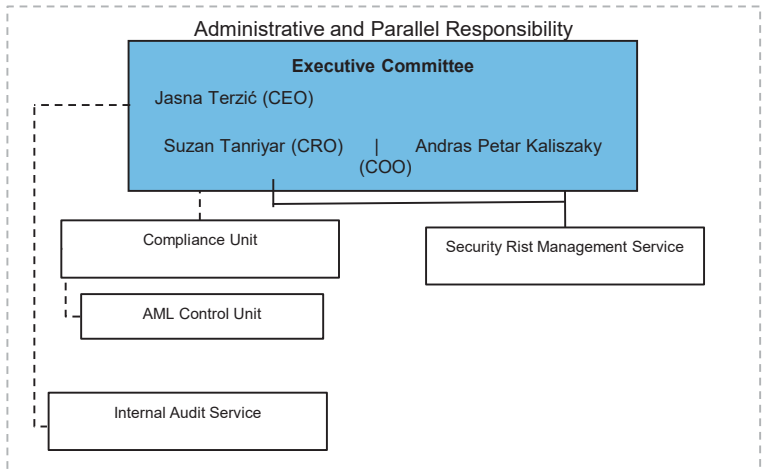
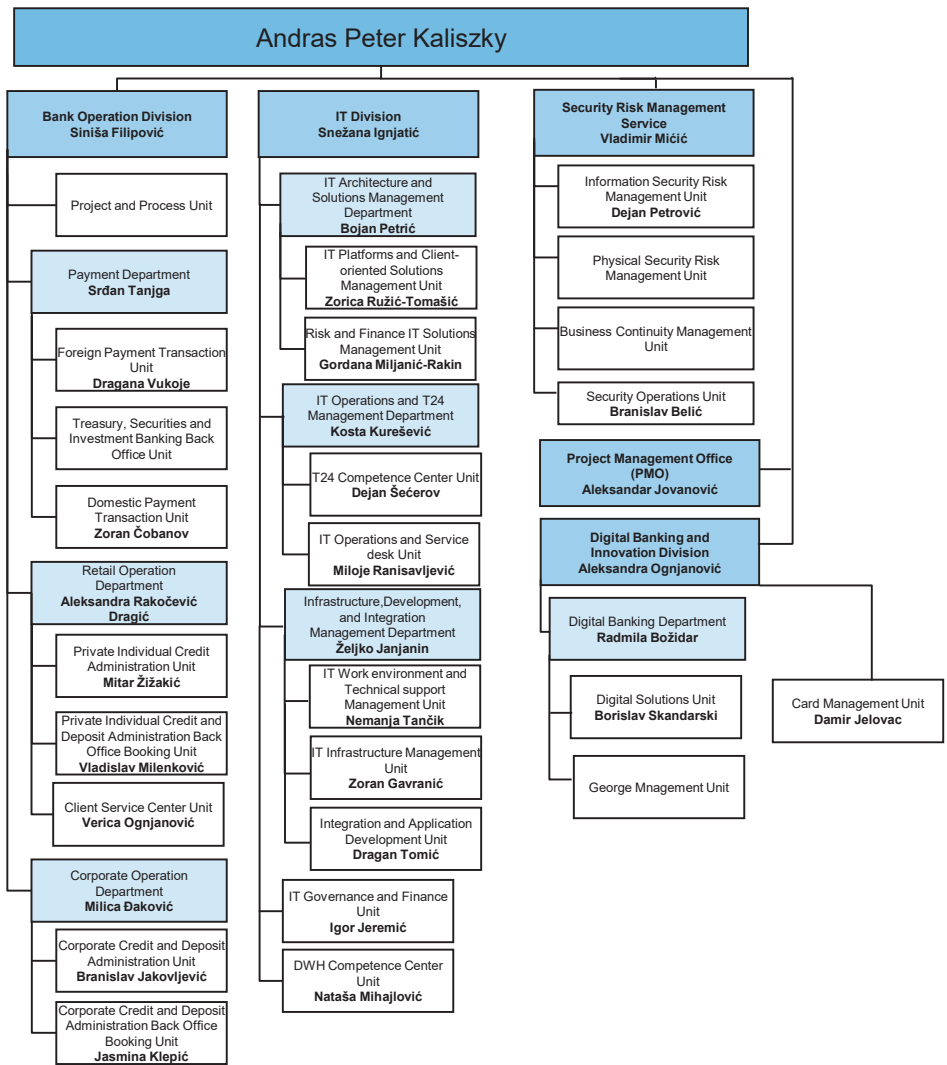
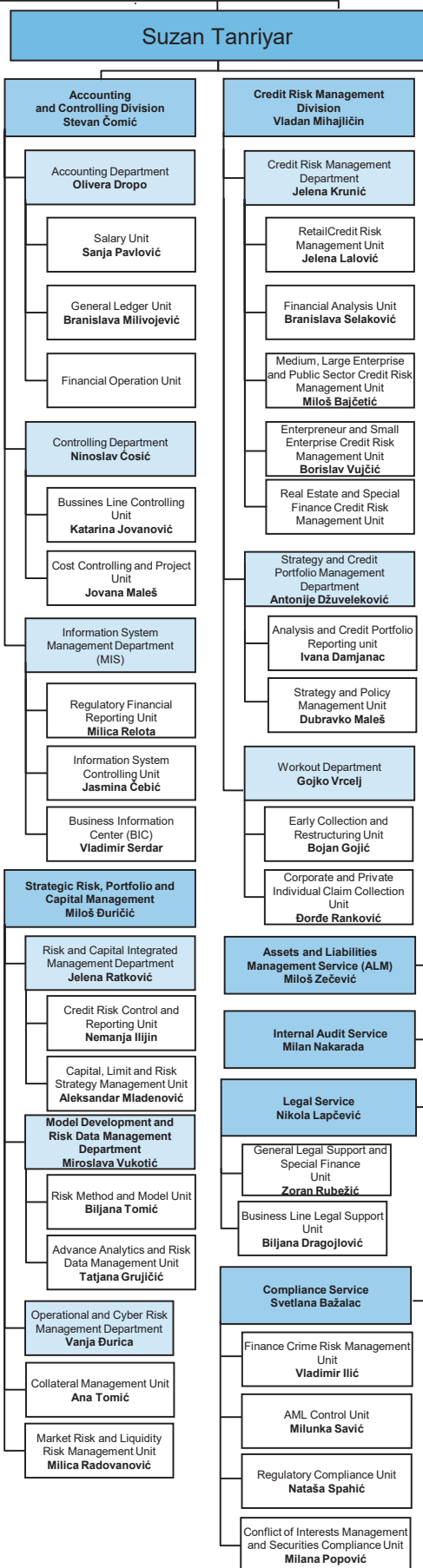


= Division / Service

= Department

= Department reporting to the Board

= Unit



— = Direct responsibility    - - - - = Administrative responsibility

In order to avoid conflicts of interest, the general principle that must be adhered to by all employees and consequently the Bank 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 Remuneration Policy. Individual bonuses of managers depend on three criteria: the Bank's financial results, leadership assessment and measured individual achievement of goals set for managers. The level of bonus potential depends on the impact that a job category has on the business performance of the employer, i.e. the Bank. The higher the impact on the achievement of the Bank's business performance, the greater the potential reward an employee can receive. The bonus potential of the Executive Board members is defined by their employment agreements and the share of bonus potential to be paid depends primarily on the Bank's results and then on the individual performance of Executive Board members that is evaluated after the end of the financial year. The final decision on the level of bonus amount to be awarded to members of the Executive Board is taken by the Management Board.

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 Chairperson 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 is accountable for its work to the Management Board and to the shareholders of the Bank. The Management Board of the Bank is accountable 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 occasionally join them. 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.

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 and Puls, internal magazine, regularly inform 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](mailto:otvoreno@erstebank.rs) is open for any questions, proposals, ideas or suggestions of employees.

## 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.



# 4. Approach to Sustainability

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**From the very beginning, Erste Bank integrated sustainability principles into its existence, development and everyday operation. Our bank perceives social responsibility and sustainable development as a key link for business and survival. We are proud to say that we have behind us 14 years of being strategically guided in this area. Since 2008, we have had a CSR Strategy that has evolved and changed in line with the market, environment and inputs from employees, customers, partners and other relevant stakeholders. The CSR Strategy is adopted by the Executive Board of the Bank.**

**Within the key areas:**

1. Good corporate governance
2. Responsibility in the working environment
3. Responsibility to customers
4. Responsibility in the supply chain
5. Responsibility to local communities
6. Responsibility to the environment

**Priority topics we deal with are:**

- o Financial literacy and education
- o Support to the development of social entrepreneurship, start-ups, self-employment and employment
- o Culture and art, with a special focus on inclusive art
- o Education and science promotion
- o Sport

Additionally, in line with Erste Group's strategic framework, we are committed to contributing to the green transition, through granting loans to energy efficiency projects, as well as reducing the environmental impact in our own operation.

We have also engaged in transparent communication about performance in these areas from the beginning – for 15 years now, we have regularly reported on impacts on sustainability. For more details about our reporting practices and methodology applied, please read the About This Report section, page [72](#).

Our approach to CSR is characterised by learning, cooperation, transfer of acquired experience, networking, which is precisely why we are also founders and members of the most relevant initiatives in this area in Serbia: Responsible Business Forum, UN Global Compact Serbia, Serbian Philanthropic Forum. In April 2021, the National Council for Corporate Social Responsibility was established within the Chamber of Commerce and Industry of Serbia, and Sonja Konakov Svirčev, a long-standing CSR expert at Erste Bank, was invited to this body to contribute, through her knowledge and experience, to important issues such as the promotion of non-financial reporting and familiarising the public and companies with it in line with the new Law on Accounting, amendments to the Law on Volunteering, banks' financial incentives for supporting humanitarian organisations, lobbying in favour of abolishing VAT on food donations and many other current issues and challenges of our society.

**Our operation and reporting are aligned with several internationally recognised principles and methodologies:**

- o 10 Principles of the UN Global Compact
- o UN Women's Empowerment Principles
- o UN Standards of Conduct for Business for Tackling Discrimination Against LGBT People
- o UN Sustainable Development Goals
- o Global Reporting Initiative – GRI Universal Standards 2021

## Our Key Stakeholders

Erste Bank stakeholders are identified in the course of drafting the Corporate Social Responsibility Strategy in accordance with the principles 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, 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 REPORT, EMAIL COMMUNICATION
BUSINESS COMMUNITY	ERSTE BANK SALES NETWORK IN SERBIA AND ERSTE GROUP SUBSIDIARIES FOUNDED IN SERBIA	CONFERENCES, EVENTS, MEETINGS, CSR REPORTS, 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. 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. The importance of the topic of caring for the environment and society for further strategic development and survival is further demonstrated by the commitment made by Erste Group which, for the first time, set all its local top management bodies bonus objectives in line with ESG (Environmental, Social, Governance) guidelines



# 5. Business Ethics and Responsible Business Practices

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**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 update and improve our knowledge and understanding of regulations within Erste Bank.

Good corporate governance practices are 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 (for Compliance and Bank management)
- Gift Policy
- Conflict of Interest Management and Anti-corruption Policy
- Reputational Risk Management 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

The Code of Business Conduct is a document the purpose of which is to encourage and promote a certain set of values and manners of conduct of employees in our bank. As such, it provides a point of reference for procedures and serves as a binding set of rules regulating the conduct of all employees in everyday business.

In 2021, a new Code of Business Conduct was adopted, which was additionally complemented by a section relating to reputation and standards of business conduct. 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 of the Bank. It 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. The framework of 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 is available to all employees on the Bank's portal, as well as to all stakeholders on the Bank's website.



## 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 across the 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), who 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).

Taking into account factors relating to environmental protection, society and governance (Environmental, Social, and Governance – ESG) is one of the key pillars of the Bank's strategy. In this area, Erste Bank in Serbia follows Erste Group's approach, while adapting according to the principle of proportionality, as well as to local legislation and the specificities of the local market. ESG factors are integrated into the risk management approach, including business strategy, governance, quantification, data management and reporting based on applicable regulatory requirements and initiatives.

