



Skupina ČSOB
Přátelská a odpovědná

ČSOB Group Report to Society



Dear readers,

Philanthropy, volunteering, responsible business, sustainability and environmental responsibility are topics that are also integral parts of the ČSOB “planet”. Each of us, our employees, clients, shareholders, suppliers, public authorities, small businesses and large companies, perceive what is happening in our immediate neighbourhood and in the world and is a part of the current events in society. It is through our support for public benefit initiatives and through the involvement of our colleagues that we make an effort to contribute to the cultivation of the environment in which we live, and strive to be beneficial to society.

The acronym CSR represents sustainability, responsibility and long-term commitment, which are integral parts of corporate philosophy, means to maintain and further develop confidence and the primary prerequisite for long-term sustainable success.

An integral part of this commitment from our viewpoint is also philanthropy, to which we have been devoted 90s through strategic support of not-for-profit organisations and thematically clearly defined grant programmes since the 1990s. I am pleased at each scholarship, one-off and long-term, which in cooperation with the Committee of Good Will – Olga Havel Foundation we support youth from children's homes and the disabled on their path towards their greatly desired education and independence. I am also enthusiastic about the ČSOB grant programme helping regions in which non-profit organisations receive support from individuals and in the end also from ČSOB. They are learning how to use modern fund raising instruments, expanding their networks of supporters and attracting the attention of regional media. I am delighted to find ways to further develop and innovate philanthropy in the Czech Republic, which has a long tradition and is deeply rooted here.

Our colleagues are a great inspiration to us. Among them are hundreds who regularly devote their resources to selected organisations. And there are thousands among us who dedicate one day of the year to help a good cause rather than go to work. Many see the beneficial activities of various organisations in such a way that they also devote their free time, energy and knowledge long-term outside working hours. Smaller or more meaningful projects and initiatives by our employees inspired us to create

the Together with ČSOB matching programme. Its principle is simple but functional: a colleague initiates a collection or fund-raising event, such as a concert, theatrical performance or sports match for the benefit of a selected public benefit organisation, wins the support of other colleagues across the bank, and ČSOB supports the outcome of their efforts by matching the same amount up to a maximum limit of CZK 30,000.

From my own experience, I know that ČSOB's social responsibility and sustainability is a natu-

ral component of the everyday life of both the Company and us, the employees. I believe that our responsible approach to business and long-term zeal for philanthropy contributes to the loyalty of our colleagues and has a positive impact on the public image of ČSOB.

Marcela Suchánková

ČSOB Board Member and Internal
CSR Committee Member of the KBC Group

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Key ČSOB Group data in 2016



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NET PROFIT

CZK 15.1 billion



CREDIT PORTFOLIO

CZK 618 billion



DEPOSITS

CZK 752 billion



CLIENTS

2.803 mil.



INTERNET BANKING

1.566 mil. users
51.694 mil. transactions



EMPLOYEES



all of ČSOB Group
8,232



bank employees
7,071

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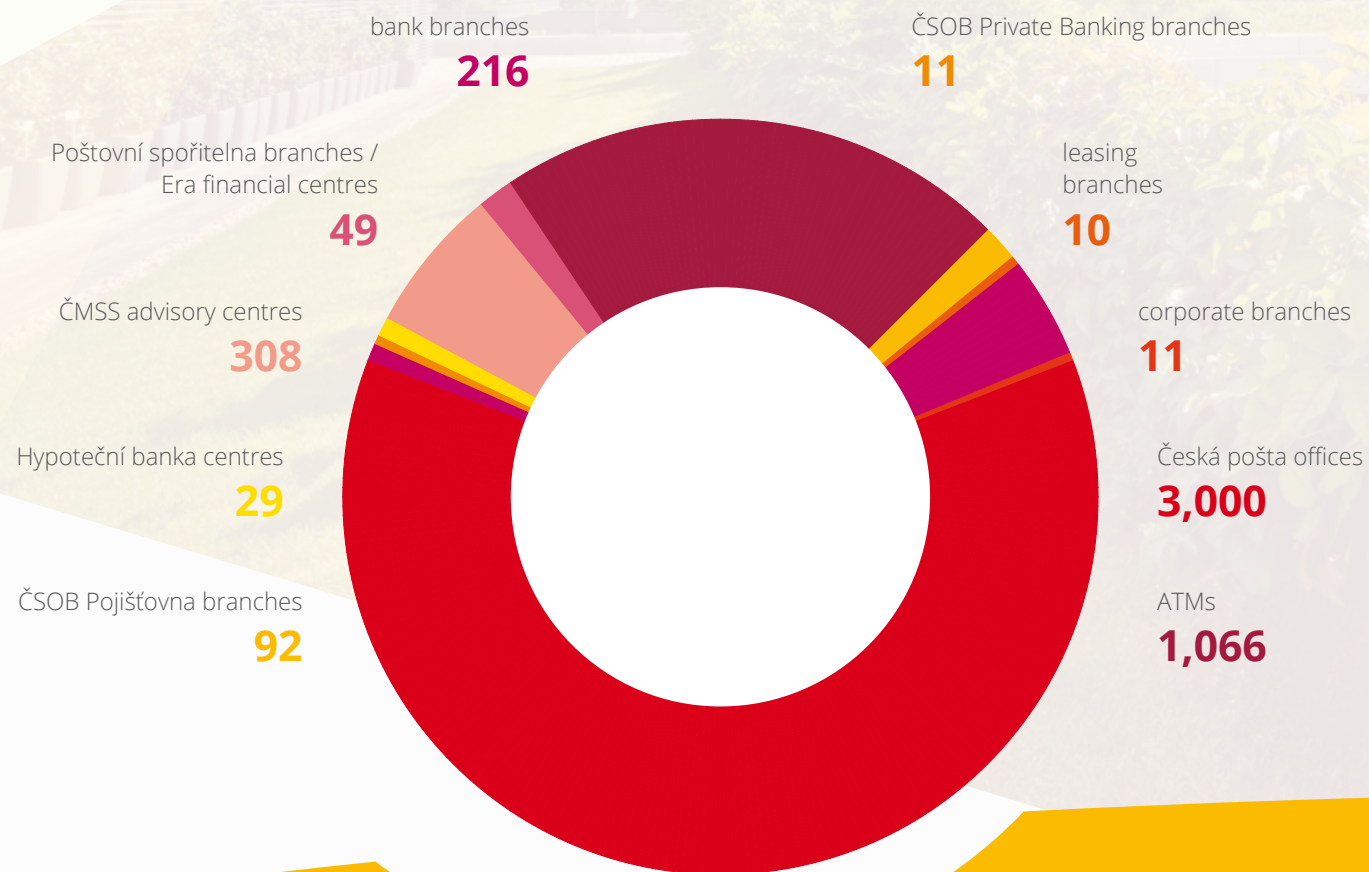
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BRANCHES AND BUSINESS POINTS



Innovations in 2016



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CONTACTLESS ATMS

thanks to which cash withdrawals are more comfortable and safer.



80

ON-LINE PAYMENTS WITHIN ČSOB

7 days a week from early morning till late evening.



ČSOB NANÁKUPY APPLICATION,

which is the first in the Czech Republic to offer NFC payments and an option to pay for shopping without a wallet.



ČSOB INVESTICE INVESTMENT PORTAL,

which allows clients to administer their investment products from a smart phone, tablet or PC.



UNIQUE INSURANCE OF INTERNET RISKS,

which clients can use to protect themselves against internet shop fraud, abuse of electronic payments and virtual identity theft.



INSURANCE ADVISERS

who provide personal advice at the bank branches to clients interested in risk insurance.



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THE NEW ČSOB PREMIUM SERVICE,



which from 1 June 2016 provides
affluent clients with an individual
approach together with bargain
services and products.



The Personal Assistant will help solve
the client's various requests from
concert ticket reservation to making
repair appointments.



22,000

clients used the ČSOB Premium
service at the end of 2016.



Accolades



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ČSOB'S NANÁKUPY



Thanks to **mobile wallet**, ČSOB got

BEST INNOVATOR OF 2016 IN THE CZECH REPUBLIC



the accolade from **Visa**

ISSUING INNOVATION 2016



winning the **Mastercard** competition

BEST BANK OF THE YEAR IN THE CZECH REPUBLIC

accolade from the **Global Finance**
international magazine



BANK INNOVATOR FOR THE COOL CARD PRODUCT



accolade from **Hospodářské noviny**

BEST PRIVATE BANK IN THE CZECH REPUBLIC FOR 2016



according to **Euromoney**
and **The Banker**

IN THE SODEXO EMPLOYER OF THE YEAR 2016 COMPETITION, ČSOB WAS DECLARED



THE BEST EMPLOYER
in Prague



THE SECOND BEST EMPLOYER
above 5,000 employees in the Czech Republic



Accolades



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CSOB WITHIN THE
TOP RESPONSIBLE
COMPANY 2016
AWARDS GOT



STRŽENÁ
TOP
ODPOVĚDNÁ
FIRMA 2016
TOP ODPOVĚDNÁ
VELKÁ FIRMA

SILVER CERTIFICATE
in the Top Responsible Big
Company category



BRONZOVÁ
TOP
ODPOVĚDNÁ
FIRMA 2016
SPOLEČENSKÝ
PROSPĚSNÝ PROJEKT

BRONZE CERTIFICATE
for Social Benefit Project



BRONZOVÁ
TOP
ODPOVĚDNÁ
FIRMA 2016
TOP ODPOVĚDNÝ
REPORTING

BRONZE CERTIFICATE
for Responsible Reporting

CZECH FINANCIAL
CONSULTANCY
COMPANY
FINCENTRUM
AWARDED TO ČSOB



BANKOMAT ČSOB

THIRD PLACE
in the Bank without
barriers category



**Banka
bez bariér**



THIRD PLACE
in the Most trusted bank
of the year category

THE DONORS'
FORUM AWARDED
TO ČSOB



FIRST PLACE
for the corporate annual report on social re-
sponsibility and second place for its employee
collection



SECOND PLACE
for the employee collection



Company strategic goals and fundamental values

SOCIAL SPHERE

We stimulate the Czech economy, prepare solutions of potential future problems and develop innovative instruments to cope with current social challenges. We want to benefit all-Czech society and we are interested in socially sensitive topics. Our goal is to be the first company that people will think of when they consider financial products and services or when looking for interesting employment. We want to be the first choice for investors who are considering the purchase of investment instruments.



