Dear Readers,

Corporate responsibility and sustainability have recently undergone rapid development all over the advanced world; within the KBC Group, the ČSOB Group is definitely involved as well. Take a look at the following pages of our regular Annual Report to see for yourselves; I hope you will be pleasantly surprised by the information about our activities over the past year.

Since the early 1990s ČSOB has been very actively involved in the rejuvenation and advancement of philanthropy in our country. At the moment, we are concentrating our support on activities that are also linked to our chosen sustainability areas: For education – For business – For nature – For longevity.

However, we have gradually focused more and more on a responsible approach within our business undertakings, to encourage environmental protection and improve our planet’s living conditions. We are far from starting from zero. As far back as 2005, we abandoned financing weapon manufacturing. This was a conscious decision that negatively affected our profits. Nevertheless, the step has become even more meaningful now.

In accordance with the KBC policy, we have recently undertaken to dramatically reduce the financing of coal burning in our power plants. It should finally be terminated in 2025 from when we are solely going to support investments in heating plants that will facilitate a reduction in the environmental impact in compliance with the applicable laws.

Moreover, we aim to expand our offer of socially responsible investments, offer Green Grants for small and big enterprises alike, create start-up conditions for novice entrepreneurs and come up with a number of other motivational initiatives designed not only to maintain the pace of the economy but also to cultivate an enterprising environment.

In this Report, we would also like to introduce the mutually beneficial cooperation with our long-term partners in the NGO sector, as well as individual initiatives in strategic areas that allow us to respond to the urgent needs of society, for example, improving financial and cyber literacy and population ageing.

I believe that you will find this insight into our activities useful and that it will convince you that whatever we do, we do responsibly.

I hope you enjoy reading this Report.

Petr Hutla
Member of the ČSOB Board of Directors and Internal CSR Committee of the KBC Group
### Key figures of the ČSOB Group in 2017

<table>
<thead>
<tr>
<th><strong>NET PROFIT</strong></th>
<th><strong>CZK 17.5 billion</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LOAN PORTFOLIO</strong></td>
<td><strong>CZK 657 billion</strong></td>
</tr>
<tr>
<td><strong>DEPOSITS</strong></td>
<td><strong>CZK 821 billion</strong></td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th><strong>BRANCHES AND TRADING VENUES</strong></th>
<th><strong>ČSOB CLIENTS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>bank branches</td>
<td>217</td>
</tr>
<tr>
<td>Poštovní spořitelna branches / Era financial centres</td>
<td>31</td>
</tr>
<tr>
<td>ČSOB Private Banking branches</td>
<td>11</td>
</tr>
<tr>
<td>corporate branches</td>
<td>11</td>
</tr>
<tr>
<td>leasing branches</td>
<td>7</td>
</tr>
<tr>
<td>ČMSS advisory centres</td>
<td>302</td>
</tr>
<tr>
<td>Hypoteční banka centres</td>
<td>30</td>
</tr>
<tr>
<td>ČSOB Pojišťovna branches</td>
<td>97</td>
</tr>
<tr>
<td>trading venues of Česká pošta</td>
<td>2,800</td>
</tr>
<tr>
<td>ATMs</td>
<td>1,001</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>INTERNETBANCING</strong></th>
<th><strong>1.626 million users, 54.712 million transactions</strong></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>EMPLOYEES</strong></th>
<th><strong>8,299</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bank employees</strong></td>
<td><strong>7,150</strong></td>
</tr>
</tbody>
</table>
Innovation in 2017

**SIGN-IN FINGERPRINT**
Clients can sign in to all ČSOB mobile applications with their fingerprint.

**INTERNET BANKING**
For retail offers new features such as personal finance management or a one-stop summary of all of the client’s products including insurance, including the Bonus World Loyalty Program.

**DOCUMENTS WITH ELECTRONIC SIGNATURE**
Accounted for 40% of all documents signed at our branches.

**CLIENTS APPRECIATE NEW FUNCTIONS**
ČSOB NaNákupy mobile application, such as the transaction history, MasterPass internet payments or loyalty card management.

**OUR CLIENTS MAY USE OUR FULL ONLINE OVERVIEW**
Of their mortgages, including all related documents.

**THE NEW „PATRIA MOBILE TRADER“ MOBILE APPLICATION**
Offers clients the opportunity to trade with investment products anytime, anywhere.
Innovation in 2017

CLIENTS HAVE THE POSSIBILITY OF REPORTING INSURANCE CLAIMS ONLINE
Our simple and intuitive process allows them to watch their settlement as well.

ČSOB INVESTMENTS
Investment portal where our clients can manage their investments, now including Patria products as well.

MORE THAN 300 NFC ATMs
allows clients to make cash withdrawals in comfort with no risk of skimming.
About us

Selected Accolades

**ČSOB: BEST BANK OF THE YEAR 2017 IN THE CZECH REPUBLIC**

as awarded by **The Banker**

**ČSOB: BEST PRIVATE BANK IN THE CZECH REPUBLIC**

as assessed by **International Banker** and **Euromoney**

**SECOND PLACE FOR THE ANNUAL SOCIAL RESPONSIBILITY REPORT - CORPORATE**

awarded to ČSOB by the **Donors Forum**

**VOTED BY THE CZECH FINANCIAL CONSULTANCY COMPANY, FINCENTRUM**

**ČSOB NANÁKUPY**

The mobile application won ČSOB an award from **Hospodářské noviny**

**The Winner**

for **Bank without Barriers**

**Best Bank and Banking Innovator**
Selected Accolades

In the Top Responsible Company 2017 competition, ČSOB won:

- Gold Certificate in the Responsible Big Corporation category
- Gold Certificate in the Responsible Reporting category
- Gold Certificate in the Diversity category
- Silver Certificate in the Project with Social Benefits category
ČSOB WON THE GOOD COMPANY AWARD IN THE VIA BONA COMPETITION

for its many years of exemplary work in the field of social responsibility

ČSOB continues its philanthropic activities not only through cash donations.

The company encourages its people to volunteer as both experts and manual labourers.

The VDV Education Fund has granted scholarships to hundreds of students over time.

The Good Will Card – a debit card that allows clients to donate to charitable projects any time they make a transaction – is another unique project.

ČSOB was behind the idea of the Committee of Good Will – Olga Havel Foundation Education Fund.

Because corporate social responsibility has been one of the foundations of ČSOB corporate philosophy right from the start.

From professionalization of NGOs…

…for instance to promoting community life and neighbourhood relations.

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For its many years of exemplary work in the field of social responsibility
About us

Strategic goals and Fundamental Corporate Values

SOCIAL
We stimulate the Czech economy, preparing solutions for potential future problems and developing innovative tools to address current social challenges. We wish to be beneficial to the entire Czech society; we are interested in sensitive social topics. Our goal is being the first company to spring to mind when people think financial products and services, or when they look for an interesting job. We want to be the first choice of investors considering the purchase of investment instruments.

ECONOMY
We strive for sustainable profit growth and we want to defend and ensure our company’s future existence in the long run. We respect the limits for risk, capital and liquidity limits in our business. We develop a unique collaboration between the banking and insurance businesses to acquire a better understanding of our clients and come up with fitting, comprehensive solutions. We wish to be a „quality reference” in the field of bankinsurance in the Czech market.

ENVIRONMENT
ČSOB has its own environmental and energy policies, which list the company’s obligations of environmental protection, pollution prevention, to continuous improvement of the environmental management and other specific commitments that are in full compliance with the requirements of the ČSN EN ISO standard 14001: 2016 (EMS) and ISO 50001 (EnMS).

