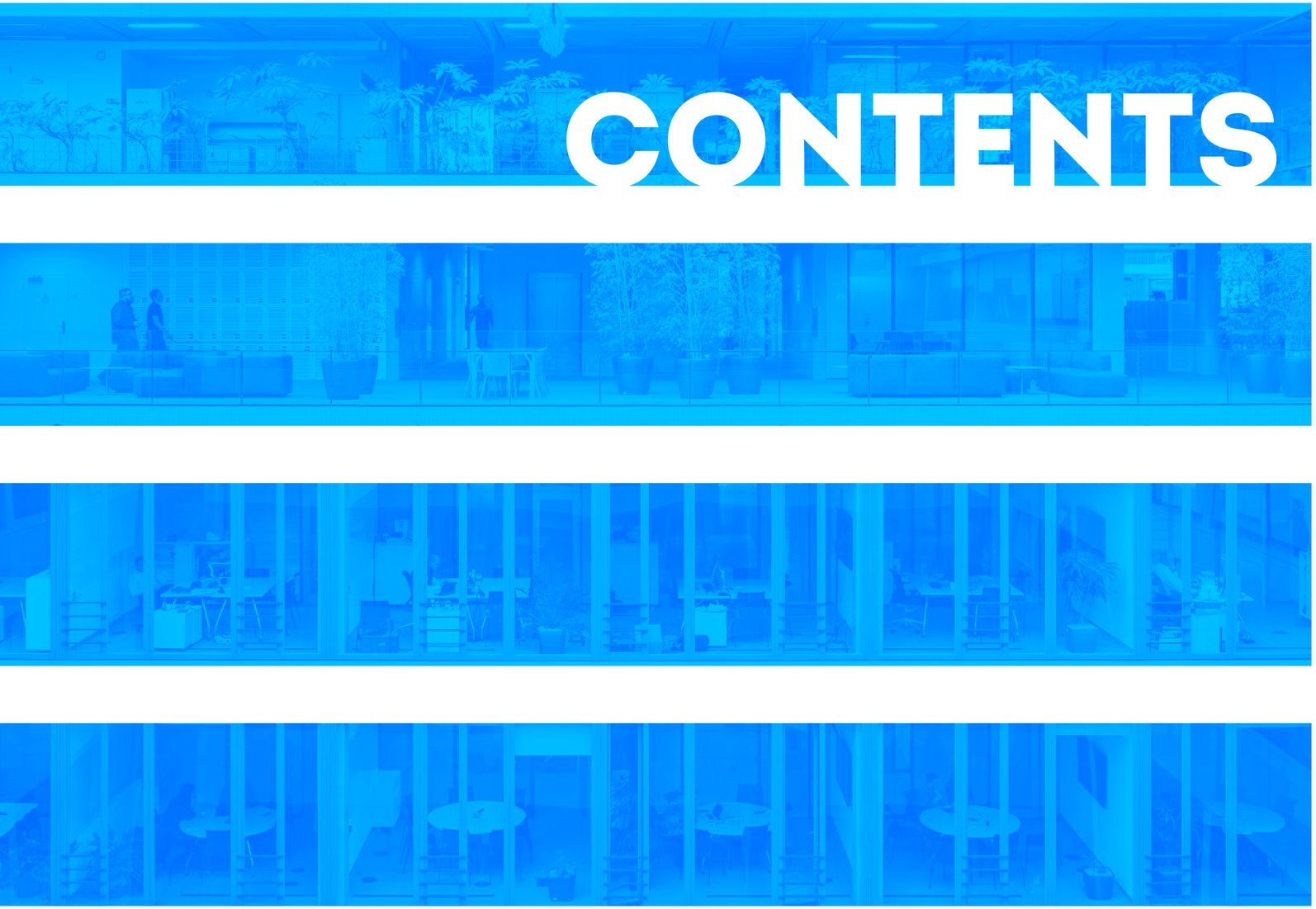


ČSOB Group

Social Responsibility and Sustainability Report

2024



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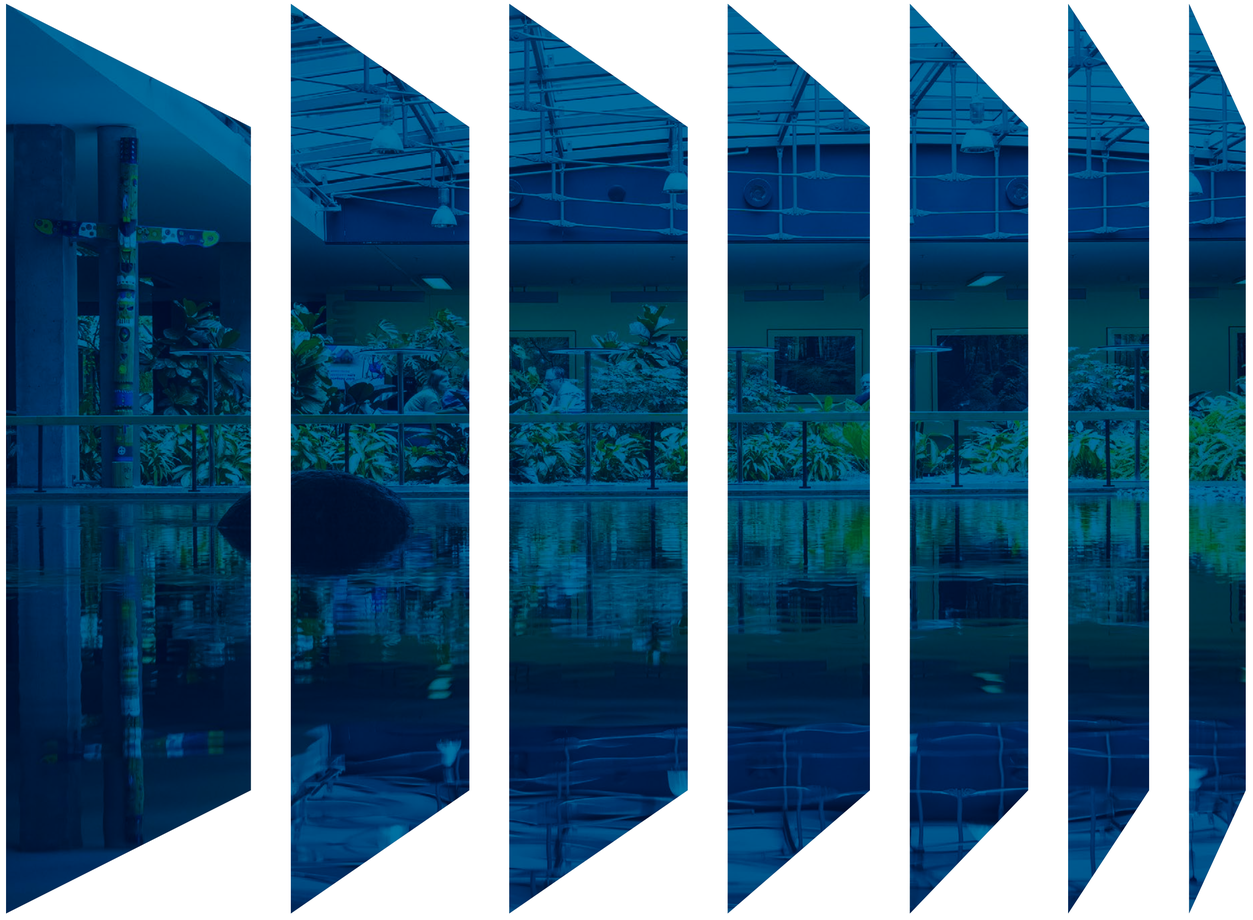
In this report, ČSOB presents a multitude of beneficial activities that respond to the need for sustainability as well as to the needs and interests of society in the Czech Republic, within which ČSOB Group operates. As a responsible, considerate and mindful bank, we ought to be able to correctly identify these needs and respond to them appropriately. That is why we regularly invite our key stakeholders to engage in dialogue through questionnaires, public surveys, or specific events directed at specific audiences. These include clients, employees, investors, suppliers, public figures, representatives of nonprofit organisations as well as our competitors, the regulator and government institutions.

This report describes the period from 1 January to 31 December 2024 and as such follows up on the ČSOB Group CSR report for 2023. As part of integrated reporting, the contents of this report are closely linked to the ČSOB Annual Report for 2024, to which it serves as a supplement for selected non-financial information.



Aleš Blažek, Chief Executive Officer, ČSOB

Allow me to give you a brief overview of ČSOB Group's latest Social Responsibility and Sustainability Report as we look back at 2024 and take stock of all the ways in which ČSOB Group has contributed most to ensuring that our activities have a positive impact on people, businesses, society as a whole and the environment.

As the largest bank-insurance group on the market in the Czech Republic, we focus on improving the resilience of people, businesses and society as a whole. We realise that activities in areas such as digital and financial literacy and cybersecurity awareness improve the ability of society to cope with challenges, develop self-sufficiency and promote further development. Convinced that true change demands a joint effort, we cooperate with public authorities as well as the nonprofit sector. Organisations in the nonprofit sector, like ČSOB, are familiar with communities' needs. This knowledge enables us, often in partnerships, to target assistance where it is needed the most.

Our group donated some CZK 90m in 2024 in support of socially responsible and sustainable activities as well as philanthropy. As part of educational and community--benefitting activities, we supported hundreds of regional projects and helped thousands of children, senior citizens and people with disabilities. I especially wish to mention three specific areas of our corporate social responsibility: flood relief, our cybersecurity mission and our efforts to keep removing barriers and inequalities.

Three regions of the Czech Republic suffered from extensive floods in September 2024 that caused damage to countless homes, schools and communities. ČSOB Group was very active in providing support and ranked among the most prominent supporters and donors. Together with its employees and clients, ČSOB Group donated no less than CZK 45m in support of people, organisations and municipalities affected by the floods. The funds came from an SOS Floods fundraiser and our ČSOB helps regions program. The Group also assisted its clients in repairing damage and resolving their difficult situations.

Our joint mission with the Police of the Czech Republic, built around the commitment to educate one million people in cybersecurity, has contributed, in combination with other related activities and investments, to a significant reduction in the value of the average damage per cyberfraud victim. ČSOB not only perseveres in its educational activities for citizens, we have also expanded them to include businesses and other organisations. The best defences against cybercrime are built on education, cooperation and vigilance.

We are on hand to help senior citizens and people with disabilities, while our business activities adhere to the principles of equal opportunities in the workplace. I take pride in our Group being the biggest provider of barrierless banking and insurance services in the Czech Republic. In addition, we also operate a dedicated helpline for clients aged 70+. Women occupy 38 percent of managerial positions within the Group while no less than 1,237 of our colleagues participate in Program 55+ for employees.

We are a bank for everyone and every situation. However, we would only be able to achieve a fraction of what we do for the benefit of people and communities in which we operate if we did not benefit from the cooperation and involvement of other partners or if there was no trust in our business undertaking. That is why we owe a debt of gratitude to all our clients, employees and partners in both the public and private sectors.





Marek Loula, Member of the Board

Our goal is to achieve true change and improvement in the quality of life across all generations, population groups and businesses. Across the regions, we support young entrepreneurs and innovative ideas, established companies and corporations, social enterprises and public-benefit projects. We strive to pursue our business in line with sustainable development. We implement our sustainability strategy through the three principles of ESG (Environmental, Social and Governance).

We lead the way in decarbonisation as we support businesses and households alike in their transition to an emission-free economy and digitisation. We continue to expand our offer of sustainable products in many areas of our business undertaking, including loans, investments, insurance leasing and others. In this way we help to ready the Czech economy for the future through improved competitiveness.

We always start at our own door. We aim to be not only proactive, but inspiring as well. Compared to 2015, we have already reduced our carbon footprint by 71 percent, the amount of waste we produce by 56 percent and our power and water consumption by 38 percent. The roofs of many of our buildings boast photovoltaic panel arrays. Among our most efficient measures for the reduction of GHG emissions is the use of HVAC systems based on geothermal heat pumps with deep boreholes. We also keep improving the availability of charging stations for EVs and electric bikes.

Our loan portfolio is a major component in our indirect environmental impact. To illustrate its footprint, allow me to share a few key figures. Our group supported the transition to a low-carbon economy with loans worth CZK 40bn in 2024, marking a year-on-year increase of no less than 28 percent. We increased funding of energy-efficient buildings by 19 percent to CZK 33bn and funding of clean-energy vehicles and so-called Paris Trucks by 53 percent to CZK 2.6bn.

On behalf of the whole Group, I wish to thank all our clients, employees and partners for their cooperation and trust.



2024
in a Nutshell

OUR SUSTAINABILITY JOURNEY: **BUILDING ON SOLID FOUNDATIONS**

We believe that going the extra mile is truly worthwhile. We are always happy to pleasantly surprise not just our clients but also our colleagues and the general public with even the smallest of gestures.

We strive to give our clients freedom, for example when visiting our bank: we do not limit their options to just digital solutions or only a personal visit to a branch office. Our clients can choose a mode of interaction that best meets their needs since we welcome technological innovations, while we keep improving the client experience in all its forms.

It is our belief that even small details and things seen as a matter of course can go a long way in making everyone's experience a better one. What is a matter of course for us is the commitment to create a better future with respect to the environment. We strive to **act responsibly in all facets of our business operations** and endeavour to consistently deliver the right solutions at the right time.



ČSOB IN FIGURES

CZK **18.9bn**	in net profit
CZK **979bn**	loan portfolio
CZK **1,368bn**	in deposits
CZK **4.29m**	clients across ČSOB Group
CZK **1.759m**	users of internet banking
CZK **1.451m**	users of mobile banking

In 2024, ČSOB donated CZK 90 million towards philanthropy and socially responsible and sustainable activities achieve a fraction of forging partnerships in these areas.

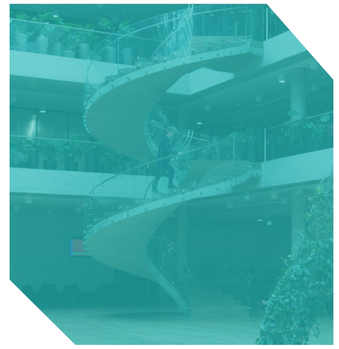
BRANCH OFFICES AND MERCHANT OUTLETS

198	ČSOB bank branches
93	ČSOB Pojišťovna branches
210	ČSOB Stavební spořitelna advice centres
5	leasing branches
2,000	Česká pošta merchant outlets
1,000	Česká pošta franchise outlets
1,023	accessible ATMs for visually impaired users
1,036	ATMs in total

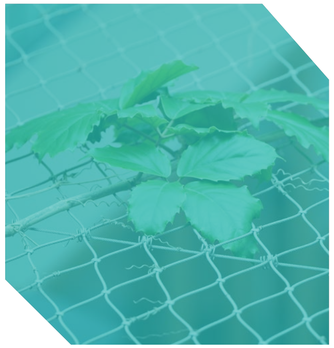
OUR CORPORATE **STRATEGY**

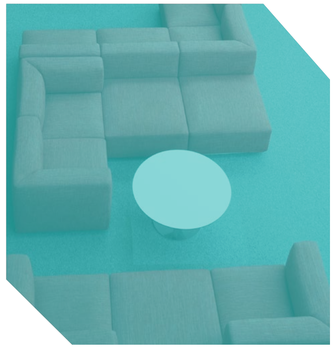
Focus on client	**Bancassurance+**	**Sustainable and profitable growth**	**Role in society**	**PEARL+**
Everything we do is based on the **needs and interests of our clients**.	Our clients enjoy access to **unique bancassurance+** that combines traditional banking and insurance services with nonfinancial solutions.	We focus on the long-term development of our Group, striving for **sustainable and profitable growth**.	We fulfil our **role in society** and local economies.	We build on the PEARL+ values and focus on the **joint development of solutions, initiatives and ideas within the Group**.











KEY SUSTAINABILITY EVENTS OF 2024

Commitment to environmental protection

1. In 2024, we supported the transition to a **low-carbon economy** with an impressive figure: **CZK 40bn** in loans directed predominantly to energy-efficient buildings, renewable energy and electromobility.
2. Our insurance business provided **insurance policies worth CZK 111m** covering energy-efficient buildings, renewable energy sources and EVs.
3. We organised the second edition of the **Green Municipality of the Year** competition and rewarded towns and villages for their active involvement in environmental protection, sustainability and a generally responsible approach to the environment. The winners received prizes worth CZK 1.3m plus vouchers for consulting services from ČSOB Advisory and EU Centre.
4. Following the example of our premises in Prague, Hradec Králové, Ostrava and Pilsen, we installed **charging stations for EVs and electric bikes** at our properties in České Budějovice and Pardubice. Next on the list are Liberec and Zlín.

Sustainable business

1. The amount invested in **responsible investment funds** increased by 53% year-on-year to **CZK 24bn** and we issued our own green bonds worth CZK 2bn.
2. We assisted no less than **251** starter-entrepreneurs in obtaining funding under the **Starter Entrepreneurs** program.
3. Within our acceleration program **Start it@ ČSOB** we partnered with Mastercard and launched a special Fintech Challenge for startups developing innovations for the world of finance. Under the Challenge, we supported **6 startup** businesses while our program itself supported another **10 startups**.
4. The **Start it @UNI** program for university students organised **6 validation camps** for **200 students**.



Social responsibility

1. **ForAGoodCause** (ČSOB NaDobrouVěc) lets retail clients contribute an amount to a nonprofit of their choice with every transaction made by a payment card. The service is utilised by no less than 3,151 clients. They used it to contribute an impressive CZK 4.5m to charitable projects in 2024.
2. In cooperation with the Police of the Czech Republic and Mastercard, we created a unique educational portal **MoneyScience** (Penězověda). The partnership also produced a 10-part educational series **Better not try this!** (Tohle radši nezkoušejte!) unmasking the methods employed by online fraudsters.
3. The volunteer program **Helping together** (ČSOB pomáháme společně) enables employees to take an extra day off for volunteering in nonprofit organisations. In the program's 17th year of existence, **2,024 volunteers** took advantage of the opportunity.
4. The ČSOB Group took an active role in clearing up the aftermath of the autumn floods that swept through parts of the country. In cooperation with People In Need, the Group organised a fundraiser titled **SOS Floods**, and opened a special appeal under the **ČSOB helps regions** (ČSOB pomáhá regionům) program. The total amount donated in support of people, organisations and communities impacted by the floods reached **CZK 45m**. We were also on hand helping people to repair damage and resolve their difficult situations.

CSR AND SUSTAINABILITY AWARDS WON BY ČSOB GROUP IN 2024

Euromoney Awards

Best Bank for ESG in the Czech Republic in 2024

Mastercard Bank of the Year

1st place in the **Bank without barriers** category

3rd place in the **Responsible Bank of the Year** category for the „Calls and Clicks are Defrauding Czechs“ prevention campaign

3rd place in the **Responsible Insurer of the Year** for the Digital Academy for Secondary Schools project

Mastercard Awards

Special award in the **Responsible Innovation** category for the green challenge project

ESG rating by the University of Economics in Prague

TOP 10 placing in the Corporations category

Hospodářské noviny Awards: Insurer of the Year

1st place in the **ESG Deed of the Year** category won by ČSOB Pojišťovna

TOP responsible business – Business for Society Award

1st place in the **TOP Responsible Business** in Innovations category for the project Commerce 24/7: Experience the future of shopping with the DoKapsy (InYourPocket) app by ČSOB

2nd place in the **TOP Responsible Business** in Diversity category for the Barrierless with ČSOB project

3rd place in the **TOP Responsible Big Business** category (rating of 97.1% in overall performance of a responsible and sustainable business undertaking)

Winner of the **TOP Responsible Big Business – Leader** title

Winner of the **TOP Responsible Business in reporting** title

Business for Society Award for long-term achievements in social responsibility through the Zapojimse.cz corporate volunteering program

Jury commendation for the Green Municipality of the Year project in the TOP Responsible Business in Environmental Protection category

Donors' Forum Awards

1st place in the **Communication Campaign** category for ČSOB NaDobrouVěc

2nd place in the **Annual Report** category for the 2023 ČSOB Group Annual Report on Social Responsibility and Sustainability

Lemur Awards

2nd place in the **Building Employee Relationships** category for the Green Challenge project

3rd place in the **B2B** category for the Green Municipality of the Year project

LGBTQ+ Friendly Employer 2024 awards

BRONZE Award for a proactive approach to the creation of an inclusive working environment for LGBTQ+ employees

Czech Honey 2024

Gold medal for Radlický Blossom Honey from the roof of ČSOB Kampus (100/100 points)

Sustainability rating

The KBC Group won the following key ratings for its ESG performance in 2024:



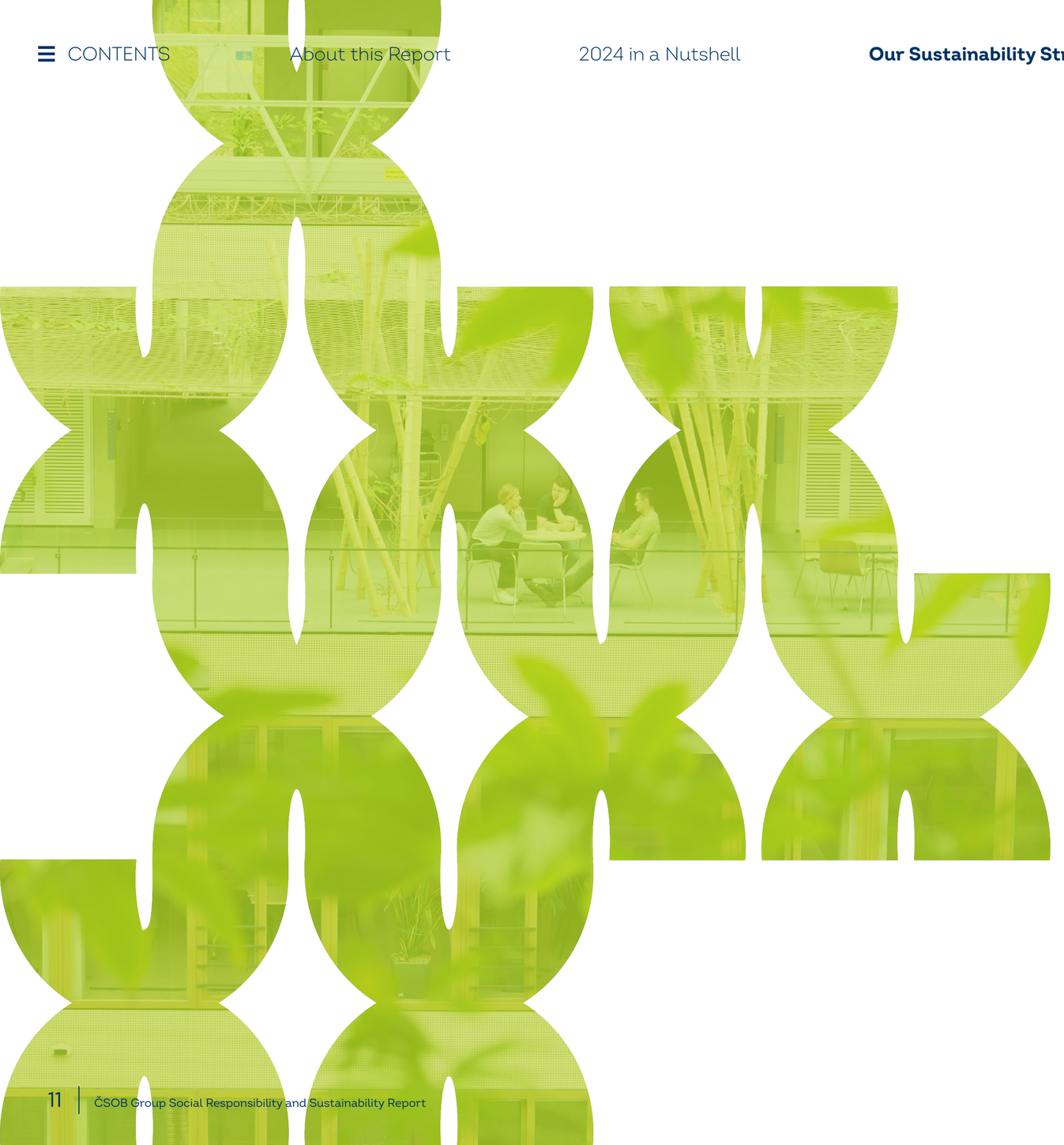
A **Leader** in addressing climate change



67/100
Top 8% of 667 banks assessed Included in the Sustainability Yearbook for the 6th consecutive year

SUSTAINALYTICS

Low risk rating (10.9)
5th of 262 diversified banks (3rd percentile)



Our **Sustainability** Strategy

CORNERSTONES OF **OUR SUSTAINABILITY STRATEGY**



We want to meet societal needs and create long-term value for society, local economies and all our stakeholders.

That's why supporting the transition to a more sustainable and resilient society is a crucial part of our overall corporate strategy and day-to-day business. We actively adjust our strategy and our business model to maintain focus on topics of key importance in terms of the impacts of our activities on society, the environment and sustainability. We strive to reduce the rate of global warming by adhering to targets defined in the Paris Agreement as well as in European strategies and targets in environmental protection, competitiveness and self-sufficiency. Our sustainability strategy therefore defines the role we aim to play in the society, i.e. our main areas of focus and our objectives. At the same time, we expand our range of sustainable products and services in loans, investment, insurance, leasing and other areas.

ČSOB implements its ESG (Environmental, Social and Governance) strategy in line with three key principles:

1. **By reducing our negative impacts on society** and by strict adherence to mandatory policies and legal regulations applicable in human rights protection, environmental protection, the promoting of business ethics and the resolving of contentious social issues, as well as by reducing our carbon footprint.

2. **By growing our positive impact on society** in areas where we can leverage our influence and our day-to-day activities. These include environmentally friendly options offered to clients when resolving their housing, mobility or investment needs, and consultancy services for both households and businesses.

3. **By acting responsibly** outwardly and within the Group towards the employees. Also, by promoting responsibility among employees in their day-to-day work.



UNITED NATIONS' SUSTAINABLE DEVELOPMENT **GOALS**

The United Nations' Sustainable Development Goals (SDGs), adopted by our Group, were an important input into the formation of our Group's sustainability strategy and our own ESG objectives. In discussions with our corporate partners, retail clients, suppliers, employees, and representatives of the public and nonprofit sectors as well as academia, we were keen to hear opinions and recommendations as to what role ČSOB should carve out for itself and which areas ČSOB should focus on. As a result, we identified five key areas in which we can be most impactful.



UNITED NATIONS' SUSTAINABLE DEVELOPMENT **GOALS**

SDG 3 Good health and well-being
We support a correct work-life balance for our employees. Our portfolio of banking and insurance products also focuses on accessible healthcare, a good quality of life and road safety.

SDG 7 Affordable and clean energy
Through the provision of loans and insurance products we actively contribute to increasing the proportion of energy production from renewable sources as well as the efficient use of electric energy.

SDG 8 Decent work and economic growth
We support entrepreneurs and accelerate innovative startups. Our startup accelerators provide the right environment for female entrepreneurs and young, talented businesspeople in general. Young entrepreneurially minded people, especially students, can take advantage of our dedicated Start it @UNI program which teaches them how to avoid major pitfalls in order to maximise their potential in establishing successful and sustainable businesses.

SDG 12 Responsible consumption and production
We support innovations and the transformation to low-carbon or emission-free operations for both business enterprises and households. We also promote responsible investments (RI).

SDG 13 Climate action
The provision of loans as well as our offers of investment and insurance products are subject to strict rules designed to ensure compliance with environmental protection principles. In accordance with our Paris Agreement commitments, we also strive to reduce the environmental footprint of our business and to meet our ambitious climatic goals. Taking into account local aspects, we translated the expected decarbonisation progress across our individual portfolios and sectors into specific objectives binding not only for the ČSOB Group but also for the KBC Group.