ECONOMIC AREA

We endeavour to achieve permanently sustainable profit growth and we want to defend and continue to secure the existence of our Company in the long-term perspective. We respect the boundaries for determination of risks, capital and liquidity during the realisation of our business. We are developing unique cooperation between banking and insurance business in order to better understand our clients and come up with a suitable comprehensive solution. We want to be the “measure of quality” in the area of bancassurance on the Czech market.



ENVIRONMENTAL AREA

ČSOB has an own **environmental** and **energy policy**, which contains the commitments of the company toward protection of the environment, prevention of environmental pollution, continuous improvement of the environmental management system and other specific commitments, which fully comply with the requirements of the ČSN EN ISO 14001:2016 (EMS) and ISO 50001 (EnMS) standards.



HOW WE WANT TO ACHIEVE THIS

By strict compliance with the legal provisions and regulations on one hand, and civil conduct and respect, which is an expression of equal partnership, on the other. We accommodate cooperation with our partners, listen to them and ascertain their needs so that we can fulfil them. We place the client’s interest in first place, we uphold honest business practices, proper relations, discrete and responsible conduct. We believe that conduct in compliance with these values will not only help us to confirm the confidence in our company, but will also serve as a reference for both current and new partners.



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Social responsibility strategy



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SOCIAL RESPONSIBILITY

The social responsibility (CSR) is one of the cornerstones of corporate philosophy, a component of ČSOB Group business and a means for maintenance and further development of client confidence, which is the prerequisite for long-term sustainable success. With regard to this, ČSOB is innovating its business, behaving transparently, primarily offering services according to the needs of the clients and is deepening relations with partners in the environment in which they operate and with respect to them.

THE CSR STRATEGY OF THE ČSOB GROUP IS CLOSELY TIED TO THE STRATEGY OF THE KBC GROUP. THIS COMPRISES OF:



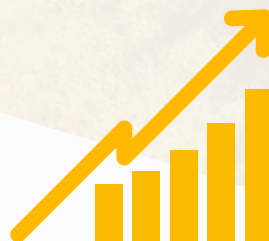
CLIENTS,

who are at the core of our interest, regardless of what we are doing



UNIQUE EXPERIENCE OF BANCASSURANCE,

which we mediate to the clients



FOCUS ON THE LONG-TERM DEVELOPMENT

of the ČSOB Group with the goal to achieve sustainable and successful growth



RESPONSIBLE APPROACH

to the society and local economy

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CSR PRINCIPLES

ČSOB considers social responsibility and responsibility as a natural component of the everyday life of the Company and its employees. ČSOB, not only in relation to CSR principles, builds on diversity, heterogeneity, free decision making and accountability, as well as voluntarism and a development environment, in which the bank operates in its complexity. The social responsibility priorities are derived from these principles.



ČSOB group values and PEARL culture

The ČSOB Group is convinced that its strategy, based on the corporate culture and deployment of the people who formulate it, is a tool for us to acquire, maintain and further develop all stakeholders as well as for us to become the reference in key markets and maintain this position. Through a responsible approach to business, ČSOB takes care of the good relations with its clients, employees, business partners, state institutions and non-profit organisations; it focuses great attention on the impacts of its business on the environment and promotes transparency in all decisions and processes.



THE STRATEGY OF THE ČSOB GROUP IS BASED ON THE PEARL CULTURE, WHICH COMPRISES FIVE PRINCIPLES:

PERFORMANCE



Performance)

we always strive to deliver the best results and fulfil promises

EMPOWERMENT



Empowerment

we trust in and develop the talent and creativeness of our employees

ACCOUNTABILITY



Accountability

we assumed responsibility

RESPONSIVENESS



Responsiveness

we anticipate issues and efficiently respond to them

LOCAL EMBEDDEDNESS



Local Embeddedness

we perceive mutual differences as added value



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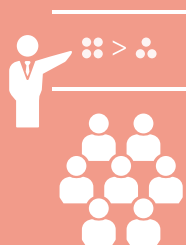
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Responsible business

The strategy of the social responsibility and sustainability of the ČSOB Group is derived from the CSR strategy of the parent KBC Group, which focuses on the key CSR element of a structured approach to the responsibility and sustainability of business that is shared across the Group.

THE ČSOB GROUP PILLARS OF RESPONSIBLE BUSINESS ARE:



Financial literacy



Environmental responsibility



Support for business



Longevity

The key components of the principles of responsible and sustainable behaviour of the ČSOB Group are, besides responsible business, also **philanthropy**, through strategic long-term partnership with non-profit organisations and clearly defined grant programmes and the **involvement of employees**.

17 PARTNERSHIPS FOR THE GOALS



At the same time, we reflect on the **17 Sustainable Development Goals**, which were adopted by the member states of the UN in 2015 and consist in the solution of economic, social and environmental problems up to 2030.

This report contains the relevant goals, for which we contribute to their fulfilment, marked with the icons of the SDGs.



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Financial literacy

Financial institutions and financial literacy are inseparable. At ČSOB, we monitor the long-term development of the debt-burden of Czech society in contrast to the public level of financial literacy, which is not significantly improving. For this reason, we do not only concentrate on prudent and responsible lending, but are more conceptual in our approach to financial literacy. We support counselling establishments, which provide free debt counselling, and grant calls for non-profit organisations focused on increasing financial literacy among different income groups, and we also focus on the teaching of pupils and students.



FINANCIAL EDUCATION FOR SCHOOLS

ČSOB's financial education for schools project has moved beyond its pilot phase and remains a unique initiative on the Czech banking market, because the ČSOB employees themselves participate in it. It has been entered by **160 ambassadors**, who in 2016 taught 63 hours of the planned 30 hours. 15 schools participated in the project. At the onset of the project we focused on the teaching of financial literacy at primary and secondary schools in the form of interactive and entertaining lectures to the pre-agreed scope and according to the individual needs of the individual schools. In the future we also want

to expend the programme to other target groups within the society where we operate as a bank (e.g. seniors).

"It is important for us that people should know how to manage money and for us to be visited by clients who are as well informed as possible. A society that is informed about finance, family budgets, but perhaps also about the essence of investments, is extremely important for us. Such a society fosters and generates successful people, who know exactly what they want from the bank," said project sponsor Petr Hutla, Member of the ČSOB Board of Directors assessing the project.



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Longevity

Although 'longevity' literally means 'longevity', in this CSR pillar we not only devote it to the seniors and those who take care of the seniors, but also to those who are preparing for their old age / pension. At the same time, we do not forget the handicapped, and in this respect we build on the already traditional activities of ČSOB.

We are pleased to see that other companies from the ČSOB Group are utilising the Longevity pillar and coming up with their own ideas and initiatives.

Perhaps you know that about 40% of the ČSOB clients are more than 60 years old. We value their loyalty and make an effort to ensure that the services we offer fulfil their expectations and really serve them.



IN 2016, AMONG OTHER THINGS, WE PREPARED THE FOLLOWING NEW THINGS:



New on-boarding process for seniors, i.e. advice on how to optimally configure the account and what should not be omitted.



A section www.erasvet.cz/vitejte portal that contains advice for new clients was created for seniors.

We are preparing a series on advice for seniors, etc.

PARTNERSHIP

In 2016 we expanded our cooperation with the **Sue Ryder Home**. This non-profit organisation has helped seniors and their families since 1998. Its employees and volunteers help the elderly in their own households and ensure quality care for bed-ridden patients in facilities in Prague. Sue Ryder wants to expand its activities with a new counselling centre, where seniors and their relatives can get advice and help from experts in areas such as palliative care, legislation, contributions to care, etc. An integral part of the project will be the new website "Neztratit se ve stáří", where readers shall find a lot of essential information without the need to personally visit the counselling centre.

SERVICES AND PROJECTS

ČSOB Leasing has come up with a new service for the handicapped; its **"Opatrovník"** bargain loan is intended for those who need to bridge a shortage of funds to fund the purchase of a specially adapted vehicle. Simultaneously, clients may utilise other services related to the operation of the vehicle, but that are difficult to provide with regard to their health condition (service, operation, etc.).

ČMSS is deepening cooperation with the **Srdcerváči** Project, which is helping physically handicapped co-citizens in various ways.

Work has started on projects that we expect to launch in 2017:

ČSOB Pojišťovna – Elisa Assistance Service;

Sousedé.cz – new section of the website that is dedicated to seniors.



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Longevity



MAREK DITZ

ČSOB BOARD MEMBER

"ČSOB has thus far primarily supported non-profit organisations in the form of financial gifts and organised clothing collections, ČSOB employees have helped in homes for seniors and participated in many volunteer events. And we naturally want to remain active in this area. Yet we also see substantial space for future cooperation in the

combination of our experience with the knowledge and unique experience of the non-profit organisations. We would like to mediate this experience and advice with ČSOB clients and, on the contrary, we are able and willing to offer help with personal finances to the clients of the non-profit organisations."

OLDŘICH PERUTKA

HEAD OF LONGEVITY PROJECT TEAM

"The repeated visit of seniors in Teplice made a deep impression on us. Their Zvonkohra Club, which is a member of the SenSen (Senzační senioři – Sensational Seniors) national association, plays in an extremely clean and beautiful manner. Many young people could really envy the seniors for their enthusiasm and desire to do something that we en-

countered there. It was nice to discuss the hobbies and problems of the seniors with them, and in return share points of interest from the financial world with them."



