



Human Resources

Our employees are key to deliver on our strategy and on building the BAWAG Group of tomorrow. Technology has not only changed customer behavior, but also the way we work together. Besides the traditional banking expertise, the capabilities and skillset of financial institutions' employees had to be and will continue to be enhanced to adapt to these changes. Attracting, developing and retaining excellent employees is the main factor in this case; therefore, our responsibility is to create a working environment where people are given the space for their development.

PROMOTION AND SUCCESSION PLANNING

High potentials and possible successors for key functions are identified in a defined, annual potential assessment process. BAWAG Group prides itself in being an organization that makes promotions based on merit. Assessments on employees' potential and career paths are on the basis of their talent, ambition and achievements.

The results of these assessments are discussed as part of talent reviews between Human Resources and Senior Management. Career opportunities and career paths are set in line with strategic succession planning. In 2019, a group wide leadership goal has been introduced for the Senior Leadership Team which puts leadership development, succession planning, talent development and talent upgrade as one of the top priorities.

In 2020, the Management Board appointed selected division heads as their deputies and in 2019 it formed an extended Management Board offering a broader platform to senior managers for strategic discussions and know-how transfers.

EDUCATION AND TRAINING FOR EMPLOYEES IN CENTRAL FUNCTIONS¹

The promotion of professional and personal development of employees through target group-specific programs and individual development measures is of importance to BAWAG Group.

New employees start their banking career with our Welcome Day. This session offers a first insight into the bank and its strategy, followed by a second round which covers the topics Internal Audit, Risk Management and Information Security.

During the first weeks, employees get to know the bank through Self Learning Programs (main topics are e.g. Compliance & Conduct, Cyber Security, Data Protection and Data Quality) and individual trainings in their teams. Regular Risk & Finance Days keep employees from these areas up-to-date on specific topics.

Further, employees have the possibility to develop their professional skills through external trainings and workshops. These needs are identified in regular personal talks with the direct manager.

¹ On average, employees (including part-time employees) had 43,2 trainings hours in 2019.

Additionally, an online learning library with 80 courses offers personal development trainings to all employees.

Group-specific programs for new hirings

Internship "Come & Learn"

BAWAG Group offers students an interesting and varied insight into work life in six-month internships. The Interns can further develop their knowledge acquired during their studies. They actively work on bank-specific projects and tasks, not only gaining valuable practical experience in various subject areas, but also getting to know the bank's processes. Internships at BAWAG Group are ideal entry points for a later successful career in the company.

Trainee program "Start & Move"

Graduates from universities are addressed with the "Start & Move" trainee program. As part of the one-year program, trainees get a comprehensive insight into the company, work on bank-related projects and can set up their first internal network. They also receive sound training in their business area and can continuously expand their skills through interpersonal skills workshops.

Group-specific programs for employees

"forTalents" program

BAWAG Group offers the one-year talent program "forTalents" to develop young executives and experts. The focus is on expanding social, technical and methodological skills. The participants are supported in their professional and personal development and can further expand their network in the bank. This program is open to talents identified within the BAWAG Group talent process. Human Resource considers diversity aspects when selecting the specific group of participants.

Leadership programs

We understand Leadership is a constant development process and a cornerstone to handle business challenges. Accordingly, the leadership development program encompasses a wide range of offerings.

The six-month "LEAD program" for young executives serves new managers in the central areas to further develop their management style. Participation includes a potential analysis of their own communication behavior, individual sessions with external coaches, mentoring units and an exchange with sparring partners in the bank. Focus lies on the management of leadership challenges. This program is open to all newly appointed managers (team lead, group lead, department lead).

Experienced leaders and management teams are supported through individual (management) coaching, executive leadership trainings and team workshops to meet the specific needs. The focus is on individual coaching and team sessions with support from HR and external trainers.

When selecting program participants and specific training opportunities for employees, a balance between women and men is considered.

Special education and training for employees

Content and scope of trainings are tailored to the needs of our employees and business requirements. For example, an individually designed coaching and training program for all agents was launched in the Customer Service Center in 2020 to further develop communication skills. BAWAG Group also supports specific training needs (e.g. CFA, MBA, external trainings) by additional study time, refund of costs or yearly membership takeover (e.g. CEFA, CRM, CIIA, CISSP, CISA).

Digital Academy

In 2019, BAWAG Group launched the Digital Academy in cooperation with the FH Technikum Wien university: employees in the technology-related areas of the bank can acquire certificates in business analysis, development, user experience, data engineering and quality management. Since its implementation, over 50 BAWAG employees completed the first of a total of three levels as part of this training program.

Risk Center of Excellence

Within the risk area, the new "Risk Center of Excellence" program supports young professionals and high potentials in their development. Accompanied by a mentor, the participants are prepared for future management tasks at BAWAG Group. The program includes job rotations, internal knowledge academy, regular meetings with senior management and the responsibility for an important risk-project.

Data Analyst Academy

This training academy for Data Analysts started in September 2020 for the first time. Target group are new employees with a technical university background. This program offers graduates a well-founded external and internal practice-oriented education (e.g. banking know-how, technical and programming skills) with the possibility of job rotations in several areas and active work on use cases.

Sustainability Training

With the increasing importance of sustainability issues, BAWAG Group has decided to educate its employees on this topic. For this reason, we will launch a regular recurring self-learning program (SLP on sustainability in a broader sense for all employees over the next months:

- In a first step – targeted in the fourth quarter 2020 -, employees are given an overview of sustainability topics, which contains the most common definitions and guidelines for actions to be taken by employees.
- In a second step – targeted in the first quarter 2021 -, risk officers and finance departments get a more detailed training on ESG topics and how to apply them in

their daily business: Specifically, this includes e.g. the EU regulatory framework, sustainable investment strategies and ESG criteria.

