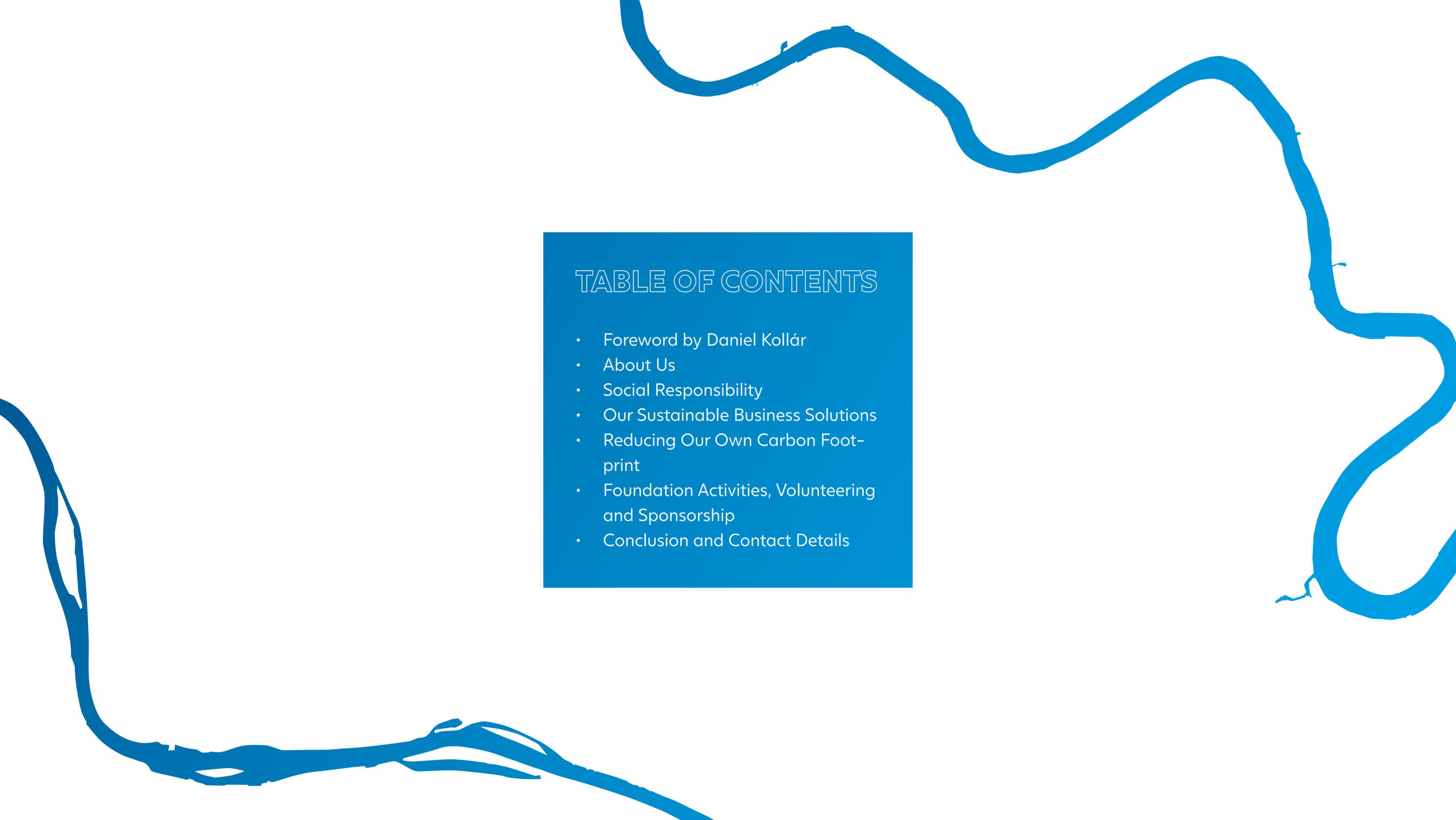


2020

# CORPORATE SOCIAL RESPONSIBILITY REPORT

*WE HELP YOU LIVE A BETTER LIFE*





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Dear Readers,

The past year has taught us that the best plan we can have is the ability to be prepared to change plans. And although we originally imagined the year 2020 in a completely different way, we did not deviate from the core – our ambition to be a reliable partner for both our clients and employees and a socially responsible company – but rather strengthened it. We took a wide range of measures: from the necessary prevention through the implementation of government measures, including the deferral of client

repayments and individual solutions, the maximum digitisation of processes, up to setting up loan schemes and guarantee programmes in order to support our entrepreneurs, i.e. employers, in Slovakia.

**The results of representative market research show that clients evaluate our approach to them in critical moments extremely positively and fairly, and that is a key indicator for us.** If we look at it in terms of numbers – the situation in which we find ourselves particularly confirms the need to have a healthy banking sector. Fortunately, the Slovak banking sector ranks among the most stable and after the abolition of the liquidation and discriminatory bank levy, it is ready to cope with temporarily worse times. At the same time, the pandemic cannot involve the suspension of other activities aimed at increasing our clients' comfort. **Along those lines, last year we successfully incorporated the option of buying public transport tickets directly into our ČSOB SmartBanking mobile application.** We are very proud that in this way we can support a key objective – **a more environmentally friendly mode of transport.** Making payments is also a bit easier for our clients again, **as we have made available to them the most modern payment methods via mobile**

**phones and watches.** Last year, we also launched the opportunity to set up regular investments in funds through our ČSOB SmartBanking mobile application without the need for a personal visit to our branch, paper documentation and physical transfers. Today we can say that up to 55% of all regular investments in 2020 were set up via this application.

**The last year fully showed us how important philanthropy and corporate social responsibility are. Through our foundation, we have financially supported several socially important and meaningful projects, from equipping hospitals to educating children remotely.**

I will be pleased if you read more about them on the following pages. Experience confirms that the ability and willingness of the company to look "beyond the horizon" of its own business is perceived positively by clients and employees. They themselves feel responsible, so they would like to assume some part of the responsibility. But there are not always systematic possibilities and opportunities for an individual. That is why I am glad that **last year we managed to introduce a novelty in Slovakia – the first socially responsible fund that directly supports**

**the principal goal of providing safe drinking water to the world.** KBC Eco Fund Water invests in companies engaged in activities related to safe drinking water, such as treatment, desalination, infrastructure renewal, quality water supply, and more. These funds give people an amazing opportunity to invest systematically in the sustainable development of society. Their investments can affect what our future will look like. At the same time, in 2020 we became an even stronger group and confirmed that we are a stable part of this market, with the ambition of further growth. **Thanks to the acquisition of OTP Banka Slovensko, we have won tens of thousands of new clients and expanded by hundreds of new colleagues.** 2021 is and will be different again. The pandemic is a lesson none of us wanted to experience. **However, we are more experienced and stronger, ready to further help and support our clients.**

Daniel Kollár  
CEO



# ABOUT US

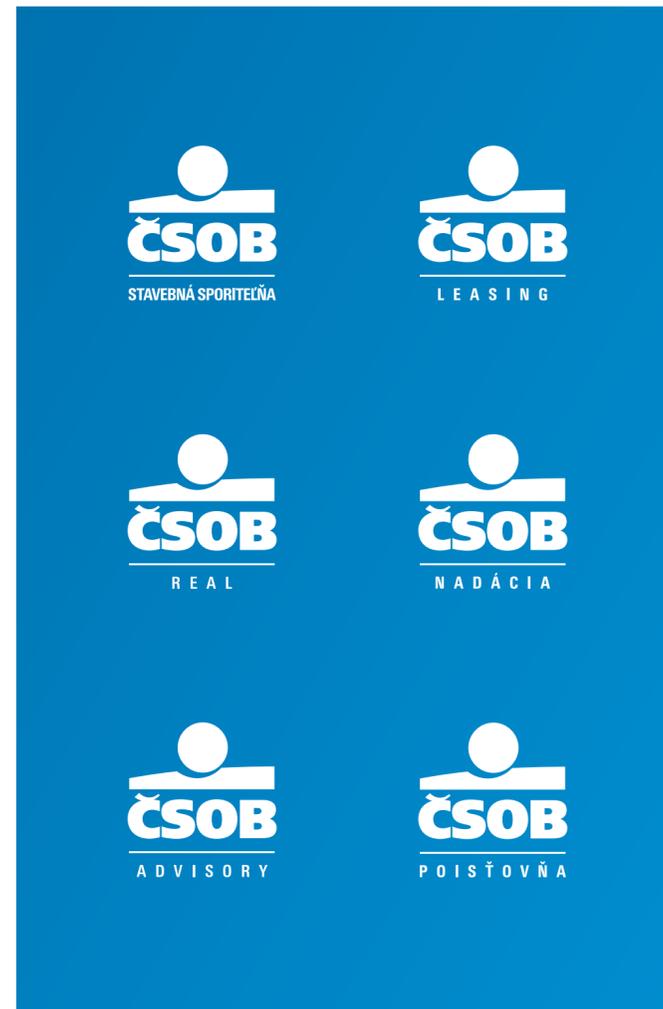
*Basic Information about ČSOB Financial Group*

## ČSOB STRUCTURE

The parent company and the sole shareholder of ČSOB is the Belgian KBC Bank NV. KBC Group is one of the major players in the Belgian banking market and also ranks among the most important financial institutions in Central and Eastern Europe.