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Support for business

We hear about support for business almost everyday. SMEs are an important component of the Czech economy, play a major role in employment, have a great influence on the qualitative development of the business environment, but encounter various obstacles, regardless of whether this is in the form of new legislation or administration intensive obligations. It is also for this reason that ČSOB contributes to the support of the start-up and development of business and focuses on it as one of its CSR pillars. We continuously develop our products and services, including the environment in which our clients utilise them, so that they always correspond to their needs.

Due to the fact that it is difficult for entrepreneurs to match their calendars to the opening hours of the branches, we focused on ensuring faster and simpler communication with the bank. Among other things, we also bet on the new ČSOB CEB service, which allows secure electronic communication with the bank. Its advantage is availability: entrepreneurs can resolve their matters with the bank at the moment they need to do so, and it does not matter whether this is late in the evening or on the weekend. They can communicate with the bank from the office or during a foreign business trip, which not only saves them time but also money, which they would otherwise spend on the journey to the branch.

Through ČSOB CEB, corporate clients can manage their existing products and also create new products. They send all the necessary documents electronically through this new service to the bank. ČSOB archives all the documents and entrepreneurs need not take care of anything. Handling of requests is expedient and secure, just like in Internet banking. At the same time, our experienced bankers continue to be available to our experienced corporate bankers and corporate advisers, who specialise in the counselling of all financial matters regardless of whether this is at the branches or at the client's business premises. They have been joined by a team of Remote bankers from the branches for remote servicing of clients. Primarily in contact with corporate clients via telephone, they resolve their needs through electronic channels without the need for personal contact.

We further provide third party bargain services to corporate clients, and our clients also have the opportunity to become suppliers to the bank. We prepare expansion of cooperation with them in the form of an offer of their products and services to the rest of the clients – not only other companies, but also private individuals.

We do not only focus on existing entrepreneurs, but also support start-ups and business diversity. Annual statistics show the stable growth of newly incorporated entities. From the viewpoint of male versus female classification, there has been a recent dynamic year-on-year increase in the number of female entrepreneurs. In 2015 the number of female entrepreneurs went up by 7 thousand, while the number of male entrepreneurs went up by about six hundred.

For this reason, we are working on a new approach to support start-ups, regardless of whether this concerns partnership in activities focused on innovation and start-ups, through bank products for financing of start-ups with the programmes of the EIF (European Investment Fund, which provides credit to SMEs through the banks). In 2017, we will launch a new information and counselling portal for start-up entrepreneurs and a series of seminars focused on the entrepreneurial minimum.



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Support for business



PARTNERSHIP

Our significant partners include **Agentura Helas s.r.o.**, which will this year organise the 10th year of the Ocenění českých podnikatelek (Czech Businesswomen Awards) project, for which we have already been the general partner for many years. This prestigious competition endows awards upon female Czech entrepreneurs, their projects, innovations, economic growth of their companies, but also personal approach, social impact of their businesses and generally the specific way in which these women cultivate the business environment.

We also co-organise workshops for female entrepreneurs. The regional meetings allow female entrepreneurs to share experiences and mutually inspire each other. Here, female entrepreneurs engage in panel discussions, present their own products and services, and acquire new experiences and business opportunities.

IRENA VRBOVÁ

YOUNG FEMALE START-UP ENTREPRENEUR AND OUR CLIENT

"Business for me is primarily the freedom to make my own decisions and perform work the way I really feel. After one year in business, I am proud of the fact that I need not be ashamed of any of my decisions, I stand behind every decision. I have acquired permanent customers who keep coming back and recommend me to other clients;

this binds and motivates me. I am now also focusing on relationships from the other side – with suppliers; I want to support small producers who are just like me. And perhaps we shall grow together!"



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Environmental responsibility

ENVIRONMENTAL POLICY

The threat of climate change concerns each of us – individuals and companies alike. The world currently expects the big organisations to assume responsibility for reducing CO2 emissions and to generally start behaving with maximum ecological respect.

The Environmental policy is one of our major pillars of the social responsibility strategy.

The all-society ambition in this area was especially formulated by the 21st conference of contracting parties to the United Nations Framework Convention on Climate Change, also known by the acronym COP21, which was held at the end of 2015 in Paris. It was the peak of several years of negotiations with the goal to create a legal framework

for global climate policy for future decades. The governments of 195 countries agreed to keep the average global temperature rise substantially below 2°C, as compared with the level before the industrial revolution, and shall continue in the effort to keep it below 1.5°C.

REDUCTION A CARBON FOOTPRINT

Immediately after the Paris conference, the KBC Group together with other significant Belgian corporations publicly declared their support for COP21.

Just like the parent KBC Group, we at ČSOB also believe that we should actively participate in the worldwide effort at reduction of greenhouse gas emissions and help guide global transition towards a low carbon economy. We have thus committed ourselves to engage in voluntary measures to reduce our carbon footprint and joined the effort against climate change with the goal to increase public awareness of the importance of these steps.



VISION AND SUCCESSES

What can we imagine under this obligation? It is not just energy savings, efficient utilisation of vehicles or printing of paper documents only when it's really necessary. Yes, all these measures form the basis for the cited change. However, this commitment means much more for the ČSOB Group – development of new banking and insurance products and services, which will support this vision, that the bank shall actively offer to its clients.

At this time the major challenge is definition of the cited new products and services, yet in the area of actual ecological savings, we have already achieved a lot of success. In 2016, we:

- 1) Received ISO 50001 – Energy Management System / Energy Management certification.
- 2) Adopted our Energy policy.
- 3) Have started working on the implementation of ISO 14001 (implementation at the beginning of 2017 and certification in June 2017).
- 4) Adopted KBC commitment to reduce CO2 emissions by 20% by 2020, and ČSOB is further preparing to reduce its emissions by up to 50%.

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Environmental responsibility

ECOLOGICAL BUILDINGS

Ecology has also been the decisive factor in the design and construction of the two new buildings of the ČSOB Group in Praha-Radlice and Hradec Králové. Both buildings should have modern heating and cooling by means of geothermal energy, and both buildings aspire to LEED (Leadership in Energy and Environmental Design) platinum certification.



ENERGY MANAGEMENT REPORT:

We have been working on reducing the energy consumption of buildings for a long time. We are focusing on HVAC (Heating, Ventilation, Air Conditioning), lighting, and are collaborating with IT in the area of data centres. In the 2013/2014 period, we started to install lighting primarily comprising LED sources and DALI (Digital Addressable Lighting Interface) devices, we are now changing to autonomous control of lighting (where this is suitable) – reduction of electric power consumption for lighting by 40-50%. We did a targeted technological audit - generated savings in the order of CZK 10 thousand to 100 thousand/year/building. We certified the energy management system – ISO 50 001, we replaced technological audits with internal audits. We set the annual goals and action plans as well as evaluate them.

Fulfilment of legislative duties can also be solved by means of energy audits, which could cost approx. CZK 4.5 million every 4 years. We optimise the supply of electric power both at high-voltage and low-voltage level. We purchase electricity and gas through public tenders. Electricity consumption in ČSOB has dropped by more than 20% in the last 6 years; the annual savings for comparable objects amount to more than CZK

20 million. After consideration of all factors, the electricity costs have dropped by CZK 35 million/year in the last 7 years. The decisive factors are purchase of energy, reduction of consumption, partial transfer of IT from the Czech Republic, optimisation of building ownership. We are considering smart metering. We provide back-up power supply for the data centres and selected buildings – UPS (Uninterruptible Power Supply – batteries, which are used in case of power supply failure) and diesel generators. We have mobile diesel generators ready in case of critical financial market infrastructure – processes set within ČSOB and ČNB. We fulfil legislation requirements – creation of the EPC (Energy Performance Certificate), transfer of heat and hot water costs, test of the efficiency of the air-conditioning and boilers. We provide some activities and cooperate with ČSOB subsidiaries in the area of energy.



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In numbers



Skupina ČSOB
Přátelská a odpovědná

NUMBER OF CLIENTS - NONPROFIT ORGANIZATIONS / MARKET SHARE

Organizations with an account
in Postal saving bank
21,133 / 17.61%

Small and medium
organizations
6,506 / 5.4%

Large
organizations
65 / 0.1%

Total number
27,704 / 23%

ATMS

Total number
of ATMs



contactless
ATMs
80

ATMs
for the blind
943

ATMs in social
and health facilities



20

Boskovice – Hospital

České Budějovice – Euroclinic Hospital
and Polyclinic

Hradec Králové – Polyclinic and University
Teaching Hospital, Stomatology Department

Jáchymov – Lužice Spa, Jánský Dvůr Spa

Karlova Studánka – Medical Spa

Kladno – Hospital

Nýrsko – Health Centre

Olomouc – University Teaching Hospital

Ostrava – Poruba Polyclinic

Praha – IKEM, Na Homolce Hospital,
Central Military Hospital

Přerov – Hospital

Příbram – Hospital

Rakovník – Hospital

Sokolov – Hospital

Tovačov – Health Centre

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ERA PERSONAL ACCOUNT



for seniors / **283 thousands**



for handicapped / **21 thousands**

BARRIER-FREE BRANCHES

total
265

barrier-free
215



eSCRIBE

Branches of Era and Postal saving bank with the eScribe on-line transcription service, through which people with hearing impairments or deaf people can communicate with client representatives



74

In the first quarter of 2017, on-line transcription shall also be available at a further 97 ČSOB branches.

SIGNALS FOR THE BLIND

points of business with acoustic signals for the blind



71

SUPPORT OF FREE DEBT COUNSELLING SERVICES



The Association of Citizens Advisory Centers (AOP) from 2007 in the amount of

CZK 19.8 mil.



Debt Advisory Centre from 2008

CZK 10.9 mil.

