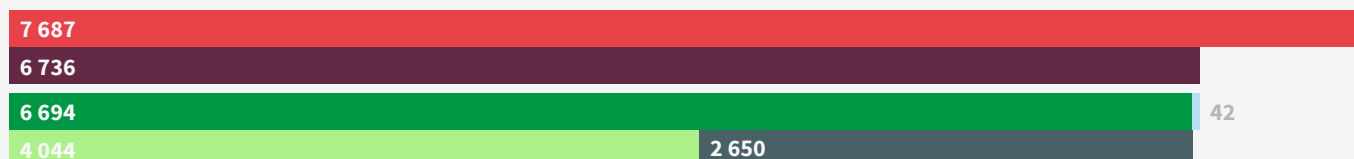




2021

Summary of information on ESG topics

AVERAGE FTE NUMBER OF EMPLOYEES IN 2021



- KB Group
- Komerční banka
- of whom in Czech Republic
- of whom in Slovakia
- of whom at the head office
- of whom in the distribution network

We have **166** branches and **785** ATMs that are accessible without any barriers.

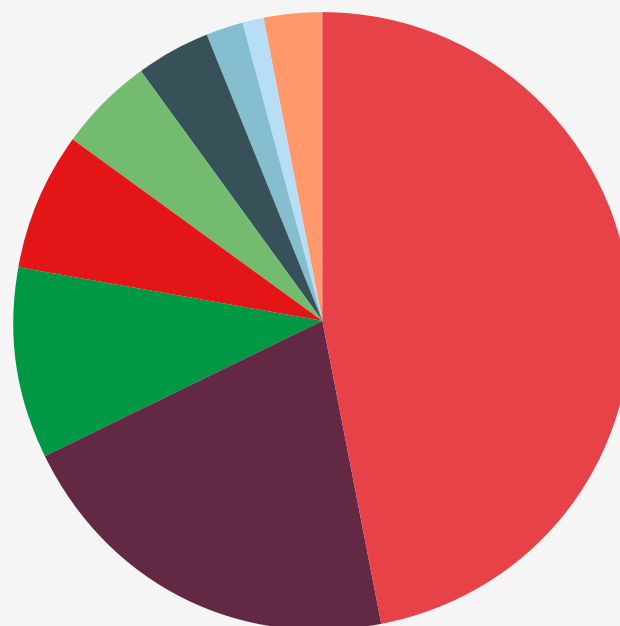
In 2021, we reduced our gender pay gap to **4.2%**. This gap is reported to be around 10% in the Czech market.

Since 2019, we have been measuring and auditing our own carbon footprint and we are on the path towards carbon neutrality by **2026**. In 2020, the bank's total emissions declined by **35%** year-on-year.

We have committed to progressively reduce to zero by **2030** our funding of clients' activities in the coal sector.

Beginning in April **2021**, we also assess and classify our investment loans in terms of their ESG benefits under the EU Taxonomy rules.

EMISSIONS BY ACTIVITY IN % (2020)



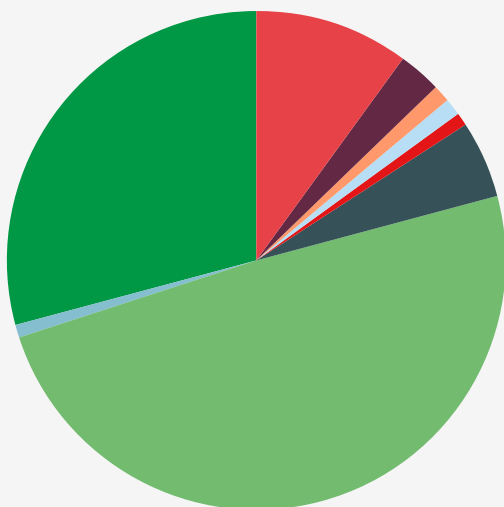
- Electricity (**47%**)
- Investments (**21%**)
- Heat (**10%**)
- Natural gas (**7%**)
- Fuel for company cars (**5%**)
- Employees' commuting to work (**4%**)
- Air conditioning (**2%**)
- Waste (**1%**)
- Other (**3%**)

The final measurements for 2021 will be posted in May.



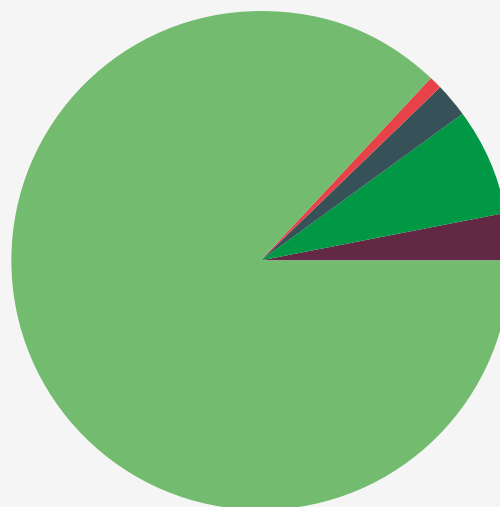
We signed agreements on **ESG** investment loans totalling **CZK 21.9 billion**, of which three quarters are beneficial in environmental terms and one quarter in social terms.

ENVIRONMENTAL AGREEMENTS BROKEN DOWN BY CATEGORY (%)



- Energy efficient buildings (**49%**)
- Low emission mobility (**29%**)
- Wastewater management (**10%**)
- Production - equipment for renewable energy (**5%**)
- Renewable energy (**3%**)
- Water management (**1%**)
- Circular waste management (**1%**)
- Sustainable forestry (**1%**)
- Photovoltaics (**1%**)

SOCIAL AGREEMENTS BROKEN DOWN BY CATEGORY (%)



- Public education (**87%**)
- Public healthcare (**7%**)
- Retirement homes (**3%**)
- Social housing (**2%**)
- Employment support for the development of SMEs (**1%**)

We offer loans for sustainable equipment, which a total of **147** clients used, borrowing more than **CZK 35.5 million**.

Our new payment cards, made **85%** of recycled materials, were named as the best innovation. We have issued over **20,000** of these cards.

In partnership with ČEZ ESCO and SGEF, we launched a new product, **Photovoltaic for one Koruna**. A power plant with a capacity of 100 kWp saves **47 t CO₂** per year.

We extended our vehicle fleet to include **131** electric vehicles.

The Jistota Foundation distributed almost **CZK 20 million**, of which CZK 7 million as humanitarian assistance for southern Moravia hit by destructive storms and a tornado.

We became a Main Partner of Czech ice hockey.

We confirmed our inclusion in the **FTSE4Good Index** and **MSCI** and we were named as the best bank in the Czech Republic in 2021 by the renowned magazine *The Banker*.

Komerční banka won **The Sustainable Bank of the Year** and **The Corporate Bank of the Year** categories and our last year's KB Sustainability Report 2020 was awarded by the expert jury of the **SDG Awards**.







Last year, we successfully continued to carry out our KB Change 2025 strategy in respect of sustainable business too. In particular, we saw an increase in funding for projects closely related to the fight against climate change and for those with a clearly specified positive environmental or social impact.

Over the preceding twelve months, Komerční banka signed 21.9 billion crowns' worth of contracts for investment loans compatible with the ESG principles. We launched new products supporting sustainable development. We started to issue payment cards made of recycled plastics. Under rules based on the EU Taxonomy rules, we are changing our processes to ensure compliance with regulation and be able to progressively carry out the related commitments that we have adopted. In this respect, we underpinned our objectives by a campaign called O CO₂ JDE, which drew the public's attention to the options for contributing to environmental improvements. As part of our drive to achieve carbon neutrality by 2026, we have extended our vehicle fleet to include 131 electric vehicles, for which we will roll out 160 charging points. In tandem, we have withdrawn 175 IC vehicles from Komerční banka's vehicle fleet.

We are continuously and systematically dedicated to social and societal aspects. We have implemented a strategy of equal remuneration for women and men and have pledged to achieve a zero Gender Pay Gap by 2025, having reduced this gap to 4.2% in 2021, which was substantively lower than in the Czech market that reported around 10%. Through KB's Jistota Foundation, we have long focused on fostering the palliative care environment in this country, on extending help to those who need it across generations, and on providing support for the circular economy. In extreme situations in 2021, we helped the families afflicted by the natural disaster in southern Moravia. The process of digitalising banking services is important for our clients. We thus made the retail and corporate banking services available to the maximum possible number of clients even during the Covid restrictions.

Komerční banka applies robust governance in its business and requires its employees to follow KB's Code of Conduct. The code sets out the principles of professional conduct of KB's employees in the Czech Republic and Slovakia, which arise from regulation and also the general rules of ethics.

Together with our clients, we are building a better and sustainable future through responsible and innovative financial solutions.

Jan Juchelka

KB Chief Executive Officer and Chairman of the Board of Directors



The entire Société Générale financial group, including Komerční banka, continues to reduce its own carbon emissions with a view to achieving carbon neutrality of its operation by 2026. In 2020, the KB Group's total emissions declined by 35% year-on-year to 25,049 metric tons of CO₂ equivalent, i.e. 15.2 kg of CO₂ equivalent per client. When this report is being released, the results for 2021 are being finalised and they will be posted on our website.

We have launched a number of new products and services on more advantageous terms for corporate clients and individuals who are betting on sustainability. I would like to underscore the advice provided by the KB Advisory team, our recycled payment cards, investing in Amundi, and our financing. I also regard overall digitalisation, secured operations with data and data streams, the replacement of our main system, and the fact that we are one of the BankID producers as very important.

Our repeated inclusion in the FTSE4Good Index and also other recognitions from the expert circles vindicate the KB Group's recent moves. Some of the major awards include the naming of KB as the best bank in the Czech Republic in 2021 by the renowned magazine *The Banker*. In their evaluation, the jury placed heavy emphasis on, among other things, banks spearheading help to customers and to the broader economy in 2021, their ability to continuously innovate, and also on their sustainable business approach. In the Mastercard Bank of the Year 2021 competition, Komerční banka won The Sustainable Bank of the Year and The Corporate Bank of the Year categories.

Jitka Haubová

Member of KB Board of Directors in charge of Sustainability



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Introduction and Summary of 2021

The purpose of our existence, our *raison d'être*, is building together with our clients, a better and sustainable future through responsible and innovative financial solutions. Our vision is to be the leader in the new banking era for two million active clients. Development, responsiveness, and responsibility are the pillars of our strategy.

Despite the continuing covid-19 pandemic, we intensified our activities in sustainability and corporate social responsibility in 2021. We continued to build a new digital bank (NDB). We also developed a new service provision and branch design model that is more favourable for advice provision and effective solution to clients' various financial needs. The first branch based on the new concept was opened in Prague-Dejvice in July. In line with the centralisation of the main support functions across the KB Group, the head offices of all subsidiaries were progressively moved to the Group's head office building in Prague-Stodůlky, except ESSOX, which continues to be managed from České Budějovice.

We launched new products whereby we support a sustainable future, such as mutual funds (unit trusts) investing in companies running their business in accordance with a responsible approach to the environment, society, and corporate governance (ESG); advice on and funding for energy saving projects and renewable energy sources (RES); and payment cards made of recycled plastics.

We want to contribute to climate protection by promoting a fair, green, and inclusive energy transition, taking into consideration that not all energy sources are equivalent for consumers in terms of costs, and that the energy sector represents thousands of jobs. We have made commitments to counter the global warming and to reduce our emissions (Scopes 1 and 2) in line with the Paris Agreement's 1.5 °C scenario. We carry on

with projects related to reductions in carbon emissions with a view to achieving a carbon neutrality of our own operation by 2026. In 2020, the bank's total emissions declined by 35% year-on-year to 25,050 metric tons of CO₂ equivalent, i.e. 15.2 kg per client. The Preferred by Nature non-profit organisation audits the measurements every year. When this report was being compiled, the results of measurements in 2021 were not yet known and they will be published in May 2022.

We have also made a commitment to progressively reduce our exposure to projects actively associated with the coal sector to zero by 2030. On this basis, we no longer grant new financial products to clients who have more than 50% of their revenue linked to coal. We cannot offer new products or services to our current clients who have more than 25% of their revenue linked to the steam coal sector if they have not adopted a public and time limited transition plan for exiting this sector.

On the other hand, we support our clients' activities that have a positive influence on the environment. We launched, together with ČEZ ESCO and SGEF, the *Photovoltaic for a Koruna* project last year.

In June, KB received a confirmation of its inclusion in the FTSE4Good Index of companies with strong ESG practices.

Expert juries and prominent personalities in the sector have appreciated our sustainability activities. For example, we were awarded as The Sustainable Bank of the Year in *The Bank of the Year* competition, our CEO, Jan Juchelka, was elected as the Top Sustainability Responsible Leader of the Year in the *TOP Responsible Company* competition, and the expert jury of the SDG Awards, appointed by the Association of Social Responsibility, awarded our last year's *KB Sustainability Report 2020* for Reporting.

[More about the awards received on the KB website.](#)

APPRECIATION

Expert juries and prominent personalities in the sector have appreciated our sustainability activities.



1

**OUR STRATEGIC
APPROACH
TO SUSTAINABILITY**

This Sustainability Report has a new structure that better reflects the latest developments and discussions. In earlier reports, we worked with six pillars (Client Satisfaction; Ethics and Responsible Business; Responsible Employer; The Environment; Responsible and Innovative Financing; and Sponsorship and Charity); in this report, we have arranged them in a structure primarily based on the ESG (Environment, Social, Governance) aspects. Thus, the topics from previous years are still represented in the new structure. We take a systematic and meticulous approach to sustainable business. We have interconnected the goals related to sustainability with the corporate strategy and follow the meeting of each of the various targets. As a bank, we have the potential to help to combat climate change and support the transition to a carbon-neutral society primarily by funding our clients' responsible activities and sustainable solutions. We are aware of this, and are therefore continuously broadening the range of our products and services that will help to achieve these objectives.

Our approach to climate change

Climate change and the manifestations thereof, such as droughts, floods, or the changed character of the weather, can significantly affect the revenue and also the expenditure of companies and their projects. Investments and their value can therefore be considerably impaired. This is one of the reasons why we regard climate change as a challenge for which we have to be prepared. It is crucial that we keep seeking innovations that will help us in our fight against the adverse impacts. Mitigation and adaptation are frequently mentioned in connection with reducing the negative impacts of climate change.

Mitigation is understood to be prevention, within the meaning of mitigating the root cause. We pursue a large number of mitigation activities in our business. We are reducing our carbon footprint and our energy and water consumption, and we care about process efficiency.

More information about these activities is available further in this report and [here](#).

We support projects that mitigate the impacts of climate change. Examples include investment in more economical equipment, funding of installations for reducing the release of pollutants into the air, water, or soil, or funding of CHP retrofits.

More information about these activities is available further in this report and [here](#).

Adaptation serves for coping with the impacts of the changing climate. It therefore means changes and adjustments that help to reduce vulnerability to climate change impacts. We fund projects geared towards the expansion of green areas in municipal and other locations, improvements in biodiversity, or support for farming, thereby helping to adjust to the already ongoing changes.

CHALLENGE

We regard climate change as a challenge for which we have to be prepared.

Governance at KB

The main owner of the sustainability concept at Komerční banka is Jan Juchelka, Chairman and CEO, and the sponsor is Jitka Haubová, who serves on the Board of Directors and as the Chief Operations Officer. The sustainability activities are coordinated by the Sustainability Working Group managed by the bank's Brand Strategy and Communication. The working group also includes members from other key parts of the bank (for example, HR, Compliance, Facility Management, Risk, and Retail and Corporate Banking representatives) who help to pursue each of the pillars of the strategy and to achieve internal OKR (Objective Key Results, former KPI). We have included sustainability goals (measured by OKR) into the incentive system for senior management and responsible employees. The content of the strategy and the practical implementation thereof are regularly presented to the Board of Directors, who are kept posted about the activities and provide the project team with their feedback. By the same token, this Sustainability Report was laid before the Board of Directors and SEC (Strategic Executive Committee) before publication, and they therefore had an opportunity to raise comments; they subsequently also approved the Sustainability Report.

Determining topic materiality

To determine the key areas that we cover in our sustainability drive we have relied on a variety of sources and discussions. For example, we regularly conducted targeted interviews with major stakeholders: clients, investors, and employees, and with KB's sponsors for each of the areas. To update the set SDG (Sustainable Development Goals) priorities, we engaged in a dialogue across the bank, which we describe in more detail below in this chapter. As part of this determination, we took into account the positive and negative impacts that were capable of affecting our business, society, or the environment. We also took into consideration the results of

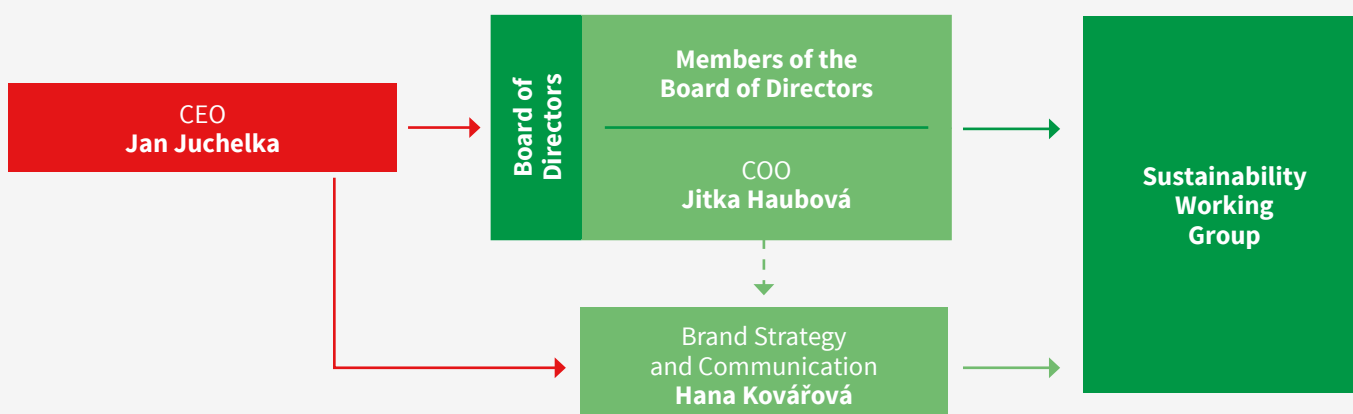
many surveys, such as *Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation*, *IPSOS – Opinion of the Czech Population on Sustainable Development Goals, SDGs, and CSR Europe & PwC: Collaboration for Impact PwC – SDG Challenge 2019*. Our internal survey indicates that 82% of the employees regard KB as a sustainable and responsible company; we seek to consider and implement their proposals for improvements.

We have also relied on publicly available sources that deal with important topics related to the financial sector, such as *SASB Materiality Finder – Financials*, and *WBCSD – Reporting Matters* (2020 Report). We did not forget to compare our company against other major (peer) financial institutions. The various key topics and our approach and measures are described in more detail in the following chapter of this report.

SDGs, Sustainable Development Goals

SDGs, or Sustainable Development Goals, were adopted by all UN member states in 2015 and serve as guidance to ensure prosperity and peace for all, build partnerships, provide for a dignified life without poverty and inequality, and protect the environment. We consider each of the 17 SDGs to be especially important, and we believe that to at least some extent, we are helping to meet them all. In 2020, we worked with SDGs for the first time and sought to select the goals that we believed were the most important for us and our stakeholders and that could have a truly positive impact on the society in which we carry on business. We considered the selection of the most important SDGs with regard to KB's strategic plan and also took into account the priorities of the representatives of the group of investors, and the needs of our clients and employees. Each stakeholder had a representative in the dialogue. KB's management discussed the final priorities for each of the SDGs with a view to harmonising the selection of

SUSTAINABILITY MANAGEMENT AT KB



ENGAGEMENT WITH STAKEHOLDERS AND MATERIAL TOPICS

Stakeholder	Communication framework	Material topics
Clients	Regular satisfaction surveys and measurements Feedback Commercial communication	Quality and availability of products and services Customer service quality Transparency Customer experience Digitalisation and innovation Accompanying clients on their path to sustainability
Employees	Regular satisfaction surveys Feedback Regular internal communication	Care for employees and working conditions Remuneration and benefits Education and professional development Collective bargaining/trade unions Work-life balance Diversity and inclusion Communication to employees Corporate culture Feedback gathering
Shareholders/investors	Events and meetings with investors/shareholders General meetings	Company governance Risk management Honouring of obligations Compliance Results Comprehensive coverage of ESG topics
Regulatory bodies (CNB)	Close cooperation with regulatory bodies	Ethics and transparency Risk management Compliance
Suppliers	Implementation of responsible sourcing policy	Responsible approach Honouring commercial obligations Reliable cooperation/partnership Transparency of tendering procedures
Czech Banking Association	Regular meetings Dialogues in working groups	Formulation of trends Market cultivation ESG Compliance Private sector education Ethics and transparency Risk management Definition of standards
Non-governmental and nonprofit organisations	Meetings with representatives of the non-profit sector	Obligations to society and the environment Support for philanthropic projects Reliable cooperation/partnership Sponsorship Volunteering
Rating agencies	Studies and analyses Regular discussions with financial analysts	Company governance Risk management Honouring of obligations Compliance Results Comprehensive coverage of ESG topics



SDGs with our actual activities and future plans as much as possible. We thereby initiated open discussion, and various views on the issue were heard and considered.

As a bank, we have the potential to positively influence society in two ways: first, by the manner we manage finances, treat resources, and deal with stakeholders, and second, through the projects that we finance and support. This division helps us to find our way around the SDGs better and to determine the goals that are the most important for KB. We did not just settle with a general association with the selected goals, but we have also linked our activities to the level of the SDG targets. We are thus in a position to focus our efforts more specifically on the goals that we are able and capable of influencing as a bank.

We do not and cannot measure and report all targets. Especially in financing, our ambition for the future is to set up data collection so that the results are quantifiable and can be presented in these reports. We are also working hard on this in relation to new EU regulations as well.

One year later, we have revised the SDGs, both the goals and the targets, to make sure that the set priorities continue to reflect the current situation. In relation to these modifications we have added targets 9.4 and 16.4, which also contribute to the meeting of our set goals. We have also newly included SDG 12 among the goals that we can influence through financing.

Comments on the Goals Pursued table

We consider the indicators in the above table to be crucial, and so we monitor their evolution year to year and continuously seek to improve them. Since we began measuring our carbon footprint, we have reduced our emissions by 35%, and in 2020 emissions per client amounted to 15.2 kg CO₂. Every year, we obtain the results of carbon footprint measurement only after releasing the Sustainability Report, and we keep posting the current results on the [website](#). In June 2021, KB's inclusion in the FTSE4Good index was confirmed, and with a rating of 3.3, the same as the year before. KB is rated BBB in MSCI ESG. The one-notch decrease was driven mainly by methodology changes, which had removed customer credit quality and debt levels from risk evaluation. Our overall energy consumption slightly increased and in 2021, we increased the share of bought renewable electricity to 10%. This was electricity used in our data centres. In 2021, the number of employees involved in corporate volunteering rose to 394. KB employees can use a paid day off for volunteering. Allocating CZK 19,652,913 to non-profit organisations' projects, the Jistota Foundation considerably exceeded the amounts that it had distributed in previous years. The volume of corporate investment loans meeting the ESG parameters increased to 17% year-on-year. The smaller share of women in managerial positions was caused by a reorganisation in the Distribution Network, in which the percentage of women in managerial positions is higher.