The group is also represented in other countries and regions of the world. KBC Group renders its services particularly to retail customers, small and medium-sized enterprises and private banking clientele. It aims to strengthen its position in the domestic market in Belgium as well as in key markets in Central and Eastern Europe, such as Slovakia, the Czech Republic, Hungary, Bulgaria and Ireland. ČSOB Financial Group provides professional financial and insurance services. **Under one roof (i.e. in the form of one-stop banking), clients can find not only banking products and services, but also insurance, building society services, investment products, leasing and more.** In addition to Československá obchodná banka, a.s., in 2020 ČSOB Financial Group was composed of the following

members: ČSOB stavebná sporiteľňa, a.s.; ČSOB Leasing; ČSOB Real, s.r.o.; ČSOB nadácia; and ČSOB Advisory, s.r.o. ČSOB's sister company is ČSOB Poistovňa, a.s.



## MERGER WITH OTP

Throughout 2020, ČSOB Banka was gradually preparing for merging with OTP Banka Slovensko. In human resources, the rules of communication as well as procedures and processes have been precisely laid down and developed to support a natural merger of the two companies. In this area, it also trained ČSOB female and male managers, especially branch managers who underwent a comprehensive training process of preparing for new situations

in managing people when connecting a branch network. Similarly, in connection with the abrupt shift to predominantly working from home, we **operatively supported ČSOB managers and employees with a series of webinars on the topics of remote team management and efficient remote and home working.** The goal was to set up cooperation and communication within the teams as effectively as possible.

## WE ARE THE CORPORATE GOVERNANCE LEADER

The “Corporate Governance Leader” award (in Slovak: “Dobre spravovaná firma”) is given in cooperation with the Slovak Association of Corporate Governance (SACG) for the management of a company in accordance with the principles of the Corporate Governance Code. In other words, maintaining a high level of moral and ethical integrity and building a culture of trust based on fair and transparent relationships with stakeholders. The Pontis Foundation and an expert jury decided who would win the award during the online gala evening of Via Bona Slovakia, which was held in November 2020. **Thanks are due to all colleagues whose daily work reflects this approach.**



## KEY GROUP DATA

(ČSOB Banka, ČSOB Leasing, ČSOB stavebná sporiteľňa and ČSOB Real)

Net profit:

**EUR 45.4 million**

Volume of loans provided to clients:

**EUR 7.9 billion**

Volume of deposits received from clients:

**EUR 7.5 billion**

ČSOB Group clients:

**2,033**

Internet banking users:

**80 thousand**

Mobile banking users:

**180 thousand**

## BRANCHES AND POINTS OF SALE

(Balance as at 31 December 2020)

Number of retail branches:

**105**

Of which non-cash branches:

**2**

ATMs:

**294**

RATMs (cash deposit ATMs):

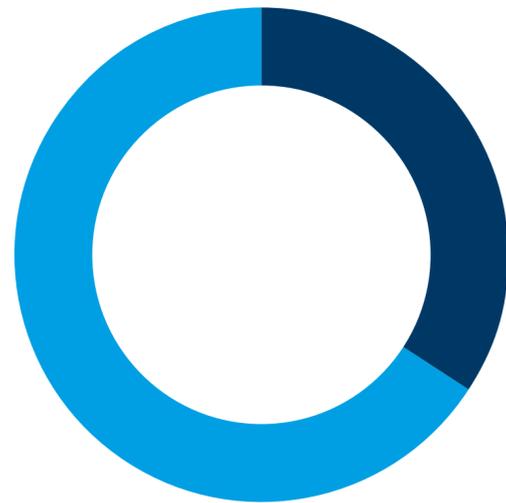
**36**

# EMPLOYEES

○ Total number: **3,111**

● Women: **2,043**

● Men: **1,068**



Number of full-time employees:  
**2,912**

Number of part-time employees:  
**199**

Managerial staff:  
**326**  
(women: **158** / men: **168**)

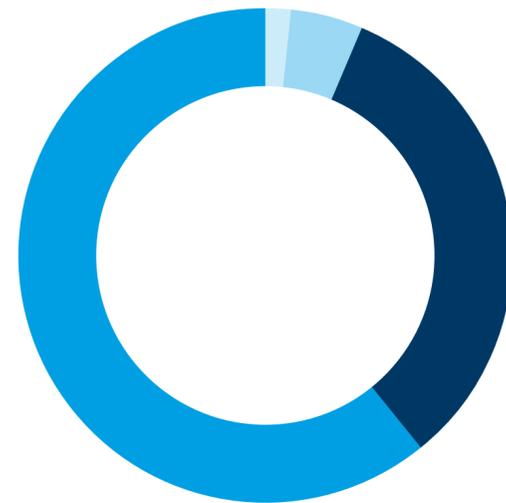
# EMPLOYEES BY EDUCATIONAL ATTAINMENT

● University: **1,890**

● Secondary: **1,018**

● Bachelor's degree: **151**

● Postgraduate: **52**



# DIVERSITY AND INCLUSION

**At ČSOB, we aim to create an environment in which everyone is treated with respect, where employees feel accepted and wanted.** An environment in which we appreciate the uniqueness of each employee and where everyone is given space to express their opinion. Since 2019, ČSOB has focused more intensively on raising awareness regarding gender equality among employees, in pursuit of which the bank's Board of Directors has committed itself to proceeding in compliance with the provisions of the Gender Diversity in Finance

Charter of the parent company KBC Bank NV, which contains three main action points:

- **promoting a culture of inclusion in financial institutions**
- **supporting the recruitment, career paths of female successors within financial institutions**
- **building social capital in the financial sector.**

As we experience the lack of diversity

mainly in senior management positions, we focused our activities and development on encouraging selected female managers to break down their own prejudices, support their strengths and courage to grow further at work. Therefore in 2018, 2019 and 2020, selected groups completed a specific development programme. In each selection process, especially for senior management positions, we devote our attention to diverse candidates so that in addition to a male candidate, we always consider a female candidate in the selection process. For three years in a row, we have been carrying out various activities and delivering lectures on the occasion of International Women's Day, with which we strive **to support women's self-confidence in particular and highlight their potential.** Within the IT University project, we are delighted and pleasantly surprised by the increased participation of our female colleagues in development programmes that prepare them for their future IT positions.



## EMPLOYEE DEVELOPMENT

ČSOB is actively interested in the development needs and career ambitions of its employees, as also evidenced by the successful launch of the IT University programme. It enables selected male and female employees who have shown an interest in making a career in information technology to complete the necessary training to increase their chances of being successful in IT positions that ČSOB can offer them. Likewise, the aim is to continue to promote a culture of diversity and, through various activities, contribute to employee awareness, transparency towards them, support for staff consultants in reducing unconscious prejudices in staff selection and encouraging women in career advancement.

Number of all trainings completed by employees: **19,573**

## WE ARE HEALTH-ORIENTED

With regard to the work-life balance of our employees, we continue to develop a healthy body and mind within the DETOX programme and organise inspiring lectures on various topics, such as travelling, healthy lifestyle, environmental protection, etc., and due to the pandemic we used an online form that primarily covered the topics of coping with stress, anxiety, working from home and the overall well-being of employees. We have developed a Mental Health Portal where our employees can find tips on how to support their well-being and healthy functioning.

## COVID-19 PANDEMIC

In response to the global situation regarding the COVID-19 pandemic, beginning in the spring we promptly transformed the face-to-face form of training for retail employees into a webinar form so that they could continue to provide professional advice. **Gradually, we changed all educational programmes within ČSOB into the online form of education**, including an introductory day for new employees. The new situation also brought a new perspective on leadership and hybrid people management, to which we responded by preparing new management standards – the so-called New Normal.

## CODE OF CONDUCT

The Code of Conduct is based directly on KBC Group's general mission.

**ČSOB wants to be an organisation that:**

- **listens to its clients, anticipates their needs through the provision of products and services**
- **fulfils the potential of its employees**
- **supports the local community.**

An organization centred on people is built on multiple values. At ČSOB, these values are the criteria that determine our everyday thinking and conduct. These values are enshrined in the abbreviation **PEARL**.

**ČSOB's PEARL values are as follows:**

- P**erformance
- E**mpowerment
- A**ccountability
- R**esponsiveness
- L**ocal  
Embeddedness

They naturally determine our behaviour: we are respectful, responsive and results-oriented. We expect that this behaviour

will not only help us confirm trust in the company, but also be a reference company in banking and insurance. All the principles

set forth in the Code of Conduct are linked to these values and behaviour.