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Good Will Card

THE GOOD WILL CARD

is a special debit World Elite MasterCard contactless charge card, thanks to which from each of dealer transaction goes



0.6 % toward a good cause

In the Private Banking sector the card is already being used



by more than **700** clients

Thanks to their expenditure in 2016, the bank distributed to 21 czech non-profit organizations



more than **CZK 2** millions



During the total period of operating the Card it has been obtained for philanthropic projects



almost **CZK 5** millions

Canis therapy for severely physically and mentally disabled children



Thanks to the **Good Will Card**, the severely handicapped students of the Žižkov special vocational school, aged 15–26, had an opportunity at end of July 2016 to participate in a week's holiday stay in Trhový Štěpánov.

During their stay, the students experienced many usual camp activities thanks to the educator-assistants, including walking tours of monuments, camp-fires, social games, etc. A welco-

me livening up of the daily activities was regular canis therapy under the guidance of sports cynology world champion Luděk Šilhavý. During the therapy the students according to their own individual abilities, strengthened and developed their emotional skills during communication with a dog, intellectual skills, vocabulary, fine and gross motor skills while throwing balls, and relaxed in close contact with their furry friends.



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Client care



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CLIENT SUBMISSIONS

In 2016, the clients of ČSOB, Postal saving bank/Era and non-clients filed claims of complaints against some of the offered products or services rendered



43,619

As compared with 2015, there is a decline in the total number of submissions in the order



of almost 1 %

The integration of the Customer Care Department and branches in the area of resolving client submissions, the possibility of centralised management for the entire claims process and setting of the functional supervisory and control mechanisms contributed to the acceleration of the resolution time and the number of high-risk filings was also reduced successfully in the year-on-year comparison.



SATISFACTION WITH COMPLAINT HANDLING

In 2016 we successfully managed to maintain a high ratio of client satisfaction in regards to the resolution of filed complaints/claims



97 %
satisfied



3 %
dissatisfied

The calculation of client satisfaction with the resolution of complaints/claims is based on KBC methodology and represents the ratio of all recorded client submissions against those submissions that were escalated by the clients.



ESCALATED SUBMISSIONS

are submissions where the client contests the resolution result or does not agree with it in any way, i.e. $\text{SATISFACTION} = 1 - \left(\frac{\text{number of escalated submissions}}{\text{total submissions on record}} \right)$.



Ombudsman

In 2016, the Ombudsman's team handled



1,067
submissions

and registered their slight decline



as compared with
2015

However, the number of clients who contact the ČSOB Ombudsman has increased in line with the ČSOB Group product offer.



According to Ombudsman
MARTINA KOVÁŘE,
this is proof of client confidence in one strong brand – ČSOB.

"We are making an effort to resolve all the client submissions to their satisfaction. But our work does not end here. We are also interested in the content of the suggestions, and in a case where the client has an idea on how to improve a service or product, we submit it to the committee, which we call the Voice of the Client. Relevant suggestions will serve all clients and the bank alike, which wants to offer comfortable services and products,"

said Martin Kovář.



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Mapping of client paths



Skupina ČSOB
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MAPPING OF CLIENT PATHS

In order for us to better comprehend the changing needs of our clients, we created in cooperation with more than 5,000 clients and many employees from our branches and headquarters a schedule of what the clients want and what they expect from us at the given moment.



Among the most important is availability of lucid information and partner relationships in which the client feels that the bank values them. We are gradually implementing observations in practice and share them with colleagues in the bank in order to implement the pro-client approach immediately during development of the services. These include the following:



Termination of current account charges during the execution period



Termination of the fee for replacement of a non-functional card, or in case of change of name



Termination of the collection of low debit amounts (up to CZK 100) on a terminated account



Change of debit process on current accounts (two SMS free, the client is informed about further procedure and penalty)



Simplification of the tariff, creation of a summary version on page A4



Unification of the ČSOB and Postal saving bank / Era bank account statements



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Prevention of fraud

WHAT?



We are successfully battling against credit fraud

WHY?



we prevent client over-borrowing



we ensure the bank's clean portfolio



we ensure prevention of bank losses in the order of CZK tens of millions (for 2016)



we protect our clients' money

HOW?



we are uncovering false, distorted, or withheld information, which the client states in connection with a credit application, during negotiation of credit contract or draw-down a credit



we are uncovering false, distorted, or withheld information, which the client states in connection with a credit application, during negotiation of credit contract or draw-down a credit



we verify the credit standing of the client in the credit register



we collaborate with the Czech Police in the investigation of fraud



we protect bank clients from abuse of their identities

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Cooperation with suppliers and students

LIST OF SUPPLIERS OF ACCORD AND SATISFACTION

ČSOB values the suppliers from whom we could purchase services or goods in 2016, and thanks to them and by their employment of people with disabilities substitute performance. These are:



Dřevovýroba Otradov

marketing services in the distribution of campaign and extra-campaign consignments in cooperation with Ergotep

Ergotep, výrobní družstvo invalidů

processing of documents, provision of services within the framework of projects for clients, marketing services in the distribution of campaign and extra-campaign consignments

Pancéř, s.r.o.

security guarding of objects

ISS Správa budov s.r.o.

Facility Management services

Office Assistance s.r.o.

supply of office paper

Transkript Online

provision of eScribe services, transcription of communication for the deaf in the branch network

BARELOVÁ VODA s.r.o.

supply of barrelled water

COOPERATION WITH STUDENTS IN 2016

Secondary School and Vocational School student practice



98

university student attachments



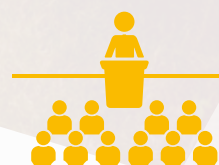
31

cooperation on diploma and bachelor theses focused on topics related to HR



12

Events during the year



40

(trade fairs, lectures, Assessment Centre Demo, etc.).

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In numbers



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EMPLOYEES

active at 31/12/2016



Female
4,505



Male
2,763

7,268 total

MANAGERS

active at 31/12/2016



Female
175



Male
360

535 total

AVERAGE EMPLOYEE AGE

40 years

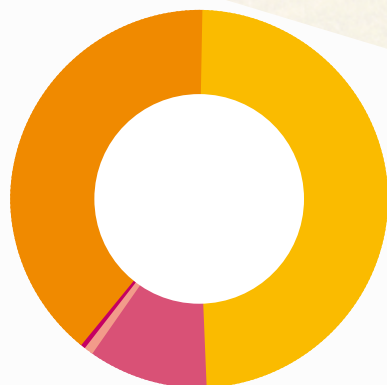
NEW EMPLOYEES IN 2016

1,106

EMPLOYEE DEPARTURES IN 2016

1,124

EDUCATION



14 Primary

3,609 Secondary

801 Bachelor's Degree

2,794 University and college

50 Post-graduate

TRAINING DAYS IN 2016

24,046 days
(192,365 hours)

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Equal opportunities

EQUAL OPPORTUNITIES

ČSOB supports equal opportunities, greater integration of women into management positions, employment of people with disabilities, and helps its employees keep their professional and personal lives in balance.

5 GENDER
EQUALITY10 REDUCED
INEQUALITIES

SUPPORT FOR WOMEN

In 2016, ČSOB continued in the implementation of established development projects focused on gender diversity. This includes the mentoring project known as Womentoring, which is focused on selected women managers, who had mentors from the ranks of the members of the Board of Directors in the course of last year. These manageresses thus acquired a more complex viewpoint of their agenda and have the opportunity to consider their further career in a broader context. The programme involves nine women.



GOLDFISH

The professional and personal development of the manageresses in ČSOB has already been the focus of the Goldfish (Zlatá rybka) community for 5 years. The result of the effort towards equal opportunities for women was the appointment of women to the ČSOB Board of Directors at end of 2016.



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Equal opportunities



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OZP PROJECT

Number of employees with disabilities
at 31/12/2016



63

**CALCULATED
CONTRIBUTION TO THE
STATE BUDGET EXCLUDING
INDEMNIFICATION**

CZK 14,941,988

**REALISED AMOUNT OF
INDEMNIFICATION IN 2016**

CZK 41,837,568

REASONS FOR A LOW NUMBER OF EMPLOYEES WITH DISABILITIES



low interest of disabled candidates
in ČSOB jobs from the viewpoint of
response to standard advertisements



inadequate knowledge of the offer
of suitable vacant positions for OZP
employees among the applicants.

PROJECT GOAL



employ more people with disabilities



motivate the current employees with
disabled status to admit such status



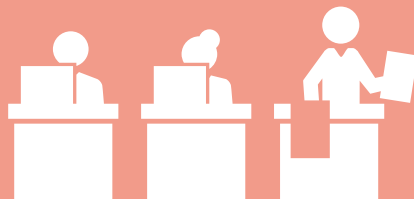
Equal opportunities

STEPS TAKEN

Internal communication campaign familiarisation of the employees with the issue of people with disabilities, education for managers



Picking of Back office positions for people with disabilities



Contacting of friendly non-profit organisations with an offer of working positions for people with disabilities



Co-operation with the AV Institute, which is a social enterprise, non-government health facility and HR agency specialising in the recruitment and employment of people with disabilities on the open labour market nationwide.

AV INSTITUTE

Advertising of positions for people with disabilities (for example, Domestic Operations Officer, Administration worker for data processing and transactions) on specialised websites for the disabled



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KAREL JEZBERA

Specialist in remuneration and benefits

"When I was involved in a traffic accident 15 years ago, which impaired me permanently, it never even occurred to me that I would hide my health condition from my neighbours. I have always played an open game and it seemed logical to me that I should report myself to my employer as a disabled person. I do not hide my health condition in any

way, that is simply the way things are. In the period that I have been working for the bank, I have not encountered any negative response in my surroundings. If you also belong among us people with a disability, be courageous and do not be afraid to report the issue to the employer."

ONDŘEJ VÁCHA

Executive Manager – Remuneration, controlling and benefits

"In my team, I do not differentiate whether an employee has a health handicap or not. What is important for me is integration in the team, own activity, approach to work and working results, which are things that are not directly related to health condition. From the viewpoint of the team, diversity in the team may also prove to be a positive

factor. ČSOB is making an effort to employ the people with disabilities and offer them above-standard benefits, and it is also for this reason that I would like to encourage disabled employees not to be ashamed of their handicapped status."