GOALS PURSUED








	2019	2020	2021	2025	SDG target
Carbon footprint reduction since the beginning of emission measurement		35%	*	80%	12.4 13.1
CO ₂ emissions per client (kg)	23	15.2	*	4.6 kg	12.4 13.1
FTSE4Good Index Series (maximum 5)		3.3	3.3	4+	16.6
MSCI ESG index		A	BBB	AA	16.6
Total energy consumption (MWh/year)	54,660	48,619	48,635		8.4 12.2
Share of green electricity purchased		0%	10%	50%	7.2
Number of employees involved in corporate volunteering	537	219	394	1,000	13.3
The Jistota Foundation's amount for grants (CZK)	10,418,012	11,065,943	19,652,913	14,000,000	17.17
Volume of corporate investment loans meeting ESG parameters		11%	17%	50%	9.4
Share of women in managerial positions	48%	46%	44%		8.8 10.3

* The final measurements of our carbon footprint for 2021 will be posted in May at

<https://www.kb.cz/en/about-the-bank/everything-about-kb/we-do-business-br-sustainably/environmental-br-sustainability>






SDGs

KB direct influence

	SDG Goal	SDG target	Placement in this report
	Drinking water and sanitation We systematically reduce water consumption, and by default, we install water saving accessories when refurbishing our premises.	6.4	Ch. 2: Water consumption
	Decent work and economic growth We use resources for our growth so that the environment is not degraded. We provide safe and stable working environment for our employees.	8.2 8.3 8.4 8.5 8.8 8.10	Ch. 2: CO₂ emissions; Ch. 3: Diversity and inclusion, Remuneration; Ch. 5: Digitalisation and innovation, Investment loans with a positive impact
	Reduced inequalities At KB, we tolerate no form of discrimination and integrate all not only in employment, but also in providing our services.	10.2 10.3 10.4	Ch. 3: Service accessibility for disadvantaged clients, Diversity and inclusion, Remuneration; Ch. 6: Jistota Foundation
	Responsible production and consumption We use natural resources economically and manage waste responsibly. Our ambition is to gradually reduce generated waste, thus minimise the impacts of our activities on the environment.	12.2 12.4 12.5 12.6	Ch. 2: Energy consumption, Waste management, CO₂ emissions
	Climate action At KB, we make efforts to mitigate the impact of climate change, and actively search for appropriate solutions. Our ambition is to reduce corporate CO ₂ emissions that we already started to measure.	13.1 13.3	Ch. 2: Energy consumption, CO₂ emissions; Ch. 4: Relations with suppliers, ESRM; Ch. 5: Beginning of the chapter; Ch. 6: Jistota Foundation – volunteering
	Peace, justice and strong institutions We respect the law and legislation, we have measures in place to fight against money laundering and corruption, and we take care to make sure that we are seen as a transparent and responsible company.	16.3 16.4 16.5 16.6 16.10	Introduction Ch. 4: Code of Conduct, Whistleblowing, AML
	Partnership for the goals We are convinced that through partnership with other entities, sustainable development goals can be better achieved. We share our knowledge and expertise, and provide financing to meaningful projects.	17.16 17.17	Ch. 4: Table of external initiatives; Ch. 3: Financial education and literacy; Ch. 5: Loans supported by European institutions; Ch. 6: Jistota Foundation

SDGs

KB influence through financing

	SDG Goal	SDG target	Placement in this report
	Clean water and sanitation We support projects focusing on drinking water improvement and its efficient use.	6.3	Ch. 5: Investment loans with a positive impact
	Affordable and clean energy We finance investment in energy saving measures and gradually increase the use of renewable energy.	7.2	Ch. 5: Investment loans with a positive impact
	Industry, innovation and infrastructure We support the society in which we carry on business by building quality infrastructure and improving the quality of human life.	9.1 9.3 9.4	Ch. 5: Investment loans with a positive impact. KB SmartSolutions and promoting start-ups
	Sustainable cities and communities We work in favour of cultural heritage protection and promote municipal and regional development.	11.3 11.4	Ch. 5: Investment loans with a positive impact; Ch. 6: Jistota Foundation
	Responsible production and consumption As part of sustainable financing, we also support projects focused on responsibility in operation and treatment of resources.	12.2 12.5	Ch. 5: Investment loans with a positive impact

OUR MISSION

The purpose of our existence is building together with our clients, a better and sustainable future through responsible and innovative financial solutions.





2

**ENVIRONMENTAL
SUSTAINABILITY**

We measure and examine our activities’ environmental impacts on a long-term basis. This is not just a fashionable trend for us. Some years ago, the bank banned the purchase and use of disposable utensils and water in PET bottles. Although the covid pandemic disrupted our efforts for some time last year we successfully banned again the disposable cups in the company’s cafe and the disposable food packaging in the canteen of the largest building of KB’s head office in Prague-Stodůlky, which had been introduced on a temporary basis. We first measured our carbon footprint in 2019, and then established a plan to reduce it and achieve carbon neutrality by 2026. But responsible operation is not the only line of action that we follow in our approach to the environment. As early as two years ago, we started to assess our business activities from the perspective of their (un)favourable impacts. Now, we feel this issue even stronger: EU regulation is also adding to the pressure. We detail the sustainable financing topic in Sustainable Financing below.

Refurbishment of branches

In respect of branch refurbishment, we place emphasis on sustainable processes and materials. In the recently refurbished Prague-Dejvice branch, the floor covering is made of recycled nylon, and there are acoustic lamellas from recycled PET bottles below the ceiling. The design is very much in favour of greenery, the main purpose of which is passive air cleaning. Certain well-selected plant species are intended for this purpose (such as *nephrolepis*, whose leaves absorb harmful substances, e.g., benzene and formaldehyde, and increase air humidity). One of the dominant elements of the new concept is acoustically insulated lounge seating units made from birch plywood. All suppliers have rigorous certification (FSC or PEFC). Acoustic foam and acoustic felt used in the products are 60-70% recycled. A significant portion of steel, aluminium, and glass is recycled in their manufacture. The Framery boxes also feature very high energy efficiency as they consume less than 12W in full operation.

Energy consumption

We measure and monitor our consumption of electricity, gas, heat, and water at the supply points that are equipped with billing and secondary meters. In the case of unmetered premises, we pay for energy under a contractual agreement; e.g., by a ratio determined based on the usable area and number of employees. We regularly read and evaluate our energy consumption every month and every year. KB does not own any electricity generating plants, such as PV power stations, wind power plants, hydroelectric power stations, geothermal plants or cogeneration units, etc. Therefore, we currently do not consume electrical energy produced by our own capacities. We are now considering the option of installing a rooftop PV panel system on the head office building in Prague-Stodůlky. At the time when this report was being compiled, preparatory work on PV design documents was under way. We buy green energy as part of the data centre service from T-Mobile. In 2021, we took 2,304,800 kWh of green electrical energy, which accounted for 9.63% of KB’s total electricity demand in 2021.

Energy consumption outside the organisation is measured by secondary meters. Energy provided to other entities is deducted from the consumption measured by the KB’s main meter. In the case of rented unmetered premises, we proceed in a similar way, i.e. by applying the floor area ratio (it is a minimum number of cases).

KB complies with the legislative obligation under Act No 406/2000 on Energy Management. In line with the progressive amendments to this law, we obtain Energy Performance Certificates (EPC) for all our buildings with a usable area of more than 1,500 m² (i.e., 50 certificates approximately) and those with a treated floor area of more than 500 m² in which we rent out free premises. Under the applicable legislation, KB has an Energy Audit drawn up for KB by Enerfis, an energy consultancy, in 2020.

Our two office buildings in Prague-Stodůlky have obtained BREEAM (Very Good) and LEED (Gold) energy certificates, which confirm their energy performance from an all-round perspective, i.e., how they contribute to greenhouse

KB’s consumption	2019	2020	2021
Electricity (kWh)	28,778,223	25,565,816	23,932,914
Gas (kWh)	10,128,520	8,942,129	8,955,726
Heat (kWh)	15,599,984	14,000,628	15,630,225
Cooling (kWh)	153,973	111,237	115,664
Total kWh/year	54,660,700	48,619,810	48,634,529
Diesel DA (l)	2,474	1,942	1,275
Water (m³)	62,747	46,298	40,103



DETAILED DISTRIBUTION OF EMISSIONS

	KgCO ₂ e	Share of total footprint	Change over 2019	Change over 2019 in %
Electricity (Scope 2)	11,529,712	47.2%	-5,139,963	-30.58%
Investments (Scope 2)	5,131,416	21.1%	-87,112	-1.67%
Heat (Scope 2)	2,358,927	9.7%	-387,606	-14.11%
Natural gas (Scope 1)	1,732,533	7.1%	-331,050	-16.04%
Fuel for company cars (Scope 1)	1,086,243	4.5%	-396,035	-26.72%
Employee transport (Scope 3)	1,028,553	4.2%	-6,069,635	-85.51%
Air conditioning (Scope 1)	392,728	1.6%	-389,924	-49.82%
Waste (Scope 3)	268,861	1.1%	-166,982	-38.31%
Other (Scope 3)	790,479	3.3%	-161,108	-12.80%

gas emissions, their influence on pollution, and how they manage waste or land.

Only heat consumption rose appreciably last year, a quite cold winter being the reason. In this context we have also modified the algorithm of the heating control system. We also registered an increase in kWh consumption in the cooling of buildings, in particular during the weather transition seasons, i.e. spring and autumn.

Energy consumption is being reduced in many ways. During refurbishments and major repairs, we install new and/or energy saving equipment; e.g. for lighting, we install LED lighting fixtures with the DALI control system, we replace atmospheric gas boilers with high efficiency condensing boilers, and we install new HVAC units with output control based on office occupancy. We take a similar approach to other installations, such as cooling. All new equipment is designed with high efficiency and continuous control, which in turn brings energy savings.

We continue in the Enectiva project, a system that compares energy consumption data with technical parameters of buildings, including building use, number of occupants, climatic conditions, etc. We evaluate the data and determine the values that we should achieve. Based on such evaluations we conduct detailed checks of the sites with above-limit energy demand. Enectiva brought us energy savings in the first year of operation, 2020, and also in 2021.

Comparing the base period 2018/2019 without the Enectiva system in place with the period 2019/2020, the last that has been evaluated, the consumption of all types of energy declined. Year-on-year, heat consumption increased in the KB head office buildings compared with 2019/2020. To remedy this situation, KB has adopted changes to the space heating system control.

Water consumption

As with other types of utilities, we record and compare water consumption against the number of occupants present and the usable area of buildings thanks to the Enectiva project. By default, we install water-saving accessories, such as taps with aerators or toilets with water flushing control on the occasion of branch refurbishments when sanitary installations are part thereof. Water consumption is apparent in the above comparison of the 2020 audit and the current Enectiva 2021 yearly report.

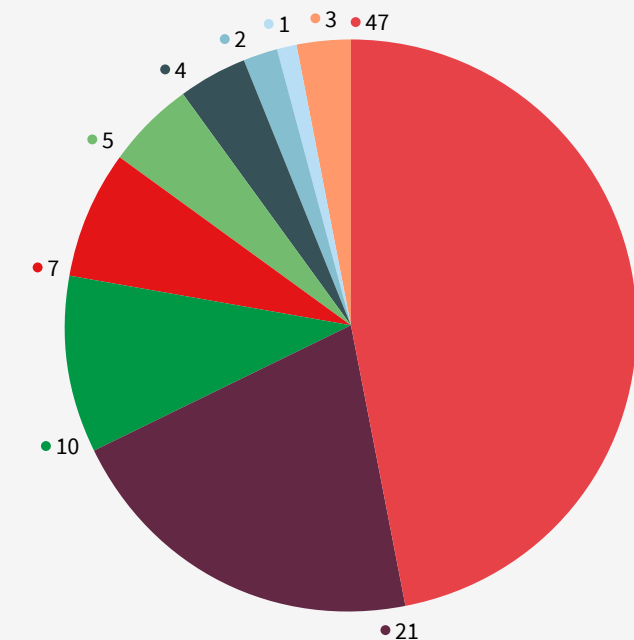
CO₂ emissions

In 2020, NEPCon – Preferred by Nature first calculated and certified KB's carbon footprint, at that time for 2019. It was the same for 2020, when the result clearly indicated our success in reducing our carbon footprint, although this trend was also due to the covid pandemic when more employees were working from home. Nevertheless, the audit has proved that following new calculation, the declining energy consumption is proof of well-designed energy management. As this report was being prepared the carbon footprint for 2021 was being calculated. The calculation of KB's carbon footprint is divided into three categories: Scope 1, Scope 2, and Scope 3. KB is certified under Carbon Footprint Management Standard V1. The registration code of the company's CFM certificate: PBN-CFMC-058199. We transparently post the documents related to KB carbon footprint calculation, the action plan for its reduction (2020-2025), and the final report and KB certificate notification [here](#).

As part of calculating our carbon footprint we have determined that for 2020, our Scope 1, Scope 2, and Scope 3 emission intensity was 15.2 kg/client and 3,672.9 kg/employee. This implies a reduction in our carbon footprint by 35% per client and by 33% per employee compared with 2019.

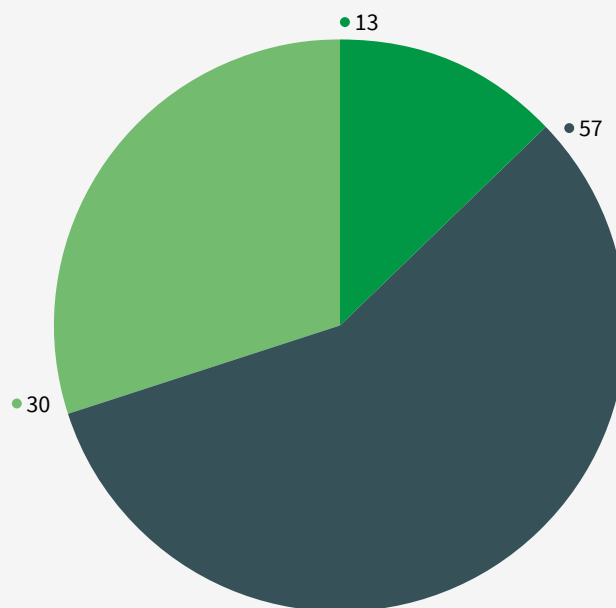


EMISSIONS BY ACTIVITY IN % (2020)



- Electricity
- Investments
- Heat
- Natural gas
- Fuel for company cars
- Employees' commuting to work
- Air conditioning
- Waste
- Other

EMISSIONS BY SCOPE IN % (2020)



- Scope 1 emissions
- Scope 2 emissions
- Scope 3 emissions

In September 2019, we launched energy reporting on operated buildings. On account of this reporting and the subsequent modifications to building operation, we achieved savings of 1,628 metric tons of CO₂ in the period from September 2019 to August 2021.

When this report was being compiled the calculation of the carbon footprint for 2021 was under way. Audited results are posted on our [website](#).

Waste management

In our business activities, we generate only normal waste, such as mixed municipal waste, paper, glass, composite packaging, and plastics. Wooden and metallic waste is produced when workplaces are being altered or refurbished.

Waste disposal management starts in each building or branch by waste sorting and placing in available waste bins. Under Act No 541/2020 on Waste, we have a contract for waste collection and ongoing recording in all buildings and workplaces with AVE CZ odpadové hospodářství s.r.o., which has been authorised by the Ministry of the Environment to manage waste.

CARBON NEUTRALITY

We established a plan to reduce our CO₂ emissions and achieve carbon neutrality by 2026.

QUANTITY OF WASTE GENERATED BY KB AND THE USUAL MANNER OF ITS DISPOSAL

Type of waste	Metric tons			
	2021	2020	2019	
Paper and paperboard	145.673	177.410	176.22	Recycling
Plastics	34.552	28.730	32.19	
Composite packaging	0.147	0.320	1.89	
Glass	4.336	5.510	5.95	
Iron and steel	0.277	0.400	11.57	
Electrical devices	0.000	0.020	0	Composting
Wood	0.540	32.260	8.80	
Biodegradable waste	1.099	2.660	0	Landfilling
Mixed municipal waste	489.173	568.260	646.14	
Bulk waste	3.344	28.480	88.43	Incineration
Grease and oil mixture from fat separators containing only edible oils and fats	12.000	16.200	9	
Hazardous waste (sludge from oil separators)	0.000	6.000	0	Take back/ return
Hazardous waste (WEEE)	0.000	0.020	0	
Total	691.14	866.27	980.19	

This company then delivers waste for recovery/disposal to waste processing companies that are also authorised by the Ministry for this activity. We do not interfere with the process of collection and subsequent disposal.

Quite a few factors contributed to the reduction in waste generation. The most important of them included the continuing digitalisation and less printing, and also the branch network was pared down. The only case of an increase is visible in plastics; it was caused by the covid pandemic and a temporary re-introduction of disposable packaging.

Electric mobility

We are serious about reducing carbon emissions, and progressively reduce them in all areas. Following a series of well-working projects supporting reductions in energy and material consumption in offices and branches we pay attention to our employees' greener transport. Electric mobility is one of the promoted activities in terms of business and also internally. In 2022, we plan to expand our vehicle fleet

by including 131 Škoda Enyaq electric cars and will gradually increase the proportion of electric vehicles in our fleet. We have recently put in place the option for employees to borrow a business car also for personal purposes. In 2022, we will roll out charging points for electric vehicles, some of them publicly accessible.

KILOMETRES COVERED ON BUSINESS TRIPS

Year	IC engine cars	Electric vehicles	Total
2019	6,314,875	59,856	6,374,731
2020	4,159,621	26,612	4,186,233
2021	4,423,405	28,692	4,452,097



Other activities

In 2021, we took a number of steps to further reduce our adverse impact on the environment. We returned to some other steps after the covid period. For employees, we arranged a corporate sports day where we banned the use of disposable utensils and supplied all the participants with reusable cups. We did away with disposable coffee cups in the very busy cafe in KB's head office building in Prague-Stodůlky and introduced the 'Turn-Around-Cup', thereby starting to save dozens of paper cups per day. In the canteen, we have also introduced REboxes for food, which again replace dozens of disposable boxes per day. We have invested in a post mix dispenser in the canteen, and we prefer drinks in metal cans in vending machines and refrigerators. In our buildings, we have installed drink vending machines dispensing coffee into people's own mugs. In December, we kicked off the first purely circular project, the pilot collection of coffee grounds as feedstock in the production of cosmetics for clients and employees. In KB's building in Prague-Stodůlky we plan to open a purely vegetarian self-service bistro in the spring of 2022.

Last year was not ideal for bees and beekeepers but despite the weak season we continue in beekeeping on the roof of our Stodůlky building and believe that 2022 will be more successful. In 2021, we also selected the supplier of 100% recycled paper that we progressively use instead of the conventional paper in cases where a paperless solution cannot be used. We did not want to throw out still usable furniture from offices being closed down, and therefore sold it for symbolic amounts to our employees and some non-profit organisations. We invited our employees to engage in sustainability team activities and dozens of teams joined our 'Cheeky Wave'. The teams were tasked with designing their own challenge concerning responsibility for the environment or society. The activities then yielded two winners determined by an expert jury and employees' voting. Building of bumblebee hives and digital education of senior citizens were elected as the best activities. As in previous years, last year the KB Group's employees joined the Biking to Work and Clean Up Czechia events. We detail these activities in Volunteering.

We also supported the *Circular Procurement* online course organised by the Institute of Circular Economy (IN-CIEN), where the participants learned about the principles of circular economy in various areas. Thanks to our financial support, seven parents on parental leave could attend the course for a bargain price. We thereby wanted to provide parents, primarily mothers, with an opportunity to improve their education and hence their position in the labour market.

In 2021, we intensified our communication activities to highlight climate change and the related phenomena. We wanted to open, sometimes in a rather controversial manner, debate and to activate the public. The O CO₂ JDE campaign was running in summer; as part of it, we produced videos starring sustainability experts, installed a lungs model in Prague-Smíchov, and together with TV Nova created the *Green Heroes* project, <https://www.kb.cz/cs/o-bance/vse-o-kb/podnikame-udrzitelne/o-co-2-jde>. We also supported the production of the documentary *Let There Be Water!* on the Czech S.A.W.E.R. (Solar-Air-Water-Earth-Resource) invention, which can distil water from the air.

ENVIRONMENT

In 2021, we took a number of steps to further reduce our adverse impact on the environment.





3

SOCIAL SUSTAINABILITY



We include a responsible approach to, in particular, our most numerous groups of stakeholders, i.e. clients and employees, in the area of social responsibility. We describe our relationships with other groups in the following chapters.

Client satisfaction

The development and growth of our customers (personal and that of their business), our responsiveness to them, and responsibility are the three value pillars of the KB brand. They express the manner in which the bank wants to be perceived in the market and what values it professes. The pillars of the KB brand are its substance. In clients' awareness, we want to be a bank that through its responsiveness, responsibility, and emphasis on sustainability significantly contributes to their personal and business development. Thus, client satisfaction constitutes one of our top priorities.

We poll customers on regular basis, monitor each stage of their customer journey, and based on their feedback modify and design our offers so that they are as user-friendly as possible. Conversations with clients, known as user testing, are part of the development of new products and services. We ask about their satisfaction following the purchase of a product, wanting to know whether the client has received all that they should have received and at the right time, and whether they understand everything, or whether they need help with its settings. We also monitor the rating of each of the service channels, such as branches, the contact centre, and mobile and online banking. All of these measurements are running continuously throughout the year. In addition to these individual interactions with KB, we also measure NPS (Net Promoter Score). This indicator shows us clients' affinity to our brand over time. We reap benefits from the effort that we spend on the measurement, analyses, and subsequent activities to improve our offering for clients and we are delighted that NPS rises every year, amounting to 40 in 2021.

The great satisfaction with the staff at branches and the contact centre is the strongest driver of the NPS growth. In our employees, clients value their professionalism, helpfulness, and effort to find adequate solutions. A very important aspect for which clients are recommending us is their feeling of security and our high-quality digital channels, in particular mobile banking. Measurements in the Individuals segment in 2021 showed NPS rising to 37 from 32 in 2019, and in the small business segment from 32 to 34. At the time when this report was being released, IPSOS was still completing NPS measurements in the corporate segments. The clients' trouble-free multi-channel experience is expected to help us to raise the number of our clients to 1,850,000 through organic growth by 2025. At 31 December 2021, KB was serving 1,625,000 clients. The development over the past 12 months was affected by the need to close down dozens of thousands of client accounts in cases where the clients failed to provide sufficient information needed to meet the tighter requirements for combating money laundering and terrorism financing.

Every year, we collect more than 200,000 feedbacks. We read them all, process them, and make clients' life at KB easier and friendlier on the basis of this feedback. Besides time series

and the various indices, satisfaction surveys generate a host of highly valuable comments on what the clients appreciate or what is not the best design for them. We employ two methods for working with feedback. First of all, a branch or the contact centre approaches the clients who have expressed dissatisfaction and seek to tackle the issue directly with them within 48 hours from questionnaire completion. We redesign the product, explain how to use it, or recommend a different, more advantageous service. Where the issues cannot be easily resolved immediately and we need to adjust the service in general, the customer experience team collects suggestions and raises requirements for improvements across the bank. Last year, we produced almost 100 specific adjustments to our current range on offer from such strong suggestions.

For example, based on feedback from our clients, in 2021 we unified and extended the opening hours of branches. On certain days, clients can now use the business points' services from as early as 8am on Fridays or until 6pm on Mondays. On the other hand, clients in the individuals and business segments can receive a number of services online, also in response to the pandemic situation.

The crucial aspect for us is to provide clients with an added value and ease their everyday worries. On a regular basis, we go over and test each of the services with our customers, including the slightest details, and identify those that are the most attractive for them. Based on such analyses, we devise communication approaches whereby we remind the clients who appreciate this of the benefits of our services, which the client can use right away to save time or effort. You can come across our trumps in many areas, ranging from everyday banking and lending to investing. We also think of low-income groups. For example, KB clients can use their children and subsequently student accounts until they turn 30 and these accounts are kept free of charge. Similarly, the basic MůjÚčet account and its keeping and payment card are also free. We offer instant payments without any extra charge to all clients. Security is important for us, and so we screen clients' payments. If we come across a suspect or unusual transaction on an account or card, we call the client immediately to tackle the issue. We want to help our clients to cut costs and therefore our business credit card refunds 1% of every payment back to their business current account.

Their perception of the costs of our services also strongly influences our clients' satisfaction. We have long sought to provide our clients with services on a value for money basis. Our prices are fair and transparent, and also very competitive compared with other banks in the market.

Our pricing approach also considers sustainability. The pricing of our services is intended to motivate them to primarily use electronic and digital services that are more environmentally friendly and better priced for clients. On the other hand, clients have to pay more for services that do not contribute to our sustainability objective, such as cash services and payment orders executed at our branches or account statements sent by post.

Where despite all the effort our clients are not satisfied with any of our services, they can make a request through the Satisfaction Guarantee and we refund the service charges to them.

CLIENT SATISFACTION

In our employees, clients value their professionalism, helpfulness, and effort to find adequate solutions.

Complaints

Clients have several options for communicating their complaints: online, over the telephone, or in person at a KB branch and, naturally, also in writing, i.e. a letter. However, we seek to centralise these options. Going forward, we plan to use a new, robotised form for receiving complaints from clients online, over the telephone, and recorded at a branch in person. This way will be user friendlier for the clients and will also make the initial steps with recording the submission itself easier.

Since the end of 2018, we have been using the ZOOM application for recording complaints. The app provides us with a much more accurate overview of the various types of complaints and also of the subsequent resolution thereof. The process itself has also become much faster thanks to the continuous development in this respect.

In the previous years, we felt the heaviest load of complaints in respect of early repayment of mortgage loans and the related reimbursement to the bank of reasonably spent costs, and the KYC issue.

In respect of sustainability, we have most often been addressing complaints related to our campaigns. We have received large numbers of positive responses, but also negative ones, and not only in respect of sustainability and our O CO₂ JDE campaign but also our Christmas campaign.

KB Ombudsman

We started to work with an ombudsman as early as 2004. Ombudsman Joseph F. Vedlich, a Czech-Swiss lawyer who has authored publications on financial law, the financial sector, and the justice system and who also has extensive expertise in banking and legislation, held this position for more than ten years. He has spoken on banking at many conferences and workshops and also contributed to the Czech editions of several international books on banking and financial services. The KB Group Ombudsman was a person open to new ideas and approaches, who always heard both sides. Cooperation with him was marked by a very friendly spirit. In 2021, out of the total number of cases for the whole KB 23 were referred to him; only six of them were recognised as legitimate.

Under the SG Code, the ombudsman's mandate has recently been limited to no more than five years, which enhances the ombudsman's independence and impartiality. At the beginning of January 2022, Professor Marie Karfíková became the new ombudswoman.

Our transparent communication on products and services and our advertising are subject to supervision by the Council for Radio and Television Broadcasting (RRTV), <https://www.rrtv.cz/en/Default.aspx>). If the recipient of our advertising has any doubts, they can contact the Council. For 2021, we have not registered any complaints received from this regulator, nor did the Czech Advertising Standards Council address any complaints related to KB.