## WHISTLE-BLOWING

### A WAY OF REPORTING UNFAIR PRACTICES IN THE WORKPLACE

It is in our sincere interest to create and promote a culture of honesty and openness, with all whistle-blowers having the opportunity to report potential wrongdoing, the suspicion of unethical or uneconomic conduct or serious non-compliance with internal regulations at the earliest possible stage without fear of retribution. Complaints are immediately verified in a correct manner and when investigating, the authorised persons proceed in accordance with the applicable law, internal policy and the rights and legally protected interests of the whistle-blower.



# SOCIAL RESPONSIBILITY



## STRATEGY

As a financial institution, we have in our hands a very important driving force that has a direct, but also an indirect effect on society. We actively reduce the negative impact of our products and services. We endeavour to provide the financial solutions and business opportunities that have **positive impacts in those areas where we have the chance to influence the direction of society.**

These areas include:

 financial and digital literacy

 entrepreneurship

 environmental responsibility

 longevity and health

We also emphasise responsible behaviour as the basis of sustainability at KBC. Doing business responsibly also means

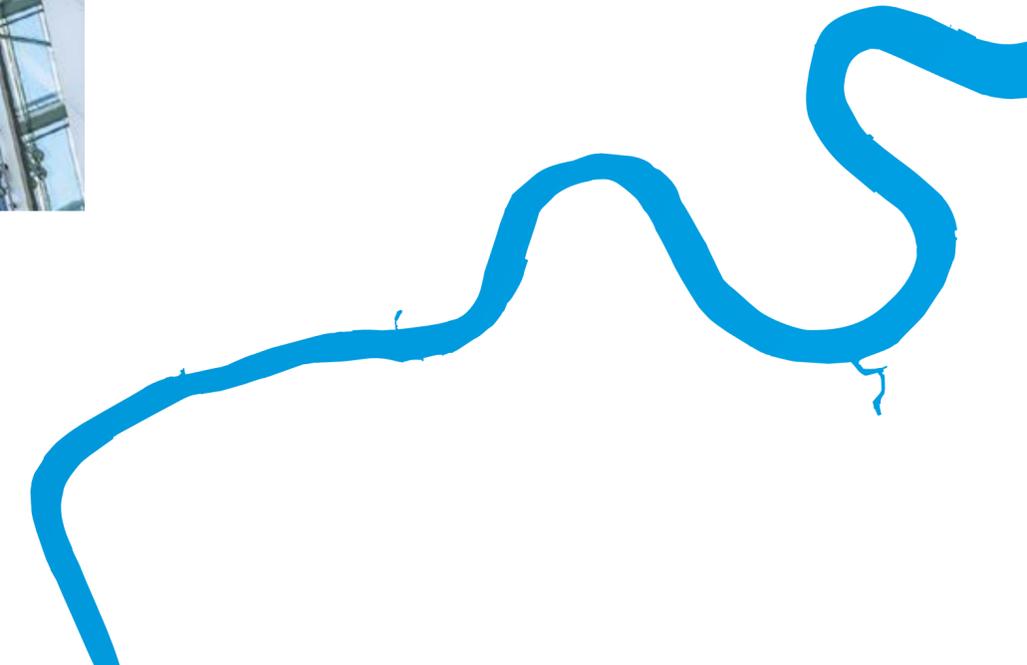


having financial resilience and very strict risk management. The responsibility of top management for sustainability and its management ensures that the sustainability strategy and our

goals are integrated into every layer of our organisation and all our key and day-to-day activities.

## IMPORTANT DIALOGUE

In KBC Group, we strive to respond to the expectations of all our stakeholders. We appreciate their valuable and constructive feedback, based on which we develop our strategy. Key stakeholders are clients, employees, shareholders and investors, suppliers, public institutions and non-governmental organisations (NGOs). As part of this biennial dialogue at KBC, in 2020 the following areas were identified as the most relevant:



# MATERIAL TOPICS

# SUSTAINABLE DEVELOPMENT GOALS

## 1. LONG-TERM RESILIENCE OF OUR BUSINESS MODEL

Ensuring the resilience of our business model, considering important societal challenges (e.g. climate change, demographic changes, ageing and health) and managing the relevant risks



## 2. DIRECT ENVIRONMENTAL FOOTPRINT OF OUR BUSINESS ACTIVITIES

Limiting any direct adverse impact and increasing the positive impact on the environment through our activities and the resources we use.



## 3. SUSTAINABLE AND RESPONSIBLE LENDING, INSURANCE AND ADVISORY SERVICE OFFERING

Further expanding our sustainable lending, insurance and advisory services offering and restricting lending, insurance and advisory services regarding controversial and socially sensitive sectors (e.g. arms-related activities, narcotic crops, gambling).



## 4. SUSTAINABLE AND RESPONSIBLE ASSET MANAGEMENT AND INVESTING

Constantly increasing the share of sustainable investments in our portfolio.



CLIENTS

EMPLOYEES

INVESTORS AND SHAREHOLDERS

SUPPLIERS, PUBLIC INSTITUTIONS AND NGOS

GOOD HEALTH AND WELL-BEING

AFFORDABLE AND CLEAN ENERGY

DECENT WORK AND ECONOMIC GROWTH

RESPONSIBLE CONSUMPTION AND PRODUCTION

CLIMATE ACTION

# MATERIAL TOPICS

## DESCRIPTION

## RELEVANCE

## SUSTAINABLE DEVELOPMENT GOALS

### 5. PARTNER IN THE TRANSFORMATION TO A MORE SUSTAINABLE FUTURE

Taking part in the public debate and being a partner in the transformation to a more sustainable future by raising awareness of this topic



### 6. CORPORATE CITIZENSHIP

Supporting local communities and the development of social projects



### 7. ACCESSIBLE FINANCE

Stimulating the local economy by financing small and medium-sized companies and start-ups with innovative ideas and projects as well as looking for solutions for less advantaged clients



### 8. USABILITY OF BANKING AND INSURANCE PRODUCTS AND SERVICES

Making sure our services remain physically and digitally accessible to everyone (e.g. the elderly and blind) and ensuring the efficiency of our services (e.g. digitalisation).



### 9. FAIR, UNDERSTANDABLE AND TRANSPARENT INFORMATION FOR CLIENTS

Transparent communication regarding our products and increasing financial literacy



CLIENTS

EMPLOYEES

INVESTORS AND SHAREHOLDERS

SUPPLIERS, PUBLIC INSTITUTIONS AND NGOS

GOOD HEALTH AND WELL-BEING

AFFORDABLE AND CLEAN ENERGY

DECENT WORK AND ECONOMIC GROWTH

RESPONSIBLE CONSUMPTION AND PRODUCTION

CLIMATE ACTION

# MATERIAL TOPICS

# DESCRIPTION

# RELEVANCE

# SUSTAINABLE DEVELOPMENT GOALS

## 10. INFORMATION SECURITY AND DATA PROTECTION

Ensuring stable and secure IT systems resilient to outside attacks, strict privacy rules regarding clients, proactively helping clients in detecting and solving issues of fraud



## 11. INCLUSIVE BUSINESS CULTURE

Safeguarding an inclusive business culture, promoting diversity



## 12. ATTRACTING AND RETAINING TALENTS

Creating a safe, healthy and motivating working environment for our employees



## 13. ETHICAL BUSINESS CONDUCT AND RESPONSIBLE BEHAVIOUR

Being transparent towards all our stakeholders



CLIENTS

EMPLOYEES

INVESTORS AND SHAREHOLDERS

SUPPLIERS, PUBLIC INSTITUTIONS AND NGOS

GOOD HEALTH AND WELL-BEING

AFFORDABLE AND CLEAN ENERGY

DECENT WORK AND ECONOMIC GROWTH

RESPONSIBLE CONSUMPTION AND PRODUCTION

CLIMATE ACTION

# SELECTION OF RELEVANT SUSTAINABLE DEVELOPMENT GOALS OF THE UNITED NATIONS

After a proper analysis of all the sustainable development goals (SDGs) of the United Nations, ČSOB, as part of KBC Group, accepted those that are of the highest relevance to our business focus as a financial institution.

-  Good Health and Well-Being
-  Affordable and Clean Energy
-  Decent Work and Economic Growth
-  Responsible Consumption and Production
-  Climate Action





GOOD  
HEALTH  
AND WELL-BEING

We develop and offer banking and insurance products that focus **on health, healthcare and improving the quality of life.** Our social projects also include themes like road safety, as we strive to contribute to reducing the number of fatal accidents on pedestrian crossings. We promote a work-life balance among our employees.



RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION

We support the transition to a low-carbon and circular economy. We develop sustainable banking and insurance products and services that meet a range of social and environmental challenges. **We actively promote sustainable funds towards our clients.** We endeavour to mitigate our own negative impact on the environment by dealing sustainably with energy, paper, water, mobility and waste and by reducing greenhouse gas

emissions.

KBC Group's strategic goals:

- 100% own green electricity consumption by 2030
- Develop business solutions in the four selected focused areas: environmental responsibility, financial and digital literacy, entrepreneurship, longevity and health
- 30 billion euros' worth of SRI funds by 2025



AFFORDABLE  
AND CLEAN  
ENERGY

We actively contribute to raising the share of renewable sources in the energy mix. We invest in initiatives in the field of **renewable energy and energy efficiency** through our banking and insurance activities and have drawn up an exit programme for the financing of non-sustainable energy solutions.