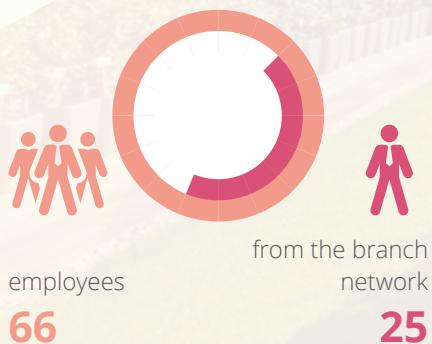
Equal opportunities



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PROGRAMME FOR MOTHERS AND FATHERS

In 2016, the Programme for mothers and fathers involved



IN 2016, THE FOLLOWING TOOK PLACE

3 WORKSHOPS

for mothers going on maternity leave



Maternity leave as part of the career:
How does one keep one's senses between nappies, jelly and fairy tales?

2 WORKSHOPS

for mothers and fathers returning to work from parental leave



Adaptation upon return from parental leave: Second career – or How to survive a return to work?

ADDITIONAL RESOURCES FOR ČSOB EMPLOYEES TO KEEP THEIR PROFESSIONAL AND PERSONAL LIVES IN BALANCE

**FLEXIBLE
WORKING HOURS**

**REDUCED
WORKING HOURS**

**SHARED
WORKPLACES**

**POSSIBILITY
TO WORK FROM HOME**

55+



At the end of 2016, we mapped the needs of employees aged 55+. We are still working with the acquired knowledge.

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Engagement of employees

We support the individual engagement of our employees in social benefit and voluntary activities.

BAKING FOR A GOOD CAUSE

In 2016, we organised baking for a good cause three times. Numerous employees joined in the event and baked their favourite goodies and sold them to colleagues.



Projects of our partner non-profit organisations were supported by the amount



CZK 112,230
organisations

MATHILDA ENDOWMENT FUND



thanks to these proceeds, we purchased a puppy that will be trained as a guide dog.

CZECH PARAPLEGIC ASSOCIATION



contributed the amount to support the employment and training of disabled persons in wheel-chairs in the Star Bazaar (Hvězdný bazar) charity shop.

CZECH RADIO ENDOWMENT FUND – Světluška project



contributed the proceeds to pupils and students with severe visual impairment.

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Engagement of employees

ČSOB HELP FUND

Aid may take various forms. The mission of ČSOB as a leading expert in the field of finance is primarily to offer aid to clients and resolve their current needs through specific products and services accompanied by quality counselling. However, for a Company that not only feels responsible for management of the entrusted money and consistent compliance with the rules of ethical business, but also for the impact of its activities on the society in which it is operating, and last but not least for its employees, this would be too little.

For this reason the Help Fund was established in 2011, from which it is possible to provide one-off financial aid in the amount of



CZK 30,000

This fund may be utilised by any employee of the bank for a member of their family or someone from their immediate neighbourhood, who needs aid to finance



REHABILITATION COMPENSATORY AIDS

PERSONAL ASSISTANCE FOR CHILDREN AND STUDENTS WITH DISABILITIES

THE EDUCATION OF DISABLED CHILDREN

STAY IN REHABILITATION FACILITIES

In 2016, the Help Fund provided aid to 44 people in the total amount of almost CZK 1 million. For the period of its operation, aid has been provided to 313 people in the amount of almost



CZK 5.5 million

ČSOB uses the **Charta 77 Foundation** and the experience of the staff who have already managed **Konto BARIÉRY** for 20 years in the assessment. The Foundation's team knows the target group for which the fund is intended, is capable of sensitively verifying the justification of the request and has excellently set rules for this purpose. This is a guarantee for the bank that every crown from our fund shall be spent expediently.

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Engagement of employees

THE STORY OF BARBORKA, 14 YEARS OLD

Barborka is the daughter of one of our clients and, unfortunately, she is not healthy – she suffers from sensory-motor neuropathy and severe tetraparesis and is confined to a wheel-chair. She is in seventh grade at a regular primary school and has excellent results. Due to the affliction of her limbs, she needs non-stop assistance. She is very clever, she writes and paints with her mouth, organises exhibitions of her work and her paintings have great success.

Barborka is using an older electric wheelchair, especially designed for outdoor travel. The wheelchair is too big and it is difficult to move around at school and in other interiors.

The request for CZK 30,000 from the Help Fund was submitted by our colleague, corporate banker Michal P., in order to help Barbora, as per agreement with her parents, to get money for a new interior electric wheel-chair that the insurance company does not cover.



In the 9th year of the ČSOB's „We help together“ (**Pomáháme společně**) volunteer programme were organised volunteer events



132

who contributed to help public benefit organisations



7,232 hours

In the 7th year of **Give Blood, Donate Health!** campaign there were involved



302 blood donors

volunteers involved



904

151 employees participated in ČSOB's **Run for a Good cause**. Together, they ran 1,904 km and made the yield for the **Committee of Good Will – Olga Havel Foundation** to help disabled children and adults



CZK 190,400

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Engagement of employees

233 employees participated in the May campaign „Bike to Work“ and travelled a total of 41,561 km, thus



CZK 83,122

was donated by the bank to the Committee of Good Will – Olga Havel Foundation.

In three charity auctions, employees auctioned photographs from their holidays to the benefit of the selected charity organisations for an amount of



CZK 26,762

Employees fulfilled the Christmas wishes in 8 children's homes for



287 children

Employees organised 22 collections or fund-raising events, which they entered in the matching fund **Together with ČSOB.**



employees contributed
CZK 577,392

ČSOB contributed
CZK 462,663

By purchasing mulled wine or non-alcoholic punch in the pre-Christmas period, employees supported four non-profit organisations contributing a total amount of



CZK 59,701

Two item collection events for the **Sue Ryder Home** charity shops earned



CZK 34,510

The home could use the proceeds from their sale to finance quality and dignified care for seniors who need the help of others in ordinary activities due to illness or old age.

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FILM PROJECTIONS

In cooperation with the **Association of Czech Film Clubs**, we are organising the screening of the most prestigious classic films distributed in the Czech Republic to the clients of the bank and the general public. The films map world and domestic cinematography. The screenings are followed by film debates with interesting guests. We have, for example, screened Federico Fellini's *Eight and a half* and Fredrik Backman's *A man named Ove*.

A CUP OF COFFEE WITH SMETANA

We have prepared a new lifestyle talk show with moderator Jan Smetana. His previous guests included, for instance, Jan Onder and Ondřej Synek. Our themes are actually sport, but also health and lifestyle. You can always look forward to famous and inspiring personalities from the field of sport and culture.



EXHIBITIONS

An integral part of the ČSOB Inspiration public programme since also includes exhibitions of fine arts, photography and design. We introduced 7 exhibition titles in 2016. At the beginning of the year, we organised the exhibition of creative artist Pavel Klíma titled *Don't quote (Necituj)*. It was followed by the exhibition of graphic artist Oldřich Kulháněk and his excellent postal stamp designs from the collection of the Post Office Museum. In spring we introduced a series of photographic self-portraits by Martin Faltejsek, a promising artist. During the holidays, we had the opportunity to admire photographs from the competition project *Stories of the Czech Countryside*. After the holidays, we welcomed world renowned photographer Herbert Slavík in our premises with his selection of sports photographs. October was marked by the landscape photographs of author Aleš Mynář and the end of the year belonged to Jan Svatoš and his photographs of the African jungle and the ZOO in Dvůr Králové.

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ČSOB For Health

ČSOB FOR HEALTH

Active movement for joy, well-being and especially for health should have a place in the life of everyone of us. For this reason, we started the ČSOB For Health sports project in 2016, which is primarily intended for amateur sports enthusiasts nationwide. It is open to everyone who engages in sport and spends time in the fresh air. We select sports projects in seven random regions, which families with children and anyone who actively likes spending leisure time should enjoy. The athletes include our clients and employees.

3 GOOD HEALTH AND WELL-BEING



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ČSOB helps the regions

In 2016 ČSOB supported direct investments in social and all sorts of philanthropic projects with a total amount of



CZK 33.7 million

ČSOB HELPS THE REGIONS

The programme has newly taken off in two grant rounds and the total amount, which the non-profit organisation obtained for their projects, raised almost



CZK 7.3 million

and thus beat all preceding years.

PARTNER NGOS



[Committee of Good Will – Olga Havel Foundation](#)

[Mathilda Endowment Fund](#) | [Debt Advisory Centre](#)

[VIA Foundation](#) | [Citizens Advisory Centres](#)

[Charta 77 Foundation – Barriers Account](#)

[Czech Radio Endowment Fund – Světloška Project](#)

[Sue Ryder Home](#) | [Neratov Association](#)

[Czech Paraplegics Association](#)

[Donors Forum](#) | [Business for Society](#)

[Rozum a Cit Endowment Fund](#)

A total of **56 public benefit projects** in **14 regions** of the Czech Republic were entered in each round of the ČSOB helps the regions programme.



The amount that the people from the nearby and far surroundings contributed to the individual projects of non-profit or contributory organisations, schools and other institutions reached



CZK 3,063,182

ČSOB distributed to individual projects a further



In 2016, a total of

CZK 7,263,182

was allocated in the grant programme, which makes it the most successful year since its establishment in 2013.



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ČSOB helps the regions

The most successful project in autumn 2016 was the **Vehicle for the hospice** backed by Domácí hospic Jordán, o.p.s. (Home hospice Jordán). Nurses and other staff from Tábor in South Bohemia applied for a grant to fund a new motor vehicle, which would replace the end-of life vehicle used day and night to transport the staff, medicine and necessary equipment to incurably ill people.



Domácí hospic Jordán successfully obtained from individual donors more than

+ 50 tis

CZK 213,000
and, thanks to this, it obtained a further

CZK 50,000
as the highest possible grant from ČSOB dedicated to the given region.

