

09

# ČSOB Group Sustainability Report 2009



ČSOB friendly  
responsible



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# 7 good deeds in the Czech Republic:

## Chapter 1

We helped install a new bell in the Těškov belfry in the Pilsen region.

## Chapter 2

We contributed to the re-building of a 553-meter long avenue of birch trees in Miletín of the Hradec Králové region.

## Chapter 3

With our help, Kamenický Šenov now has a new Museum of Lighting Appliances, displaying exhibits of the Museum of Glass in what was formerly a mortuary in the Liberec region.

## Chapter 4

We contributed to the renovation of a country lane from Všetaty to Skřiván and back to stimulate neighbourly relations in the Central Bohemia region.

## Chapter 5

We helped Ráj u Jihlavy get its second wind by developing a pleasure resort in the Vysočina region.

## Chapter 6

We contributed to the disadvantaged children integration mission by helping INEX-SDA football club in Brno, South Moravia.

## Chapter 7

We helped record memories of seniors in the *My City in My Memory* project organized by the Municipal Library in Rožnov pod Radhoštěm in the Zlín region.

“

Dear readers,

*Social responsibility serves as an important portrait of our character. Without it, ongoing and sustainable development – and the story of the company – would not be complete. Our CSR story is not limited to money spent, but is also about how we positively influence our environment at ČSOB with our thinking and our behaviour. Our story, I strongly believe, adds to the story of the whole of our country and its people.*

*I hope that reading this report is an interesting and enjoyable experience.*

Pavel Kavánek, CEO  
and Chairman of the Board of Directors

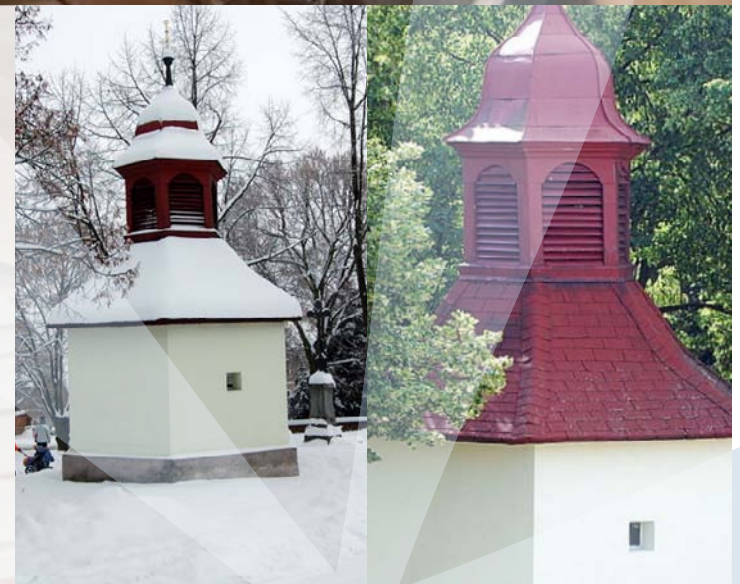




*Plzeň Region*

## Těškov: Installing a Bell in the Municipal Chapel

A historic hexagonal chapel is situated in the centre of the village; its beautiful historic bell was stolen during WWII. The tradition of noon and vesper bell ceased to exist then. The chapel has already been repaired; it is just the bell that is missing. The grant should be used to install a new bell to allow the chapel to be re-commissioned and serve its original purpose.





# About the Report



In 2009, ČSOB received the esteemed **VIA Bona** Award for corporate philanthropy in the main category for large enterprises. It was awarded for its various philanthropic activities, including: Support to education and the expansion of financial literacy in Czech society; the *Helping Together* employee volunteer programme; and the development of regional life within programmes of ČSOB and Poštovní spořitelna for the *Regional Support* programme.

The purpose of the 2009 CSR Report is to provide a complete **picture of ČSOB Group activities carried out in 2009 in various areas of sustainability**. The Report is published on the same day as the ČSOB Group Annual Report – on

30 April 2010 – and is an appendix thereto. It follows the 2008 Sustainability Report that is also available on ČSOB web pages. The report is divided according to key areas of sustainability and offers the reader interesting and easily accessible information.

The following companies are included in the Report: Československá obchodní banka, a.s. (including Poštovní spořitelna); Hypoteční banka, a.s.; Českomoravská stavební spořitelna, a.s.; ČSOB Pojišťovna, a.s.; ČSOB Investiční společnost, a.s.; and ČSOB Leasing, a.s. More information may be found in the ČSOB Group Annual Report.

1.



*Královehradecký Region*

## Miletín: Renewing the T. G. Masaryk Walkway

The T. G. Masaryk Walkway was built in the 1930's. Only a torso of 10 tall oak trees, a ruined stone spring fountain and remains of rest places have remained till today. The objective of the Miletín Municipality Project is restoring the original appearance of the walkway. What is needed for that purpose is planting out **20 new trees, renovating the spring fountain, building rest places and fortifying the path**. This will reconnect the municipality directly with the picturesque nature of Krkonoše foothills via a circle of almost 3 km.





# The ČSOB Group

*We listen carefully to the needs of our clients—not to provide them with products, but with the best solutions.*

*Innovations are an investment in the future of both company and society.*

The ČSOB Group is a leading player in the Czech financial service market. We belong to the international bankassurance KBC Group, actively operating in Belgium and Central and

Eastern Europe, with total assets exceeding EUR 324 bn. We hold strong positions in all segments of the Czech financial market with the combined power of our brands: ČSOB (banking, insurance, asset management, pension funds, leasing and factoring); Poštovní spořitelna (banking in the post office network); Hypoteční banka (mortgages); and ČMSS (housing financing). The ČSOB Group has long been number one in the financing of housing, secured funds and total assets under management.