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 internal audit quality reviewers.

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

One of the goals of our business model is to ensure trust in our Bank. As part of the compliance function, we address, among other things, issues of fraud and corruption, as well as conflicts of interest, 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:

- o Define standards and regular checks in all relevant business processes in order to identify and prevent potentially illegal or unethical practices, and use appropriate technical and management systems for this purpose;
- o Identify, report and do not execute suspicious transactions relating to money laundering and terrorism financing, abuse of sensitive information, market manipulation and insider trading;
- o Know our customers and do business only with customers whom we have identified in accordance with the regulations and only in the cases where we understand the customer's business;
- o Identify, solve and/or disclose any potential conflicts of interest;
- o Pursue strict anti-corruption and anti-bribery policies, prevent bribe giving and receiving and/or facilitation payments;
- o 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;
- o Provide a pleasant and safe environment to our customers, business partners and visitors;
- o Provide regular compliance training for our employees, including regular trainings for all Bank employees in the area of prevention of money-laundering, terrorism financing and targeted financial sanctions;
- o 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;
- o Signed the Declaration against Corruption of the UN Global Compact in Serbia and are committed to its implementation in our everyday business.

### Erste Bank Organises the Securing the Future Conference

**We are proud of having organised the third Security & Fraud conference under the slogan Securing the Future, through which the Bank brought together 150 colleagues from various financial and other institutions from six countries: Serbia, Bosnia and Herzegovina, Montenegro, Croatia, North Macedonia and Austria, with the aim of leveraging the interactive work of all experts in the area of security and financial crime risk management in order to arrive at the most significant recommendations. Among the subjects of discussion were intensifying education to reduce security and fraud risks, how to recognise various types of fishing, how to protect oneself from ATM fraud and when making online payments, facts relevant to the protection of small and medium-sized enterprises' information systems, as well as many other topics.**

## 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.

The Bank has a dedicated Conflict of Interests Management and Securities Compliance Unit, which is in charge of managing risks of all types of conflicts of interests that may arise in connection with banking business, as well as employees' private activities, including securities compliance risk and reputational risk. Special policies for managing the said risks are in place and aim at protecting clients in the area of compliance risk, preventing capital market abuse and ensuring compliance of relevant information stemming from special authorisations.

Furthermore, Erste Bank is a member of the Forum for the Prevention of Abuse in Credit Operations, whose main objective is the 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 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

When it comes to protection against corruption, Erste Bank applies the so-called zero tolerance policy to all unlawful acts, 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 Conflict of Interest and 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 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. In this context, there are two types of conflicts of interest: 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 as 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 and the prevention of conflicts of interest more broadly.

The Bank includes in external conflicts of interest 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 and the prevention of conflicts of interest, mandatory implementation of an independent tender model of supplier evaluation, etc.

In 2022, an official corruption risk analysis was conducted in all business units of the Bank. This analysis is normally 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 and can, therefore, give and receive any kind of incentive. Risks are mitigated by permanent training, as well as control of gifts received or given by 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 2022, all four members of the Executive Board (100%) 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.



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 employees at certain positions in the Bank 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. During 2022, 86.4% of employees were tested on their knowledge of anti-corruption procedures and they all successfully passed the test. After evaluation of the test given to all tested employees, any incorrect answers given in the test are highlighted, thus ensuring continuous training also following test evaluation.

During 2022, in addition to standard trainings on the subject of corruption and employee testing, which are implemented on a regular basis, the Bank organised the Security & Fraud conference – the largest event of its kind locally. The participation of more than 150 experts from six countries enabled the creation, as a result of the conference, of materials that further help customers, employees and the community to reduce the risks of corruption and conflicts of interest. Positive impacts through such raising of standards in the market, as well as leadership in sector initiatives, are a known characteristic of EBS in these areas.

In the area of prevention of money-laundering and financing of terrorism, a regulatory requirement was implemented and the risk of money-laundering, terrorism financing and sanctions was assessed, and measures were envisaged for mitigating the assessed risks, all for the purpose of protecting the Bank from the influx of money of dubious origin, which is intended for financing terrorism, or from abuse of the Bank and its customers in relation to the circumventing of sanctions that are binding in the Republic of Serbia and Erste Group.

In the area of prevention of conflicts of interest, every year mandatory trainings are held for all Bank employees, including the top management, as follows: general training for all employees, and advanced training for so-called confidentiality units as organisational units which, due to the nature of their work, more often come into contact with compliance-relevant information, which is why there is a higher potential for conflicts of interest. In 2022, these trainings were completed by 95.5% of Erste Bank employees. In addition, the training on conflicts of interest is also an integral part of every Welcome to Erste training, which is attended by all new Bank employees.

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 compliance risk 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. Special meetings are held with customers and business partners where deemed necessary. Also, partners and customers can find, on EBS's official website, information about their rights, as well as an email address at which they can report any wrongful conduct on the part of Bank employees. Relevant information is also available to partners and customers in the annual Corporate Social Responsibility Report.

## 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:

- o 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;
- o Do not abuse our dominant market position, and ensure that all business mergers and associations meet all applicable requirements prescribed by anti-monopoly laws;
- o 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:

- o Fair competition – alignment with the principles of the Competition Protection Law for employees
- o Anti-corruption Guidelines – an integral part of the Anti-Fraud Management Compliance (Management and Coordination of Abuse and Fraud Prevention)
- o What to do in the event of raid
- o Application form for permission to contact competitors
- o 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.

# 6. Responsible Financing and Financial Inclusion

We strive to get to know and understand our customers in order to be able to offer products and services that will best contribute to their financial independence, stability and development as individuals, start-ups, small or large companies. As a responsible financial institution, Erste Bank is committed to developing inclusive financial products and promoting financial literacy.

## — 6.1. Responsible Financing

When making business decisions in relation to financing, social, environmental and ethical criteria are also considered in addition to economic factors.

In order to ensure that:

- We formulate and implement responsible financing principles in order to manage our business financing operations in sensitive industrial sectors;
- We formulate and implement environmental and social protection principles in order to more easily and quickly make business decisions in accordance with them;
- We assess criteria related to environmental protection, social and corporate governance for the entire business financing spectrum, as part of a so-called ESG Assessment.

In June 2013, the Responsible Financing Policy was also adopted, with the aim of defining, based on Principles of Responsible Financing of Erste Group, principles of responsible financing in relation to socially, environmentally and ethically sensitive sectors. Since then, the Policy has been updated multiple times, and as of March 2021 it has been supplemented in all relevant areas in accordance with defined operational rules and guidelines of the Group as well as of the local Bank in this area. With the addition of these latest supplements and additions, the Policy contains elements from the previously applicable Environmental Protection and Social Policy.

The 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 operate 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.

In 2022, 46 customers were checked for compliance with the Responsible Financing Policy relating to a total of 98 cases – individual customer applications. In one case cooperation was terminated upon analysis.

The Responsible Financing Policy is available to employees on the Bank's internal portal – InfoNet. This document and 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.

## 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 Renewable Energy Source Financing 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.

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 heating equipment or for other purpose contributing to increasing cost-efficiency and energy saving.

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.

With the aim of improving energy efficiency, 763 loans were granted to individuals in the amount of RSD 488,394,919 during 2022. In this way, 763 households installed energy efficient equipment and materials in their homes in 2022.

When it comes to corporates, Erste Bank signed a new Agreement with the EBRD for the new EBRD Sustainable Reboot SME Programme - a credit line for energy efficiency and renewable energy sources - in September 2022. The EBRD Reboot credit line is intended for financing investments by small and medium-sized enterprises in the Republic of Serbia, which will help to enhance competitiveness and alignment with the technical standards of the EU *acquis communautaire*. This credit line is used to finance a large number of solar panel projects, machines for the production and operation of the companies themselves, production plants, etc., as well as to enhance the competitiveness of end users, all in line with EU directives in the areas of social, health and environmental protection.

The EBRD Reboot Programme Agreement was signed in the amount of EUR 15,000,000. From this credit line, customers were provided with grants, upon project verification, in the amount of 15% of the approved loan.

In 2022, the following funds were granted for energy efficiency and renewable energy source projects:

- o from KFW 2014 CL - EUR 4,800,000;
- o from EBRD 2021 CSP for RES - EUR 23,084.43;
- o from EBRD 2021 CSP for EE - EUR 2,766,386.17;
- o from EBRD 2022 Reboot for RES - EUR 943,088.67;
- o from bank funds for EE - EUR 9,819,941.18, and EUR 10,324,716.55 for RES;

The funds are intended for mini hydroelectric power plants, biogas plants, a wind farm, agricultural production and the procurement of raw materials necessary for the operation of biogas plants.

In 2022, Erste Bank got involved in the Clean Serbia government project that envisages building 5,206,000 meters of new sewerage network and 165 wastewater treatment facilities, which will increase the quality of life for a large number of citizens. As part of this project, the Bank is providing the following products: advance payment guarantees, performance guarantees, etc. In 2022, about 10 million euros in guarantees was granted for construction companies belonging to the SME sector, and the project will also continue in the coming years.



## — 6.2. Financial Inclusion

We believe that improving access to financial products and services for all individuals and sectors of society is of key importance for achieving inclusive and sustainable growth. We also place a special emphasis on supporting social entrepreneurship in Serbia, as one of the sustainable ways of addressing social challenges. In addition to creating inclusive programmes and financial products and services, by improving financial literacy, we also create the preconditions for the progress and sustainability of society as a whole.

### Step-by-Step Programme

Step-by-Step is an Erste Group social banking programme for the promotion of financial stability and prosperity in our region. We provide tailored banking services to people whom conventional banks very often do not regard as attractive customers, resulting in their not receiving appropriate services

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 earmarked loans, we help our customers to start a small business, finance home renovation, attain more education, increase their mobility and gain the right to healthcare.

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 aim of this programme is to help to improve our customers' financial stability and to further support the region in achieving its growth potential in a systematic and sustainable manner.

In 2022 alone, through the Step-by-Step programme, Erste Bank supported 98 start-ups and 4 civil society organisations with loans in the total amount of RSD 145,646,707. We provided start-up customers -programme beneficiaries with over 230 hours of mentoring support, double the amount from last year.

Key indicators of the programme's economic and social impact so far:





## Results of financing NGOs and social enterprises



## Results of financing start-up clients



## Results of financing small registered agricultural holdings (RAHs) (special project Our Village)



The expansion of the programme to include low-income individuals has so far been implemented through the Our Village programme, which Erste Bank joined in 2019. The programme is implemented in partnership with Delta Holding in the villages of Dubočani and Mala Jasikova near Zaječar and in the Bačko Novo Selo in the municipality of Bač. The project is aimed at improving agricultural production and social life in these localities. So far, close to 30 agricultural households have been granted loans in the total amount of about EUR 180,000. 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 holdings was designed and carried out.

## Erste Group's Innovative Social Finance Instrument – “Quasi-equity”

Erste Social Finance Holding, a joint venture of Erste Group and Erste Foundation since 2021, has had in its offer an innovative social finance instrument called quasi-equity. Provided in the form of a so-called “qualified subordinated loan”, quasi-equity is available in Austria, the Czech Republic, Slovakia, Serbia, and Croatia and helps social enterprises and non-profit organisations grow and scale up their impact by strengthening their equity.

With the financial support of the European Union, Erste Social Finance Holding is also able to offer free trainings, top-class advisory and mentoring services, as well as technical assistance. These services are provided by the social innovation incubator Impact Hub Vienna and its partner organisations.