The marketing of our products and services meets requirements that comply with Czech and European regulation and that are specifically reflected in business and product terms and conditions. If complaints about product and service names are raised, they are recorded and handled. This may include clients' direct complaints or those through regulatory authorities. We did not register any complaint regarding the marketing of our products and services in 2021.

Service accessibility for disadvantaged clients

We have long strived to make our products and services friendly in many ways. We consider it to be absolutely essential that disabled clients are included and have access to our services. At the end of 2021, we had 166 out of the total number of 241 branches in the barrier-free mode, and out of the current 860 ATMs 785 were accessible without any barriers.

Hearing-impaired clients can use the *Transkript* service, thanks to which the conversation between the relationship manager and the client is transcribed on a monitor screen in real time. The hearing-impaired clients can communicate easily and independently with their relationship manager. If the client requests their relationship manager to provide transcript, the relationship manager calls a transcriber, and the client can follow the verbatim transcript of the conversation on the PC monitor and can therefore ask questions at any time and respond to the information provided. This gives both parties the certainty that there will be no misunderstanding and that all the information has actually been conveyed. The service is provided in cooperation with the *Transkript online* social enterprise, a successful employer of blind speedwriters.

Another example of products that we seek to improve so that their use is as comfortable as possible for clients with disabilities is the Mobilní banka application. It supports Google TalkBack, a screen reader with voice response. To find out what challenge Mobilní banka presents to people with visual impairment or what they appreciate about it, we involved a blind user in its testing. The navigation in the application and the functions of transaction history and account balance checks received very positive assessments. However, the blind user found room for improvement in the activation, the Pay function, payment order entering and checking the execution thereof, and requests for cards. We will use the outcomes of the survey to improve the accessibility and usability of the application for the visually impaired.



Financial education and literacy

The covid pandemic and the rising energy prices kept the need of financial education and prevention of debt traps high on the notional list of priorities. We continued our cooperation with the Institute for Economic Education and supported the Economics Olympiad, an international competition for secondary school students. The participants in the Olympiad compete in their knowledge of economic indicators as well as general understanding of finance and banking.

The Bankers to Schools event, which we have been supporting since 2014, is a popular project amongst schools and our employees. As part of this cooperation with the Czech Banking Association, every year we send out dozens of speakers from the ranks of KB branch managers, IT specialist, or most senior management. We regard financial literacy and cybersecurity as an irreplaceable part of education at primary and secondary schools.

We have long supported the operation of the Financial Distress Advisory Centre (Poradna při finanční tísni) non-profit organisation that provides advisory services to people in debt. We notify clients who are in arrears with their payments by way of an early warning system (text messages, e-mails, phone calls), and we also refer them to our website at <https://www.kb.cz/cs/obcane/kb-radce/reseni-financnich-potizi> and www.kb.cz/splaceni, which provides complete information about the issue of (non)payment, and we also refer them to the above Advisory Centre. We also joined the Merciful Summer scheme organised by the People in Need (Člověk v tísni) non-profit organisation. KB's and its ESSOX and Modrá pyramida (building society) subsidiaries' clients who have landed in enforcement proceedings due to defaulting on their loans, had an opportunity until the end of January 2022 to apply for an option to repay only the principal amount to the bank. At the above date, we registered over 120 clients who had shown interest in using this option; the amount owned totalled almost CZK 15 million.

Client data security

We fully respect the protection of our clients' personal data and of data that is subject to banking secrecy. Transparent data handling and the maximum security thereof are the fundamental prerequisites for complying with the relevant regulatory obligations and for maintaining responsible business operations and long-term relationships with clients.

We have a set of internal rules and policies in place for all data processing entities, clients, employees, and suppliers, which ensure personal data protection. All information on personal data processing is described in documents available on our website (<https://www.kb.cz/en/protection-of-personal-data>), including a document titled *Information for Clients on Personal Data Processing*. The clients and third parties whose personal data we process or may process are informed by this second document about the legal reasons for personal data processing and for what purposes they are used, what personal data we process in the bank, where we obtain personal data, who are the processors and recipients of personal data, how long we store personal data, what legal rights clients have in

terms of personal data processing and what legislation we, as the bank, follow in personal data processing. This is information required by the GDPR. The same site offers a set of documents with additional relevant information about personal data protection (consents, credit registers, etc.).

Our suppliers have all the information on personal data handling available in the contract clauses that contain GDPR provisions and are available at <https://www.kb.cz/en/suppliers>. GDPR management has been systematically designed and set up at KB and at our subsidiaries. Breaches of the personal data protection principles are independently evaluated by the Data Protection Officer (DPO), who recommends possible remedial actions and is also responsible for consulting the Office for Personal Data Protection. A breach of the GDPR principles by a bank employee may result in a sanction in the form of, say, a letter of reprimand. The personal data protection policy is part of the regular internal audit plan. In 2021, no remedial actions were taken in respect of personal data protection.

In 2021, KB Group companies received a total of 60 questions or complaints concerning personal data protection; of those, we received four questions indirectly from the Office for Personal Data Protection. No sanction or remedial action was imposed on us in respect of any of these questions.

Trusteer Rapport is a security tool that protects against specific threats, such as harmful websites (phishing), malware, and attempts to detect passwords (keylogger). Trusteer Rapport is an IBM developed product that clients can install in their computers free of charge and in a couple of minutes. In late January 2021, more than 289,000 clients had Trusteer Rapport installed, and 2,824 potential frauds have been prevented since its launch.

A phenomenon of the past year is clearly the new types of fraudulent attacks that are keeping busy not only our experts in the Payment Fraud Prevention unit, but also their colleagues in card fraud units and many other parts of the bank, such as specialists at the Contact Centre. These attacks include primarily various forms of vishing and phishing, i.e. fraudulent actions intended to obtain, through various deceptive narratives, from clients their login data and the authorisation of their operations, such as logging into the online banking app and subsequent authorisation of fraudulent transactions, or the pairing of the hacker's device. We also continue to come across fraudulent investments in cryptocurrencies when the hackers aim at less experienced clients and, pretending to help them with the management of their investments, cajole them into executing fraudulent transactions, the hackers' accounts being the destination for the money.

We are relentless, and continuously warn clients and upgrade our detection system to be able to better respond to the latest hacking trends. Last year, we intercepted over 300 fraudulent payments, thereby salvaging more than CZK 45 million for the clients.

We continuously enhance our Mobilní banka (Mobile Bank) app to keep our clients' money in absolute security. For example, the app can check whether the client has enabled Google Play Protect on their phone, supports biometrics login and screen lock, and tests the device for the screen overlay attacks and for the correct working of IBM Trusteer Rapport.



RESPONSIBLE ACCESS TO EMPLOYEES

We create an inspiring and stimulating environment where people enjoy working, wish to be successful, and aspire to become KB ambassadors.



Responsible approach to employees

Vision, corporate culture, and values

Our strategic vision in Human Resources is to create a professional relationship with the employees based on trust, respect, mutual communication, equal opportunities, and an offer of attractive professional and career growth. We create an inspiring and stimulating environment where people enjoy working, wish to be successful, and aspire to become KB brand ambassadors. Our cooperation is founded on four core values, or principles of conduct, i.e., team spirit, innovation, commitment, and responsibility. These values together form the basis of our corporate culture on which we are building our future, and are an integral part of our mission, which expresses our *raison d'être*, or the purpose of our existence, and the way we want to be perceived as a bank by the market.

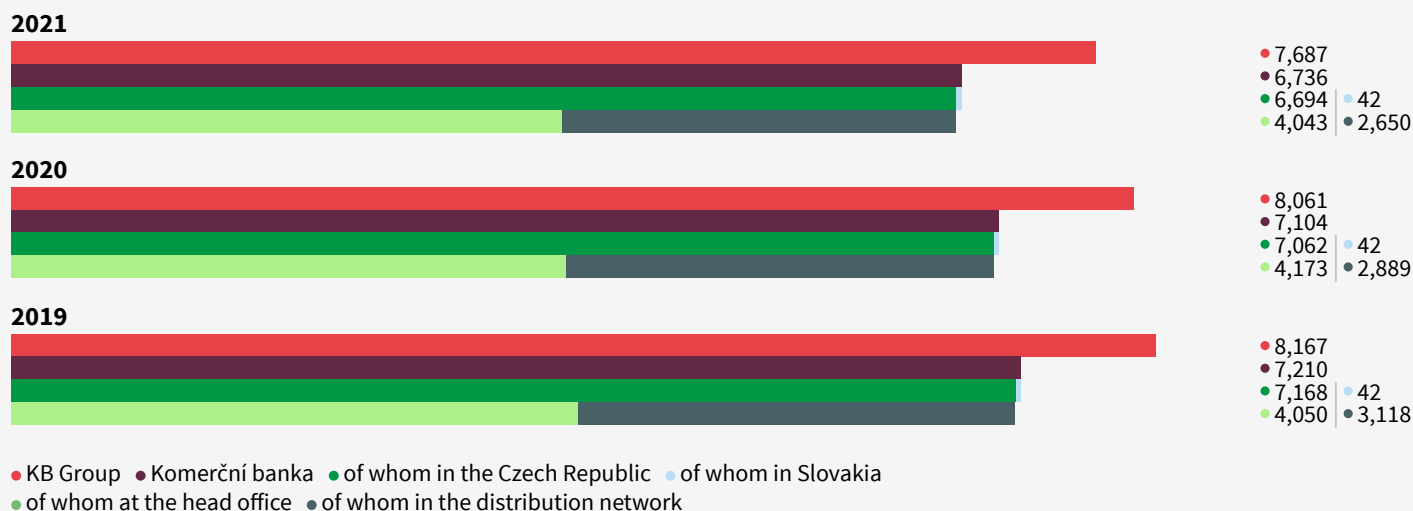
Team spirit

Our clients want a bank that will be a responsible, trustworthy, and operative partner for them. Our employees meet the clients' needs as a team. This is helped by their obliging approach underpinned by technical knowledge. We are and want to be a bank focused on relationships with clients. Listening to the other person, joint effort, appreciation of mutual benefits and jointly experiencing all successes and failures are important for us all at KB.

Innovation

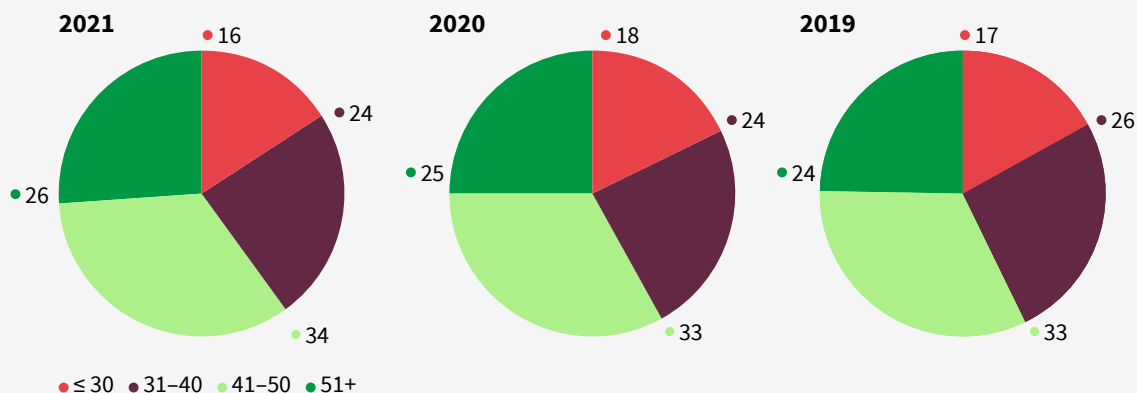
Our employees continuously seek to enhance customer experience. Together, they are adjusting to the future require-

AVERAGE FTE NUMBER OF EMPLOYEES



Branches will continue to be an important contact point for clients, but since financial service provision is increasingly shifting to digital channels, KB will have some 200 branches in the end pursuant to its strategy. We have accelerated the earlier planned reduction of our branch network in response to the quick shifting of client operations from branches to digital channels during the covid pandemic. The result of the drive to optimise operation through digitalisation, branch closures with transfers to cashless banking, the automation of the middle and back offices and other support function, and the deployment of robots will be as follows: At the end of 2025, approximately 5,500 employees will manage the complete operation and services of the bank itself, compared with the bank's 7,210 employees in 2019 and 6,736 in 2021. The KB Group will continue the transformation, which entails investing in rolling out a new digital infrastructure, an overall simplification, and headcount and used space reductions. Our bank's management has also decided on the continued optimisation of the branch network in 2022. We have earmarked the branches for closing further to a long-term analysis of the branch footfall, the coverage and potential of the localities, and the changes in the behaviour of clients, who prefer distance sale and assisted services in the digital environment.

EMPLOYEE AGE STRUCTURE AT KB CR AT YEAR END (%)



ments, primarily by using technology innovations. They stick to our business direction, changing their working methods accordingly: they support idea sharing, experimenting, and unconventional thinking. They are learning from their achievements and failures.

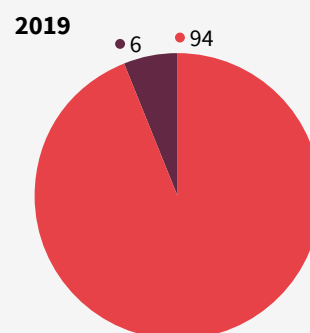
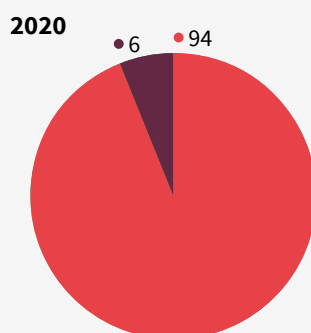
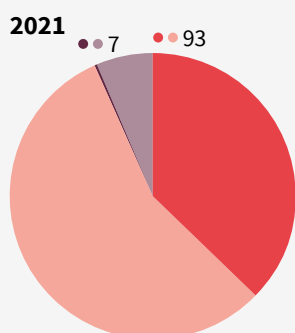
Commitment

Our employees continuously seek lasting client satisfaction, which is associated with pride of their profession and of the KB Group. Day by day, they all work hard to contribute to the success of our clients and their projects. They take care of relationships based on mutual trust and respect both inside and outside the bank.

Responsibility

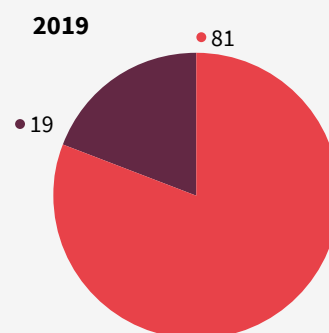
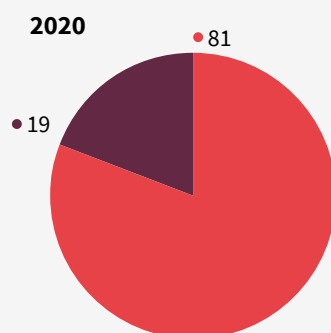
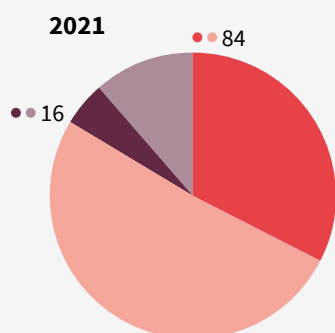
KB bankers contribute to the economic, social, sustainable, and green development of both countries and economies in which we have a presence. They want to help our clients to tap the potential of their projects while being on the alert as to risk in all its aspects. Meeting our clients' needs and acting in accordance with the investors' long-term interests, strictly in line with the rules of the profession, is the responsibility of all employees as expressed in the Code of Conduct. Nobody in our bank should hesitate to bear responsibility for their acts and decisions and to clearly express their views. We dedicate the same attention to results and the avenues for achieving them.

EMPLOYEES BY EMPLOYMENT CONTRACT TYPE (%)



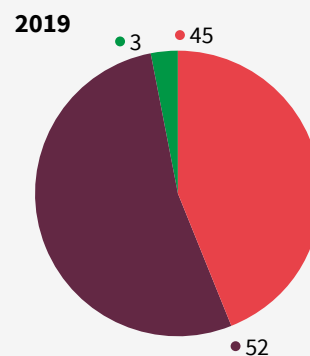
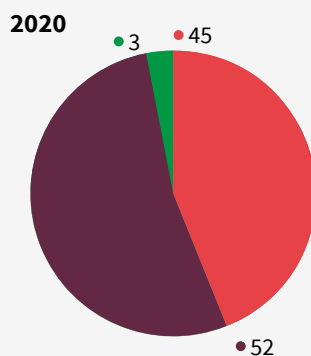
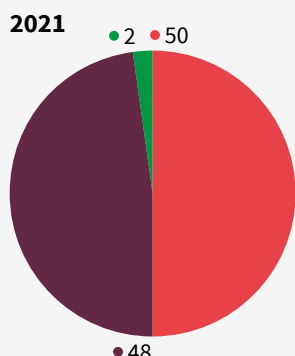
● full time (in 2021 ● men (2,519) ● women (3,735)) ● part time (in 2021 ● men (26) ● women (415))
The colours in the pie charts regard gender. For 2019 and 2020, the breakdown by gender was not required. The gender breakdown here only applies to 2021.

EMPLOYEES BY CONTRACT TERM (%)



● full time (in 2021 ● men (2,213) ● women (3,403))
● part time (in 2021 ● men (331) ● women (747))

EMPLOYEES' QUALIFICATION (%)



● university ● secondary school ● other education

Occupational health and safety and working conditions

This topic is detailed in KB Sustainability Report 2020 and Annual Report 2021 in the Relationship with Employees chapter.

TeamPrevent-Santé is the occupational health service provider for KB. Employees undergo an initial medical examination and periodic examinations at intervals determined by the age group and the risk category of their position. At the discretion of the employee or employer, an extraordinary examination may be requested; such examination must be taken automatically in the case of absence for more than six months. Occupational health service covers all employees under main employment contracts (employees on agreements to perform work only in the case of the second risk category). Risk assessment of the position takes place upon the creation of each position. Depending on the health risks associated with each position, employees are assigned to the first or second risk category. Employees in the first risk category visit their practitioners for occupational health checks. Employees in the second risk category and official drivers visit the occupational health service provider for occupational health checks. The medical facilities under contract are available in all larger towns and cities across the country. Employees can opt for a facility close to their home. Examinations take place within working hours. More detailed information about medical examinations is available for the employees on KB's intranet. The tendering procedure for selecting an occupational health service provider is organised once every four years. Practitioners and the occupational health service provider do not supply the employer with details of the employee's health; they only confirm that the employee is fit for the relevant position.

Employees participate through their trade union organisation, the KB TU Organisation. The role, rights, and obligations of the KB TU Organisation (TUO) are laid down in the Labour Code. The TUO is provided with the annual plan of occupational health and safety (OHS) checks and its officials have the right to participate in them. The Trade Union of Financial and Insurance Industries (Odborový svaz pracovníků peněžnictví a pojišťovnictví) also carries out regular checks, and it did not find any major shortcomings in the performance of obligations at selected KB branches. The system stores OHS inspection reports, which can be accessed at any time. In case of need, every employee has the right to approach a TUO official for consultation or with a suggestion for improvements in the working environment, etc. In cooperation with OHS responsible officers, a compromise is then sought and remedy is ensured. KB makes sure that all its workplaces are checked.

Employee training in OHS and fire protection (FP) has the form of e-learning at two-year intervals. Every employee has access to the training system. The training system is managed by the HR department, which sends notifications directly to the employee and may also refer them to their superior if the employee has failed to complete the training by the deadline. The training includes information on OHS and FP rights and obligations arising from the legislation. Employees are also acquainted with risk factors at the workplace. The training also focuses on the specifics of the given workplace, such as evacuation routes, and the location of fire extinguishers, main switches, and first aid kits. Employees under main employment contracts, as well as employees under an 'agreement to perform work' (in Czech *DPP*) or an 'agree-

ment to complete a job' (in Czech *DPC*) are obliged to complete the OHS and FO training. Training is free and takes place within working hours.

In our bank, the OHS and FP coordinator, our employee, is responsible for the OHS and FP system at KB under a power of attorney. The coordinator guides and manages OHS and FP service providers that ensure the meeting of legislative requirements for KB in this respect. In the event of controversial situations, the coordinator decides in cooperation with the legal department. This is without prejudice to the responsibility of managerial personnel at all management levels and without any limitation on our employees' general obligation to participate in OHS development and improvements in the working environment. The Banking and Insurance Industry Trade Union and the Regional Public Health Officer also conduct regular checks of workplaces. All employees are obliged to complete mandatory training and participate in occupational health care.

In the event of a work-related injury, the employee in question shall report it to their manager. The manager records the injury in the Injury and Minor Accident Book. In the case of incapacity to work, a document called Injury Record is produced. The legal department then confirms whether the injury is a work-related injury. The manager in cooperation with the OHS coordinator and a professionally competent person draw up the Injury Report. Depending on the gravity of the accident, the competent person then carries out a site examination, and measures are taken to prevent the accident from recurring. The Injury Report is kept by the OHS coordinator and sent to the relevant authorities, including the insurance company. The Injury Record must be sent by the fifth day of the following month. Every year, a list of accidents is sent to the TUO. In 2021, we registered three work-related injuries.

In 2021, we did not register any case of work-related ill health at KB.

The risk factors entailed in employees' work are assessed before they actually start their work activities. Managers cooperating with a professionally competent person conduct the assessment in line with the legislative requirements. Employees are acquainted with this assessment as part of OHS training once per two years. If a specific risk that could directly and seriously threaten an employee's health is identified the employee has the right to refuse to perform the work without any sanctions for failure to fulfil their assignment. The verification of the relevance of risk factors at the workplace is performed by managers, which is their statutory obligation. Labour Inspectorates and the Banking and Insurance Industry Trade Union exercise oversight. The KB Group promotes the employment of disabled or disadvantaged people and is able to adjust the working conditions and environment to their specific disability.

Measures to support employees during the covid-19 pandemic

During the second year of the covid pandemic, we continued to protect the health of our employees, in particular the most vulnerable groups, as much as possible. Over and above the statutory rules, we tested at workplaces, permitted testing for antibodies, facilitated covid vaccination, and paid 100% of wages to pregnant women and 60+ employees when they had to interrupt their work because of illness or isolation/quarantine.

Health promotion and support in hardship

We have been systematically attentive to our employees' health for many years. Under the Mojevitalita.cz scheme, promoting a healthy lifestyle, we published new e-learning courses on smart office, home office, or the coronavirus situation. Throughout the year, we organised a number of online workshops and webinars on topics such as healthy food, organisation of work from home, or mindfulness. We supported our employees' sport activities and purchases of healthy lifestyle products through the benefit system. We also organised a sports day for all employees. 2021 was the second year marked by the pandemic and we therefore launched a new Consultancy Programme offering our employees psychological, legal, and covid-related advice.

At KB, we respect all human and social rights of our employees. We have long been accommodating our employees faced with personal hardship. The assistance to be extended to these employees is provided for in the Collective Agreement and the relevant implementing regulations. Each situation is assessed and addressed on an individual basis (e.g., flexible working hours, reduced working hours under the employment contract, work from home, financial support, unpaid leave, etc.). In addition, we provided financial support totalling CZK 4 million to 21 employees on a long-term sick leave.

Employee satisfaction survey

Employee care is one of the top priorities for our human resources management and for our senior management. We regularly gauge the opinions, satisfaction, and commitment of our employees and adopt follow-up measures. We measure employee commitment through the SG Employee Barometer that monitors employee satisfaction at the SG Group level and is conducted by an independent research agency. The Barometer examines ten categories of indicators covering satisfaction, motivation, recommendation, trust, and strategy, including the general direction followed by the SG Group. Our own survey, KB Pulse, monitors opinions related to efficient teamwork, sense of purpose and importance, motivation, recognition, and leadership.

In 2021, Employee Barometer took place within the entire SG Group, while in our bank we also conducted three waves of the KB Pulse survey. Employees had an opportunity to comment on all of the above topics and to provide an overall assessment of their current mood and the atmosphere in the company. They could also comment on the bank's responsible and sustainable approach and diversity issues.

In the SG Group's SG Employee Barometer survey, the commitment score increased by 1 pp year-on-year to 73%. Employees expressed positive views of the diversity and inclusion activities, and a higher satisfaction with the atmosphere in the company and cooperation with their superiors (93%) and colleagues (97%). In KB Pulse, commitment scored 77%. This was slightly lower than the year before. The main reason was the pandemic situation. On the other hand, there was an improvement in teamwork where the score rose from 72% to 74%. 43% of employees improved their opinion of working from home, and the bank's responsible conduct also scored high in the questions aimed at the perception of KB as regards sustainability. 82% of employees regard KB as a sustainable and environmentally and socially responsible company.

Right to information and collective bargaining

The KB Group employees' right to collective bargaining is respected to the full extent. At KB and Modrá pyramida, the TUO exercises this right. KB and Modrá pyramida managements are regularly in touch with the TUO officials and collective bargaining takes place every year.

Under the Labour Code and the Collective Agreement, we allow all our employees to organise in trade unions. In 2021, 29 TUO branches operated at KB and one TUO branch at the Modrá pyramida building society. The relationships between the TUO and the employer are governed by, *inter alia*, the Charter of Fundamental Rights and Freedoms, the Czech law on the association of citizens, the Czech law on collective bargaining, and ILO Conventions (freedom of association, right to organise and collective bargaining, protection of human rights and freedoms).