# Key financial indicators (CZK bn)

2.1

	2009	2008	Y/Y
Net profit	17.368	1.034	> 1000%
Operating income	32.424	31.994	+1%
Operating expenses	14.659	15.014	-2%
Net interest income	23.018	21.265	+8%
Net fee and commission income	6.550	6.644	-1%
Total assets	715.5	693.1	+3%
Consolidated capital adequacy ratio	14.96 %	10.31%	+4.65 pp

Comprehensive financial information is found in the 2009 Annual Report published along with this CSR Report.

# Main innovations and changes in the ČSOB Group

2.2

Innovation is the driving force in each and every enterprise: ČSOB Group therefore introduced new product and distribution innovations into the market and continued simplifying processes to achieve operational excellence in 2009.

2009 innovations include a savings account with a bonus, deposit ATMs, new capital protected funds and monthly unit-linked life insurance products or 90-day purchase protection and a prolonged guarantee period on products bought using ČSOB credit cards. ČSOB, PSB and HB participate in the *Zelena*

*usporam* (Green light to savings), a government programme subsidizing energy savings in buildings.

ČSOB and PSB also continually improve existing products: ČSOB and PSB Internet banking was upgraded; PSB offers a calculator of reasonable indebtedness and online conclusion of ČSOB Pojišťovna insurance policies; CashBack was expanded to cashiers in the Spar, Globus and COOP networks; and, PaySec launched the Gift Button, which enables quick donations.



*Liberec Region*

## NA VÝSLUNÍ Civil Association: Regenerating the Stations of the Cross in Kamenický Šenov

The project strives to restore the historic 1846 “Stations of the Cross” with original construction and sculptural elements. At the same time, the creation of a new pavilion and wooden animal sculptures for children and envisaged, too. **Besides space for relaxation, visitors will find a restored water spring there.** The premises gradually become the location of cultural events like theatre performances and concerts.





# Sustainability in the ČSOB Group

Our goal is to enhance the quality of life of all target groups in society and to ensure a sustainable future.

The future of the ČSOB Group is wedded to ongoing societal change and its primary focus is on finding opportunities and offering solutions. Sustainable development is the key to improving Group performance through implementation in key business processes and organizational principles.





# What is most important for us?

3.1

## Our client relationship

Our client relationships are built on partnership and an individual approach. We want clients who are satisfied in every way.

ČSOB building sends a strong signal that even buildings of great size may have minimum impact on the environment, while maintaining high user quality.

## Our employees

Employees are a key asset for the ČSOB Group. They are the backbone of our operations and taking care of them is one of the most important parts of our social responsibility strategy. It was therefore important to create an environment where our people feel comfortable both in and outside of the workplace.

## We care about our community

We support enhancement of **financial literacy** in the Czech society. We support activities encouraging long-term social entrepreneurship and the **creation of a work environment suitable for the disadvantaged**. We support the development of good **ideas in regions** and the development of local life. We fight for a **safer Internet**. We get our **employees involved** in our philanthropic activities.

## We care about the environment

**Our care for the environment is seen first and foremost in our considerate behaviour.** The new environmentally friendly

# Sustainability policy

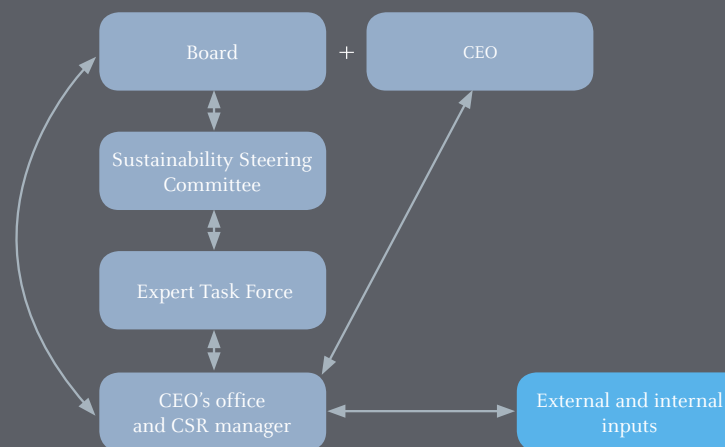
**Our sustainability policy demonstrates the importance** of the concept to the ČSOB Group. The policy itself was first approved in 2006, is updated each year according to evolving needs and is approved by the Board of Directors: Strategy and main goals are set; Tools for achieving goals are chosen; Key areas of interest and control and approval processes are developed.

## Sustainability governance

The Country Team Sustainability Committee *sets sustainable development strategy*. Top management is involved in sustainability, since committee members are members of the Board of Directors.

Our special Expert Task Force regularly *takes decisions on all activities and projects* based on set criteria and rules. To be

approved a project must be *credible and of good quality* and it must not be an explicit tool for public affairs or purposes of marketing or improving client relations.





# Our partners



Sustainability strategy is based on a regular and ongoing dialogue with leading players. We regularly participate in conferences organized by the *Donors Forum*, *VIA Foundation*, and *Business Leaders Forum*, as well

as other events. These communication forums allow us to present our own projects and to actively seek new suggestions for further improvement of our sustainability strategy.

Since 2007, the effectiveness and efficiency of funds invested in social responsibility projects has been assessed by the *Responsible Company Standard* and in 2008 we became a member of the *Donator* work group.