## Cash Loan for Customers Affected by the Energy Crisis

As part of its initiative for the promotion of its customers' financial health, Erste Group launched a special credit product to support customers affected by the energy crisis and high inflation. Accordingly, Erste Bank designed a cash loan with special terms intended for loyal customers (who have received their wages/pension in their account with the bank for more than one year), whose financial indicators pointed to possible vulnerability in the context of rising energy prices and overall cost of living. Loans were approved in the maximum amount of average monthly income with a repayment period of up to 12 months with an attractive interest rate (below the average annual inflation rate), so that they would not be burdened by the loan instalment during heating season.

The important thing is that the loan was not defined as earmarked and that if customers had already secured firewood or believed that they would not need help paying their heating bills, they could use the loan proceeds to cover other household expenses.

As of 31 December 2022, a total of 153 loans were granted, in the total amount of RSD 7,927,775.

## Youth Account

Money management is an important part of growing up and education, and for a young person who is only starting their financial life, a current account is a major and important step in the process towards financial independence. At Erste Bank, a youth account can be opened free of charge and without subsequent maintenance fees. Young people aged 16 to 27, including college and secondary school students, are eligible. For young people aged 16 or 17, the application to open up an account must be submitted by a parent or guardian.

The youth account provides everything that is required to manage money simply in the digital era – cards or e-banking via the mBanking or NetBanking applications. Using a debit card, young people can withdraw money without fees at ATMs at home or abroad, as well as make online payments. This account can also be used to receive money that the government pays out as assistance to the youth.

## Financial Literacy

Financial literacy is very important to us so that, based on their knowledge in the area of finance, people make informed financial decisions that are in their best interest in all areas of life, thus improving the financial position of individuals and society as a whole.

In order to ensure this, we:

- Support and initiate projects related to financial literacy, while requiring them to meet our quality criteria;
- Transfer the knowledge required to make informed and well-founded decisions on financial matters.

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 acquire the necessary knowledge in a way that is most suitable to them.
- Offline workshops customised to the programme beneficiaries' needs with the aim of raising their business capacities and 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.

## Educational Workshops for Women Entrepreneurs – Wanted: Women Who Believe in Themselves

The latest Women, Business and the Law 2022 report by the World Bank shows that more than two billion working-age women around the world still do not have equal economic opportunities as men, 178 countries

### Prosperity Advice

The Group initiative Prosperity Advice is part of Erste Group's Strategic Development Programme. Prosperity Advice represents our aspiration always to be an ambassador of financial care for our customers and their trusted financial partner. As part of this initiative, we place an emphasis on the financial health and prosperity of our customers.

**Taking on the role of prosperity advisor, we earn customers' trust. Customers receive financial education, learn to manage their personal finances, make a financial plan and improve their financial situation.**

**Prosperity Advice will contribute to restoring customers' trust in the entire banking system. The aim is to help our customers improve their financial situation through the implementation of a holistic approach and consistent provision of advice, available via all channels. By actively tracking customers' needs throughout their life cycle, we will position ourselves as partners, in order to be always available to provide advice, recommendations and financial guidance of value to the individual, their budget and finances.**



keep legal barriers in place which prevent their full economic participation, and 95 countries do not guarantee equal pay for equal work. That is why the empowerment of women and commitment to gender equality are of crucial importance for the prosperity of every society.

Striving to further support the development of women's entrepreneurship in Serbia, Erste Bank invited women entrepreneurs and all women who wish to become entrepreneurs to nominate topics and apply for the educational workshops that were held during 2022. Upon receipt of the applications during the first call over social media, two topics initially stood out: the business plan and finances in entrepreneurship.

During the first lecture on the topic of finance in entrepreneurship, Aleksandar Vasilski, Managing Director of the Valor Group, spoke about topics such as the projection of fixed and variable costs and service price formation. At the second thematic workshop, Erste Bank Social Banking Specialist Dragan Jozanov spoke about the business plan as an important ally in improving business. He pointed out that, while many are uneasy at the thought of drafting this important document, having a business plan significantly increases the odds of success, saves both money and time in starting and developing a business, and minimises business uncertainty. Going through the business plan items in detail with the participants, Jozanov presented to them its core sections such as idea description, most important products and services, customer structure, long-term and short-term plans, market, competition and risk analysis.

The topics of subsequent workshops were market research and online advertising, and participants had a discussion with Marijana Agić Molnar, Marketing Strategist and Data Strategist – expert at the Data Do company, and Brana Kosanić, Client Service Director at the Wavemaker agency.

Workshops are available in an online format, and their content was created based on the needs and interests of the participants themselves. All interested women entrepreneurs and those who are thinking about starting their own business may apply to the workshops, ask questions and nominate their topics via email [preduzetnice.pitaju@erstebank.rs](mailto:preduzetnice.pitaju@erstebank.rs).

In this way, the Bank seeks enable as many women as possible to develop their entrepreneurial skills, improve their business and enhance its sustainability and competitiveness. Educational workshops largely rely on Erste Bank's broad base of knowledge and experience developed through the Step-by-Step social banking programme, which is intended for start-up business owners and recognisable for its unique blend of financial support and mentoring.



## #ErsteZnali

Erste Bank launched #ErsteZnali, a comprehensive, free and non-commercial financial education programme in 2019. On the #ErsteZnali platform, citizens can find information and advice regarding saving, cards, internet security, loans, purchasing real estate, starting a business, insurance products, investment products, etc. During 2022, the platform had about 100,000 visits. You can read about it in more detail in the chapter Our Fellow Citizens in the Communities in which We Operate, pages 58–67.

In addition to the above programmes, the Bank strives in different ways to improve the financial literacy of not only its customers, but also the community at large. As in the past, in 2022 Erste Bank provided the key form of support to clients through all its official accounts 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.



## 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 2022 as well.

The procurement of new equipment and machines is very important for micro, small and medium-sized enterprises and entrepreneurs in our country, because it brings multiple benefits – it improves business operation, makes it faster and more efficient, thus saving time and resources, helps develop new products, and it also corresponds to the standard upheld by their foreign partners. The Programme Supporting SMEs in the Procurement of Equipment, which is implemented by the Ministry of Economy and the Development Agency of Serbia in partnership with banks and leasing companies, facilitates businesses' and entrepreneurs' access to financial resources needed to improve business. Erste Bank is also one of the programme partners. In 2022, the programme was only intended for companies classified as small and micro companies. In 2022, the Bank granted 58 loans in the total amount of EUR 2,947,023.

The maximum loan repayment period is five years, with a mandatory grace period of six months. The loans can be approved in dinars or euros, with a fixed or variable interest rate, depending on the repayment period and type of currency. An important benefit is that loans do not have to be secured by a mortgage on real estate, but rather by a pledge on purchased equipment or tools. Also, there are no costs in terms of fees for loan application processing, early loan repayment or amendment to agreed terms, nor costs of bills of exchange or Credit Bureau report. An additional enticing and favourable circumstance for loan beneficiaries is precisely the availability of grants in the amount of 25% which are a government subsidy.

# 7. Responsible Communication with Customers

**Our existence is grounded in people's striving towards their financial independence. We make that possible by making our products and services available to everyone. Meeting and fulfilling our customers' needs in a way that exceeds their expectations is the cornerstone of our sustainable business success.**

## — 7.1. Availability of Products and Services

Our priority is for our products and services to be available to individuals and companies through a range of distribution channels.

In order to ensure this, we:

- Create an atmosphere in which all customers, and especially customers with specific needs (e.g. customers with disabilities, senior fellow citizens, etc.), have adequate access to our products and services;
- Provide products and services in line with the cutting-edge technology and help customers to utilise those capabilities;
- Adjust the working hours of branches and advisory services to customers' needs.

Modern banking trends involve an increasing focus on digital channels, but outlets still play an important role in communication with customers, especially when it comes to advisory services. In 2022, our business network had 87 outlets and four commercial centres, with express sub-branches greatly contributing to our even greater accessibility to our customers.

In line with the evolving needs of customers, who expect a branch to be a place with attractive technological solutions, enough space to ensure privacy, without waiting in lines and with comprehensive support and quality advice, Erste Group decided to further enhance and digitalise its already modern branch concept by launching the Branch Evolution (EVA) project.

The first branch in Serbia designed according to the Group's new EVA concept was opened at Mome Kapora 12 in Belgrade in 2021, and in 2022, a branch was also opened in Novi Sad, at Narodnih heroja 3. In this branch, with a surface area of slightly over 200 square meters, digital solutions and technologies were implemented, facilitating and accelerating our operation and providing our customers with a better, simpler and completely different banking experience. In parallel with the technological aspect, this new branch concept is oriented towards the future of banking, an individual approach and to the commitment to and provision of advisory services to citizens, current and future bank customers. As part of the branch, there is also a self-service zone with an ATM, which is available 24 hours a day and also houses a cash-in ATM for companies. The comfortable space of the branch is reminiscent of a living room. It is equipped with an interactive screen with educational and entertaining content, and young children who need to wait for their parents to perform their banking transactions can have fun playing with toys.

With the aim of promoting financial inclusion in all aspects, our Bank's office building in Belgrade, as well as 56 business outlets of the Bank, have been adapted to enable autonomous access to persons with disabilities. Thus, 63.3% of all our facilities (the total number of business outlets includes express sub-branches as well) are accessible to persons with disabilities. In addition, each branch has a possibility of working with persons in wheelchairs at customer desks of appropriate height.

As of 2022, a total of 43 branches had tactile surfaces installed on the floor, clearly guiding persons with visual impairments to the nearest teller's counter. A total of 30 branches have been adapted for access by persons in wheelchairs, while 22 branches have an induction loop enabling direct unhindered communication of the teller with persons who use new-generation hearing aids.

## Digital Transformation

It has been a long time since the digital transformation primarily encompassed solely the development of e-bank and m-bank solutions. Today, the digital transformation is much more than that; it is the philosophy of a company that represents a change in mindset, change in the method of sales and marketing. Most simply put, the digital transformation involves the implementation of digital technologies in all aspects of operation, leading to a complete change in the way business is done.

By adopting new mobility-based technologies, Big Data, the Cloud, robots, artificial intelligence, we are fundamentally changing our Bank. We are digitalising our processes in order to become as efficient as possible and to serve our customers faster.

In 2023, Erste Bank is transitioning to a new, modern, flexible and stable core banking system that is implemented globally and has an excellent reputation. The introduction of the new system was preceded by a comprehensive transformation programme called L.I.F.T. – Link to the FuTure, in which a large number of employees and external associates were involved. The transformation is aimed at further boosting our growth and efficiency – through the implementation of innovation and advanced solutions, enabling us to optimise processes and enhance customer experience.

In the coming period, we will make it possible for our customers, both individuals and companies, to access, in just a few clicks, without going to a branch, desired products or services, including solutions that will enable customers to more easily and more quickly make their payments, split their bills, for example, in case of going on a summer vacation, purchasing a joint gift or paying for other services.

The innovative digital platform George developed at Erste Group will also be introduced in Erste Bank in Serbia during 2025. George is a digital platform that places customers at the centre of activities and, with its great design and simplicity of use, enables them to purchase products at a click, manage their finances, pay in an innovative and easy way, and, with the help of various tools, get advice on how to enhance and improve their financial health.

## — 7.2. Understandability and Transparency

The understandability and transparency of all the information about the products and services we provide are important to us. We support customers in making financial decisions that are in their best interest.

In order to ensure this, we:

- Continuously inform customers through appropriate channels about products and services from our offering that best meet their current needs;
- Provide transparent information about prices and fees;
- Support and invest in our customers' financial literacy (for more details about initiatives for financial literacy promotion, please read the chapters titled Responsible Financing and Financial Inclusion, and Our Fellow Citizens in the Communities in which We Operate.

Information about products and services is provided to customers pursuant to the Decision on Detailed Conditions of Financial Service Advertising of the National Bank of Serbia:

- o Information about the type of deposit/loan;
- o Information about the level and variability of annual nominal interest rate;
- o Information about the effective interest rate;
- o Information about the currency in which the deposit/loan is contracted;
- o Information about the period for which the deposit/loan is contracted;
- o Information about the deposit/loan indexing criterion;
- o Information about the total amount of deposit/loan;
- o 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 2022, 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.