The outcomes of our stakeholder dialogue were critically analysed in terms of the significance of potential impacts on our activities. We also supplemented the five goals as per SDG 17 with additional topics to form a comprehensive backbone which guides our responsible behaviour and day-to-day activities:

- Fair, comprehensible and transparent information for our clients
- Long-term resilience of our business model
- Ethical business behaviour and acting responsibly
- Sustainable and responsible portfolio of products and services offered
- Sustainable and responsible asset management and investing
- Data protection and cybersecurity
- Promotion of financial literacy



FROM STRATEGY TO BUSINESS: **FOUR FOCUS AREAS**

For nature

For ČSOB and the whole KBC Group, looking after the environment and acting in an environmentally friendly way is at the very top of the list of priorities. Not just in terms of words, in terms of deeds too. We do not finance projects that are harmful to the environment or exacerbate the climate crisis. We support efforts directed at improving energy self-sufficiency through the use of renewable sources. Our buildings, such as those in Prague and Hradec Králové, are excellent examples of sustainability.

For longevity

We are on hand to assist senior citizens, people with disabilities as well as the sandwich generation. For each group, we have customised products and services. We also support nonprofit organisations and social enterprises.

For business

We help small and medium sized enterprises develop their activities and attract new business partners abroad. Our unique acceleration program Start it @ČSOB provides support for early-stage innovative projects, regardless of the particular sphere of business.

For education

We promote financial literacy among both children and adults. To that end, we visit elementary and secondary schools with our program ČSOB financial, digital and sustainable education. We also educate teachers. The cybersecurity part of the program is conducted in cooperation with the Police of the Czech Republic. The program also covers environmental protection.

SUSTAINABILITY **GOVERNANCE**

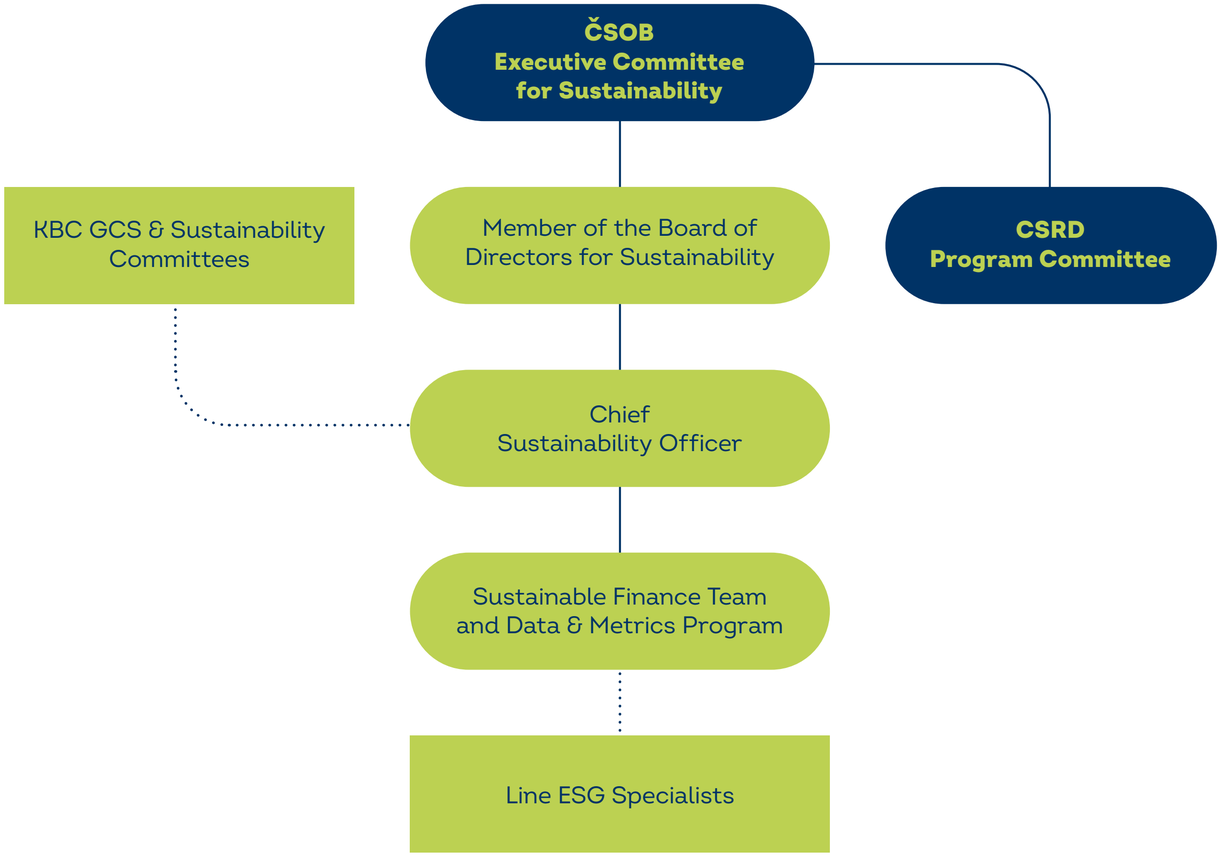
We have established uniform sustainability governance across the entire KBC Group with the aim of ensuring that **all environmental, social, and governance (ESG) topics are incorporated** into all our key activities. This includes assigning responsibility at the highest level. At the ČSOB Group, the implementation of the KBC Group's sustainability strategy with respect to local specifics is the responsibility of a particular member of the Board of Directors and a small management team.

The ČSOB Group prefers a matrix approach to managing this agenda since sustainability is a traditional and natural part of every business line and its commercial activities. The entire agenda is overseen by the **ČSOB Executive Committee for Sustainability**, which consists of all members of the ČSOB Group's Board of Directors and the Chief Sustainability Officer.

In cooperation with colleagues from individual organisational units, the **Sustainable Finance Team** is tasked with the management and execution of activities related to the Group's **ESG agenda**. However, the final decision-making authority rests with the Executive Committee for Sustainability. The Group has also established Data & Metrics, a program for the implementation of ESG data collection, consolidation, and reporting. In 2024, we also implemented a CSRD reporting program, with a dedicated steering committee. The goal is to prepare ČSOB for sustainability reporting for 2025 in compliance with the ESRS standards. The CSRD Reporting Committee is chaired by the Chief Financial Officer.

Sustainability is part of the performance evaluation of ČSOB's senior management and accounts for 10% of its members' variable component of remuneration.

SUSTAINABILITY GOVERNANCE WITHIN **ČSOB GROUP**



THE WORLD
WE OPERATE IN

Our sustainability performance as a financial group is shaped by our responsible behaviour and our voluntary commitments, as well as by the regulatory environment. Sustainability aspects are increasingly becoming part of European strategy, binding directives and regulations, but they are also an indispensable part of risk management.



Selected Key Legal Regulations

EU Taxonomy for sustainable activities
The regulation sets out the technical criteria that economic activities must meet to qualify as „sustainable“ or „green“ in line with six environmental objectives.

CSRD
The Corporate Sustainability Reporting Directive strengthens the rules concerning sustainability disclosures. It obliges large companies and listed small and medium sized enterprises to include a sustainability statement in their annual report. For 2024, the ČSOB Group fulfils this obligation by means of the KBC Group report.

SFDR
The Sustainable Finance Disclosure Regulation sets out requirements for information disclosures that provide investors with greater transparency regarding our investment products.

ESAP
The European Single Access Point is designed, among other things, to ensure that sustainability--related information about entities and their products is centralised and easily accessible to the public in digital form.



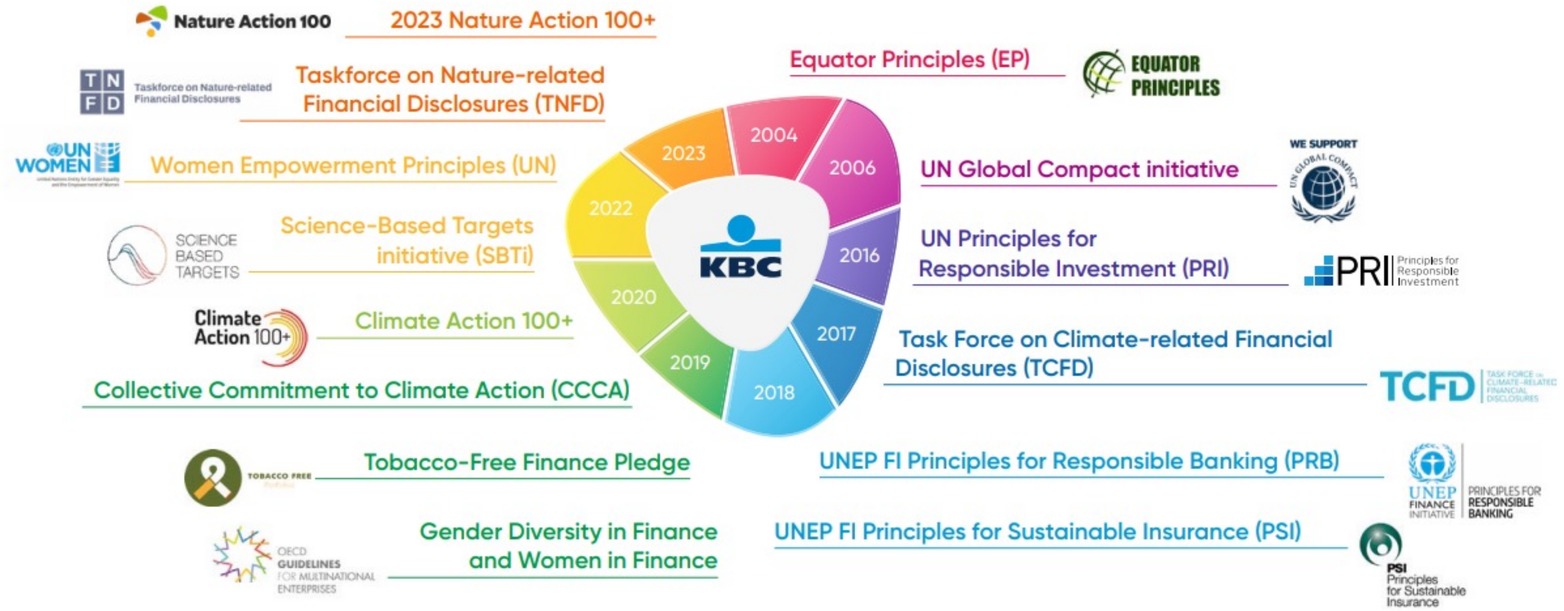
CSDDD
The Corporate Sustainability Due Diligence Directive sets out an obligation to identify and assess adverse impacts on human rights and the environment in the supply chain. ČSOB pays close attention to the directive.

European Banking Authority (EBA)
The EBA sets out rules for managing ESG--related risks. Banks must take greater account of factors such as the impact of climate change and the fair treatment of employees in their day-to-day decision-making. These measures are intended to ensure greater stability for banks and contribute to the sustainable development of society as a whole.

Voluntary commitments

The KBC Group, and by extension also the ČSOB Group, is a signatory of various sustainability-related commitments. Below, we give an overview of the main commitments made in recent years.





Sustainability projects and partnerships

ČSOB is also a member of the **Sustainable Finance Platform** (Platforma pro udržitelné finance) of the Czech Banking Association. The Platform has taken it upon itself to lay the foundations for efficient cooperation with the public sector for the purposes of implementing both national and EU-wide ESG goals.

ČSOB has a representative on the government's **National Economic Council** (Národní ekonomická rada vlády, NERV), namely Senior Executive Officer and Member of the Board of Directors Ján Lučan. The Council is tasked with proposing policies and specific parameters of necessary reforms in key areas of public service, such as the pension system, that have an impact on public finance and its transparency.

ČSOB has been a longstanding partner of **Modern Energy Union** (Svaz moderní energetiky, SME) with whom we regularly hold round tables and seminars focused on innovations in the energy sector.

ČSOB is a partner of the information and advisory portal **CSRD.cz** established to provide to businesses both reliable and comprehensible information about ESG and related topics.

For the third year running, ČSOB cooperated with **Climate Facts** and consulted with the organisation on issues pertaining to the decarbonisation of industry in the Czech Republic. We also utilise the organisation's expertise to improve our sustainability strategy. Additionally, we joined forces to organise a series of ESG Akademie online courses for the bank's employees.

ČSOB is one of the founding members of the **Climate & Sustainable Leaders Czech Republic** platform. The platform's goals include reducing the CO_2 production of the largest businesses in the Czech Republic, motivating key players within the Czech economy to launch projects that support sustainability and protect the climate, and assisting in the execution of such projects.

ČSOB was the first bank to become a member of **Czech Green Building Council** (Česká rada pro šetrné budovy).



DIALOGUE WITH KEY STAKEHOLDERS

Interactions with stakeholders

We actively engage with our key stakeholders to carefully monitor and meet their expectations. By listening to their needs, we constantly strive to improve our business activities so that they correspond as closely as possible to their expectations. In addition, we share our insights on relevant topics and challenges, thereby strengthening mutual cooperation, and understanding.

We consider stakeholders to be any individual or group whose interests are or could be affected by the activities of the ČSOB Group. These include, for example, clients, employees, investors, major shareholders, suppliers, public authorities, non-governmental organisations and society at large. These groups were identified through a thorough analysis and cooperation with internal and external sustainability experts at parent company KBC.



The table on this page shows our stakeholder groups, the expectations they raised during our talks and our activities to increase engagement, based on the stakeholder suggestions collected across the KBC Group, with respect to ČSOB's local context.

The symbol indicates involvement of members of the ČSOB Board of Directors.

Stakeholder group	Activities	Expectations
Clients	• Annual client satisfaction ranking: Client net promotor score (NPS) • Complaints management • Regular customer panels and customer consultations • Local engagement by branch network and bankers • Collaboration with clients in their transition to becoming a low-carbon business	• Trustworthy partner • Respect for privacy and protection against cyber risk • Transparency • Broad accessibility • Top expertise • Innovation • Simplicity, relevant solutions and personal advice
Employees	• Employee satisfaction surveys • Regular consultations with Board Members to discuss strategy and major topics, corporate culture and employee Q&As • eDoceo – digital educational platform for employees – mandatory and non-mandatory training • Availability of a range of workshops on work-life balance	• Work-life balance • Personal and professional development • Health and safety • Ethical conduct
Investors and core shareholders	• Consultation between analysts and investors and the ČSOB Investor Relations team • Investor meetings with senior management facilitated by a representative of the ČSOB Investor Relations team	• Value creation • Long-term business model with clear financial and non-financial targets • ESG as part of our strategy • Transparency
Suppliers	• ESG questionnaire as an integral part of our supplier assessments • Support for suppliers willing to make adjustments necessary to comply with the KBC Group Code of Conduct for Suppliers • Vendor meetings on all levels of the hierarchy • Proofs of Concept during which we mutually learn about potential value creation • Transparent, simultaneous communications and approaches in competitive sourcing cases • Requirements in tenders for ESG-compliant products/services	• Transparency • Engagement and collaboration to identify opportunities • Strengthening of long-term relationships • Shared vision, strategy and values • Shared risk and reward • Joint value creation • Timely payment • Adherence to contractual agreements

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Stakeholder group	Activities	Expectations
Public authorities	• Membership in banking and insurance associations • Membership in other national and international representative bodies to establish and maintain relationships with political actors and to achieve closer follow-up of regulatory initiatives that impact the financial sector (e.g. public consultations) • Active participation in networking events	• Compliance with applicable legislation
Society	• Regular (one-on-one) meetings with NGOs • Membership in and support of climatic and CSR initiatives • Utilisation of KBC Group external advisory boards, comprising mainly academia specialists, who advise on various aspects of sustainability strategy and challenge us on various topics. ČSOB also cooperates with universities	• Stable employment • Transparency and good communication



Double materiality assessment

In 2024, our parent company KBC conducted a comprehensive double materiality assessment (DMA) in line with European CSRD reporting legislation. This assessment aimed to identify the information required for inclusion in the mandatory Sustainability Statement of the Annual Report from the financial year 2024 onwards.

ČSOB actively participated in the DMA process. The analysis resulted in six areas deemed to be material in terms of impact or financial perspective. These topics now form the foundation for our disclosures and alignment with ESRS (European Sustainability Reporting Standards). They also help shape our strategic focus including sustainability reporting going forward. For 2024, the ČSOB Group opted to fulfil its reporting obligation by means of the consolidated report of its parent company KBC.



The purpose of the double materiality assessment (DMA) was to evaluate the materiality of ESG topics from two perspectives:

Impact perspective considers the positive or negative effects of a company and its activities and business relationships on the environment, the people it interacts with and the communities in which it operates.

Financial perspective examines the risks or opportunities that environmental and social issues present to a company's activities and overall value.



Sustainable supply chain

In our procurement process, which includes supplier relationship management, we always consider potential environmental impacts, social aspects, including the protection of human rights, and adherence to the principles of sustainable development.

When selecting a supplier, we prefer products and services that minimise direct and indirect environmental impacts. We support environmentally friendly and technologically advanced products and services.

In particular, when defining the parameters of a call for a tender, we focus on the following:

- Products and materials labelled as environmentally friendly
- Products with extended lifecycles, products that can be disassembled, repaired, and/or reused
- Possibility of environmentally friendly disposal and recycling at the lifecycle's end
- Packaging (quantity and materials used, size)
- Local suppliers, support for local economy
- Employment of people with disabilities, cooperation with social enterprises
- Associated carbon footprint
- Energy efficiency

Any ČSOB selection process includes an assessment of the bidders as potential partners. ČSOB Group aims to cooperate with partners who share the **same values**. Alongside track records on human rights, employment policies, anti-corruption measures and environmental aspects, we also look for the carbon footprint reduction and the associated reporting, and readiness for ESG reporting and certifications, if any (ISO, EMAS, ESG rating, etc.).

Potential suppliers are also checked against the current KBC blacklist and any relevant sanctions lists. We also request a commitment to the **Supplier Relationship Policy** that specifies admissible business practices and ethical principles, including elimination of conflicts of interest and unethical and corrupt behaviour, and acceptance of the **ČSOB Group Code of Conduct**.



Our **People**

Although we're pretty good with numbers, we would, of course, never resort to viewing ČSOB employees as mere statistical entries. The Group strives to create the best conditions for each employee to realise their individual potential and be happy in their working environment. We care about equal and fair treatment for everyone, regardless of age, gender or sexual orientation. The Group also maintains special programs of support for parents, senior employees and people with disabilities.

CORPORATE **CULTURE**

With our broad client base and the largest distribution network on the market, we have huge potential for growth. We achieve excellent results thanks to placing a strong emphasis on four behavioural priorities: **client focus, collaboration, adaptability and efficiency**. We further support these priorities by developing key skills such as critical thinking, the practical use of AI and more.

CLIENT
We continuously ascertain our clients' satisfaction and strive to ensure their experience with us is the best possible. That is why we offer simple and useful solutions.

COOPERATION
We strive to accommodate one another, we are tolerant towards differences, we share our opinions, ideas and thoughts, and we welcome feedback.

ADAPTABILITY
We view change as an opportunity, we share our knowledge and experience, we never cease learning, and we always investigate new approaches.

EFFICIENCY
We seek simple, economic and sustainable solutions both internally and for our clients, and we make good use of available data.






We encourage all our employees to be friendly, respectful and focused on the end result.

In order to benefit from the best talent and realise the full potential of our employees, ČSOB creates **equal opportunities** for all, regardless of age, gender, sexual orientation or nationality. The Group also actively promotes the appreciation of the principles of diversity among all of its employees. One of the essential ingredients of diversity is **flexibility**, which has been our focus for many years. The Group supports working from home but also desires that its employees see more of one another in the office, share information within and between teams and pursue goals together. The Group's employees were thus given the option in 2023 of working **40% of their working hours from home** and the other 60% in the office.

In 2022, ČSOB became a member of **OPIM**, an entity that networks and helps organisations manage diversity actively and positively. ČSOB representatives share their experiences with others during round table discussions.



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PEARL+ CULTURE

PERFORMANCE
We have the desire to win.
We deliver what we promise, with enthusiasm and commitment.

EMPOWERMENT
We are courageous.
We dare to do things differently and have the freedom to do so.

ACCOUNTABILITY
We accept responsibility.
We stand by all we do and honour personal responsibility towards our clients, colleagues, shareholders and the society in which we live and work.

RESPONSIVENESS
We are perceptive of others.
We don't turn our backs on divergent opinions, we are open to the suggestions and observations of clients and colleagues.

LOCAL EMBEDDEDNESS
This is our home.
We remain mindful of our surroundings because that's where we are rooted, and we honour diversity.

+ FOR COLLABORATION
We believe in cooperation.
We inspire one another and cooperate with one another, even across the numerous countries in which KBC operates.



TALENT ACQUISITION AND ONBOARDING

In 2024, we strengthened our recruitment strategy to attract high-quality candidates within the challenging and competitive labour market. We focused on simplifying and accelerating the recruitment process and developed a more efficient selection process. We make use of modern tools and data to target suitable candidates and build a positive candidate experience. Where regional recruitment needs are concerned, we are able to respond quickly to a developing situation. We operate what we call an **Internal employment agency** within the ČSOB Group, which provides new job challenges in a familiar environment. We systematically prepare for the growing demands of IT recruitment.

Pre-boarding of new employees is fully digital, something that is highly appreciated by the candidates. We are fully aware how much first impressions matter and that is why all new recruits spend their first day at our headquarters in Prague. This allows newcomers to orient themselves more quickly, connect with colleagues and understand the values and culture of ČSOB. We believe that a good start lays the foundation for the **long-term satisfaction and motivation** of our people.

DEVELOPING THE TALENTS OF OUR EMPLOYEES

Centre for coaching, mentoring and meditation

ČSOB's internal Centre for coaching, mentoring and mediation brings together almost **100 enthusiastic professionals** from among our employees who provide coaching, mentoring and mediation. They also support employees in other related activities, such as team coaching. In 2024, the Centre provided **around 1,000 hours** of dedication in the above areas, beyond the regular work agenda.

We keep developing our competencies as our coaches and mentors often aim for professional accreditations.

In the latter part of 2024, ČSOB launched the fifth round of the **Mentoring with ČSOB and Mastercard** project for employees of nonprofit organisations, delivered by more than **25 ČSOB mentors**. The project focuses on areas of the Group's expertise, such as leadership, strategic goal setting and communication. Once again, Mastercard was invited to participate and share their expertise in PR, marketing and fundraising.

Where coaching is concerned, our colleagues regularly and actively engage in the **Coaching for nonprofits** project. As part of the project, internal coaches from the intercompany Coaches Community assist employees of nonprofit organisations in areas that are generally beyond the scope of their day-to-day jobs but can be of considerable benefit in their daily work. **More than 10 coaches** from ČSOB were involved in the project.

Fair remuneration

Fair remuneration ensures pay is equitable within the company, competitive on the labour market, motivating for employees and compliant with applicable legislation. The Group's remuneration policy is gender-neutral and guarantees **comparable remuneration** for work of comparable value regardless of e.g. gender factors. Remuneration within ČSOB includes both a fixed and a variable component. Each is determined and paid out on the basis of a thorough assessment of the relevant job description in terms of each position's added value to the company, labour market benchmarks and the performance of the individual. The competitiveness of the pay package is regularly reviewed by means of multiple independent pay level surveys.





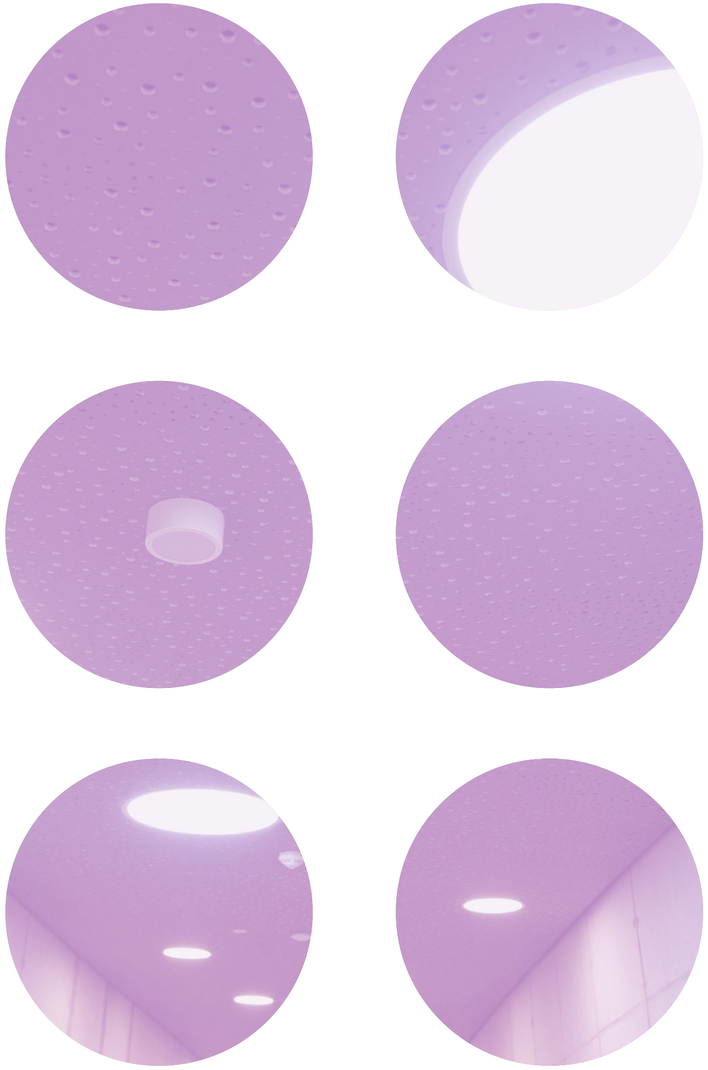
EDUKATE

EDUKATE is an educational platform for employees. It is under continued development with additional key skills added to its options. In 2024, for example, the platform was enhanced with areas of continued education such as ESG or artificial intelligence. We are very determined in our support of data education, using the **Datacamp** platform. EDUKATE helps employees to **reskill and upskill**.

Most of the education, some 75%, takes place online or in a hybrid form, while the remaining 25% takes place in person. Employee education makes use not only of EDUKATE but also the training system **eDoceo**, offering employees a catalogue of more than 400 courses. Another option available to employees is **Forvardino**, a sharing platform where employees offer to share their knowledge and skills with their colleagues.

ESG Academy

We have created **ESG Academy**, a program dedicated to the unavoidable economic transformation and the search for a balance between a society--wide transformation and new technological solutions. This unique educational program comprising 15 videos, a number of e-learning courses and a wealth of informative materials provides a comprehensive view of sustainability and the role of the ČSOB Group in ESG.



Surf Studio

Surf Studio is ČSOB's innovation HUB. Its mission is to inspire, share, discover novel ways of looking at things, introduce new market trends, interconnect people and support innovative thinking across the Group. The year 2024 at Surf Studio was once again packed with diverse employee-oriented activities.

There were **2 Ideathons**, one for Group employees and one for students of the Masaryk Institute of Advanced Studies of the Czech Technical University in Prague. Both Ideathons focused on our Ecosphere strategy and generated an abundance of intriguing ideas.

Surf Studio participated in the organisation of **2 Group Ecosphere Days**, the hub's most important internal international events at which the KBC strategy is presented to all employees.

Surf Studio also organised a range of **workshops** dedicated, for example, to 3D printing, Java programming, or the application of unconventional techniques in resolving various issues with the use of LEGO® SERIOUS PLAY®. The hub also **facilitated meetings** for colleagues from various departments with the aim of designing new services for clients or improving existing ones.

The hub also organised captivating **lectures** with inspirational guests with topics ranging from sustainability to AI. Surf Studio also produced its first **Surf Talkcast** featuring a start-up company Fashiontéka.

In 2024, the hub received some **100 new suggestions** for its Collection of ideas. More than half of them fell under the Products and services for clients category.

In May 2024, Surf Studio moved to its gorgeous new, creativity-inspiring premises within ČSOB Kampus, open to all ČSOB employees.

Towards the end of the year, the hub once again produced the traditional and popular **Advent calendar** available through the Zapka app. The calendar offered employees daily inspiration with suggestions of gifts, interesting books and new apps.

We were delighted that we were repeatedly able to **bring colleagues** from across the ČSOB and KBC Groups **together**.



CREATING SAFE AND HEALTHY WORKING ENVIRONMENT

For living life well

ČSOB Group employees can take advantage of **reduced working hours**. The option was used by **775 employees** in 2024, 672 of whom were women. In all, some 8% of the workforce reduced hours. Working from home is available to 99.7% of employees and 82.1% took advantage of the option last year. **Paternal leave**, i.e. 10 days' leave to look after a newborn baby, was used by **88** proud fathers last year. The option of **leave for a single parent** was used by **250** employees (9 men and 241 women).