## Awards

### VIA BONA Award

In 2009, ČSOB was awarded the prestigious **VIA Bona** Award for Large Corporations in appreciation of its corporate philanthropy. Poštovní spořitelna received the distinguished **Mosty 2009** award and **Artevide Foundation** award for the unique help it provided to disabled people and for its long-term aid to visually impaired children. ČSOB was for its corporate responsibility recognized as the **TOP Corporate Philanthropist** and ranked sixth in volume and fifth in percentage of profit donated. The special **Personality of the Year** award went to Martin Kovář, Poštovní spořitelna's ombudsman, for his enhancement of CSR.



3.3

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# 2010 outlook

In 2010 we want to **further extend investment in key areas**. Our new **ČSOB Foundation Education Programme** is being prepared. We plan to extend our **Helping Together** volunteer programme with new activities. *Will you help us clean the*

*Czech mountains?* will be a second volunteering day organised for employees and their families and friends. Moreover, we seek to encourage more considerate behaviour through our **Considerate and Healthy** environmental campaign.







*Central Bohemia Region*

## Křivoklátsko Regional Association: From Všetaty to Skřiváň and Back

The project attempts to restore an old walkway through the fields from **Všetaty near Rakovník** to the **village of Skřiváň** which will improve the trafficability of the land and contribute towards renewing the tradition of people walking between the two villages, Všetaty and Skřiváň. The visitors to the Křivoklát area will be able to enjoy a new walking route somewhere where there are only a few available now while the initial conditions for improving the landscape will be created as a line of trees will be planted afterwards along the path.

► What do we bring to our customers?

<4>



# What do we bring to our customers?



Our client relationships are based on long-term partnership and an individual approach.

Our goal is to have satisfied customers and to avoid indebted customers. Clients and client orientation are key elements of our long-term strategy. **Advisory is the main added value we provide to our clients.**

**More than 3,000 employees, 1,600 sales representatives and 700 professional agents work in the ČSOB branch network. Employees serve clients in 217 branches and 211 offices.**

# How do we ensure quality at our branches?

In each branch, advice is offered on basic products as well as on investments and the financing of housing and credits for corporate and SME clients. We are ready to talk about the current financial situation in **Let's talk**, an individual advisory. Advice given to our clients is based on independent and accurate information about products, services, contracts and transactions, as well as their positive and negative aspects.

In 2007, we implemented **service quality standards for the retail and SME branch network**, on the basis of client needs. **To ensure high quality of service, we train our staff regularly year-round and survey our clients on a regular basis for feedback on the quality of our services.** In 2009, we asked

**more than 53 thousand clients to score their satisfaction with the service provided at their branch.**

## **Poštovní spořitelna**

*Nowhere in the market is there a more accessible and barrier-free bank! Clients can manage their money at more than 3,300 post offices, at more than 52 financial centres and with the help of 726 ATMs. Clients can come to the bank also during weekends, as 498 post offices are open on Saturdays and 32 post offices serve their customers seven days a week. We have broken down barriers—at present, nearly 1,000 points of sale have wheelchair access and an additional 1,300 post offices are equipped with signalling devices to call a staff member.*

4.1

# We follow ethical principles in our daily business practise

4.2

We are a Group that always finances responsibly. We actively prevent **money laundering and funding of terrorism**. We comply with standards to prevent funding of illegal, criminal or **socially unacceptable activities** and trading associated **with weapons**. The Group also provides **loans** only to clients doing business in an ethical manner. We require our clients to strictly adhere to the law and do not provide loans to companies or entrepreneurs who fail to respect social laws or human rights agreements. We do not finance companies that fail to observe legal regulations associated with the environment. We carefully consider whether to finance projects that might pose an ecological risk. Each front-office employee is duly informed of the characteristic features of suspicious deals and transactions.

The ČSOB Group **Code of Ethics** helps us build a key competitive advantage **through the way we work and think and through the quality of human relations**. The Code is a mandatory guide that helps us in situations where we outline what is proper conduct and what is not. Along with its contribution, proper conduct is rewarded and unethical conduct is not accepted. Based on the values respected within the Group, the Code deals with relationships with clients, principles of teamwork, protection of employer interests and personal responsibility of employees. An open and transparent environment among employees, clients and partners shapes the internal policy on **gift giving**. The basic rule determines that only small gifts that are more a gesture than a present may be accepted. Any gift that may lead to a conflict of interest or be considered a bribe, commission or consideration is strictly prohibited.





# SRI funds

*SRI stands for Socially Responsible Investment funds*

We have offered investors a total of six secured SRI funds and one share SRI fund since 2000. The SRI funds are made up of shares of companies such as Toyota and Veolia, known for their proactive approach to the protection of the environment.

Socially responsible investments and funds focus on **sectors, technologies and methods able to ensure sustainable development. Investments in advanced ecological technologies; infrastructures improving and ensuring the quality of life (e.g.**

**water industry); and technologies responding to the threat of climatic change are included.** All comply with strict economic, environmental and social criteria.

Socially responsible investing and SRI funds are not charity activities. **On the contrary, their revenues are at least comparable to standard funds and, in some cases, even higher.** It is demonstrated that they meet the economic and business needs of the progress and transformation of technologies and management techniques.

4.3

# Our special products

## 4.4.1

### *The Liška plus financial scheme offered by Českomoravská stavební spořitelna in 2009*

The **Liška plus** scheme brings clients two products: **a building saving scheme and a contributory pension scheme**. Czechs evaluated these as the best product providing for old age. Liška plus combines benefits of both state-supported products and is advantageous to all who think about their future and have decided to save for retirement and consider property investment. For example,

a building saving contract with the **Atraktiv tariff** guarantees upon signature a fixed interest rate as low as 3.7% p.a. for a building saving loan. The conclusion of the Liška plus financial scheme brings a client more financial benefits than having each product separately.