With these measures, BAWAG Group is pursuing the goal of creating a company-wide awareness of sustainability as well as promoting product innovations and integrating ESG topics into the bank's business processes in the long term.

EDUCATION AND TRAINING FOR SALES EMPLOYEES

The goal of education and training activities of sales employees at BAWAG Group is the definition of training needs in retail sales, to identify potential employees for defined functions, to filter out individual measures and thus to enable targeted training and succession planning.

Sales Talent Management

Sales Talent Management is used for the structured assessment of competence of all employees and managers in retail sales at BAWAG Group. Once a year, the skills and potential of sales employees and managers are assessed independently in a structured process. After the results have been discussed, individual development measures are designed for each employee.

The objective of this process is to promote the dialogue between managers and employees relating to sales and personal competencies, to agree on specific development measures and to create the basis for a structured succession planning in branch sales.

Sales Academy

The measures for individual trainings discussed during the Sales Talent Management process may also include completion of training courses at BAWAG Group's "Sales Academy". The training program for sales employees is based on three key pillars:

- Expertise: specialist trainings e.g. relating to securities, insurances and housing loans
- Sales: tailored sales trainings
- Leadership: training and further education of executives and prospective executives, targeted training offers for each leadership role and management experience

Apprentice

Giving young people goals and perspectives for the future is very important to BAWAG Group. The bank has therefore been training apprentices for years and has already received numerous awards, including the certificate "State Award for Best Training Companies - Fit for Future".

With its qualified banker apprenticeship program, the bank provides high-quality training aimed at enabling the apprentices to start as qualified sales advisors following their

apprenticeship. With a well-structured training plan, school attendance, and support from the branches, the apprentices are optimally prepared for their future work life.

Talent program „Leader’s Basics“

The "Leader’s Basics" program secures the development of future sales executives and enables a quick and targeted recruitment of management positions. As part of the training, the talents build leadership skills, learn how to use sales management tools and to better understand interrelations.

Executive program "Leader’s Premium"

BAWAG Group offers its sales executives a wide range of trainings relating to specific professional areas, personal development and leadership. These tools help them to lead their teams successfully. In addition, the course "Leader’s Premium" promotes collegial learning and provides the opportunity to expand networks and to reflect on one's own leadership skills.

The "LEAD Program" for central divisions and the Leader’s Basics-Program for Retail focus on internal upward mobility through business training and personal development.

EMPLOYEE EXPERIENCE

Employee feedback and ideas to current topics are important factors for improving employee experience. In 2020, we conducted two surveys regarding flexible working models and working from home. Flexible working time models are generally available to all employees and will be further extended taking our experience during the COVID-19 lock down into consideration.

BAWAG Group offers various models and options for employees who wish to take career breaks or reduce their working hours due to personal obligations as well as personal development. The bank also supports leadership functions in part time to guarantee career development for women and men with young children.

In future, we plan to use employee surveys on a regular basis to improve employee experience.

Promotion of diversity and equal opportunity

People from 45 nations, different age groups and religions work together at BAWAG Group. Diversity and equal opportunities for all employees are key success factors for the group and are in the responsibility of the senior management, operationally implemented by Human Resources and lived by all the managers and employees of the company. BAWAG Group does not tolerate any discrimination regarding age, gender, skin color, sexual orientation, religion,

disability or any other reason. All employees are treated equally and fairly. BAWAG Group firmly opposes any form of bullying, sexual harassment, threats and violence.

Human Resource investigates reasonable suspicions following a structured process and takes appropriate measures if a case is substantiated. Depending on the severity of the case, measures vary from warnings to termination of the contract.

Women's Promotion Plan

The women's advancement plan, which has been in place since 2012, serves as a binding framework for promoting equality and ensuring equal opportunities for women and men in the company. The plan is based on four principles and concrete measures:

- Raising awareness
- Equal career opportunities
- Financial equality
- Promoting a better balance between career and family for women and men

BAWAG P.S.K. Women Initiative

BAWAG P.S.K. Women's Initiative is a network of experts and female managers from all areas of the bank supported by the Management Board of BAWAG Group. The initiative aims at promoting equality for women at BAWAG Group in the form of achieving career goals in managerial or expert positions, monetary equality, and compatibility of family and work.

BAWAG P.S.K.-Women-Mentoring-Program

For the sixth time, BAWAG Group Women's Mentoring Program started successfully in October 2019. In this year's round, Austrian top managers from various industries support 12 female managers and top performers from BAWAG Group throughout one year.

During the mentoring year, workshops, network events and the new Business Academy are offered to the mentees. The participants are given the opportunity to exchange ideas with internal experts on the topics of Finance, Risk and Retail, as well as in business talks with members of the BAWAG Group board.

7th BAWAG P.S.K. Women's Award

This year's BAWAG P.S.K. Women's Award was dedicated to education as the best future investment. The prize was awarded for the seventh time by the BAWAG P.S.K. Women's Initiative in October 2019. The award recognizes innovative projects from different areas, led by courageous and committed women.

Karoline Iber, Managing Director of the Children's Office of the University of Vienna and founder of the KinderuniWien received the € 5,000-BAWAG P.S.K. Women's Award for her work in the education sector. The KinderuniWien offers innovative childcare, designs and implements projects in the field of science communication and science education for children

and adolescents, and implements a variety of projects in the field of democracy and media education.

OTHER INFORMATION

Additional information on our people, our people's initiatives, benefits etc. can be found in the Annual Report and the Corporate Social Responsibility Report.