The right to information is guaranteed to all employees. At KB and Modrá pyramida, it is also provided for in the Collective Agreement signed for 2017-2021. The outcomes of the negotiations between the employer and the TUO, including the full text of the Collective Agreement, are shared with all employees. The benefits of the collective agreement cover all employees of the relevant company, including those who are not organised in unions. In companies where no union exists such benefits are provided in their internal regulations.

We share information intended for employees openly and via multiple channels. The main source of information for each employee is their superior. Another channel is each of the companies' intranets. KB's intranet has a separate Employee section offering all relevant and updated information concerning human resources. Employees can contact HR specialists, call the My HR line, or send their questions via e-mail. They can also approach HR Business Partners and consultants. Newcomers can use the KUBA chatbot.

At KB, we use collective bargaining. Under the Agreement on Cooperation, Relations, and Delegation of Powers, the Works Council of KB's TUO is empowered by the various trade union branches to bargain collectively. The unions represent the employees and their interests. The deadlines for submitting material changes are stipulated by the Rules of Cooperation between KB Management and the Works Council of KB's TUO, the standard deadline for submitting comments on draft proposals being 15 days under the Rules. Any employee can join the trade union.

Diversity and inclusion

Diversity and inclusion are an inseparable part of our corporate culture and among the strategic priorities of the whole SG Group. We regard otherness and individuality as a strength regardless of age, ethnic origin, nationality, gender, sexual orientation, political opinion, religion or minority membership.

We promote diversity in our teams. We employ experts from various areas, foreign colleagues from SG Group countries, students who are only starting their career, and our experienced long-standing employees.

In September 2020, we became a Golden signatory of the Diversity Charter – a project sponsored by the European Commission since 2010. By signing the Diversity Charter, we have joined a strong group of companies that actively raise and contribute to the solution of societal issues. As part of this initiative we have

pledged to create a non-discriminating, supportive, and inspirational environment in which employees can develop and actualise their potential as best as possible.

Our overall strategy as a responsible employer rests on four pillars: gender balance, equal remuneration, promotion of social inclusion, and enhancing awareness of diversity and inclusion amongst employees and the public. In respect of gender balance, we seek a more balanced representation of men and women in senior managerial positions, including the Board of Directors. One of the most visible moves in this direction at KB was the appointment of Jitka Haubová as the Chief Operations Officer and the appointment of four women to executive directorships, whereby the shares of men and women were almost equalised at this management level.

Another pillar is equal remuneration for men and women. We have long been dedicated to this issue, and compared with the market maintain a small gap only and keep reducing it. In 2020, the gap was 4.3%, and in 2021 it was reduced to 4.2%.

In respect of inclusion, we primarily support people from socially disadvantaged groups such as single mothers or talented Roma university students. As part of this support, we also cooperate with the relevant foundations. Through our open communication, we openly subscribe to all topics, publish our activities and results, and also share our experience both inside and outside by way of mentoring and networking or other shared platforms.

We devote special attention to employees on maternity and parental leave (ML/PL). In the case of mutual interest and need, cooperation with them is established also during the leave. These employees regularly receive from us our in-house magazine, *KB Journal*, to stay up to date as regards developments at KB. Af-

ter returning from ML/PL, we help these employees to reintegrate into the work processes by, for instance, offering reduced working hours, home office, or flexible working hours, or combinations thereof, if the type of the operation and nature of the work so permit. We provide an extra contribution to parents who return earlier from their ML/PL.

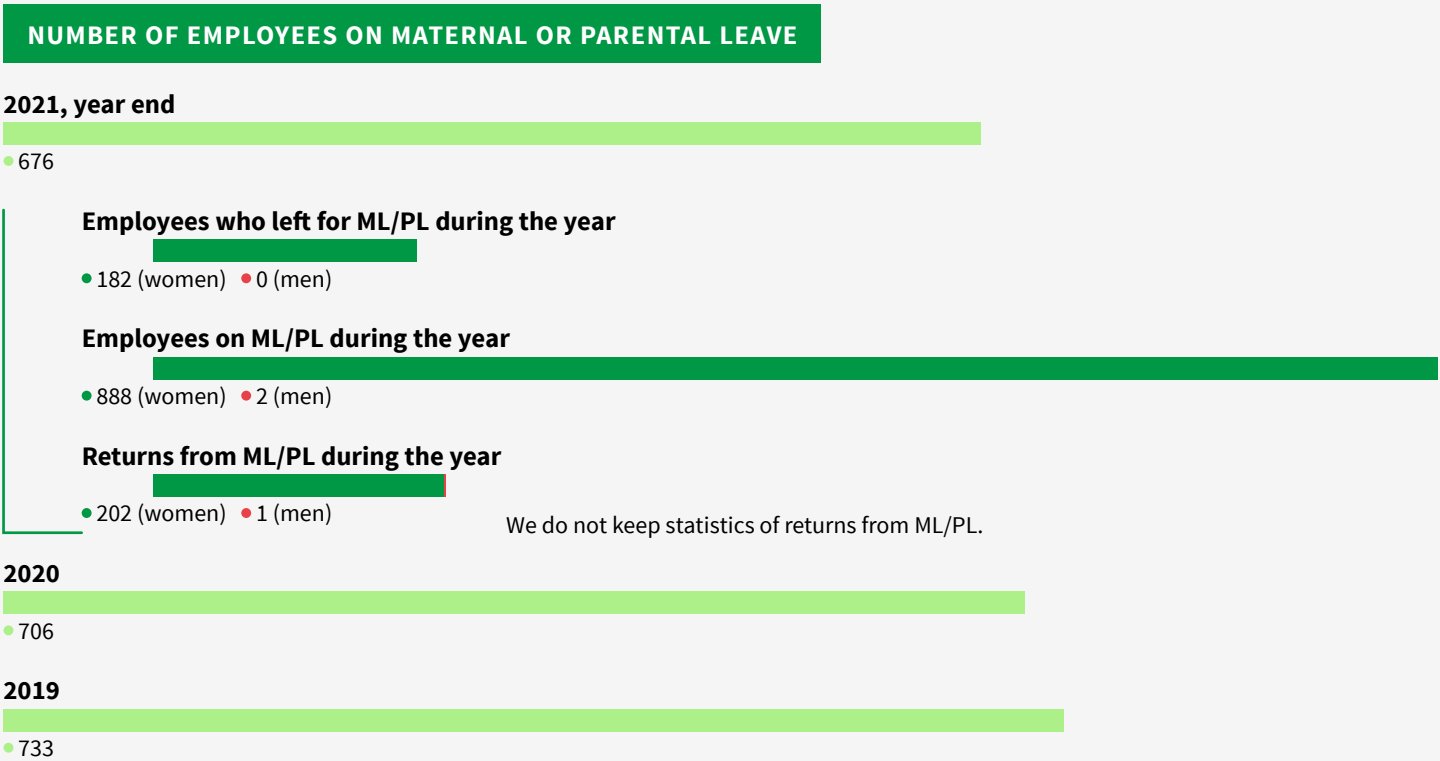
We also keep in touch with our retired employees. We greatly appreciate their extensive knowledge and experience gained over many years. In case of need, we approach these employees with an opportunity for occasional work in order to meet a temporarily increased need of capacities in some technical activities, and also for newcomers' and junior colleagues' induction.

We also devote special attention to disabled colleagues. In 2021, we had 147 employees with various disabilities. The positions most frequently filled by these people in our company include transaction processing specialist, relationship manager, mortgage loan consultant, and cash processing specialist.

Talent search and recruitment

At KB, we consistently search for young or more experienced talents and adjust all of our recruitment processes to this. The processes are also based on the New Digital Bank (NDB) strategy and its requirements for the new competences and knowledge that will be vitally important for the bank in the future. As in 2020, in 2021 again the recruitment activities had to be adjusted to the current pandemic situation and the bank could only engage in a combination of face-to-face and online activities in compliance with the then applicable anti-covid measures.

In the development and implementation of our strategic projects and technical and information solutions and realisations,



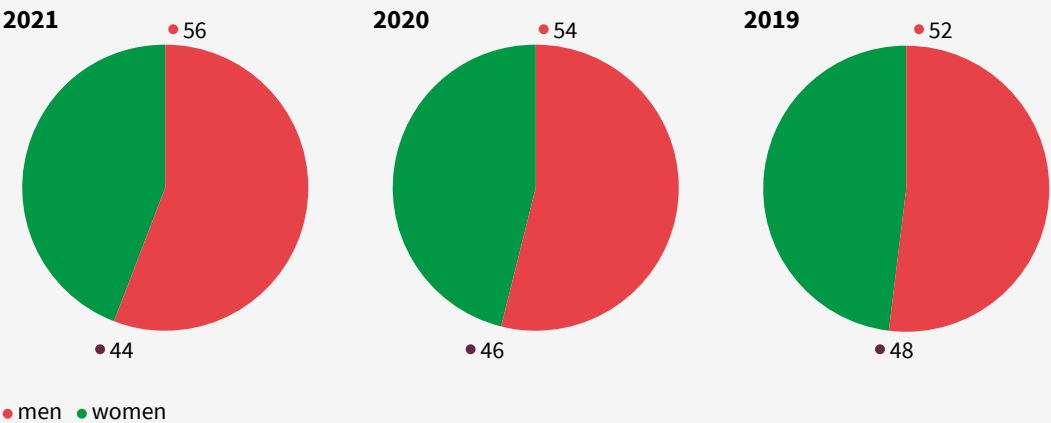
EMPLOYEES WITH DISABILITIES



SHARE OF MEN AND WOMEN AT KB (%)

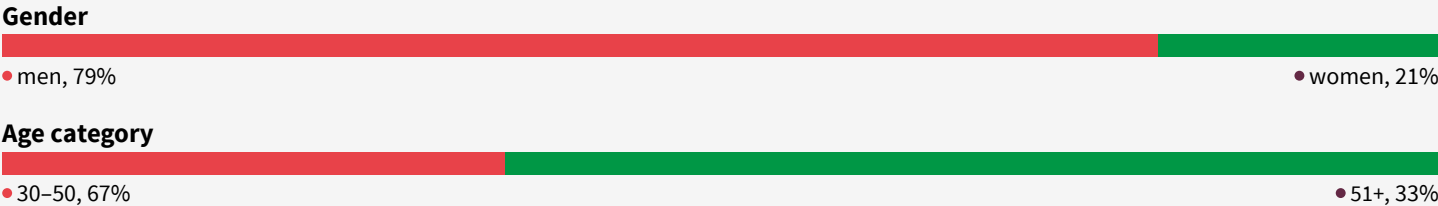


SHARE OF WOMEN AND MEN IN MANAGERIAL POSITIONS (%)



The smaller share of women in managerial positions was caused by a reorganisation in the Distribution Network, in which the percentage of women in managerial positions is higher.

GOVERNANCE LEVELS 1 AND 2 (%)



we use the services of contractors/suppliers and subcontracting entities. These relationships exist on the basis of supply agreements with each of the entities in accordance with the bank's short-term or long-term needs.

We traditionally engaged in cooperation with universities and student organisations across the Czech Republic, including follow-up sponsorship activities. In 2021, we launched the second year of our trainee programme intended for university students. Fifty students found their place in the bank's agile part in tribes and in expertise teams, in teams at the head office, and in the business division. For the first time, we also involved four Roma students in the trainee programme through the Albatros Foundation and its grant schemes for talented Roma university students.

We also regularly participate in employee competitions. In the *TOP Employer of the Year* competition, in which students and graduates vote, we retained our primacy in the Banking and Investments category. In the *Sodexo Employer of the Year* competition, where the company's overall approach to its employees is rated, we were placed second in the Prague region and then third in the national round.

Employee training and development

We prepare a wide range of training activities and programmes for our bank's and the KB Group's employees, thus giving them opportunities for their personal growth while emphasising their own responsibility for their career.

In 2021, we continued to upgrade employees' digital and remote work knowledge and skills, specifically in all parts of the bank, including the branch network. We continued to train employees who come into direct contact with clients (including the mandatory certifications and lifelong education), focusing on upgrading certain specific identified competences. We also focused on upgrading skills in leadership, human resources, responsibility, innovation, and client-focused approach. We always adjusted the format of the training activities to the current pandemic situation, often holding them online or in the blended learning format.

We also cooperate with Société Générale on development programmes. This enables our employees to also upgrade their skills and abilities in an international environment.

Compared with 2020, 2021 saw an increase in SG training in MyLearning and an increase in face-to-face training courses that could not take place in 2020 because of covid. We started to implement a competence model with a view to improving the identification of the training needs and a more accurate targeting of development. We continued to prepare thematic modules; working with our in-house expert guarantors, we offer varied position- or role-specific content in these modules. In the technology part of the bank, we launched an online training platform on which experts in the various fields share their technical issues on a regular basis.

In 2021, we underpinned the continuing transformation of our corporate culture in education by a gradual implementation of the learning organisation principles, which were the mainstay topic of the KB Sense programme for senior talented employees and were supported by additional tools for individual and team

DATA ON THE NUMBER OF HOURS OF TRAINING WAS CALCULATED FOR THE FIRST TIME IN 2019

Category	Number of hours	
	2021	2020
Admin/support positions	7	9
Creative specialists	14	13
Management	31	20
Distribution	38	19

Average training hours per employee in 2021 were 28.63 hours (2020, 13 hours). Male and female employees have always had and have exactly the same training opportunities.

development, such as co-development, peer learning, internal/ external coaching, and mentoring. The SPIRIT talent scheme for young talents was concluded by the delivery of outcomes from six projects focused on corporate culture. The other issues that resounded in our company in 2021 included sustainability, diversity, and inclusion, and we offered employees some e-learning and webinars on these issues.

As all the employees, the security personnel who provide for security in the bank have been trained by the supplier company and acquainted with the principles of the Code of Conduct, which also includes fundamental human rights.

Performance evaluation and feedback

The annual performance evaluation and feedback is a regular part of communication with employees. Thanks to the agile transformation, this process now better supports the new method of working. Across the company, the standard evaluation of the meeting of targets and competence requirements has been supplemented with a process that appraises employees' potential, whose outputs are further used for preparing the plan of succession, identifying senior talents, and talent schemes, as well as for compiling the development plans for each of the employees. The other tools used for feedback included, for example, 360° evaluation, skill assessment, and personality and talent tests.

100% of employees receive their annual performance reviews and are engaged in discussions on the options for their continued professional growth and personal development.

Remuneration

Remuneration at KB relies on four principles.

The internal justice principle ensures that remuneration is the same for the same work and the same performance under the

same transparent circumstance. Remuneration must not be influenced by gender, age, religion, TU membership, political party membership, or other personality features of the employee that are not directly tied with the employee's performance or competences.

The external competitiveness principle is pursued using regular market surveys, taking into consideration the intended market position and the significant differences in the remuneration market. These surveys then help to determine the above-mentioned target basic pay.

The individual contribution principle is reflected in the wage and in the bonus. Wages may reasonably differ from the target level so as to reflect all the aspects, such as the individual contribution or potential. One of the factors for bonus calculation is target meeting and performance appraisal. A long-term incentive scheme (LTI), described in the Annual Report's chapter on employee share plans, is intended for the employees and strategic talents who have an extraordinary benefit for the KB Group.

The risk consideration principle guarantees that remuneration is kept in line with a sound and effective risk management, and that it also support such management; remuneration does not encourage the acceptance of risks above the limits of the risk tolerated by our bank. The risk consideration principles are described in detail in KB Annual Report 2021 in the chapter on relationships with employees.

Equal remuneration is the fundamental pillar of the diversity strategy at KB. Its objective is a zero gender pay gap by 2025.

We determine the pay for all employees in view of the challenging nature of their position, in particular from the perspective of the required knowledge, experience, and skills, and the resulting responsibility.

The entry level wage therefore varies depending on the position to which the employee is recruited, and it is the same for men and women as part of the equal approach to remuneration.

In 2021, the ratio of entry level wage at KB and the minimum wage in the Czech Republic was 1.36.

On the occasion of the annual review of pay at KB, we also monitor whether an equal approach is taken to pay rais-

es. In 2021 we reduced the gender pay gap to 4.2% from 4.3% in 2020. We compare the wages of all positions as regards our portfolio employees. We do not include temps (working under an 'agreement to perform work' (in Czech *DPP*) or an 'agreement to complete a job' (in Czech *DPČ*)).

Targets related to variable pay for performance

The remuneration principles reflect the shareholders' interest in KB's value through linking the amount of the variable pay to our bank's results and the meeting of the strategic priorities, including sustainable growth. In 2020, we launched a new strategic programme. Its priorities are described in the chapter on Strategy in KB Annual Report 2021, and were implemented in the employee incentive system for 2021 through a COKR (Company Objectives and Key Results) measurement system. Strategic priorities also include sustainable development covering, for example, the targets set for reducing our CO₂ emissions and achieving carbon neutrality, and the development of sustainable products and services. For 2021, the sustainable development targets measured by COKR made up 10% of the weight of the targets for the Board of Directors member who is directly responsible for sustainable development, 5% of the weight of the CEO's target, 5% of the weight of targets for another Board of Directors member, and 5-40% of the weight of the targets set for another 16 employees in the most senior management of the bank.

Employee benefits and advantages to foster identification with the KB Group

The cost-effective structure of benefits reflects our ambition to be a responsible employer while providing our employees with a choice. The structure and scope of benefits is subject to collective bargaining and the agreement then achieved on an annual basis.

For 2021, the following structure had been agreed:

- CZK 100 meal vouchers paid in full by the employer;
- CZK 6,720/employee/year for recreation, sport, health, culture, and personal development to be used through the Cafeteria system;
- CZK 5,000/year for employees included in the category of persons with a health disadvantage, and CZK 600/year for 55+ employees to be used through the Cafeteria system;

THE PRINCIPLE OF JUSTICE

Equal remuneration is the fundamental pillar of the diversity strategy at KB. Its objective is a zero gender pay gap by 2025.

- A contribution to a private pension scheme or to supplementary pension savings amounting up to 3% of the wage;
- Premium terms and conditions for the retail banking products and services provided by KB to its employees;
- Financial support in the event of long-term illness;
- Two days off with wage compensation and one extra day off with wage compensation for employees employed at KB continuously for five years or more;
- One birthday day;
- Term assurance;
- Extraordinary social assistance;
- A sabbatical leave;
- One day off with wage compensation for corporate volunteering in areas supported by KB and the Jistota Foundation;
- A 24/7 help line for assistance and consultation in various situations, such as family law, commercial law, healthy lifestyle, consultations with a psychologist. It also includes financial crisis advice to handle enforcement proceedings or personal bankruptcy, and also advice related to the covid pandemic;
- A contribution to support earlier return from ML/PL.

Benefits for full-time employees are also applicable to part-time employees. Our treatment only differs for temps (workers under an ‘agreement to perform work’ (in Czech *DPP*) or an ‘agreement to complete a job’ (in Czech *DPC*)).

Prevention and sanctioning of any form of undesirable conduct

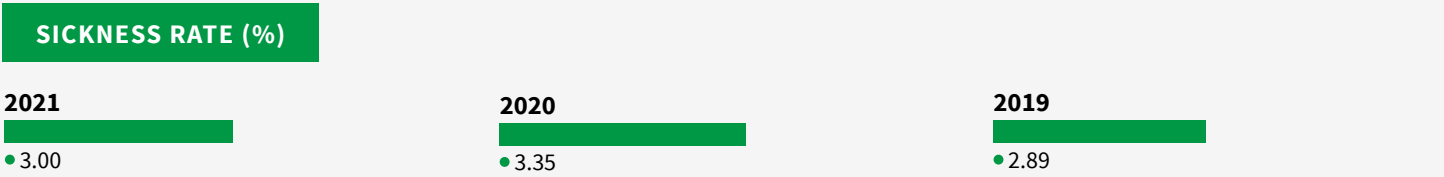
We have long been striving to prevent and eliminate any form of conduct contrary to the KB Group’s values and the principles

stipulated in the Code of Conduct, internationally applicable standards, and local regulations. As part of this effort, we have incorporated into our regulatory base the SG Group’s policy to combat and punish undesirable conduct in all its forms, including mental and sexual harassment, or sexist, racist or homophobic behaviour.

In 2021, we recorded four cases of discrimination reported by employees. All cases were investigated internally by the SG Group’s set rules and processes. The report on discrimination was not proved to be substantiated in any of those cases and therefore no remediation plan had to be implemented for addressing the situation.

In the event that an employee becomes a witness or even a direct participant in any incident of undesirable conduct, they can alert their line manager or colleagues in Human Resources or Compliance. The employee can also use the secure web application for whistleblowing, which is available for all SG Group companies. In line with the SG Group’s global rules, we extend protection to whistleblowers against retaliation in any form, employment termination, or discrimination. We also ensure anonymity of the whistleblowers. Together with the SG Group, we have also reinforced the processing of reports on undesirable conduct. For this purpose, an international group of experts has been set up; they are available to employees anywhere in the world. The group includes HR specialists and employees of sales departments, including KB, who have been specifically trained for handling whistleblowing reports. The group members follow stringent principles of impartiality and confidentiality.

The objective of all these initiatives is to apply a zero tolerance policy and ensure that no employee is exposed to undesirable conduct.



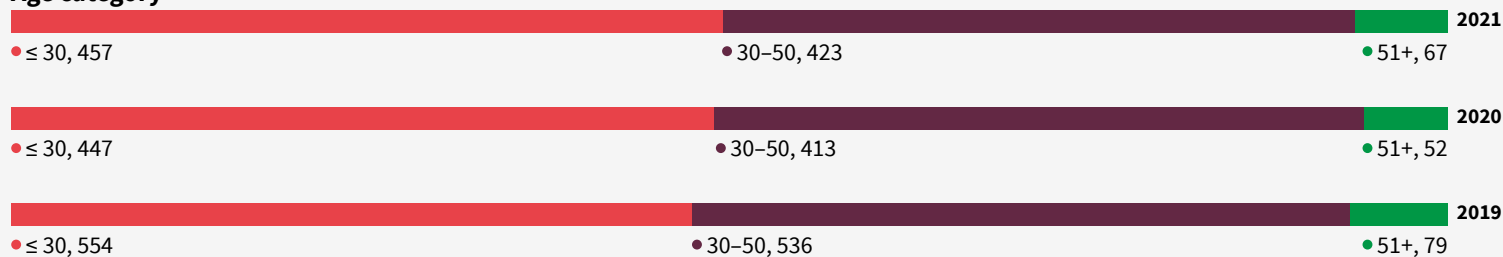
Higher sickness rate in 2020 was due to Covid-19.



1.4% natural turnover (e.g., retirement or death), 8.8% on the employee's decision, 2.6% controlled (e.g., end of agreed term), 3.9% notice of termination by KB.

NEW HIRES IN 2021 (947), 2020 (912) AND 2019 (1,169)

Age category



Gender



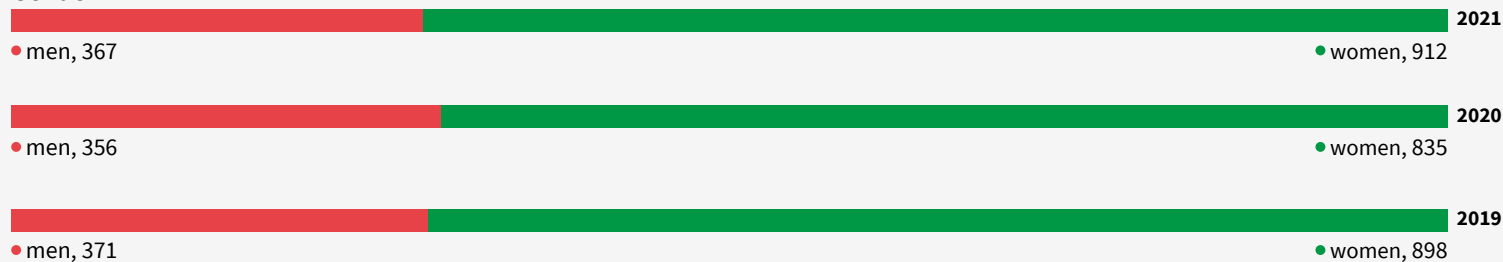
New employees are recruited to the Czech Republic.

EMPLOYEE DEPARTURES IN 2021 (1,279), 2020 (1,191) AND 2019 (1,269)

Age category



Gender

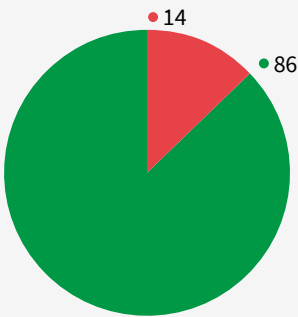


Employee attrition concerns the Czech Republic.