KBC Group's strategic goals:

- 65% of renewable energy loans in total lending
- Full exit from direct coal-related financing by 2021
- Implementing and monitoring a structural approach to managing and reporting climate-related risks and opportunities through KBC's Sustainable Finance Programme
- Focus on business solutions that contribute positively to environmental responsibility





## CLIMATE ACTION

We apply strict environmental principles to our loan, investment and insurance portfolios. A key area of our sustainability strategy and climate policy is our focus on sustainable investments. We take account of the climatic performance of investees as well as active engagement with them. We develop business solutions that help clients reduce their greenhouse gas emissions and make the transition to a low-carbon economy.

KBC Group's strategic goals:

- To implement and follow a structural approach to managing and reporting climate-related risks and opportunities **through KBC's Sustainable Finance Programme**
- To focus on business solutions that contribute positively to environmental responsibility
- **To reduce our own direct carbon footprint by 80% by 2030** compared to 2015



## DECENT WORK AND ECONOMIC GROWTH

Our banking and insurance activities support entrepreneurship and **job creation and contribute to sustainable economic growth**. We support new businesses and invest in innovation and technology through alliances with start-ups and financial technology companies (fintechs). **We play an important role in protecting basic labour rights, fair pay, equal opportunities and training & development opportunities for all our employees.**



## WE HAVE SIGNIFICANTLY INCREASED OUR CLIMATE-RELATED AMBITIONS

**Climate change is one of the greatest challenges the world is facing in the 21st century.** We are therefore committed to making a significant contribution to the transition to a low-carbon society. We are aware that on the one hand, our activities have an impact on the environment, while on the other, climate change can affect our business model. We concentrate our efforts on **the sustainable development of the planet** and thus we will continue to achieve the set goals. We have developed the **Sustainable Finance Programme** to manage climate-related opportunities and risks.

## KBC'S SUSTAINABLE FINANCE PROGRAMME

Financial institutions have a singular role to play in achieving the goals set by the United Nations and combating climate change thanks to their unique position in terms of the financial flow of loans, investments and advice. In December 2015 **the Paris Agreement was adopted as a legally binding international treaty on climate change** that commits each signatory country, including Slovakia, to **reducing greenhouse gas emissions**. In the second half of the century, there should be a situation where only as many emissions are released as nature will be able to consume to achieve climate neutrality. In 2018 the European Union adopted legislation that will enable it to meet its commitment to reduce greenhouse gas emissions by 40% by 2030 compared to 1990.



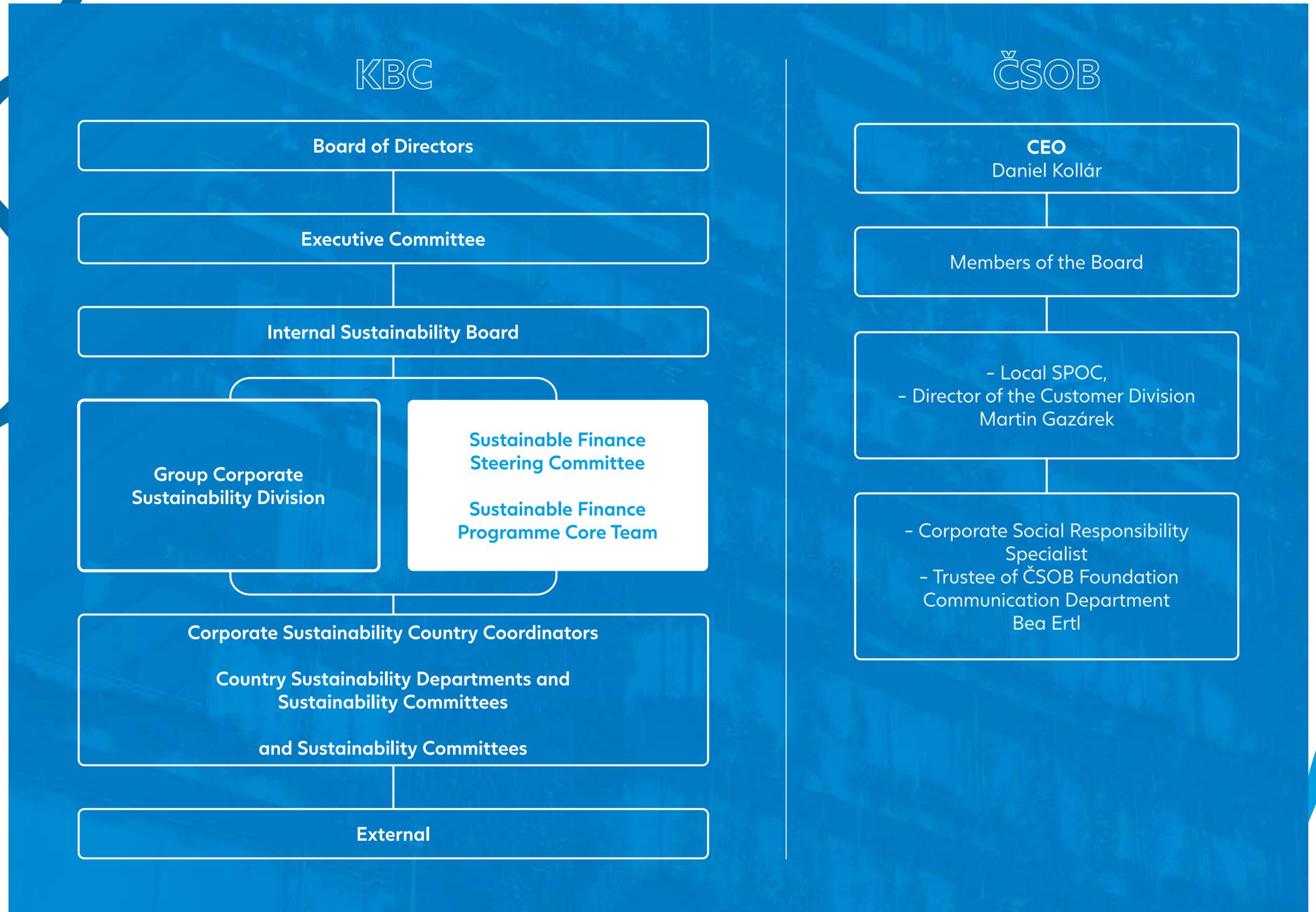
Such dramatic changes do not occur from day to day, nor from year to year. The European Commission's endeavour has a clear goal – to gradually **rebuild our economy towards a sustainable and low-carbon future**. And rebuilding the economy requires financial resources. Together with other major multinational banking

groups associated with UNEP – FI (United Nations Environment Programme – Finance Initiative) within the so-called Principles for Responsible Banking, KBC have acceded to the commitments of the Paris Agreement. To this end, we operate a clear policy regarding which products we sell to which clients and we also apply a restrictive credit and

insurance approach to applications from controversial sectors. Conversely, **we support sectors or companies that take environmental, social and governance (ESG) considerations into account in their investment decisions**. We seek to offer our clients business solutions from within our core operations that support the transition to a sustainable society.

# CORNERSTONES OF OUR SUSTAINABILITY STRATEGY

## SUSTAINABILITY MANAGEMENT STRUCTURE



## RESPONSIBLE BEHAVIOUR IS OF THE ESSENCE

Trust between ČSOB, its employees, clients and partners is a fundamental value for maintaining our licence, thanks to which we can operate in society. ČSOB's credibility results from a number of everyday decisions of all employees. Trust is built on our competencies, open communication, personal integrity and a genuine interest in all stakeholders in everything we do. We are aware that our company is evolving dynamically and its needs are constantly changing. One of the duties of KBC's or ČSOB's management is to know its needs and set the long-term functioning of its business policy accordingly. We want to consider honestly and carefully whether the potential profit is not made at the expense or to the detriment of the interests of our partners or society in general. In this respect, we go far beyond our legal obligations, as we believe that our responsible behaviour today guarantees the right to continue

doing our business successfully in the future.

Our responsible behaviour consists in finding the necessary balance between the set expectations of the public and our own business, i.e. we do not want to avoid potential risks and strive to realise maximum profits at all costs. On the contrary, in justified cases, we are ready to give up profits in favour of higher goals.

### UN GLOBAL COMPACT

We are proud that ČSOB, as the only Slovak bank, has been a part of the United Nations Global Compact initiative for more than 10 years; the UN Global

Compact is the world's largest voluntary initiative with the participation of entities from more than 150 countries. By joining the initiative, we are committed to upholding the principles of corporate citizenship in the areas of human rights, labour standards, the environment and anti-corruption. In addition, ČSOB is one of only five Slovak companies to have joined the initiative to date.



### BUSINESS LEADERS FORUM

Since 1 January 2020, ČSOB has also been a member of the informal association of companies "Business Leaders Forum". The BLF companies are committed to being

leaders in promoting the principles of responsible business in Slovakia.