The South Bohemia Region saw its individual donors contribute the highest total amount. In this region, they contributed to four projects (including Domácí hospic Jordán) more than



CZK 304,000



"On behalf of all our colleagues, we must thank those people who are interested in the ČSOB helps the regions programme and sent any amount in financial support, regardless of whether this is to our hospice, or any of the other wonderful projects. We also thank the actual programme for the fact that they placed us among the finalists in South Bohemia and that we thus could get the grant," says Directress Domácí hospic Jordán Marie Sovadinová.



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Podporujeme vzdělávání

THE BLUE ACADEMY

The 3rd year of this intensive educational programme (still known as the Blue Life Academy in 2016) was realised on the topics Development of the organisation and team and Communications and fund-raising.



29 non-profit organisations participated in the Academy and accomplished a series of workshops, professional counselling, mentoring and coaching. A grant for support of internal development and professionalisation of a non-profit organisation moreover supported 9 of them, among which was distributed



CZK 450,000

We realise the Blue Academy in cooperation with professional volunteers – regardless of whether this is from the ranks of the employees of ČSOB, or partner and supplier organisations. Thus, in 2016, they were involved in the academy



43 speakers | 16 consultants | 18 coaches

EDUCATION FUND

joint initiative of the Committee of Good Will – Olga Havel Foundation and ČSOB in 2016:

4 QUALITY EDUCATION



26

new scholars

85

students with regular scholarships

5

students supported by means of a one-off contribution to tuition fees

ČSOB EDUCATION PROGRAMME

In 2016, the sixth year of the grant programme to support projects focusing on **financial literacy** was held. For the second time, we supported projects focused on **security in the on-line environment**. In two grant rounds, a total of 15 projects were selected, which shared



CZK 1,888,574

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We support social enterprises

ČSOB STABILISATION OF SOCIAL ENTERPRISES GRANT PROGRAMME

In the fourth year of the programme, we supported 6 social enterprises with an amount of CZK 840 thousand. Each of the enterprises got financial support in the amount of



CZK 100,000

and professional counselling services worth **CZK 40,000** to improve operating efficiency.

All the winning enterprises employ people with disabilities, but focus on different areas of business. Among the supported enterprises include, for example,



a graphics studio, and companies offering garden and massage services.

PATHS TO THE PEAK

During July, ultra-marathon runner René Kujan ran over the summits of more than seven of the highest peaks of the seven highest mountains in the Czech Republic, smoothing the path to the peak for those who cannot run. The total route distance was almost 1,000 kilometres and René had to run the distance of one marathon everyday for 22 days in a row. Anybody could join him, for a symbolic few metres, kilometres or even the entire marathon, and thus morally support not only the runner himself, but through his contribution also support people with spinal cord injuries.



The entire proceeds from the Paths to the peak, which raised

CZK 610,287

went to support the **Hvězdný bazar (Star bazaar)** training facility.

Here, people in wheel-chairs get their first working experience in their "new" life after injury and Hvězdny bazar helps them, as it were, to get back to their feet.



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ČSOB Pojišťovna



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ČSOB POJIŠŤOVNA BRANCHES



91

ČSOB POJIŠŤOVNA IN 2016

SERVED



1.2 million
clients

SETTLED



219,359
insurance claims

PAID



CZK 7,801 million
in insurance indemnity

SOCIAL RESPONSIBILITY - WE ARE ALREADY HELPING FOR THE 6TH YEAR



We want to take care of our clients and provide them with the best services and products. At the same time, we are aware of our social responsibility.

The social responsibility of ČSOB Pojišťovna, just like other members of the ČSOB Group, is one of the fundamental pillars of corporate philosophy and an integral part of its business.



We consider social responsibility as a natural component of the everyday life of the Company and its employees.

The nature of our business focuses on the fundamental human principle, which is help. We encounter lesser or greater misfortune everyday, the consequences of which our clients present to us with confidence. We not only apply the help principle in our business, but also in all key areas of social responsibility.



We are capable of helping where our help is necessary. The content of help is physical work, professional help or financial support of the realisation of specific projects, which we collaborate on with non-profit organisations throughout the Czech Republic.

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VOLUNTEERING

From 2011, tens of our employees always devote at least two days of the year to volunteer activities. The mode of function and level of the involvement of our staff is unique. We are physically and emotionally where the need is greatest. Each of the employees can select the volunteer project they want to enter.

Areas in which we operate:



Children and families



Help to disadvantaged co-citizens



Seniors, hospice care



Environment

Broad scope of assistance services 24/7

24h



SPONSORING



We financially support



sports clubs, organisations, handicapped athletes, sports event, etc.



MONETARY GIFTS



Cash collections by employees and ČSOB Pojišťovna are specific one-time activities or long-term projects.



educational institutions (schools, primary art schools, conservatories, etc.)



cultural institutions and events (family festivals, concerts, exhibitions, etc.)

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BLUE DAY

Already for the second time, we organised the **Blue Parade** in support of people with Autism Spectrum Disorders (ASD). The parade took place on Friday, 1 April, and hundreds of children and adults participated in the event. It ended with collective release of blue balloons. Blue is the symbol of communication and self-expression, which is one of the areas in which people with ASD have the biggest problem. The Blue Parade is a component of the educational acts to mark **Autism Day** (2 April) in the entire Czech Republic that is titled: "HYPERLINK [http://pojkadnes.csobpoj.cz/wp-content/](http://pojkadnes.csobpoj.cz/wp-content/uploads/2016/04/program-den-autismu.pdf)

uploads/2016/04/program-den-autismu.pdf" I have my own world, but I like you," which took place in 2016 already for the fourth time.



ECOLOGY

At the end of June, several ČSOB Pojišťovna employees within the framework of a two-day volunteer activity participated in the raking of wet meadows that cannot be raked using machinery.



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VOLUNTEER EVENT "TÁTA FRČÍ" WITH RC KULIHRÁŠEK

We are cooperating with the Kulihrášek family centre within the framework of volunteer activities for the second year already, and in 2016 we also helped with the realisation of competitions for the youngest children.



A TRIP WITH TYFLOCENTRUM

Thanks to the many years of cooperation between ČSOB Pojišťovna and the Pardubice-based Tyflocentra, a further trip took place on 27-28 May 2016. This time, our employees and the visually impaired clients of Tyflocentrum visited Kroměříž. Apart from a tour of the town and its monuments, each client spent part of the trip in the company of his volunteer according to own desire.



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VOLUNTEER BAKERY

On 24 October 2016, the imaginary doors of the Volunteer Bakery of ČSOB Pojišťovna opened for the third time already. The female employees prepared all sorts of goodies for their colleagues and the sales proceeds were endowed upon young Erika, who was paralysed after vaccination, and the collected money will help with her treatment.



REMObIL

In the period from 22 August to 30 September 2016, a fund-raising event was held in ČSOB Pojišťovna within the framework of the Remobil Project. It concerned collection of old mobile telephones and small electronic devices. We collected a total of 226 mobile telephones, 25 kg of small electronic devices, saved 6,757 litres of drinking water, saved 2,185 km and 358 kg emissions of CO2 equivalent. By this collection, we contributed to the activity of the Jedlička Institute and Schools and provided 36 hours of work for disabled co-citizens. Thanks to this, we were awarded the Socially Responsible Company Certificate.



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WEEKEND WITH AUTISTS

In September, the already second in a row Weekend with autists was held. After last year's première, we registered huge acclaim and hence also higher interest of families with children with autism spectrum disorders to participate in this event. Almost one hundred people visited us at the base camp at na Baldě to participate in therapy through play, relaxation and entertainment. The essence consists in that we prepare the programme especially for autistic children, their healthy siblings and parents.



KAVÁRNA POTMĚ (DARK CAFÉ)

On 27 June 2016, the travelling Světluška Kavárna POTMĚ came to Pardubice. The darkened bus in which blind waiters prepare beverages and drinks parked on Masarykovo náměstí in Pardubice. The visitors upon visiting the café make contributions to the Světluška collection to help the blind.

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ČSOB Leasing

In 2016, we once again cooperated with the **Czech Radio Endowment Fund – Světluška Project**. Kavárna POTMĚ thus acquired the long-term lease of an accompanying vehicle worth

CZK 99,870



Other vehicles went to **Charita Pardubice** (Škoda Roomster Praktik) and **Sdružení Linka bezpečí** (Škoda Fabia).



In 2016, the employees supported the Czech Radio Endowment Fund with the **Night Run for Světluška**.



Last year employees organised the charity event **"Who does not bake with us, bakes against us"** three times, during which they baked various goodies for colleagues who could subsequently purchase a tasty breakfast in exchange for voluntary contributions. A total amount of

CZK 20,693

was raised, which was used to support **Mamma Help** and the **Petr Koukal Endowment Fund**.



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VOLUNTEERING

ČSOB Leasing employees have happily been long-term supporters of non-profit organisations. Annually, 2/3 of them participate in volunteer day.



NOTEBOOKS FOR...

We contributed 16 used notebooks to **CZEPA, the Králíky Municipality Museum and the Association of integrated sports.**

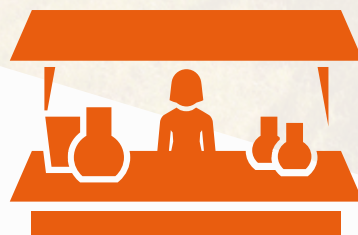


16x



WORKSHOP RUKAMA NOHAMA

Employees also operated a charity shop twice during the year, where they sold items and supported the **Starý Knín Parish Charity (workshop Rukama Nohama)** with an amount of



CZK 9,000

and **CZEPA** with an amount of

CZK 8,168



STAR BAZAAR

Twice during the year, ČSOB Leasing employees realised a material collection for the **Czech Paraplegic Association (CZEPA)** and its charity shop **Hvězdný bazar (Star Bazaar).**



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HOW WE HELP

We regularly endow gifts upon foundations and other public benefit organisations, many of which are ČSOB AM clients for which we manage money within the framework management of their portfolios.