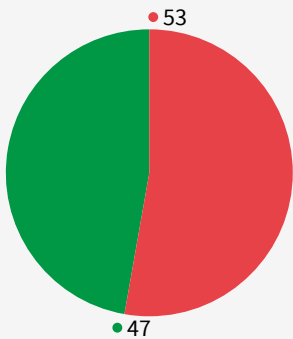
ALL EMPLOYEES

Gender (%)

Admin/Support/Routine



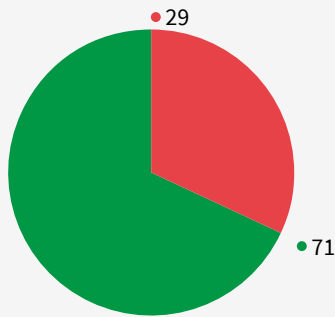
Creative Specialists



Management



Sales

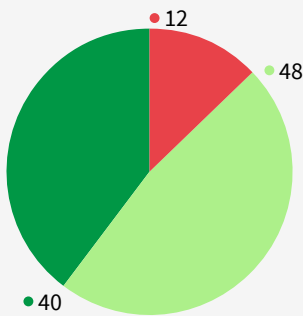


men women

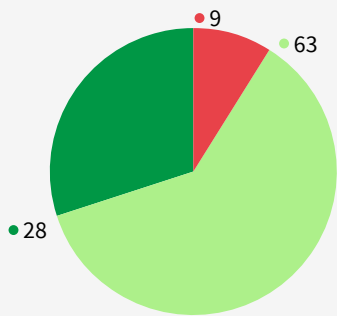
NB: Algorithms other than previously were used for these calculations.

Age category (%)

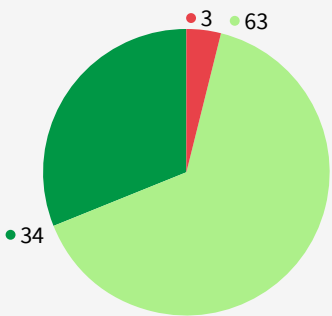
Admin/Support/Routine



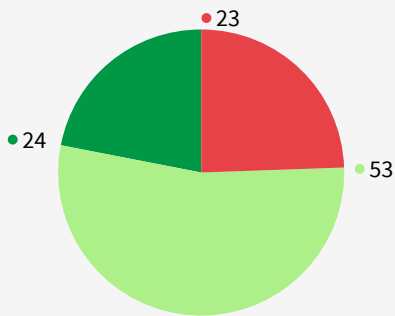
Creative Specialists



Management



Sales



≤ 30 30-50 51+







4

GOVERNANCE

In our business, we follow the principles of ethics and laws and regulations, we do not support or tolerate of any form of fraudulent conduct, corruption, violation of competition rules, discrimination or harassment. We look after the quality of the natural and social environment and, following the SG Group's rules, restrict the provision of financial products to sectors having potentially adverse impacts.

Rules of conduct

We at KB are aware that the basic prerequisites for the company's successful development include our employees' professional and ethical conduct. Such conduct is based on building transparent relationships with clients and deepening trust between KB and its stakeholders. The KB Group has defined rules of ethical behaviour and conduct for its employees, which are based on both the general obligations laid down by regulatory requirements and the professional conduct standards applicable to banking. These obligations also include distinct rules for the protection against conflicts of interest, rules for accepting gifts, rules for protection against influence peddling, and rules for protection against confidential information abuse. The principles of ethical conduct and the obligation to abide by these rules are binding on all employees and are set out in the company's internal regulations. A Société Générale and KB training programme helps to raise our employees' awareness of ethical conduct. It is designed for all KB Group employees and focuses on the principles of conduct and values applicable to individuals and the whole Group.

We rigorously follow the policy of zero tolerance of any form of fraudulent conduct, corruption, violation of competition rules, discrimination or harassment. We fully respect the Code Governing the Fight against Corruption and Influence Peddling for the SG Group, available at <https://www.societegenerale.com/en/societe-generale-group/ethics-and-compliance/code-of-conduct>

Code of Conduct

At the level of the SG Group, we as a bank are bound by the SG Code of Conduct, which covers all the areas where the SG Group has made commitments. These include, for example, zero tolerance of discrimination, the treatment of confidential information, conflicts of interest, insider trading, or whistleblowing. In addition to this, the SG Group also applies a specific code on taxation issues, available <https://www.societegenerale.com/en/societe-generale-group/ethics-and-compliance/code-of-conduct>. These publicly accessible principles govern the SG Group's activities worldwide, and are therefore applicable to and promoted by KB. Our website posts information about our and our external partners' corporate culture (see www.kb.cz/dodavatele and <https://www.kb.cz/en/about-the-bank/everything-about-kb/we-do-business-br-sustainably/economic-br-sustainability>). All our employees are trained at the beginning of their employment and then regularly every two years. In addition, KB and the SG Group have designed specialised bespoke training courses for high-profile employ-

ees, who are trained more frequently or on an *ad hoc* basis. Only employees who are absent for long periods or on maternity/parental leave do not attend such ongoing training.

Since 2020, all new employees have been obliged to confirm by their signature that they have read and understood the applicable version of the SG Code of Conduct. From the very beginning of the recruitment process, all candidates for a job in the KB Group are informed about the existence of the SG Code of Conduct and the Code Governing the Fight against Corruption and Influence Peddling for the SG Group, and are obliged to follow the rules contained therein.

Adherence to the SG Code of Conduct is enshrined in job responsibilities and through the clearly defined reporting channels both in our bank and in the KB Group. Relevant contact details are available at <https://www.kb.cz/en/about-the-bank/contacts>. Compliance with this Code is linked to the employee remuneration rules; in the event of a breach of risk compliance, a letter of reprimand or employment termination may follow.

The system of internal controls (first level controls, FLC, and second level controls, SLC), regular monitoring of the key risk indicators, promoting and evaluating the whistleblowing system, identifying the risks in exposed areas (including those of corruption and conflict of interests), and training programmes rounded off by testing – all of these are the tools for continuously verifying the efficiency of the adopted rules of conduct.

The compliance system is regularly checked by several entities and institutes, specifically internal audit, SG supervision, or the Czech National Bank. The Czech National Bank acts as a regulator of Czech banks and those conducting business in the Czech Republic, over which it exercises continuous oversight. Supervision is exercised remotely and on site.

Anti-corruption measures

The adoption of and compliance with clear anti-corruption rules and zero tolerance of any form of corruption constitute the basic standards and basis for socially responsible business and the only way for the whole KB Group to sustain and strengthen its position, including that in the competitive market. The anti-corruption measures are applicable to the bank and its activities and employees, and to third parties, i.e. our clients, suppliers and providers of financial services. The rules and principles of combating corruption and bribery are enshrined in the internal regulations and are also part of compulsory training for all employees.

Our suppliers and other business partners have also been bound to compliance with anti-corruption rules through contract clauses. Entering into a new business relationship with a business partner is subject to a precisely specified procedure. We always investigate adverse information about a natural or juristic person, such as information about ongoing administrative or criminal proceedings related to money laundering or terrorism financing, corruption, fraud, tax evasion, sanctions, or negative experience of our



ETHICS

The principles of ethical conduct and the obligation to abide by these rules are binding on all employees.

cooperation in the past. The scoring model for assessing the risk of a new business partner defines the scale from low to high risk. Risk factors are assessed on the basis of geographical location, industry, reputation (negative media reports, corruption, bribery, fraud...), sanctions, and checks against lists of politically exposed persons (PEP). Business partners showing signs of these factors are rated as very risky. High-risk business partners are referred to Compliance and SG Compliance for approval.

Before entering into a new business relationship with any financial service provider, we always perform a review in accordance with regulatory requirements in connection with financial crime. The scoring model for risk assessment is similar to that for client assessment.

To date, we have not registered any external investigations into breaches of anti-corruption policies.

The Compliance Department is responsible for setting anti-corruption rules. In view of the SG Group's emphasis on this area, we have introduced a number of measures, including updating our internal anti-corruption rules, tightening the rules for accepting and offering gifts and invitations by employees, the rollout of a database tool to record gifts and invitations, and setting up a system of compliance monitoring and controls. All managers concerned have also attended personal training sponsored by Compliance.

The Compliance Department is also responsible for setting rules to prevent bribery. These rules are in line with the SG Group's principles and its Anti-corruption Code. The set of rules is regularly updated and contains, in particular, areas such as reporting, accepting and offering gifts, hospitality, external events, procedures for third party assessment, contributions to sport, gifts to charity, mergers and acquisitions, and lobbying.

We did not register any documented case of corruption or bribery in 2021. There are no ongoing external investigations by national or international bodies.

Interest representation

When promoting the bank's interests with public authorities (lobbying), we follow clearly defined rules. The employees who carry out lobbying activities must comply with the rules and provisions concerning the fight against corruption and influence peddling, as described in the Code Governing the Fight against Corruption and Influence Peddling for the SG Group and in KB's internal regulations on lobbying. In addition, they must attend a mandatory anti-corruption training course for persons exposed to an increased risk of corruption, and report any situation that may constitute a breach of internal or regulatory rules through the whistleblowing procedure.

Employees can represent the bank's views and positions in professional associations and other institutions of which KB is a member (e.g., the Czech Banking Association). If a KB employee enters into dealings with a public/governmental official, they shall act as a representative of a professional association. The opinions of our employees are, in principle, considered to be the opinions of the associations rather than the bank, and we therefore do not consider activity in professional associations to be lobbying.

Contributions to political campaigns or organisations or other groups whose role is to influence political campaigns or public administration or legislation are prohibited by KB's internal regulations. We rigorously follow a course of political neutrality and refrain from supporting any political organisations or activities through donations or subsidies, even where permitted by the legislation. We granted the only contributions – in the form of standard membership dues – to industry or trade associations (e.g., the Czech Banking Association) in 2021; they totalled CZK 9.5 million.

Whistleblowing

We regard the timely identification and a well-working system for reporting potential risks (whistleblowing system) as one of the key tools for compliance risk management.

We completely restated the rules governing the right to blow the whistle and the rules governing the investigation into the submitted reports in 2021. At present, a new separate internal instruction that reflects the SG Group's requirements in this area and also those of the EU Directive on the protection of whistleblowers governs this area.

The whistleblowing right gives every whistleblower an opportunity to raise concerns ('speak up'), without having to fear retaliatory measures or sanctions, that there has been a breach of internal rules or laws and regulations when the received instruction, contemplated transaction or, in general, any situation of which they have learned is not in compliance with the SG Group's rules or standards of ethics or when they believe that a conflict with laws and regulations could occur.

Any employee, external or temporary worker and, as part of the due diligence duty, any service provider with whom KB has a business relationship (such as supplier/contractor or subcontractor) can be a whistleblower.



Within KB, whistleblowers can submit reports via their managers, or via Compliance, using any suitable form. Reports can also be sent to a specialised e-mail box at whistleblowing@kb.cz. Whistleblowing reports can also be sent directly to the parent company Société Générale via a secured [web platform](#).

Prevention of crime, money laundering (AML), terrorism financing, and circumvention of international sanctions

We spare no effort to prevent misuse of our services for any purposes related to money laundering, terrorism financing or circumvention of international sanctions. We apply rules, methods, and verification procedures in accordance with the relevant legislation, standards, and SG Group rules.

In 2021, Compliance focused, in respect of the prevention of money laundering and terrorism financing, on adjusting the internal control environment in the wake of the passing of an amendment to Act No 253/2008 on Some Measures against Money Laundering and Terrorism Financing and to the CNB's Regulation 67/2008 on Some Requirements on the System of Internal Policies, Procedures and Control Measures against Money Laundering and Terrorism Financing, and to Act No 37/2001 on Records of Beneficial Owners. Compliance also created the conditions for updating internal processes and rules in line with the SG Group's programmes.

We verify and update the internal system of prevention on a regular basis. Information is continuously shared with all employees in the form of operational reports or face-to-face training or e-learning courses. We have implemented at KB a system for monitoring all transactions and business relationships. Publicly available policies and procedures concern mainly the rules on obtaining information about customers (KYC), including client identification and due diligence, terrorism financing, and politically exposed persons. (For more details see <https://www.kb.cz/en/about-the-bank/documents>)

We post the procedures that represent our corporate culture in this area on our website at <https://www.kb.cz/getmedia/7c5bcb7d-2a27-42a5-8840-1316907e7fba/Identifikace-a-kontrola-klienta.pdf.aspx>; and <https://www.kb.cz/getmedia/5e0acf2e-2b8b-45fb-97da-d2a31203a9c6/kb-20200731-zakladni-shrnuti-politiky-proti-pranispinavych-penez.pdf.aspx>

We rigorously comply with the internal rules and procedures for client onboarding to ensure due client identification and obtain the necessary information about clients (Know Your Client, or KYC), the necessary information about suppliers (Know Your Supplier, or KYS), or the necessary information about financial service providers (Know Your Provider, or KYP). The KYC rules are applied to specific groups of clients, including private individuals, organisations, and small businesses/sole traders accordingly.

In 2021, Compliance analysed 8,791 business cases or requests for entering into business relationships in excess of the standard assessments. Further to that, Compliance

recommended to terminate 726 client relationships and rejected the entering into a contractual relationship with 426 applicants. Records are kept for ten years from the end of our relationship with the client. We carry out an independent evaluation of the monitoring procedures every year.

All employees, including senior management, must go through online training in the prevention of money laundering and terrorism financing, KYC, and anti-corruption conduct, and pass a test at the end of the course. Intranet training includes case studies and computer training with self-evaluation. In addition, Compliance trains selected employees in person.

In 2021, the AML unit checked 60,577 cases received from various KB units (in 2020: 48,439, in 2019: 775; in 2018: 815; the year-on-year increase in 2021 was caused by the adoption of new rules for approving new clients and transactions and the implementation of seven new risk scenarios).

In terms of fight against evasions of international sanctions, KB has developed sophisticated measures, including daily checks of the entire client portfolio against sanction lists, checks of all transactions for non-compliance with sanctions, as well as checks of products and services, in particular in external trade and exports. We check all these transactions online in real time. The checks require mainly (but not only) a thorough knowledge of the client's activities, the reasons for the transaction, and relationships with counterparties.

Employee training

As noted above, at KB we operate a sophisticated system of employee training. Depending on their job description, employees attend specified training. Such training is obligatory for all employees, while selected training is designed only for a certain targeted group of employees.

All employees attend the following training: safety at work, fire protection, Compliance and Code of Conduct, risk management culture, security awareness, reputational risk, e-starting, internal regulations, money-laundering prevention, and tax transparency including FATCA (Foreign Account Tax Compliance Act). In 2021, all of the bank's employees went through a course in sustainability and KB's approach to this issue.

In line with their specialisation and job focus, employees undergo certification, and attend training in specific regulatory issues, or specialised training for managers and superiors. Employees involved in the sale of certain products, such as consumer loans, insurance policies, supplementary pension savings or investment tools, must pass specialised examinations required by the regulatory scheme. Training is not required in the case of maternity/parental leave or long-term absence from work.

Training is organised at the beginning of the employment, and subsequently repeated on a regular basis. Some training courses are custom tailored to certain employees and repeated more often. Meeting all mandatory training requirements is closely monitored. The employee is au-



TENDERS

Société Générale has developed binding rules for the whole SG Group for the supplier selection process and contract awarding. Sustainability is one of the criteria for evaluation.

tomatically alerted every month if they did not meet a requirement.

Protection of competition

We had earlier adopted at KB an internal directive on the protection of competition, which is based on the general obligations laid down by regulatory requirements and SG Group standards. The internal directive describes the regulatory framework, identifies the banking sector's risk areas, and prescribes employees' conduct when dealing with third parties and the regulator so that employees are adequately informed about risks and the ways to prevent them. Selected employees also attend internal training in this respect. Employees acting on behalf of the bank at the Czech Banking Association also agree to comply with the Association's rules for the area.

For 2021, we have not been fined for any infringement of the competition rules, nor were we subjected to any investigation into anti-competition practices.

Relations with suppliers, and the supplier chain

In our relationships with suppliers, we ensure full compliance with all legal obligations, and also environmental protection and respect for social and human rights and for the sustainable development principles. We implement the principles of the SG Group's sourcing policy, which we consider to be the expression of our risk management responsibility. We make full use of the Know Your Supplier (KYS) methodology for identifying and evaluating information about suppliers and potential suppliers to prevent cooperation with those who violate the applicable rules of taxation, of fight against money laundering and terrorism financing, or corruption, or may be involved in other illegal activities. We have tightened our scrutiny of suppliers' governance bodies and beneficial owners, and of politically exposed persons having relationships with the supplier. Suppliers are also carefully screened against registers such

as the EU sanctions list, US sanctions and embargoes, and the UN Security Council lists. The KYS activities also include rules for establishing business relationships with suppliers operating in sensitive sectors from the perspective of responsible banking (e.g., energy). As part of our corporate climate change policy, we promote responsible sourcing that considers environmental aspects, i.e., reducing energy consumption, waste generation, and carbon footprint. To identify the risks that arise from our and our suppliers' activities and to prevent serious violations of human rights and fundamental freedoms, health and safety of persons, and environmental protection, we have adopted the necessary measures to comply with statutory and regulatory obligations and with the SG Group's Code of Conduct, and have also involved our suppliers in their implementation. All the commitments and expectations adopted by the bank in relation to our suppliers regarding compliance with the principles concerning human rights, working conditions, the environment, ethical conduct, and the fight against corruption, bribery, and influence peddling are detailed in the Charter of Responsible Sourcing, the SG Group Code of Conduct, and the Code Governing the Fight against Corruption and Influence Peddling for the SG Group. By entering into a contract, the suppliers declare to respect the commitments and comply with the obligations set out therein. The Codes and Charter are posted at <https://www.kb.cz/en/suppliers>. In 2021, more than 75% of the suppliers with whom we cooperated were local suppliers.

Implementation of sustainability principles in sourcing

Société Générale has developed binding rules for the whole SG Group for the supplier selection process and contract awarding. Sustainability is one of the criteria for evaluation, and KB therefore identifies, as part of decision-making on cooperation with a supplier, the potential environmental and social risks (the environment, human rights, attitude to people, ethics, and credibility).



RISK MANAGEMENT

We have developed an environmental and social risk management system (ESRM) that helps to identify and assess risks of the bank's corporate clients.





Selection process participants to whom this procedure applies commit to compliance with the Sustainable Sourcing Charter (more at <https://www.kb.cz/en/suppliers>), which specifies the principles in respect of human rights, working conditions, the environment, and fight against corruption.

Four risk categories (low, medium, high, and very high) have been established for the services and goods supplied. In respect of the very high risk category (such as refurbishments and constructions, facility management – waste management, and videoconference and mobile equipment and devices), all selection process participants receive a more detailed questionnaire that helps us to evaluate the above risks. In the evaluation of bids, these risks are some of the criteria whose weight is subject to the rules set for the SG Group and depend on the environmental and social risk entailed in the supplier category and on the final decision of the person approving the selection process.

This procedure was put in place in 2020, and in 2021 we therefore carried out all selection processes including these parameters.

In 2021, we completed more than 100 selection processes; of those, approximately 25% were assessed as very high risk from the sustainability perspective, and we therefore screened the supplier against the above criteria. As a result, none of the solutions selected had a negative impact in terms of environmental or social risks.

Sustainability in financial services (SFDR)

In accordance with the Regulation of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (SFDR), we at KB disclose specific information about our approach to the integration of sustainability risks and the consideration of the adverse impacts on sustainability.

In 2021, we posted on our website a statement with information about KB's approach and policies on the integration of sustainability risks in KB's investment decision – making process (Article 3). The statement explains how we take into account adverse impacts on sustainability at the entity level (i.e. financial market participant) and the financial adviser level (Article 4). We also published the manner in which sustainability risks are integrated into investment decisions of the financial market participant and financial adviser, adding in pre-contractual product disclosures a reference to this statement (Article 6). We have also adjusted our remuneration policy by including information about the integration of sustainability risks (Article 5).

In 2022, we will update those statements to include new relevant information primarily concerning the integration of sustainability risks and the taxonomy of pre-contractual information (EU Taxonomy, Articles 5, 6 and 7). We plan to fully integrate the principal adverse impacts of investment decisions on sustainability factors at the entity level (Article 4) and the product level (Article 7) and publish them in regular reports in the coming years, beginning in 2023.

Environmental and social risk management

At KB, we have developed an environmental and social risk management system (ESRM) that helps to identify and assess risks of the bank's corporate clients from the perspective of the potential origination of serious damage or adverse impacts of their activities on the environment, human health and safety, and human rights and fundamental freedoms. The impact of these factors may result in non-compliance with our rules and commitments, non-performance of the obligations and responsibilities under the applicable legislation or the KB Group's or SG Group's environmental and social commitments, damage to our good reputation, and potentially also credit risk, including the risk of physical damage to clients' assets caused by environmental or social factors, such as climate change or industrial disasters.

Ms Jitka Haubová, on KB's Board of Directors, supervises environmental and social risk management and the whole sustainability agenda. Factoring KB and SGEF, subsidiaries in the KB Group, fully adhere to KB's ESRM rules when assessing clients and transactions. In the lease organisation ESSOX, the ESRM system will be implemented in 2022. A coordinator who is responsible for the implementation of the ESRM system and adherence to the ESRM rules in the relevant subsidiary has been appointed for ESG risk management in each of the KB Group's subsidiaries. They coordinate their approaches with KB's E&S experts.

The implementation of this system is a prerequisite for the successful development of our business over the long term, and is also related to the SG Group's commitments. In 2007, the SG Group committed to adopt the Equator Principles, a voluntary risk management framework for assessing environmental and social risks in projects. The SG Group is also a founding member of the United Nations Environment Finance Initiative (UNEP FI), a UNEP partnership for sustainable development. In 2019, SG signed the Principles for Responsible Banking, thereby committing to integrate the sustainable banking principles into all its activities, including the adoption of its own goals in support of the Paris Agreement on climate change.

At KB, we fully respect the trade restrictions on the provision of banking services and products for trading in certain types of weapons, ammunition, and military material. We do not finance the export of weapons and military material to countries involved in armed conflicts and to countries with non-democratic and authoritarian governments. These restrictions also apply to private or public entities or business groups whose activities in the defence industry are considered to be non-transparent.

The purpose of the ESRM system is to make sure that we do not finance companies participating in excluded activities (by recording the relevant company in the list of excluded companies shared across the SG Group (SG Exclusion List)) and that at all times we thoroughly assess the E&S risks in serving clients operating in sensitive sectors, and also that the services for the client or the execution of



the transaction are in accordance with the requirements of environmental, labour, and social regulations and that the client or transaction are not associated with a significant reputation and credit risk jeopardising the ability to pay the loan because of environmental and/or social factors.

In 2021, working with the SG Group we started to implement the EBA's Guidelines on loan origination and on EBA Pillar 3 disclosure of ESG exposure to transition risks and physical risks. The climate transition risks are already being assessed when assessing transaction credit risks in four sensitive sectors (metallurgy, the extraction industry, transport, and the automotive industry), using a specifically designed tool determining the client's Climate Vulnerability Indicator (CVI). This tool helps to assess clients' financial capability for the transition of their business activities potentially impacted by the changing regulations, market preferences, external costs, and new technology.

The E&S risk assessment process is closely related to the KYC process. In respect of the current customers, E&S risk assessment is conducted regularly and simultaneously with renewing credit lines. However, besides new client onboarding or regular checks of current clients, E&S risk assessment may also be necessitated by the client's new need for a financial product or service, the need to update or review due diligence, or other major E&S events concerning the clients, including changes in the obligations accepted by KB, changes in the client's ownership structure, a reputational or legal controversy concerning the client, or changes in the relevant legislation. Approval of a business relationship with a client on the basis of E&S risk assessment may be conditional on the implementation of an agreed programme of addressing the risks identified.

Climate strategy in the coal sector

As part of its contribution to the fight against climate change, the SG Group adopted its [Climate Strategy](#) in 2019. In the strategy, the SG Group has pledged to refrain from providing any new active funding to companies having more than 50% of their annual revenue linked to the coal sector (coal mining and transport, coal trading, and energy use of coal for electricity or heat generation).

We at KB have also decided to phase out the funding of clients associated with coal mining or use, in particular in the electricity and heat supply industries. We thus help to exert pressure on these companies to transit to cleaner energy sources. We have committed to progressively reduce to zero by 2030 our funding of clients' activities in the coal sector. In 2022, we started to lend only to companies, even if associated with coal activities only partly, that will have a clearly stated commitment to discontinue their coal activities until 2030.

Sustainable Finance Commission

In 2021, the Czech Banking Association (CBA) member banks set up a Sustainable Finance Commission. Ms Hana Kovářová, Executive Director, Brand Strategy and Communication, was elected as the Commission Chair. The Commission will focus on the question of how banks can specifically help to create conditions for the sustainable development of the Czech Republic. In 2021, we at KB signed the CBA Sustainable Finance Memorandum, in which together with other banks we confirmed our commitment to create a business environment conducive to the country's sustainable and socially responsible development. KB is one of the initiators of such development. By signing the Memorandum, we have committed to strengthen environmentally and socially responsible business in the Czech Republic.

SUSTAINABLE FINANCING

By signing the CBA Sustainable Finance Memorandum, we have committed to strengthen environmentally and socially responsible business in the Czech Republic.