ČSOB employees were able to take advantage of up to **7 days off work** in case of an illness, the need to recharge one's batteries physically or mentally, the need to look after a relative, or for another reason. As a small gesture of appreciation, colleagues who have worked with ČSOB Group for more than two years get an extra day off making it **8 days in total**. Last year, **8,525** colleagues took some time off work.

A **sabbatical**, or up to four weeks off work on a minimum salary, is generally used by employees to look after family members or to travel. In 2024, **267** employees took a sabbatical. The average time taken off work was 19 working days.

Every year, Group employees are invited to attend a **Health Day** that features a workshop on various healthcare topics organised by ČSOB and its partner in the health insurance sector Oborová zdravotní pojišťovna. In 2024, these workshops were organised in Prague, Hradec Králové, and Brno. Employees were offered a range of prevention-related activities and lectures on preventive healthcare, mental hygiene, stress management and prevention of burnout. Health Days also featured education on prevention of testicular cancer, breast cancer and instruction on self-examination.

In the current hectic world, we keep in mind our employees' physical health (Multisport card as an employee benefit) as well as their **mental wellbeing**. As part of the prevention of mental issues and support for mental wellbeing, employees have access twice a month to webinars on topics that resonate throughout the Group. Should any employee need more specific advice, they can take advantage of an **anonymous psychological helpline** that they can call to obtain expert advice, for example on how to deal with a sense of work overload or misaligned work-life balance.

The Group organises its annual **Banking Games**. The 2024 edition took place in the summer. In addition to various sporting events, the games included nutrition workshops with Margit Slimáková, and training sessions on how to act in an active shooter situation and a nighttime DJ fest. The Banking Games is an excellent opportunity to reinforce team spirit as well as a chance to gain new skills and unforgettable experiences.

ENGAGING WITH **OUR EMPLOYEES**

Collective Agreement

ČSOB has a Collective Agreement, an outcome of negotiations between the company as the employer and trade unions. The current Collective Agreement is valid for the period from **1 March 2024 to 28 February 2026**.

Meetings between CEO and employees

The implementation of the Group's strategic communication plan includes regular **meetings between the top management and employees** across the regions at various types of meetings and conferences. The top management also meets with new employees during their initial training. Members of the Group's top management listen, discuss pertinent topics, explain issues and maintain an open dialogue. We trust that this approach greatly contributes to greater mutual understanding.

A better understanding of the Group's strategy and open and transparent communication by the top management is further supported by regular **meetings between employees and the ČSOB Group's CEO** Aleš Blažek. At these meetings, employees get a clear picture of the Group's strategy, corporate culture and other fundamental topics. Enough time for questions from the audience is an important part of these meetings.







Another regular occurrence are the monthly **meetings between the Retail network employees and the management**. Their objective is to support a shared understanding of the corporate culture and strategy. Retail network employees also obtain up-to-date information relevant to their work at these meetings.

A **management conference** takes place annually where key strategic topics are discussed in depth. A recording of the conference is available to all employees, in addition to the option of tuning in online.

Employee survey

Twice a year, the ČSOB Group conducts an employee engagement survey within the bank and the individual subsidiaries. The survey focuses on assessing the following:

- Motivation stemming from pride in working for the Group.
- Understanding of the ČSOB Group strategy, trust in the strategy, and experience with the digital transformation and its impacts on their work.
- Sense of support and development at work.
- Views employees have on their career opportunities and opportunities for personal development within the organisation.
- The overall survey results show that 74% of our employees identify with ČSOB Group.

DIVERSITY **AND INCLUSION**

At the end of 2024, the ČSOB workforce comprised of **42% men** and **58% women**.



Male and female approach

We are aware that banking has traditionally been a male domain. Financial services have tended to reflect the male principle. We are thus making a conscious effort to bring about balance. However, merely engaging more women is not enough. What's called for is the individual realisation and understanding of why a balance of both male and female inputs is beneficial in the decision-making process. Our series of management workshops on the topic of male and female principles has therefore been extended to cover lower management. We intend to continue focusing on developing lower and middle female managers and increasing their numbers. In 2024, the Group achieved a proportion of 38% women at management levels B-2 to TL (compared to 32% in 2015).

We have continued the **Authentic Leadership** program, which produced another 24 female graduates in 2024. From 2023, the Group has also organised regular Women Connect meetings dedicated to graduates of the Authentic Leadership program to help them share their experiences, resolve any concerns they may have and support one another. The Authentic Leadership program has already produced 124 graduates since 2021.

The Group is also succeeding in its quest to decrease the **gender pay gap**, which stood at around 2.8% at the end of the year (compared to 6% in 2015). This figure is calculated in accordance with the Czech Banking Association methodology.

In 2023, the Group became a partner of **Czechitas**, a nonprofit organisation that strives to improve diversity in IT and drives improved skill levels among women and the coming generations in the digital world.

We also actively cooperate with **Inspire Impact Network**, a community dedicated to the support and development of active women, and with the **#Finženy** (#FinWomen) project.






#FinŽeny

The #FinŽeny project brings together inspirational women from the world of finance and opens a discussion on topics that resonate in the financial sector.

#FinŽeny 2024

The list of 131 inspiring women of the Czech financial world #FinŽeny 2024 included our colleagues Hana Bučková, Jitka Hajičová, Blanka Horáková and Nina Kozáková.

Female managers in Hall of Fame

The unique company of the most influential Czech female bankers, economists, managers, CFOs and other women exerting long-term influence includes five women from the ČSOB Group:



Michaela Bauer
Member of the ČSOB Board of Directors



Nicole Krajčovičová
CEO of ČSOB Asset Management



Markéta Cechman
Executive Director Shared Services and Operations ČSOB



Marcela Suchánková
CEO of ČSOB Penzijní společnost



Barbora Vachová
Member of the Boards of Directors of ČSOB Hypoteční banka and ČSOB Stavební spořitelna

Support program for parents

The Group adheres to the long-term priority of ensuring parents, and not just those with very small children in their care, are supported. As of the end of 2024, a total of **548** employees had a minor in their care, of whom **79** worked in the Program for Parents on a reduced hours contract. The For Parents program is designed to help parents on leave keep in touch with the bank. It also offers suitable job positions, case-by-case **advice**, and professional and personal **coaching**. There are also informal meetings as well as social and educational events. The parents' section of the employee app puts all useful information in one place.

In order to make the return to work as easy as possible for parents, the Group operates its **ČSOB Sluníčka** childcare centres available at both the Prague HQ and its counterpart in Hradec Králové. Parents are also eligible for a **contribution towards childcare** that may help to cover nursery, preschool or nanny costs. As many as **72 parents** made use of this last year, with the total contribution reaching **CZK 713,864**.

As many as **88% of parents** return to work sooner than after the usual three years of parental leave (they often make use of reduced working hours or other employment arrangements). From the Group's standpoint, it translates into having back hundreds of skilled and experienced employees whose replacements would be very hard to come by on the labour market.

The Group's **Academy for parents** continued its activities in 2024. The Academy is designed to make returning to work as easy as possible and to nourish active networking among parents, managers and the HR department. Parents were invited to attend six on-site workshops focused on developing soft skills. The Academy also includes online training sessions that help parents regain their confidence, improve their self-presentation and keep abreast of digital technologies used throughout the Group. In order to make the Academy available to parents working in the regions, it is also available in an online format. The Academy also includes presentations by departments which offer reduced working hours.

Since 2022, the Group has cooperated with **Dobrý táta** (Good Dad), an organisation that supports active fatherhood and the balanced involvement of men in the life of their families. We believe that the role of fathers in the bringing up of children is just as important as that of mothers. Yet we are also aware that finding a balance between work and family life may not always be simple for fathers. That is why the Group organised two **dedicated workshops** for its employees who are fathers to help them acquire useful skills and competences. We also launched our **Academy for fathers** in 2024. The academy's four educational modules delivered skills that enable fathers to be great leaders both at work and at home.

In 2024, we also hosted the **Dad in the 21st century** conference for the first time. The main theme of the conference was „Children need both parents for their healthy development", i.e. not just mum but dad too. Dads should impart the right values and the male perspective. In order to do that, dads need to be there and have the time.

The Group further extended its support for parents and became a partner of a new campaign **Mums want it too**. The campaign was launched by the Mumdoo platform which connects mums with skills and some time on their hands with demand for such skills from among SMEs and entrepreneurs.





Employing people with disabilities

The Group fulfils its employment quota for people with disabilities through a combination of actual employment and purchases of substitute work fulfilments. In 2024, the Group employed **119** people with a reduced work ability and another **73** people eligible for the status through social conditions. The substitute work fulfilment expenditure was **CZK 88.3m**.

Employees with disabilities find opportunities for work in digitalisation and the processing of payment instructions, in contract processing, complaint processing and processing of invoices. Colleagues from social enterprises also assist the Group in implementing automation and to a considerable degree in performing regression testing and project testing. They also provide valuable support as members of teams clearing securities trades. The Group employs accredited lecturers from businesses that employ people with disabilities to further the careers of ČSOB employees with disabilities. For example, Share Services and Operations employ **43 people with a reduced work ability** in various positions. These employees come from social enterprises **Kolibřík CSR, Zebra Outsourcing, Ergotep** and **SDZP**.



Program 55+

In 2024, **1,237** employees were part of the program, 801 of which were women. At the end of the year, the bank employed 1,144 employees aged 55 or over (of which 64% were women). The Group's Program 55+ links experienced employees with younger colleagues (with reverse mentoring thrown into the mix in 2024 to enable older employees to learn from their younger colleagues), enhances age diversity and improves the stability of teams. With **2 extra days of leave**, program members enjoy increased protection from pressure, stress and the burnout syndrome.

Employees enrolled in the program have access to **labour law advice** in connection with regular or early retirement. There are also **workshops and seminars** covering a range of topics such as healthcare, the healthy lifestyle and others. In 2024, these included two workshops organised in cooperation with ČSOB Penzijní společnost and dedicated to early retirement and available allowances, and to explaining the difference between the transformed pension funds and the newer supplementary pension insurance. The program also offered digital „Merry and digital!" workshops focused on digital technologies and the risks and benefits associated with them. The highly popular activity continues in the current year.

Employees enrolled in the 55+ program also have an opportunity to employ their skills and knowledge for the benefit of **nonprofit organisations and public benefit institutions**. They have up to **four days** of paid leave available for the volunteering (or more on a case-by-case basis).

Support for LGBTQ+

ČSOB honours the obligations that stem from the **Pride Business Forum memorandum**, of which ČSOB is a signatory. Applying the principles of equality in the workplace, ČSOB provides leave for a wedding with a foreign national, paternity leave, including in instances of adoptions, and leave for accompanying the partner's child to a medical appointment. These are just a few examples of outcomes from reviews of the fairness of benefits available to the Group's employees, with concomitant updates to definitions aimed at eliminating any forms of discrimination.

The **ČSOB PROUD** interest group established within ČSOB several years ago brings together LGBT colleagues and their supporters. The group inspired ČSOB's parent KBC to establish a counterpart, Proud@KBC in 2021. The ČSOB PROUD group organises workshops and webinars as well as various informal meetings. Together with Pride Business Forum the Group organised a financial sector symposium on the topic of Pink money.

ČSOB maintains its role as a general partner of the **S barvou ven** (Show your colours) advisory organisation. Together with the organisation, ČSOB organised a panel discussion on **Being an understanding parent to diverse children**, as well as a charity baking event in support of **Helping young people accept themselves and cope with coming out**.

Support for colleagues experiencing domestic violence

In 2023, the Group became a signatory to the **Charter against domestic violence** and committed to zero tolerance of such behaviour. The Group implemented a directive that introduced support in the form of extra time off work, psychological support and contact with our internal qualified coaches. Employees can also request financial support. The Group's CEO Aleš Blažek became the face of the **Stop violence** campaign.





What's happening within the Group

ČSOB Asset Management, ČSOB Penzijní společnost and KBC AM, ČSOB Branch

The divisions support **diversity** and **equal opportunities** for all. The workforce across the divisions encompasses the full range of age groups. The divisions stay in touch with their retired employees as well as with those on parental leave. In order to maintain a good work/life balance, the divisions' employees can take advantage of **flexible working hours and working from home**. Members of the 55+ program enjoy an allowance of **2 days off work for wellness**. Single parents can take up to **4 extra days off work**. All employees can take a **sabbatical** of up to four weeks on minimum pay, and another 7 days to support physical and mental recovery, and an extra day off work after 2 years of employment.

ČSOB Leasing

As a priority, the division supports equal opportunities at work and develops employees' talents. In the interests of good health and work satisfaction, employees can work from home or take advantage of various forms of reduced working hours. Support is also available to employees who are parents as they can benefit from a childcare subsidy. Employees with disabilities have access to the **Vital program of benefits** designed to improve their working conditions. As a standard benefit nowadays, employees can take several days off work in addition to their holiday allowance, to support physical and mental recovery or to attend to difficult situations, especially in the family.

In 2024, the division continued its cooperation with **social enterprise Kolibřík**, whose **5 clients** now have jobs with the division. This cooperation will be expanded as much as possible in the future. The division has endeavoured to integrate able-bodied employees with their colleagues with disabilities and cooperating with the social enterprise is another step in this direction.

ČSOB Pojišťovna

The division sees the **support of work-life balance** for its employees as one of the key areas of focus. Employees can use flexible working hours, work from home or opt for reduced working hours. ČSOB Pojišťovna also offers a range of opportunities for continued education through specialised and skills-enhancing courses as well as in seminars focused on the healthy lifestyle and mental hygiene. The division employs a case-by-case approach wherever possible, respecting the needs of each individual, supporting diversity and inclusion, values considered of key importance in a **positive and inspiring working environment**. In doing so, the division acts on the premise that a good quality environment is an indispensable precondition of motivated and happy employees that will enable ČSOB Pojišťovna to fulfil the Group's values such as meaningfulness, fairness and joy.

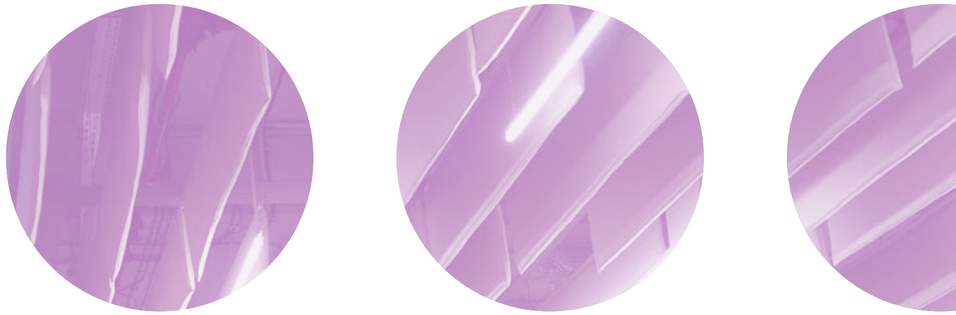


ČSOB Pojišťovací makléř

As a priority, the division supports **equal opportunities at work** and develops employees' talents. In the interests of good health and work satisfaction, employees can work from home or take advantage of various forms of reduced working hours. Support is also available to employees who are parents as they can benefit from a childcare subsidy. Employees with disabilities have access to the **Vital program of benefits** designed to improve their working conditions. As a standard benefit nowadays, employees can take several days off work in addition to their holiday allowance, to support physical and mental recovery or to attend to difficult situations, especially in the family.

ČSOB Hypoteční banka a ČSOB Stavební spořitelna

The divisions encourage mutual respect among employees as well as openness to change. Another priority is the desire for simplicity in both products and internal processes. The divisions lay the foundations for the **professional and personal growth** of their respective employees and offer an extensive range of benefits. The divisions emphasise maintaining a **good work-life balance** and equal treatment of all regardless of age, gender or sexual orientation. The divisions' employees also have the options of working from home or reduced hours.



HELPING TOGETHER **WITH OUR EMPLOYEES**

Our employees never shy away from lending a hand where it's needed, donating their free time or reaching into their pockets and contributing financially. ČSOB is immensely grateful for this, as are those at the receiving end of their generosity. However, the engagement of our employees does not stop with volunteering or donating kindness or money.

Volunteering program ČSOB Pomáháme společně

The option of spending one workday per year volunteering or providing specialist advice at a nonprofit of one's own choice is the most popular form of helping others among ČSOB Group employees. The 17th year of the program attracted as many as **2,024 volunteers** who donated a total of 13,934 hours to no less than 91 nonprofit organisations.

Společně s ČSOB matching fund

The Group is a long-term supporter of donations by individual employees and members of the public. In 2015, ČSOB also started supporting such donations with its matching fund. In the intervening years, ČSOB has supported **183 projects** with almost **CZK 11m**, where individual donations amounted to no less than CZK 6.64m while ČSOB donated another CZK 4.34m. In 2024 alone, 18 projects shared over CZK 1.5m.

ČSOB Fond pomoci

ČSOB Fond pomoci (Help fund) is available to ČSOB employees. It provides financial support for children or adults in their families or in close circles who are faced with a disability or a difficult life situation. In 2024, the fund helped **57 employees** and their close ones with **CZK 1.6m** spent in compensatory aids, neurorehabilitation stays, personal assistants, children's education and financial support for bereaved family members of deceased ČSOB employees. Since 2011, when the Help fund was established, it has alleviated difficulties for no less than **734 people** with an amount of **CZK 17.5m**.

ČSOB swap

ČSOB started organising regular collections of goods for charity shops as far back as 2009. In 2022, the Group tried **swapping things**: what one finds redundant, another may find very useful. Two swap events were organised, in the summer and in the autumn, at the HQ premises in Prague and in Hradec Králové. Whatever was left behind was donated to nonprofit organisations.





Donating blood is donating health!

For the 15th time, ČSOB was pleased to reward both regular and new donors of blood and blood elements. In partnership with Transfusion laboratory Zbraslav, ČSOB also organised three blood donation events as well as donor registrations for the bone marrow donors' register that took place at the bank's HQ in Prague-Radlice. Last year, the **Donating blood is donating health!** (Daruj krev, daruješ zdraví!) initiative motivated no less than **465 employees** to participate.

Walking or biking to work

As many as **291 employees** of the bank, the Stavební spořitelna and the Hypoteční banka mortgage lender took part in the 14th year of the **Bike to Work** (Do práce na kole) campaign. They formed **80 teams** and together biked, ran or walked **66,978km**. For every kilometre travelled, ČSOB donated CZK 1 to **Černí koně** to be used in the production of special bikes for children with disabilities. The same donation went to **Nadační fond Rozum a Cit** to finance the purchase of bikes for children in foster care. The total amount donated was thus **CZK 133,956**. The thousands of kilometres travelled helped not only children but also the environment. Our colleagues saved an amazing **8,640,162g CO_2** (129g/km compared to the same distance travelled by car).

Mulled wine for charity

ČSOB repeated its popular Advent-time tradition of offering mulled wine or alcohol-free punch in front of its HQ premises in Prague-Radlice. A similar charity event took place in the café inside our Hradec Králové base. Employees and passersby who bought wine or punch made sure of a substantial sum, contributing to a donation of **CZK 120,918** shared by the **Czech Paraplegia Association – CZEPA, Nadace Charty 77 – Konto Bariéry, Nadační fond Mathilda and Sdružení Neratov**.

Group teams at sport benefit events

ČSOB employees regularly partake in a charity tournament organised in support of **Sue Ryder**. They haven't missed the event since its inception in 2009. In the most recent edition, the Group was represented by football teams from ČSOB and ČSOB Poštovní spořitelna.

In keeping with another tradition, two floorball teams represented the bank at a benefit tournament organised by **Wheelchair users' sports club Prague** (Sportovní klub vozíčkářů Praha).

Team Blue loves your dreams

We also fulfil our role in society by means of providing active support for the involvement of our employees in the lives of communities in which we operate, to whose needs we tailor our initiatives. In September 2024, we launched **Team Blue Challenge** across the whole Group under the motto „Team Blue loves your dreams". The challenge consists of two parts. In the first, we fulfil dreams by means of colleagues' volunteering in nonprofit organisations. The second part is planned for 2025 when the focus will be on the protection of dreams: employees will take part in first aid courses and will donate blood and blood plasma.

What's happening within the Group

ČSOB Asset Management

Employees of the division regularly make the most of their **volunteer day** allowances. Some like to return to the same venue; for example, one of our colleagues regularly tends to greenery around Diocese Charity in Litoměřice.



ČSOB Leasing

Every year, many of the division's employees participate in the **Helping together** program. In 2024, **one in three employees** took part. They lend their helping hands to nonprofit organisations that look after the environment or provide animal care. They most often volunteered to the benefit of the Prague City Gallery and, in line with tradition, also in various zoos around the country (Zoo Brno and its activities centre, Prague Zoo, and Zoo Liberec).

Employees also organised the traditional clothes collection for a charity shop named **Hvězdný bazar** (Star Bazaar), a charity outlet operated in Prague by the **Czech Paraplegia Association - CZEPA** and staffed by wheelchair users.

Aimed at promoting regular donations of blood, blood elements and bone marrow, the Group's **Donating blood is donating health!** event entered its ninth year in 2024. Just as in the previous year, nearly one in nine employees participated.

The division employees once again participated actively in the **Biking to work** event, supporting the drive to reduce greenhouse gas (GHG) emissions.



ČSOB Penzijní společnost

The division's employees take environmental protection and social responsibility to heart.

As in previous years, the division's employees participated in the Group's **volunteering program**. The division also supports volunteering by practical activities: in autumn 2024, the division's employees helped to plant herbs and maintain an orchard in Kurovodice. They also support Domov Pod Skalami, a home for people with disabilities.

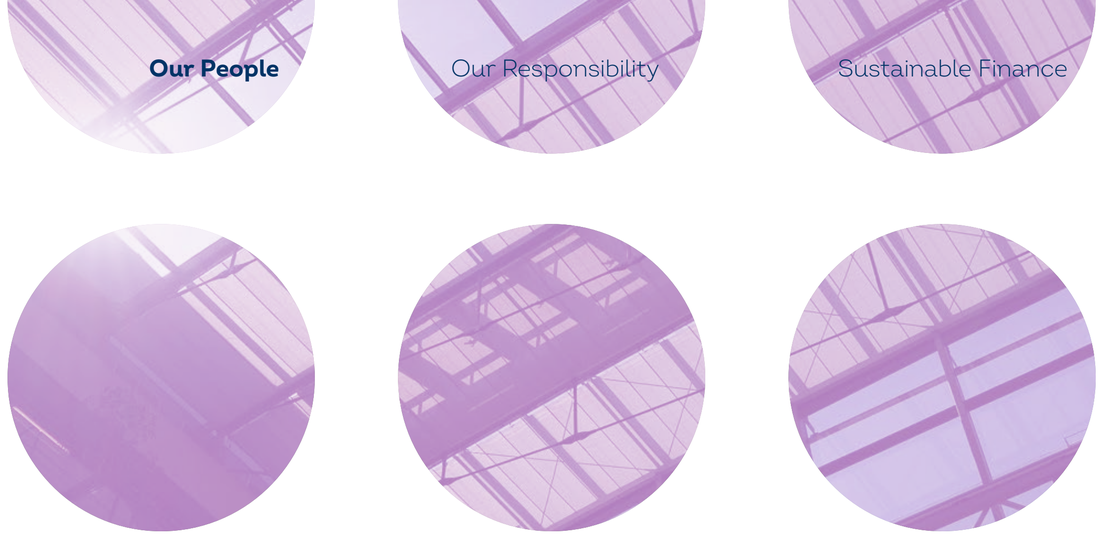
The division's employees also actively participated in a **Christmas collection in support of children living in children's homes**. The money collected for children in a home contributed towards the cost of Christmas presents. The division's employees also donated towards the substantial costs of medical treatment for Ms Svatava, a former ČSOB employee. Also, the division's employees regularly contribute to various collections organised by the Group.

ČSOB Pojišťovací makléř

Every year, the division and its employees regularly support various areas associated with the division's social responsibility.

Keeping to their established tradition, the division's employees participated in the **Helping together volunteering program**, mainly supporting environmental protection as part of their assistance provided to nonprofit organisations. Last year, they mainly supported the Psychiatric Hospital in Prague-Bohnice and the Jewish community of Prague.

Employees also participated in the **Donating blood is donating health!** campaign, launched in 2015.



ČSOB Pojišťovna

Fond pomoci ČSOB Pojišťovny (ČSOB Pojišťovna Help Fund) supports individuals, organisations, associations and local initiatives. However, the division also remains mindful of its own employees who can obtain financial support for children or adults in their families or in close circles who are faced with a disability, for a person in a difficult life situation. In 2024, the fund responded to **requests by 21 employees** with the insurer contributing a total of **CZK 460,000**.

The insurer's volunteering activities include continued cooperation with nonprofit **Athletics without barriers**, namely through an active contribution to an athletic cup for schoolchildren with disabilities. The insurer's support for the organisation reaches further than that, though. The company helped the organisation to equip a gym for their members with a recumbent TRINFIT Vivo B650i exercise bike. We are certain that the bike will help motivated athletes achieve their sporting goals despite their limitations.

ČSOB Pojišťovna also organised two **charitable baking events**. The first one, held in spring, yielded **CZK 72,390** for little Terezka, suffering from autism spectrum disorder. The autumn event was dedicated to mothers with children from children's homes trying to find their way through demanding situations. The autumn event produced **CZK 67,490**.

The insurer's employees helped with an address move, painting walls, laying carpets and adding a lick of paint wherever needed for an **Early care centre**.

They also lent a helping hand in speeding up spring garden work and painting in **Centrum Kosatec**.

ČSOB Pojišťovna organised a big collection of households items for single mothers living in **Asylum house ze Žamberka**. The insurer was thus able to hand over duvets, linen, school bags, toys, sporting equipment and small household appliances.

The insurer's employees also developed a day program for Ukrainian children from nonprofit organisation **Kalyna** staying at a day camp: their day with the insurance company was spent in Zoo Dvůr Králové. The company also organised a collection for Kalyna of roller skates, helmets and knee and elbow pads for both children and adults.

In a pilot project, employees took part in mid-July in day camps organised by RIC, a nonprofit organisation for children with autism spectrum disorder. Unforgettable experiences all round and decidedly positive feedback from RIC convinced ČSOB Pojišťovna employees that the help provided was most welcome and should be continued. In the autumn, the insurer also organised a therapy weekend for healthy siblings, sometimes referred to as „glass children", in a continuation of weekends for the autistic children.





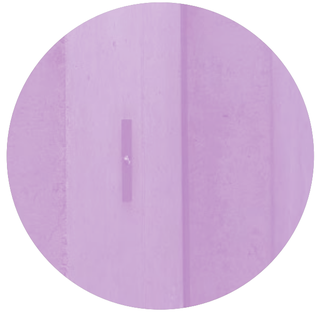
Of the planned activities, only the spring ones could take place. In partnership with **Pestré Polabí**, employees helped harvest hay and tend to pastures near Neratov u Bohdanče. Other planned activities had to be put aside when floods struck and employees were redirected to volunteering activities aimed at assisting the clean-up. As part of the post-flood assistance, ČSOB Pojišťovna delivered much needed supplies to the **Silesian Diaconate and its Volunteers centre Krnov**.

ČSOB Pojišťovna regularly organises tailored food collection events. Following a nationwide money collection, foodstuffs were purchased in cooperation with a food bank and donated to the **Regional charity Pardubice** to top up dwindling supplies. Some of the food supplies also went to **Centrum Don Bosco**.

The insurance company continued its partnership with **Centrum DaR**. The insurer's employees played paintball with children of the centre in June and took them to a cinema just before Christmas. For many of the children, it was the first trip to a cinema.

ČSOB Pojišťovna employees also made advent wreaths which were subsequently sold, with the proceeds donated to **St. Francis Forest Nursery**. They also organised a traditional Christmas collection for the benefit of teenagers supported by **Centrum J. J. Pestalozziho in Chrudim**.