We consider our long-term cooperation with the **Committee of Good Will – Olga Havel Foundation**, with whom we are already cooperating for more than 20 years, as the most significant. Financial support from ČSOB AM is used to support the Summer Language School project, thanks to which the Committee of Good Will – Olga Havel Foundation is successfully realising the language education of children from children's homes in the form

of intensive language lessons with a duration of 2 weeks. Further, our employees in the Sport for charity project regularly join and participate in the 'Goodwill Runners' event in support of the disabled.



IN 2016, WE DONATED
CZK 500,000.



Our employees actively participate in **volunteer days**: in 2016, 22 employees participated (of a total of 80). We traditionally visit the Infant Home in Krč, where we help with maintenance of the extensive neighbouring park and children's playgrounds for the children from the Infant Home. We regularly organise volunteer collections of clothes, toys and other children's needs for children from the Infant Home.



We also cooperate with the **Jedlička Institute Endowment Fund** and the **Holocaust Victims Endowment Fund**.



Most of the women in our company actively participate in the **Baking for a good cause project** organised by ČSOB.



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EDUCATION OF THE PUBLIC IN THE AREA OF INVESTMENT

NICOLE KRAJČOVIČOVÁ,
Member of the Board of Directors:

"Due to the prevailing very low investment literacy of the citizens, ČSOB AM is focusing on preparation of investment materials and information about investment in mutual funds, which are clear, professional, but at the same time comprehensible and maintain the condition of balance."

SOCIALLY RESPONSIBLE INVESTING

A significant component of the ČSOB Social Responsibility programme is the offer of open-end funds, whose investment strate-

gy complies with the principles of SRI (Socially Responsible Investing).

The SRI principle, as far as the open-end funds are concerned, is a selection of investment topics, investment titles and target companies in compliance with the SRI values programme. This selection is usually done through special institutes in the organisatio-

nal structure of the management companies and is governed, for example, by the so-called European SRI Transparency Guidelines. KBC AM ranks among the significant managers of socially responsible funds and has been developing this strategy since 1992.

The investment topics preferred in SRI include those that emphasise ecology and solutions focused on long-term sustainability. A significant criterion for selection of companies in whose securities the so-

cially responsible funds make investments is consideration in the area of labour-law relations, respect for primary human rights and prohibition of child labour.

ČSOB offers 12 retail KBC SRI funds and 1 Czech clone, the ČSOB Akciový vodního bohatství fund, to Czech clients. However, it is necessary to emphasise that ČSOB AM applies the basic criteria of SRI to the portfolios of all funds, which ČSOB offers

to clients. The objective is to eliminate the funds of companies that are engaged in corruption practices and abuse of child labour as well as companies that manufacture weapons prohibited under international treaties from the portfolios.

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Českomoravská stavební spořitelna

ČMSS in 2016 turned major partner to the Srdcerváči fund-raising and educational project.

Srdcerváči primarily focuses on support for employment of the disabled. ČMSS really wants to help in this area, and not only do so financially, but also in the area of volunteering and counselling as well as development of many joint activities. ČMSS is close to the topic of disabled employment, it fits into its diversity and is at the same time fully compliant with the new brand ideal of ČMSS.

ČMSS and Srdcerváči thus want to build a joint strategy for the support of people with disabilities on the labour market. At the same time, ČMSS wants to focus more on financial counselling for the disabled, and also wants to involve its employees in the project in the form of voluntary expertise and events.

Srdcerváči in January 2017 distributed CZK 450 thousand to ten organisations, which employ the handicapped, and a female handicapped entrepreneur, who is compelled to abandon rearing of sheep because of serious illness and subsequent invalidity and is now engaged in apiculture. The stories of a criminologist in a wheelchair, a female photographer with infantile paralysis, a physician afflicted by burnout, a soldier suffering from cancer and a high-standing state official with psoriasis inspi-

red many handicapped people to not give up on their career dreams, were supported by the Srdcerváči project from September 2016. And they proved to be so-called healthy that many real superheroes of the day live amongst us, who aside from ordinary worries must also battle against their illnesses or injuries, while many times they beat the so-called healthy in their professions.

This year's almost CZK 500,000 comprises proceeds from the fund-raising catalogue, within which small donations are exchanged for gifts offering unique experiences and gifts endowed upon Srdcerváči by companies, non-profit organisations and small-scale entrepreneurs. In all, Srdcerváči annually distributes several million crowns to help the disabled.



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Hypoteční banka



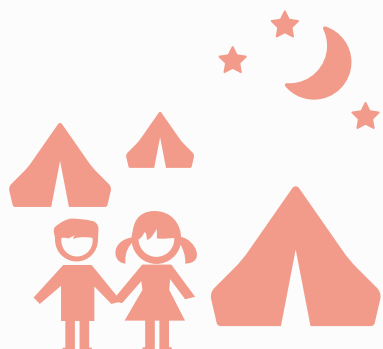
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SOS CHILDREN'S VILLAGES

The mission of Hypoteční banka is “We help our clients with housing”. With regard to this, we focus our long-term social responsibility on improving the living conditions relating to housing and everything that makes a home a pleasant place for life.

In 2016, it was exactly 15 years from the time when Hypoteční banka established cooperation with the non-profit organisation SOS children's villages, which gives abandoned children the opportunity to grow-up in a loving environment. Since the beginning of our cooperation, the total amount provided by Hypoteční banka to improve the conditions of the children and their foster parents has grown to more than CZK 6 million.

Hypoteční banka is making a long-term effort to help in other ways:



1. HYPOTEČNÍ BANKA EMPLOYEES IMPROVED THE SOS VILLAGE IN KARLOVY VARY

During a working weekend, the individual teams helped with the improvement of the village premises that comprises twelve homes for foster parents and their children. There was quite a lot of varied work – from painting of interiors, grading of clothes, garden work, through modification and realisation of fences,

simply everything that needed to be done in the premises. Thanks to our help, we saved the managers of the premises more than half a year of their own work. However, the employees did not only contribute time and work, but many of them gave nice gifts to the children within the framework of the collection.



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2. ON-LINE AUCTION OF THE PHOTOGRAPHS OF HERBERT SLAVÍK ON THE AKTUÁLNĚ.CZ PORTAL

The peak of the celebration of the fifteenth anniversary of cooperation was a public auction on the news portal Aktuálně.cz. The subject of the auction were photographs of the young population of the SOS village in Karlovy Vary. About fifty children from the SOS children's village in Karlovy Vary – Doubí

got the opportunity to transform into a character of their own choice for one day. Some of them thus turned into bumblebees, blue smurfs, fairies and even ballerinas. The result of their desires were then captured by Herbert Slavík, one of the best contemporary Czech photographers, and his team.



THE SNOW QUEEN

Childhood is a period of innocence, games and belief in a good ending.

Will we have anything to eat? A place to sleep? Something to use as a light? These questions are not only asked by some adults, but unfortunately also small children whose only worry should be forgotten homework or a broken toy. Yet whatever their worries, they are still only children who believe in miracles and want to play because they have not lost hope and faith in a good ending thanks to fairy tales.

It is therefore no surprise that most of the girls chose princess or fairy costumes, which for them mean a possibility to forget about their worries for a while. And put your hand on your heart – which young lady would resist the costume of Princess Elsa? Only Olaf the snowman could not turn up – he was enjoying his deserved holiday in Antarctica.



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BALLET IN THE HEART

Ballet is my passion. The yearn for harmony in movement, perfection in the purest form and heartfelt exceptionally beautiful and breathtaking experience.

She would certainly have said this to you if she were older. But she is only eight years old at present, and ballet for her mainly means an opportunity to forget her worries for a while. When she dances, she does not think about the fact that her mother takes drugs being the reason she is living with grandmother and is missing her younger brother. She is dreaming that her mother will regain her health, stop quarrelling with her grandmother and everybody will be together again.

And what do your children dream about?



I SING THEREFORE I AM

I like singing and music. My nice grandmother supports me a lot in this hobby, although she has a lot of work with my four younger siblings. Last year, we moved to the SOS children's village in Karlovy Vary. Even if I had to go to a new school, find new friends, I like it very much here.

My mother has a new baby and she often comes to visit us. We now somewhat understand each other. When I was younger, my mother often lost all her money in slot machines and we had to go grandmother's to eat. Now, we are all satisfied – my grandmother, my siblings and me.

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3. ČESKÝ OSTROVNÍ DŮM

Hypoteční banka is the leader on the mortgage market and is thus closely linked to housing. However, it is simultaneously aware of its responsibility, is interested in the environment and searches for opportunities for broader application of the ideas to protect and cultivate it. For this reason, we decided to support the Český ostrovní dům project and promote the idea as HB's major partner as well as support the development of ecological housing solutions and realisation of two highly energy-efficient buildings.

We are sure about the purpose of support for this project, and for this reason, we were not

surprised but pleased at the fact that the ČOD project was nominated as one of the seven best – i.e. most socially responsible activities in the Czech Republic (250 projects were nominated) – aspiring for one of the SDGs awards endowed in the competition, which presents the Goals of sustainable development as defined by the UN.



4. RUN TO THE CASTLE

The leisure time family Run to the Castle series, for which Hypoteční banka is a partner, combines the discovery of the Czech castles with sport and another accompanying programme. The participants in the running tour from the ranks of professional athletes, recreational athletes and their families, can thus choose from a selection of five races at five castles all over the Czech Republic during the summer, which offer both an attractive historical environment as well as beautiful natural surroundings and a pleasant landscape for running. The major goal of the project is to link the po-

pular sport, history, culture, tourism and activities for children in one day.



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This Report describes the approach of ČSOB to socially responsible and sustainable business not only through economically focused activities, but also many other related non-business activities, which take into consideration the social needs and interests in the Czech Republic where ČSOB is operating. In order for us to be able to identify and respond to them appropriately, we regularly enter into dialogue with our key partners in the form of questionnaire surveys, public opinion polls and specific events focused on concrete addressees. These are clients, employees, investors, suppliers, representa-

tives of public administration, representatives of non-profit organisations and, last but not least, also competitors, the regulator and government institutions.