COMMITMENTS TO SG'S AND KB'S EXTERNAL INITIATIVES

Commitment/ Initiative	Year when adopted	Description	KB's involvement
SUSTAINABLE FINANCE MEMORANDUM	2021	In 2021, the Czech Banking Association (CBA) member banks set up a Sustainable Finance Commission. Ms Hana Kovářová, Executive Director, Brand Strategy and Communication, was elected as the Commission Chair. The Commission will focus on the question of how banks can specifically help to create conditions for the sustainable development of the Czech Republic.	In 2021, KB signed the CBA Sustainable Finance Memorandum, in which together with other banks we confirmed our commitment to create a business environment conducive to the country's sustainable and socially responsible development. By signing the Memorandum, we have committed to strengthen environmentally and socially responsible business in the Czech Republic.
NET-ZERO BANKING ALLIANCE	2021	Societe Generale has strengthened its position as a leader in the ecological transition by joining the UNEP-FI Net-Zero Banking Alliance as a founding member, and undertakes to align its portfolios with trajectories aiming at carbon neutrality by 2050 with the ambitious goal of limiting global warming to 1.5 degrees Celsius. The SG Group commits to proactively manage its financing portfolios in line with trajectories aiming at achieving carbon neutrality by 2050, prioritise portfolios with the highest emission levels and which will have the biggest impact, and set out intermediary alignment targets for 2030, and ensure full transparency with annual publication of progress made in relation to our alignment work.	The SG Group, including KB, has been progressively aligning all of its portfolios with the Paris Agreement objectives. With this new commitment, the SG Group and KB will accelerate their effort accordingly. In 2019, the SG Group and KB adopted the objective of reducing by 2030 their exposure to clients with assets in coal mining and coal-fired energy installations in the EU and OECD countries. KB also supports the SG Group in its commitment to reduce its oil & gas portfolio by 10% by 2025. KB commits to play the central role in the energy transition of the Czech Republic and Slovakia.
KB CARBON NEUTRAL BY 2026	2020	In 2020, we first had our carbon footprint measured for 2019. The result showed that our emissions were 23 kg CO ₂ e per client. Year-on-year, we reduced our emissions by 35% and in 2020 emissions per client amounted to 15.2 kg CO ₂ e. The reduction was achieved at almost all of the 18 identified emissions sources that we include in reporting.	KB has adopted its own commitment to progressively reduce its own carbon footprint. We are on the path towards carbon neutrality, which we want to achieve by 2026. The reduction plan and all information about our carbon footprint are available for the public at https://www.kb.cz/en/about-the-bank/everything-about-kb/we-do-business-br-sustainably/environmental-br-sustainability
UN CFO PRINCIPLES	2020	UN Global Compact initiative to establish guiding principles and best practices for SDG-aligned corporate finance and investment opportunities. The CFO Principles supplement the UN Global Compact's Ten Principles to support companies in the transition to sustainable development. SG was the first commercial bank to sign CFO Principles on SDG-aligned finance.	In principle, SDGs are partly already included in KB's corporate finance in the ESRM process and will be further enhanced in KB's green lending.
IEA SDS SCENARIO AS THE REFERENCE	2020	The International Energy Agency's Sustainable Development Scenario (IEA SDS) outlines a major transformation of the global energy system to deliver on the three main energy-related SDS including the Paris Agreement, energy access, and air quality goals. (SG has set a new target to align its oil & gas portfolio with the IEA SDS and accelerate its coal exit strategy.)	SG's new target is being incorporated into the relevant E&S sectoral policies, which became fully applicable to KB once officially published (in January 2022).
SG GROUP CLIMATE COMMITMENTS	2019	SG has committed to contribute to climate change limitation and to progressively reduce to zero its exposure to the thermal coal sector, at the latest in 2030 for companies with thermal coal assets located in EU or OECD countries, and in 2040 elsewhere. The commitment is implemented through SG's Thermal Coal Policy. Under its medium term objectives, SG has also committed to limiting its exposure in the oil & gas sector by 10% by 2025.	The commitment to stop financing companies related to the coal sector is implemented through SG's sectoral policies on Thermal Coal and Thermal Power. The commitment to reduce exposure in the oil & gas sector was integrated into the updated version of the Oil & Gas Sectoral Policy in January 2022.
KB CLIMATE STRATEGY (as part of SG's contribution to fight against climate change)	2019	KB has committed to refrain from providing any new active financing to companies having the greater part of their annual revenue linked to the coal sector (coal mining and transport, coal trading, and energy use of coal for electricity or heat generation).	Further to the SG Group's climate commitments, KB has also decided to phase out the funding of clients associated with coal mining or use, in particular in the electricity and heat supply industries. We thus help to exert pressure on these companies to transit to cleaner energy sources. We have committed to progressively reduce to zero by 2030 our funding of clients' activities in the coal sector. From 2022, we will lend only to companies, even if associated with coal activities only partly, that will have a clearly stated commitment to discontinue their coal activities until 2030.

CLIMATE DISCLOSURE - TCFD (Task Force on Climate-related Financial Disclosures)	2019	Guidelines and recommendations for climate-related finance disclosures prepared by the Task Force team (31 members from private and public organisations in G20). Provides a framework for companies and other organisations to develop more effective climate-related financial disclosures through their existing reporting processes. TCFD issues annually a status report describing the alignment of companies' reporting with the TCFD recommendations.	SG releases climate-related reports aligned with the TCFD guidelines on behalf of the entire SG Group (including KB). No separate obligation for KB.
POSEIDON PRINCIPLES, GETTING TO ZERO COALITION	2019	The Poseidon Principles are a global framework for assessing and disclosing the climate alignment of financial institutions' shipping portfolios. They promote a low carbon future for the global marine shipping by integrating climate considerations into bank portfolios and credit decisions. They are consistent with the International Maritime Organization's (IMO) ambition to reduce shipping's greenhouse gas emissions by at least 50% by 2050. (SG is one of the founding signatories.)	Maritime shipping is not relevant for KB's portfolio.
PRINCIPLES FOR RESPONSIBLE BANKING, COLLECTIVE COMMITMENT ON CLIMATE ACTION	2019	Principles for Responsible Banking are a framework for ensuring that the signatory banks' strategy and practice align with the UN's Sustainable Development Goals and the Paris Agreement. The six Principles are supported by a strong implementation framework that defines clear lines of accountability and requires each bank to set, publish and work towards ambitious targets. SG is a founding signatory and core member defining the principles.	The Principle's main objectives are incorporated in KB's ESRM process implemented in 2020.
SUSTAINABLE IT CHARTER	2019	The Sustainable IT Charter is a voluntary commitment drawn up by France-based Institut du Numérique Responsable (Sustainable IT Institute) and aiming to limit the environmental impacts of digital technology, share responsible, ethical and inclusive best practice, and encourage the emergence of new values. SG is a founding member of the Charter.	Through SG, we also subscribe to the commitments arising from the agreements to which SG is a party.
KATOWICE COMMITMENT (Paris Agreement methodology)	2018	At the 2018 United Nations Convention on Climate Change, COP24, five banks, also known as the Katowice Banks (BBVA, BNP Paribas, ING, Société Générale, and Standard Chartered) made the Katowice commitment, pledging to develop an open source methodology to ensure their activities were in line with the goals of the Paris Agreement.	The principles of the alignment of SG's loan portfolio with the goal to limit global warming to less than 2 degrees Celsius are included in the standards of the SG Group's E&S sectoral policies and are fully applicable to KB.
SUSTAINABLE SOURCING CHARTER	2018	A joint initiative by French companies in the Bank & Insurance sector that want to involve their suppliers in the implementation of due diligence measures as part of their Corporate Social Responsibility (CSR) effort.	Through SG, we also subscribe to the commitments arising from the agreements to which SG is a party.
COP 21 (United Nations Climate Change Conference – Paris Agreement)	2015	It was the 21st Conference of the Parties (COP) to the 1992 United Nations Framework Convention on Climate Change (UNFCCC). The conference achieved consensus on the Paris Agreement, a global agreement on the mitigation of climate change. SG has adopted its own climate commitments to meet the goals of the Paris Agreement on the basis of the COP.	The principles of limiting global warming are integrated in SG's E&S sectoral policies and fully apply to KB.
E&S SECTORAL POLICIES	2011	Sector-specific E&S standards for 12 sensitive sectors (energy, defence, mining, nuclear, oil & gas, forestry, etc.) with excluding criteria, minimum E&S standards of clients, and requirements for E&S assessment.	All E&S sectoral policies apply to KB lending (primarily to corporate clients) from the moment of their publishing. The policies are publicly accessible.
EQUATOR PRINCIPLES (EP)	2007	Set of voluntary environmental and social (E&S) standards that the participating banks voluntarily agreed to follow in project financing of larger infrastructure and industrial projects.	KB has applied them since 2020 with the implementation of the ESRM process. The E&S criteria are included in the KB ESRM instructions.



5

**SUSTAINABLE
FINANCING**

Banks hold an irreplaceable position in the promotion of sustainable development. We believe that our financing of meaningful projects will help to protect the environment and sustainable business.

Sustainable retail banking

We offer our retail clients options for how they themselves, on an individual basis, can help to minimise environmental impacts and we want to show them the cases in which KB can be the right partner for them on the path to a sustainable future. It is important for us that clients do not only see the lower environmental burden, but also the financial returns and savings and that they are aware of a potential option to use subsidies channelled into this area.

In 2021, we considerable broadened our range of products and services for retail clients. Clients can thus responsibly invest in funds meeting ESG criteria, can receive privileged funding for sustainable technology, which then generates energy cost savings, can own payments cards from recycled materials, or, for example, buy electric vehicles using advantageous ESSOX financing. To help our clients to find their way around in our products and services, we have posted inspiration for a more [sustainable life on our website](#).

Responsible investing

Clients can contribute to a sustainable future through responsible investing. This is investing that integrates the ESG rules and does not focus on the growth of finances only, but also on the environmental and social impacts of specific companies. Responsible investing therefore supports the companies that are careful about the environmental, social, and economic impacts of their activities. Clients have a range of ESG fund to pick from, and can invest in, say, water resources, nutrition for future generations, or climate protection. More on ESG funds [here](#).

In 2021, KB's retail clients invested almost CZK 2.5 billion in sustainable funds included in the autumn offering of zero entry fees, thereby accounting for more than 16% of the total volume of the sales of retail funds. We continue to broaden the range of ESG sustainable funds.

Loans for sustainable technology

Working with our proven partners, we have prepared turnkey projects for clients who are planning to install new equipment in their house with a view to achieving more economical housing and greater self-sufficiency. Our partners ensure turnkey delivery, from the design to installation, including subsidy arrangements, and we at KB provide privileged financing for these projects. Households can use advantageous funding of sustainable equipment, such as photovoltaic panel systems, heat pumps, heat regeneration units, grey water recycling units, rainwater collection units, reed bed treatment plants, wetland roofs, or green house fronts. This helps our clients to reduce their dependence on water and energy supply from grids and also to cut their energy costs significantly. For KB clients who want to have

their own photovoltaic panel system we have arranged for reduced prices with ČEZ and innogy, companies that also guarantee subsidy arrangement to the clients. For sustainable water and wastewater management, KB clients receive privileged conditions from ASIO and Filipendula, a company behind the project for reed bed treatment plants.

In March 2021, we started to offer these privileged loans for sustainable equipment. A total of 147 clients used them, borrowing more than CZK 35.5 million. The loans averaged at approximately CZK 240,000.

Recycled plastic cards

In 2020, we launched a new payment card for the manufacture of which 85% of recycled materials were used. In 2021, we offered this greener variant of payment cards with student accounts, because students are interested in the more environmentally friendly alternatives, and in 2022 we will extend this offering to include other personal and business accounts. The recycled plastic card is attractive by its composition and also by its atypical vertical design and personalisation on the rear side. The central theme of the new payment cards is the well-known symbol of recycling, placed on a base inspired by the beauty and elegance of nature. Combining recycling and nature is in line with our seeking environmentally conscious sustainable development.

In 2021, we issued 20,100 recycled plastic cards and plan a considerable increase for 2022.

Clean mobility

Emissions of risky substances from transport contribute to the unfavourable emission situation chiefly in cities, where the emission limits on harmful substances are often being exceeded. The primary objective of clean mobility is to reduce harmful emissions from transport. Our ESSOX subsidiary has prepared an exclusive quotation of selected electric vehicles from leading manufacturers for KB clients. The range includes luxury cars with some greener aspects, but also utility vehicles for business owners who want to conserve nature and also run an effective business.

Digitalisation

In our everyday banking, we seek to digitalise our services as much as possible. We want to save clients' time and money, and also protect the environment that we care about so much. This is why we gradually increase the fees and charges for selected services that are unfriendly to nature, to motivate clients to more frequent use of more advantageous services with a higher added value and a lower CO₂ footprint. For example, at KB they can use KB Bank Identity for easier communication with authorities and companies.

Sustainable banking services for enterprises

In 2019, Société Générale became a signatory to the Principles for Responsible Banking, thus committing on behalf of the entire SG Group to integrate the sustainable financing



SUSTAINABLE FINANCE

In 2021, we issued 20,100 recycled plastic cards and plan a considerable increase for 2022.

principles into all its activities, and adopted its own goals in support of the Paris Agreement on climate change. At the same time, it pledged to increase the investment intended for energy transition to renewable sources to EUR 120 billion in 2019-2023. In this context and in order to build sustainable business for the long term and enhance our good reputation, we at KB have incorporated the principles arising therefrom into our activities as well.

Our strategic ambition is to be the leader in sustainable investment in the Czech financial market and within the SG Group. We want to be perceived in the Czech Republic as a sustainable bank. Under this strategy, we have specified the key areas that will be our priority:

- ✓ Industry decarbonisation (coal sector transformation; energy savings in companies and in the public sector; energy transition; clean mobility);
- ✓ Circular economy;
- ✓ Water savings in industry and water retention in landscape;
- ✓ Projects with positive social impacts (modernisation of health care facilities, health care, welfare, or employment).

Seeking to promote businesses' and the public sector's interest in sustainable financing, we have expanded the package of our services that support clients' sustainable investment. We provide a broad range of advisory services, and not only comprehensive financial advice but also advice on subsidies, energy, renewables, and on the design of a strategy for the client's sustainability overall.

Subsidy advice

Our KB EU Point team provides full advisory services that include comprehensive advice on grants and subsidies. These services include the preparation of subsidy applications; administration and sustainability; the option to grant subsidy pre-financing and project co-financing using privileged

programmes; advice on the economic and technical specificities of projects; and preparation and implementation of tendering procedures for public and private entities (including sustainable and circular public procurement).

We have been developing our services since 2003 when we were the first bank in the market to launch a special loan for subsidised project financing. More information is available at <https://www.kb.cz/en/corporations-and-institutions/kb-eu-point>.

KB Advisory

We at KB have set up a special consulting team, KB Advisory, to provide advice on grants and subsidies, energy, renewable sources, circular economy, and waste management. KB Advisory is part of the KB Group and offers all-round advice to the private and public sectors.

KB Advisory specialists provide ESG advice, help in the implementation of elements of sustainable and socially responsible business, and provide services helping to improve the client company's financial and environmental profile. They offer all-round advice to the private and public sectors concerning investment and non-investment plans throughout the country. They can help clients with the measurement of their carbon footprint, energy management, energy audits, energy performance certificates (including EPC), and also in water and waste management and tendering procedures, and they can provide advice on subsidies.

For more information please visit <https://www.kb.cz/en/corporations-and-institutions/kb-advisory>

Support services for enterprises in respect of sustainability

The Together Sustainably website

With a view to supporting the sustainable growth of clients and Czech industry, in March 2021 we launched a new website, Together Sustainably (spolecne-udrzitelne.cz). On the website, we post information about the environment, circular economy, and economic and social issues. The posts and practical examples offer inspiration about ESG issues mainly to companies. Once per two weeks, a newsletter offering a digest of the most interesting latest developments is distributed. We create the website content with CIRA Advisory experts. The website content continues to be developed in 2022.

Technical educational events

We at KB held for clients and other participants, several events focused on sustainable development issues in 2021. In April, we held [Conference – Sustainable Investment on Waste as a Resource](#); Energy Savings in Companies; Sustainable Water Management; and Clean Mobility. During the year we started a series of webinars that can also be viewed from recordings at <https://www.kb-webinar.cz>. The webinars covered various views of sustainability: Subsidies as support for sustainable development; EU taxonomy for sustainability; How to measure carbon footprint in a company. We will continue the series of the webinars.

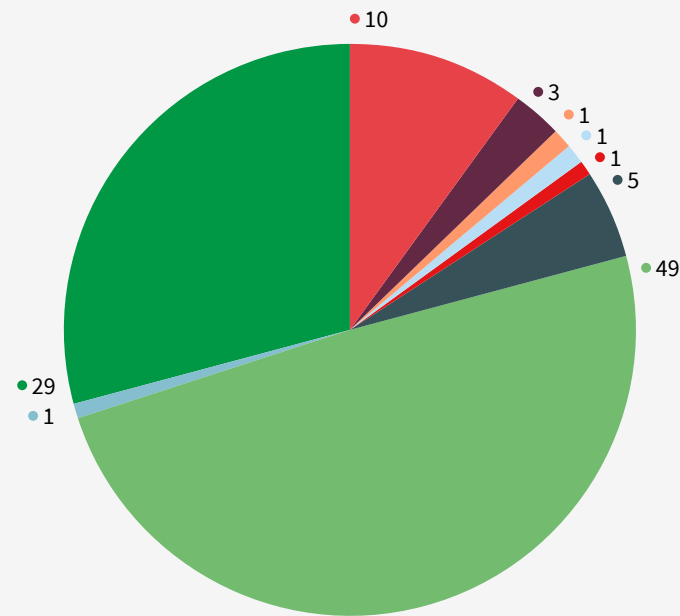


AGREEMENTS ON ESG INVESTMENT LOANS IN 2021

BREAKDOWN OF ESG LOANS BY PURPOSE, IN %

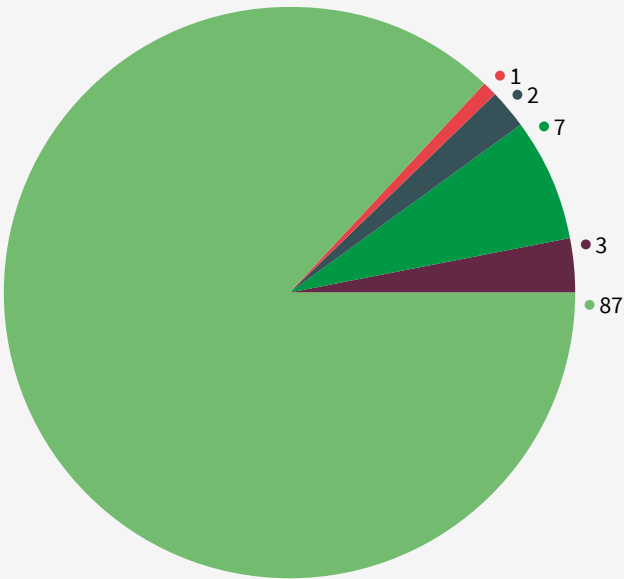


ENVIRONMENTAL AGREEMENTS BROKEN DOWN BY CATEGORY (%)



- Energy efficient buildings
- Low emission mobility
- Wastewater management
- Renewable energy
- Water management
- Circular waste management
- Sustainable forestry
- Production, renewable energy equipment
- Photovoltaics

SOCIAL AGREEMENTS BROKEN DOWN BY CATEGORY (%)



- Public education
- Employment support for the development of SMEs
- Social housing
- Public healthcare
- Retirement homes

Sustainable e-shop

KB, Visa, Heureka, and the Association of Social Responsibility designed a project called [Sustainable E-shop](#). Its purpose is to identify and designate e-shops that seek sustainable operation and think about the impacts of their business. Customers for whom the sustainability criterion is important can make buying decisions more easily thanks to this. The project is also intended to support and motivate merchants in their transition to a sustainable business model.

Sustainable financing of enterprises

Methodology for monitoring and measuring transaction sustainability

To pursue our KB Strategy for Sustainable Financing, we have drawn up a methodology and tools to identify and screen transactions meeting the bank's criteria for environmentally and socially favourable financing. The criteria are based on the EU Taxonomy (Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector) and the SG Guideline for Green Loans and Sustainability-linked Loans of 2020.

Determining whether a transaction meets the criteria for E&S positive financing allows us to make an informed decision on its eligibility in terms of supporting the client by way of a lower interest rate, to map out our loan portfolio in terms of meeting our strategic sustainability objectives, and also to provide the data for our bank's and the SG Group's reports.

Investment loans with a positive environmental or social impact

In 2021, we registered increased financing of projects closely related to the fight against climate change and projects having a clearly specified environmental or social benefit. In 2021, we signed agreements on ESG investment loans totalling CZK 21.9 billion. More than three quarters (78%) of these ESG positive loan agreements are beneficial in environmental terms and almost one quarter (22%) of them are beneficial in social terms. The clients' projects most often centre on energy efficient buildings, low-emission mobility, wastewater management, and renewable energy production. In the social area, projects in education and healthcare predominate.

The clients' projects most often focus on the construction of energy efficient buildings and measures for energy savings in buildings, such as thermal insulation of buildings, heating system replacement, including the installation of heat pumps, and similar measures (49%), wastewater draining systems and treatment plants (10%), and renewable energy sources (8%). In the social area, most of the projects concerned infrastructure for academic and vocational training (87%, construction, refurbishment, and equipment of schools), infrastructure for the public health system (7%, construction or refurbishment of hospitals and healthcare facilities) and infrastructure for welfare services (5%, homes for seniors, social housing).

In 2021, the following were major funded projects

with positive environmental and social benefits:

- ✓ The construction and reinforcement of a wastewater treatment plant for the town of Brandýs nad Labem - Stará Boleslav, where the loan was used for reinforcing the capacity of the existing treatment plant, which had been awaited for a long time because of the growing population in this locality.
- ✓ The installation of a line for pyrolysis of plastics of Green Umbrella s.r.o., where the loan helped to build a depolymerisation unit for processing waste such as scrapped tyres. The depolymerisation produces mainly a liquid fraction, which serves as feedstock in, for example, the petrochemical industry. The solid fraction has the form of pure carbon that can be used for a broad range of applications in industry, and metallic waste, which can be reused.
- ✓ A new line for metal waste processing of METALLPLAST-RECYKLING, SPOL. S R.O., where the loan helped to buy a press line for metal waste. The company will thus be able to process metal scrap and return it as feedstock for manufacturing processes, and also to achieve energy savings in waste processing.
- ✓ The refurbishment of a health centre, including PV panel installation, in Nový Malín (the Olomouc Region).
- ✓ The acquisition of farmland for organic farming of Liponova a.s.
- ✓ The building of a school for the Blue Hill association of municipalities (the Central Bohemian Region).
- ✓ A credit facility for Hyundai Motor Manufacturing Czech s.r.o. to launch the production of electric cars and co-finance further investments related to new fully electric/hybrid models in order to contribute to less CO₂ production.

Green Asset Ratio (GAR)

On the basis of agreement with the parent company Société Générale and pursuant to the exemption allowed by Article 19a of Directive 2014/95/EU of the European Parliament and of the Council, amending Directive 2013/34/EU of the European Parliament and of the Council, for 2021 we will estimate the proportion of our financing portfolio derived from products or services associated with economic activities that under Regulation (EU) 2020/852 of the European Parliament and of the Council qualify as environmentally sustainable (Green Asset Ratio, GAR), and report it in the consolidated report for the whole group of the parent company Société Générale ([SG Annual Financial report 2021](#), p. 296, 334-335). In spite of that, in 2022 we will reinforce our abilities to collect, verify, and process data for future GAR reporting for the KB Group.

Photovoltaic for one Koruna

The KB Group's SGEF, working with ČEZ ESCO, launched





a new product that offers business clients an option to install PV panel systems without the need for initial capital. ČEZ ESCO installs the PV panel system, but the client pays only for the electricity it takes. Besides, the clients do not have to worry about the complicated subsidy administration as ČEZ ESCO delivers the project on a turnkey basis, including the subsequent operation and servicing. PV electricity is cheaper than grid electricity. In 15 years, the PV system becomes the client's property for CZK 1. The lifespan of the PV systems is longer than 30 years and a power plant with a capacity of 100 kWp saves 47 t CO₂ per year. The product is suitable for properties having a demand of 200 MWh/year or more.

Electric mobility offer

The KB Group, which also includes ALD Automotive, ESSOX, and SGEF, also offers a comprehensive range of electric mobility products. Depending on their preferences clients can buy electric vehicles on credit or lease them, and the range also includes a solution for the charging infrastructure for home or business charging, charge cards, advice on electric mobility, and advice on subsidies from KB EU Point. The bank also offers privileged investment loans for electric vehicle manufacture.

Plans for 2022 on sustainable financing of enterprises

We at KB are planning to broaden our offering of sustainable financing in 2022. In addition to ESG investment loans, corporate clients will be able to obtain loans linked to sustainability targets (Sustainability Linked Loan), green, social, and sustainable bonds (Green, Social, Sustainable Bonds) and bonds linked to sustainability targets (Sustainability Linked Bonds). From 2022, the screening of the E&S aspects will also include assessing corporate clients' approach to the ESG strategy, GHG emission reduction, energy savings, and circular economy. At the same time, the bank will seek to financially motivate and support clients in their active approach to these issues.

Methodology for client and transaction sustainability assessment

In 2021, we prepared our methodology for client assessment in terms of meeting the sustainability goals during the provision of E&S positive financing. The assessment will help us to decide on privileged financing to clients who decide to knowingly improve their impact on the environment and society against pre-agreed criteria.