HOW WE ENVISAGE ACHIEVING THIS
Through strict adherence to legal standards and regulations, on the one hand, and though polite behaviour and respect expressing our equal partnership, on the other hand. We engage with our partners, listen to them and identify their needs to enable ourselves to meet them. We place the client’s interest in the first place; we are honest in business and correct in our relationships, we are discreet and responsive during the negotiations. We believe that behaviour consistent with these values will not only help us to promote trust in our society but will also serve as a reference for our existing and new partners.
Social responsibility and sustainability

Social Responsibility Strategy

SOCIAL RESPONSIBILITY
We approach social responsibility and sustainability (CSR) as a natural part of the everyday life of the company and its people. Not only in relation to CSR principles, we build on diversity, variety, free decision-making and responsibility, but also on volunteering and the development of the environment in which the bank is undertaking its complex business. The social responsibility priorities are based on these principles.

CSR STRATEGY OF ČSOB GROUP
The social responsibility strategy of ČSOB Group is based on CSR strategy of the parent KBC Group, which concentrates on to the key element of CSR, which is a structured approach shared across the Group in relation to responsibility and sustainability of business.

CSR STRATEGY CONSISTS OF

CLIENTS, who are the centrepoint of our attention, whatever we do

THE UNIQUE EXPERIENCE OF BANKINSURANCE, provided to our clients

CONCENTRATION ON LONG-TERM DEVELOPMENT within ČSOB Group in order to achieve sustainable and successful growth

RESPONSIBLE APPROACH to society and the local economy
Social responsibility and sustainability

Responsible Business

SOCIAL RESPONSIBILITY

The basic philosophy of ČSOB’s responsible approach to society is based on a business method sustainable in the long term business and is essentially simple - we strive to limit the adverse impacts of our own business wherever we operate, to continually strengthen positive social effects and to motivate all our partners, i.e. clients, employees, suppliers, state institutions and non-profit organizations, towards responsible behavior in our everyday business operations. The individual ČSOB CSR activities are implemented in four strategic pillars and, together, they form a compact unit interlinked with the group sustainability strategy of the parent KBC financial group.

THE PILLARS OF ČSOB GROUP’S RESPONSIBLE BUSINESS FOCUS ON THE FOLLOWING AREAS:

- FOR EDUCATION
- FOR LONGEVITY
- FOR BUSINESS
- FOR NATURE

Besides responsible business, an essential component of ČSOB’s responsible and sustainable behaviour principles is philanthropy - through strategic long-term partnerships with non-profit organizations and clearly defined grant programs - and employee engagement.

CSR COSTS FOR 2017

In 2017, the bank donated over CZK 43 million to promote philanthropy and support socially responsible activities which respond to the needs of the Czech Republic’s society.

- Pillars of responsible business: CZK 9,731,135
- Philanthropy: CZK 33,636,768
- A total of: CZK 43,367,903
For education

We perceive education as one of the best investments. That is why we focus on this area even within social responsibility and philanthropy, and our support for education is one of the pillars of our responsible business.

For us, the natural and key issue is financial literacy. Surveys show that the Czech society is not doing very well in financial education, people are unable to manage their money and plan their spendings on a long-term basis. Debt, insolvency and enforcement are often personal tragedies. Financial education must start with children. Therefore, we strive to promote financial education in schools, we also support organizations that provide free debt counselling, we issue grants to improve financial literacy and also focus on cyber security. Of course, the basis for our business is prudent and responsible lending.

ČSOB FINANCIAL EDUCATION FOR SCHOOLS

Since 2016, our employees have attended primary and secondary schools with the ČSOB Financial Education for Schools project. The project offers supplementary classes of financial literacy and aims to diversify the standard ways of financial literacy education through an interactive and entertaining lecture. We adapt our lessons to the pre-agreed scope and individual needs of the particular schools. Usually, the lecturers are the bank’s representatives from the relevant region and branches. Together with Filip, the project’s mascot, they introduce real-life situations associated with finance, and present the solutions to the pupils.
Pillars of responsible business

For education

PROJECT IN 2017

- **220** employees involved (Ambassadors)
- **75** schools participating
- **365** classes taught
- **Almost 10,000** pupils involved

We want to extend the project to other target groups in the society where we undertake banking business. In 2017, we organized 3 lectures for senior citizens in Brno, Mikulov and Teplice.

**Tereza Martínková**
Head teacher of Nám. Curieových Elementary School in Prague

“Let me thank you very much once again for the financial literacy seminars that have been very popular with our 9th graders, and we have had a positive response from supervising teachers as well. Once again, thanks and see you again in the next school year at the latest. :-).”

**Olga Volfová Naxerová**
Teacher of the Josef Hlávka Elementary School in Přeštice

“...”

“The children's response was very positive. Because it is not the teacher talking. It’s someone from the real world. The children take the subject in much better.”
For education

**CYBER SECURITY**

We also emphasize training in the field of Internet security and protection against hacking. We collect all the information and advice on our Security Guide page.

In April 2017, we launched a guerrilla campaign, where we released fake banking sites to the virtual environment and watched how many people will respond to them - the result convinced us that the on-line security program makes sense for the future as well. In 2017, we teamed up with three youtubers.

In order to reach out to the younger generation, we joined forces with the famous Stejk and Bender. We shot 3 cyber security videos together during the summer of 2017, and on August 15, they organized an event for children where they could shoot their own videos, try different games and contests and listen to information and advice from our experts Petr Vosal from ČSOB and Zdeněk Jiřiček from Microsoft. The event was attended by 70 children.

**CZECH ASSOCIATION OF SCIENCE CENTRES**

In 2016, we started cooperation with two science centres in Pilsen and Liberec. We believe that an entertaining and interactive way of learning is the most effective. At the end of 2017, we established a partnership with the Czech Association of Science Centres and began to prepare an interactive ČSOB exhibition coupled with financial literacy classes. In 2018, 50 training programs concerning personal finance and currency will be created in five science centres.
For longevity

We are a partner in the world of finance for our clients. We are aware of the fact they use our services and products throughout their lives. We very well know their problems and the challenges they address both in their productive age and in their old age. We assist in dealing with them through our contacts in the NGO sector and knowledge of the financial pitfalls of various life stages.

### WHO DO WE HELP?

- **We focus on senior citizens and those who are heading for this milestone in life.**
- **We do not forget the sandwich generation, whose members take care of their children as well as take time to look after to their parents.**
- **We also pay attention to people with physical, sight or hearing impairment.**

### HOW WE HELP

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>We work to make all branches and consultancy points completely barrier-free.</td>
<td></td>
</tr>
<tr>
<td>We run the eScribe transcription service for the deaf, navigation beacons and ATMs adapted to the blind and when creating new products, we consult the needs of the people with disabilities with renowned NGOs with expertise in the area.</td>
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</tr>
<tr>
<td>Mothers during maternity and parents on parental leave may apply for free account maintenance for up to 3 years with no income threshold conditions.</td>
<td></td>
</tr>
<tr>
<td>We offer personal accounts for senior citizens and the disabled.</td>
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</tr>
<tr>
<td>For our private banking clients, we offer a unique Good Will Card the specificity of which is its direct support of philanthropy. Each transaction by this card credits an amount determined by the client to a particular charity project.</td>
<td></td>
</tr>
<tr>
<td>In addition, we contribute towards improving the living conditions of people in a difficult situation by a contribution CZK 2 million within the ČSOB Good Will Card Grant Program.</td>
<td></td>
</tr>
<tr>
<td>ČSOB Leasing offers disabled clients who need to bridge a lack of funds for a specially adjusted car, an advantageous loan, the „Custodian“. At the same time, clients can use other services associated with car operation, which are difficult to procure with respect to their health condition (servicing, operation...).</td>
<td></td>
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</tbody>
</table>
For longevity

THE SANDWICH GENERATION

Senior care is one of the tasks and often the worries handled on an everyday basis by a large group of our clients aged 35 to 55. Spreading oneself amongst children, parents, jobs, and having at least some time for oneself takes a lot of strength. Every little helps then. We realise this, and so we have included the so-called sandwich generation among the priorities we want to focus on. In 2017, we organized a round table for this topic with a positive response. With the help of experts, we presented a series of advice and opened a debate which, we believe, is going to continue.