**LIŠKA** *plus<sup>+</sup>*

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## 4.4.2

### ***We are the only bank on the Czech market to offer a special bank account for persons with disabilities***

In addition to such special attractive schemes for children and the youth (Mini a Junior), Poštovní spořitelna offers an account for the non-profit sector, Handicap account (Personal account), and a student loan and saving account.

**Student loan** is a special-purpose consumer loan to finance studies or further education (re-training, domestic and foreign studies). The product offers a grace period allowing students to postpone repayment after graduation and may be granted also to students with no income. In 2007, **Student loan** was awarded by Accenture in the prestigious Zlatá koruna financial contest as the best product, and ranked third in 2008.



**Postkonto – Non-profit sector** is a special bank account for societies, associations, clubs, foundations, churches and housing cooperatives. Possessing all features typical of a standard entrepreneur accounts, this product offers numerous advantages.

**Handicap** is a PS product with advantageous conditions designed specially for citizens with disabilities (TP, ZTP, ZTP/P card holders). When creating this product, Poštovní spořitelna closely cooperated with ERGOTEP, a co-operative employing the disabled. In 2005, the **Handicap** account received an award from *Osobní finance* magazine and became the financial product of the year. A year later, it was awarded by Accenture in the prestigious Zlatá koruna financial contest as the second best product.





*Vysočina Region*

## Jihlava Alliance – Bringing the Ráj u Jihlavy Walking Area Back to Life

The objective of the project is sufficiently disclosed in its name. The traditional destination of trips and walks of many a citizen of Jihlava, with abundant past history, has been dilapidating and growing over with plants. The Jihlava City Hall would like to restore its past glory. The place is intended to be cultivated and restored by clearing the naturally seeded trees, installing benches, finishing paths and, subsequently and in cooperation with affiliated local organisations, duly publicised both through targeted promotion (e.g. via websites) and through various activities associated with the place (meetings, theme walks etc.).

► Our employees are key for us

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# Our employees are key for us

*We want to be the most prestigious and preferred employer.*

ČSOB is the Most Desired Employer of the year 2009.

Employees are key to us – they are the backbone of our operations and, thus, to care for them is one of the most important parts of our social responsibility strategy. We therefore created an environment where our people feel comfortable both during and outside of work hours.

In the **Employer of the Year 2008** event organized by jobpilot.cz, ČSOB was the most desired company category among university students; We have successfully defended our title since 2008.





# Who are we?

The Group employs more than 9,000 people, of which nearly 66% are women. The most typical employee profile in the bank is a woman over 50 who is a high school graduate with more than nine years of work experience in the Bank. Our youngest employee is 19, while the oldest is 69.

Most ČSOB Group employees are Czech, but we have colleagues from thirteen countries around the world, including among others Slovakia, Canada, Belarus, Senegal, Germany, Israel, Ecuador, Russia and Ukraine.

Our key competitive advantage is **high-performance corporate culture**. It is determined by the way we work and think and by the quality of human relationships. **Focus on customers, accountability, motivation and cooperation** are the key drivers of the success of the Group.

5.1

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# Employee news

5.2.1

In 2009, we focused on 3 different areas: **motivation and leadership, recruitment and retention of talents** and **process simplification**. With specific activities responding to the expected changes in the job market, these three areas strengthen the strategy of the ČSOB Group and respond to expected market changes.

We introduced the ***New scheme for moms and dads*** to help our employees return to active professional life.

While supporting new forms of sharing management experience, we launched a series of special workshops for managers, for example on *non-financial motivation* or *work life balance*. These are management discussion forums following the successful 2007 Leadership academy.

We established a new **ČSOB Class** to support new talents, even in high schools. Together with our colleagues from the Retail / SME segment and a team of our internal trainers we cooperate, among

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# Employee news

5.2.2

others, with Technical College and high schools of management in Prague. We seek to deepen our support via partnerships with student organizations and universities. We take part in many fairs and cooperate on a long-term basis with student organizations such as AIESEC and IAESTE. We became the main partner to the Economic University in Prague. While offering very active ICT involvement, we are a VIP partner of the Faculty of Informatics and Statistics, Economic University, Prague.

We organized third **Ideal Bank of the 21<sup>st</sup> century** contest, this time on *An offer of suitable products and services* with 133

students, mainly from universities. Finalists received prizes of CZK 100,000 for Best Work, Best Idea and in a new category called Best Video.

The new ČSOB Headquarters keeps on surprising with its sustainability value. Anchored in the ČSOB corporate culture, the work environment in the Radlická building attracts not only with its architecture and environmental friendliness, but became an inspiration for HR managers who visit us to gain experience with open space and its specific features.



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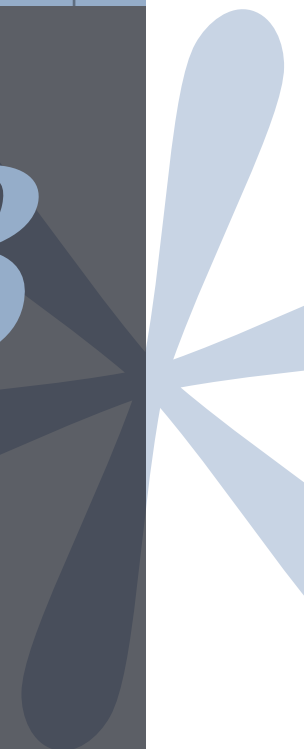
# For us, everybody is equal

5.3

When recruiting new staff or assessing current employees, we always judge by performance and depth of knowledge and skills. What we appreciate most is reliability, ability to share information, humaneness and objectivity. **On all levels, we respect human rights and thought, regardless of gender, race, religion and belief.**

We are aware of the position of women in Czech society. For women in general and for those in ČSOB in specific, we

proactively facilitate the best conditions for harmonizing professional and private life and offer **flexible working hours, part-time work, or work from home**. All our employees, regardless of gender, have the same access to training courses and talent schemes. In recent managerial talent development programmes, for example, 50% of participants are women and the numbers are still growing.