The Report covers all the organisations within the ČSOB Group (more details in the Annual Report for 2016) and applies to the 1 January – 31 December 2016 period. It thus builds on the preceding ČSOB Report from 2015.

In terms of content, this Report is in many aspects linked to the ČSOB Annual Report

for 2016, which it supplements with selected data of non-financial nature with the goal to prepare for the new obligation according to Directive 2014/95/EU of the European Parliament and of the Council on non-financial reporting. We opted for the world renowned Global Reporting Initiative methodology as the best inspiration for creation of the Report, specifically the GRI Standards, Core option. This Report was not tested by an external auditor.

CONTACTS

If you have any queries or suggestions and reminders to the content of the Report, please, send them to us at the address csr@csob.cz.

Alena Králíková

Manageress for Social Responsibility





Aspect	Reasons	Solution
INTEGRITY	Ethical conduct and integrity are fundamental principles of healthy business practice. Honesty and integrity are part of the ethical standards to which we subscribe.	Integrity policy, Code of Conduct.
COMPLIANCE	Compliance is an integral part of the corporate culture of the ČSOB Group and primarily focuses on upholding the ethical standards, and compliance with legal regulations in all business activities.	ČSOB Status of Compliance, Code of Conduct, Anti-monopoly Act, prevention of money laundering, prevention of tax fraud, anti-corruption programme, gift policy, whistle blowing policy
PRIVACY AND PROTECTION OF DATA	Credibility is a prerequisite for the functioning of the bank in the financial sector.	MiFID rules for protection of investors, protection of consumer rights in the area of consumer loans and mortgages, measures to combat unfair business practices, handling of client complaints.
ECONOMIC PERFORMANCE	We endeavour to achieve a permanently sustainable profit growth.	We are developing unique cooperation between banking and insurance business in order to better understand our clients and come up with a suitable comprehensive solution.
RISK MANAGEMENT	We respect the boundaries for determination of risks, capital and liquidity during the realisation of our business.	The rules, principles and measures for risk management, activities of the Risk and Compliance Committee.
QUALITY OF PRODUCTS AND SERVICES	Our goal is to be the first company that people will think of when they consider financial products and services or the purchase of investment instruments.	We place the client's interest in first place, we uphold honest business, proper relations, discrete and responsible conduct.

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General disclosures 2016	Description	cross-reference
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	Annual Report 2016, p. 1
102-2	Activities, brands, products, and services	Annual Report 2016, p. 20–26, 296
102-3	Location of headquarters	Annual Report 2016, p. 1
102-4		Annual Report 2016, p. 1.
102-5	Location of operations	Annual Report 2016, p. 26
102-6	Ownership and legal form	Annual Report 2016, p. 29, 35, 284, 296
102-7	Markets served	Annual Report 2016, p. 29, 296
102-8	Scale of the organization	Annual Report 2016, p. 27–29, 64–65
102-9	Information on employees and other workers	Annual Report 2016, p. 2, 8, 15, 28, 33–34; CSOB Group Report to Society 2016, p. 7, 30–40
102-10	Supply chain	Suppliers Policy, Annual Report 2016, p. 296–298; CSOB Group Report to Society 2016, p. 29
102-11	Significant changes to the organization and its supply chain	Annual Report 2016, p. 8–9, 48
102-12	Precautionary Principle or approach	ČSOB Integrity Policy, Statut Compliance ČSOB, Ethical Code, Annual Report 2016, p. 12, 58–62, 296; CSOB Group Report to Society 2016, p. 13–18, 28
102-13	External initiatives	Annual Report 2016, p. 298–299; CSOB Group Report to Society 2016, p. 17–18, 20–21, 24–27, 41–46

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STRATEGY		
102-14	Statement from CEO	Annual Report 2016, p. 3–4
ETHICS AND INTEGRITY		
102-16	Values, principles, standards and norms of behavior	Ethical Code, ČSOB Integrity Policy, Statut Compliance ČSOB, Annual Report 2016, p. 11–12, 27, 31–34, 58, 296; CSOB Group Report to Society 2016, p. 13–16, 28
GOVERNANCE		
102-18	Governance structure	Annual Report 2016, p. 29, 35, 46–47, 64–65
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Annual Report 2016, p. 31; CSOB Group Report to Society 2016, p. 2, 15, 66
102-42	Identifying and selecting stakeholders	CSOB Group Report to Society 2016, p. 2, 15, 66
102-43	Approach to stakeholder engagement	CSOB Group Report to Society 2016, p. 15, 17–18, 21, 27, 66
102-44	Key topics and concerns raised	CSOB Group Report to Society 2016, p. 16, 27, 67
REPORT PROFILE		
102-45	Entities included in the consolidated financial statements	Annual Report 2016, p. 90
102-46	Defining report content and topic boundaries	CSOB Group Report to Society 2016, p. 66
102-47	List of material topics	CSOB Group Report to Society 2016, p. 67
102-49	Changes in reporting	CSOB Group Report to Society 2016, p. 66

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General disclosures 2016	Description	cross-reference
102-50	Reporting period	CSOB Group Report to Society 2016, p. 66
102-51	Date of most recent report	CSOB Group Report to Society 2016, p. 66
102-52	Reporting cycle	CSOB Group Report to Society 2016, p. 66
102-53	Contact point for questions regarding the report	CSOB Group Report to Society 2016, p. 66
SPECIFIC GRI STANDARDS		
103-1	Explanation to the material topic and its boundary	ČSOB Integrity Policy, Statut Compliance ČSOB, Ethical Code, Annual Report 2016, p. 12, 139; CSOB Group Report to Society 2016, p. 13–16, 67
103-2	The management approach	ČSOB Integrity Policy, Statut Compliance ČSOB, Ethical Code, Annual Report 2016, p. 12, 31–32, 46, 58–62, 139–153; CSOB Group Report to Society 2016, p. 13–16, 67
103-3	Evaluation of the management approach	ČSOB Integrity Policy, Statut Compliance ČSOB, Ethical Code, Annual Report 2016, p. 63; CSOB Group Report to Society 2016, p. 17, 19, 21, 23
ECONOMIC (GRI 200)		
201-1	Direct economic value generated and distributed	Annual Report 2016, p. 8, 14–16, 97; CSOB Group Report to Society 2016, p. 7
201-2	Financial implications and other risk and opportunities due to climate change	Annual Report 2016, p. 8; CSOB Group Report to Society 2016, p. 7
203-1	Infrastructure investments and services supported	Annual Report 2016, p. 14, 20, 298; CSOB Group Report to Society 2016, p. 7, 18, 20, 43
203-2	Significant indirect economic impacts	Annual Report 2016, p. 6–8, 14–16, 18–19, 58, 63

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General disclosures 2016	Description	cross-reference
205-1	Operations assessed for risks related to corruption	Annual Report 2016, p. 58, 63
205-2	Communication and training about anti-corruption policies and procedures	ČSOB Anticorruption Policy, ČSOB Whistle-blowing Policy, Ethical Code, ČSOB Anticorruption program, ČSOB Policy for Donations and Similar Performances, Policies for Notification, Investigation and Documentation of Unethical, Fraudulent and Criminal Law in ČSOB, Strategy for the Prevention and Detection of Fraud and Ethics of ČSOB Group
ENVIRONMENTAL (GRI 300)		
302-1	Energy consumption within the organization	CSOB Group Report to Society 2016, p. 22-23; Environmental Policy
302-4	Reduction of energy consumption	CSOB Group Report to Society 2016, p. 22-23; Environmental Policy
305-1	Direct (Scope 1) GHG emissions	CSOB Group Report to Society 2016, p. 22-23; Environmental Policy
305-2	Energy indirect (Scope 2) GHG emissions	CSOB Group Report to Society 2016, p. 22-23; Environmental Policy
305-3	Other indirect (Scope 3) GHG emissions	CSOB Group Report to Society 2016, p. 22-23; Environmental Policy
305-5	Reduction of GHG emissions	CSOB Group Report to Society 2016, p. 22-23; Environmental Policy
SOCIAL (400)		
401-1	New employee hires and employee turnover	Annual Report 2016, p. 98; CSOB Group Report to Society 2016, p. 30

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General disclosures 2016	Description	cross-reference
404-1	Average hours of training per year per employee	Annual Report 2016, p. 98; CSOB Group Report to Society 2016, p. 30
404-3	Percentage of employees receiving regular performance and career development reviews	Annual Report 2016, p. 98
405-1	Diversity of governance bodies and employees	Annual Report 2016, p. 98; CSOB Group Report to Society 2016, p. 30–35

OWN INDICATORS

	Initiatives to improve access to financial services for disadvantaged people	CSOB Group Report to Society 2016, p. 9, 17–18
	Anti-corruption policies and procedures	ČSOB Anticorruption Policy, ČSOB Whistle-blowing Policy, Ethical Code, ČSOB Anticorruption program, ČSOB Policy for Donations and Similar Performances, Policies for Notification, Investigation and Documentation of Unethical, Fraudulent and Criminal Law in ČSOB, Strategy for the Prevention and Detection of Fraud and Ethics of ČSOB Group; CSOB Group Report to Society 2016, p. 28
	Policies with specific environmental and social components applied to business lines.	ČSOB Environmental Policy, ČSOB Energetic Policy; CSOB Group Report to Society 2016, p. 22–23
	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	ČSOB Environmental Policy, ČSOB Energetic Policy, ČSOB Anti-corruption Policy, ČSOB Whistle-blowing Policy, Ethical Code, ČSOB Anticorruption program; CSOB Group Report to Society 2016, p. 22–23

THIS SUSTAINABILITY REPORT HAS BEEN PREPARED IN ACCORDANCE WITH THE GRI STANDARDS, „CORE” OPTION AND HAS NOT BEEN EXTERNALLY AUDITED.

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