AKO ŽIŤ BEZ ODPADOV ?

## OUR SUSTAINABLE BUSINESS SOLUTIONS

*For the sake of strengthening our positive impact on society, we, as part of KBC Group, have defined four areas of focus in which we, as a banking and insurance company, can create added value and meet the real needs of society.*

CSOB  
MIE VAŠOUŽI

FESTIVAL FILMOV O TEPNE A VODNEJ ENERGIJI  
EKOTOP  
ENVIRO



## FINANCIAL AND DIGITAL LITERACY

**A financially and digitally literate society is essential**, and not only in understanding banking and insurance products, but also managing a family budget and consumption in a reasonable manner. **For KBC, financial literacy means** in the first place **communicating clearly and transparently about our products and services and giving financial advice**. We also aim to contribute to the overall improvement of the general public's knowledge of finance as such. We collect and analyse data in an open, honest and transparent way in order to **better understand our clients** and adequately **respond to their needs**.



## ELECTRONIC BANKING

For ČSOB's electronic banking, 2020 was marked by **new features and services** for digital financial management. **The ČSOB MultiBanking service has been expanded** by the addition of four Slovak banks' accounts. In the ČSOB SmartBanking mobile application, our clients could thus monitor the movements of all accounts in one place. **Several key functionalities have been added to the new internet banking "Moja ČSOB" (in English: My ČSOB)** and made available to all clients. It is currently used by **more than 80,000 clients**. In 2020, ČSOB SmartBanking saw an increase of more than 20,000 users. It was used by a total of 180,000 unique users. At the same time, the ČSOB SmartBanking application extended its portfolio of **digitally available products by SmartServices+**. ČSOB also responded to the global unfavourable situation related to COVID-19 and enabled its clients to electronically request the deferral

of their repayments via My ČSOB. At the same time, we came up with a new, more secure way of authentication for logging in to electronic banking in the form of the ČSOB SmartToken application.

We made contactless payment with a smartphone or watch available to ČSOB clients and supported the Apple Pay, Google Pay, Garmin Pay and Fitbit Pay services.

## POI DO TOHO

At ČSOB, we are aware of the complexity of pedagogical activities and therefore for the third year running, ČSOB Poistovňa, as part of its CSR activities, continues to implement the promising non-profit project aimed at helping teachers and increasing students' involvement in financial literacy. **The POI DOTOHO project provides teachers with professionally processed and prepared aids** in the form of videos, presentations, quizzes, and games. **It brings more interaction into the teaching process and makes the lesson** dealing with the topic of insurance **more attractive to students.** The project is primarily intended as an aid and inspiration for teachers of Civics in the 9th year of primary schools and the 4th year of eight-year grammar schools. However, it can also be used for other years. The whole project is voluntary and free of charge, and the individual components can be found in one place – on the publicly available website [www.poidotoho.csob.sk](http://www.poidotoho.csob.sk). The project is prepared in two languages – Slovak and Hungarian.



## ENTREPRE-NEURSHIP

### BUSINESS EXPECTATIONS INDEX

ČSOB plays an important role as an advisory and financial expert for Slovak entrepreneurs when setting up and managing new businesses. In cooperation with the Datank research agency, ČSOB implements the so-called Business Expectations Index (BEI) twice a year. No other institution, company or non-governmental organisation conducts a representative survey and regularly asks entrepreneurs about their expectations. The survey methodology is the same as for the Czech market, which enables us to compare the results from these two markets.

**"The arrival of the pandemic caused a crisis we probably haven't experienced for the last hundred years and also led to a high degree of uncertainty among businesses. Planned investments have been postponed, significantly affecting demand in most sectors and practically destroying the previous favourable expectations of companies."**

*Marek Gábriš, Chief Economist of ČSOB.*

While in February 2020 entrepreneurs were even more optimistic than in the autumn of 2019, in less than three weeks their sentiment dropped to an all-time low. The Business Expectations Index reached -44.4 points (from a possible scale ranging from +100 to -100 points). It thus confirms the huge concerns of small and medium-sized enterprises as well as large companies about the further development of the situation. At that time, medium-sized and large companies expected greater impacts on their operations than small companies. Only 3% of the entrepreneurs surveyed said

that the pandemic would have no effect on them. We repeated the survey in October 2020. We found out that roughly one in seven companies in Slovakia had recorded a more significant decrease in foreign demand due to the pandemic. When we narrowed the selection only to those companies that regularly trade with foreign countries, the decrease in demand affected two-fifths of them (38%). Another 30% had to completely cease cooperation with some markets.

**"On the other hand, a crisis often proves to be an opportunity as well.**

This was confirmed by 18% of the approached companies that **managed to succeed in new markets** or even saw an increase in foreign demand during the pandemic",

*said Koloman Buzgó, Head of Corporate Customer Solutions Division in ČSOB.*

## DO YOUR BUSINESS ONLINE

Measures taken in connection with the pandemic in Slovakia have significantly complicated the lives of small and medium-sized enterprises.

**The need to offer products and services online** and have such an alternative secured in the future appeared all the more intensely. ČSOB has always supported Slovak entrepreneurs and their presentation. **That is why we gave them a helping hand** even when expanding their business to new online spaces.

ČSOB in cooperation with the Learn2code platform team, which has many years of experience in teaching online marketing and e-shop creation, **provided entrepreneurs with useful digital know-how.** Registered companies had the opportunity to first get a personal diagnosis and then access to recommended online courses that helped them make progress in their online business.



## ENTREPRENEURS CAN BRING THEIR BUSINESS BACK INTO PLAY

The partial relaxation of the measures provided an opportunity to restart the business. However, this could be challenging after months without income. **Therefore, ČSOB offered its clients advantageous credit solutions that helped them get back on their feet.** These programmes were designed for all small and medium-sized businesses with

a turnover ranging from EUR 10,000 to EUR 1,500,000, including one-man limited liability companies and natural persons conducting business. **They have helped their operations not only get out of trouble,** which may have come about during the COVID-19 crisis, **but also develop and innovate their business.**



## ENVIRON- MENTAL RE- SPONSIBILITY

## EVERY DROP COUNTS

The perception of one's own responsibility towards the environment is more than necessary. There are not always systematic opportunities for individuals, beyond the usual daily approach to consumption. **Therefore, investing in the so-called socially responsible investment (SRI) funds is a great option.** Thanks to them, clients get the opportunity to invest systematically in the sustainable development of society. Their investments can thus affect what our future will look like.

In October 2020, ČSOB introduced a novelty to Slovakia – an SRI fund that directly supports the provision of drinking water in the world. We bring the KBC Eco Fund Water through KBC Asset Management that manages funds for its clients.



## PUBLIC TRANSPORT TICKETS VIA THE ČSOB SMARTBANKING APP

The SmartBanking application is one of the best-rated banking applications in Slovakia, but we still see room for improvement, specifically in offering solutions that will move us to a better future. We joined forces with a trusted partner, Bratislavská integrovaná doprava, a. s. – BID (in English: Bratislava Integrated Transport), because we knew that we shared the same values and working with such a partner would move us forward. Paper tickets are one of the first associations when it comes to travelling. However, we saw them as an opportunity for innovation that can help protect the environment. The SmartServices + IDS BK service enables ČSOB clients to purchase a public transport ticket directly via the SmartBanking application. Bank clients can pay for the ticket directly from their account as well as monitor the

remaining minutes, extend the validity of the ticket and are automatically notified before the ticket expires. In the extended version, which will be implemented in the coming months, they will also be able to search for connections, track delays and purchase day tickets.