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# Training programmes are crucial

Another rather often disadvantaged group of potential employees is new high school and university graduates, who face difficulties finding jobs largely due to lack of work experience. That is why we offer **temporary fellowships, temporary jobs, supervision over their bachelor or master degree theses, and also on-the-job practical training in our Manager Shadowing programme.** Graduates are given an opportunity to take part in our Quail and Foxes training programmes, where they are trained for managerial and specialist positions. **The transition from school to the workplace is natural and smooth due to comprehensive special training.** Our approach is appreciated: We rank highly in annual charts listing employers most preferred by university students.

Well-educated employees are the driving force of our company and training our employees is an important part of the change process. **It is the quality of training, not the quantity, that opens opportunities for succeeding in everyday work, making performance easier and improving the quality of all activities and achieving more.** We offer our employees a wide range of individual and group courses and trainings on numerous topics developing both soft and hard skills. Our employees may choose form and scope according to **individual development plans.**

*In 2009, we trained 25,257 trainees in 2,189 classroom courses; 2,051 employees took language courses, 119 employees increased their qualification level. Thus, the ČSOB Group invested more than CZK 79,092,000 in employee education.*

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# What are our employee benefits?

We provide our employees with large number of employee benefits. We think of the future of our colleagues and offer **life insurance contributions and pension insurance** with state contributions. In addition, popular bank and financial group products with favourable conditions are provided to employees. We organise various **company events and outings** to maintain and improve good relationships among our employees.

We also provide extra benefits to our employees, such as **one week of vacation in addition to that stipulated in the Labour Code as well as contributions to sports, culture and recreation and, through our health care programmes, we foster employee health**. We seek to change the proportion of benefits drawn by employees in favour of health care and to reinforce individual choice and responsibility for employee benefit utilization. Our employees are also entitled to two sick days per year, essentially time off work when they receive their pay but do not have to provide a doctor's letter. In 2008, they got **one more day off for volunteer activities**.

5.5

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# We care about those who are leaving the ČSOB Group...

As part of the *Outplacement programme*, we offer help in the search for a new job and try to minimize the negative aspects of job loss. We seek to make employee dismissal a dignified matter in cases of redundancy. We offer a practical manual, the Labour Market Orientation Guide; advice in the search for a new job; and a list of jobs available within the ČSOB Group.





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# How do we behave internally?

The ČSOB Group systematically supports both improvements in the quality of service provided to our clients and, further, employee team work. Similar to those quality standards in the branch network applied to improve the employee/client relationship, the **quality standards newly introduced in NHQ raise the level of cooperation among employees**. The Group consistently builds an environment of teamwork and high productivity by introducing rules and performing regular measurements and assessment.





*South Moravia Region*

## INEX-SDA Brno – Begin Well

The project aims to support the integration of Romany children from Brno's hostels and access-gallery buildings in Markéty Kuncové, Cejl, Francouzská and Táborská Streets in the majority society. Football and visual art clubs teach the children to be more independent and pursue worthy goals.

► We care about the environment

<6>





# We care about the environment

6.

Our attitude towards environmental protection is determined mainly by how we ourselves want to treat the environment.

A healthy environment is a prerequisite for long-term sustainability in any society. We do not limit ourselves to minimizing the negative impact of business activities on the environment, but also foster ecological thinking among all ČSOB Group employees.

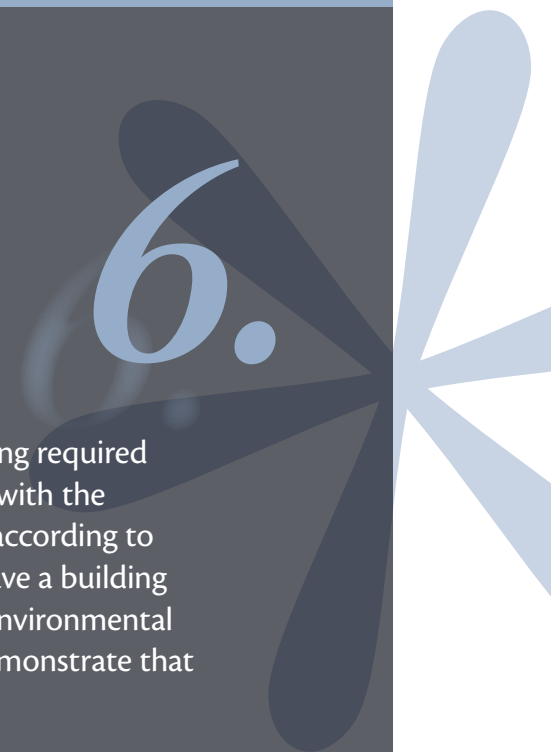
The ecological building of the ČSOB Group proves this to be true...

The story started with the selection of the right location and orientation of the building vis-a-vis the natural environment. It continued with thinking of how to place green plantscape into and around the building, and careful consideration was

given to fenestration. Ventilation, heating or cooling required extraordinary preparation. The story was capped with the realization of the work environment conception, according to psychological and sociological criteria. Now we have a building that is in compliance with the broadest possible environmental sustainability requirements. Numerous awards demonstrate that ours is a success story.

**In 2007, NHQ was the only building in Europe to receive the Golden Certificate** from the prestigious LEED – Leadership in Energy and Environmental Design – international environmental friendly certification system.