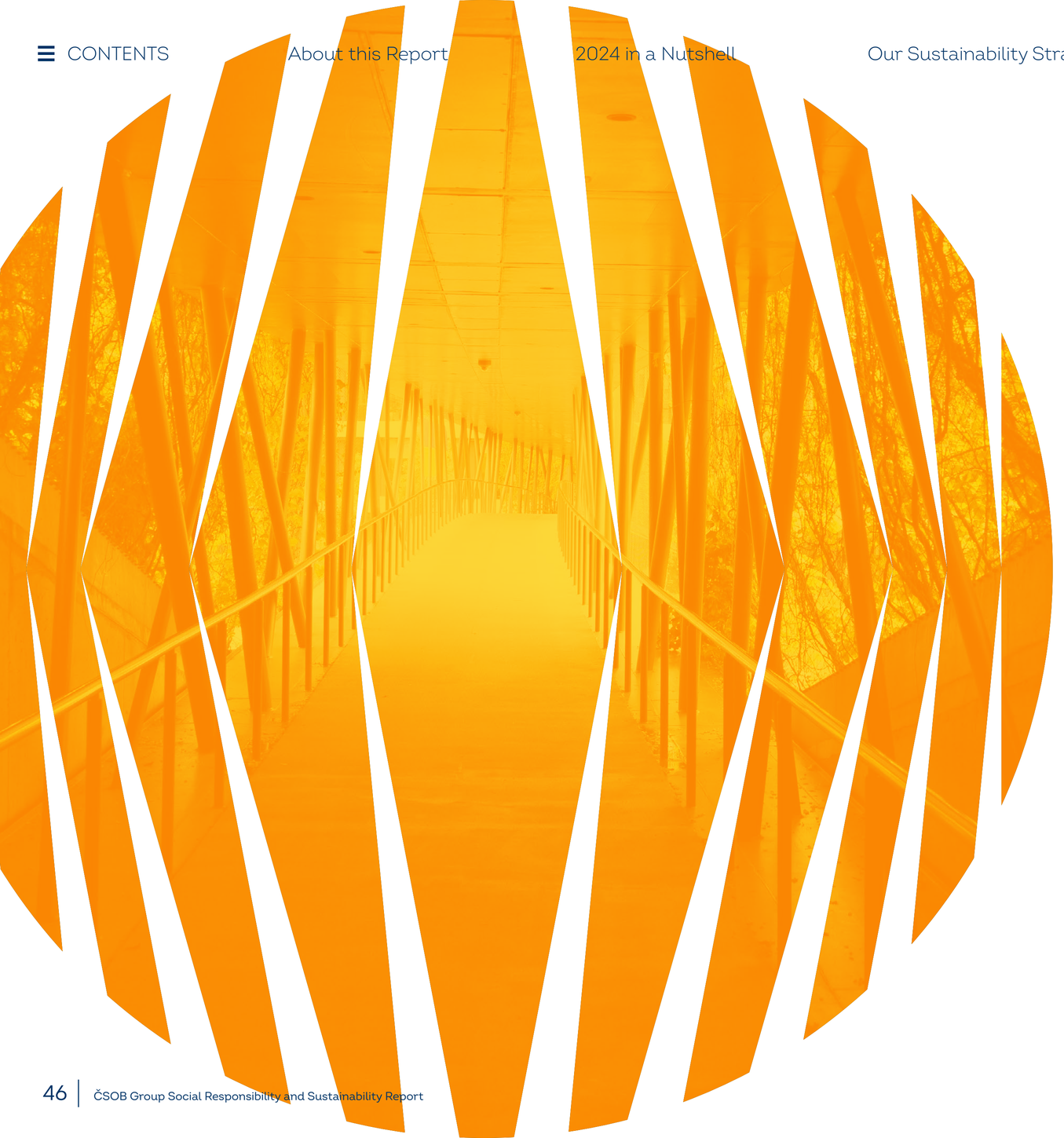
ČSOB Hypoteční banka a ČSOB Stavební spořitelna

For the fourth year, employees of the two divisions took part in **Běh pro útulky** (Run for animal shelters) to support abandoned and abused animals.

In 2024, the two divisions became official partners of **Běhejme a pomáhejme útulkům** (Let's run and help animal shelters). ČSOB Stavební spořitelna donated a financial gift to the organisation and motivated its employees across the country to run in support of the nonprofit. There were even special t-shirts designed for the occasion. Proceeds from sales went to support abandoned and abused animals. The divisions put up their stands along the run routes and handed out gifts to participants.

Patria Finance

Employees of the division joined their colleagues throughout the ČSOB Group in accepting the challenge of **Běh pro Paměť národa** (Run for the Memory of the Nation) held in May in support of recording the life stories of witnesses of historical milestones and other activities of nonprofit **Post Bellum**. Together, they accumulated 11,665.27km, doubling their 2023 achievement. The organisers recognised the Group's contribution with diplomas for the highest number of participants (108) and teams (27).



Our Responsibility

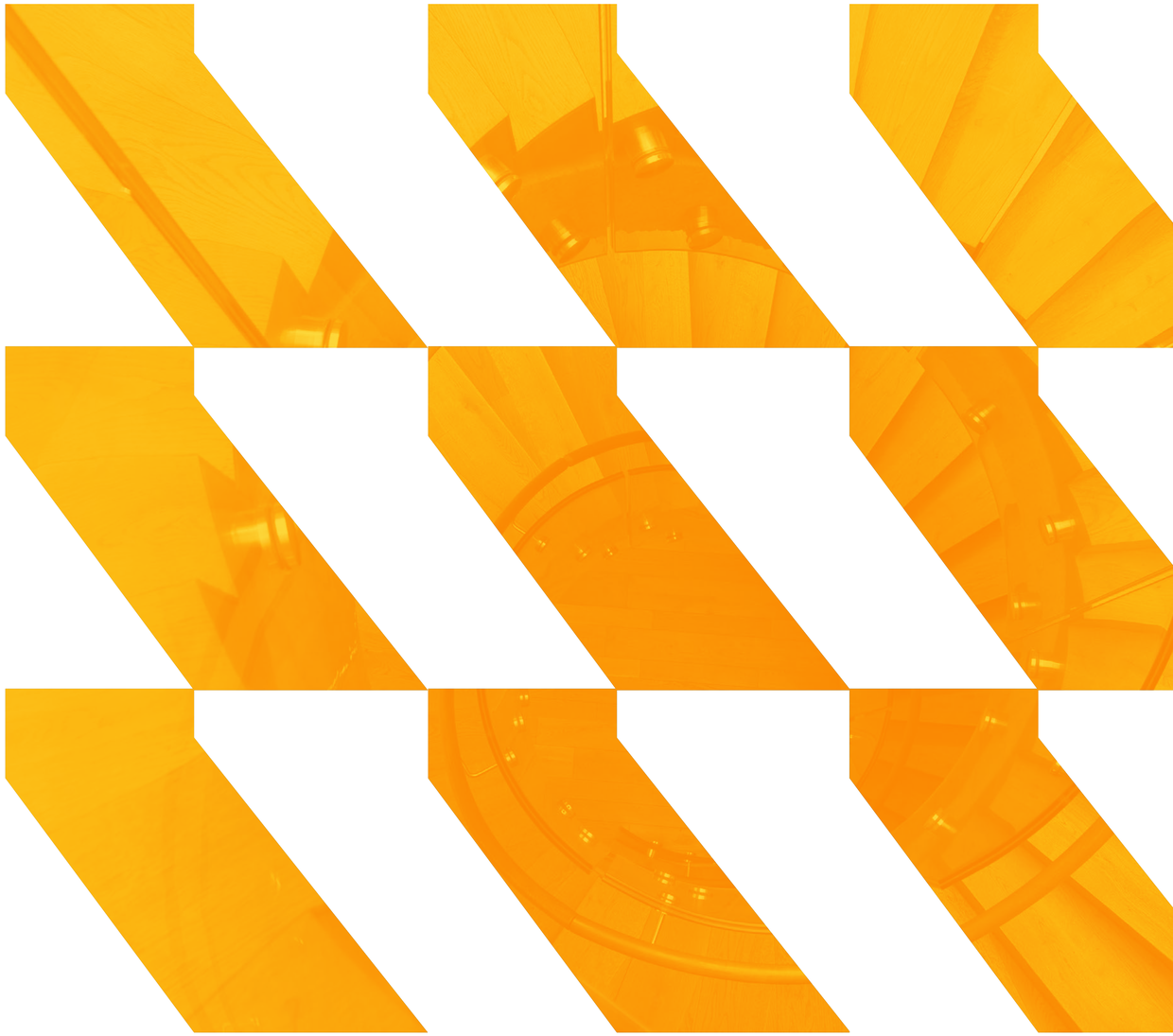
ACTING **RESPONSIBLY**

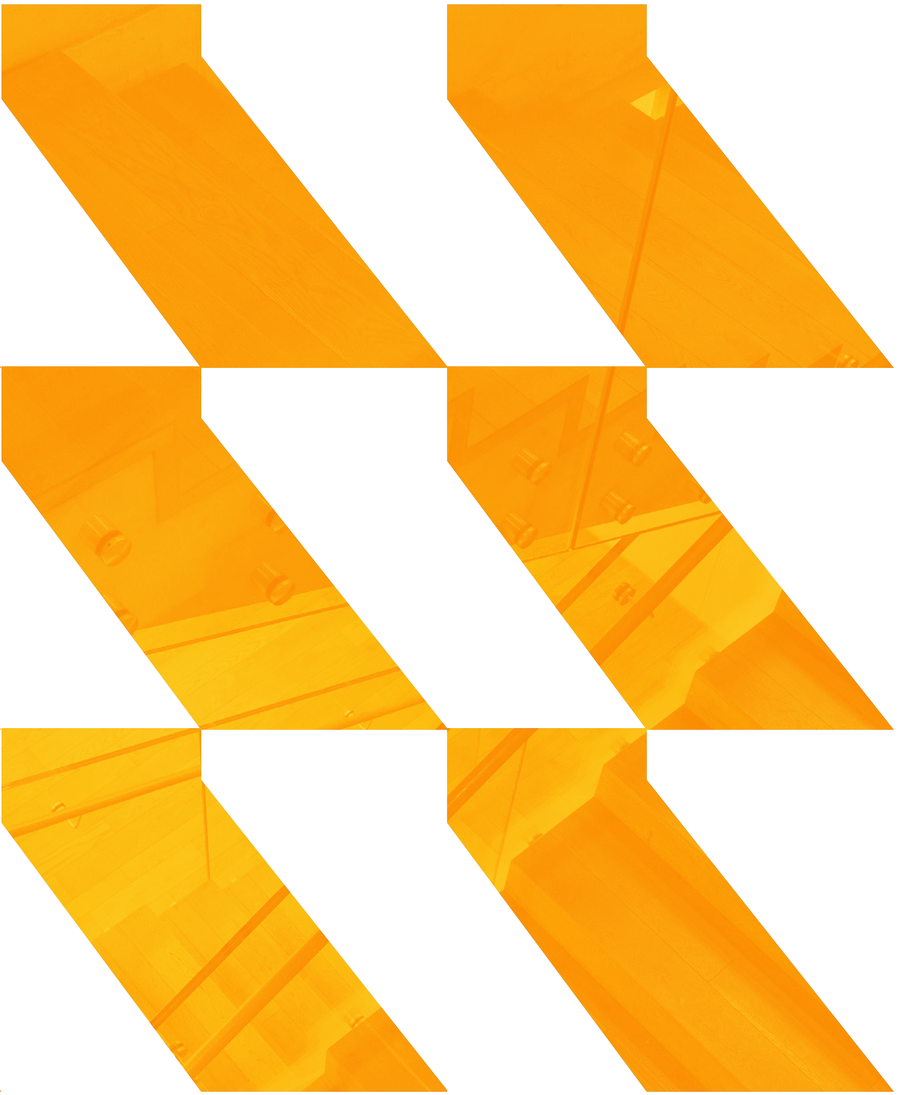
Our clients' behaviour changes dynamically over time. Nowadays, clients pay much closer attention to the added value that products and services bring to them and society at large. Our clients' trust depends on our competence, open communication and ability to judge market risks adequately.

It is with the client experience in mind that ČSOB **regularly reviews its business approach** and considers carefully whether achieving the targeted profit brings the desired mutual benefit and, above all, protects the interests of stakeholders and wider society.

In this respect, ČSOB acts well beyond its statutory obligations. Acting responsibly even provides the Group with business opportunities. We care deeply about the view that future generations will hold of our actions taken today.

With this in mind, ČSOB devised a set of recommendations and guidelines for its employees: **Cesta k odpovědnosti** (The Path to Acting Responsibly), the **Acting responsibly** website and **Acting Responsibly** mandatory course.





BUSINESS **ETHICS**

In providing its services, ČSOB adheres strictly to all applicable laws and regulations. On top of the statutory obligations, we also voluntarily adopt additional rules and limitations, especially in the areas of ethics, openness, transparency, confidentiality and privacy (Code of Conduct, Anti-bribery and Anti-corruption Policy, Anti-money Laundering Policy, Whistleblowing Policy), environmental protection (Environmental Policy, Energy Efficiency Policy), human rights and biodiversity protection (ČSOB Group Principles of Sustainability and Responsible Business), sustainable business (Policies governing the provision of loans, insurance products and consulting services in the energy sector), and others.

All internal policies are subject to regular review. They are updated at least every other year in order to ensure that the Group is always acting in harmony with the latest developments in the given areas.

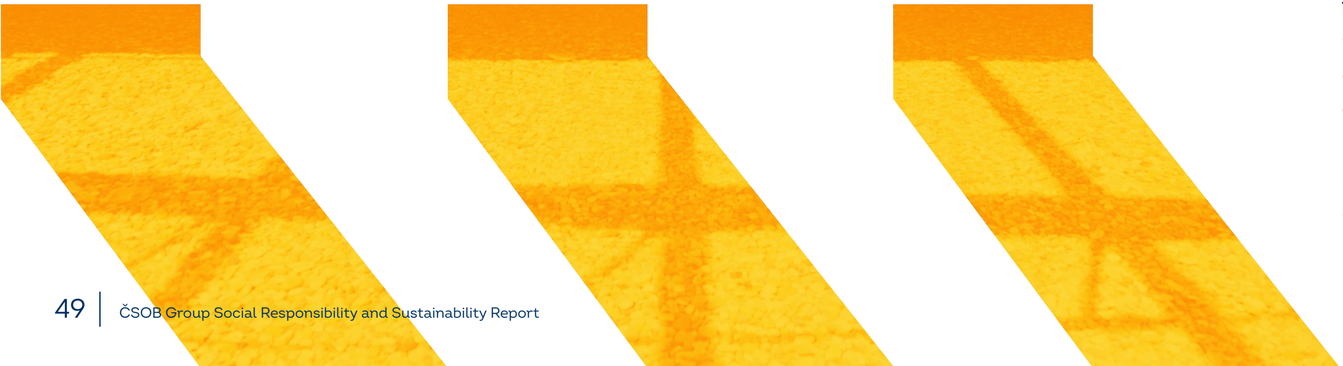
ČSOB Group Principles of Sustainability and Responsible Business

Code of Conduct and ČSOB policies

INFORMATION SECURITY AND CYBER RISKS

The number of hacker attacks keeps growing all the time, with the attacks becoming more sophisticated and cunning. It is therefore essential to not make the hackers' job any easier by behaving recklessly when online. More often than not, the weakest link in the security chain is the user. That is why malicious players tend to target bank clients with the intention of obtaining confidential information, such as payment card information or online banking logins. Striving to counter the threat, ČSOB has created a dedicated website Use reason to defend yourself containing:

- the basic rules of online safety, including the **Nine rules of using internet banking safely**
- alerts on **current threats**
- an educational series on the 10 most prominent current threats in the digital world
- articles with **interesting news and reports on latest developments in the online world**



As banking clients have become more educated, whether that is thanks to their banks, friends or family members, or the media, the numbers of successful attacks on online banking, and in cyberspace in general, has gone into decline.

In June 2023, we joined forces with the Police of the Czech Republic and committed to educating one million people in ways to protect themselves from **Fraudulent Calls and Clicks**. ČSOB focuses on all generations, from schoolchildren to the elderly. Statistical data shows that anyone with a bank account or a payment card can fall victim to cyber fraudsters. Phishing remains the most common method of fraud, whereby Fraudulent Clicks stem from the distribution of dangerous links through fraudulent e-mails or text messages sent in the hope that the recipient clicks the link. Even more dangerous is a younger sister to phishing, called vishing. In this case, the Fraudulent Caller contacts their victim with a carefully prepared script claiming to be a police officer, a banker, an investment adviser or a public official. They can be persuasive enough to rob people of all their money. We achieved our stated goal in 2025 and educated over a million people across all age groups. Our mission continues, with an increased focus on businesses and institutions. They, in turn, will be warned of and prepared for the growing threats of cybercrime. The most helpful contributors to the commitment are the projects **Your online journey** and **ČSOB education for schools**. The general public was also addressed at events organised jointly with the Police of the Czech Republic, who visited every regional capital, including the country's capital Prague. Our commitment to cybersecurity education remains firmly in place, it did not dissolve when the goal of educating one million people was reached.



In our pursuit of cybersecurity education we don't leave out vulnerable groups. As part of the CSR **Longevity** project, ČSOB focuses on educating senior citizens and people with disabilities. In 2024, we organised several dedicated **Consulting days for senior citizens** and for **people with disabilities**. We would like to especially mention an event from 3 October 2024, when we joined forces with SenSen aka Sensational Seniors (a project of Nadace Charty 77) to organise a meeting of senior citizens' clubs from all over the country at which officers of the Police of the Czech Republic and our specialists educated participants in cybersecurity.

The most recent educational project we contributed to was the 10-part series **Tohle radši nezkoušejte!** (Better not try this!) unmasking methods employed by online fraudsters, developed in partnership with Mastercard, the Police of the Czech Republic and Czech Television.

Of course, it is essential that employees of ČSOB Group are on top of their game when it comes to countering cyber risks. Despite the many layers of security mechanisms, it remains paramount that ČSOB employees act responsibly in the online world. That is why the Group has implemented a **system of regular training sessions for its employees** supplemented several times a year by testing their resilience with controlled phishing campaigns using text and e-mail messages.

In connection with cybersecurity, it is also worth mentioning that the Group's **online risks insurance** protects clients shopping online, no matter where in the world their chosen e-shop operates from. The insurance includes legal consulting via telephone in case of any issues or complaints, and IT assistance if there is a requirement to set up or use a computer or another device. The Group's broad assistance services are available to clients 24 hours a day.

PROTECTION OF PRIVACY AND PERSONAL DATA

The processing of personal data is a natural part of our day-to--day work. Our appreciation of the trust of all our clients, employees and partners is matched by the **utmost sense of responsibility** with which we protect their privacy. We process all personal data in compliance with the General Data Protection Regulation (GDPR) and other relevant regulations. In this way we ensure that personal data is treated in a legitimate, transparent and secure manner. It goes without saying that we uphold the principles of banking secrecy.

We process vast amounts of data on a daily basis in order to provide the best solutions to our clients. At the same time, we are acutely aware that there is an immense responsibility attached to the data in our possession. That is why we employ modern technologies in conjunction with **strict internal processes**. They protect data from misuse, loss and unauthorised access.

All our products and services, the latest ones included, adhere strictly to the principles laid down by the GDPR. The rules and principles we abide by are available on our website in the Personal data protection section or at any branch office.



When processing personal data we abide by the following principles:

- We only use data for the purposes for which it was collected.
- We collect only as much data as we actually need.
- We communicate openly and clearly about how we process data.
- We ensure that information is up to date and accurate.
- We protect data from loss, damage or misuse.
- We only store data for as long as necessary.

Everyone has the right to know what data related to them we hold and process. Anyone can also ask to have their personal data corrected or deleted. Where the processing of personal data is subject to consent, this consent is given for a specific purpose, it is voluntary and can be withdrawn at any time.

Within the Group the processing of personal data is governed by clear internal rules: **personal data can be accessed only by persons who truly need it**. There are strict controls in place as to who can access personal data, where the data can be transferred and how such data is labelled. We use sophisticated tools to detect attempts at unauthorised use of personal data and we are prepared to respond quickly in case of any personal data protection incident.

Personal data protection is not just another statutory requirement for us – we understand it to be our **moral commitment** towards our clients, employees and wider society.

OMBUDSMAN

In line with its commitment to transparency and superior customer care, ČSOB appointed its own ombudsman as an **independent defender of clients' rights**.

695

submissions from clients were processed by the Ombudsman's team in 2024

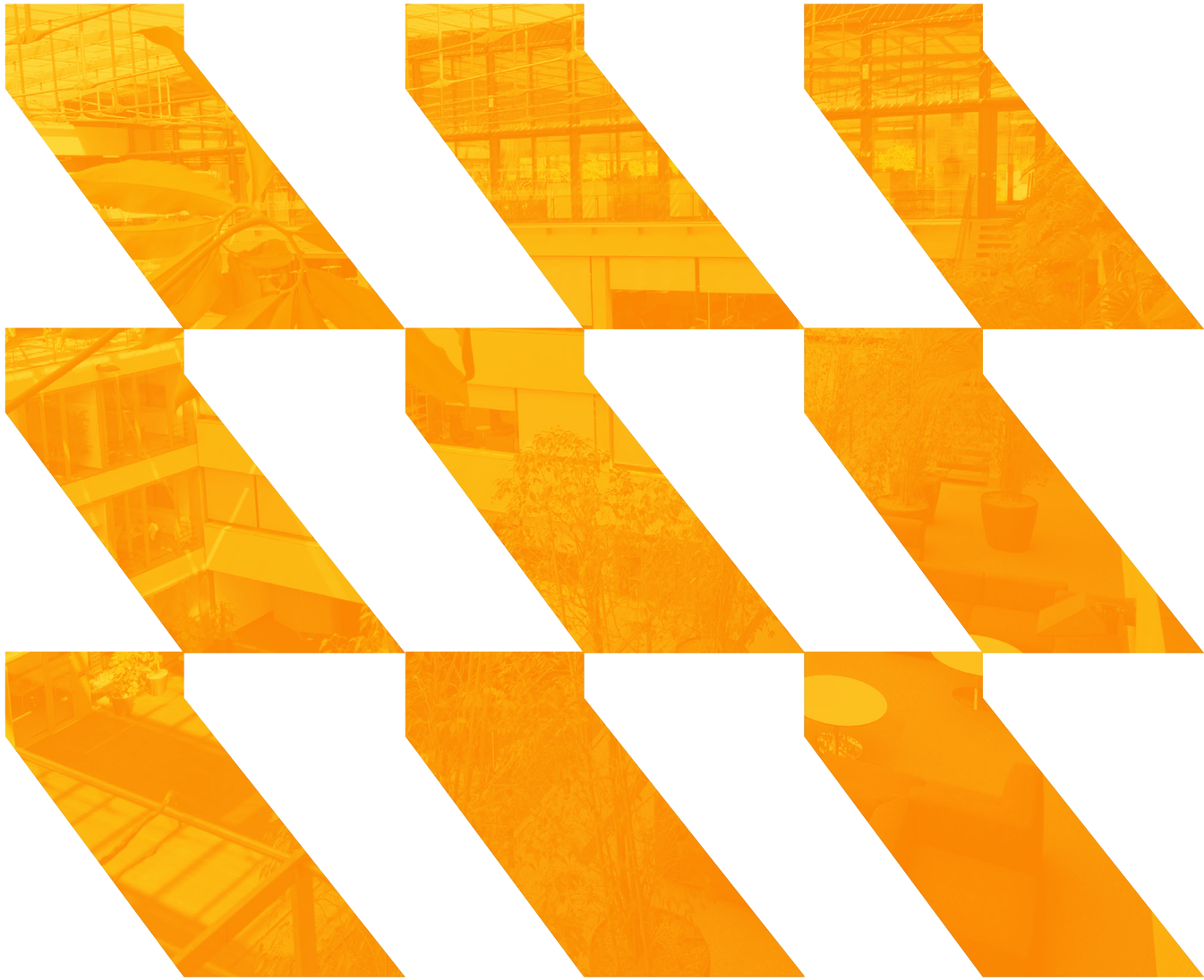
1 348

instances of feedback were submitted

8

days was the average time for the resolution of a submission

We were very pleased to see the number of committed cybercrimes go down in a year-on-year comparison as it means there were fewer unfortunate clients who failed to protect the security of their digital banking or payment cards. It is quite clear that the combination of security mechanisms implemented by the bank and the relentless education of the general public about the practices of cybercriminals is the most efficient way to tackle cybercrime. However, too many people still lose their savings through divulging sensitive information to third parties, fraudsters and false bankers. It is the ombudsman's wish to see client education continued and the trend of improving vigilance among all parties involved upheld.



MECHANISMS
FOR COMPLAINTS RESOLUTION

In providing its services, ČSOB adheres strictly to all applicable laws and regulations. On top of the statutory obligations, we also voluntarily adopt additional rules and limitations, especially in the areas of ethics, openness, transparency, confidentiality and privacy. These commitments are summed up in our Code of Conduct, Anti-bribery and Anti-corruption Policy, Anti-money Laundering Policy and Whistleblowing Policy.

We have different channels through which our clients and other stakeholders can voice concerns about our products and services. We aim to address these concerns and consequently improve our products and services. When considering the submitting of a complaint or a suggestion, our clients can choose between a direct contact or digital channels.

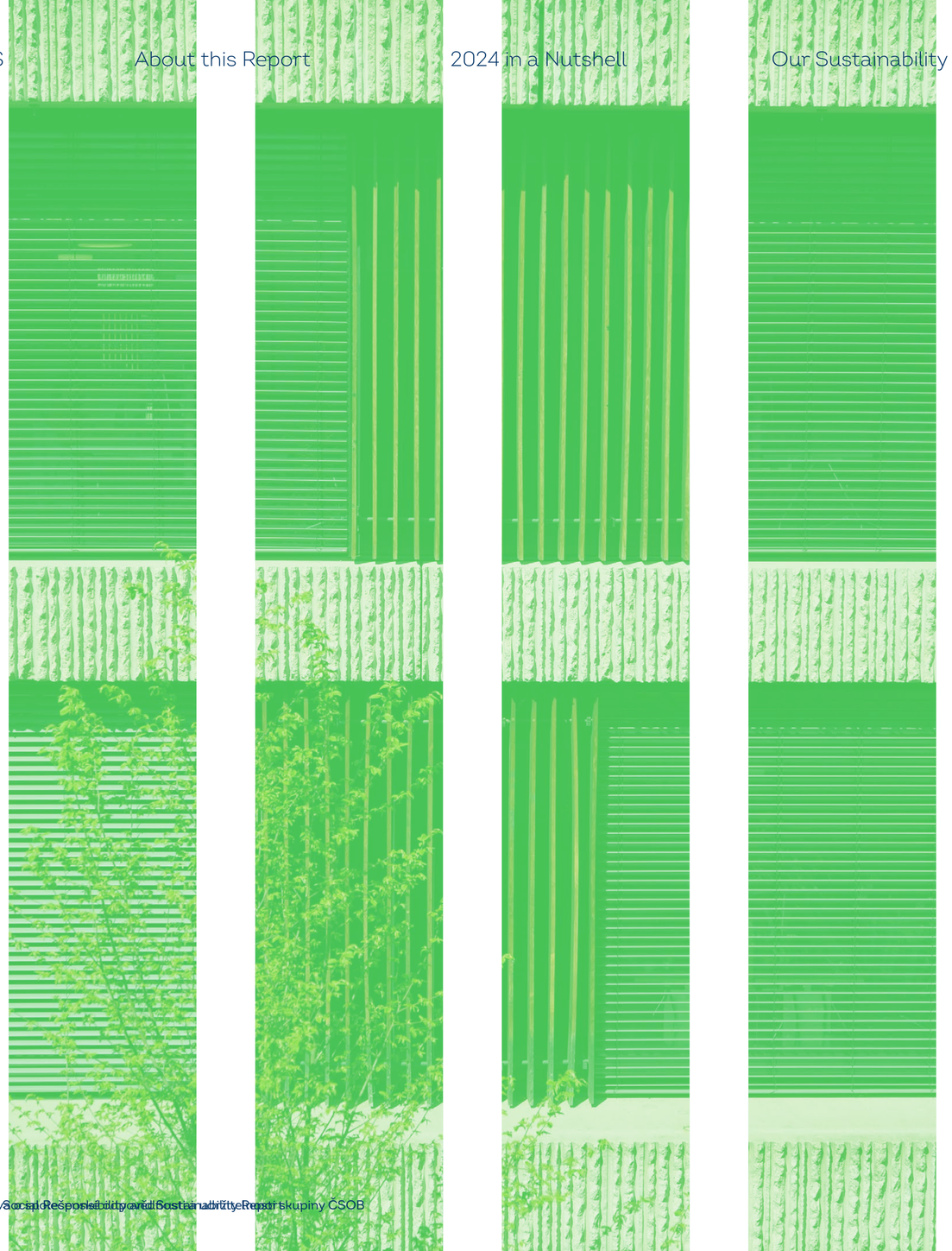
Direct contact: We recommend that our clients first contact their branch office, relationship manager or insurance agent. This is the person who knows the client best and is best placed to help find a tailored solution to clients' potential grievances.