AVOID GETTING LOST IN OLD AGE

In cooperation with the Sue Ryder Home, we launched a long-term project „Avoid getting lost in old age“. It is a unique platform including a web portal and personal consultancy. The project aims to help senior citizens and their relatives find solutions for age-related issues. Whether it concerns health and care services or legal issues, finances etc., The Sue Ryder Home which has been looking after the elderly for almost twenty years, is the guarantee of expertise in the area of nursing services. ČSOB brings its experience in the field of finance as well as the incentives received from our clients to the project. The project has the ambition to become the top reference across the country.

MATĚJ LEJSAŁ
MANAGER OF THE SUE RYDER HOME

„Avoid Getting Lost in Old Age is a guide through the theme of aging, which was created by Sue Ryder charity for the elderly and their families. Old age of one’s parents is associated with fear, helplessness and stress. The platform aims to provide comprehensive information about the aging process, both one’s own and one’s family members. The unique character of the „Avoid Getting Lost in Old Age“ platform builds on the integrity of information, the personalization of the solution and the wide variety of channels the subject matter is distributed (websites, virtual and face-to-face interactions, multimedia content, bringing the topic to the normal environment of the target group - cafes, clubs, workplaces, etc.). The partnership with ČSOB thus created a space to communicate such an important topic and to pass information to those in need. „
For longevity

ČSOB NA ZDRAVÍ

As part of the project, we encourage active exercise for fun, for a good feeling and for health in particular. We have chosen outdoor sports projects which can be enjoyed by individuals, teams and families with children alike. We have prepared a ČSOB zone for the race participants, where they can do something for charity as well - turn exercise into fundraising. For every one of their sit-ups, press-ups and squats within a 2 minute time limit, we donate CZK 1 to help people with disabilities.
For longevity

2017 IN FIGURES:

- **NUMBER OF RUNNERS AND VISITORS**: 37,589
- **QUANTITY OF RUNNERS**: 12,150
- **QUANTITY OF FOLLOWERS OF THE PARTNERS ON SOCIAL NETWORKS**: 108,532
- **THE AMOUNT RAISED CZK**: 76,790

FOR SVĚTLUŠKA (FIREFLY)

IN 2017, WE WERE PARTNERS OF THESE PROJECTS:

- Safariběh ČSOB 2017 (Dvůr Králové nad Labem)
- Spartan Race Super a Sprint (Kouty nad Desnou)
- Run for Světluška 2017 (Jihlava)
- ČSOB Hostivař run (Prague)
- Skodafit Half Marathon Pilsen
- Vokolo Príglu (Brno)
- ČSOB Marathon Hradec Králové
- ČSOB Janovských 11 and 19 km ELEVEN (Janov nad Nisou)
- Spartan workout tour 2017 (Brno, České Budějovice, Havlíkov, Liberec, Pilsen and Prague)
For business

For us, the backbone of the economy is the small and medium enterprises. We let their very important voice be heard and we help them solve their everyday problems. We also support the efforts of new entrepreneurs because we believe that the future of our economy springs from the success of innovative start-ups.

We are also targeting female entrepreneurs whose partner we want to be in incorporation of their businesses and overcoming potential social prejudices. We also offer a helping hand to NGOs and social enterprises on their way to professionalization.

EXAMPLES OF PARTNERSHIPS AND COLLABORATIONS IN 2017:

- **GENERAL PARTNERSHIP IN THE PROJECT AWARDS OF CZECH BUSINESSWOMEN (OČP)**
  - Competition category ČSOB Exceptional Businesswoman
  - seminars, club regional meetings
  - 10th year of OČP focused, as to the theme, on advisory ČSOB Family businesses

- **COLLABORATION WITH REGIONAL AND INTERNATIONAL COWORKING CENTRES, HUBS AND OTHERS STRATEGIC PARTNERS**
  - Seedstars Summit 2017
  - Elai Enterprising Week 2017
  - Regional events with with interesting persons in the business circles (talkshows, seminars, workshops, business crowd)
For business

COWO CB COWORKING CENTRE

The first in South Bohemia, and the one and only in České Budějovice. It offers a shared office and organizes various events for the public. Admissions from such events are used to fund their operations and donate to charities.

FIGURES FOR 2017:

- **Members:** 45
- **Events:** 25
- **Participants:** 500

MAJOR SPEAKERS IN 2017:

- **PETRA PLEMLOVÁ,** FOUNDER OF UNUO
- **DITA PŘIKRYLOVÁ,** FOUNDER OF CZECHITAS
- **OLIVER DLOUHÝ,** FOUNDER OF KIWI.COM
- **VÁCLAV GRÁF,** CHIEF OF AIRBNB FOR CENTRAL EUROPE AND ISRAEL
Collaboration with ČSOB is essential for Cowo CB. The income from our members often does not cover even the basic operating costs, and financing by ČSOB allows us to bridge these periods. At the same time, it gives us the opportunity to organise various kinds of events that would generate a loss without ČSOB and that would be impossible to organise for the general public. Even if we succeed in securing a top speaker, we often talk about the absence of a fee in relation to donating the admissions to a charity, so the costs associated with the event are paid from ČSOB financing. Thanks to the bank’s support, we are also able to continuously invest in and improve the premises - new tables, chairs, wall decorating, meeting room, etc. That is why we dare say that our collaboration with ČSOB is crucial to coworking, allowing it to be more than just a shabby office space, a project that affects other areas, and that has gained a distinguished position in the five years at least in České Budějovice. The collaboration is also very much appreciated by Cowo CB members and visitors to our events where everyone is aware that without such support or the auspices of an investor such projects would be difficult to implement, and thanks to long-term cooperation, we often see that Cowo CB is perceived as a ČSOB project rather than ČSOB being the general partner of Cowo CB.
For nature

The environment and environmentally friendly approach are priorities for ČSOB and the entire KBC Group. Not just in words, but in actions as well. Our buildings, such as Prague or Hradec Kralove, can serve as examples of sustainable development. We conserve natural resources and we encourage our people to do the same. Even our clients increasingly turn their financial agenda electronic.

The established system naturally includes recycling, purchase of electricity from renewable sources, reduction of energy intensity of our buildings and branches through modern geothermal heating and cooling, gradual replacement of lighting fixtures by LEDs and conversion to autonomous control, reduced use of paper, biometric signatures for client documents and electronic records of client documentation.

In 2017, we focused primarily on reducing the carbon footprint generated by our activities, and we continued to increase the proportion of energy from renewable sources in the energy we use.

- We adopted Environmental policy
- In the ČSOB NHQ building in Radlice we have implemented and certified ISO 14001 - Environmental management (system of reducing environmental impact of the organization's activities)
- We successfully completed management audit within ISO 50001 certification obtained in 2017
- As ČSOB Group, we have decreased the carbon footprint by 29.09% relative to 2015, i.e. by 12,958.56 tonnes
- At 24 branches, we replaced lighting fixtures using modern LED technology, which we reduced our consumption by 108,000 KWh
- In line with the overall ČSOB Group strategy we have further reduced credit support for the traditional coal-burning energy production
- We continued our construction of buildings in Prague- Radlice and Hradec Králové, which will be very ecological and energy-efficient. Both aspire to the Platinum LEED certificate (Leadership in Energy and Environmental Design).
For nature

Just like in the preceding years, we trained our employees in a responsible approach to the environment:

With REMA System, we started a campaign for the recycling of small domestic electric waste and highlighted the possibility of putting the machines into special containers in ČSOB buildings.