**A strong signal was sent to our community that even buildings of great size may have minimum impact on the environment and maintain high user quality.**



# Environment and credit policy

## 6.1

Within the framework of our credit policy, we do not finance companies **that fail to observe environmental legal regulations**. We do not finance companies that do not fulfil the environmental protection requirements set out in CR/SR or EU legislation or that are in conflict with EBRD/IFC\* requirements.

Within the framework of corporate financing, we provide loans to **clients in fields where environmental risks are to be expected only if the company has had an environmental audit performed, holds an ISO certificate of environmental care, has decontamination projects, looks after the rectification of past damage to the environment and harmonises its activities with existing environmental standards.**

As managers of huge amounts of funds we significantly influence capital flow. This why it is so important for us that projects we decide to finance do not have an adverse effect on our environment. **Our commitment to society is affirmed by adhering to Equator Principles**, an independent initiative of 2003 stimulated by several considerable international banking institutions. More than sixty companies have joined in so far.

*\*European Bank for Reconstruction and Development and International Finance Corporation*



# Ecological office building in Prague centre

## 6.2.1

Why does our new building deserve a “green” attribute?

- The project used a **brownfield** lot.
- The site is easily **accessible by public transport**.







- **Plants used** extensively to cover the outer structures of the building and inside the building have positive impact on the outer microclimate of the building as well as the quality of the interior workspace.
- Optimized **orientation of the building** and passive shielding elements reduce heat gains from the sun and sky while keeping the front face visually open.

- Sophisticated **fix and mobile shielding systems** controlled by meteo-terminals reduce heat gains from the sun and sky and, in winter, also heat loss.
- **Maximum preference to daylight on workstations.**
- **Heat absorption capacity and inertia of reinforced steel constructions** to harmonize inner thermal comfort and **natural pre-cooling** with night air in summer.
- **Economical energy management** utilizes recuperated waste heat/cold and heat pumps.
- **Sophisticated artificial lighting** controlled smoothly by the system depending on the intensity of sunlight in each place and the position of mobile shading elements eliminating unnecessary lighting on workstations based on the presence and needs of users.
- The **control system of the building** allows for dynamic management, including anticipated changes of external influences, and monitors the status and interrelations of systems within the building.

# Ecological office building in Prague

## 6.2.2

### New ČSOB Group building - Awards

<b>Grand Prix 2008 by the Society of Czech Architects</b>	15th annual Grand Prix awards by the Society of Czech Architects – National Award for Architecture: The Czech Ministry of Environment conferred a Certificate of Merit to the new ČSOB Headquarters in Prague - Radlice. The jury also awarded the Grand Prix to the building.	
<b>Building of the year 2007</b>	ABF – Architecture and Building Foundation, Stavitel magazine, Ministry of Industry and Trade, CR, and the Czech Association of entrepreneurs in construction industry – 15th competition: prestigious award Building of the year 2007 awarded to the ČSOB NHQ building in Prague -Radlice.	
<b>LEED – Green Building Award for the ČSOB building</b>	In 2007, the ČSOB building in Radlice received a prestigious American award (the third highest grade) from LEED certification system (U. S. Green Building Council) that is awarded to environmental friendly buildings.	
<b>Health and Save Environment Award 2006</b>	The Health and Save Environment Award: Silver medal for the new ČSOB building in Prague –Radlice for respecting the environment and also the inhabitants and the community.	



# Renewable resources financing

6.3

New renewable resources projects in 2009

Renewable sources of energy	Financing CZK m	%	Installed el. capacity MW
Photovoltaic power plants	1 557.50	59%	25.53
Mine gases	415.10	16%	17.90
Biogas	272.50	10%	4.64
Biomass	275.00	10%	5.60
Wind power plants	127.00	5%	4.50
<b>TOTAL</b>	<b>2647.10</b>	<b>100%</b>	



# Internal processes and carbon reduction initiatives

## 6.4.1

Since 2003 we have had containers located in the workplace for recycling paper, glass, plastic and residual unsorted waste. Besides recycling, we also separate used consumables from printers, fax machines, copiers, typewriters, calculator batteries and so on. Disposal of electrical appliances and dangerous waste such as luminescent tubes is done on our behalf by suppliers of these products. When entering **supply contracts**, we emphasize separating, recycling and ecological disposal of waste and we prefer cooperating with environmentally aware partners.

In order to **reduce carbon emissions**, we launched a series of noteworthy initiatives\*, including:

### *Reduction of energy consumption and carbon production*

- In line with EU legislation, we regularly measure energy consumption as well as carbon emissions using independent providers.
- Central Services specialists or *sponsors* are in charge of reduction of energy consumption and discharges of emissions.
- Energy consumption policy is based on independent audit performed in all ČSOB premises.
- The new building in Prague - Radlice was built in line with energy efficiency and environmental standards.





# 6.4.2

## Reduction of travel-related fuel consumption

We are dedicated to a policy focused on maintaining high efficiency and environmental friendliness in the company car pool. This increases positive environmental impact:

- We implemented the fellow-travel reservation system to minimize the use of the ČSOB car pool.
- The equipment of the new building in Prague - Radlice fully enables a wide use of video or phone conferences.
- We introduced a *Green Parking regime* – reservation of parking places for hybrid engine cars.
- In order to increase the use of public transportation, we build and rent new buildings in Prague located close to the underground lines.
- Since January 2008, 14.3% of all energy purchased and consumed in ČSOB is green energy.

## What do we plan to do?

In 2009, we began replacing outdated air conditioning units using the refrigerant R22; R22 has been prohibited in new products by the EU (EG 2037/2000) since 1 January 2010 and, after 1 January 2015, no more recycled R22 refrigerant may be used. All air conditioning units and the refrigerants used in these units will have been replaced in our branches by 1. 1. 2015. New refrigerants such as R417A meet legal requirements applicable to cooling systems.