Formal channels for complaints and suggestions: We have formal channels in place through which our clients can raise complaints or submit their suggestions. Information about how to use these channels is available on the ČSOB website. All complaints are closely followed up and immediate action is taken, if necessary. Where needed, the Compliance department gets be involved. Moreover, all complaints and suggestions are analysed afterwards by the relevant product or service department in association with the Risk and Compliance departments.

Sustainability-related requests: Specific sustainability--related inquiries or complaints are addressed by the local Sustainability Department. Clients are able to submit their suggestions, enquiries and complaints to ČSOB via a universal form. Suggestions, enquiries and complaints relating to the parent company can be directed to KBC at csr.feedback@kbc.be.

Expert advisory boards: ČSOB has a longstanding partnership with universities in the Czech Republic. The Group perceives close links between science and research on one side and business on the other as one of the prerequisites of the sound development of the society. Our discussions with experts from the partner universities include sustainability topics. We see these meetings as a continuous stakeholder dialogue that enables us to keep our finger on the pulse of what is taking place in society and helps us to determine the topics we should focus on in our sustainability strategy.





Sustainable **Finance**

OUR APPROACH TO **SUSTAINABLE FINANCE**

Supporting a sustainable society is one of our key priorities. We fulfil it by means of our four main activities: financing, insuring, investing and advising. This section details four areas which pertain to particular components of our approach to sustainable finance.

Sustainability policies:
They define how we include sustainability in all our business activities. We aim to gradually restrict the most harmful activities by implementing these policies.

Sustainable investing:
This is an integral part of our offer to our clients. Sustainability plays an important role in our investments. This is true for our own investments and the investments we make for clients.

Social impact:
We strive for long-term positive impacts of our main activities. We also aim to increase the affordability and user-friendliness of our products and services

Environmental impact:
We are improving our environmental impact through our sustainable finance program, described in-depth in the final part of this section.

Sustainability policies	Sustainable investing	Social impact	Environmental impact
Applicable to business activities	Own investments and investments for our clients	Financing with social impact	Focus on climate and other environmental impacts
Strict exclusion criteria	Strict sustainability criteria	Accessibility and affordability of products and services	Our own environmental footprint
Updated regularly	Focus on positive impact	Financial literacy	Indirect environmental impact
Externally challenged	Independent assessment of our methodology	Microfinance and microinsurance	Measuring climate impacts of our portfolios
			Climate targets





OUR POLICIES IN **FINANCING SUSTAINABILITY**

ČSOB adheres to stringent sustainability policies, or principles, set out by the KBC Group. They apply to all our business activities and help us identify potentially controversial activities and other areas of concern. We will either not engage in these activities or do so only under stringent criteria.

Sustainability principles help us to restrict activities with a harmful impact on the environment, human rights and other important issues. We also set out to use the principles to efficiently control and manage reputational and litigation risks. We update them at least once every two years with support from independent specialists from KBC's External Sustainability Board.



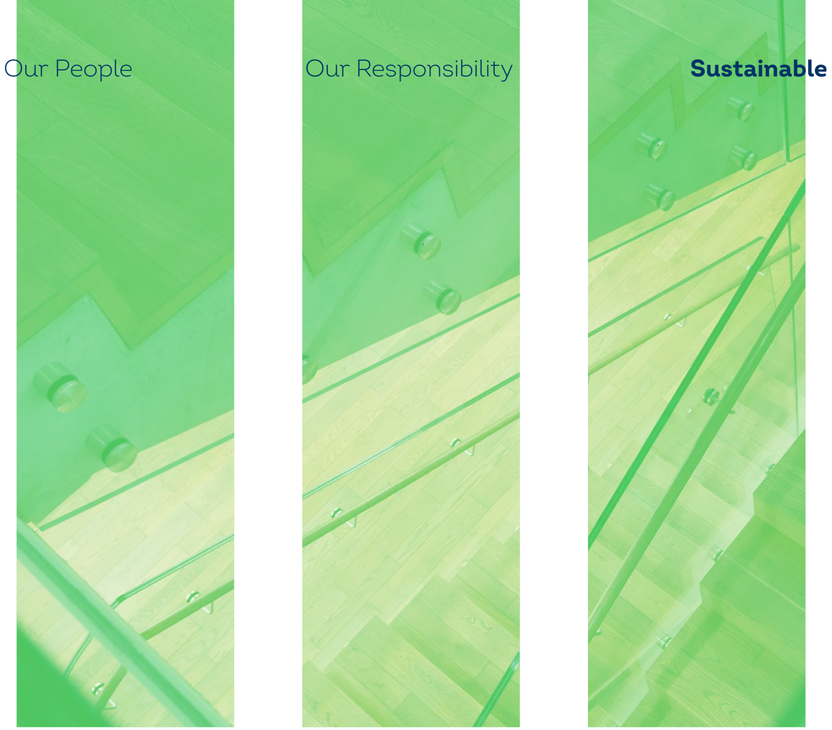
Application of KBC's sustainability framework

The adherence to the overarching framework and individual sustainability policies is **closely monitored** across all our business activities and portfolios. In the event of a divergence from the policies, specific conditions are imposed on the existing credit or insurance relationships and advisory services. Further information on the application of the KBC sustainability framework, including due diligence and remedial action, can be found in KBC sustainability policy documentation.

Expert advice on sustainability-related matters

We have an internal process that supports decision-making in matters related to the provision of financial services in the areas of lending, investment, insurance and advisory services. Within this, expert advice is available on the potential impacts and the assessment of the compliance of particular business activities with KBC sustainability principles and policies. In certain specific areas, this advice is obligatory prior to any business transaction.

This due diligence process enables us, among other things, to ensure compliance of our business transactions with the KBC sustainability strategy and to achieve the goals we have set for ourselves.



Updated and new sustainability policies

In 2024, we reviewed parts of our sustainability policies in the light of evolving societal views and expectations. In particular, we updated:

Defence sector policy:
The goal of this update was to adapt to the changing geopolitical environment and enable more relevant support for Western defence capacity.

However, strict criteria remain in place. Just like the KBC Group, we do not support, for example, companies involved in controversial weapons. We support companies making at least 80% of their arms-related sales to armies or police forces belonging to NATO countries, Ukraine and selected democratic states.

Energy policy:
The aim of this update was to facilitate even broader financing of the much-needed transition to low-emission energy. To this end, we provide financing for renewable energy projects and decarbonisation of heat production, even to companies still involved in coal-related activities. However, in such cases strict conditions apply, including full ring-fencing of the target of financing from the company's other activities.

Biodiversity policy:
The most recent update ensured full alignment of our rules with Europe's latest legislative developments on deforestation. Our policy also ensures, beyond the EU legislative framework, that we finance producers and traders with selected forest commodities and with activities outside the EU (i.e. those not covered by EU regulations) only if their supply chain complies with internationally recognised certification schemes.

Detailed information on these and other policies can be found here: KBC Group's rules and policies.

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SUSTAINABLE **INVESTING**

Sustainability plays an important role in how ČSOB manages its clients' and its own investments. When deciding on the inclusion of assets in portfolios of our investment products, we adhere to core KBC sustainability pillars applicable to investment. They include:



Exclusion of parties on the KBC blacklist.



Consideration of ESG factors within EU's SFDR.



KBC's internal sustainability policies which include additional parameters.

Investing on behalf of our clients

KBC Asset Management (KBC AM), which also structures funds for ČSOB clients, has long promoted responsible investing. KBC AM has also set a goal to be achieved by 2030: to reduce the carbon footprint of the corporate investees in Responsible funds by 50% compared to the end of 2019 reference values, and to continue increasing the proportion of responsible investing in its total investment. The KBC Group aims to have responsible investment funds reach at least 55% of direct client money by 2030.

In accordance with the relevant regulation, we have implemented mandatory verification of ESG preferences of our clients. The ČSOB Group recorded a significant increase in investments into responsible investment funds in 2024.

Investment in ČSOB responsible investment funds

2024 (in CZK bn)	2023 (in CZK bn)	Year-on-year change
24.1	**15.7**	**53.3%**

Gross sales of responsible investment funds managed by KBC Asset management and ČSOB Asset management.

Green bonds

In addition to responsible investment, ČSOB also offers to its retail clients the option of investing in green bonds. ČSOB has its issued own green bond framework in accordance with the 2021 ICMA Green Bond Principles.

2024 (in CZK bn)	2023 (in CZK bn)	Year-on-year change
2.0	**2.0**	**0%**

Our sustainability focus reflects in numerous activities across various platforms: from webinars and special reports to investment tips for clients. Our financial portal Patria.cz regularly publishes articles **on topics related to ESG and sustainable investment**.



Regulatory framework for responsible investment

All **KBC responsible investment funds** qualify as Article 8 or Article 9 funds under the Sustainable Finance Disclosure Regulation (SFDR). Funds that qualify as **Article 8** funds promote environmental and social factors and pursue clear objectives with respect to, for example, carbon footprint. KBC Asset Management has additional specific objectives in place for these funds:

These funds must:

- Promote the integration of sustainability into the policy decisions of issuers (i.e. companies, governments, supranational debtors and/or agencies linked to governments) by favouring issuers with a better ESG score.
- Promote climate change mitigation by favouring issuers with lower carbon footprint in order to reach a predetermined carbon footprint objective.
- Support sustainable development by including issuers that contribute to achieving the UN Sustainable Development Goals.
- Support sustainable development by promoting the transition towards a more sustainable world through investments in bonds to finance green and/or social projects.

KBC's 'ECO-thematic funds' and **'Impact Investing funds'** qualify as **Article 9** funds. In this category, we select companies making tangible environmental contributions. These include companies helping with the transition to climate--friendly technologies, from alternative energy and efficient energy use, or companies that make a positive impact on society or the environment through their products and/or services.

In line with the disclosure requirements under the SFDR, we also disclose how we **integrate sustainability risks** into investment decisions and financial advice. We also explain how we consider principal adverse impacts. Please refer to the KBC Asset Management (AM) Statement on sustainability risks and adverse effects on sustainability.

Exclusion criteria

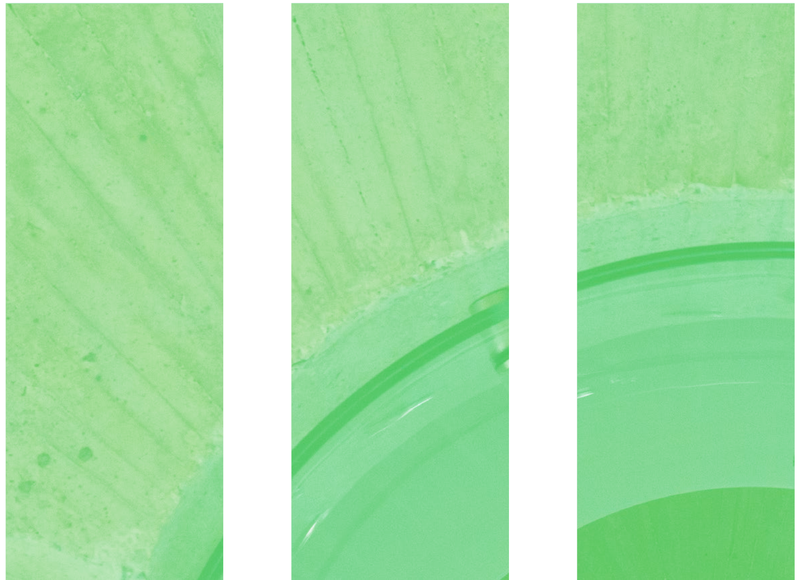
We apply **strict exclusion criteria** put in place for both our conventional funds and our responsible investment funds. More information on the exclusion policies for our conventional funds is available here.
For responsible investment funds, we apply exclusions for gambling, conventional weapons, fur and specialty leather, adult entertainment and fossil fuels. In 2024, we updated the exclusion criteria with a biodiversity policy meaning we also exclude companies whose activities have a negative impact on biodiversity and which do not take sufficient measures to reduce their impact. More information on these policies can be found here.

Independent and expert oversight

KBC Asset Management works closely with the Responsible Investing Advisory Board that advises on sustainability policies and screening results. The two sides meet at least once a quarter to ensure continued compliance with the **highest possible standards** for responsible investment funds.

Sustainability in ČSOB's own investments

We follow **strict ethical restrictions** regarding our own investments. As a basic rule, ČSOB complies in its own investing operations with the same exclusions that apply to responsible investment on behalf of its clients. More information is available in the KBC Group Investment Policy.



OUR COMMITMENT CONCERNING OUR **SOCIAL IMPACT**

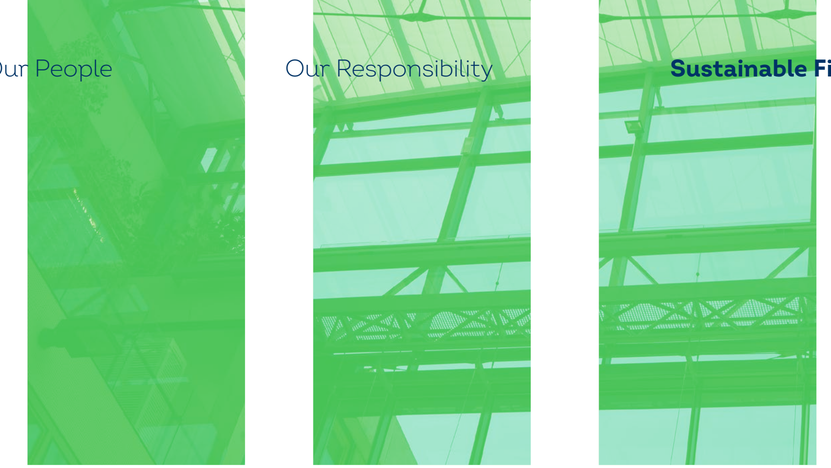
FOR LONGEVITY

ČSOB is a reliable partner to its clients, especially in the world of finance. They use the Group's products and services **throughout their entire lives**. We are therefore familiar with the issues and challenges they face, from the time of their studies through their productive careers to retirement and old age. We **stay on hand** in every life situation and offer specialised products and services. ČSOB also supports a range of nonprofit projects and participates actively in public discourse.

Helping senior citizens and members of the sandwich generation

We pay close attention to our **senior fellow citizens** as well as to members of the generations about to retire from their careers. We are equally mindful of the issues faced by members of the **sandwich generation** who raise their children while also looking after their parents. The ČSOB Group presently has approximately **1 million clients** aged 65 and above.





All our clients aged 65+ are able to request extra benefits to enjoy with their bank accounts. These include, for example, an unlimited number of payment orders that are submitted at Česká pošta post offices or ČSOB branch offices and **free home cash delivery** to a specified address once a month. The benefits also include the waivers of the payment order fee and the fee otherwise charged when changing payment card limits. Senior citizens are also not charged for verification text messages for their digital banking and enjoy a discount on the printed statement fee. ČSOB will continue to treat this group of clients with respect for their specific needs. ČSOB can even act on behalf of its elderly clients by placing **requests** at a branch office or a post office to the social security administration **to forward a pension** to the client's bank account.

ČSOB also operates its **Seniors' Line** (Linka pro seniory). The system operating the line automatically identifies the phone numbers of clients aged 70+ and connects them to a dedicated interactive voice response (IVR) system that automatically relays the call to a team specially trained to communicate with elderly clients as soon as it fails to understand a request. In 2024, our call centre colleagues took some **66,000 calls** on the seniors' line, equalling almost 1,300 a week.

ČSOB has a **guide for elderly citizens** on its website, Průvodce seniora světem financí (Senior's guide to the world of finance), and a dedicated section **For retirement with a smile** (Pro důchod s úsměvěm).

In partnership with **Sue Ryder**, ČSOB operates the Neztratitsevestari.cz (Don't get lost in old age) portal, designed to provide support to elderly citizens and their close ones. The project includes advice from experts in the fields of psychology, healthcare, legal issues and finance. Enquiries can be made on the website, or by telephone (777 718 465), e-mail (poradenstvi@sue-ryder.cz) or in person. The project also extends to online webinars and in-person advice.

Also in cooperation with Sue Ryder, ČSOB organises **Advice days for senior citizens and their close ones**, held several times a year in cities and towns around the country. In addition to one-on-one consulting on legal matters, psychology, social issues and finance, the events also offer captivating lectures by experts on cybersecurity.

ČSOB continues its **cooperation with mobile hospices**. As part of the cooperation, ČSOB employees volunteer in their free time or during their volunteering days to assist in hospices with management and/or financial matters.

ČSOB has extended its cooperation with nonprofit organisation **SeniorOn**. The organisation engages students who regularly visit retirement homes and community centres to **assist senior citizens with the use of personal computers and smartphones**. On these occasions, students give lectures as well as one-to-one advice.

ČSOB also organised **lectures in community centres and seniors' clubs** on financial literacy and cybersecurity.

Helping people with disabilities

People with disabilities who are ČSOB clients can enjoy the same benefits tied to their bank accounts as clients aged 65+, including the fee waiver on payment orders and the delivery of cash up to CZK 20,000 once a month to a specified address in the Czech Republic.

Almost all ČSOB's ATMs are fitted with voice navigation to assist people with sight impairments. They run software modified from a previous version in cooperation with **Czech Blind United** (Sjednocená organizace nevidomých a slabozrakých ČR, SONS).

With its substantial number of branch offices and franchises at post offices, ČSOB is the biggest provider of banking and insurance services with barrierless access.

Employees at our branch offices have at their disposal a system that automatically transcribes verbal communication into text for use by people with hearing impairments. A similar service is available when communicating with the bank through its website.

ČSOB cooperates with **Jedlička Institute** (Jedličkův ústav), its schools and its foundation.

Helping together with our clients

Goodwill Card

A special debit card available to ČSOB Private Banking clients comes with the option of regular, automatic contributions to charitable causes. Cardholders simply specify an amount for their **voluntary contribution**. The sum is then added to the cost of each transaction and donated to assist children and adults in difficult health situations. Additional funds are added by ČSOB and Mastercard. Since the card's inception, as much as **CZK 25.3m** has been donated in this way, helping **622 people in need**.

Premium Karta

This credit card, available to ČSOB Premium clients, combines the worlds of finance and philanthropy. An amount equal to 0.1% of each transaction is donated towards the costs of training guide dogs for people with sight impairments. ČSOB and Mastercard each match the contribution, in effect tripling it. The funds are donated to **Mathilda Endowment Fund** (Nadační fond Mathilda) to help finance its **Happy Guide Dog** (Šťastný vodicí pes) project. By the end of 2024, the total donated exceeded **CZK 9m**.

ČSOB NaDobrouVěc

This service is intended for retail clients. It enables the client to **contribute to charitable projects** of a nonprofit organisation of their own choice. The service is actively used by no less than 3,151 clients. By the end of 2024, the total amount contributed exceeded **CZK 8.5m**.

World of rewards

ČSOB's loyalty program **World of rewards** (Svět odměn) automatically awards clients points in return for card transactions and the use of ČSOB financial products. Points accrued can be traded for a range of benefits to be enjoyed by the client or someone else. Each point counts as one crown. Clients can also **donate to nonprofit organisations** People in Need, Nadace Charty 77 – Konto bariéry, Linka bezpečí, Nadační fond Mathilda, Safari Park Dvůr Králové, Sázíme stromy (We plant trees) or Výbor dobré vůle – Nadace Olgy Havlové. Last year's record-breaking donation of **CZK 2,862,300** was used to help children and people with disabilities, protect vulnerable animals and plant trees.

Helping where it's needed

Helping to clear up after floods

In partnership with **People in Need** (Člověk v tísni), ČSOB promptly launched a fundraiser titled **SOS Floods** on the darujspravne.cz fundraising platform. Our employees, clients and the general public donated no less than **CZK 20m** in support of people affected by the devastating floods while ČSOB added another **CZK 20m**. We also extended our program ČSOB helps regions and added another **CZK 5m** to the flood relief to support nonprofit organisations, municipalities and local action groups who helped residents affected by the floods as well as in repairing the damaged infrastructure in affected areas.

We created a dedicated website to assist clients impacted by the floods. ČSOB Pojišťovna dispatched specialised mobile teams to the worst affected regions to provide advice and assist in filing and settling insurance claims. They also helped with the distribution of advance payments on these claims. The insurer accelerated the claims settlement process and the disbursement of advance payments. The Group also offered deferrals of mortgage payments and loan repayments.

On a trip with ČSOB

In 2024, ČSOB prepared as part of its project **On a trip with ČSOB** (Na výlet s ČSOB) trips to no less than **56 attractive destinations** across the country for anyone keen on hiking and nature. By taking part, clients were able to not just take part in a competition but also to support five of our partner nonprofit organisations: Czech Paraplegia Association – CZEPA, Sázíme stromy, Sdružení Neratov, Sue Ryder and Výbor dobré vůle – Nadace Olgy Havlové. ČSOB donated **CZK 150,000** to be shared among the recipients.

Thanks, coach

For what was already the sixth time, ČSOB once again partnered with the **Thanks, coach** (Díky, trenére) initiative and helped reward those who show children how to play and enjoy sport, while also developing a sense of positive discipline and fair play in the young ones. The title of **Youth Coach of the Year 2024** went to Anna Velichová, who leads the figure skating section at Spartak Žebrák. Along with the title, Anna Velichová received CZK 50,000 for a coaching internship. The winner of the **Most Sympathetic Coach** title was Ladislav Zrust, a basketball coach from Borotín. The awarded coaches shared a pot of CZK 155,000 in total to help them develop their coaching skills or improve their respective clubs.

Mathilda Endowment Fund

ČSOB is the general partner of the **Mathilda Endowment Fund** (Nadační fond Mathilda). The fund supports people with serious sight impairments and secures the training of guide dogs. Last year, the fund received **CZK 1.79m** from ČSOB.

Safety Line

ČSOB is also a partner of **Safety Line** (Linka bezpečí), the most extensive free, nationwide service dedicated to children and young people up to the age of 26. It helps to resolve difficult life situations as well as day-to-day worries and issues. In 2024, the helpline celebrated 30 years of providing assistance where needed. ČSOB contributed **CZK 1.35m** towards the line's operating costs.

Czech Paraplegia Association – CZEPA

By supporting the **Czech Paraplegia Association** (Česká asociace paraplegiků, CZEPA), ČSOB helps people dependent on wheelchair use to resume normal life and employment. And the assistance goes both ways as association members regularly **check the accessibility** of our branch offices and franchises. Last year, ČSOB supported the Association with an amount of **CZK 621,000**.

What's happening within the Group

ČSOB Asset Management

The division regularly donates to foundations and other bodies working for the public good. For many, ČSOB Asset Management also manages their funds as part of individual portfolio management. In 2024, the division donated a total of **CZK 540,000**.

ČSOB Asset Management provides long-term support to:

- Nadace Dětský mozek
- Nadaci Jedličkova ústavu
- Výbor dobré vůle – Nadaci Olgy Havlové
- Dobromysl, o. p. s.



ČSOB Leasing

The division supports individual nonprofit organisations with advantageous leasing or vehicle sales.

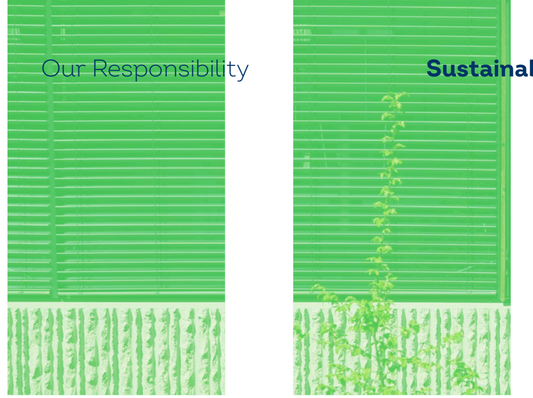
Nursing home Elišky Purkyňové was loaned an electric vehicle for the transport of its elderly clients between buildings and to and from hospital, and for transporting meals.

ČSOB Leasing, together with ČSOB Pojišťovací makléř, has maintained a partnership with the **Integrated Sports Association** since 2013.

ČSOB Pojišťovací makléř

The division provides accident and third-party liability insurance for vehicles operated by nonprofit organisations that it has previously supported through the provision or advantageous sale of a vehicle. In 2024, the division assisted **Safety Line** (Linka bezpečí) in this manner.

ČSOB Pojišťovací makléř, together with ČSOB Leasing, has maintained a partnership with the **Integrated Sports Association** since 2013.



ČSOB Pojišťovna

With offices in **10 regions**, the insurer improves the lives of people all over the country. ČSOB Pojišťovna supports public benefit projects and provides assistance to senior citizens and people with disabilities.

Since 2015, the insurer has not missed an opportunity to take part in the **Philanthropy Exchange** (Burza filantropie) event in the Pardubický Region. This unique project provides an opportunity to be actively involved in the life of the region and to target assistance to a project with a real impact for local communities. Since joining the project, the insurer has contributed to countless initiatives, ranging from supporting children with rare congenital conditions to funding equipment for schools and preschools to helping families in difficult life situations. In 2024, the division contributed to **6 selected projects with an amount of CZK 125,000**. These projects included therapy services for foster families, assistance for refugee communities and activities for children with disabilities. This year marked the 10th anniversary of ČSOB Pojišťovna's involvement in the project. Thanks to a special effort by the organisers, a record-breaking amount was distributed among the supported projects. Donors supported regional nonprofits with a total amount of CZK 912,000. We are immensely proud that we are a part of this initiative, which has a long-term track record of improving the lives of people around us.

ČSOB Hypoteční banka and ČSOB Stavební spořitelna

For more than two decades, Hypoteční banka has been a partner to **SOS dětské vesničky**. The organisation is the oldest nonprofit in the Czech Republic dedicated to helping vulnerable children. Its aim is to provide safe homes and happy childhoods. In 2024, Hypoteční banka was joined in providing support to the organisation by ČSOB Stavební spořitelna for the fourth year running. Both divisions supported SOS dětské vesničky with a donation of **CZK 200,000**. The funds were used to repair the homes of foster families.

As has become tradition, the divisions invite children from **SOS dětské vesničky** to celebrate the feast of St Nicolas at the ČSOB headquarters along with Group employees and their children. In early December, we thus welcomed 30 children from the children's village in Brno-Medlánky and several families from Prague and the surrounding area. Children made winter decorations, enjoyed a concert by Pískomil se vrací and sung carols with a devil and an angel, the traditional St Nicolas feast characters. They returned home with plenty of new impressions and St Nicolas sweets.

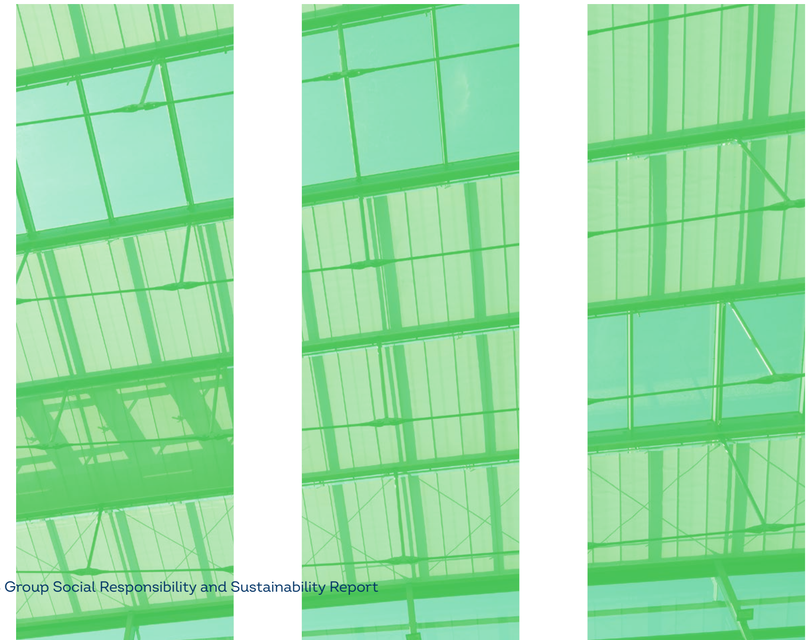
Patria Finance

The division provides both financial and moral support to the **Memory of the Nation** (Paměť národa) project. The project has amassed one of the most extensive collections in Europe of memories of historical events shared by contemporaries. The collection is managed by public benefit society **Post Bellum**.