The Communication Style and Content Principle initiative, or “Behave”, as it is popularly known at the Bank, as part of the Financial Health project, is aimed at standardising and implementing an integrated, unified, consistent, simplified, readable, understandable communication in all our communication channels based on the principles of behavioural psychology. The key aim of this project is to adopt and implement core principles of communication and aspects of behavioural psychology intended for customers and employees who find themselves in diverse financial situations. Changing mind-sets, as well as the approach to communication, external and internal, is a long process that is implemented in stages.

After the successful collaboration with the external consultant, the Behave agency, and the standardisation of communication at several major points of communication with customers in the past three years, in 2022 we continued working together to improve communication as part of the Contractual Documentation for Retail Housing Loans.

That entails correcting/improving the content itself as well as visually enhancing standard templates of the Contract to match the Group’s new corporate standards. Several different divisions and services worked on this project as a team in order to ensure maximum customisation and adequacy of documentation. Every document processed had to meet certain criteria – transparency, simplicity, understandability, ease of viewing and intuitiveness, while also still complying with legal and regulatory restrictions.

## — 7.3. Data Protection and Privacy

We respect our customers’ right to privacy and we handle customer data with confidentiality and maximum care.

In order to ensure this, we:

- Guarantee maximum confidentiality when collecting, processing and storing customer data;
- Do not disclose confidential information about customers without their consent unless such disclosure is required by law;
- Require all employees to comply strictly with confidentiality rules, even after the termination of employment;
- Do not misuse customer data;
- Also require our suppliers (service providers) to accept our privacy and data protection standards.

During 2022, no cases of customer privacy violation or complaints about the loss of personal customer data were recorded.

## — 7.4. Grievance and Complaint Management

We respond to grievances, complaints and feedback in a timely, honest and detailed manner, thus contributing to our customers’ satisfaction.

In order to ensure this, we:

- Take responsibility for any mistakes we make and take immediate action to resolve complaints in a discrete and tactful manner;
- Continuously analyse the core causes of complaints and take immediate steps to address them;
- Inform customers about the grievance and complaint submission procedure, including their right to refer unresolved issues to the competent ombudsman;
- Provide our employees with training on managing grievances and complaints;
- Have also opened official Bank accounts on popular social media through which customers quickly and easily receive feedback.



The Erste Bank complaint management system includes the Grievance and Complaint Management Procedure, the procedure – process for lodging grievances by insurance service users, and the instructions for the Repoza application, owing to which all customer grievances, as well as their commendations and suggestions, are consolidated in one place, from where they are processed faster by the competent units of the Bank. 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.

## — 7.5. Responsible Marketing

We foster a culture that is based on treating our customers in an unbiased and respectful manner.

In order to ensure this:

- We research customer needs and views regarding our products and services;
- Our product development process is in line with defined quality and safety standards;
- Our marketing campaigns are based on the respect of all parties involved and do not contain any images or messages that are offensive or inappropriate;
- Our marketing materials are clear, balanced, truthful and are not misleading.

In marketing in general, Erste Bank is guided by the principles of clear and unambiguous communication. The key principles in advertising Bank products and services in the media, are relevance, clarity, empathy. 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 the entire communication concerning Bank products and services is also designed, the Bank also has a Marketing Campaign Management Procedure, the purpose of which is to ensure operational efficiency and the insight of management and actors into all activities relating to the development and implementation of a marketing campaign. The Procedure pertains to all Bank marketing campaigns, pursuant to the Decision on Detailed Conditions of Financial Service Advertising of the National Bank of Serbia. Marketing campaigns that relate to investment and supporting services, as they are governed by the Law on the Capital Market, are more closely regulated by the Rules of Operation of the authorised Bank. Employees in the Marketing and Communication Division, Marketing Department, Retail Development Division, Retail Sales Division and the Corporate Division are responsible for implementing this Procedure.

When creating communication material, we are mindful of the customer segment we are addressing and adjust our tone and style of communication accordingly. All letters, digital campaigns, SMS messages and sales campaigns conducted via calls made by colleagues from the Call Centre are prepared in this way.

During the implementation of campaigns, Erste Bank ensures that its suppliers (e.g. printing companies) 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 implementation of advertising campaigns. The Bank gives priority to social enterprises in the selection of producers, thus supporting their business. Erste 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 players in the media market, government institutions, professional associations, and international organisations.

### 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](http://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, Twitter and Instagram accounts, 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](mailto:info@erstebank.rs), [dop@erstebank.rs](mailto:dop@erstebank.rs)
- Complaint channels: [zalbe.stanovnistvo@erstebank.rs](mailto:zalbe.stanovnistvo@erstebank.rs), [zalbe.preduzeca@erstebank.rs](mailto:zalbe.preduzeca@erstebank.rs), [dop@erstebank.rs](mailto:dop@erstebank.rs)
- Information brochure available at all Bank branches

## — 7.6. Customer Satisfaction

Customer satisfaction, as a key precondition for their loyalty, is a crucial area for us that has an impact on the long-term success of the Bank. Customer satisfaction depends, above all, on the customer experience in everyday interactions with the Bank, and this is why we take a comprehensive approach to this topic, aligning all processes, policies, technologies and employee skills with customer needs. At the level of Erste Group, the CX (customer experience) approach framework, which includes process design, corporate governance elements and all other areas of importance for the customer experience improvement strategy.

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).

- Retail: 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 are additionally included (boost). The survey covers the following topics: bank awareness, 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 touch/contact points with the bank. The survey method is CATI – telephone calls and interviews.
- Small businesses 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 was 165 customers in 2021. The survey covers the following topics: market share by the number of customers, as well as market share by customers for whom we are the main bank (main clients), market share from the perspective of product use (product performance), the key aspects of customer relationships: referrals, satisfaction overall, 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.
- Medium-sized and large enterprises (MLE): the MLE 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 was 155 customers in 2022. The survey covers the following topics: market share by the number of customers, as well as market share by customers for whom we are the main bank (main clients), market share from the perspective of product use (product performance), 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 purposes of the Bank and serve to improve the service and customer satisfaction. The part relating to general satisfaction and referrals of Bank 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 approved 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 – 5,484 customers in total were surveyed in 2022. Customers from small business and entrepreneur segment were surveyed after each loan was granted – a total of 191 customers in 2022. 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 2022, Erste Bank's CXI index is 76.4, and it has a total score at the level of the average for its Top 3 competitors (+1.4). Erste Bank records the best score in the retail segment where the bank ranks first with a score of 77.0. That is the best score recorded in the past five years, among all banks operating in the Retail segment.

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 2022, the score for carrying out payments through Erste Bank by segment is as follows:

- o Individuals: a score of 88 (on a scale of 0 to 100) and +4 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).
- o Small businesses and entrepreneurs: a score of 96 (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).
- o Medium-sized and large enterprises: score of 93 (on a scale of 0 to 100) and +2 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).

## 8. Responsibility in the Supply Chain

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. In 2022, 1117 suppliers were considered for cooperation. In 2022, 56% of the procurement budget was directed towards local suppliers, i.e. companies registered in the territory of the Republic of Serbia.

Erste Bank's aim is to establish and foster sustainable and long-term relations with suppliers based on mutual trust, transparency, in line with our Supplier Code of Conduct.

In order to ensure this:

- In our contracts with suppliers, we define minimal standards that require certain practices related to social, environmental and ethical business criteria, which must be complied with as regards processes and products;
- We investigate any suspected violation of our Supplier Code of Conduct and encourage suppliers to notify us of such situations;
- We terminate all forms of collaboration with suppliers whose social, environmental and ethical practices are unacceptable or whose performance is unsatisfactory;
- We continuously train our procurement staff on our Supplier Code of Conduct.

In addition to the Supplier Code of Conduct, Erste Bank's approach in this area is also governed by the Code of Business Conduct of Erste Bank a. d. Novi Sad and by the General Terms and Conditions of Procurement of Erste Group in Serbia, which are available on the Bank's website.



## — 8.1. Supplier Code of Conduct

Erste Group requires all its suppliers to meet the standards specified by the Erste Group's Ethical and Environmental Code of Conduct for Suppliers of Goods and Services. The Code, which is publicly available on the Group's website, is based on the values of Erste Group, as well as best practices in supply chain management, high standards in the area of ethics, labour rights, occupational health and safety, environmental protection, and their related management systems. Moreover, we expect our suppliers to replicate these standards further down their supply chains.

The four pillars of the Supplier Code of Conduct are:

- Human rights (freedom of association and collective bargaining, prohibition of forced labour, prohibition of child labour, employment practices, equal treatment, working hours, wages and benefits)
- Safety and health (workplace environment, accommodation conditions & privacy when provided by the supplier, emergency preparedness, product quality and safety)
- Environmental protection (environmental permits and reporting, environmental management system, hazardous materials and product safety, resource consumption, pollution prevention and waste management)
- Business ethics and integrity (anti-corruption, conflict of Interest, intellectual property, product origin, records, complaint mechanisms)

In all four pillars, suppliers are required to adhere to all applicable laws and regulations and to strive to comply with international and industry standards and best practices. In case of non-compliance with the Supplier Code of Conduct, the appointed compliance officers decide, if needed, on further measures.

In addition, by conducting checks via the Supplier Audit Questionnaire (SAQ), Erste Group reserves the right to verify any supplier's compliance with the Code, as well as to set requirements relating to progress in fulfilling the provisions of the Code.

## — 8.2. Transparency and Ensuring Level Playing Field

The e-Procurement tool, translated into the languages of all seven countries in which Erste Group operates, is used for conducting procurement. All bidders registered for the relevant procurement category in the e-Procurement tool, 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 which was among the first introduced in Serbia owing to the support of 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.

## — 8.3. Assessment of Social and Environmental Impacts in the Supply Chain

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 standards, with the questionnaire ensuring 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 do not provide satisfactory audit results will be excluded from the supply chain and service provision.

The SAQ questionnaire covers the following topics relating to supplier impact on the social and natural environment:

LABOUR RIGHTS
Hiring practices
Occupational health and safety practices
Discrimination and incidents (such as verbal, psychological, physical harassment or sexual abuse)
Freedom of association and the right to collective bargaining
Remuneration
Working hours
Complaint mechanisms in place

LOCAL COMMUNITY
Impact on local community
Corruption risk
Protection of competition
Compliance
Complaint mechanisms in place

HUMAN RIGHTS
Child labour
Discrimination
Forced 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 2022, of the 79 suppliers in total that recorded a turnover of over EUR 100,000, 70 suppliers (89%) were subjected to an analytical review. No supplier was the subject of a special impact assessment by the Procurement Department, beyond the SAQ questionnaire.



# 9. Our People

**The aim of Erste Bank, as a responsible employer, is to provide a modern, attractive and stimulating work environment for engaged and committed people, who are ready to learn and develop professionally. Caring for our employees' satisfaction and motivation is at the top of the Bank's priority list, with guaranteed provision of equal opportunities, protection of rights and transparent communication.**

In order to achieve these goals, through the Code of Business Conduct we have committed to:

- Adhering to the highest ethical standards and acting honestly in everything we do;
- Appreciating and respecting each other regardless of our position in the hierarchy and the job we perform;
- Working with each other, while being mindful of the interest of society as a whole and Erste Group, rather than of only one's own job or organisational unit;
- Ensuring a working environment in which there are no forms of harassment or intimidation, and no discrimination on any basis;
- Encouraging diversity and the provision of equal opportunities for all employees;
- Promoting teamwork and recognising the importance of each individual's contribution to the achievement of common goals.

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

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

The Collective Bargaining Agreement, which was signed in the current form by the Trade Union and the Bank in 2020, guarantees benefits to all Bank employees beyond the ones 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 strength of the change and improvements towards which we constantly strive. 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. In 2022, the Collective Bargaining Agreement was amended with regard to the aspect of defining higher amounts of the minimum salary specified by pay grade, in line with a salary increase for all Bank employees.