*\* Related mainly to the new building in Radlice, Prague.*

# We encourage our employees to behave considerably

Ecological awareness among employees is also supported by other activities: Our 2009-2010 **Considerate and Healthy environmental campaign** is underway and its goal is to encourage our employees to think about how to behave even more considerably toward the environment and how to live

healthier lives. As part of the campaign, our employees receive information on environmentally friendly transport, renewable energy resources, low-energy housing, organic food and fair-trade products, healthier life style and much more by means of our e-magazine, fairs, workshops, lectures and contests.





*Zlín Region*

## Municipal Library in Rožnov pod Radhoštěm – The Town in My Memory

The Municipal Library in Rožnov pod Radhoštěm has had many years' experience of working with seniors. They constitute a major proportion of the regular library visitors; at the same time, they are great and demanding readers interested in what is happening in the town. However, what is of primary importance - they like to chat. This is the basis of The Town in My Memory Project which motivates seniors to record their own memories and create their own literary works. The seniors will compile non-traditional guide materials for the streets of Rožnov pod Radhoštěm and guides to children's games; they will be involved in organising walks for the public, discussions with writers, publication of a journal of literary works and many other things.





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# Our community



*We understand the needs of the surrounding community and play an active role in the society where we operate. We are a partner who acknowledges the close link between business and civic society and we want to contribute towards the positive growth of the society.*

**Our goal is the healthy development of society and higher quality of life. To achieve this, we provide high quality products and services, but also support non-profit organizations, civic associations and local communities. We believe that busi-**

**ness targets are closely linked with the progress of the civic society and it is our priority to become a leader in its development.**

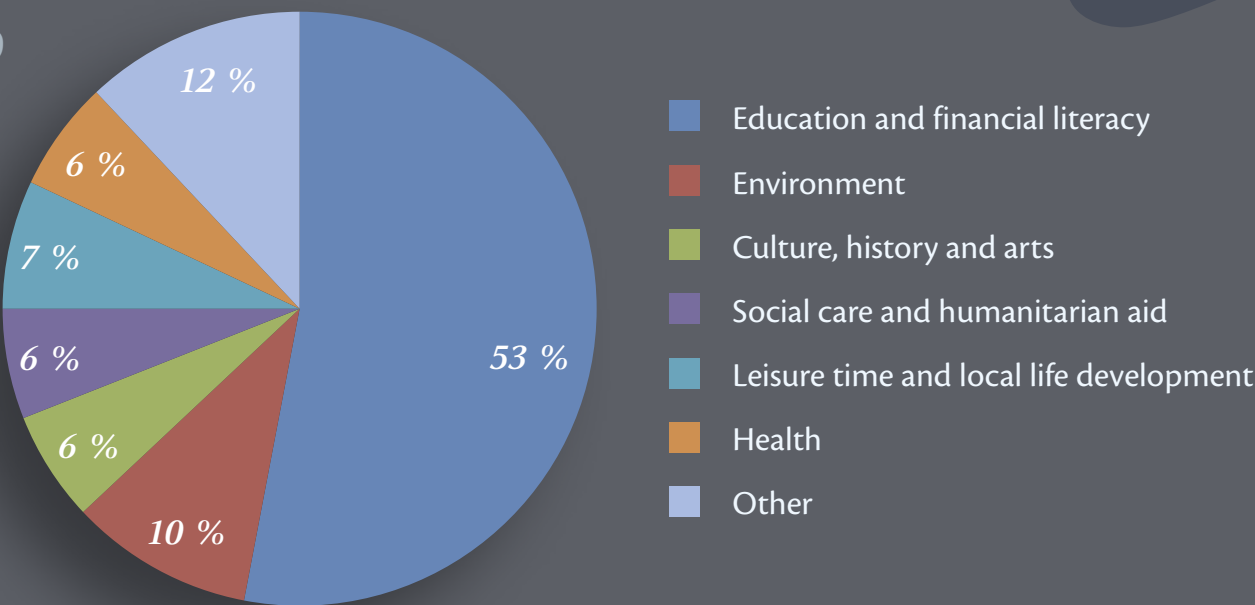
***We donated more than CZK 17,000,000 for sustainability activities, of which three quarters of projects may be said to have national impact, when the volume of funding is considered.***

***Facilitating education and financial literacy are the main focuses of our support. We support activities encouraging long-term social entrepreneurship and creation of workspace for disadvantaged persons. We foster good ideas in regions and the development of local life. We fight for a safer Internet. We get our employees involved in our philanthropic activities.***



# Areas of Support in 2009

Areas of Support in 2009



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# Education and financial literacy

7.2.1

## Financial straits may strike unexpectedly

Our goal is to have satisfied clients. That is why we want our clients to know the benefits of each product, how to make the best use of their money and, in particular, how to avoid the hazard of debt trap. We primarily seek to develop financial literacy.

For ČSOB and Poštovní spořitelna, the key project is their support to the **Association of Citizen Advisory Offices**, which gives the public an opportunity to obtain free information on finance. Advisors help people create their personal and family budget, set priorities and set a path leading to responsible decisions on whether or not to go into debt. Advisors also help cope with debt problems.

The financial literacy programme includes also other projects for both adults and children. We supported the appearance of

**The Financial Literacy Primer**, the very first book of this nature issued by COFET, a.s. Along with other significant players in the Czech financial sector, ČSOB financially supports operations and further expansion of **Counselling in Stringency**.