Patria Finance is a partner of **Supernova Club**, which helps top athletes nearing the end of their sporting careers to jumpstart their next career, be it in the role of an employee, an entrepreneur or an investor.

FOR EDUCATION

We very much wish to see our clients feel not just comfortable but, above all, safe in the world of finance. That's why ČSOB is so active in the field of financial education for both adults and children. As financial literacy can no longer be separated from digital safety, ČSOB has developed the ČSOB financial and digital education for schools program, joining forces with the Police of the Czech Republic in doing so. To those adults who have had the misfortune of falling victim to over-indebtedness, we offer assistance through free advice and useful lectures.



ČSOB financial, digital and sustainability education for schools

Our employees – **financial literacy ambassadors** – have been visiting schools since 2016, lecturing pupils and students on managing finance in a fun and interactive way. Using practical examples, they explain ways of managing various situations. The program includes six different blocks: Money, Household economy, Modern technologies, Using debt responsibly, Financial products, and the most recent one, Environmental and economic sustainability.

The lecturers include presentations and videos, and make use of modern technologies, including tablets and smartphones. Away from school premises, ČSOB can organise lectures in its own buildings or at other venues, such as science centres. The lectures are free for the schools. In the lectures, and the program as a whole, ČSOB does not pitch its brand or its products, but it does pitch its vision for better education.

By the end of 2024, no less than **469 ambassadors** were involved in 6,970 lessons provided to **102,259 pupils** and students across 1,247 schools.

Having been **accredited by the Ministry of Education, Youth and Sports** in 2019 to educate teachers of grades 5 to 9 and secondary school tutors, ČSOB is in a position to assist teachers even more efficiently in delivering financial literacy lessons. Graduates of the educational program obtain a **certificate** that doubles up as a verified record of further education in tutoring, as required by the Ministry.

In 2021, ČSOB developed its **ČSOB Filip** mobile app that acts as a children's guide to the world of finance. It readies children for situations that they will encounter as adults. In addition to the world of finance, the app also provides easy-to-understand explanations of other topics, such as Online space and networks and Environmental protection and sustainability. Its updated version is available as part of ČSOB's app DoKapsy.

In 2023, ČSOB launched its new educational program **Respect, planet!** (Respekt, planeto!) As a bank, we have a lot to say on the topic since the banking sector is one of the leaders in sustainability. As sustainability is a topic of interest for schools, ČSOB developed a series of animated educational videos that teach children about mindful and sustainable behaviour. Children also learn how to protect the planet and save money when travelling, shopping or using water and energy. The videos also explain concepts such as sustainability, the carbon footprint, renewable sources, fossil fuels, and others. There are also podcasts to go with the educational videos.

These days, everyday activities gradually shift into the online realm, and that shift includes banking. That is why we teach children how to **navigate safely** not only through the world of finance but also in relation to the **internet and social media**. Children need to be aware of the risks and measures needed to protect themselves, just as they would in the physical world. In cooperation with the Police of the Czech Republic, ČSOB has developed a series of courses called **Your journey #online** (Tvoje cesta #onlinem) that focus on digital safety. The courses are delivered in schools by cybersecurity experts from ČSOB and prevention officers from the police force. Thanks to this cooperation the course can present and use real-world cases that actually unfolded in the Czech Republic.

The courses are also supplemented with the instructive **Your journey #online podcast** (Tvoje cesta #onlinem podcast). The podcast provides guidance on avoiding trouble online. Continuing in the same spirit, ČSOB also developed a similar series of podcasts titled „Jak ušetřit kolem nás a chovat se udržitelně“ (How to avoid waste and be sustainable).

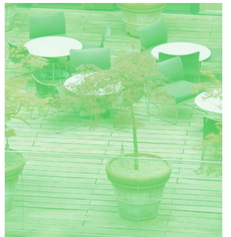
When it comes to online safety and resolving specific issues that children might encounter, ČSOB also cooperates with **Safety Line** (Linka bezpečí).

ČSOB is involved in the **Bankers to schools** (Bankéři do škol) project run under the auspices of the **Czech Banking Association**. The project facilitates meetings between students and leading Czech experts in banking and finance. As many as **280 students** were trained by **10 ČSOB employees** who have all been engaged in improving financial literacy for a number of years.

Helping people avoid the debt trap

As well as providing education in schools, ČSOB helps the older generations at various seniors’ clubs. ČSOB also cooperates with **People in Need** (Člověk v tísni) in helping to stop people amassing unmanageable debt. The Group co-finances the provision of free debt advice and responsible debt resolution through **Financial distress advisory centre** (Poradna při finanční tísni).





Supporting Czech science centres

ČSOB became an active member of the **Czech Association of Science Centres** back in 2016. Together, we pursue topics such as financial education, security online and sustainable living. The centres' activities are aimed at families with children and school groups. The science centres regularly organise workshops focused on financial literacy. In some of them, ČSOB also has displays dedicated to digital security or general knowledge quizzes.

In 2022, ČSOB in cooperation with the Police of the Czech Republic, started delivering **project days for schools** in the science centres. The events are visited by over 2,000 pupils from all over the Czech Republic every year.

Cooperating science centres

- iQLANDIA, Liberec
- Pevnost poznání, Olomouc
- Svět techniky, Ostrava
- Techmania Science Center, Plzeň
- VIDA! science centrum, Brno

Facilitating access to education

Education Fund

Education Fund (Fond vzdělávání) is the oldest philanthropic project pursued by ČSOB. It was established in 1995 in partnership with **The Committee of Good Will – Olga Havel Foundation** (Výbor dobré vůle - Nadace Olgy Havlové). Its purpose is to support talented students of high schools and vocational schools as well as students studying at colleges and universities who would otherwise be unable to afford their studies due to a health or social disadvantage.

From the launch of the program through to the end of 2024, ČSOB supported no less than **725 students** with bursaries and another **644 students** with one-off grants for tuition or school aids. In total, ČSOB has so far donated some **CZK 42m** in support of education.







Study and work

Each year, students have an opportunity to work in the ČSOB branch office network. In 2024, the option was taken up by **275 students**. Those who meet specified criteria and enjoy the work can become full-time employees once they complete their studies.



Cooperating with students and schools

In 2024, as many as **69 students** from high schools, vocational schools and universities worked at ČSOB as interns and **23 students** completed their graduation paper, thesis or dissertation while with us. ČSOB participated in 14 job fairs at universities and other events for secondary school students.

ČSOB cooperates with hundreds of elementary and secondary schools through its ČSOB financial and digital education for schools program. Apart from being a partner of the **Faculty of Informatics and Statistics of Prague University of Economics and Business**, ČSOB also cooperates with the following institutions:

- Czech University of Life Sciences Prague
- Czech Technical University in Prague
- University of South Bohemia (České Budějovice)
- Technical University of Liberec
- Palacký university Olomouc

ČSOB experts also had an opportunity to deliver lectures to foreign students. In April, ČSOB Kampus was visited by Prof Michael Frenkel of WHU – Otto Beisheim School of Management in Germany together with **20 students from Carnegie Mellon University, Pittsburgh**. They visited European cities as part of their MBA studies to learn about the inner workings of various businesses and corporations and they also listened to captivating lectures delivered by colleagues from the departments of Economic Research and Group Controlling and Investor Relations. ČSOB has supported students from the university for a number of years, thus promoting the Czech Republic and ČSOB abroad.

What's happening within the Group

ČSOB Asset Management

The division donated CZK 90,000 to the **High school, elementary school and preschool for children with hearing impairments in Prague 5**.

ČSOB Penzijní společnost

ČSOB Penzijní společnost pays close attention to developments in the area of ESG (Environmental, Social and Governance) investment. The pension funds managed by the division can boast of a strongly responsible structuring. The division's **ČSOB dynamic responsible pension fund** is performing well. Established three years ago, it invests mainly in stocks, mutual funds and bonds that advance environmental and social responsibility.

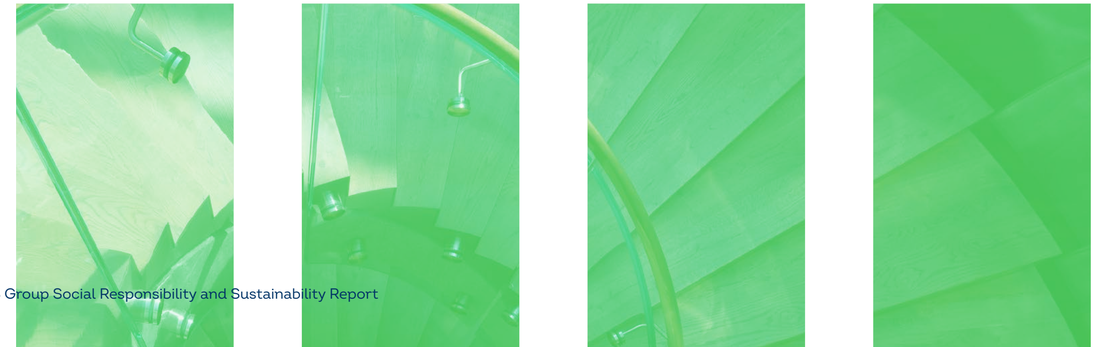
The division offers **internships** for students of secondary schools and universities. Students can also find temporary jobs with the division.

The division's employees also regularly deliver **specialised lectures** at secondary schools and universities.

ČSOB Pojišťovna

ČSOB Pojišťovna is very serious about its relationship with society and ways in which it can contribute to a better future for the coming generations. In 2024, the division won 3rd place in the „Responsible insurer of the year" category with its **Digital Academy for Secondary Schools** project. The project is an integral part of the insurer's broader focus on education of the young generations in the areas of digital technologies and online safety. ČSOB Pojišťovna also participates actively in improving financial and digital literacy among children, seen as a necessity for their further development. As many as **35 employees** are involved in educational projects such as **Penězověda** (MoneyScience) and others.

ČSOB Pojišťovna greatly appreciates **young talented people** and works hard to create suitable conditions for them conducive to career growth through mandatory short-term internships and trainee programs that enable them to gain valuable experience in the insurance industry. The insurer is always eager to cooperate with students compiling their graduation papers, theses or dissertations. Students gain practical experience of, and deeper insights into, the industry while ČSOB Pojišťovna is able to benefit from fresh ideas and new perspectives that can enrich its processes and lead to innovations.





ČSOB Stavební spořitelna

ČSOB Stavební spořitelna is a longstanding partner of **Financial distress advisory centre** (Poradna při finanční tísni). The advisory centre provides free debt advisory service and helps around 10,000 clients every year.

Patria Finance

Financial and investment literacy are the cornerstones of the division's social responsibility activities.

The division organises regular **workshops** and **webinars**, improving investment literacy among students and the public in general.

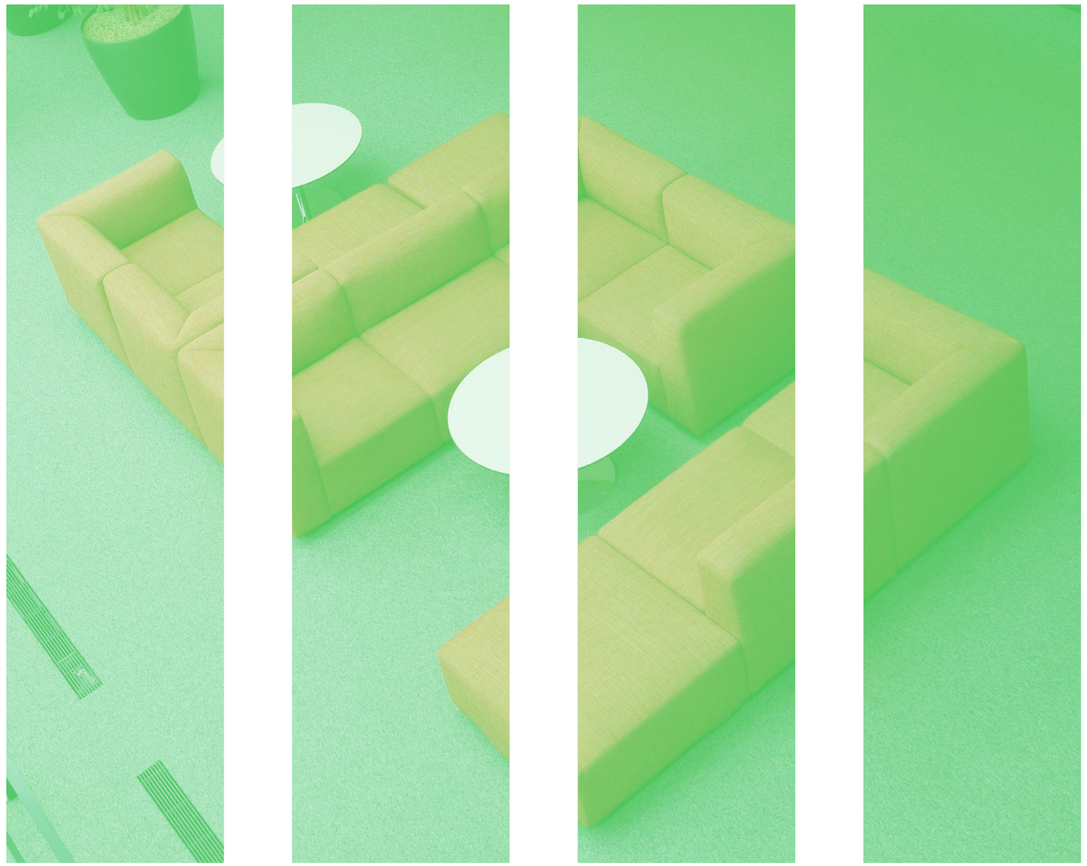
Under the auspices of its Nadační fond Patria (Endowment Fund Patria), the division created and continues to develop and promote the educational **app INVESTO**.

The division is a longstanding partner of the **Investors' Club** at the Prague University of Economics, while it also provides financial support to the Institute of Economic Studies at the Faculty of Social Sciences, Charles University.

FOR BUSINESS

In the ever-evolving world, we cannot afford to neglect innovative products and services, and the same applies to the Czech economy at large. That's why ČSOB assists entrepreneurs who are starting out and small businesses. We help them in their efforts and projects, and we share our experience with them. We help businesses in their transition to sustainable business models. The Group also supports brave women who realise their ideas and make headway in the private sector despite lingering prejudices.

ČSOB partakes in public discourse and participates in forums and meetings of experts where it can fight for the entrepreneurs' corner. ČSOB also works hard to help reduce legislative obstacles.



Helping the Czech economy

There are still many businesses for whom the transition to a sustainable mode of operation remains difficult to grasp. That is why ČSOB is very much involved in a number of platforms dedicated to **supporting the decarbonisation of the Czech economy**, such as the Sustainable Finance Committee of the Czech Banking Association, Climate & Sustainable Leaders Czech Republic and the communication platform CSRD.cz. Even though the platforms focus on assisting both businesses and individuals in comprehending the requirements relevant to them as well as with setting realistic goals and selecting the current tools to achieve them, ČSOB chose in 2023 to launch its own solution.

Green0meter

Green0meter is one of the startups that have successfully graduated from the Start it @ČSOB acceleration program. The vision of Green0meter's founders was to help businesses make the transition to a sustainable model through the use of data and artificial intelligence (AI). In June 2023, ČSOB's parent KBC founded a joint venture with Green0meter, Digital & Legal, s. r. o. The purpose of the new enterprise is to ensure that the Group's business clients have at their disposal digital, fully customised and professional **sustainability advice** combined with suitable financing options. KBC, ČSOB and Green0meter have thus become a catalyst and mediator in the transition to more sustainable business operations.

Guide for Entrepreneurs (Průvodce podnikáním)

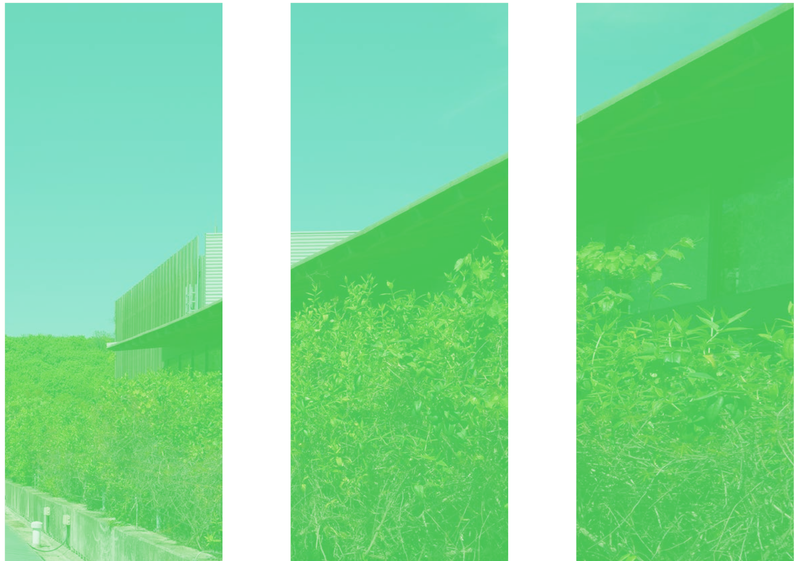
The Group's portal at www.pruvodcepodnikanim.cz serves as a guide that assists both entrepreneurs starting out and established business owners in finding their way around applicable rules and legal requirements. Success cannot be achieved without reliable information and our portal helps entrepreneurs to acquire the required facts in a timely fashion and in an easy-to-understand format.

The portal contains:

- articles dedicated to finance, law, commerce, marketing and administration
- interviews with experts and successful businesspeople
- practical guides for a range of business and employment-related situations
- a calendar with important tax dates
- templates for competitor analyses and cash flow
- a wealth of other useful documents and forms

Starting and developing a business

In 2024, ČSOB helped 251 entrepreneurs who were starting out to access funding from its **Entrepeneurs Starting Out** (Začínající podnikatelé) program. Loans for firms starting out and entrepreneurs are available thanks to support from the European Investment Fund that is designed not only to support small and medium sized enterprises but also to improve the chances of those looking to acquire required financial support to start and develop a business. The funding is supported by a European guarantee provided as part of the EU Programme for Employment and Social Innovation (EaSI).



Women entrepreneurs

ČSOB pays special attention to businesswomen, whose side we want to stand by, not only when establishing companies, but also during the course of doing business and when overcoming any possible social prejudices. That's one reason why ČSOB in 2024 was once again the general partner of **Czech Businesswomen Awards** (Ocenění českých podnikatelek) including the ČSOB-sponsored award Exceptional Businesswoman. The category award went to Jana Svobodová of Jumping Fitness.



Courage and a healthy dose of self-confidence are key preconditions of success in any type of business. The perfect combination of these two aspects are evident in the business story of Jumping Fitness. To start a business just as one reaches adulthood takes quite a bit of courage. And to serve clients in more than 50 countries after just a few years on the market is no doubt a mark of self-confidence. It makes for a story that can justly serve as an inspiration for other young female entrepreneurs starting out. Even though the conditions for women starting a business in the Czech Republic are gradually improving, there is still some catching up to do compared to western countries. In one of the remedial measures, ČSOB together with Ženský byznys (Female Business) helped in 2024 to bring to the Czech Republic Visa's global program **She's Next**. The project helps female entrepreneurs grow their business not just through financial assistance but also by providing access to expert advice in the areas of marketing, legal services and banking products.

The program's panel of experts, which included Michaela Bauer, a Member of the Board of ČSOB, selected the following five winners, who each received a package worth about CZK 700,000 to support their business:

Lenka Baarová
Textile Mountain

Vanda Kofroňová
Spolek Filharmoniště

Kateřina Rýdlová
Body Moody, s. r. o.

Marieta Tedenacová
Marieta Tedenac

Natálie Marie Vlčková
Adolphinata



Helping startups and innovative companies

Start it @ČSOB

The Group's accelerator, Start it @ČSOB, most often attracts B2B tech startups entering the go-to-market stage. The accelerator helps these startups to avoid the most common mistakes and provides mentoring as well as a range of workshops. Participants can obtain up to four places at the Group's HQ in Prague-Radlice and international support from the Global Accelerators Network for the lifetime of their company, facilitating access to foreign markets. The accelerator opens its doors to new firms every six months. As many as **108 startups** have received support since the program's launch.

In 2024, ČSOB joined forces with Mastercard to launch a special **Fintech Challenge** dedicated to startups innovating in the world of finance. This challenge eventually provided support to six startups, such as Cequence which develops solutions for contract management automation. There was also an **agnostic acceleration round** in which a total of 10 startups received support. Among the supported enterprises were, for example, a developer of software, YoungLink, which helps prevent bullying in schools, Lawrence AI, which has developed a virtual legal assistant, and Fashiontéka, an online slow fashion rental.

ČSOB also continued its Start it @UNI program for university students. In cooperation with enterprise incubators operating at selected universities in the Czech Republic, ČSOB helps to raise the chances of student projects succeeding on the market. The program's **Validation Camps** let students improve their odds through practical discussions with experienced mentors from established startups and other experts. They can also find new colleagues and apply for a validation grant of CZK 20,000 to help them ascertain market demand. In 2024, there were 6 Validation Camps, with a total of 200 participating students. In total, **680 students** have taken part in this program since its establishment.

ČSOB has consolidated its active position in the startup community by organising lectures for graduates, meetings with investors and presentations of successes of our startups in 2024.

Our startups attracted some serious investment:

- Lawrence AI (CZK 4.5m)
- HTQ medical (CZK 4.5m)
- Young Link (CZK 1.5m)

Electric Cafe Bike won the Creative Business Cup Czech Republic.

Supporting social enterprises

Zlatá vážka

In cooperation with the Declaration of Responsible Business, ČSOB announced the national Zlatá vážka (Golden Dragonfly): Czech Social Business Awards. The awards recognise social enterprises and their employees who stand out and benefit society. The project also provides inspiration in terms of mutual cooperation among social enterprises, corporations and national and local governments. The year 2024 saw the second edition of the awards.

Products and services from social enterprises

In 2024, ČSOB acquired goods and services worth **CZK 88,320,525** from the following social enterprises and sheltered workshops employing people with disabilities:



Supplier	2024	Supplies
ERGOTEP, družstvo invalidů	CZK 39,001,204.00	Processing of documents, marketing services, package distribution and IT testing
Kolibřík CSR, s.r.o.	CZK 21,603,595.32	Processing of documents, administration
Mark2 Corporation Logistic, s.r.o.	CZK 12,318,798.00	Guarding of HQ premises (Prague)
SDZP družstvo	CZK 4,289,161.18	Contact centre operators (back-office services)
Agentura PANCÉŘ, s.r.o.	CZK 3,520,696.12	Guarding of premises and filing room operations
ZEBRA OUTSOURCING, s.r.o.	CZK 3,374,944.07	Contact centre operators (back-office services)
TeamPrevent-Network, s.r.o.	CZK 1,484,799.00	Healthcare services
B+N Czech Republic Správa Budov, s.r.o.	CZK 1,225,000.00	Facility management services
ATALIAN Servis CZ, s.r.o.	CZK 500,000.00	Branch office modifications, cleaning
Transkript online, s.r.o.	CZK 271,300.00	eScribe services (transcription for people with hearing impairments)
Stanislav Hruška	CZK 219,977.33	Wine and refreshments
Profi-tisk group, s.r.o.	CZK 196,203.84	Refreshments
A MANO, s.r.o.	CZK 183,825.58	Coffee, teas, coffee machines and accessories
Sdružení Neratov, z.s.	CZK 65,191.71	Promotional merchandise
SPINWARE, s.r.o.	CZK 40,000.00	Employee training services
Revenium, z.s.	CZK 14,497.00	Promotional merchandise
Modrý domeček, s.r.o.	CZK 7,812.50	Promotional merchandise
KALNEX CZ, s.r.o.	CZK 2,400.00	Wines and refreshments
EMEDIS, s.r.o.	CZK 1,119.54	Promotional merchandise



What's happening within the Group

ČSOB Pojišťovna

We are convinced that the best way to manage risk is prevention. This is reflected by the broad range of insurance options we offer top businesses both as protection against risks and as preventive measures. Everyone can find a fitting solution, from sole traders and small businesses to corporations, apartment buildings, or even cities and municipalities. In addition to traditional insurance products, such as property and third-party liability insurance, we also insure against cyber risks and professional liability insurance. With these products, businesses can minimise the impacts of unforeseen events and focus on their growth and stability. We also assist in covering losses that pose an immediate threat to business operations and have products tailored to the specific needs of different occupations and industries.

We provide specialised insurance cover, including:

- **Agricultural insurance**
- **Tour operators' bankruptcy insurance**
- **Real estate brokers' third-party liability insurance**
- **Aviation insurance**

FOR THE REGIONS

ČSOB helps regions

The ČSOB pomáhá regionům program supports local projects that benefit the needy, local social life and charitable activities across the Czech Republic. In the 12 years of its existence, the program has supported as many as **1,615 community projects** with an amount of some **CZK 99m**.

Under the program, twice a year, five projects in each region compete for financial support from the public and a donation from the bank in each of two annual rounds. Four projects are selected by a panel of experts, while the fifth receives a „wild card" through a public vote. The Group donated the amounts of CZK 50,000, CZK 40,000, CZK 35,000, CZK 25,000 and CZK 10,000 to the five projects, allocated in the order in which the individual projects attracted funding from the public.

The twelfth edition of the program distributed the **highest amount on record – nearly CZK 11m**. In the spring round, the public donated CZK 3,114,020. The bank's contribution ensured that the total funding for the regional projects reached CZK 5,439,020. In the autumn round, the public donated CZK 3,198,632 towards the total of CZK 5,418,632.

The most successful project of the spring round was that of a **retirement home for dogs**. The civic association Smečka (Pack) from Knihánkov collected a total of **CZK 485,536** from the public and the bank. The resources will be used to fund care for aged, sick and injured dogs.

In the autumn, a project named **Puppets in hospital help children and seniors** (Loutky v nemocnici pomáhají dětem i seniorům) attracted the greatest popular support. Activities of the Puppets in hospital civic assocaiton that brings joy and much needed relief to the youngest and oldest hospital patients received a total of **CZK 422,750** from the public and ČSOB.

In autumn 2024, the Group extended its ČSOB pomáhá regionům program in response to the floods that swept parts of the country. It announced special **flood relief** to which the Group donated an extra CZK 5m to fund activities of nonprofit organisations, municipalities and local action groups, who helped in repairing public infrastructure in impacted areas.

OUR COMMITMENT **TO THE ENVIRONMENT**

Environmental responsibility is one of four areas we focus on as part of our sustainability strategy. We are working on our environmental impact within the framework of our Sustainable Finance Program, coordinated across the whole KBC Group. The program spans a range of themes such as climate change, biodiversity, circularity and water pollution. In this section we delve into this program in more depth, and into the actions that we are taking to realise our commitment to the environment.

We considered both environmental and financial materiality to determine the focus of the Sustainable Finance Program and its actions.



Environmental materiality: We aim to manage the direct and indirect impact of our company on the environment. We want to limit the negative impact of our activities on the environment and increase our positive impact. Our approach is to adopt environmental actions, policies and climate-related targets for parts of our loan, investment and insurance portfolios.

Financial materiality: We want to manage the impact of environmental issues on our company. To this end, we closely monitor environmental impacts, risks and opportunities, and take appropriate actions.

The Sustainable Finance Program was launched in September 2019 when the Collective Commitment to Climate Action was signed. The aim of setting up the program was to bring together all the relevant expertise within KBC Group to work on climate-related challenges and opportunities. As a part of this commitment, we set decarbonisation targets for the sectors that cover the majority of our lending portfolio as well as related GHG emissions.