## ELECTRIC CARS ALWAYS GET THE GREEN LIGHT FROM US

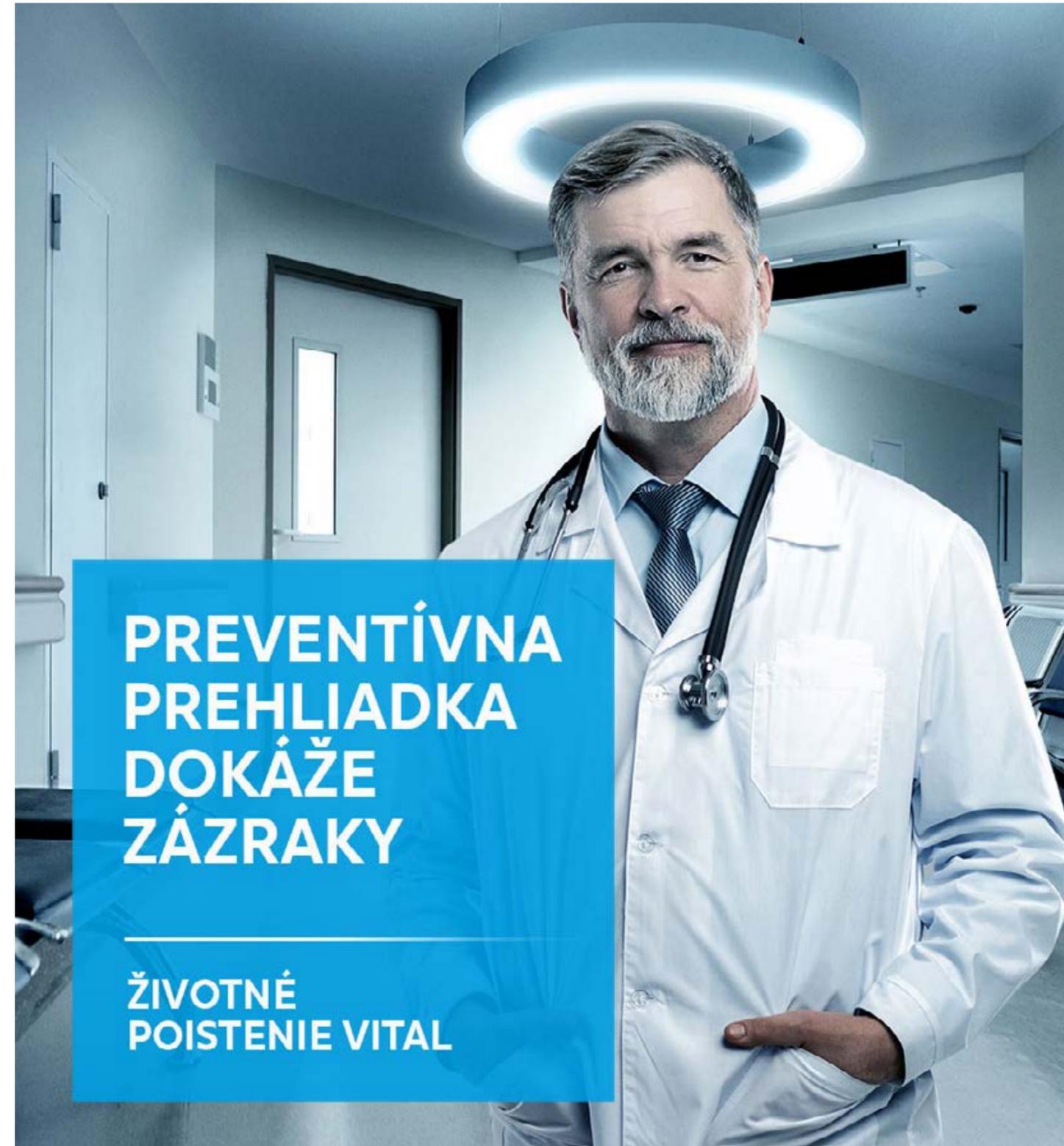
Our clients no longer have to wait until they save on their own electric car. Whether they have received a subsidy for an electric car or want to get it without state aid, in both cases we have prepared a tailor-made financing plan. Moreover, we provide our clients with advantageous insurance through ČSOB Leasing poisťovací maklér, s.r.o.





## LONGEVITY AND HEALTH

Slovaks suffer from an interesting diagnosis. Many of them immensely enjoy watching doctors in TV series, but only few of them get information about their health from a real doctor during a routine check-up. And it is exactly this kind of medical examination that often helps prevent serious health problems if they are detected in time. Therefore, in 2020 ČSOB Poistovňa pointed out the importance of undergoing a routine check-up.



**PREVENTÍVNA  
PREHLIADKA  
DOKÁŽE  
ZÁZRAKY**

**ŽIVOTNÉ  
POISTENIE VITAL**



# REDUCING OUR OWN CARBON FOOTPRINT

*We have substantially increased our ambitions in relation to our direct environmental footprint, and within KBC we have committed ourselves to achieving climate neutrality in 2021.*

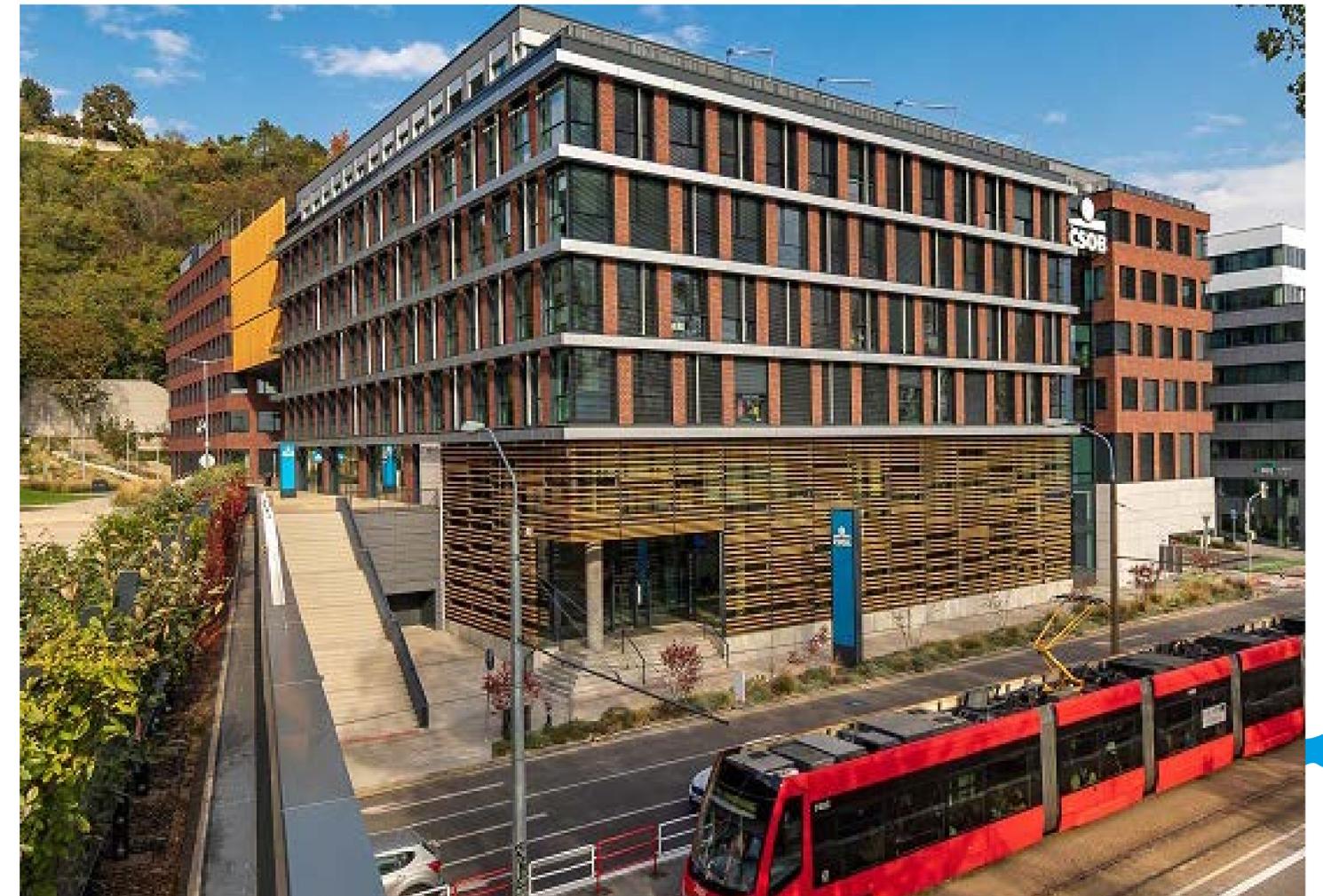
# CARBON NEUTRALITY

We have set the criteria for achieving carbon neutrality by 2050. Thus we closely monitor the origins of our emissions. We have taken a set of several measures and compared to 2015, we have **managed to reduce CO2 emissions by 38%**.

At the same time, we will continue to reduce our direct environmental footprint and by 2030 we will reduce our greenhouse gas emissions not by 65% as originally determined, but **by as much as 80%** compared to 2015, including emissions caused by commuting (accounting for about 30% of our total greenhouse gas emissions). We have committed ourselves to greening our employee mobility policy with a focus on bicycles and public transport as well as on offering more electric cars. **Moreover,**

**we have undertaken to source 100% of our own green electricity consumption from renewable sources by 2030.** A key tool that helps us reduce the volume of emissions produced is the implementation of ISO standards, namely ISO 14001 for Environmental Management Systems (EMS) and ISO 50001 for Energy Management Systems (EnMS). As a result, we have been continuously reducing emissions since 2012. We work on the continuous modernisation of key building technologies so that the energy consumed is used as efficiently as possible, while complying with all hygiene requirements in the workplace. Our analyses show that the operation of buildings and the energy consumption of office equipment and company cars, together with regular commuting, are our main emitters. The buildings themselves are responsible for one-third of the CO2 emissions we produce by consuming energy for heating. By optimising the energy consumption of buildings and using renewable energy sources (RES), we directly reduce the impact of our work on the environment. The opening of the new ČSOB

headquarters on Žižkova Street in Bratislava and the relocation of most employees to **a modern and energy efficient building** was crucial for us. Thanks to the use of electricity from renewable energy sources, in 2020 we produced 1,000 tonnes of CO2 less than if we did not use electricity from RES.