***The world of money seen in a different light or Money for everybody***, a common project with the Consumer Institute, is an e-learning financial course for basic school pupils and high school students. By contributing to **Dry Run Living**, a programme by the Múzy Dětem Civic Association, we help children in orphanages prepare for everyday life situations: How to find housing and job, how to manage monthly pocket money, how to provide for family, and other skills. Poštovní spořitelna offered a web calculator [www.rozumnezadluzeni.cz](http://www.rozumnezadluzeni.cz) to the wider public.

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# Education and financial literacy

## 7.2.2

### *We support students*

The **Education Fund** supporting socially and physically impaired students in their studies is a common project of ČSOB and the **Committee of Good Will – The Olga Havel Foundation**. During their long-term cooperation, ČSOB donated more than CZK 12 million towards scholarships. Our employees have also got involved in this project by becoming patrons of disabled and disadvantaged students.

### *SOS villages*

**Hypoteční banka offers housing for everybody**, including children who do not have their own family and cannot be in placed in adoptive or foster families. **For each mortgage contract signed, the Bank sends CZK 20 to the SOS villages association account**. The purpose is to prepare children together with their foster mothers for independent life. Hypoteční banka employees also make financial donations. From the beginning of this cooperation in 2001 to the end of 2009, the Bank donated more than CZK two million – not including employee donations.



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# Jobs for the disabled

## Jobs for the disabled

We cooperate with **Ergotep, a cooperative of persons with disabilities** which has the status of a sheltered workshop. Launched in 2004, the unique partnership is based on a customer-supplier relationship providing benefits to both partners. Numerous services are offered to Poštovní spořitelna from Proseč u Skutče, Ergotep's home town. The cooperative is in charge of manufacturing and distributing marketing materials and performs some back-office tasks in a newly established administrative centre. The ever-growing volume of orders contributed to the establishment of sixty new jobs for disabled individuals.

We support visually impaired children on a long-term basis through the **ARTEVIDE Foundation**. Aided financially by Poštovní spořitelna, the Foundation launched *The Sightless to the Sightless Gallery*, a unique project at Valdštejnské náměstí to organize regular workshops, discussions and many other activities for sight impaired children and teenagers.

We cooperate with the Paraple Centrum which helps paralyzed persons after lesion of the spinal cord to adapt to the new life situation and to return back to the life. We organized together the photo travelling exhibition "Go and Walk together". We are long-term partner of the citizen association Kontakt bB, a swimming course for disabled persons.





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# Regional support to good ideas

## 7.4

**ČSOB and Poštovní spořitelna Support Regions** is an extremely successful regional programme covering all regions of the Czech Republic. Granted within the programme are smaller community grants for *Local care for cultural and natural heritage* and *Development of community life through local social activities and local culture*. Additionally, we founded three big investment grants supporting Environmental protection and landscape restoration. And together with the VIA Foundation, we seek to reward work of mayors in small municipalities through **Poštovní spořitelna's Mayor of the Year Award**.

In 2009, **smaller community grants in the value of CZK 2 million went to 38 projects** throughout the Czech Republic. We selected the **three best projects for big community grants** supporting Environmental protection and landscape restoration and

donated CZK 350,000 to each of them: rescue of the almond tree orchard in Hustopeče, South Moravia region; restoration of the Way to Calvary in Kamenický Šenov, Liberec region; and the municipal meadow project in Slivenec, Prague.

**Mayor of the Year 2009** is PhDr. Vladislava Moravčíková, mayor of Oplany, Central Bohemia region. Becoming the winner, mayor Moravčíková was knighted and received the amount of CZK 100 thousand in the municipal budget.



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# We fight for a safer Internet

7.5



Poštovní spořitelna supports **www.bezpečně-online.cz**, an educational project aimed at increasing awareness of safer Internet use among young people. Created together with the **Czech National Safer**

**Internet Centre**, the project is meant not only for kids, but also for their parents and teachers. The new web site provides information on possible threats disseminated on the Internet and advanced communication technologies and, at the same time, educates in an entertaining and informal way. It also covers topics linked to e-banking and internet banking situations.

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# Our employees help together

## 7.6.1



lion from our **grant fund** to support those employees active in the non-profit sector for longer periods. We organized **Volunteer Days** to provide people with a first opportunity to work in a non-profit organization for one day.

We launched our **Helping Together volunteer programme** to provide our employees with opportunities to get involved in care for the environment and help those who are in need. In 2009, we granted CZK 1 mil-



In 2009, 371 employees helped in 36 nongovernmental organizations during Volunteer Days. Our employees also take part in **other volunteer activities**:

- Several times per year, products from shelter workshops and trade-fair products are sold in fairs organized in Radlice, Prague.
- The ČSOB football team took part in and won the first benefit indoor football tournament for the Sue Ryder Home.



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# Our employees help together

## 7.6.2



- We organize charity collections where our employees can donate unwanted items to the Sue Ryder Home, or financial gifts to such organizations as the Kapka Naděje Foundation, the Paraple Centre, and the Association of Cystic Fibrosis.

- We organized a charity autograph session with the Dejvické Theatre.
- We support blood donorship.



- By becoming patrons of disadvantaged students, our employees got involved in unique cooperation with the Olga Havlová Committee of Good Will.





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# We strengthen our NGO cooperation

To make the lives of our partners, clients and applicants for support easier, we prepared a simple electronic application [form](#). It takes only a few minutes to fill in. We also established a special e-mail box [csr@csob.cz](mailto:csr@csob.cz) where suggestions and comments are sent. Each day the sustainability manager reads

the e-mails, so do not worry that messages are left unanswered. Of course, our [web](#) has sustainability pages where you find our projects archives, updated information and, last but not least, the 2009 CSR Report.