All relevant details on the methodology used in calculating GHG emissions and other indicators can be found in the KBC Group ESG Facts and Figures report.



Our own environmental footprint

Since 2015, we have been calculating the GHG emissions arising from our own operations at group level, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. The figures are verified annually by an independent third party. They have been part of the non-financial section of the KBC Annual Report since 2024.

In 2016, ČSOB defined the group-wide goals for GHG emission reduction and the goals were gradually made stricter. Our current objective is to achieve by 2030 an 80% reduction of GHG emissions compared to a 2015 baseline. The goal of consuming 100% of electricity made from renewable sources, originally set for 2030 too, was achieved as early as 2021.

Calculations of our own emissions include:

1. Direct emissions from heating and cooling of our office buildings and from the use of our company-owned car fleet (including private use).
2. Indirect emissions from purchased energy (electricity, heat, cooling and steam consumption).
3. Indirect emissions from business and commuter travel, as well as emissions from sources over which we have direct operational control (such as paper and water consumption and waste generation).

We have introduced environmental and energy management systems in accordance with the ISO 14001 and ISO 50001 standards. We invest in energy-efficient solutions and support environmentally friendly mobility among our employees.

ČSOB Group's environmental footprint

Indicator	KBC Group goals	ČSOB Group 2015 baseline[1]	ČSOB Group 2024 result	ČSOB Group 2023 result
Total CO_2e emissions from own operations in tonnes CO_2e (% change)	–80% by 2030	46,700	**13,600 (–71%)**	13,700 (–71%)
Electricity from renewable sources as % of electricity purchased	100% by 2030	–	**100%**	100%
Purchased carbon credits (as % of GHG emissions)	Net climate neutrality from 2021	–	**100%**	100%

[1] Data for baseline year 2015 were recalculated in 2023 in accordance with our internal restatement policy. This recalculation was prompted by the following important change compared to previous years: private use of ČSOB Group company fleet by employees is included from 2023 onwards. The targets (expressed in percentages) were unchanged in relation to the restated baseline.

The figures above apply to all KBC business entities operating in the Czech Republic, i.e. ČSOB Group, ČSOB Pojišťovna and other smaller non-consolidated entities.

Emission offsetting

We have been offsetting our direct footprint emissions that cannot yet be eliminated since 2021. We do so by investing in high-quality, certified projects. More information on the projects can be found in the KBC Sustainability Report.

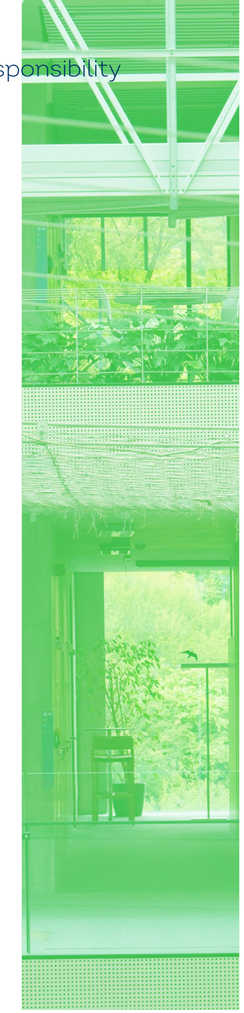
Renewable sources and infrastructure

Our properties in Břeclav, Blansko, Hradec Králové, Ostrava, Prague and Zlín have been fitted with **PV powerplants** on their rooftops with a total generation capacity of 108 kWp. Additional plants, being built in 2025, will provide a comparable production capacity.

- Electricity produced by PV plants: 46,865 MWh
- Electricity purchased: 26,329,798 MWh
- We purchase electricity generated solely by **renewable sources**.
- In 2024, we handed over 7,954kg of decommissioned equipment and appliances to REMA for **environmentally friendly recycling**.

Our impact on biodiversity

In 2023, the whole KBC Group assessed its potential impact on biodiversity. We ascertained whether our offices and branches operated in areas deemed sensitive in terms of biodiversity. This analysis led us to two key conclusions. One, none of our buildings is located in an area subject to strict environmental protections. Two, only 3.6% of KBC premises are located in protected areas that include built-up areas. Such buildings possess all necessary permits in accordance with local and European regulations. Based on the best available expert knowledge, the nature of our banking and insurance operations has no negative impact on protected areas.







Activities promoting biodiversity around our buildings:

- The Group's HQ buildings, ČSOB Kampus in Prague and HQ building in Hradec Králové, have acquired the **LEED Platinum** certification for environmentally friendly buildings and the Environmental Project of the Year Award.
- **Green roofs** help to cool the buildings and improve the neighbourhood's microclimate. They also retain moisture, act as gardens and provide an environment for beehives as well as a bumblebee habitat.
- We support **biodiversity** around the properties as well with birdhouses, hedgehog habitats, mosaic mowing (in alternate patches) and a meadow seeded with native plants.

Individual biodiversity measures implemented in 2024 at the ČSOB Kampus were based on the long-term conceptual document „Greenery revitalisation project for ČSOB's Na Farkáně property."

The document was drawn up in cooperation with the Čmeláci (Bumblebees) plus association and Pražská pastvina (Prague Pasture) in 2022. It has been gradually implemented since then with much success. The success of the measures is documented annually in a monitoring report, „Summary of Grassland Management and Insect Monitoring". A year-on-year comparison shows a significant qualitative shift in the monitored aspects, such as landscape cover and improved biodiversity within the area.

Over the course of 2024, the area was mowed in six stages across different patches (mosaic mowing), taking into account insect lifecycles and the aesthetic value for park visitors. Each time, no more than a quarter of the total area was mowed, thereby allowing insects to hide in the untouched space and complete their development. Most of the mowed material was stored in compost piles which serve as a shelter for the common slow worm. The compost is a breeding ground for rose chafers whose larvae, in turn, are necessary for the reproduction of the rare Scolia hirta wasp. As part of the revitalisation of the western part of the property, a hectare of seedlings was cleared in February to make space for a mixture of local meadow plants. In late 2024, at least eight of the plant species were ascertained as successfully introduced to the area. The correct setting of the thane mowing system is also demonstrated by the growing population of butterflies. The area also attracts new species, such as the small blue butterfly. In June, countless adult meadow brown and marbled white butterflies were to be seen foraging in the blossoming stripes of meadow plants.

Last year, we also discovered highly valuable areas around the SHQ building, home to unique populations of the purple-edged copper butterfly and the Chapman's blue butterfly. In response, the decision was made to introduce mosaic grass management of both the neighbourhood and green roofs of the SHQ from 2025 to protect the butterfly populations. The populations are being monitored, with the grass management subject to adjustments as necessary.

An important part of our environmental efforts is also the organisation of awareness-raising events for employees of the ČSOB Group, of which 19 have been held since 2022. In 2024, there were 4 volunteer days, 2 thematic educational walks in the surrounding countryside (on the theme of butterflies and herbs) and the Lets Clean Up the Czech Republic event in Na Farkáně Park.

Sustainable equipment lifecycle

When acquiring new equipment, ČSOB considers its **longevity** as a key factor. And once a piece of equipment no longer meets our needs, we ensure that it can still be used by someone else. That's why ČSOB **donates its decommissioned equipment and appliances to nonprofit organisations** or offers the equipment to employees at a discount. The revenue from such purchases is then donated to charitable causes. In 2024, ČSOB distributed no less than **CZK 2.9m** among 11 nonprofit organisations Aliance žen s rakovinou prsu, Czechitas, Česká asociace paraplegiků, Domov Sue Ryder, Klub svobodných matek, Nadační fond Rozum a Cit, Nedoklubko, Sdružení Neratov, Sportovní klub vozíčkářů Praha and Výbor dobré vůle – Nadace Olgy Havlové.

Transport

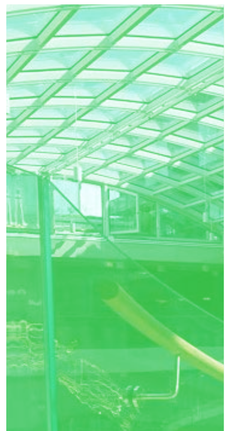
- Following the example set at our properties in Prague, Hradec Králové, Ostrava and Pilsen, **charging stations** for EVs and electric bicycles have also been installed in České Budějovice and Liberec.
- We reduce the number of car trips and promote the use of modern technologies enabling **remote cooperation** among colleagues.
- Our business representatives **share** vehicles.

Car loaning and car sharing

Employees in need of a vehicle from the fleet can make their reservations very easily in an online app. Our fleet management is built around maximum efficiency in utilisation of the fleet. We make sure the EVs are always sufficiently charged. The application can also be used by employees to leave feedback if they are unhappy with the vehicle assigned to them and take a different one.

Green challenge

Our friendly tournament with employees from other companies returned for the third time already last year. In 2024, ČSOB was joined in the Green challenge by no less than **18 other companies** from the financial sector. The task was to clock up as many green kilometres as possible using environmentally friendly means of transport and record the achievements in a shared web-based application. The total accumulated by employees of all 18 companies was a staggering **2,208,333 green kilometres**, saving some **236,680 kg of CO_2**. Mastercard also supported the challenge by planting some **20,000 trees** in the Czech Republic and other countries.



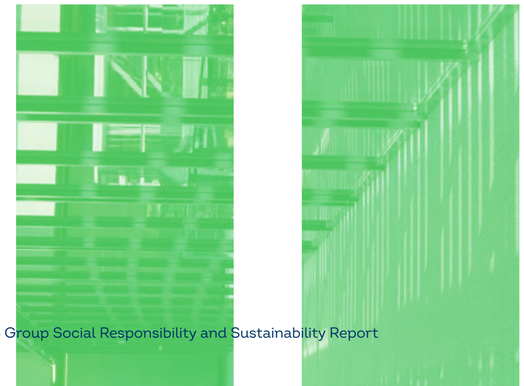



Our indirect environmental impact

Financial results in the area of financing sustainability

Our loan portfolio is the greatest contributor to our indirect environmental impact. Below are the key indicators for loans that assist in the transition to a low-carbon economy. In 2024, ČSOB Group supported the transition with loans worth CZK 40bn, marking a year-on-year growth of no less than 28 percent. This result was driven mostly by retail investment in energy-efficient housing.

	2024 (CZK bn)	2023 (CZK bn)	y-o-y change
Total volume of loans supporting transition to low-carbon economy	**40.4**	**31.6**	**28%**
Of that:			
Corporate and business loans	**15.3**	**19.8**	**–23%**
Funding for energy-efficient commercial properties	7.8	15.9	–51%
Funding for renewable sources and other low-carbon assets	1.9	1.1	73%
Leasing of EV vehicles and Paris-compliant HGVs	2.6	1.7	53%
Other loans	3.0	1.1	173%
Retail funding of energy-efficient housing	**25.1**	**11.8**	**113%**
Secured loans	22.6	10.1	124%
Unsecured loans	2.5	1.7	47%
Loan classification according to EU Taxonomy			
Loans fully compliant with EU Taxonomy	3.1	2.1	48%
Loans with “substantial contribution” according to EU Taxonomy	8.2	0	n/a
Other loans	29.1	29.5	–1%

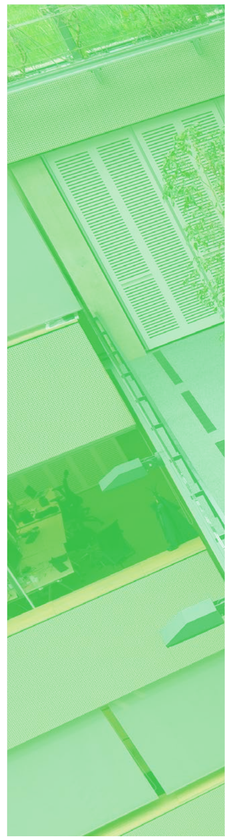


Consulting

In 2024, we attended to **120 consultancy mandates** in the area of sustainability with a total invoiced amount of CZK 30.4bn. The mandates applied to both subsidy consulting and access to public funding, and strategic ESG consulting.

Subsidy consulting, provided by ČSOB subsidiary EU Centrum, includes a range of services, such as expert analyses, auditing or drafting of applications for EU funding as well as advice provided during the project implementation stage and the actual use of the obtained subsidy.

Strategic ESG consulting is provided by ČSOB Advisory. It covers, for example, drafting of plans for a transition to the low-carbon economy or assistance in the drafting of non-financial reporting.





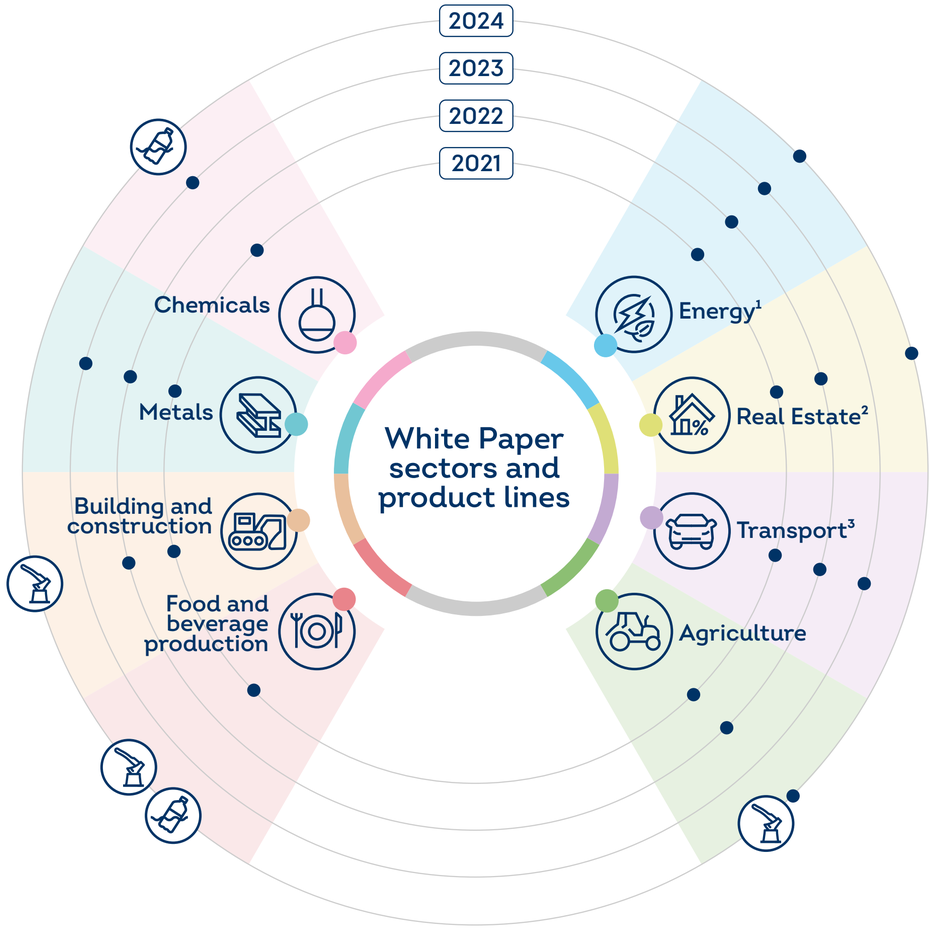


Sector-specific White Papers

Each year, ČSOB and several other banks from the KBC Group create a number of **sustainability analyses**, called White Papers. Initially, the White Papers focused on material- and carbon-intensive sectors. The analyses reflect the latest developments with a substantial impact on the possibilities and speed of decarbonisation in selected sectors. Such developments include legislative requirements, technological advances and market developments.

At the beginning, the focus of the White Papers was on climate change and decarbonisation. From 2023 onwards, the analyses also include additional areas with a relation to the environment, such as biodiversity, pollution, water, circularity and related risk assessments. In 2024, ČSOB produced separate White Papers on deforestation and plastic packaging due to these areas' significant impact on multiple sectors. The White Papers analyse our loan business, consulting services and insurance business. They also propose adjustments to strategy, measures and targets.

White Paper updates overview



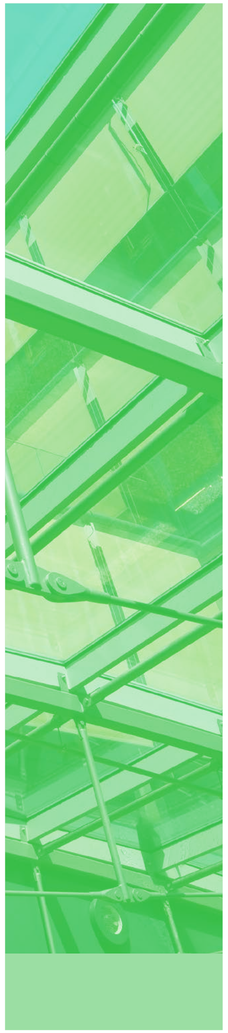
[1] Energy production, oil and gas, biofuels, transmission and distribution

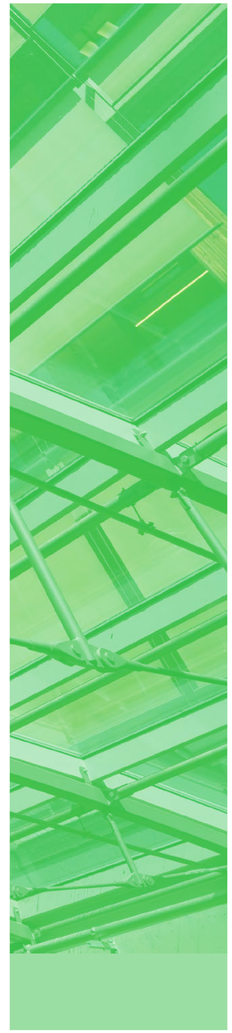
[2] The Real Estate White Paper focuses mainly on mortgages, income-producing commercial real estate (CRE), social housing, Real Estate Investment Trusts (REITS) and corporate lending for general purposes in the CRE sector. Owner-occupied real estate owned by companies outside the CRE sector, financing of land, development and construction of buildings and real estate services are not covered by the White Paper.

[3] Automotive and vehicle financing, aviation and shipping.

Sustainability-promoting products

White Paper Focus	Selected opportunities
Energy	– Transition to alternative and affordable energy sources – Green hydrogen production – Increasing of energy storage capacities
Real Estate	– Modernisation of buildings and energy-efficiency consulting – Deployment of renewable energy sources, including energy-efficient heat pumps and photovoltaics
Transport	– Transition to electromobility – Use of green hydrogen and electrification of long-haul transport – Use of recycled plastic and batteries in vehicle refits
Agriculture	– Bioenergy from agricultural waste – Energy efficiency and renewable sources – Precision agriculture
Food and beverage production	– Energy-efficient production – Bio-based wastewater treatment – Optimisation of resources through circular economy – Increasing the ratio of recycled plastic in packaging
Building and construction	– Biological and carbon-negative construction materials – Modular buildings – Machinery electrification – Reuse of demolition waste
Metals	– Steel production in electric arc furnaces – Green hydrogen as energy source – Use of scrap steel and aluminium – Collection of used batteries from EVs as source of rare metals
Chemicals	– Green hydrogen as an input material and energy source – Increased reuse of recycled plastic through more efficient collection – Utilisation of reusable chemicals in product portfolios – Safer alternatives to PFAS





We motivate clients

The ČSOB Group promotes environmentally friendly business undertakings as well as the considerate use of natural resources. Together with our clients, we seek more sustainable ways of fulfilling their needs. We strive to be a reliable partner in the transition to the low-carbon economy.

Retail clients have access to a range of products and services that enable them to achieve savings and show their consideration and restraint in the use of natural resources. We offer comprehensive consulting on environmentally friendly and cost-efficient living, from cost optimisation and technical proposals on achieving energy efficiency to advice on securing available subsidies and loans.



- Low-energy and passive housing can be financed using a **mortgage for energy-efficient housing** that comes with a reduced interest rate and other benefits.
- When purchasing an environmentally friendly vehicle (electric, hybrid, hydrogen or CNG-powered), clients can take advantage of a **clean energy vehicle loan** that comes with an advantageous and guaranteed interest rate.
- Clients have the option of obtaining an innovative payment card with their bank account. The card is made from **recyclable plastic** friendly to the environment. It also sports a special design inspired by nature.
- Our digital guide **Energy-efficient family home** offers recommendations for environmentally friendly yet inexpensive living.
- Our new **simulation and advisory calculator** is capable of calculating the energy efficiency or otherwise of given housing, complete with advice on possible solutions to achieve improved energy efficiency when reconstructing the property.
- Further details about the range of retail products promoting the transition to the **low-carbon economy** and tips for modern and energy-efficient living are available on ČSOB's website Myslíme zeleně (Thinking Green).

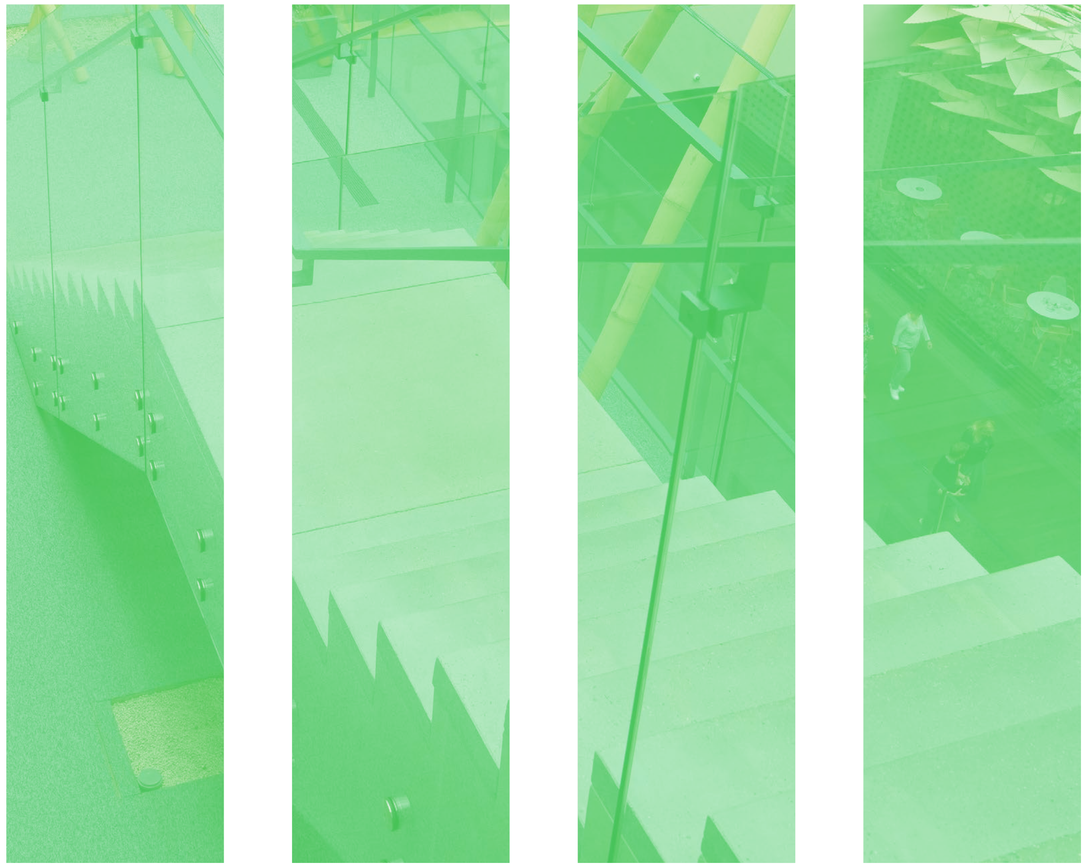
We seek new business opportunities in partnership with our corporate clients. Our goals include not only supporting clients in pursuing sustainable business, such as **photovoltaic power generation** or **e-mobility**, but also assisting them in transitioning from carbon-intensive to low-carbon and therefore to a more sustainable business model.

We also assist our business clients in preparing for **energy audits** and with technical documentation related to their business operations, and by providing expert advice on related topics (subsidy programs, ESG reporting, etc.).

In partnership with Green0meter, a digital platform providing selected ESG services, we offer to **calculate the carbon footprints** of our clients as per the GHG Protocol and the ISO 14064 standard, and create an auditable ESG report including automated data collection and a recommendation for reducing their emissions.

Green Municipality of the Year

ČSOB's competition titled Zelená obec roku (Green Municipality of the Year) intends to recognise and reward settlements of any size for their activities in environmental protection, sustainability and taking a responsible approach to the environment. The competition also includes a special category, **Social Enterprise of the Year**. In the second year of the competition, the winner in the category of municipalities with 1,000 residents or less was Kamýk nad Vltavou. Černovice won in the above 1,000 residents category and Karviná in the Social Enterprise of the Year category. The total amount distributed among the most successful participants of the competition was **CZK 1.3m**, along with vouchers for **consulting** from ČSOB Advisory or EU Centre.





Risk management

The consequences of climate change and other ESG-related developments are becoming increasingly apparent. The expectations of our key stakeholders are changing accordingly. If left unaddressed, environmental changes are expected to have devastating effects, such as extreme storms, floods, pandemics, mass migration and economic crises. For these and other reasons, “Climate and other environmental risk” has been reconfirmed in 2024 as a top risk for KBC and therefore for ČSOB.

We distinguish between two types of **environmental risks**:

- **Transition risks** are associated with the transition to a low-carbon, climate-resilient or environmentally sustainable economy. Examples include changes to market or legislative frameworks (e.g. the imposition of carbon-pricing mechanisms, energy efficiency requirements or encouragement of the sustainable use of environmental resources), technological changes (e.g. the replacement of old technology by cleaner technology), behavioural changes (e.g. consumers or investors shifting towards more sustainable products and services) and increased litigation risk.
- **Physical risks** refer to potential financial implications from climate change and other negative environmental trends such as changing weather patterns, rising sea levels, rising temperatures, biodiversity loss, resource scarcity, reduced water availability and changes in soil productivity, as well as extreme weather events, such as storms, floods, fires or heatwaves, which may disrupt operations or value chains, or damage property.

Additionally, climate and other **environmental risks** such as biodiversity loss, water stress, pollution and waste management are heavily interlinked. For example, biodiversity loss may be accelerated by the adverse effects of climate change. At the same time, it can also have a reinforcing effect on climate change.

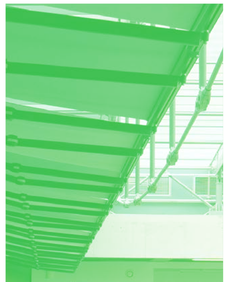
Moreover, these risks can also significantly affect financial institutions’ balance sheets. That is why financial institutions are increasingly taking these other environmental risks into account in their risk analyses.

Identification of risks

We use a variety of approaches and processes to identify new and changing risks, including ESG risks. We analyse the emergence and potential impacts of risks in the short (0 to 3-year horizon), medium (3 to 10-year horizon) and long term (beyond a 10-year horizon). To ensure pro-active risk identification, we have already taken several initiatives. In this section, we provide a brief overview of the most important approaches. For more details, we refer to the KBC Group risk reports.

- The **Environmental Risk Impact Map** (ERIM) is the main internal process for identifying and assessing the materiality of several environmental risks within ČSOB Group (including the risks associated with climate change, biodiversity loss, water stress, pollution and non-circularity). The ERIM identifies, for different time horizons and different scenarios, the main physical and transition risks impacting ČSOB's business and portfolios.
- We have established **key risk indicators** for areas where the most significant environmental or climate risks have been identified. The indicators are regularly monitored and evaluated.
- Our processes for determining loan pricing and collateral valuation now include increased consideration of ESG parameters in line with ČSOB's risk appetite and strategy.
- In 2024, we carried out a pilot risk-identification exercise at the KBC Group level on social risks to identify the most material social risks for the KBC Group.
- Climate and other environmental risks, cyber risk, compliance risks (including anti-money laundering, GDPR and embargo) and conduct risk have for several years now been identified, through the regular "ČSOB Group Risk Scan", as top risks by the relevant executive committees of the ČSOB Group Board of Directors
- When deciding on new products or services, we take sustainability and climate-related risks (e.g. greenwashing, or the unjustified labelling of products or services as green or sustainable) into account.
- We assess the risk impacts of relevant environmental risk drivers within our White Paper sectors, with a focus on financed sectors with the greatest environmental impacts.
- At the KBC Group level, stress testing has been performed for selected physical risks (e.g. floods, drought, heat stress and wildfires). The assessments were geographically tailored to the territories of the five KBC core countries (Belgium, Czech Republic, Slovakia, Hungary and Bulgaria). In particular, flood risk was assessed by estimating the impact of flood risk on the mortgage and property insurance portfolios. More information can be found in the KBC 2024 Risk Report.