In another campaign, we urged people to use mugs instead of paper or plastic cups. We arranged the option of a discounted coffee in a mug with the coffee machine and café operators in the NHQ building. This allowed us to reduce the consumption of cups by 7,000, which is about 30% of the coffee sold.
For nature

We appreciate our clients’ cooperation on reducing CO2 emissions. The services of ČSOB EU Centre helped our corporate and firm clients to obtain European energy saving subsidies worth € 12 million in 2017. At the same time, we have developed a completely new credit product ČSOB EU Smart Energy Credit in cooperation with the European Investment Bank under the Climate Action program; this allows us to provide credit for the financing of energy-saving projects under very encouraging price conditions.

We have been working with ČSOB EU Centre since 2012. For its business sector clients, we identified the energy savings potential and completed energy audits for more than 120 projects. Our cooperation allowed us to implement individual energy saving measures and projects in practice, including the possibility of financing thereof both in the form of bank loans and subsidies from the EU Structural Funds within the advisory services provided by ČSOB EU Centre.”
RESponsible Financing

RENEWABLE ENERGY SOURCES
Since 2005, we have been active in funding renewable energy sources: solar, biomass, biogas and wind power plants. The latest significant transaction in 2017 was the financing of the acquisition and refinancing of the fourth largest solar power plant in the Czech Republic, where the investor is JUFA. The plant, which is located next to the airport runway in Brno, has a total installed capacity of 22 MW and the energy is used by the Brno airport as well.

ENERGY-EFFICIENT SOLUTIONS
Since 2007, we have been involved in financing energy efficiency management projects (i.e. projects with guaranteed energy savings). In that time, we have funded more than 30 projects totalling EUR 44 million. These were municipal projects (predominantly schools) and public sector projects (health and culture). In 2017, the largest project was a regional hospital in northern Bohemia, which aims to achieve savings in heat, electricity and water consumption through the installation of more efficient, modern and greener technologies. The contractor guarantees savings of € 628,000 per year.

MUNICIPALITIES
Within the framework of municipality financing we also provide funds for regional projects aiming to improve the quality of life of local communities. For example the town of Písek was granted a loan to build a public swimming pool and the town of Trinec one to build biking routes, bicycle storage, etc.

EU CENTRE
The Centre advised 12 clients on energy efficiency. Our advisory services aimed at ensuring co-financing from the EU Structural Funds. The projects concerned included the implementation of measures such as thermal insulation of buildings, central heating system upgrades, installation of cogeneration units and heat and power control and management systems.
In figures for 2017

**NON-PROFIT ORGANIZATIONS**, which have one or more accounts with us

- 27,704 accounts

**SPECIAL ACCOUNTS**

- 22,715 accounts for people with disabilities
- 313,431 accounts for senior citizens

**ATMs LOCATED IN SOCIAL MEDICAL AND EDUCATION INSTITUTIONS**

- 25 ATMs

**ATMs FOR THE BLIND**

- 969 of the total 1001

**Locations**

- **Boskovice** - Hospital
- **Brno** - Technical University (Kolejni 2, Údolni 244/53)
- **České Budějovice** - Hospital, Euroclinicum Clinic, University of South Bohemia
- **Hradec Králové** - Clinic, Faculty Hospital - dentistry, Charles University - Faculty of Pharmacy
- **Jáchymov** - The Luzice Spa House
- **Janské Lázně** - Jánský Dvůr
- **Karlova Studánka** - Mountain Spa
- **Kladno** - Hospital
- **Liberec** - Technical University
- **Olomouc** - University Hospital
- **Ostrava** - Clinic, VŠB - Technical University
- **Plzeň** - University of West Bohemia

**Additional Locations**

- **Praha** - IKEM, Na Homolce Hospital
- **Přerov** - Hospital
- **Příbram** - Hospital
- **Rakovník** - Hospital
- **Sokolov** - Hospital
- **Tovačov** - Health Center
In figures for 2017

**Responsible Products and Services**

**Barrier-free branches**
- 219 branches of the total 272 branches and financial centres have the eScribe service, where the hearing impaired can communicate with the staff easily through on-line transcription.

**Beacons for visually impaired people**
- 68 business venues furnished with acoustic navigation beacons for the visually impaired.

**Support of free debt counselling**
- Since 2007, support of free debt counselling provided by the Citizen Advice Association (AOP) has amounted to CZK 19.8 mil.
- Advice in Financial Problems since 2008 to the amount of CZK 10.9 mil.
“Thanks to the aid by the Good Will Card, Jifiik could have the much needed treatment in the Hajek Rehabilitation Centre. His sitting is more stable, his back straighter again, and he has been relieved of the pain. He is happier and smiles more. Thank you!”
IN 2017 THE ČSOB OMBUDSMAN HANDLED

702 ČSOB client filings

78 ČSOB Group client filings in cooperation with subsidiaries

MOST LETTERS CONCERNED

CHARGES

SERVICE

OVERINDEBTEDNESS

A BANK-WIDE COMMISSION, THE CLIENT'S VOICE, PROCESSED 51 CUSTOMER FEEDBACK SUGGESTIONS, OVER HALF OF WHICH WERE ACCEPTED.
Collaboration with suppliers

ČSOB values suppliers, from whom we could purchase goods or services and thanks to them, and the fact that they employ people with disabilities, we could obtain substitute performance in 2017.

These are:

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB Facility</td>
<td>Facility Management Services</td>
</tr>
<tr>
<td>Ergotep, manufacturing cooperative</td>
<td>document processing, services within client projects, marketing services for the distribution of campaign and non-campaign letters</td>
</tr>
<tr>
<td>AMANO (Martin Centre)</td>
<td>coffee supply</td>
</tr>
<tr>
<td>Good Sailors</td>
<td>graphic services</td>
</tr>
<tr>
<td>BARELOVÁ VODA s.r.o.</td>
<td>supply of water barrels</td>
</tr>
<tr>
<td>ISS Správa budov s.r.o.</td>
<td>within Facility Management</td>
</tr>
<tr>
<td>Pancéř, s.r.o.</td>
<td>building security</td>
</tr>
<tr>
<td>Dřevovýroba Otradov</td>
<td>marketing services in campaign and non-campaign letter distribution in cooperation with Ergotep</td>
</tr>
<tr>
<td>Transkript Online</td>
<td>provision of eScribe, communication transcription for hearing impaired people in our branch network</td>
</tr>
</tbody>
</table>
Collaboration with students

**INTERNSHIPS AND WORK PLACEMENTS IN 2017**

- **70** secondary and tertiary school students
- **45** university students

**MOST STUDENTS FROM THESE SCHOOLS**

- **Business Academy**  
  Heroldovy Sady 1, Prague 10
- **Secondary School of Logistics Services**  
  Učňovská 1/100, Prague 9
- **Dr. Edvard Beneš Československá akademie obchodní Edvarda Beneše**  
  secondary vocational school, Resslova 8, Prague 2

**Final theses**  
(seminar, bachelor and masters):

- **16** studentů

**Events throughout the year**

- **16**  
  (fairs, lectures, Mock Assessment Center etc.)
Our People

In figures

**EMPLOYEES**
active at December 31, 2017

- **7,338** employees
  - **2,797** MEN
  - **4,541** WOMAN

**MANAGERS**
active at December 31, 2017

- **544** managers
  - **175** MANAGERS (FEMALE)
  - **369** MANAGERS (MALE)

**Bank headquarters - 57% of employees**

**Branch network - 43% of employees**
(including corporate, firm and private banking, branch network for private clients)

**EDUCATION**

- elementary **15**
- secondary **3,661**
- bachelor level **829**

**DAYS OF TRAINING in 2017**

- university **2,784**
- postgraduate **49**
- (237,900 hours)

**AVERAGE AGE OUT OF R EMPLOYEES**

- **40** years

**JOINED / LEFT**

- **1,168** JOINED IN 2017
- **1,108** LEFT IN 2017
<table>
<thead>
<tr>
<th>Age range</th>
<th>Number of employees active at December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;20</td>
<td>11</td>
</tr>
<tr>
<td>20-29</td>
<td>1,254</td>
</tr>
<tr>
<td>30-39</td>
<td>2,200</td>
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<tr>
<td>40-49</td>
<td>2,350</td>
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<tr>
<td>50-59</td>
<td>1,273</td>
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<tr>
<td>60-69</td>
<td>247</td>
</tr>
<tr>
<td>70+</td>
<td>3</td>
</tr>
</tbody>
</table>
Equal Opportunities and Diversity

We support equal opportunities, empowerment of women in management positions, employment of people with disabilities retention of employees in the 55+ age group and we allow for a work-life balance. At the same time, we offer young talents from universities a special training program.