## — 9.1. Equal Opportunities, Diversity and Inclusion for All Employees

Equal opportunities, diversity and inclusion for all employees are at the foundation of our corporate culture and represent our strength and competitive advantages for our business success.

In order to ensure this:

- We strive to provide equal opportunities for all our employees in all areas, e.g. Career development, work-life balance, giving due consideration to proposals and ideas for business development, remuneration, etc.;



	2020	2021	2022
TOTAL NUMBER OF EMPLOYEES	1212	1224	1296
TOTAL NUMBER OF PERMANENT THIRD PARTIES	79	144	145
TOTAL NUMBER OF ENGAGED WORKERS	1291	1368	1441

	2020		2021		2022	
TOTAL NUMBER OF EMPLOYEES	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
TOTAL		894	327	897	327	969

EMPLOYEE PERCENTAGE BY GENDER	2020	2021	2022
MEN	26%	27%	25%
WOMEN	74%	73%	75%

EMPLOYEE AGE STRUCTURE	2020	2021	2022
UNDER 30 YEARS	16%	15%	19%
30–50 YEARS	68%	69%	67%
OVER 50 YEARS	16%	16%	14%

TOTAL NUMBER OF EMPLOYEES BY TYPE OF CONTRACT	2020		2021		2022	
FIXED-TERM CONTRACT OR PERMANENT CONTRACT	FTC	PC	FTC	PC	FTC	PC
TOTAL	163	1049	149	1075	189	1107

TOTAL NUMBER OF EMPLOYEES BY TYPE OF EMPLOYMENT	2020		2021		2022	
FULL-TIME (FT) OR PART-TIME (PT)	FT	PT	FT	PT	FT	PT
TOTAL	1210	2	1221	3	1294	2

EMPLOYEE TURNOVER	2020	2021	2022
TOTAL NUMBER OF NEW EMPLOYEES	174	176	276
TOTAL NUMBER OF EMPLOYEES WHO HAVE LEFT THE COMPANY	100	150	205
TURNOVER RATE	9.2%	10.86%	14%

## Our Erste Culture



- We promote and encourage diversity in managerial positions, particularly with regard to sex, age and nationality;
- The synergy of our employees' diversity is the strength we harness to further our development as an organisation and of our operation as a bank.

Erste Bank views diversity and inclusion as an essential part of its business strategy, given that 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.

In 2021, across Erste Group, the new Diversity and Inclusion Policy was implemented, defining measures aimed at increasing women's representation in managerial positions. The Policy focuses on four areas:

- HR processes – including recruitment, retention and promotion
- Achieving work-life balance
- Culture and communication
- New group of goals and ways to monitor them efficiently

Erste Group's objective is to achieve women's representation in the highest managerial positions of 37%, as well

as of 40% in other managerial positions by 2025. We are proud of the fact that Erste Bank in Serbia has already achieved this objective – women's representation in the Executive Board is 50%, and among executive directors, it was 42% at the end of 2022.

The Bank's operations are fully compliant with the current Law on Gender Equality and Rulebook on Keeping Records and Reporting on Gender Equality Implementation with the requirement to submit to the competent ministry an annual report on the implementation of a plan of measures for the previous year and the adoption of a plan of measures for the current year.

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 is aimed at acquainting new colleagues with the culture and values of Erste Bank, its history, the purpose of its existence and its brand. This programme acquaints new employees with the bank's operation and its functioning in conversation with colleagues, taking part in a quiz, playing a board game.

Erste Bank has had an Anti-Mobbing Counselling Office for more than ten 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.

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. In 2022, not a single complaint related to human rights was received through the previously stated mechanisms.

## — 9.2. Employee Satisfaction

Employees at Erste Bank are entitled to a modern work environment and favourable working conditions.

In order to ensure this, we:

- Regularly analyse and compare our work environment with that of other companies;
- Take action in accordance with the feedback provided by employees or their representatives;
- Offer fair and competitive compensation for work which contributes to our overall sustainable performance;
- Help employees with internal deployment and redeployment to other organisational units in case of restructuring of jobs.

Erste Bank's benefits programme, which is integrated as part of the Erste For You platform, comprises three categories: Health for You, Time for You and Bank for You.

**ZDRAVLJE ZA TEBE**  
 Tvoje zdravlje je prioritet – tebi i tvojoj porodici, ali i našem. Imajući to u vidu, osmišlili smo niz zdravstvenih pogodnosti za tebe.

- Privatno zdravstveno osiguranje
- Privatni zdravstveni osiguranje - bolovanja
- Psihološka podrška

**VREME ZA TEBE**  
 Znamo koliko ti je važno raditi. Zbog toga osmišlili smo za tebe različite načine kako povećati svoju produktivnost i smanjiti stres. Imajući zdravlje i dobrobit u vidu, osmišlili smo različite pogodnosti koje će ti pomoći da bolje upravljaš svojim vremenom. Pored mogućnosti rada od kuće i fleksibilnog radnog vremena osmišlili smo i druge pogodnosti koje će ti pomoći da bolje upravljaš svojim vremenom. Kao i ostale pogodnosti.

- Godišnji odmor
- Plaćeno odsustvo
- Druge pogodnosti

**BANKA ZA TEBE**  
 Na posao te važni mnogi faktori, jednim od ih posvetimo i dodatne finansijske pogodnosti.

- Dodatne finansijske pogodnosti
- Privatni fond za penzionisanje
- Osuvremenjena
- Welfare program by Erste Group

**rezilient**  
 Resilient platforma

Fond solidarnosti Marina EuroC

Erste Balance

Učestvuj u raznim sportskim događajima

## Special Award for Continuous Career Development of Women Managers

As part of the Flower of Success for the Dragon Lady 2022 event, which has been organised by the Association of Business Women in Serbia for a number of years, Erste Bank was declared Serbia's second most gender sensitive company.

This award is given to medium-sized enterprises and large companies that, in their operation, implement a corporate social responsibility strategy, are guided by United Nations' principles for the empowerment of women, implement gender equality principles and provide the best model for integrating women into supply chains.

On behalf of the Bank, Jasna Uzelac Braunović, Head of the Communications Department, received the award at a ceremony at the Madlenianum Opera and Theatre. "This award means a lot to us, because it confirms that everything we do to make a contribution to topic of gender equality is producing good results", she said on that occasion and thanked the Association of Business Women for organising the contest. "By publicly presenting achievements, examples of good practice and results, we have an opportunity to learn from each other, exchange experiences and develop ideas through which we can jointly contribute to the progress of our society", she added.

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.)

In 2022, an excellent programme for employees was launched in our Group and Bank – WeShare by Erste Group. The programme that contributes to the financial health of employees in line with our vision and enables participation in our Group's financial success. Owing to this programme, 985 Bank employees and 44 S-Leasing employees received Erste Group shares in September for their contribution in 2021, making them into not only employees but also co-owners of the company in which they work. The WeShare by Erste Group programme will continue next year as well.

Private health insurance for all direct employees was introduced in 2022, as well as more favourable terms of insurance for their family members (spouses and children). In addition, the insurance policy was improved based on feedback received from employees.

In 2022, the Bank also implemented the following initiatives:

- The amount of zero-interest loans for all employees, regardless of wage level, was increased and approved;
- As a continuation of care for employees with regard to their financial health, all employees received the amount of RSD 30,000, as well as a wage correction of 5% or 10% towards the end of the year;
- The Bank became a contributor to the Teller Fund by matching the amount raised by employees. For 2022, RSD 720,000 was paid into the Fund.

Right to maternity leave	2020	2021	2022
The number of employees who exercised the right to maternity leave*	44	43	61
The number of employees who returned to work after the expiry of maternity leave**	39	33	39
The number of employees who returned to work after maternity leave and who were employed 12 months after returning to work***	39	37	29
Rate of return to work after maternity leave	88%	89.19%	95%
Rate of retention in work position 12 months after returning to work	100%	78.72%	74.36%

\* 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.

## 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 history, values, organisational culture, bank strategy, the Erste brand, and functioning of their division or service, since 2018 the concept of Erste Buddy has been implemented, which includes seven days of additional support from the employee-buddy to the new employee.

## 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. Under the circumstances of increasingly frequent work from home and remote organisation of teams, the importance of fast and precise two-way communication as a foundation of successful operation has become even more apparent.

The basic platform for our everyday communication, the most important information and relevant documents, is our internal portal InfoNet. In addition, MS Teams and Office 365 enable us to work productively and efficiently in the modern challenging working conditions – the hybrid environment in which we combine working from the office and from home.

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:

[otvoreno@erstebank.rs](mailto:otvoreno@erstebank.rs)

[komunikacije@erstebank.rs](mailto:komunikacije@erstebank.rs)

## Employee Development and Advanced Training

We provide our employees with opportunities for advancement and professional and personal development. In order to ensure this, we provide a broad range of programmes especially aimed at developing talents, training for the acquisition of professional skills, training for the development of personal abilities, mentoring, coaching and development of leadership skills.

Our approach also includes 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 lifelong 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. We are dedicated to developing and expanding our team of internal trainers, and, in addition to internal trainings, Erste Bank enables its employees to attend external trainings, as well as take a study sabbatical with a guaranteed return to work.

Erste Group also develops a series of trainings in a digital format, which are available to employees in all Group members. Digital formats enable the new topics and content to be more quickly and efficiently integrated into existing development plans. In addition,

### Care for Mental Health

Erste Bank cares for employee mental health and wellbeing, especially in light of the increasingly pronounced challenges following the pandemic and other global crises. That is why, in cooperation with the Resilient platform, we provide psychological support to our employees to help them to cope with difficult and complex situations. The Resilient platform, which is available to all our employees, comprises educational video series, audio recordings and texts with advice on various topics, but also conversations with experts via online psychological counselling, phone counselling, or via chat through the MS Teams application. Use of the platform is free and anonymous for all employees.

we also offer our employees a possibility of integration in the internal Erste Group job market in all our seven countries, as part of our efforts to encourage mobility within the Group and become the most attractive employer in the financial market.

For training organisation and tracking, we use the AMOS application (SAP SuccessFactors), which provides 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, are organised via the application AMOS, which enables 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 are able to view themselves all the details of the training and add it directly to the calendar with one click. In 2022, a total of 103,111 hours of trainings were held for employees.

Total number of training hours by employee category	2020	2021	2022
Managers	2,632,87	5,111	33,672
Non-managers	13,463	35,590	69,439

Total number of training hours by gender	2020	2021	2022
Men	3,739	8,050	28,379
Women	12,357	32,650	74,732

Average number of training hours annually by employee	2020	2021	2022
Managers	14	28	173
Non-managers	13.5	35	63

Average number of training hours annually by gender	2020	2021	2022
Men	11.76	24.62	87
Women	13.82	36.4	83



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 his or her 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.

In 2022, the Junior Fast Track model project was piloted, which enables managers to monitor and reward juniors' development, with the aim of increasing the job satisfaction of new junior employees, strengthening a culture of timely provision of feedback on the work of employees, improving competences for successful work performance, as well as the retention of juniors with an appropriate profile in the Bank. 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.

## Occupational Health and Safety and Social Support to Employees

Employees at our bank have the right to safety and health. In accordance with the Luxembourg Declaration of the World Health Organisation (WHO), we are committed to workplace health promotion in order to improve the health and wellbeing of people in the workplace.

In order to ensure this, we:

- Encourage a healthy lifestyle among our employees;
- Inform employees about various health aspects, such as lifestyle choices, ageing, corporate culture, employer-employee relations, mental health, stress management and nutrition;
- Provide our employees with basic health check-ups once a year;
- Provide a safe workplace and strive to eliminate work-related injuries and illnesses;
- Comply with all regulatory requirements related to occupational health and safety, and contribute to the promotion of occupational health and safety.

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 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 and 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. As of 1 January 2022, private health insurance was introduced for all employees.