Tools and methodologies

We make use of a range of methodologies to strengthen our ability to identify, measure and analyse ESG-related risks. The outputs of these analyses provide further insights into the impact of ESG risks on our business model, as well as the impact of our lending, investment and insurance activities on the environment. Integrating these methodologies enables us to gradually improve our lending, insurance and investment processes and supports us in engaging with our clients. The fundamental reference policy for the integration of ESG risks in ČSOB's risk management is the **KBC Risk Management Framework**. For more information, see Metrics and targets below and the KBC 2024 Risk Report.

Stress testing

We apply stress tests and sensitivity analyses to our lending, insurance and investment activities. The results of these tests enable us to identify weaknesses or blind spots and to assess capital and liquidity adequacy. In 2024, we executed an **internal climate stress test** at the KBC Group level, considering both transition and physical risks. We also consider other ESG drivers, such as operational risk losses due to possible cyber hacking. More information can be found in the KBC 2024 Risk Report.

Risk appetite setting

Tolerance of risk within the ČSOB Group is described in the **"Risk Appetite Statement" (RAS)**, created at both the Group and local levels. The RAS reflects the views of the Board of Directors and the top management as regards the acceptable level and composition of risk, ensuring a balance between the risks accepted and the expected return and enabling the ČSOB Group to implement its strategy within a clear risk framework. ČSOB views ESG risks as an integral part of traditional risks taken into account in defining risk appetite. ČSOB focuses on short-term impacts as well as extended time horizons in order to safeguard its long-term sustainability. The risk appetite determines Group policies and sustainability goals. These policies define the rules and restrictions for our lending, investing, insurance and advisory services. They are expressed in underlying standards such as the Standard for responsible and sustainable lending, Standard for loan valuation, Standard for collateral management, Standard for loan provision and monitoring, and others. More information on our policies and sustainability goals can be found in Sustainability polices and Our sustainability goals in this report.

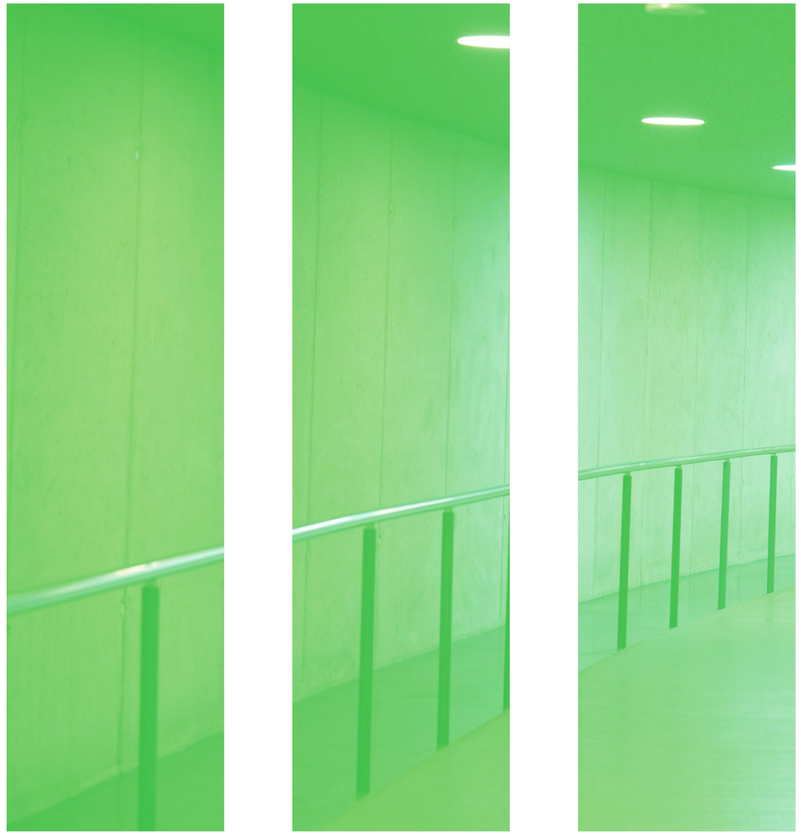


Risk analysis, monitoring, reporting and follow-up

The aim of risk analysis and reporting is to provide management with a higher level of transparency by ensuring a comprehensive view (both forward-looking and retrospective) of the development of the risk profile in comparison with risk appetite and the context in which the Group operates. This is done through reports that are tailored to the needs of recipients and take into account the different information needs of the Board of Directors, top management and other organisational levels, helping them understand potential issues and to take appropriate action. In addition to internal reporting, external reports are also prepared for various stakeholders of the ČSOB Group.

For the purposes of comprehensive monitoring and reporting of all relevant ESG indicators, a local **Climate Risk Dashboard** was created as the ultimate tool. This tool is constantly evolving in line with improvements in data availability and quality. Given that ESG risks are well integrated into ICAAP/ILAAP/ORSA (Internal Capital Adequacy Assessment Process / Internal Liquidity Adequacy Assessment Process / Own Risk and Solvency Assessment) and related analyses, these risks are also already extensively addressed within these processes. The outputs of ESG data collection, processing, analysis and evaluation of ESG data are part of regular and one-off exercises that are presented to the relevant committees and platforms, including **ČSOB's Executive Committee for Sustainability**.

In the event of unforseen circumstances that could have serious consequences due to ESG risks (among others), ČSOB has established a process for publishing risk signals presented to the **Risk & Capital Oversight Committee** (RCOC). The ESG data area, including data requirements related to the assessment of the impact of climate and environmental risk factors, is primarily managed at ČSOB through the local Data & Metrics program.

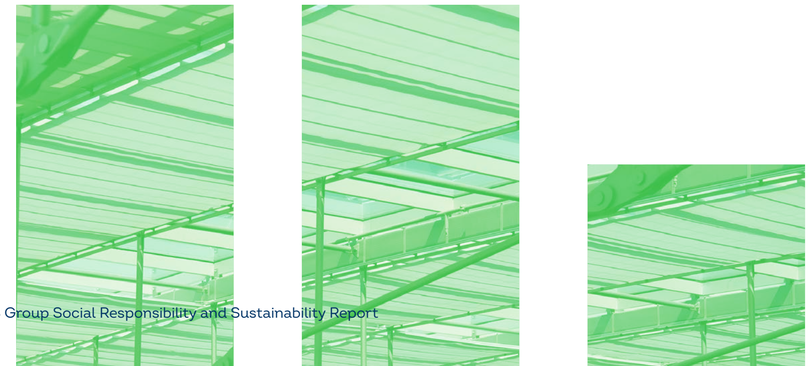


Metrics and targets

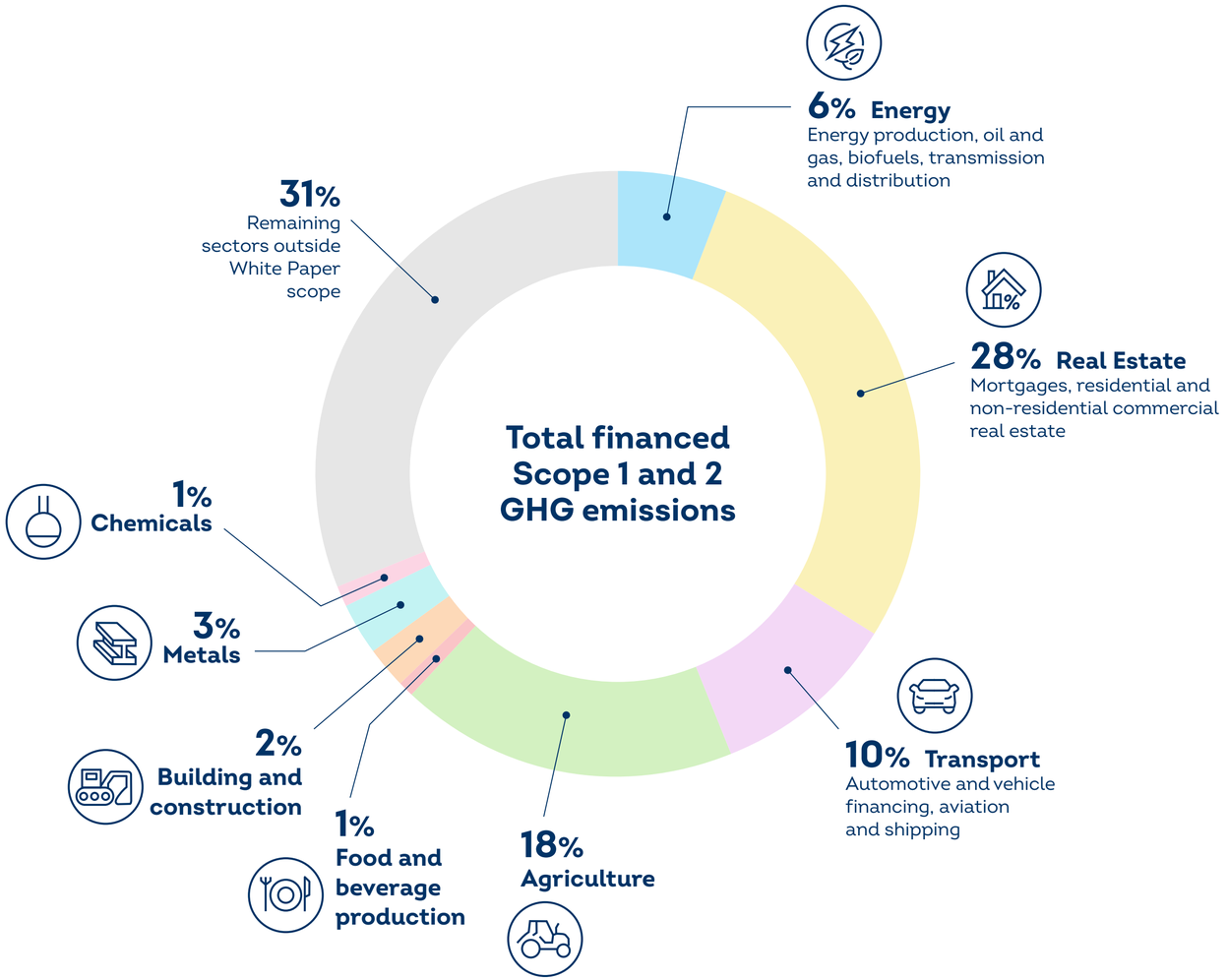
This section provides an overview of key indicators and targets that are already in place and used to measure our sustainability progress. These metrics enable us to monitor our achievements regarding our ESG commitments.

Calculation of emissions financed through loans portfolio

Measuring the indirect impact of our lending activities on the climate is a key initial step in defining climate strategies. We measure this indirect impact on the climate by calculating our clients' scope 1 and 2 greenhouse gas emissions. The data for the loan portfolio is as of the end of September 2024, including the vehicle leasing portfolio. More information on the methodology and the calculations used can be found here.



Shares of the most significant economic sectors within ČSOB total financed emissions



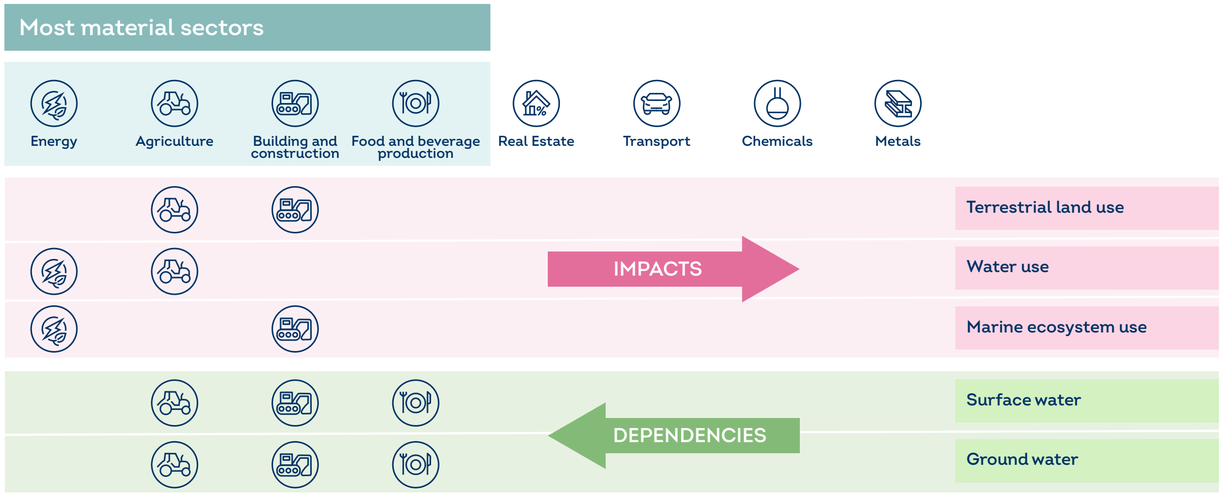
Nature impact assessment

In 2024, the KBC Group performed (as part of its TNFD reporting) its first biodiversity impact and dependency assessment of its corporate lending portfolio using the ENCORE methodology (Exploring Natural Capital Opportunities, Risks and Exposure), considered an industry standard. It sets out how the economy – sectors, subsectors and production processes – depends on and impacts on nature. For each production process, the methodology classifies the identified nature impact drivers and ecosystem services from low to very high levels of materiality in terms of impact and dependency, respectively.

To determine the sectors that are most material from an impact and dependency perspective, the assessment considered:

- Activities with a very high impact on at least one impact driver.
- Activities with a very high dependency on at least one ecosystem service.

Nature impact and dependency: most material sectors in our lending portfolio



Sectors were prioritised based on financial exposure to the respective activities.

Assessment outputs:

Very-high-impact sectors:
building and construction, agriculture and energy.

Most significant impact drivers:
terrestrial land use, water use and marine ecosystem use.

Very-high-dependency sectors:
agriculture, building and construction and food and beverage production.

Most significant ecosystem services:
surface and ground water.

Climate commitments

We are committed to contributing to the gradual decarbonisation of the economy and the reduction of the carbon footprints of key economic sectors through financing. ČSOB's climate commitments are based on the group targets of the entire KBC Group. The KBC Group has set **interim climate targets for 2030 and long-term targets for 2050** for some of the most material sectors, covered in the respective White Papers. The sectors and product lines covered by the White Papers represent approximately 78% of the total financed greenhouse gas (GHG) emissions under Scopes 1 and 2 associated with the KBC Group's loan and lease portfolios. For the ČSOB Group, the selected White Papers represent 69% of total financed greenhouse gas (GHG) emissions under Scopes 1 and 2 associated with its loan and lease portfolios.

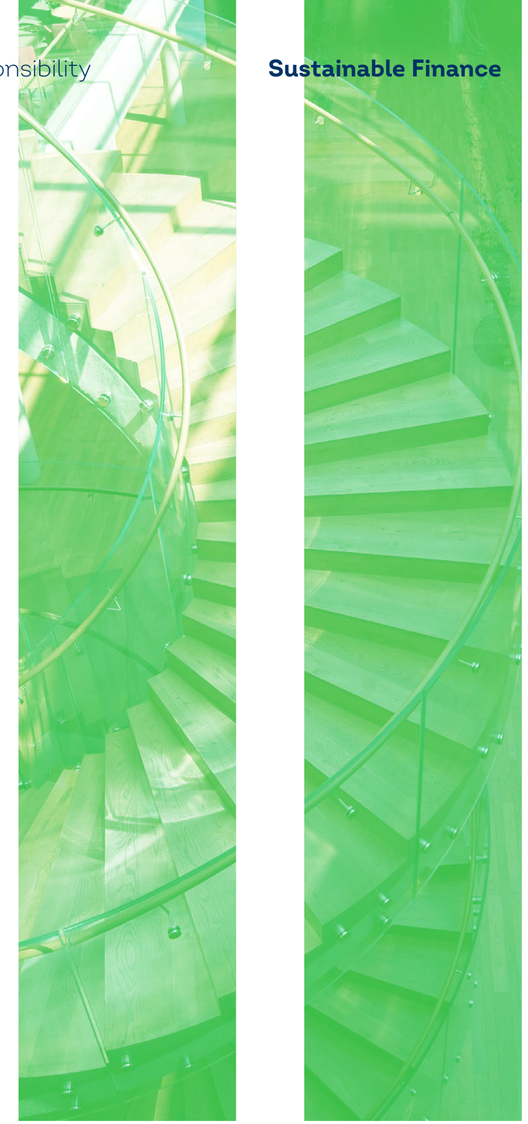
The following section, "Selected indicators by sector", provides an overview of our climate targets by sector. While the KBC Group is deeply committed to doing its part to achieve these climate targets, it should nevertheless be emphasised that the Group's ability to succeed depends on action from all stakeholders in society, including governments.

Currently, our climate targets are limited to our clients' Scope 1 and 2 GHG emissions. As the quality and reliability of our clients' Scope 3 emissions data remains relatively low, such data are not used to set targets at this time.

The KBC Group prefers to set targets for emission intensities rather than absolute financed emissions. This approach allows for better monitoring of the actual emission reductions by our clients. It also incentivises the financing of the transition to the low-carbon economy and avoids merely lowering exposure to certain sectors.

Only our thermal coal target is set on absolute financed emissions, namely zero emissions from direct coal-related lending. It means that the KBC Group does not finance any activities related to energy production from coal.

More information on the KBC Group's climatic targets, progress measurement and provisions for progress, and on ČSOB's processes, is available in the KBC Group 2024 Annual Report.





Selected indicators by sector

Energy

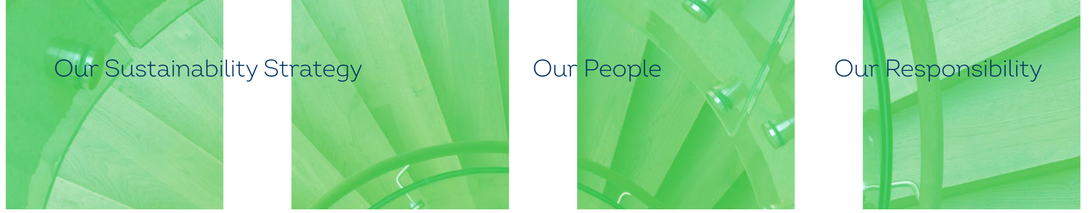
Energy holds the key to the transition to the low-carbon economy. It also accounts for a substantial proportion of our financed GHG emissions. We aim to achieve a significant reduction of GHG emissions in our energy portfolio with an increase in the share of renewable sources and support for a gradual phasing out of fossil fuel financing. We have not directly financed any activities related to coal mining and combustion since 2021, nor have we financed any new oil and natural gas extraction projects. We have set specific targets for reducing emission intensity for the entire energy sector and the electricity generation subsector. We support the financing of wind, solar and other renewable source projects, while financing for biomass and biofuels is only possible under strict environmental conditions. In the Czech Republic, we allow financing of non-coal projects even for companies with a higher share of production from coal, provided that such financing supports the energy transition.

Energy: climate targets and progress

Aggregated KBC Group target	2021 baseline	2024 progress	2030 target
Share of renewables in total energy loan portfolio (excluding transmission and distribution) – value for KBC Group	63%	67%	At least 75%

Electricity production	Emission scope	2021 baseline (kg CO_2e/MWh)	2024 progress (kg CO_2e/MWh)	2024 KBC pathway value (EU NGFS Phase 2 – Below 2° C)	2030 target	2050 target
Aggregated KBC Group target	Scope 1	210	93	193	127	49
% change, KBC Group			–56%		–39%	–77%
Value for ČSOB Group		47	22			
% change, ČSOB Group			–53%			

Energy sector as whole	Emission scope	2021 baseline (t CO_2e/m EUR)	2024 progress (t CO_2e/m EUR)	2024 KBC pathway value	2030 target	2050 target
Aggregated KBC Group target	Scopes 1 + 2	453	265	402	300	82
% change, KBC Group			–42%		–34%	–82%
Value for ČSOB Group		373	181			
% change, ČSOB Group			–51%			



Real Estate

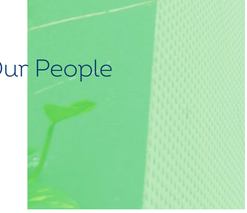
In the residential real estate sector, we focus on mortgage and commercial loans for residential properties, which make up a significant part of our portfolio and have a major impact on our overall carbon footprint. Our goal is to reduce emissions associated with financed housing and promote energy-efficient homes. We achieve this by offering advantageous loans for renovations and energy-efficient housing and by providing advice to clients on energy-saving measures.

In the commercial real estate sector, we focus on financing office, retail and industrial buildings, which are significant sources of emissions due to their high energy consumption. Our goal is to reduce the carbon intensity of this portfolio in line with European climate targets and to support construction and renovation projects with improved energy efficiency. We support the financing of green buildings, monitor the energy performance of financed properties and work with developers to improve standards.

Real Estate: climate targets and progress

Residential real estate	2021 baseline (kg CO_2e/m^2)	2024 progress (kg CO_2e/m^2)	2024 KBC pathway value (EU NGFS Phase 2 – Below 2° C)	2030 target	2050 target
Aggregated KBC Group target	50	45	43	29	7
% change, KBC Group		–10%		–43%	–85%
Value for ČSOB Group	61	56			
% change, ČSOB Group		–8%			

Real estate (whole sector)	2021 baseline (t CO_2e/m EUR)	2024 progress (t CO_2e/m EUR)	2024 KBC pathway value	2030 target	2050 target
Aggregated KBC Group target	27	23	24	17	8
% change, KBC Group		–15%		–38%	–72%
Value for ČSOB Group	40	37			
% change, ČSOB Group		–8%			



Transport

Our goal is to reduce the emissions intensity of our passenger car portfolio by 2030 and support the transition to electromobility. We offer favorable financing for electric cars and low-emission vehicles, support the transition of corporate fleets to more environmentally friendly alternatives and educate clients about sustainable mobility options.

Transport: climate targets and progress

Passenger cars and light commercial vehicles		2021 baseline (g CO_2/km)	2024 progress (g CO_2/km)	2024 KBC pathway value (EC MIX scenario (g CO_2/km)	2030 target	2050 target
Passenger car loans and financial leasing	Aggregated KBC Group target	139	124	134	81	0
	% change, KBC Group		–11%		–42%	–100%
	Value for ČSOB Group	174	160			
	% change, ČSOB Group		–8%			
Light commercial vehicles loans and financial leasing	Aggregated KBC Group target	208	205	204	145	33
	% change, KBC Group		–1%		–30%	–84%
	Value for ČSOB Group	223	232			
	% change, ČSOB Group		+4%			
Passenger car operational leasing	Aggregated KBC Group target	133	77	128	25	0
	% change, KBC Group		–42%		–81%	–100%
	Value for ČSOB Group	144	135			
	% change, ČSOB Group		–6%			
Light commercial vehicles operational leasing	Aggregated KBC Group target	196	186	192	132	19
	% change, KBC Group		–5%		–33%	–90%
	Value for ČSOB Group	204	208			
	% change, ČSOB Group		+2%			

Agriculture

Agriculture plays an important role because of its methane and nitrous oxide emissions and its close links to the landscape and biodiversity. We strive to reduce the carbon footprint of the agricultural businesses we finance and to support the transition to more environmentally friendly technologies and practices. We offer financing for projects that make agriculture modern, precise, environmentally friendly and sustainable, including projects that reduce the use of fertilisers and pesticides. We also provide advice and education for farmers.

Agriculture: climate targets and progress

Agriculture	2021 baseline (t CO_2e/m EUR)	2024 progress (t CO_2e/m EUR)	024 KBC pathway value (EU NGFS Phase 2 – Below 2° C)	2030 target	2050 target
Aggregated KBC Group target	1,405	1,059	1,305	–21%	–34%
% change, KBC Group		–25%			
Value for ČSOB Group	1,146	770			
% change, ČSOB Group		–33%			

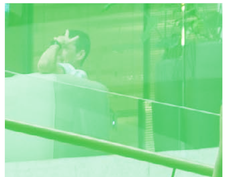
Cement production

The cement industry is one of the main sources of industrial CO_2 emissions, since emissions are generated not only by the burning of fuels but also by chemical processes during clinker production. KBC has set a target of reducing CO_2 emissions per tonne of cement by 16% by 2030 compared to baseline levels. In order to help achieve this goal, we only finance projects and companies with clearly defined plans for reducing emissions and implementing sustainable technologies. We also support the use of secondary raw materials, recycling and the circular economy.

Construction: cement climate targets and progress

Cement	2021 baseline (t CO_2e/t cement)	2024 progress (t CO_2e/t cement)	2024 KBC pathway value (PACTA Global IEA ETP 2020 SDS) (t CO_2e/t cement)	2030 target	2050 target
Aggregated KBC Group target	0.69	0.62	0.65	0.58	0.22
% change, KBC Group		–9%		–16%	–68%
Value for ČSOB Group	0.69	0.61			
% change, ČSOB Group		–12%			







Metals

In the metals sector, we focus on two subsectors: steel and aluminium. Given their impact on the climate, we have set targets for the two subsectors despite KBC's relatively limited and highly concentrated credit exposure.

Aluminium production

The energy-intensive production of aluminium is a major source of CO_2 emissions in the metallurgical industry. KBC has set targets for reducing the emission intensity of metallurgy, including aluminum production, in line with the science-based scenarios of the Paris Agreement.

Aluminium: climate targets and progress

Aluminium	2021 baseline (t CO_2e/t aluminium)	2024 progress (t CO_2e/t aluminium)	2030 target	2050 target
Aggregated KBC Group target	0.59	0.21	Staying significantly below the global average for emission intensity in this subsector	
% change, KBC Group		-63%		
Value for ČSOB Group	0.59	0.12		
% change, ČSOB Group		-80%		

Steel production

Steel production ranks among the most energy-intensive industrial sectors and accounts for a significant proportion of global CO_2 emissions. KBC has set a target of reducing CO_2 emissions per tonne of steel by 14% by 2030. In order to help to achieve this goal, we only finance projects and companies with clearly defined plans for reducing emissions and implementing low-carbon technologies. We also support innovations that improve energy-efficiency as well as the use of alternative fuels.

Steel: climate targets and progress

Steel	2021 baseline (t CO_2e/t steel)	2024 progress (t CO_2e/t steel)	2024 KBC pathway value (PACTA Global IEA ETP 2020 SDS) (t CO_2e/t steel)	2030 target	2050 target
Aggregated KBC Group target	1.34	1.50	1.27	1.15	0.59
% change, KBC Group		+12%		-14%	-56%
Value for ČSOB Group	1.34	1.35			
% change, ČSOB Group		+1%			

Glossary

AI	Artificial intelligence
CCCA	Collective Commitment to Climate Action
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
DMA	Double materiality assessment
EBA	European Banking Authority
ENCORE	Exploring Natural Capital Opportunities, Risks and Exposure
ERIM	Environmental Risk Impact Map
ESAP	European Single Access Point
ESG	Environmental, Social and Governance
EV	Electric vehicle
FI	Financial Institution
g	Gramme
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas
HR	Human Resources
ICAAP	Internal Capital Adequacy Assessment Process



Glossary

ICMA	International Capital Markets Association
IEA	International Energy Agency
ILAAP	Internal Liquidity Adequacy Assessment Process
ISO	International Organization for Standardization
IT	Information technology
KBC AM	KBC Asset Management
MW	Megawatt
NATO	North Atlantic Treaty Organisation
NGFS	Network for Greening the Financial System
PACTA	Paris Agreement Capital Transition Assessment
PEARL+	Performance, Empowerment, Accountability, Responsiveness, Local Embeddedness
PFAS	Per- and polyfluoroalkyl substances
REITS	Real Estate Investment Trusts
SDGs	Sustainable Development Goals
SFDR	Sustainable Finance Disclosure Regulation
SME	Small and Medium-sized Enterprise
TNFD	Taskforce on Nature-related Financial Disclosures
UN	United Nations