We strive to achieve the most diversity in our staff composition. Diversity in any company means more variety in opinions, different work and management styles.

WOMEN ON THE BOARD OF DIRECTORS

In 2017, the Board welcomed the first woman - Marcela Suchánková, in charge of People and Communication. In 2018 she was joined by Hélène Goessaert, who is in charge of the Group’s Risk Management.

The Board of Directors of ČSOB (as of June 1, 2018): 6 men, 2 women

PROGRAM FOR MUMS AND DADS

Throughout 2017:

- in the program: 131 employees
  - worked: 4 men, 127 women

Average number of employees on the program in 2017:

- men: 67.42
- women: 65.70

- average age of our employees in the program: 35 years

- the program was joined by: 61 employees
- work termination: 69 employees
Equal Opportunities and Diversity

OZP PROJECT - INCENTIVES TO EMPLOY PEOPLE WITH DISABILITIES

Number of employees with disabilities as at December 31, 2017:
- Men: 64
- Women: 51

- Reduced working capacity: 56 employees
- Serious disabilities: 8 employees

AMOUNT LEVIED TO THE STATE BUDGET WITH SUBSTITUTE PERFORMANCE for 2017:
- CZK 43,142

AMOUNT REALISED OF SUBSTITUTE PERFORMANCE for 2017:
- CZK 42,866,135

On November 7, 2017, a workshop for the blind was held within the OZP project. The meeting was attended by bank representatives and visually impaired workers from the Firefly organisation, a Czech Radio Foundation project, and aimed to introduce the bank as a barrier-free institution and to discuss the possibilities of hiring visually impaired people. The participants received information about the recruitment process and had the opportunity to speak to a visually impaired bank employee. The blind participants gave the Bank’s representatives feedback and suggestions for improvement on their part.
Equal Opportunities and Diversity

**PROGRAM 55+**

Number of employees 55+ as at December 31, 2017

**MEN**
- 206
- 311 in the branch network
- 457 at the headquarters

**WOMEN**
- 562

**MANAGERS**
- 50 (21 men, 29 women)

55+ ALLOWS YOU TO BALANCE OUT WORK AND LIFE
The program allows employees in the 55+ age category an improved way of combining work and personal life while facilitating intergenerational dialogue to enable the young and the mature to share their experience, knowledge and skills and to make the most of their potential.

IN 2017, WE LAUNCHED THE PILOT PROGRAM for employees of Client Services in Retail. As of 11 June 2018, the 55+ program is gradually expanding to other departments in the bank.

WHAT DOES THE PROGRAM OFFER?
- Interactive workshops on work and lifestyle themes
- Informal internal meetings of the program participants

WHAT DO WE WANT TO ACHIEVE WITH THE PROGRAM?
- Reduce the rate of early retirement of senior employees for example because of excess workloads.
- Reduce pressure and stress, promote better regeneration and free time utilisation.
- To support the possibility of taking advantage of the seniority of such employees to mentor junior colleagues.
- Help employees aged 55+ find new enthusiasm for work, thus preventing the burnout syndrome.
- Improve team stability and motivate team building with various age groups.
- Be a more attractive and flexible employer.
Our People

Equal Opportunities and Diversity

PROGRAM FOXES

Number of participants in 2017

12

Training program for young talents who have graduated from university

Focusing on Firm and Corporate banking

The participants are selected for specific positions and a specific branch/department

A combination of professional training, hands-on training and project

The program is designed for 6 months and divided into two parts. In the first three months, we were all placed at the headquarters where training sessions took place. It was a kind of extended university - a bunch of young people was meeting in Prague, and searched for fun in the evenings. We keep it up to this day. We gradually started joining selected departments and working with senior staff members who chose us. We spent more and more time at the branches. What is so great is the fact you join the bank and start in a group of people where everyone starts from the same place. So there is always someone to turn to. They allow you to immerse in business in a non-violent and natural way.

Šimon Chovítek is one of the graduates of the program. He studied at the University of Economics in Prague and now works at ČSOB as a Corporate Banker.

6 graduates (male)

6 graduates (female)
We support individual involvement of our employees in socially useful activities and volunteering.

44 employees used the ČSOB Help Fund and received a contribution for a child or a disabled adult in their family or around them. The bank helped them with a total of CZK 1,256,956 towards the purchase of compensation aids, neurorehabilitation treatments, personal assistance and children’s education.

144 employees joined the ČSOB Run for a Good Cause: Together, they did 1,895 km and raised CZK 189,500 for Committee of Good Will - Olga Havel Foundation (VDV) to help children and adults with disabilities.

Through their purchases of mulled wine or non-alcoholic punch, our employees supported four NGOs with a total amount of CZK 62,435 CZK in the pre-Christmas time.

In May, 273 employees joined the Bike to Work campaign and rode a total of 50,685 km together, raising CZK 101,370 donated by the bank to VDV.

The 8th year of the Give Blood, Donate Health! attracted 296 employees, of which 95 were first-time donors.

Our employees fulfilled the Christmas wishes of 262 children of 8 children’s homes.

We organized Baking for a Good Cause. Dozens of employees prepared sweet and savoury goodies for sale to their colleagues, raising a total of CZK 44,072 for the Club of Patients with Cystic Fibrosis and for the Rozum a Cit Foundation.
In the 10th year of the ČSOB Together We Help volunteering program, 1,111 employees helped more than 70 charitable organisations throughout the Czech Republic. They used an extra day off and offered their professional advice or helping hand.

Two collections of things for Sue Ryder Home charity shops raised CZK 35,130. The funds raised by sale thereof helped the Home get for example 150 hours of a physiotherapist’s work for their clients and 42 hours of social counselling.

“When my father called me to say he had an accident, he managed to take his car to a workshop, but now he’s sitting at home and cannot remember how a knife is used. I knew there was something wrong. Emergency, hospital, diagnosis - brain haemorrhage. He was 84 years old. All of a sudden, needed constant supervision. A difficult situation, we did not know who to talk to. We were lucky with the social workers at Sue Ryder, who have become such a light house for us. They gave us contact details of social and rehabilitation facilities, info about handling the care allowance, consultations with a gerontopsychiatrist, and so on. We would not have managed without them.”

Mrs. Monika
CLIENT OF SUE RYDER COUNSELLING

ČSOB TOGETHER WE HELP VOLUNTEERING PROGRAM
Engaged Employees

MARTIN P.
VOLUNTEER

“I highly appreciate the event itself - a prestigious perception of the participants and their accompaniment and their involvement in the process during the whole event. I very much appreciate the possibility of proposing a volunteer event.”