ESG classification of investment loans

Beginning in April 2021, we also assess and classify our investment loans in terms of their ESG benefits (i.e., their benefit for climate change mitigation and adaptation, as well as the environmental objectives for which the rules will be published only in 2022, and also for the sustainable use and protection of water and marine resources, for the transition to a circular economy, for pollution prevention and control, and for the protection and restoration of biodiversity and ecosystems). This ESG classification is based

on the EU Taxonomy rules and the categorisation used at Société Générale. The aim is to completely align KB's ESG criteria with the EU Taxonomy by early 2023. We respond to the changing criteria for ESG positive financing by changing our internal processes and the related internal training.

Satisfaction of the ESG criteria allows us to underpin the loans by a lower interest rate subsidised from our own resources, specifically our internal ESG subsidy envelope.

System for assessing environmental and social risks in corporate banking

We have joined the fulfilment of the SG Group's ESG commitments regarding control of the environmental and social risks of the clients' activities that we finance and of our clients' projects. In early 2020, we put in place in corporate banking an ESRM, Environmental and Social Risk Management, system. The system also reflects the requirements of the Equator Principle, i.e. voluntary rules for E&S (Environmental and Social) assessment of major industrial and infrastructure projects, and ensures compliance with the requirements of the SG Group's sectoral policies.

Assessing the ESG aspects in our corporate banking has become part of due diligence for all new transactions and part of scrutinising new clients in the KYC process. Assessing E&S aspects includes a check against a list of excluded entities and against a list of sensitive activities and projects, and a check against the excluding criteria of the E&S sectoral policies (such as refusal to finance clients and transactions connected with coal mining and coal-fired energy installations or certain arms exports) and checking the clients' reputational risks related to E&S aspects. A KB E&S risk expert assesses clients and their transactions in sectors with an increased E&S risk. Through our relationship managers, we communicate our E&S standards to clients, in particular in sensitive sectors, and seek to support our clients in complying with these rules. The largest area covers the context of energy transition and our climate commitments. ESG risk categorisation is conducted for all clients in corporate, municipal, and global banking. A KB E&S risk expert carries out a detailed ESG due diligence process for clients having an annual turnover of more than a certain limit and operating in sensitive sectors, and have been categorised as clients with an increased E&S risk. The ESG due diligence results that indicate a high risk of the client or require remedial actions of the client are validated by Compliance, or are escalated to SG's head office. Where ESG risks may also be credit risks, KB Risk is also involved in the validation of the due diligence. In 2021, 24% of actively financed clients in the Global Banking segment were subjected to a detailed ESG risk assessment process. In 2021, we provided funding to two projects that were subject to assessment under the Equator Principles. Both projects were category C project of logistic centres.

In 2020, we started to assess the Climate Vulnerability Indicator (CVI) of our major corporate clients who operate in sectors potentially generating climate risks (such as ener-



gy, transport, metallurgy, mineral extraction, and oil & gas). CVI expresses an assessment of the transition climate risk's impact on corporate clients' creditworthiness. Part of reducing the impact of transition climate risks on the corporate loan portfolio is progressively reducing our credit exposure to clients linked to coal-fired energy installations and coal mining, and extending help to these clients in funding their transition to non-coal economic activities.

SG Group's sectoral rules

In respect of environmental and social responsibility, we primarily follow the SG Group's sector-specific rules on the provision of financial products in areas that may have a fundamental impact on the environment and society. These sector-specific rules are set out in the SG Group's publicised E&S sectoral policies covering:

- ✓ thermal coal mining and use
- ✓ thermal power
- ✓ defence and security industry
- ✓ nuclear energy and nuclear installations
- ✓ dams and hydropower
- ✓ industrial agriculture, food and forestry
- ✓ oil & gas and petrochemicals
- ✓ mineral mining
- ✓ palm oil processing
- ✓ water shipping

We respect the restrictions on the provision of banking services and products for trading in certain types of weapons, ammunition, and military material. We do not finance exports of weapons and military material to countries involved in armed conflicts and to countries with undemocratic and authoritarian governments. These restrictions also apply to the various private or governmental entities or business groups whose activities are regarded as non-transparent in the defence industry.

In 2021, the mining, oil & gas, agriculture & food, and biodiversity protection policies were amended.

The SG Group's sectoral policies are freely available on our [websites](#) and [SG's website](#).

Improving staff competency to implement the environmental and social policies

During the implementation of the ESRM system, in 2020 all relationship managers and credit analysts of Corporate and Investment Banking and the staff of Compliance, and colleagues at the KB subsidiary in Slovakia were trained accordingly. Such training will be repeated at least once every two years. In addition, in 2021 the Corporate and Municipal Banking and Global Banking staff were obliged to complete an online course on Environmental and Social Risk Management prepared by the parent group and a series of technical training courses was organised for all employees in KB's corporate banking to raise their awareness of the programmes and objectives of KB's environmentally and socially beneficial financing. Since it is important for us that our employees are acquainted with the SG Group's and KB

Group's sustainability strategy, in 2021 all employees of the bank were required to complete a course on sustainability and KB's approach.

Digitalisation and innovation

In everyday banking, we want to digitalise our services as much as possible. Thanks to the digitalisation process, it is easy for clients to arrange for a product without having to call on a KB branch. We regard this as a great added value primarily for disabled clients and those living in fairly remote areas.

In 2021, we continued in the digitalised exchange of documents between the bank and its clients. Using not only our methods but also qualified electronic signature, almost 44,000 electronic documents were exchanged in Corporate Banking. In January, we broadened the range of options for clients to receive KB's 'bank report for audit purposes', having improved the electronic Request for a Bank Report and made it available also in electronic banking, including the bank's electronic signatures.

In March 2021, the bank started to provide digital authentication services based on bank identity using the KB Klíč tool for clients' access to public administration services. In 2021, we continued to increase the number of clients who use online tools for communicating with the bank. At the end of 2021, as many as 963,000 clients were equipped with KB Klíč, which makes possible for them secure access to the bank, authorisation of 3D Secure online payments, and even their identity verification outside KB. Clients are now using KB Klíč for accessing public administration institutions and also third parties' services.

In the mobile banking application, clients can now arrange for additional products, such as consumer loans, non-life policies, savings accounts, authorised overdrafts, and wallet insurance cover. The share of consumer loan sales executed fully via digital channels rose to 29% in 2021 from 11% in 2019.

Branches will remain important contact points for clients, but since financial service provision is increasingly shifting to digital channels, we have accelerated the earlier planned reduction of our branch network during the pandemic.

We are also building a new digital bank based on a new technology and process infrastructure, which will offer new services and new partners and will be underpinned by smart innovations. The development of the new digital bank, with the core based on a Temenos Transact system, has reached the first stage when 500 clients from the ranks of our employees are testing the new bank with the basic functionalities. We are building the new digital bank so that we can start to offer its services to clients in the market in 2023.

The launch of a single platform for electronic identity, BankID (Bank Identity), was a breakthrough innovation at KB and the entire banking market. In March 2021, we opened the use of BankID for our clients in the Individuals segment, who were given the option of logging into the Citizen Portal through KB Klíč, or even to use BankID for send-



ing tax returns or in the national census. In late September 2021, we also launched the BankID services for our business clients. Now, the option to use commercial entities' services through BankID is being opened.

KB SmartSolutions and promoting start-ups

In 2019, KB set up KB SmartSolutions with a view to facilitating the development of certain new services of the KB Group. This company provides support in the financing and development of external start-ups, and also support for in-house innovative solutions. Through KB SmartSolutions, we have brought a sort of a disruption into banking.

In July 2020, KB SmartSolutions started to work with the Czech fintech start-up upvest, which operates an online crowd-funding platform for real estate. During 2021, twelve new capital projects totalling more than CZK 400 million were added. We also launched a pilot sales scheme whereby we started to offer our clients an option of individual investing under privileged terms. It is also thanks to this that the relevant open projects raised funds in a record short time.

Our financial stake in ROGER gives our clients (since 2020) the possibility to use digital factoring and supply chain financing, which we have launched in cooperation with Factoring KB. During 2021, the Roger financial platform focused on starting cooperation primarily with the e-commerce sector, which for most people was the only channel for buying products during the coronavirus crisis. It upgraded its existing partnership with Alza, with MALL.CZ, Datart.cz, and Pilulka.cz acceding to the scheme. In the first half of 2021, Roger launched a new service, Roger Ověření (Roger Screening), which finds companies' financial health from its own and publicly available data. The advantage is that the service is publicly available and free of charge, and can be very easily implemented through API, which significantly simplifies accelerates the whole screening process.

Lemonero is KB's latest equity stake so far. Lemonero was set up in late 2019 and works as a sort of a digital bank in the market, lending money without any paperwork, including to e-shops established just a few months ago. In 2021, this start-up forged partnerships with major e-commerce players, such as Shoptet, Golemos (eshop-rychle.cz), and EVíci webdesign (UPgates.cz). In April, Lemonero started to work with Alza and Mall Group, providing client funding in their marketplaces.

The year 2021 was also successful for KB SmartSolutions from the perspective of in-house start-ups, which constitute one of the domains of its interest. Here, it employs its own resources to build and test in-house start-ups that fit well within our KB business model, and tests their market viability. Finbricks is one of such projects. When it first started, its payment gateway was called Zaplacenoz.cz, and we at KB decided to test our interface, which we had newly deployed, and test the working of the PSD2 infrastructure. At present, Finbricks exists as a self-standing company providing services to additional clients.

Thanks to KB SmartSolutions, KB also started work-

ing with Fidoo in 2021; among other things, it interlinked company cards with the Fidoo application, thereby taking another successful step in digitalisation.

Loans supported by European institutions

To finance projects with a positive impact on the needs of the population, the environment or regional economic development, we use programmes of cooperation with many European institutions, such as the European Investment Bank (EIB) and the European Investment Fund (EIF).

EuroEnergie and Climate Action

The programmes help, in cooperation with the EIB, to support energy saving projects and other projects with climate benefits. The objective is to reduce, at least to some extent, GHG emissions. The loan comes with a lower interest rate for clients' projects, and lower loan security requirements in the case of EuroEnergie. Under this scheme, we have provided the more advantageous loans to support approximately 130 projects valued almost CZK 2.5 billion to date.

EuroPremium

This EIB scheme provides lowered interest rates on loans to small to mid-cap companies, including those that contribute to the employment of young people (i.e., they either employ young people up to 30 years, or offer internships to them). In 2021, we provided approximately 100 such privileged loans, totalling some CZK 2.8 billion.

The European Investment Fund has stepped up support for businesses impacted by the coronavirus pandemic. Following the easing of the eligibility criteria for the COSME, EuroInnovace, and Microfinance programmes, we provided privileged loans with EIF guarantees to a record number of more than 5,000 businesses, totalling over CZK 6.5 billion in 2021.

COSME is a free guarantee extended by the EIF for up to CZK 4 million loans to SMEs. Innovative businesses can also use the EuroInnovace privileged loan to finance their operations.

Microfinance

The Microfinance guarantee prefers businesses with a transcending social impact. Business owners with less than ten employees, who entered the market after leaving a part-time job or being unemployed, or had a low-income job (up to 80% of the average in the Czech Republic), receive privileged terms. Persons disadvantaged in the labour market (such as those who are reintegrating into the labour market after parental leave, are disabled, come from another country or belong to a national minority) are also eligible. Starting business owners under 30 or over 60 can also qualify.

EuroMuni

The EuroMuni programme offers lower interest rates on loans to support municipalities in their development projects. The privileged rates are available thanks to our cooperation with the EIB and the CEB. The scheme helps to cut the costs of funding municipalities' development projects. In 2021, we granted 20 loans totalling approximately one billion Czech crowns.





6

**SPONSORSHIP, VOLUNTEERING,
AND JISTOTA FOUNDATION**

KB is Czech ice hockey's bank

In 2021, we became a Main Partner of the ice hockey extra league and the national ice hockey team. Teamwork and fair play are the fundamental values in ice hockey matches, and for us these are also the key values in the world of banking.

Our cooperation with Czech ice hockey also includes support for the University Ice Hockey League intended for young athletes who want to combine sport and education; partnership with the under 18 Czech ice hockey representation (U18) and with the under 20 Czech ice hockey representation (U20), the *Ice Hockey Player of the Season* and the *Golden Helmet* polls, and the *Czech Ice Hockey Hall of Fame* and the *Ivan Hlinka Memorial*.

On the occasion of our partnership with Czech ice hockey we offer payment cards designed around the theme of the representation team to our clients

The National Gallery Prague, KB is the General Partner

In 2019, together with the National Gallery Prague we called an open competition, Empathy Awards, for two works with a social or environmental dimension. An independent jury selected two winners, Ms Romana Drdová and Ms Lenka Záhorková. Their artistic approaches transcend the limits of visual arts and they creatively bring opportunities for mutuality and coexistence in the environment and society. Lenka Záhorková opens an inter-generational dialogue, highlights the problems associated with old age, and offers reflection on the values and experience of old age. Romana Drdová deals with environmental issues and consumerism. Her clothes follow a conscientious approach and direct our thinking towards sustainability. We completed this joint project in 2021 by a display in the Small Hall of the Veletržní Palace in Prague, where an exhibition of the Empathy Awards winning projects was opened on 11 November. The display of the fabricated designs could be visited until 13 February 2022. This project also included workshops for families with children, who had an opportunity to create their own works together with the two winners. We offer a discount for tickets to NGP exhibition to our clients and employees.

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PKF – Prague Philharmonia, KB is the General Partner

For the fourth successive year, we continued to support PKF – Prague Philharmonia, currently one of the most acclaimed orchestras in the country and in the world, founded by late conductor Maestro Jiří Bělohlávek in 1994. Together with PKF – Prague Philharmonia we joined the Music Fete international event, which is held every year on 21 June. With the orchestra, we prepared a few concerts and the performances took place in front of the KB building in Prague-Stodůlky. Classical music lovers can still order payment cards with motifs of musical instruments and PKF – Prague Philharmonia members. Most recently, all KB card holders can buy tickets for the orchestra's concerts at a discount.

Partnership with the French Film Festival in 2021

Between 18 and 24 November 2021, the 24th edition of the French Film Festival took place. We have been a partner of this festival for many years. In Prague, French films were screened in the French Institute's Kino 35, and in Lucerna, Světozor, and Edison Filmhub. The festival was also running in some other cities, Brno, České Budějovice, Hradec Králové and Ostrava, at the same time. In the main programme, the festival presented ten previews, including a musical biopic inspired by the lifetime of Céline Dion, *Aline. The Crossing*, a French-Czech animated feature film directed by Florence Miailhe, was also acclaimed. The Prague section of the festival culminated in a tribute to a legend of the French film industry, Jean-Paul Belmondo.

PARTNERSHIP

We became a Main Partner of the ice hockey extra league and the national ice hockey team. Teamwork and fair play are the fundamental values in ice hockey matches, and for us these are also the key values in the world of banking.

PARTNERSHIP

For the fourth consecutive year, we continued to support PKF – Prague Philharmonia, currently one of the most acclaimed orchestras in the country and in the world.

Partnership with the Prague Zoo

Our long-term partnership with the Prague zoological garden is one of the most successful ones. In 2021, we supported a project for education in the protection of biodiversity and endangered animal species.

Partnership with support for projects at the Ostrava Zoo

We carry on our partnership with the Ostrava Zoological Garden and Botanic Park, which can easily be ranked among the most modern European zoological gardens. In 2007, the Ostrava Zoo opened a botanic park with three paths having a total length of about 6 km and an extensive area with greenhouses; in 2015, it added a Rhododendron Park featuring the largest collection of rhododendrons and azaleas in the Czech Republic. In 2018, they first displayed a collection of bonsais and ornamental trees in an exhibition called *Far East Horticulture*. We sponsored this exhibition together with the Jistota Foundation in 2021, thereby helping to extend the area to include additional grown trees.

The other project co-sponsored with the Jistota Foundation was the repair of the aviaries for the endangered white-tailed sea eagle (*Haliaeetus albicilla*). It is the largest eagle in Europe. In the Czech Republic, it was pursued and finally extirpated in the past. Thanks to stocking birds, bred by people, and to strict conservation measures, this eagle occurs and nests in the country again. In spite of that, these birds continue to face threats from people, mainly poisoned bait, disturbance during nesting, and poaching. Every successfully raised eaglet is therefore highly valuable. At the Ostrava Zoo, these sea eagles are

bred on a regular basis. The raised eaglets are then included in the captivity-bred flock of this protected and critically endangered predator, and in the future may also be released to reinforce wildlife populations under repatriation projects in the Czech Republic and elsewhere in Europe.

Rock for People Hope, KB is the General Partner

For the second time, the pandemic situation prevented the organisers from holding this traditional music festival in a fully-fledged format; they only held a two-day 'mini-festival' called *Rock for People Hope* with a limited capacity in the Festival Park in Hradec Králové on 13 and 14 August 2021. In addition to a portion of music on three stages, the visitors could enjoy an extensive fringe programme geared towards environmental protection and circular economy. Besides *KB – Main Stage* featuring, for example, the post-hard core Imminence, the current winner of the Eurovision Song Contest, i.e. Italian rockers Måneskin, and Skynd, an Australian industrial duo, KB was also the partner of the first festival stage driven by the H2BASE hydrogen generator and called the *O CO₂ JDE Stage*. On this unique stage, culture interlaced with the humanities, science, and technology. Dance choreographies and stand-up comedies supplemented panel discussions and moderated conversations. The most prominent guests included personalities such as Ben Cristovao, musician and dancer, Paul Schurink, researcher and renewable energy advocate, Martin Bursík, former Environment Minister, Jindřich Šídlo, a highly acclaimed journalist, Jakub Zamouřil from the Faktaoklimatu.cz platform, and Jan Freidinger from Greenpeace.

Jistota Foundation



The Jistota Foundation contributes to non-profit organisations' projects and carries out its own one-year and multi-year projects. In 2021, Jistota distributed CZK 19,652,913.

The Jistota Foundation helps and promotes activities for the benefit of civil society, health and social projects, education, and social inclusion. It focuses on the prevention of social exclusion of risk-exposed and socially disadvantaged groups of children and young people, and helps families in crisis. It participates in system changes in palliative care with a view to helping people to go through a dignified end-of-life experience. Jistota also supports activities intended to minimise adverse impacts on the environment and society. The main donor of the Jistota Foundation is KB, followed by its subsidiaries and partner companies. KB Group employees are also very important donors.

In 2021, the Jistota Foundation granted CZK 8,319,473 and CZK 4,333,440 to social and environmental projects respectively. The amount of CZK 7 million, donated by the KB Group through the Jistota Foundation, made it the most generous donor in ADRA's humanitarian assistance in southern Moravia hit by a destructive tornado in June.

The Jistota Foundation's major projects in 2021

The biggest gift in 2021 was help to the afflicted areas in southern Moravia hit by destructive storms and a tornado in June. KB Group (KB, Modrá pyramida, Komerční Pojišťovna, ESSOX, KB Penzijní společnost, Factoring KB, SGEF, and ALD Automotive ČR) donated CZK 7 million to the ADRA humanitarian organisation through its Jistota Foundation.

In 2021, Jistota started a long-term project in support of the LOCIKA Centre to help children who have to cope with

the threat of household violence, granting CZK 688,440 in that year. Jistota financed the renovation of three baby boxes by a total of CZK 600,000. It donated CZK 648,000 to the development of the Dobrá rodina (Good Family) interactive information portal, which brings surrogate family care closer to current and future foster families and educates them in this care.

Together with the Mobile Hospice Forum, it supported the personal development of professionals at mobile hospices. This project will run for 2.5 years and a total of CZK 1,199,040 will be donated to the project. In 2021, the first tranche amounting to CZK 224,344 was paid.

With the Pallium Institute, in September we embarked on long-term cooperation in the systematic development of palliative care for children, planned for 2021 to 2023. The project will receive a total of CZK 1,200,000; for 2021, CZK 300,000 was allocated from that amount.

Jistota also began cooperating with the Institute for Circular Economy (INCIEN) in the promotion of circular elements and their integration into public and private procurement, supporting the project by CZK 400,257. It donated CZK 400,000 to Vzdělávání pro budoucnost (Education for the Future, a registered society) for the circular furnishings of the Céčko educational centre in Humpolec. As part of a grant intended for the textile industry, and waste reduction and recycling, Jistota provided a total of CZK 758,733 to four organisations. One of them was Swap Prague and their successful one-week swap in Prague-Holešovice. The signing of a joint agreement marked the beginning of a long-term partnership with KB Penzijní společnost and Nadace Partnerství (the Partnership Foundation). Thus, Jistota has become part of Partnership's *Planting the Future* initiative and acceded to their objective to plant 10 million trees for resilient cities and healthy landscapes. In November, KB's employees and clients helped them to plant a line of fruit trees near KB's head office in Stodůlky. In 2021, Jistota became a Main Partner of the Clean Up Czechia society and their initiative 'for a prettier Czechia'. Jistota donated CZK 1.2 million for the preparatory stage of a mobile educational application for visitors to the Prague Zoo. It financed the repair of a large aviary for the white-tailed sea eagle (*Haliaeetus albicilla*) and added nine grown trees to the Ostrava Zoo's botanical park.

The Jistota Foundation's beneficial activities and employee fundraising

The KB Group employees' involvement in activities to support the Jistota Foundation printed a record in 2021 in terms of both the amount raised and the size of participation. In 2021, the employees donated more than CZK 2.2 million to Jistota through beneficial events and employee fundraising. The employees' solidarity helped to support 11 current

2021

The Jistota Foundation distributed CZK 19,652,913.



and former colleagues hit by the natural disaster in southern Moravia. CZK 750,000 was distributed to 23 single-parent households in dire straits. Not only the organisers of the Biking to Work challenge but also the KB Group’s employees surpassed the existing record of registered participants in 2021. More than a double of the participants the year before signed up for the challenge. Exactly 273 bikers and runners supported Jistota by their green commuting to work under the May challenge, and between them biked and ran a record 65,971 km. The same amount in Czech crowns was delivered to Jistota in support of single parents. During the traditional Week with the Foundation, held in the second week in October, Breakfast for the Foundation took place across the country and yielded CZK 218,682, also helping single parents. On 15 September the tenth beneficial golf tournament was held and raised CZK 185,000 in support of the long-term project with the Pallium Institute. The Christmas auction of articles made by employees themselves was held together with the sale of Christmas vouchers and the yield was channelled into support for the LOCIKA Centre’s Děťství bez násilí (Childhood without Violence) anonymous chat and phone line website.

Financial contributions (shown in CZK) collected from volunteer events:

Biking to work	65,971
Single parents	749,815
Help for colleagues in Moravia	783,595
KB Sports Day	13,297
Golf tournament	185,000
CEO’s birthday gift	196,392
Breakfast for the Foundation	218,682
Christmas auction	19,910
Christmas vouchers	20,500
Total	2,253,162

More on the Jistota website at www.nadacejistota.cz

VOLUNTEERING

For the third time in 2021, our employees could use an extra day off with wage compensation for their volunteer day to help in the non-profit sector. In 2021, 394 employees from many KB arms, departments, and teams used their volunteer day. Some chose a partner organisation from the Jistota Foundation’s list, others helped the NGO where they are involved, and many employees used their ‘goodness day’ in the Clean Up Czechia event. Clean Up Czechia is a nationwide volunteer initiative that we have supported since 2018. More than 180 employees joined this initiative ‘for a prettier world’ in 2021. Almost 30 employees used the day off for helping at the largest one-week swap, or the first Swap Prague sustainable marketplace in Prague-Holešovice. At the Ostrava Zoo, some 40 of our employees could carry out their childhood dream of ‘working in the zoo’: they cleaned and gardened in the open air areas and enclosures of the zoo in September and October. Employees have been giving blood for more than ten years, and not only in the KB buildings. As the years before, in 2021 the team of the Prague General University Hospital’s mobile blood transfusion station was again in charge of the blood giving at KB.

We extend thanks to our employees for their readiness to help as volunteers. We are delighted that we can also inspire them to good deeds. We greatly appreciate their gratuitous help!





In the Mastercard Bank of the Year 2021 competition, Komerční banka won The Sustainable Bank of the Year and The Corporate Bank of the Year categories.



As part of The Bankers to Schools event, every year we send out dozens of speakers from the ranks of KB branch managers, IT specialist, or most senior management to primary and secondary schools.



The expert jury of the SDG Awards, appointed by the Association of Social Responsibility, awarded our last year's KB Sustainability Report 2020 for Reporting.



In the recently refurbished Prague-Dejvice branch, the floor covering is made of recycled nylon, and below the ceiling there are acoustic lamellas of recycled PET bottles.



The Bike to Work challenge was accepted by 273 bikers and runners. To support the Jistota Foundation they biked and ran a record 65,971 km.



Some 40 of our employees cleaned and gardened in the open air areas and enclosures of the zoo in September and October as a part of their volunteer day.





In 2020, we offered a new payment card with student accounts for the manufacture of which 85% of recycled materials were used. This year we will extend this offering to include other personal and business accounts.



In 2021, we became a Main Partner of the ice hockey extra league and the national ice hockey team.



For employees, we arranged a corporate sport event where we significantly reduced the use of disposable utensils and supplied all the participants with reusable cups.



In 2021, we intensified our communication activities to highlight ongoing climate change. As part of the O CO₂ JDE campaign, we wanted to open debate and to activate the public.



During the traditional Week with the Foundation, Breakfast for the Foundation took place across the country and yielded CZK 218,682, helping single parents.