We place the highest emphasis on preventing 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. In 2022, eight injuries at work were recorded, of which three were serious.

Rate of serious injuries at work*	2020	2021	2022
Employees	0	0	3
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 of serious injuries at work / total number of work hours × 200,000.

Rate of injuries at work*	2020	2021	2022
Employees	0.57	0.08	0.23
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 of injuries at work / 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 over 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 11 representatives from all organisational units and a chairperson elected every five years.

An activity of our Trade Union that marked this year is participation in the international seminar Equal Opportunities in the Workplace. Gender Equality and the Fourth Industrial Revolution, organised by BOFOS (Trade Union of Employees in Banks, Insurance Institutions and other Financial Organization) and EZA (European Centre for Workers' Questions). The seminar participants adopted a declaration founded on United Nations' Women's Empowerment Principles, stating that, through trade union activities, at level of employers, nationally and internationally, they would promote gender equality and stand for fair treatment of all women and men in the workplace – the respect of and support to the realisation of human rights and prohibition of discrimination. The 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 2022, a total of RSD 3,234,573.68 was paid into the Fund, of which the Bank as the employer paid RSD 2,400,000, and the Trade Union set aside RSD 482,273.68 from its the membership fees, while voluntary direct contributions of employees amounted to RSD 197,200.00. During 2022, through this Fund, the Bank helped over 70 employees with various treatments, loans, child scholarships, and solidarity assistance.

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. The 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.



# 10. Our Fellow Citizens in the Communities in Which We Operate

**Erste Bank has continued with its constant strategic and proactive investment in the community listening to people's needs, communicating every day with all stakeholders, following the modern trends of sustainable development. From our very founding, our mission has been to contribute to the further development of society and to raise the quality of life in the communities in which it operates.**

In addition to financial support, we also deem equally important the support provided through 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. We believe that the synergy of different resources provides the best results and, therefore, we strive to recognise quality ideas and partners, with whom we will change society for the better. Our focus is on providing support to civil society organisations, institutions, initiatives and projects in the areas of social issues, culture and art, education, entrepreneurship, and sports. All the programmes supported by the Bank encourage inclusion, equality, discrimination on any basis is strictly prohibited, and a special emphasis is placed on working to economically and socially empower vulnerable groups in society.

All Bank programmes are subject to the monitoring of achieved results, analysis and, accordingly, revision. The Bank receives feedback from stakeholders through surveys conducted as the new CSR strategy is prepared, as well as through the Bank's official social media accounts after the announcement of programmes and results.

Sponsorship and donation requests can be sent by interested parties to the email addresses [sponzorstva@erstebank.rs](mailto:sponzorstva@erstebank.rs) and [dop@erstebank.rs](mailto:dop@erstebank.rs). 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.

## — 10.1. Financial Literacy

Financial literacy is one of the most important skills for the 21st century and a major challenge for today's society. Insufficiently financially literate citizens cannot achieve their full potential, they are financially vulnerable and without access to jobs that can provide financial stability and prosperity. Those who lack access to financial services and education are often excluded from economic and social life. Financial literacy enables the acquisition of education for decent jobs, stimulates the development of entrepreneurship and enables microfinancing, helping to reduce the risk of poverty and contributing to economic growth, financial and social inclusion and stability. Financial literacy is one of the most important priorities for our bank, because it unequivocally contributes to the prosperity of every individual and, by extension, society as well. As a financial institution, we recognise our responsibility and obligation, as well as our honest desire to provide support, share knowledge and experience, give advice and empower the general public (citizens and start-up business owners) in the field of financial education. By contributing through education to the making of sound and informed financial decisions, we help to set up a financially healthy society.

### #ErsteZnali

Financial literacy enables citizens to plan their finances properly, 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.



## Global Money Week Celebrated Through Various Activities

Guided by its strategic commitment to develop actively the financial literacy of the citizens of Serbia, Erste celebrated in various ways Global Money Week – which is celebrated in the last week of March at the initiative of the Child and Youth Finance International (CYFI) and is aimed at the improvement of financial literacy and the development of entrepreneurial skills among children and youth. Together with the Centre for Financial Education and Empowerment (CEFIN), the Bank organised a panel discussion on financial health, and participation was free for all interested participants.

Virtual money meetups were conducted in two thematic units: the panel A Parent’s Guide to Improving Children’s Financial Literacy addressed the question of the appropriate age at which to start talking about money and how to most effectively bring the world of finance closer to children, and experiences and views were shared by Marija Mutić, Financial Education Programme Coordinator at Erste Bank, Jovana Ružičić, Director of the Centre for Moms, Miša Stojiljković, creator of the TV series Dad, You’re Crazy and the podcast From a Male Perspective, and Slađana Sredojević, PhD, from the Association of Serbian Banks.

The topics of the second panel, called Virtual Money Meetup, included taking care of financial health and money management. Questions such as: “Do we spend everything we earn or do we have an approximate savings plan, what do we do when unforeseen expenses occur, how do we actively work to develop good habits for planning expenses and outlays to increase quality of life?”, were answered by Ana Jovanović, Founder and Director of the Tailor’s School, Nevena Milutinović, Director of an Erste Bank branch, Karolina Herbut, Financial Advisor and President of CEFIN, and Biljana Aleksić, Vice President of CEFIN.

Seeking to draw attention to this topic, open up space to address it and strategically find an adequate place for it in formal education, in 2019 the Bank launched a complex and comprehensive financial education programme – ErsteZnali, which comprises:

- ErsteZnali, an educational online platform available to everyone;
- Workshops and events on the subject of financial management and entrepreneurship development, with a special emphasis on youth and women;
- Mentoring and advisory support for start-up business owners and future entrepreneurs;
- A special part of the programme intended for the youngest aimed at providing comprehensive financial education support at all stages of development and education.

On the #ErsteZnali online financial education platform, citizens can find information and advice regarding saving, cards, internet safety, loans, purchasing real estate, starting a business, insurance products, investment products, etc. The platform had about 100,000 page visits during 2022. The tests that platform users take show progress of 70% on average, made by all those who accessed the training.

The workshops and events on finance management were attended by about 520 participants this year. Evaluations after events show that they have significantly improved their knowledge and skills and that they have increased their level of financial literacy.

For the ErsteZnali programme, our Bank was awarded the Sustainability Champions award, given by the Responsible Business Forum at its largest annual event under the title and slogan CSR & ESG FORUM – Compliance, Performance, Leadership, which was held in December 2022. The award is given to companies for projects that clearly show and prove a connection with and contribution to the United Nations' Sustainable Development Goals. The Bank was rewarded for its contribution to the goal in the area of quality education. "I am very happy that our strategic commitment in the area of financial literacy promotion has been recognised. We are aware of the importance of education in making good and informed financial decisions, which are at the foundation of a healthy and prosperous society. This award further obliges us to continue to improve and develop this programme", Marija Mutić, ErsteZnali Programme Coordinator, highlighted at the time.

## Money School for Pupils

Erste Banka supports the dissemination of knowledge in the area of finance from an early age and we are committed to it, because we know it leads to good financial decisions, greater business sustainability and to the prosperity of society at large. If we want future generations to be more successful than us and to navigate the financial world better, we must support them in any way possible and find a way to provide them with financial education at all stages of development and education. That is why, during the past three years, we devoted special attention to the youngest and to introducing them to the world of money.

In 2021, the Ministry of Education, Science and Technological Development and Erste Bank signed a Memorandum of Understanding, agreeing to work jointly on the financial education of primary school pupils. The Money School for Pupils project is implemented over a four-year period, starting from the 2021/22 school year, as part of the education system, in order for pupils to acquire and develop knowledge, skills and mind-sets in this area, which they will be able to implement in making appropriate financial decisions.

So far, as part of the project, age-appropriate curricula in primary schools in the area of financial education have been prepared, the training of the first group of 150 teachers has been organised, and a pilot project has been implemented in 80 schools across Serbia. In April 2022, the first anniversary of the project launch was celebrated with a one-day conference at which results achieved so far were presented, but also examples of best practice from schools across Serbia. Own examples of good practice were presented by primary schools Veljko Dugošević in Turija, Stevan Filipović in Divci, Mičo Matović in Katići – Ivanjica, Živko Tomić in Donja Šatornja, Dušan Radović in Piroć, and Isidora Sekulić in Šajkaš, indicating that the teachers invested a lot of effort to devise creative ways to bring the world of finance closer to the children in an age-appropriate manner.

In the presence of numerous representatives of the Ministry of Education, Science and Technological Development, the Institute for Improvement of Education, as well as school principals, educators and teachers participating in this programme, the conference was opened by Milan Pašić, PhD, Assistant Minister, from the Department for Preschool and Primary Education in the Ministry of Education, Science and Technological Development in the Government of the Republic of Serbia. He thanked Erste Bank for its cooperation on this important project and emphasised that the Ministry recognises the area of financial literacy as one of the segments that are important for the education system. "I am pleased that we are expanding the spectrum of students' knowledge through various programmes and projects, such as this one, where they are learning about financial literacy. By also learning about this topic, children will be better prepared for life and will understand the value and the management of money more easily," Pašić said on that occasion.

## Guardians of the Dragon's Treasure

After the book titled Guardians of the Dragon's Treasure authored by Dragica Mujković and published by Kreativni centar, and an eponymous game intended for children in lower grades of primary school, in 2022 Erste Bank also created an interactive play titled Guardians of the Dragon's Treasure based on the same theme, intended for children aged 6 to 10. During 2022, twelve free performances of the play were given as part of various events in Belgrade, Novi Sad, Vrdnik, Niš, and Leskovac.

The game Guardians of the Dragon's Treasure celebrated its first birthday in December 2022, and it has been downloaded more than 18,000 times so far. The game also motivates parents to explore, through joint activity and spending time together, the world of finance and improve their financial literacy and teach their children to manage money. "The number of downloads of the game in one year, as well as the ratings and comments on Google Play and the App Store show us that children are, indeed, interested in financial topics and that we have found a good way to bring this area closer to the youngest. By making thought-out decisions in the game, they are actually preparing for real life and for everything that awaits them when they are older, given that they will face financial decision-making throughout their lives", emphasised Marija Mutić, ErsteZnali Programme Coordinator of Erste Bank Serbia. At the same time, she announced that players will also soon find themselves facing new tasks that will expand their knowledge about finance.

In 2022, our application for the financial education of the youngest, Guardians of the Dragon's Treasure was recognised as one of the Campaigns With Purpose and rewarded as part of the eponymous Festival of Socially Responsible Communication.

Find out more about the ErsteZnali programme at <https://www.ersteznali.rs/> and in the chapter Responsible Financing and Financial Inclusion, pages 34–37.



## — 10.2. Support to the 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.

In the past several years, the labour market has opened up and companies increasingly need new colleagues. Regardless of that, young people still do not have it easy starting their career and getting their first opportunity. A good way to gain first experiences, find one's path and start one's career is to do a professional internship. Erste Bank is strategically committed to providing knowledge and experience to beginners through various programmes.

In 2022, we hired 158 new colleagues without previous work experience. Most of them had previously taken part in our internship programme or been temporarily employed in the areas of retail and corporate business, credit and strategic risk, development, digital, marketing and communications, human resources, banking operations.

During 2022, we opened our doors, and, in cooperation with the Novi Sad Vocational Business College, the Čačak Economics High School, the Niš Economics High School, the Novi Sad School of Technical Sciences, the Subotica School of Economics, and the Belgrade Banking Academy, we acquainted secondary school and college students with the fundamentals of banking.

In addition to the above education institutions, the Bank also works together with the following partners: Business Academy, Kruševac Economics and Commerce High School, University of Belgrade School of Economics, Niš School of Economics, Svetozar Marković Grammar School and Economics High School in Srbobran, Užice Economics High School, Singidunum University in Valjevo, Valjevo Business College, Subotica Economics High School, Union - Nikola Tesla University.