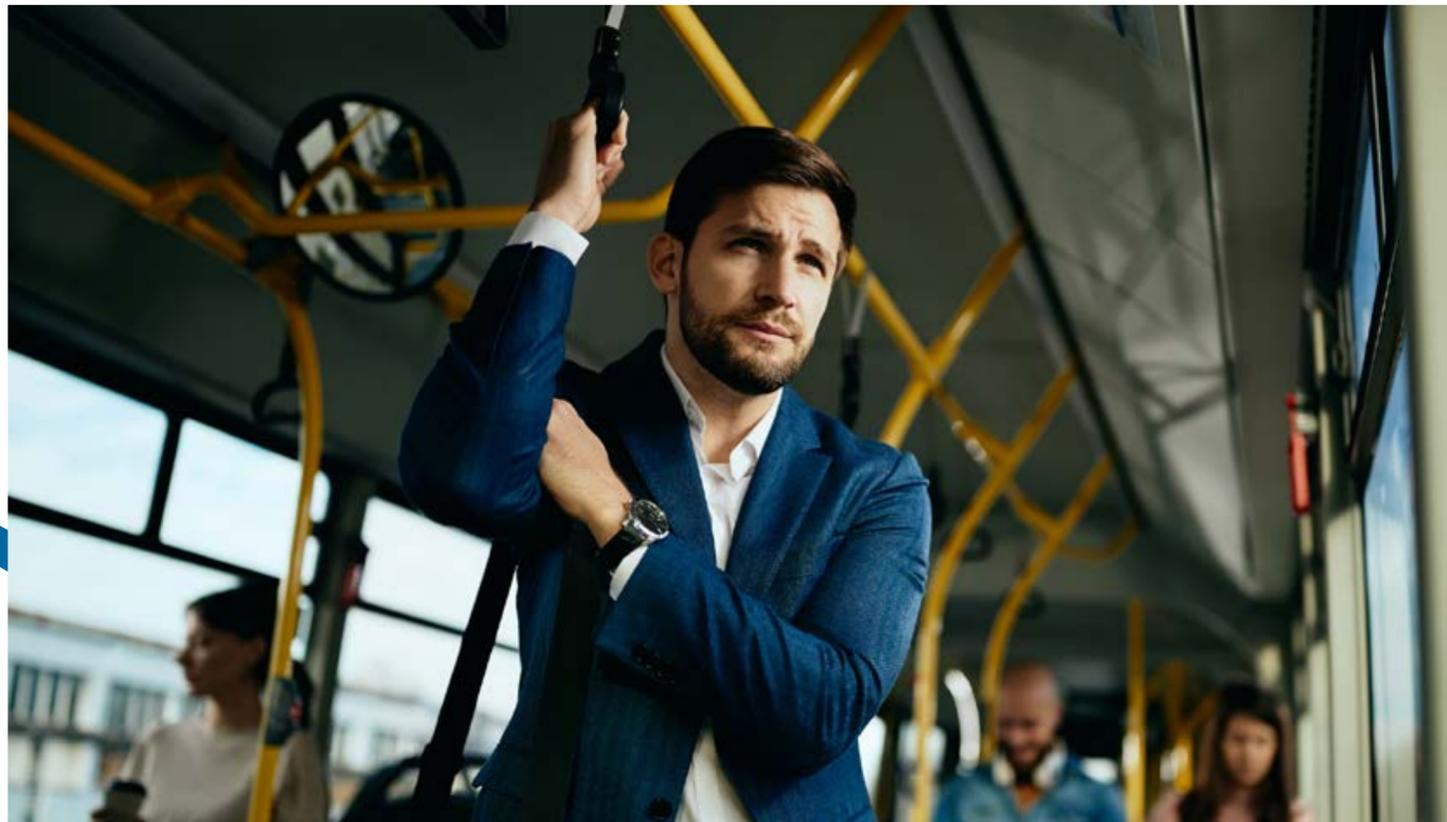


## Reducing Our Own Carbon Footprint

From the outset, we insisted that the new headquarters on Žižkova Street in Bratislava be as environmentally friendly as possible, as also evidenced by the BREEAM Excellent award achieved by the headquarters building.

The new headquarters allows us to make efficient use of office space, and all ČSOB Financial Group companies operate here

under one roof. By leaving several buildings in the centre of Bratislava, we have made significant energy savings on heating. **The new headquarters uses modern, energy-efficient technological equipment that enables economical operation.** Electronic building management systems help us evaluate the consumption of the building, and these data are constantly monitored by dispatchers. The location allows us to use public transport, because the building is situated near a tram stop and is thus easily accessible from all directions. The parking



policy and garage capacity lead employees to have a preference for public transport.

By improving the IT infrastructure and transforming workplaces into flexible ones, more and more employees have the opportunity to work from home. Non-commuting has a considerable impact on the emissions produced by transport. Between 2021 and 2030, the introduction of

home working could contribute to one-third of all CO2 emissions savings in our company.

As a result of the Covid-19 pandemic, as many as three-fourths of our employees worked from home, which led to **a 23% reduction in our emissions.**



The possibility of using bicycles for commuting also contributes to reducing emissions. Our employees can lock their bicycles in a bicycle stand with facilities and changing rooms. Furthermore, the green roof of our headquarters building is part of the microclimate in the local residential district of Zuckerman. It collects most of the rainwater which, by its gradual evaporation, mitigates the effects of a large building on air overheating in the summer months.



## URBAN BEES

Since September 2020, ČSOB has been involved in the **Urban Bees** project with its green roof on Žižkova Street. Perhaps paradoxically, currently the urban environment and its diversity suit bees sometimes more than their standard natural environment beyond the city limits. The location of the hives was designed so as not to endanger visitors to the terrace. At the same time, the best possible conditions for bees were created. The bees leave their hives outside the roof area. The hives

contain the colonies of urban bees, which have a calmer nature.



5

**FOUNDATION ACTIVITIES,  
VOLUNTEERING  
AND SPONSORSHIP**



## SOLIDARITY AND HELP DURING THE COVID-19 PANDEMIC

The year 2020 brought us all an unexpected turn and a completely new situation. Without hesitation, we therefore decided to help our long-term partners as well as excellent new projects that contributed to mitigating the impact of the COVID-19 pandemic. We helped the University Hospital in Bratislava, specifically the Department of Pneumology, Phthisiology and Functional Diagnostics, with the purchase of life-saving devices worth more than **EUR 73,000**. Through our long-term partners "Club of Friends of the Children's Hospital in Banská Bystrica", the non-profit organisation "Child in Hospital" and the Children's Cardiac Centre Foundation, we provided a lot of personal protective equipment, special medical supplies, instrumentation and helped cover the costs of re-profiling hospital beds.



In cooperation with the Office of the Bratislava III. City District and the Faculty of Medicine of Comenius University, we provided materials for 3D printers, which subsequently produced the necessary protective facial shields for frontline doctors. We have all witnessed the enormous efforts of Slovak health-care professionals to help where needed. That is why we decided to financially support the

newly-launched initiative and online platform titled "**Who Will Help Slovakia**" in the amount of **EUR 50,000**. Through a transparent funding system, the platform provided material assistance for hospitals, social services homes and services for vulnerable groups. The ČSOB Foundation became a proud partner of the initiative and donated EUR 50,000.

Education is one of the long-term priorities of the ČSOB Foundation. This is also the reason why we supported the newly developed School Club project aimed at providing at least a few alternatives to the cancelled classes at primary schools. **The interactive live broadcast** on RTVS public television not only helped the children themselves, but also their parents who became teachers from day to day to better cope with the difficult situation. The implementation service was provided by the **citizens' association "Indicia" (in English: Indication)** which we supported for this purpose in the total amount of **EUR 52,000**.



## THE BEST HUMAN COACH

For the **ČSOB Bratislava Marathon**, one can better prepare with a sparring partner. That is why we joined forces **with Sloboda Zvierat (in English: Animal Freedom)** and found the ideal running coaches for the runners. Thousands of such dogs are waiting in shelters to be walked. The runners mixed help with pleasure and during their preparation for the ČSOB Bratislava Marathon, they **walked active and abandoned dogs from the shelter**, which repaid them with joy and valuable company. Thanks to sharing photos of such trainings on social media under a special hashtag, we were able **to financially support Sloboda Zvierat in the amount of EUR 4,320.**



## 15TH ČSOB BRATISLAVA MARATHON ONLINE

In the difficult situation, we tried to express absolute understanding and solidarity with the organisers of the ČSOB Bratislava Marathon. As the general partner, we financially covered and paid the costs of moving the race to the online space, and the jubilee 15th ČSOB Bratislava Marathon took place safely in a virtual form.

### DONATION EVENT "HECNIME SA PRE MAREKA" (IN ENGLISH: "LET'S DO IT FOR MAREK")

Male and female employees of the ČSOB Financial Group have joined forces again. They recorded the results of their trainings during the ČSOB Bratislava Marathon 2020 internally. The ČSOB Foundation undertook to donate EUR 0.30 for each such recorded activity.