HANKA Š.
VOLUNTEER

“I appreciate everyone’s enthusiasm for work, absolute cooperation and workflow continuity. And the technical equipment of the event, too. Everything was great, only time was the biggest enemy. The day flew by and it was evening. I will be happy to help again next year with this crowd.”
Engaged Employees

TOGETHER WITH ČSOB MATCHING FUND

The Together with ČSOB Matching Fund encourages and develops individual donations by our employees. Anyone can get a one-time cash donation for any NGO. All that is necessary is to arrange a fundraiser or collection. The bank doubles the yield up to CZK 30,000. In 2017, together with our employees, we supported 33 projects with a total amount of CZK 1,446,709 (employees contributed CZK 770,150; ČSOB donated CZK 676,559 from the Fund).

To give just one example:

Our colleague Andrea J. has long supported the Regional Charity in Třebíč. “From my friend who works in the organization as a social worker, I learned that they needed to buy a new car for the Smile Daycentre to transport clients with mental and combined disabilities. So I made a cash collection amongst colleagues on June 15 to 25, 2017, which was joined by 22 ČSOB employees and 8 people from Třebíč and its surroundings, particularly family and close friends. We raised CZK 80,000 and the Matching Fund donated CZK 30,000. The Daycentre raised more funds from other sources and bought a Ford Transit Custom Kombi worth almost CZK 750,000.”

The vehicle makes the services of the day centre available especially to those who are unable to travel by public transport due to their poor social situation or health condition. We drive an average of almost 60,000 km per year. Due to capacity and financial reasons, we plan client transportation so that each user can use the services of the day centre at least twice a week. The vehicles drop in to Okříšek, Jaroměřice n. R., to Náměšt n. O., Jemnice and, of course, we drive around Třebíč.”

The use of the vehicle is described in more detail by TOMÁŠ BARÁK, HEAD OF ST. BENEDICT CENTRE, which is part of Regional charity in Třebíč.
In 2017, ČSOB supported direct investments in society and various philanthropic projects with the amount of CZK 33.6 million.

PARTNER NGOs

- Citizens Advisory Centers
- Business for Society
- Czech Paraplegic Association
- Sue Ryder Home
- Donors Forum
- Charta 77 Foundation - Barriers Account
- Czech Radio Endowment Fund – Světluška Project
- Mathilda Endowment Fund
- Rozum a Cit Endowment Fund
- Orbi Pontes
- Debt Advisory Center
- Linka bezpečí
- Wheelchair Sport Club Prague
- Committee of Good Will - Olga Havel Foundation
Supporting Regions

ČSOB HELPS REGIONS

The program intends to provide financial support for public benefit projects throughout the Czech Republic. They are projects which contribute, in different ways to improving the quality of life in the individual regions.

In total, we distributed CZK 7,697,765 in 2017.

- CZK 4,2 mil. donated by the bank
- CZK 3,497,765 donations from the public
- CZK 3,522,049 Spring part
- CZK 4,175,716 Autumn part

The most successful project of the autumn part was the training of guide dogs „Happy Guide Dog”, organised by the Mathilda Foundation. It received almost CZK 130,000 from individual donors which meant another CZK 50,000 on top of that, donated by ČSOB

MATHILDA NOSTITZ
PATRON OF THE MATHILDA ENDOWMENT FUND

ČSOB Helps Regions
program gave us the chance to get the funds for the Happy Guide Dog project. We can ensure quality dog breeding and the subsequent training of guide dogs for the blind.”
Supporting Education

EDUCATION FUND

This is our longest-running program, which we founded together with the Committee of Good Will - Olga Havel Foundation in 1995. The Education Fund provides scholarships to talented children with disabilities, children from socially disadvantaged families and from children’s homes, for studies at secondary schools, colleges and universities in the Czech Republic.

CONDITIONS FOR SCHOLARSHIPS:

- age under 26
  (up to 30 in justified cases - e.g. for applicants in post-graduate programs)
- studying at secondary school, college or university in the Czech republic
- grade average 2.0 max.
- social and/or physical handicap
- successful completion of admission interview
Philanthropy

Supporting Education

Since 1995:
- 540 students received scholarships
- 542 students received a one-time contribution to tuition fee or to study materials

In 2017:
- 23 new scholarship recipients
- 88 students receiving regular scholarships

In total, the funds supporting the studies of children and young people with health or social disabilities amount to over CZK 30.9 mil.
Supporting Education

THE STORY OF A ČSOB SCHOLAR

VERONIKA KOSSKOVÁ

Veronica was 14 when she arrived at the children’s home. „My mom started abusing drugs and did not look after me or my siblings,” says Veronica very openly. „I have no problem talking about my story. Yes, it’s sad but it’s motivating, too.”

She claims herself to have always been an independent unit. „For instance, I was the only one in the home who cared about school, about the future. That’s why I was admitted to a hotel school which I completed with O levels.”

Her goals gradually became higher and higher. In the end, she decided to plunge into university studies, too. She was interested in sports and healthy nutrition. She found a program that would combine her two passions at Palestra in Prague.

„I found the nutrition counselling and sports diagnostics program attractive particularly because of my past health problems, since a changed diet and exercise were of greatly benefit to me. So I decided to pursue coaching. My professional dream is clear: Returning a healthy body and spirit to people.”

ČSOB EDUCATION PROGRAM

The 8th annual program to support projects on financial literacy and online security was held in 2017. We supported 15 projects, which received grants to a total amount of CZK 2,024,000 in two grant calls.
In the 5th year of the grant procedure, performed in cooperation with P3 - People, Planet, Profit, o.p.s, we distributed a total of CZK 1,320,000 amongst the 6 winning social enterprises. Besides the direct financial support of CZK 180,000, each of the companies received expert advice tailored to their needs, worth CZK 40,000.

One of the winners is the Bakery On The Sheet. It has been operating since 2014 as the seventh centre of PFERDA z.ú. The bakery is located in Kvasiny, near Rychnov nad Kněžnou, and employs people with mental handicaps and mental illnesses. Mgr. Iva Laštovicová, fundraiser and social enterprise co-ordinator, says:

"The Bakery On the Sheet is limited by space which does not allow us to fully utilise the potential of our employees and satisfy the growing demand for our products. Recently, we had a chance to expand the existing building and add rooms. However, we did not have the funds for the necessary construction work. Thanks to the ČSOB grant program, we could expand our packaging and storage space and, moreover, we have gained valuable know-how in the area of business development and marketing, important for stabilising our operations and long-term job sustainability. The income from bakery jobs helps our mentally handicapped employees integrate into society and in some cases even live an independent life."

Since its inception in 2013, ČSOB has donated to 31 social enterprises almost CZK 3.5 mil.
ČSOB Asset Management

**HOW WE HELP**
We regularly donate to foundations and other charitable companies, many of which are our clients, whose money we manage within the framework of portfolio management.

*IN 2017 WE DONATED CZK 500,000*

For us, the most important is our long-term cooperation with [Committee of Good Will - Olga Havel Foundation](#), which has lasted for over 20 years. Our financial support goes to the Summer Language School, which is holiday stays with English language courses in the UK for children from children’s homes and foster families.

Our employees regularly join the Sport for Charity project and, together with „Good Will Runners“ raise money for the disabled.

We also cooperate with the [Jedlička Institute Foundation](#) or the [Holocaust Victims Endowment Fund](#).

Predominantly the female part of our corporate staff gets actively involved in *Baking for Charity* in the ČSOB NHQ building.

We also help NGOs within *volunteer days*, mainly with manual work.

We regularly organize volunteering collections of clothes, toys and other baby supplies for children from the Infant Home. On top of that, we have also organized a collection of material aid for the Bouchalka dog shelter.
ČSOB Asset Management

EDUCATING THE PUBLIC AND SOCIALLY RESPONSIBLE INVESTMENTS

NICOLE KRAJČOVIČOVÁ
MEMBER OF THE BOARD OF DIRECTORS

„With respect to the persisting very low level of investment literacy, we plan to involve our investment experts in the ČSOB Financial Education for Schools project in 2018. Special emphasis on Social Responsibility in investing is applied to the selection of investments for the Sustainability Fund of the Catholic Church.”