Erste Bank's important partners include youth and student organisations as well, and we also continuously support young people through sponsorships and by participating in fairs, panel discussions, workshops and mock job interviews that they organise. During 2022, we worked with AIESEC, the Student Alliance of Belgrade and Event Media Group.

### Scholarships for Studies at the Graz University

In 2022, talented and committed postgraduate and graduate students of economics or law from Serbia, Slovenia, Croatia, Bosnia and Herzegovina, Montenegro, and North Macedonia had the opportunity to apply for the new cycle of Best of South East scholarships, implemented by Erste Group and Steiermärkische Sparkasse in cooperation with the Graz University. The programme provides participants with an opportunity to build on the knowledge acquired during their studies at the one of the oldest Austrian universities, to experience working in a multicultural environment and to step more easily into professional life, owing to an internship or training in one of the most modern banking institutions in Styria.

As previously, all interested students can choose between a Trainee or an Internship programme, which last one year, from September 2023 to August 2024. Students taking part in the Trainee programme will attend select courses at the Graz University, while they will spend the last two months of the programme, or longer, in one of the Steiermärkische Sparkasse banks in South Eastern Europe. Students taking part in the Internship programme will focus on the courses at the Graz University which are relevant for the completion of their studies at their own universities. During a two-month summer work placement after the academic year, participants will be intensively involved in the everyday business of Steiermärkische Sparkasse in one of its locations in Styria or in South Eastern Europe.

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. Stanko Jović, a scholarship holder from the previous cycle, said: "I couldn't be happier after a month and a half spent in Graz and I already feel at home! A university and a bank in a different country are completely new

experiences for me. I am immensely grateful for this opportunity and everything else that the organisers have done for us, scholarship holders, so far. I am looking forward to the rest of the programme, as well as the summer internship at the Steiermärkische Sparkasse!“.

## The Importance of Educating Young People in the Area of Information Security

As of last year, the offer of study programmes at the University of Novi Sad has been expanded to include master academic studies in information security. It is a new study programme at the School of Technical Sciences (STS), created as part of the international project Information Security Services Education in Serbia (ISSES) and accredited by the National Entity for Accreditation (NAT). The aim of the ISSES project is to improve the capacity of higher education in the Republic of Serbia. The programme was funded by the European Education and Culture Executive Agency (EACEA) as part of the Erasmus+ programme. The Executive Agency recognised a shortage of highly educated experts in the area of cybersecurity in Serbia and supported the initiative of the representatives of the University of Novi Sad.

A very successful first year of this programme's master studies is behind us, which raised awareness about the need for education in this area and launched similar study programmes at other colleges in the country. Practice has shown that more and more young people are interested in this area, and that an increasing number of large companies are investing significant funds to support its development by hiring precisely these young educated people.

Erste Bank has, for some time, been committed to expanding business and education opportunities for young people in the area of information security. In 2022, the Cybersecurity Network Foundation implemented a new cycle of the Cyber Hero programme, which the Bank supported by providing the main prize for students, winners of the Hackathon competition in Serbia – the Serbian Cyber Security Challenge. This year, the Bank made it possible for the prize-winners to visit the head offices of Erste Group and Red Bull Salzburg.

## 10.3. 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.

The Bank strategically supports organisations and institutions, programmes and initiatives in the following areas:

- o Culture and art,
- o Science promotion,
- o Entrepreneurship,
- o Financial literacy and inclusion
- o Sports.

Sponsorship decisions are also taken in accordance with the specific rules and available budget for the given year. In 2022 alone, the Bank supported in this way over 50 projects and programmes with over RSD 26.6 million.

## Novi Sad – European Capital of Culture

As the official bank of the Novi Sad – European Capital of Culture project, Erste Bank provided support to the programme units Heroines and Kaleidoscope of Culture.

In our history, there have been many women who believed in themselves and their ideas and changed the world in which we live in seemingly small steps. Mileva Marić-Einstein, Milica Stojadinović-Srpkinja, Marija Trandafil, Milica Tomić, Nadežda Petrović, Isidora Žebeljan, are just

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some of the important figures in national history and culture who inspired today's artists' plays, concerts and exhibitions as part of the Heroines programme section. Ahead of Homecoming, the last programme unit of the Novi Sad – European Capital of Culture project, the Mileva: We Are a Rock exhibition was opened at the completely renovated Novi Sad City Museum at the Petrovaradin Fortress, with the Bank as its exclusive partner. This multimedia exhibition presents the life and importance of Mileva Marić-Einstein to a domestic and international audience in a different, interesting and novel way. The exhibition inspired by Mileva's brilliant mind was shown through the artistic prism of author Dušan Jovović, PhD.

Instead of seeing Mileva through simplistic narratives about women, which often depict her as a victim and passive participant in the history of science and family life, this major exhibition about her invites us, in a bold and innovative way, to rise up to the active and working principle of a truly creative life. The exhibition consists of a very strong visual narrative that will approach the character and work of Mileva Marić-Einstein in a striking and different way. This art exhibition is also unique because it was created through the creative use of the most modern technologies, new media, 3D animations, digital sound, and holograms, as well as classical artistic language reflected in sculptures, graphic design, drawings and paintings.

## Momo Kapor Award

Since 2011, the Momo Kapor Award has been given every year on 8 April, on the artist's birthday, for literature and visual arts alternately, with the aim of nurturing and preserving the memory of the greatest writer among painters and the greatest painter among writers. Erste Bank has been the sponsor of this important award since 2022.

The jury consisting of Muharem Bazdulj, author, Vule Žurić, author and literary critic, and Radmila Stanković, journalist, unanimously decided to reward in 2022 the literary work of author Vesna Goldsworthy titled Iron Curtain, published by Geopoetika in 2021. A silver plaque with a hopscotch motif and a monetary prize were awarded to the winner by Matija Bečković, President of the Board of Governors the Momčilo Momo Kapor Endowment, and Aleksandra Kosanović Strižak, Head of Marketing and Communications at Erste Bank, in the Reception Hall of the City Assembly of Belgrade.

## Believe in Yourself Award

The Believe in Yourself Award, awarded as part of the Belgrade Dance Festival to young and talented ballet artists by this Festival and Erste Bank for the third time, was won by young ballet dancer Luka Dimić in 2022. The award ceremony was held in the premises of the National Foundation for Dance. The #believeinyourself statuette and the monetary part of the award in the amount of 120,000 dinars were awarded to Luka Dimić by Aleksandra Kosanović Strižak, Head of the Marketing and Communications Division at Erste Bank, and Aja Jung, Director of the National Foundation for Dance and Founder, Director and Selector of the Belgrade Dance Festival.

“We are extremely pleased to give this award, which is the only one of its kind in Serbia and aimed at not only praising the achievements made by young ballet artists so far, but also at empowering them in their further career, to support them to persist, be even better and more committed in what they do. Apart from the already recognised artistic talent, one of the reasons why we decided particularly in favour of Luka this year is his committed pedagogical work, his desire to help young ballet dancers in Serbia, especially men, to perfect their dance, find and build their personality, to believe in themselves”, said Aleksandra Kosanović Strižak on this occasion.

Having expressed his gratitude for the award he received, Luka said that dancers mostly enter the world of ballet out of sheer curiosity, and that the ones who remain in it are only those who, over time, succeed in finding all the other values that such an



extraordinary process of growing up provides. He also emphasised that awards and applause are not discussed much, although they mean a lot at that age because they provide joy and new opportunities. “This recognition by Erste Bank and the Belgrade Dance Festival comes as a surprise, making the excitement even greater. An award that promotes and supports art could not have a better name - #believeinyourself is a slogan that inspires”, underlined Luka.

„The traditional partnership with Erste Bank is vital for the Belgrade Dance Festival. Together, we were able to present big stars and important troupes, reward young talents, overcome the challenges imposed by the pandemic. In our country, partnerships between art and business are still rare. That is why we have to foster them, especially those into which energy and love are mutually invested. The #believeinyourself award is unique in the area of dance, because it recognises young artists who are at the beginning of their creative opus. They are bold and open to research, interested in improvement and uncompromising work on the path to success. That is why it is important to give them a hand at the beginning, which Erste Bank does with commitment and utmost selflessness,” said Aja Jung.

As a reminder, in previous years the Believe in Yourself Award was won by Sanja Ninković, ballerina and choreographer, and young ballerina Lena Čulibrk.

## New Year’s Humanitarian Garden

By decorating the Christmas tree, Erste Bank joined the New Year’s Humanitarian Garden campaign, which is organised by the Botanical Garden Jevremovac of the University of Belgrade Faculty of Biology in cooperation with the Serbian Philanthropy Forum and the Coalition for Giving. Wooden decorations were made specially for this initiative by young people without adequate parental care included in the independence promotion programme after leaving the social welfare system, who are brought together by the Star Centre humanitarian organisation.

The New Year’s Humanitarian Garden was organised for the second time in order to preserve and protect the environment and raise funds for the socially most vulnerable groups in society. It is part of the Save Food, Save Humanity campaign, the primary objective of which is to increase food donations for the most vulnerable and to reduce food waste.

As in the previous year, half of the funds raised from the lease of trees will be used for the renewal of the plant stock of the Botanical Garden Jevremovac, with an aim of compensating for greenhouse gas emissions caused by food waste. The other half of the funds raised will be used for the purchase of food packages for the most vulnerable members of society.

“Taking part in this humanitarian campaign is of special importance to us, considering that it connects, in a thought-out and creative manner, two very important missions – preserving the environment and helping the most vulnerable. As a member of the Serbian Philanthropy Forum, Erste Bank supports the Save Food, Save Humanity campaign, and this event, as its component, reminds us once again that giving is an act that we need to foster throughout the year”, emphasised Sonja Konakov Svirčev, Corporate Social Responsibility Expert at Erste Bank.

At the most relevant gathering devoted to corporate social responsibility in Serbia, the CSR & ESG Forum, Erste Bank was also recognised for its support and contribution to the Save Food, Save Humanity campaign. “We are pleased that, this year as well, we have made a significant contribution to a campaign dealing with a delicate topic in our society. We hope that our example will motivate other companies to also join and support this socially engaged campaign or others like it, which contribute to the betterment of society”, stated Sonja Konakov Svirčev, Corporate Social Responsibility Expert at Erste Bank, on this occasion. Special importance of this recognition lies in the fact that it is not awarded only for donation, but also for support provided to a campaign in terms of communication and promotion, providing ad space and involvement in various humanitarian campaigns and formats.

## Erste Bank Volunteers in a Major Obedska Bara Pond Improvement Campaign

After the pandemic hiatus, Erste Bank reactivated its volunteering programme and, in cooperation with Aarhus Centre Novi Sad and the Public Forest Management Company Vojvodinašume from Novi Sad, it implemented a major Friends of Obedska Pond campaign. More than 60 Erste volunteers, with great assistance from about forty Erste children and more than 30 representatives of

partner organisations, joined forces and worked hard in one of the world's oldest nature reserves, which was declared an internationally Important Bird Area (IBA) back in 1989.

As part of the campaign, volunteers improved and painted with protective paint a new bird watching tower spanning a total surface area of 50m<sup>2</sup> which was donated by the Bank, cleared branches and rubbish from about half a kilometre of a difficult-to-access bird waterway and put up two new info boards. "I am grateful to and proud of all our colleagues, and especially our little Erste volunteers. After the pandemic hiatus, we once again joined forces for the sake of the common good and made a contribution to preserving our nature. For us, this is actually a return to Obedska Swamp after more than 10 years and we enjoyed again this magical and important reserve. It was great to feel the enthusiasm and good energy of our volunteers, because it is they who are the driver of further campaigns of this kind, to which we are eagerly looking forward. I would like to emphasise that without our partners, success would not be guaranteed and that is why I would like to thank the Aarhus Centre Novi Sad, with which we have worked for many years, as well as our hosts, Public Forest Management Company Vojvodinašume," said Sonja Konakov Svirčev, Corporate Social Responsibility Expert at Erste Bank, on that occasion. In another joint campaign, the participants' desire to connect, to serve society and spread the volunteering mission in local communities manifested itself. "In this way, the partnership of the private, public and civil sectors yielded excellent results at Obedska Swamp. By volunteering, you invest a little, but receive a lot, because in fighting to preserve nature and beautify the environment, you are increasing the quality of your own life, the lives of your children and those closest to you, changing the world for the better", said Darija Šajin, Campaign Coordinator at Aarhus Centre Novi Sad.