Together we managed to collect up to EUR 10,000, which we donated to a handicapped, but all the more passionate athlete, Marek Sálus. Thanks are due to all colleagues involved.



Marek was born as a healthy boy, but when he started his studies he stopped talking in the face of adversity. The right and left hemispheres of his brain stopped cooperating. When he was 6 years old, he was diagnosed with Landau-Kleffner syndrome (LKS), so Marek began to fight a rare disease – developmental aphasia. Doing sports is a suitable form of support for such complications. That is also why Marek, as a 12-year-old boy, represented Slovakia by swimming the breaststroke

and backstroke at the 8th European Games for Handicapped Youth in Brno – EMIL OPEN 2019. He also took part in SPARTAN RACE KIDS. Marek is a very competitive type of person who likes exercising, so he also does skating, skiing and cycling in addition to swimming. He also intends to try table tennis, which is a great way to connect the right and left hemispheres of his brain.

**On the occasion of the ČSOB Bratislava Marathon, we also supported other fighters from the ADELI Foundation in the amount of EUR 5,000.**



## SOLIDARITY FUND FOR ČSOB FINANCIAL GROUP EMPLOYEES

The ČSOB Foundation's long-term activities also involve providing support through the **Solidarity Fund**. The assistance is directed at ČSOB Financial Group employees or their immediate family (family members in the direct line, i.e. a child, spouse, parent or sibling) who are coping **with a severe disability or serious illness**. During 2020, the ČSOB Foundation received 4 applications that met the stipulated conditions and were supported in the total amount of **EUR 4,000**.

## ATTENTION! ZEBRA ON THE ROAD

Within the project "Attention! Zebra on the Road" aimed at preventing tragic injuries to children on pedestrian crossings, the ČSOB Foundation awarded a grant of **EUR 38,374** for the reconstruction and modification of 20 pedestrian crossings in 9 municipalities and cities throughout Slovakia.



## ATTENTION! POTHOLE ON THE ROAD

In cooperation with ČSOB Poistovňa, we pointed out a danger which arises from the bad condition of many Slovak roads threatening road users and can cause an insured event or a tragic event in the worse-case scenario. That is also why we contacted the staff of cities and municipalities, whom we have worked with in the past on the rehabilitation of crossings, and together we managed to **patch 39 potholes at a total cost of EUR 4,000.**

## FAIRYTALE HELP FOR CHILDREN

In December, we launched a Christmas volunteer activity, during which our colleagues prepared real fairytale Christmas for the children **at the Children's Cardiac Centre in Bratislava.** They wrote and recorded dozens of original fairy tales for them; the children then played and read them during long winter

evenings, whether at home or at the cardiac centre itself. Together we managed **to collect EUR 15,000,** which we used to support a great project by the Children's Cardiac Centre Foundation titled "Žijem naplno" (in English: "I Live My Life to the Fullest").



## EDUCATION

### THE DUKE OF EDINBURGH'S INTERNATIONAL AWARD SLOVAKIA

Even in 2020, despite the transition to online operation, we continued to support a comprehensive development programme for young people aged 14 to 24 that builds the leadership and motivational skills of corporate talents and managers by guiding students towards achieving their goals. From among ČSOB employees, 7 colleagues opted to mentor 7 students. The activities

of The Duke of Edinburgh's International Award Slovakia citizens' association were **supported with EUR 10,000.**

## NOVEMBER 89 TODAY

Only a fraction of secondary school students learn about the history of Czechoslovakia or Slovakia after 1945. Much of the younger generation does not know at all what happened in 1989. Part of the older generation, on the other hand, perceives the turn of events very critically, because they feel themselves the victims of the post-November transformation of society. The high degree of idealising life in socialism and the high degree of idealising the Slovak state have a devastating effect on contemporary social consciousness. Therefore, for the second year running we have been the general partner of the three-year project "November 89 Today" and **supported** their activities **in the amount of EUR 10,000.**



## UNIVERSITY OF ECONOMICS IN BRATISLAVA

We supported our long-standing partner in education, **the University of Economics, in 2020 in the amount of EUR 5,349.05.** These resources were used for the reconstruction of the computing laboratory at the Faculty of Commerce, which will serve the needs of the students pursuing knowledge on circular economics.

## PROTECTION AND CREATION OF THE ENVIRONMENT

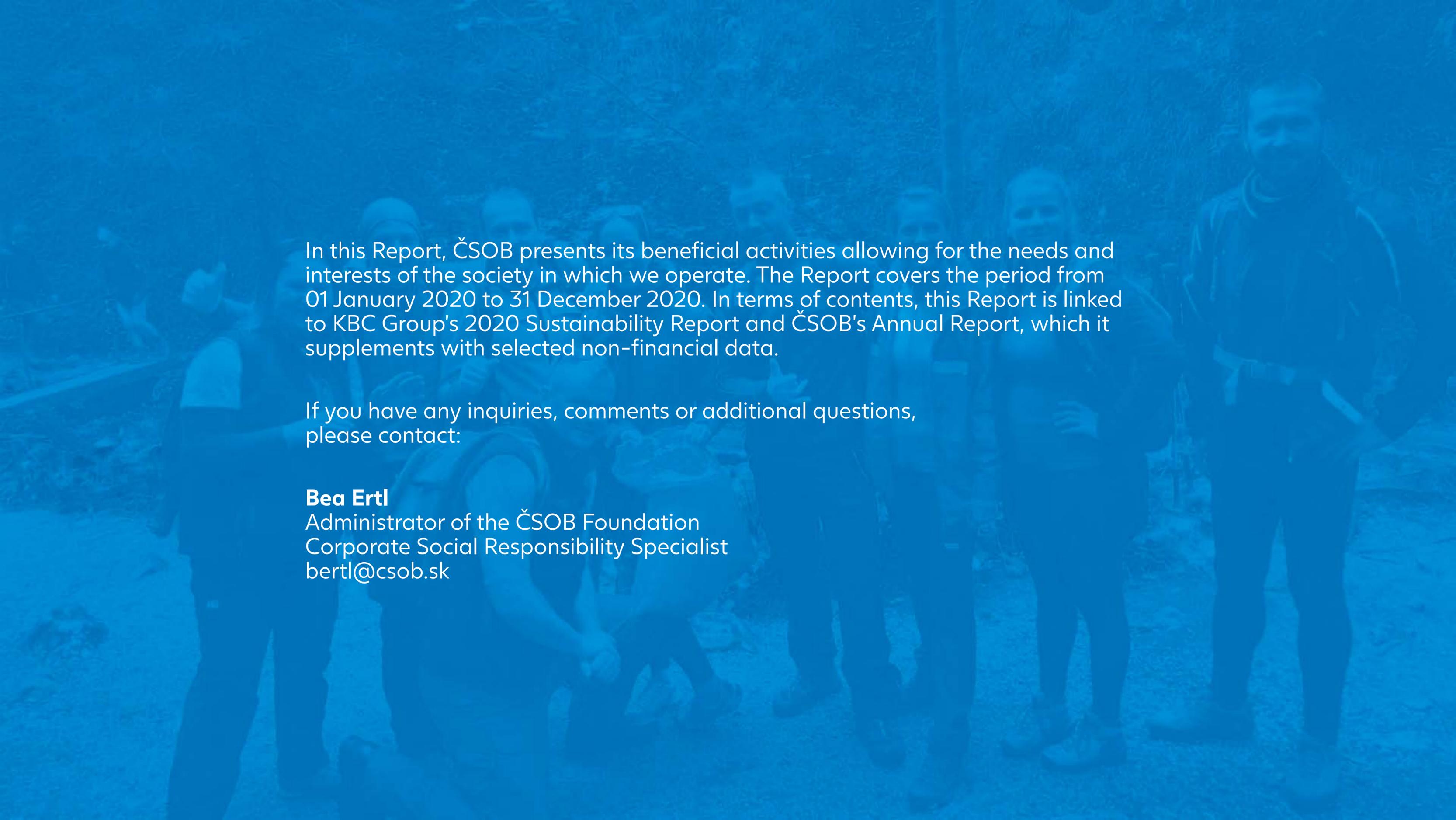


## WE GROW TOGETHER

We are aware of our unique opportunity to influence the direction of society towards a more sustainable functioning. We see this chance as our sincere commitment, one we want to fulfil mainly by supporting systematic projects and effective changes.

The neutralisation of the carbon footprint represents one of such projects. For this task, we made common cause with experts from Štátne lesy Tatranského národného parku (in English: "State Forests of the Tatra National Park") and in 2020 we entered into a five-year partnership.

Financial support was given for the planting and after-care of more than **30,000** seedlings in the amount of **EUR 34,975.36.**



In this Report, ČSOB presents its beneficial activities allowing for the needs and interests of the society in which we operate. The Report covers the period from 01 January 2020 to 31 December 2020. In terms of contents, this Report is linked to KBC Group's 2020 Sustainability Report and ČSOB's Annual Report, which it supplements with selected non-financial data.

If you have any inquiries, comments or additional questions, please contact:

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