SOCIALLY RESPONSIBLE INVESTING

An important component of ČSOB’s Corporate Social Responsibility Program is the offer of open-ended investment funds, whose investment strategy is in line with the principles of socially responsible investment (SRI) and governed by the European SRI Transparency Guidelines. KBC AM is one of the important managers of socially responsible funds and has been following this strategy since 1992.

The preferred themes in socially responsible investing are ecology, sustainability, respectful labour relations, respect for general human rights and the prohibition of child labour.

ČSOB offers its Czech clients several KBC retail funds for socially responsible investment and one Czech clone, „ČSOB Akciový vodního bohatství”. However, it must be emphasised that ČSOB Asset Management applies the basic criteria for socially responsible investing in the portfolios of all funds and excludes any companies with corrupt practices and child labour, as well as companies manufacturing weapons prohibited by international agreements.
ČSOB Leasing

We support NGOs individually by car purchases. In 2017, we helped Domácí hospic Jordán by purchasing a Škoda Octavia III Kombi worth CZK 311,500. We also provided The Czech Radio Endowment Fund - Světluška Project a long-term car rental worth approx. CZK 120,000; the vehicle is used as support car for Kavárna POTMĚ.

We support such non-profit entities, where we believe our help is meaningful and useful. We try to support the specific needs of the organizations in the form of both financial and material donations (money and material collections, donations of used IT and office furniture, etc.).

In 2017, we organized two collections for Czech Paraplegic Association and their charity shop, „The Star Bazaar“. We donated 19 laptops to Mamma Help (8 pcs), Association of Integrated Sports (5 pcs), Parish Charity Starý Knín - Rukama nohama workshop (4 pcs) a Centre for Democratic Learning (2 pcs).
Since 2013, we have been partners of the Association of integrated sports, and in 2017 we contributed to the organisation of Kuželník with CZK 100,000.

In addition, we supported the organisations employing disabled persons through our purchase of their goods and services to the total value of CZK 2,283,618.5 in 2017. We also keep in mind our disabled colleagues (e.g. the hearing impaired, people with asthma, epilepsy, wheelchair users) who are doing a great job despite their condition. We have prepared the Vital benefit program for them, which offers more comfortable working conditions.

Since 2013, our employees have had the option of spending one day in a year by voluntary activities for the benefit of a select NGO. A huge proportion of our employees get involved in the Together We Help volunteering program every year. There were 164 in 2017, helping 17 NGOs, including:

- Dílny tvořivosti, o.p.s.
- Infant Home - Children's Centre with FTN
- Maternity, family and community centre Balónek, z.s.
- Hospital of the Sisters of Mercy of St. Borromeo in Prague
- Regional Charity Břeclav
- PALATA - Home for the visually impaired
- Mental hospital Bohnice
- Association to Help Children with disabilities - KC Motýlek
- Tachov Ornithology Club - Rescue Station
- Toulecův dvůr - Botič o.p.s.
- Toulecův dvůr - Sdružení SRAZ
- ZOO Dvůr Králové, a.s.
- ZOO Prague
ČSOB Leasing

Twice in the year, we organised baking for charity „Who does not bake with us, bakes against us“. The total yield amounted to **CZK 21,333** and was donated to **Parish charity Starý Knín - Rukama Nohama workshop** and **Helping Paws**.

Along with the charity baking, charity sales went on, which raised **CZK 14,380** for the **Parish charity Starý Knín - Rukama Nohama workshop**, and **CZK 4,080** for **Srdcerváči** and **Star Bazaar** of the Czech Paraplegic Association.

Since 2015 we have been promoting regular donations of blood, blood components and bone marrow by our employees with our campaign „Give blood, donate health!“. **28 employees** donated blood and blood derivatives in 2017.

Even in 2017, we supported several NGOs during sports events. **48 employees** participated in the **Night Run for Světluška**, where they ran a total of 120 km. The **Teribeár hýbe Prahou** race attracted **22 employees**, who managed 1,010 km together, raising **CZK 50,520** for disadvantaged children.
ČSOB Pojišťovna

We wish to look after our clients and offer them the best services and products. At the same time, we are aware of our social responsibility. Social Responsibility of ČSOB Pojišťovna, just like all other members of ČSOB Group, forms one of the basic pillars of corporate philosophy and an integral part of the company’s business.

CORPORATE SOCIAL RESPONSIBILITY - BEEN HELPING FOR 7 YEARS ALREADY

Volunteering

We know how to help exactly where our help is needed. The help consists of physical work, professional assistance or financial support for the implementation of specific projects we cooperate with NGOs to complete all over the Czech Republic.

Since 2011, dozens of our employees have been engaged in at least two days of volunteering per year. The operation method and the level of our people’s engagement are unique. They put their hands and hearts where they are most needed. Each employee can choose his/her preferred volunteering project to join.
ČSOB Pojišťovna

Areas of volunteering in which we are actively involved:

- **Children and families**
- **Helping the disadvantaged**
- **Seniors, hospice care**
- **Environment**
- **Wide range of assistance services 24/7**

**SPONZORING**

- Sports clubs and organisations, handicapped athletes, sports events etc.
- Educational institutions (schools, music and art schools, conservatories etc.)
- Cultural institutions and events (family festivals, concerts, exhibitions, etc.)

**CASH DONATIONS**

Cash collections of employees as well as ČSOB Pojišťovna are intended for one-time activities and long-term projects alike.
ČSOB Pojišťovna

ČSOB POJIŠŤOVNA HELP FUND

Even a tiny amount can be great help. This idea inspired the establishment of a new charity fund where the only nominees are suggested by our employees and traders. Many of us know people around us who have not been too lucky. The fund allows us to help them, for example by contributing to the purchase of compensatory aids.

Supported
18 associations and individuals

Distributed
CZK 300,000

BLUE DAY

For the third time we organised the Blue Parade Parade held in support of people with autism spectrum disorders (ASD). The parade took place on Friday 4th and was attended by hundreds of children and adults. It started at Pernštejn Square and proceeded through třída Miru to the ČSOB Pojišťovna building, where blue balloons were released. Blue is the colour of communication which is the biggest hurdle for people with ASD. The Blue Parade is part of the Autism Day event in the Czech Republic, under the title: "I have my own world, but I love you", which took place in 2017 for the fifth time. A new event, Blue Zumba, which took place on 28 April and which we also co-organised, joined the Autism Day program as well.
TRIP WITH TYFLOCENTRUM
Together with the Tyflocentrum Pardubice we made a spring and an autumn trip to the sights of our republic for visually impaired people from the Pardubice Region.

SPORTING AFTERNOON WITH KULIHRÁŠEK FC
We have worked with the Kulihrášek Family Centre within volunteer activities for three years; in 2017 we helped organise and run children’s competitions.

ECOLOGY
Within our cooperation with Sdružení Krajina, spanning several years, 14 volunteers from amongst our employees excavated irrigation ditches and helped drain meadows.

MILLION TOURNAMENT FOR ADÉLKA
We contributed to the collection organised during the Million Tournament for Adélka. The proceeds of the third year of the charity event amounted to CZK 450,000 and will help Adélka Petříková from Kvasice, who was born with the rare Phelan Mc Dermid syndrome. This is a rare congenital malformation, when a part of the chromosome is missing in the child’s body and, in this case, causes hypotonia. Therefore, aids for the sitting upright to strengthen her back muscles are an absolute necessity for Adélka. In addition, she must regularly have spa treatments. The Srdce na pravém místě Association that supports her family, would like to raise a million CZK towards wheelchair-accessible housing.
Weekend with Autists

The third **Weekend with Autists** was held in August. This time, we went to Milovy where we prepared a separate weekend program for parents and a separate one for their autistic children and their healthy siblings. The point is letting the parents leave the everyday worries behind for a moment and being able to relax for a while at least. We were recognised as a **socially responsible company** for this activity.