Erste Bank Serbia and Erste Club volunteers have traditionally, for more than ten years, organised and supported major volunteering campaigns to improve various localities in Serbia, helping the community. The Club's first volunteering campaign took place precisely at Obedska Swamp. Calling to activism and spreading the importance of volunteering are among the missions of Erste Bank, and this campaign was also special in so far as it was joined, for the first time, by a team of the volunteering service recently formed by the Green Chair Network. In this way, as coordinators of working groups, volunteers from Sombor, Novi Sad, Sremska Mitrovica, Belgrade, and Pirot supported this campaign.

## Major Donations and Sponsorships in 2022

### Culture and Art

- Foundation Novi Sad – European Capital of Culture: NS ECC, Novi Sad
- Serbian Association of Classical Guitarists: XXIII Guitar Art Festival, Belgrade
- Belgrade Dance Festival: 19th 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
- Zmaj Children's Games International Centre for Children's Literature, Novi Sad
- Fabrika d.o.o.: Charity Event of the Sergei Polunin Foundation, Belgrade
- Momčilo Momo Kapor Endowment: Momo Kapor Award for contribution to literature and art

### Education and Science Promotion

- Social Responsibility Promotion Association: I learn+I know=I am valuable, Novi Sad
- Association of Business Women in Serbia: International Girls in ICT Day, Belgrade
- Citizen's Association Fenomen: Science Picnic, Belgrade
- Institute for Improvement of Education: Money School for Pupils, Belgrade

### Entrepreneurship and Co-working

- Chamber of Commerce and Industry of Serbia: Women's Entrepreneurship Day, Belgrade
- Business in Heels: annual Business in Heels conference, Novi Sad
- RES Serbia: Renewable Energy Sources Conference, Belgrade
- Tok: Social Impact Award, Smederevo

## Community

- National Day of Giving - Save Food, Save Humanity! campaign, Serbian Philanthropic Forum, Belgrade
- Safe House Novi Sad: Centre for Social Work of the City of Novi Sad, Novi Sad
- Drop-in Centre for Children, Novi Sad
- Drop-in Centre for Children: Centre for Youth Integration, Belgrade



## 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 CSOs 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 climate change, 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.

For more information about projects that Erste Foundation supports in Serbia, please visit: [www.erstestiftung.org](http://www.erstestiftung.org)



# 11. Responsibility to the Environment

**Erste Bank's longstanding strategic approach to environmental protection is reflected in the continuous assessment of our operation's impact – we strive to reduce negative impacts wherever possible, and to contribute, through innovative solutions, to the improvement of the environment and sustainability.**

In order to ensure this, we:

- Develop an environmental protection strategy and management system;
- Strive to maximise optimal use of natural resources (water, energy, fuel, paper, etc.) in our operations;
- Raise awareness among our employees and stakeholders by proactively communicating our environmental protection strategy and activities undertaken.

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 ESG Strategy of Erste Group, Energy Management Policy of Erste Group and Waste Management Procedure. 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. Erste Bank records reduction in consumption from one year to the next, based on all the most significant parameters we track, which include 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;
- ▶ 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.

## Energy and Emissions

In 2022, the following initiatives aimed at improving energy efficiency were implemented:

- Replacement of high voltage signage with newer generation signage with LED technology – as of 2022, in 48 branches old signage was replaced with signage of the new kind;
- Securing energy passports for Bank buildings containing data about the facility's energy performance class and indicating annual energy consumption for heating. During 2022, energy passports were provided for a total of 10 facilities in which the Bank operates;
- Reducing electricity consumption by optimising the number of lighting fixtures that serve as main lighting sources in 10 Bank facilities;
- Two electric cars were purchased and are actively used.

After a several-month hiatus caused by turbulence on the global market, since October 2022 Erste Bank has once again been supplied with energy from renewable sources. Cooperation with Public Enterprise Electric Power Industry of Serbia has continued, and the green energy contract now includes 51 locations, instead of 49 previously. Of the total quantity of electricity consumed in 2022, which amounted to 2,662,969 KWh, green energy accounted for 422,869 KWh.

KEY INDICATORS - ENERGY	2020	2021	2022
Total energy consumption (GJ)*	15,757	15,084	17,292.49
Electricity	8,936	8,075	9,584.98**
Heating and cooling	6,821	7,009	7,707.51
Total energy saving (GJ)*	358	673	–
Non-managers	13,463	35,590	69,439

\* Relates to energy from non-renewable and renewable energy sources. Estimates are provided based on an analysis of public utility company bills, and the calculation is based on pre-determined values (default data) in accordance with the Environmental Data Collection Project in a standardised format in line with the GRI

\*\* of which 1,522.33 GJ from renewable sources

ENERGY INTENSITY* (GJ/m <sup>2</sup> of office space**)	2022
	0.70

\* Energy intensity is the necessary quantity of energy per unit according to the selected parameter, e.g. per square meter of office space.

\*\* As of 2022, Erste Bank transitioned to calculating energy intensity per square meter of office space, instead of the calculation per employee previously, in order to comply with Erste Group reporting criteria.

	2020	2021	2022
Total CO <sub>2</sub> emissions* (Scope 1 + Scope 2)	648 t/ CO <sub>2</sub> eq	989 t/ CO <sub>2</sub> eq	2.357 t/ CO <sub>2</sub> eq

\* CO<sub>2</sub> 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.

DIRECT AND INDIRECT EMISSIONS	2020	2021	2022
Direct greenhouse gas emissions (GHG – Scope 1)*	212 t/ CO <sub>2</sub> eq	273 t/ CO <sub>2</sub> eq	304 t/ CO <sub>2</sub> eq
Indirect greenhouse gas emissions (GHG – Scope 2)**	436 t/ CO <sub>2</sub> eq	716 t/ CO <sub>2</sub> eq	2.054 t/ CO <sub>2</sub> 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 CO<sub>2</sub>eq 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 CO<sub>2</sub>eq equivalent emission factor (kg/kWh).

## BREEAM Certificate for Sirius Office Business Complex

For the construction of Sirius Office business complex in Belgrade, a project in which 62 million euros was invested, Immorent Singidunum - a member of the Erste Group, received the prestigious BREEAM certificate for socially responsible approach to business and application of environmentally friendly solutions in facility construction and management. The modern vision of the project development and the most advanced architectural and design solutions applied to the Sirius Offices project were rated as Excellent by BREEAM certificate. This recognition is based on meeting a wide range of environmental criteria and assessing the impact of construction solutions on the environment, according to the globally recognised method of real estate certification – BRE Environmental Assessment Method (BREEAM)

The certificate reflects the value of real estate viewed through the prism of improved solutions and their performance in the entire life cycle of the constructed business environment, from the construction to their use and renovation. This means that projects with a BREEAM assessment contribute to the establishment of a more sustainable environment and greater well-being for the community, while saving non-renewable natural resources.

The Sirius Office complex covers an area of 30,800 gross square meters and includes 376 parking spaces. All buildings within the complex are built in accordance with BREEAM standards, in order to provide ideal working conditions and optimise user costs, while respecting strict energy efficiency requirements. The minimum energy consumption for heating and cooling is also included, as well as the use of renewable and recycled materials.

Immorent Singidunum is a member of the Erste Group, specialising in real estate financing and project development in the CEE region. Since its founding, this Austrian company has grown into a service provider with comprehensive expertise in the entire real estate development chain, from construction to sales, including a wide range of solutions for financing real estate projects.

## Erste Group Has Set the Goal to Achieve Climate Neutrality by 2023

By setting the goal to achieve climate neutrality by 2023, Erste Group has confirmed its commitment to implementing measures aimed at climate protection in all the countries in which it operates. Erste Group's plans include reducing its own greenhouse gas emissions wherever possible, and offsetting all other emissions that cannot be avoided by supporting climate protection measures.

The most significant potential for reduction lies in the transition to the consumption of electricity from sources with low carbon emissions, followed by increasing the energy efficiency of office buildings, and increasing the share of "green" vehicles in employee transportation. Compared to the 2017 baseline year, Erste Group has succeeded in reducing Scope 1 and Scope 2 emissions by 58%.

INTENSITY OF GREENHOUSE GAS EMISSIONS* (t/CO <sub>2</sub> eq po zaposlenom)	2020	2021	2022
Intensity of greenhouse gas emissions	0,53 t/CO <sub>2</sub> eq	0,83 t/CO <sub>2</sub> eq	1,87 t/CO <sub>2</sub> eq

\* Emission intensity includes CO<sub>2</sub> 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 CO<sub>2</sub>eq emission related to 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 CO<sub>2</sub>eq limits of 120 to 140 g/km. In 2022, two electric cars were purchased and are actively used.

MATERIAL ENVIRONMENTAL IMPACTS DUE TO TRANSPORT	Purchase of two electric cars that are actively used.	2021	2022
	2020		
Energy use			
Diesel (l/a)	55.715	56.116,2	67.746,55
Petrol (l/a)	1.611	3.824,84	3.336,82
CO <sub>2</sub> emissions t/a CO <sub>2</sub> eq	212	273	304



## Waste Management 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, as well as other 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.

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 also 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.

WASTE AND RECYCLING	2020	2021	2022
Total generated waste volume (t)*	25.827	23.900	23.883
Hazardous waste	2.879	4.848	3.741
Non-hazardous waste	22.948	19.052	20.142
Total volume of recycled waste (t)	25.827	23.900	23.883

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

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 in this area. 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

## Rational Use of Water

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 EU Directives of the EU and the World Health Organisation.

During 2022, water consumption was 11,664 m<sup>3</sup> (2021: 10,350 m<sup>3</sup>; 2020: 10,908 m<sup>3</sup>)\*.

\* Estimate in line with approximate average consumption in previous years according to the following formula, in the manner in which it is tracked: number of employees \* approximate average water consumption per employee in m<sup>3</sup>/year = water consumption in m<sup>3</sup>/year

## — GRI Index and Indicators

<b>STATEMENT ON REPORTING IN ACCORDANCE WITH THE GRI STANDARDS</b>	Erste Bank reported on information stated in the GRI Index for the period from 01/01/2022 to 31/12/2022 with reference to GRI Standards. Reporting cycle: annual
<b>GRI 1 USED</b>	GRI 1: Foundation 2021
<b>CONTACT POINT FOR QUESTIONS REGARDING THE REPORT</b>	Sonja Konakov Svirčev Corporate Social Responsibility, Diversity and Inclusion Manager sonja.konakov.svircev@erstebank.rs
<b>DATE OF REPORT PUBLICATION</b>	03.07.2023.

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## — 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	-	
<b>The report describes the policies and practices related to supporting the empowerment of women and enhancing gender equality in the community:</b>		
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	-	
<b>The report contains gender-disaggregated data or relates to them:</b>		
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	-	





# The Bank Is the People!

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Erste Bank a. d. Novi Sad  
Corporate Social Responsibility Report 2022

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**Editor-in-Chief** Sonja Konakov Svirčev

**Editorial Board** Jasna Uzelac Braunović, Marija Mutić, Milana Karanović

**Editorial Board contacts**

dop@erstebank.rs  
Erste Bank a.d. Novi Sad  
Služba komunikacija  
Bulevar oslobođenja 60  
21000 Novi Sad

**Partner** Smart kolektiv

**Translator** Radmila Vujović

**Design** Branislav Ninković

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Guardians of the Dragon's Treasure, children's play on the topic of financial education which Erste Bank organised at the FAIRY family festival as part of the Novi Sad – European Capital of Culture project.

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