

Materiality analysis

CLEARLY DEFINED PROCESS FOR IDENTIFICATION OF MATERIALITY

Erste Group's sustainability reporting provides current information on material sustainability topics. Topics were selected with the involvement of Erste Group employees working in the relevant business divisions. All social and ecological aspects along the value chain were analysed and prioritised.

Erste Group is guided by the following principles:

- _ Integration of the concept of sustainability into the business model and reporting
- _ Materiality
- _ Involvement and inclusion of stakeholder groups
- _ Completeness

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

Selection of topics in accordance with GRI G4 guidelines (reporting guidelines)

In its sustainability reporting, Erste Group is guided by the set of topics that resulted from the GRI multi-stakeholder dialogues as incorporated in the reporting principles and standard disclosure guidelines.

(<https://www.globalreporting.org/reporting/g4/Pages/default.aspx>)

Definition of material stakeholder groups

In order to identify those sustainability topics that are of the highest importance to Erste Group, a stakeholder analysis was carried as a first step. The following relevant stakeholder groups were identified:

- _ Customers
- _ Employees
- _ Investors
- _ Society
- _ Environment
- _ Suppliers

Material topics identified by team work

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

Material topics for sustainability reporting were identified by teams of the departments involved, such as Group Retail Business Development and Group Brands for the 'customers' stakeholder group (see Column 2, Divisions).

Team members were employees with contacts to the respective stakeholders. Topics were integrated at key points and their potential impacts were analysed comprehensively. In addition, the aspects of the G4 Sector Disclosures (Financial Services) were also taken into account.

- _ Significance of economic, ecological and social impacts
- _ Likelihood and intensity of an impact
- _ Possibility of turning impacts into opportunities for Erste Group

Topics consistent with corporate values

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

Inclusion of stakeholders

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

Communication tools and activities with stakeholders

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

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

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

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

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

Materiality table

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