Charity Bakery

The imaginary door of the ČSOB Pojišťovna’s Charity Bakery opened for the fifth time in the autumn. Our female employees turned into bakers and prepared a variety of delicacies for the day, which smelled delicious all through the building from the ground up to the tenth floor and attracted crowds of customers - colleagues. The proceeds from the sale were donated to the family of young Zdeněček who suffers from a rare incurable disease, Spinal Muscular Atrophy 2nd type.

Advent with Regional Charity in Pardubice

On 29 November, on the premises of ČSOB Pojišťovna, we listened to Christmas carols and made **81 advent wreaths**, of which 70 were sold to employees. The proceeds were donated to the Regional Charity Pardubice.
Our cooperation with the fundraising and education project Heartbreakers, which helps disabled people to find a good job or be successful in business, continued in 2017 as well.

Two joint workshops were held in ČMSS. The first one, named “Fight sickness, not finances”, was designed for NGOs, social enterprises and private individuals alike. The second workshop „Srdcerváči osobně” gave CMSS employees an opportunity to meet the faces of the campaign, listen to their stories and discuss more than just life with disabilities.

In January 2018, Srdcerváči distributed a record amount of CZK 628,000 amongst ten organizations that employ disabled people. All funds were used to create and modify jobs or to purchase technical equipment. In 2017, ČMSS supported Srdcerváči with the amount of CZK 700,000.

50,000 FOR A GOOD CAUSE

Even in 2017, we continued our tradition which allows one NGO to get CZK 50,000. The decision on the recipient is made by our employees, who first nominate charitable projects and then vote. This year we have contributed to the operation of domestic hospices, care for the long-term ill and their loved ones, by donating to the Cesta domů NGO.
ČMSS employees donated 328 hours volunteer work to NGOs during a volunteer/touristic event and a trip with seniors.

Every year, ČMSS participates in the Bike to Work Campaign; 35 employees got involved in 2017.

We support our employees in blood donorship. There were 45 donors in 2017.

Another of the traditional events held by ČMSS, which brings joy to children in particular, took place in 2017 as well. The children’s wishes were distributed among our employees in a few days and almost 1,000 gifts were sent to three shelter homes.
Hypoteční banka

SOS CHILDREN’S VILLAGES

We have been helping children at risk grow up in a loving environment for 16 years. 2017 was no exception - we contributed to the SOS children’s village account with the amount of over CZK 580,000.

We have been sending a CZK 20 contribution for each mortgage loan contract to SOS Children’s Villages since 2001.

This brings the total amount donated by Hypoteční banka over the time to more than six million CZK.

The money is intended to help not only maintain and operate the villages, but also, for example, to furnish family houses for new foster parents.

RUN TO THE CASTLE

This is the second time we have been a partner of the summer sporting event, Run to the Castle. This is a relaxing, informative and family run series consisting of five parts, namely at the Točník, Bouzov, Veveří, Kunětická Hora and Loket castles. The series aims to interlink running, the nature, history, culture, tourism and active program for children and whole families, while appealing to both active athletes and recreational runners. In 2017, we joined forces with the organisers and prepared a special category for families with children – The Hypotéční banka Family Run. There was a mortgage stall at each event, where we welcomed children as well as adult visitors, and prepared an entertaining program for all of them.
The mission of Český ostrovní dům involves a really broad spectrum of activities from searching for modern methods of waste handling, energy conservation, water for use within beautiful yet fully functional buildings. The main pillar supporting the project is the competition for architecture and construction students under the same name, aiming to create novel project studies of environmentally friendly buildings. The joint efforts of the current leaders in energy conservation and the young talents from the architecture ranks result in an actual prototype of an island house accessible to the public in the foot of the Šumava mountains. The completion itself and the subsequent operation will constitute a great educational opportunity not only for the public but for students and experts as well.

The high financial demands of the Czech Island House project could not be met without the support of partners. However, not only funding but also being tuned to the same wavelength is important for everyone involved. As we live in a time when the fundamental aspects of our society are influenced by many big companies, any effort to improve anything must lead through evolution of such big players. The real possibility of improving things on a large scale is in their hands. We are aware of this fact and, therefore, we linked our name with the Czech Island House project in 2017 as well, and we even develop our products towards environmentally friendly housing, too. The ČOD project was awarded a SDG award for social responsibility by the Czech Republic Government Office and A-CSR of the UN Centre, as well as the main prize, Environmental Oscar in the E.ON Energy Globe Awards.
This Report describes the approach of ČSOB to socially responsible and sustainable business not only through economically focused activities, but also many other related non-business activities, which take into consideration the social needs and interests in the Czech Republic where ČSOB is operating. In order for us to be able to identify and respond to them appropriately, we regularly initiate dialogue with our key partners through questionnaire surveys, public opinion polls and specific events targeting particular addressees - clients, employees, investors, suppliers, representatives of public administration, representatives of non-profit organizations and, last but not least, also competitors, the regulator and government institutions. The Report covers all the organizations within the ČSOB Group (more details in the Annual Report for 2017) and applies to the 1 January – 31 December 2017 period. It thus builds on the preceding ČSOB Report to Society from 2016.

In terms of content, this Report is in many aspects linked to the ČSOB Annual Report for 2017, to which it adds selected data of non-financial nature.

CONTACTS

Should you have any questions or suggestions concerning the content of the Report, please send them to csr@csob.cz.

Jitka Švejcarová
Team Leader of Social Responsibility Department
<table>
<thead>
<tr>
<th>Aspect</th>
<th>Reasons</th>
<th>Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTEGRITY</td>
<td>Ethical conduct and integrity are fundamental principles of healthy business practice. Honesty and integrity are part of the ethical standards to which we subscribe.</td>
<td>Integrity policy, Code of Conduct.</td>
</tr>
<tr>
<td>COMPLIANCE</td>
<td>Compliance is an integral part of the ČSOB Group corporate culture and focuses primarily on upholding the ethical standards and compliance with legal regulations in all business activities</td>
<td>ČSOB Status of Compliance, Code of Conduct, Anti-monopoly Act, prevention of money laundering, prevention of tax fraud, anti-corruption program, gift policy, whistle blowing policy</td>
</tr>
<tr>
<td>PRIVACY AND PROTECTION OF DATA</td>
<td>Credibility is a prerequisite for the functioning of the bank in the financial sector.</td>
<td>MiFID rules for protection of investors, protection of consumer rights in the area of consumer loans and mortgages, measures to combat unfair business practices, handling of client complaints.</td>
</tr>
<tr>
<td>ECONOMIC PERFORMANCE</td>
<td>We endeavor to achieve a permanently sustainable profit growth.</td>
<td>We are developing unique cooperation between banking and insurance business in order to better understand our clients and come up with suitable comprehensive solutions.</td>
</tr>
<tr>
<td>RISK MANAGEMENT</td>
<td>We respect the limits for determination of risks, capital and liquidity in our business.</td>
<td>The rules, principles and measures for risk management, activities of the Risk and Compliance Committee.</td>
</tr>
<tr>
<td>QUALITY OF PRODUCTS AND SERVICE</td>
<td>Our goal is to be the first company to spring to mind when people consider financial products and services or the purchase of investment instruments.</td>
<td>We put the client’s interest first, we do honest business, maintain proper relations, and are discrete and responsible in our conduct.</td>
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</tbody>
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