In November, KB's employees and clients helped to plant a line of fruit trees near KB's head office in Stodůlky.





SUBSIDIARIES

7

While the other companies in the KB Group are under no obligation to publish information under Section 32 (f) to (i) of Act No 563/1991 on Accounting, they subscribe to the same values as parent KB, take a responsible approach to their business to the extent possible, and are active in respect of the environment and society. This chapter covers disclosures on the other companies that have a significant share of the KB Group's assets and results. These companies are KB Penzijní společnost, Modrá pyramida stavební spořitelna, SGEF, ESSOX, KB Factoring, Komerční pojišťovna, and Komerční banka, pobočka zahraničnej banky. A detailed overview of the subsidiaries in the KB Group is part of KB Annual Report 2021 in the chapter on Komerční banka Group.

Komerční pojišťovna, a.s., is an affiliated company in which KB holds a 49% stake. The data for this company is consolidated 49% by Komerční banka, and 51% by Société Générale.

The subsidiaries' sustainable business activities are also described in Chapter 5 on Sustainable Financing.

KB Penzijní společnost



Responsible conduct is KB Penzijní společnost's priority in relation to pension saving scheme members, to its employees, to external intermediaries, to its shareholders, and to the public. KB PS pursues its long-term objectives in a responsible manner, taking into consideration its major stakeholders' expectations, and maintains compliance with the legislation.

Environmental sustainability

KB PS was the first pension company in the market to launch the option to take out a new contract for supplementary pension savings via a mobile phone in KB's Mobilní banka app. Contract conclusion via KB's Mobilní banka reduces paper contract printing, and we therefore promote this method by a CZK 1,000 bonus for contract conclusion via mobile.

Cooperating with KB's Jistota Foundation, we donated CZK 150,000 to the Swap Prague project, thereby also supporting an interactive fringe programme at the SWAP trade fair at which people could swap or give items they no longer wanted. Swap Prague took place in September 2021.

Social sustainability

Every year, a number of employees take part in various volunteer activities, such as the following in 2021:

- ✓ Blood giving in cooperation with the General University Hospital in Prague
- ✓ Biking to Work
- ✓ Breakfast for the Jistota Foundation, which employees prepare for their colleagues, donating the yield to the Foundation

Support for single parents

Together with KB's Jistota Foundation, we also helped to support the Single Mothers project. We contributed CZK 40,000 to 'little Faniček', who is almost blind, mentally very

retarded, and has huge problems walking. He has hydrocephalus in four chambers in his little head.

Contribution to hospice employees

In 2021, during the covid pandemic, we donated CZK 50,000 to the employees of the hospice operated by Sdílení, o.p.s. in Telč. The funds were intended for spa treatment and relaxation of the employees who were looking after covid-afflicted seniors.

Support for southern Moravia

We sent a gift of CZK 200,000 to the tornado-hit area in southern Moravia, thereby joining the whole KB Group that sent a total of CZK 7 million to help the afflicted areas.

Governance

As the entire KB Group, we are doing our best to prevent abuse of our services for money laundering or terrorism financing. We at KB PS therefore apply rules, methods, and controls in accordance with the relevant laws and regulations, standards, and the SG Group's requirements. We verify and update them on an ongoing basis and train and examine our employees on a regular basis. We also apply corporate rules of conduct and code of conduct principles to our employees. The obligations in place include, without limitation, rules for protection against conflicts of interest, rules for gift acceptance, and rules for protection against influence peddling and insider trading.

Sustainable financing, SFDR

A new regulation, Regulation (EU) 2019/2088 on sustainability - related disclosures in the financial services sector, entered into force in March 2021 (SFDR). The purpose of SFDR is to disclose how companies approach sustainable financing. Our approach is aligned with KB's approach, which is described in Governance.

SUPPORT

During the covid pandemic, we donated CZK 50,000 to the employees of the hospice operated by Sdílení, o.p.s. in Telč.



Modrá pyramida stavební spořitelna, a.s.



Modrá pyramida is a modern company with a long tradition, which helps its clients to create homes of their dreams. We upgrade our products to ensure the highest possible client satisfaction, and we are continuously broadening the range of our products and services related to finance, primarily housing.

Environmental sustainability

We adopt certain measures to reduce our adverse impacts on the environment, focusing on reducing the consumption of energy, paper, and other 'exigencies' of modern times.

Social sustainability

Our long-term objective in respect of employee care is forging high-quality partnerships with them founded on trust, respect, mutual communication, professionalism, respect for equal opportunities, and the offer of interesting professional and career prospects. Employee care is one of our corporate priorities, and we regularly poll the employees for their views and satisfaction using the NPS metrics. We apply the non-discriminatory principle when recruiting employees. The decisive aspect for us is that the expectations related to the position and job description match each candidate's knowledge, competences, and expectations.

The covid pandemic has interfered with the life of many citizens. Unfortunately, a number of them have reached the limit of poverty and are unable to repay. Subject to agreement with them, we have deferred, free of charge, their instalments on loans by mutually agreed periods.

Merciful Summer

KB's and its ESSOX and Modrá pyramida subsidiaries' clients who had ended up in enforcement proceedings for defaulting had an opportunity until the end of January 2022 to request the option of repaying only the principal amount to the bank. The clients were granted a waiver of all incidentals and costs incurred in their non-performance.

This initiative applies to debts of natural persons (private citizens and sole traders), which have been caused by their failure to repay lending products (mortgage loans, building society loans, consumer loans, business loans, credit cards, and authorised overdrafts) and are now being recovered through enforcement.

At the same time, we were also ready to help the clients who would not raise the required funds by the set date and we will deal with their cases on an individual basis. Clients could also use advice on their debt, consolidation, restructuring, etc.

Help in the wake of the natural disaster in Moravia

Modrá pyramida contributed CZK 270,000 to the southern Moravian area hit by the natural disaster.

Governance

At Modrá pyramida, the first building society to develop its own application, we continue in digitalisation. We have recently opened the opportunity to utilise Rychloúvěř (Fast Loan) and Hypoúvěř (Mortgage Loan) for housing via the MP Home mobile app. This also helps to reduce paper consumption: in MP Home, clients can submit requests for loan utilisation and also upload all the required documents, thereby avoiding all physical paperwork. The MP Home app is free and available for Android and iOS. More than 85,000 users have downloaded the app to date.

Sustainability goes hand in hand with digitalisation. We want to focus on sustainability in the coming years in respect of the product range ('the green mortgage loan') and the measurement of our own carbon footprint.

WE HELP

Modrá pyramida contributed CZK 270,000 to the southern Moravian area hit by the natural disaster.



SGEF



Environmental sustainability

E-bikes instead of cars

To reduce our carbon footprint, we have reduced the car pool by a fifth and rented e-bikes, which are suitable for the city and off-road. They are used as an alternative for commuting to work, for trips to clients, or for enjoyment in our spare time. In this way, we have not only reduced our carbon footprint remarkably but also promote alternative means of transport and improve the employees' fitness.

Paper savings

The ongoing digitalisation of processes, smart office, and systematic paper savings by the employees have led to lower paper consumption. Compared with 2020, we printed 64,244 paper sheets less, which is 10.4% less year-on-year.

Social sustainability

Employees

SGEF strongly cares about the work-life balance of its employees and we therefore support working from home and part-time positions. The share of home office in total working hours has stabilised between 30% and 40%.

28% of SGEF employees use part-time work. This figure includes those returning from maternity or parental leave, those tackling their 'work-life balance', and temporary workers. SGEF's willingness to allow part-time jobs helps to discover talent and supports a faster return of good and loyal employees.

Charity

SGEF's support for the non-profit sector reached a record amount of half a million Czech crowns in 2021. The Jistota Foundation received CZK 300,000 for the restoration of tornado-hit Southern Moravia and CZK 120,000 for the Ostrava Zoo. The company and its employees donated the remaining CZK 80,000 to several different foundations and to Motol University Hospital thanks to various activities such as a charity run, breakfast, or trading at the employees' marketplace.

Economic sustainability

As a member of an international financial group, SGEF follows the SG Group's Codes, i.e., the Group's Code of Conduct and Anti-Corruption Code. We also expect that our business partners follow the same rules as summarised in our Suppliers Charter.

Contribution to energy transition

To support energy transition investments, SGEF has implemented an ambitious Corporate & Social Responsibility strategy structured around three pillars:

- / Electrification & low-emission transport solutions
- / Photovoltaic
- / Energy efficiency

More broadly, SGEF has been supporting low-emission transport by funding electric fork-lifts, LNG trucks, e-buses, more efficient electric locomotives, and public transport. To support customers wanting to sustainably reduce energy consumption in their production facilities and to improve their own CO₂ footprint, SGEF provides, in cooperation with KB and ČEZ ESCO, innovative structured funding for PV power stations. A new service – *light as a service* – has been developed at SGEF's central level thanks to a partnership with a major international lighting player. The objective of this service is to offer custom tailored lease solutions to support clients' energy saving investments, notably in LED technology.

Green financing

For 2021, SG Equipment Finance Czech Republic targeted a 10% share of green financing in the total portfolio. The target was finally exceeded, and the share of green financing accounted for 13.3% of new business, which is CZK 1.98 billion. After deducting two one-offs, our green everyday business amounted to CZK 1.65 billion, equivalent to 11% of NBV. The classification is aligned with SG's methodology for SPIF (Sustainable and Positive Impact Finance) transactions.

New ESG and ESRM programmes

To continue improving the processes focusing on ESG elements, several main programmes were initiated in 2021. They concentrated on the redesign of the granting and monitoring process, with the inclusion of ESG assessment tools and utilising the Environmental and Social Risk Management (ESRM) procedures already being developed by both shareholders (SGEF International and KB).

In addition to supporting its clients in economic sustainability by funding their projects with positive environmental and social impacts, SGEF also pursues its own environmental and social sustainability activities.



KB Factoring



We have been part of the KB Group since our creation, and have belonged to the SG Group since 2002. This membership is essential for our development and cooperation with other Group members in and outside the Czech Republic. We closely cooperate with our parent KB, and accept from it the fundamental principles of corporate social responsibility, including values concerning environmental and social sustainability and responsible business.

Environmental sustainability

In line with the SG Group's rules, we are phasing out the provision of our products and services in areas with a potentially adverse impact on environmental and social quality. In 2021, we started to implement an environmental and social risk assessment process that we will continue to improve. We assess the client's and the specific transaction's risk with a view to eliminating sectors, activities, and transactions excluded from financing in alignment with the SG Group's approach. We primarily monitor entities and transactions in:

- ✓ energy and coal
- ✓ armament industry
- ✓ security equipment
- ✓ tobacco

At the same time, in everyday life we constantly focus on measures that can contribute to improvements in sustainability. We are reducing paper consumption and promoting paperless forms of cooperation with our clients, including the development of the functionalities of the DMS application for digital storage of factoring documentation. Equally importantly, it is natural for us to use waste sorting bins located in the publicly accessible premises of KB's head office building.

Social sustainability

We regard the social aspect, including the development strategy for the personnel management policy, as an important part of sustainability. Our corporate culture emphasises a stimulating working environment and attractive opportunities for employee development. We promote employees' systematic training and their work-life balance.

Client satisfaction

Our clients' satisfaction is also one of our permanent values and priorities. Following the slump in the Czech economy's performance in 2020, caused by the coronavirus pandemic, in 2021 we generated another highest ever turnover of CZK 63.277 billion.

Awards

Thanks to all employees' joint effort and professional approach, in 2021 Factoring KB was successful to retain its num-

ber one position in the Czech factoring market, controlling a market share of 27%.

In 2021, Factoring KB was named The Best Domestic Factoring Specialist by the UK-based EUR Business News and nominated by another UK-based company, CFI.co, in the category Best Export Factoring Services – Czech Republic 2021.

Sponsorship and charity

We regularly contribute to KB's Jistota Foundation. In 2021, we contributed CZK 75,000 to support an environmental project of Charita in Valašské Meziříčí and CZK 60,000 to help for the destroyed municipalities in southern Moravia. As in the previous years, we supported research into Alzheimer disease and other neurodegenerative or vascular diseases of the brain by CZK 25,000.

Economic sustainability

We continue to promote and develop the financing of EPC (Energy Performance Contracting) projects. Their principle is a guarantee of the expected reduction of energy consumption, which translates into lower operating costs used for paying for the initial investment. When applying a certain version of the EPC method, only the saved costs are the source of funds to repay the costs of the investment. The contracting entity repays the receivable financed by our company on the basis of a payment calendar (medium- to long-term maturity).

Due to the coronavirus pandemic, in 2021 the implementation of certain prepared projects was postponed. We nevertheless financed two new projects totalling CZK 22.144 million/10 years and signed a letter of intent on buying a receivable of CZK 22.234 million/10 years concerning an EPC project to be implemented in early 2023.

APPRECIATION

Factoring KB was successful in retaining its number one position in the Czech factoring market, controlling a market share of 27%.



ESSOX



Unfortunately, 2021 was considerably affected by the covid pandemic, the same as 2020. We personally experienced the extremely demanding work of the people at the South Bohemian Region's Regional Public Health Office when we were helping to trace the contacts of covid patients. We did our best to help the people hit by the pandemic financially. And although covid continued to fill the front pages of the media and was the primary topic, at ESSOX we focused on implementing important development projects in digitalisation and transformation, and regarding customer experience improvements, charity, and sustainability.

Environmental sustainability

Honey from the ESSOX roof in organic quality

The ESSOX head office is based in a low-energy building. In 2018, ESSOX employees placed beehives on the roof to support the urban ecosystem. In three years, the initial three colonies grew to nine in 2021. Although the weather was not exactly favourable for beekeepers in 2021, our yield was 185 kg of high-quality honey. Laboratory tests did not prove contamination by any of the 711 most frequent pesticides. These excellent results helped the honey from the ESSOX roof to be rated an organic product.

Office furniture donated

Having introduced flexible work from home, we earmarked 290 pieces of virtually new furniture that were redundant for us. Worth almost CZK 840,000, we donated this furniture to the Czech Food Banks Federation (Česká federace potravinových bank, z.s.), which will use it for furnishing its offices around the country.

The digitalisation process has resulted in reduced consumption of paper for printing client contract documents, by 83% since 2018, which we started to print on recycled paper in mid-2021.

Social sustainability

Client satisfaction

We are working hard on the quality of our services and invest in process digitalisation. The objective is to provide services that are accessible online, understandable, and as user friendly as possible. One of the latest innovations is 'EMMA the voice assistant', who reminds clients of overdue payments. This year, EMMA also started to 'work' as a voice operator and handles standard outbound calls.

We approach clients who are behind in arrears via personified letters notifying them of their overdue payment. Starting this year, the letters also contain a QR code for easy payment.

Responsible employer

Promoting the employees' potential is one of the priorities of our employment policy. We have well-trying models of co-operation for mother and fathers on ML/PL and for retired colleagues, whom we help to stay active and work with them under an 'agreement to perform work' (in Czech *DPP*) or an 'agreement to complete a job' (in Czech *DPČ*).

The term stability characterises ESSOX as an employer very well. Out of some 380 employees, one half have been with us for more than ten years. Women make up more than a half, and also hold 60% of the managerial positions.

Together safely

Under the Together Safely project, we educate preschool and primary school children in an entertaining form. The topics focus on safe behaviour in the world of finance (financial literacy), and safe behaviour at home, outdoors, and in traffic.

We produced the second part of the *Peníze a Bankovka* (*Little Coin and Banknote*) educational video. The cartoon heroes tell the youngest pre-school children about money. In the project's social media and website we regularly post advice and rules from various areas of safety. Co-operating with the biggest media company in the country, CZECH NEWS CENTRE, we recorded and broadcast a series of five podcasts that present the topics of our project in an entertaining manner.

Involved in app development

Working with the Jistota Foundation, we donated CZK 100,000 to support the development of the *Neboj se, ozvi se!* (*Don't be afraid, be heard!*) app. This modern app helps children at risk of violence in the family. The initiative to develop the app came from the non-profit LOCIKA centre. As part of Week with the Jistota Foundation, we donated CZK 20,000 to the Foundation.

We are aware that small help is also important. In 2021, we therefore donated CZK 26,000 to support the presentation of the Czech 'envi' brand *Prasklo*. The *Prasklo* works of art feature originality and meticulous handiwork, and emanate the valuable idea of recycling older and no longer used glass products. Working with Konto Bariéry (Barriers Account), we contributed CZK 40,000 to our colleague Andrea Dvořáková for the rehabilitation and medical devices for her little twins. Also 63 of our colleagues extended help to Andrea, having given their contributions to teambuilding activities exceeding CZK 30,000 to her.

As part of the *Giving Tuesday* global generosity movement, we and our colleagues contributed CZK 40,000 to a wheelchair for Valentinka Mondeková (5). We donated CZK



38,000 to support Arbida Centre's Campus of Opportunities. With colleagues, we also joined the VE SPOJENÍ (Liaising) registered society's initiative and helped to send gifts to children in 26 children homes across the country. We fulfilled more than 800 children's Christmas wishes.

Support for southern Moravia

We also responded promptly to the disastrous consequences of the tornado in southern Moravia. We immediately joined KB's initiative and contributed a gift of CZK 150,000.

Economic sustainability

Responsible lending is the key area when assessing business risks. We are transparent and protect our clients against the potential risk of a debt trap. We are one of the founding members of the SOLUS association for the protection of consumer leases and loans. We also actively use the Bank Client Information Register (BRKI) and the Non-Bank Client Information Register (NRKI).

Thanks to our responsible approach, we were placed fifth in Responsible Lending Index 2021. From the People in Need non-profit organisation, ESSOX received a rating of five stars out of the five possible. This well-established chart rates consumer finance providers in 15 parameters related to the cost of borrowing, transparency, and responsiveness to clients.

In the KB Group we actively joined the Merciful Summer initiative that gave an opportunity to people long suffering from problems with repaying their loans and credit cards and currently going through enforcement proceedings.

When selecting suppliers we follow Corporate Social Responsibility and Sustainable Development and the Sustainable Sourcing Charter, a joint initiative of some French Bank & Insurance sector companies that want to involve their suppliers in adopting measures for strengthened caution in the CSR system.

In respect of suppliers and clients, we follow two lists, an Exclusion List and an E&S Identification List, which we update on a regular basis.

Electric mobility

We offer our clients full funding of their green projects: electric vehicles, hybrid vehicles, and also charging points, battery storage, and PV panels.

Innovation and digitalisation

In early 2021, we were able to report excellent news: the ESSOX brand financing family was expanded to include Hyundai and Kia. The start of this new cooperation helped

ESSOX to boost its market position, and it has become one of the most prominent players in new vehicle financing.

ESSOX's key digitalisation project is its FÉNIX scheme, the purpose of which is to replace the key IT systems, which will help ESSOX to raise the provision of its services in consumer finance to a new level of quality. The new systems are to provide an integrated view of the client, simplify the marketing of innovations and online data processing, and the maximum use of ready-made business components rather than their development. The supplier selection process was completed in 2021; Unicorn and SAP, both renowned companies, won the tendering procedure. The winning bid envisages a gradual migration to the latest generation of the company's SAP S/4HANA system.

The major innovations in 2021 unquestionably include the launch of the Spread Payment service for e-shops. The ESSOX payment instrument helps their customers to 'spread' the payment for the goods that they buy over up to four instalments, completely without any mark-up or charges. They can therefore buy better and more durable goods without excessively burdening their family budget.

Another new product was the Cash Shop online cash loan. Consumers can receive up to CZK 500,000 in this accessible and completely online-arranged loan. The loan application, approval, and signing all take place online. We process the loan application and screen the client for creditworthiness in real time. The subsequent signing of the agreement takes place in electronic form via text messages.

We have made significant progress in the development of the Carolina mobile app, 50% owners of which we became in the autumn of 2020. Upon acquisition, ESSOX agreed to contribute to the development of and increase the added value of the app, which has been downloaded by almost 100,000 users. In the new version, which we introduced in the last quarter of 2021, Carolina brings a number of brand new features in addition to design adjustments. The most attractive feature is the option to arrange an up to CZK 500,000 online loan directly from the app for a vehicle or repair thereof.

Year-on-year, last year we financed 82% more of green technologies.



Komerční pojišťovna



In pursuing our business activities, we do not lose sight of the environment and society. Environmental and social factors constitute an integral part of our financial and investment decisions and our business activities. We all make sure that the activities that depend on these factors are carried out in line with the SG Group's applicable strategies and policies with regard to environmental protection.

Environmental sustainability

One of the objectives of the sustainability strategy of our parent company, SG Insurance, is also carbon footprint reduction. Between 2015 and 2020, we jointly achieved the goal of reducing our carbon footprint by 25% per employee. The new goal is more ambitious: for 2021 to 2030, we have pledged to reduce carbon emissions by 50%.

Together with the SG Group, we have joined the *Sustainable IT Charter*, focusing, among other things, on carbon footprint reduction, specifically by way of the following:

- ✓ Optimise the performance of data centres;
- ✓ Support E-Accessibility (e.g., API platform implementation and development);
- ✓ Lower electricity consumption (thanks to mutualising the server infrastructure with KB);
- ✓ Reduce the number of e-mailed documents (using the MS Teams communication platform for document sharing).

We continue reducing our paper consumption, achieving 20% in 2021. Under the Green Company initiative, we give our employees an opportunity to get rid of old electrical appliances through a collecting container, thereby significantly contributing to the protection of the environment, natural resources, and human health.

Social sustainability

In the context of the continuing pandemic, we offer our clients and partners the option of taking out policies or handling their requirements on a remote basis without the need for physical contact. Thus, many of our products can therefore be taken out from home without having to visit a branch. In 2021, we also launched claim reporting via our website and our clients can therefore report all claims from the comfort of their home.

In 2021, we worked hard on our existing products to render them comparable with the market offering and, in particular, to meet our clients' needs.

In the non-life business, KP raised the limits for third-party liability insurance. Clients can now take out a TPL policy with limits of CZK 10 million and 20 million on compensation.

In response to the situation caused by restricted travelling due to the pandemic situation, we automatically provided cover to KB's clients with travel insurance on their payment cards also for their travels in the Czech Republic throughout 2021. We also improved the travel insurance conditions for holders of gold and premium cards. We raised the limits on medical treatment costs, extended the covered period to 90 days, and lifted the requirements of joint travelling with the card holder. In favour of the clients, we removed certain exclusions and modified cover for other risks.

For the eighth time over the last nine years, Komerční pojišťovna received major awards in *Hospodářské noviny's* prestigious competitions *The Best Bank* and *The Best Insurance Company* in 2021. Awarded as The Best Life Insurer 2021 and placed second in The Most Client Friendly Life Insurer category, we again confirmed our consolidated position in the Czech insurance market.

In employee care, we continue to be active in supporting part-time employment, flexible distribution of the working hours, and work-life balance. The company has adopted a mix of preventive measures, such as regular work from home, employee testing, rotating teams, and epidemic standards.

In employee recruitment, we promote diversity as much as possible: 57% of KP's employees are women and we have a 42% share of women in managerial positions.

We have long been working with several organisations in social charity. In cooperation with KB's Jistota Foundation, we contributed CZK 150,000 to a project of a circular educational centre in Humpolec and CZK 330,000 to cope with the aftermath of the disastrous tornado in Moravia. The tornado was a very important moment for us: we are an insurance company, and we therefore did our best to help our clients and also other people hit by this natural disaster. We were helping financially and physically: we sent our colleagues to the afflicted areas to provide the strongest possible support to our clients in clearing the debris, in writing their claims, etc.

Our employees joined volunteering activities and helped, for example, in tornado-hit areas in Moravia, in the cleaning of a forest near Benešov, and in the Palata home for the visually impaired.

As part of the autumn media campaign, we started cooperation with Luboš Novotný, who has ended up in a wheelchair because of an accident. Luboš has long worked as a mentor who actively supports people after accidents and tries to present their new life to them as a challenge. Employee fundraising yielded CZK 6,000 and Komerční pojišťovna contributed another CZK 15,000 for a new handcycle that will help Luboš with rehabilitation and also to participate in events supporting the disabled.



Economic sustainability

The investment policy as part of the policies related to regulation (Solvency II) also includes an aspect concerning environmental and social risk management. Komerční pojišťovna pays special attention to issues related to socially responsible investing. In this context, we apply the ESG criteria that govern the choice of securities and their holding in the portfolio or their sale.

In line with the prudential principle, KB's investment process emphasises an individualised approach to the selection of investments in cooperation with specialists at Amundi and the SG Group, where the relevant ESG rating of the issuer is also used.

As part of its investments in bonds and direct investments in equities, KP accepts recommendations from the SG Group and does not allow investments in the following sectors:

- ✓ Tobacco (all issuers who produce tobacco and who have more than 10% of revenues linked to the distribution and supply of and licences for tobacco products);

- ✓ Defence: Companies engaged in the manufacture of prohibited or controversial armaments;
- ✓ Coal: Companies engaged in coal mining and energy utilities who have more than 30% of their electricity generation linked to coal.

The process of monitoring the portfolio and its quality includes regular checks focused on portfolio evaluation, which consists of the regular monitoring of the rating of each of the issuers, and monitoring the factors that may result in impairment, and also portfolio quality assessment from the perspective of the ESG criteria (monitoring of the ESG rating of each of the issuers).

On our website, we transparently post information related to sustainability in the financial service sector. We have pledged to follow all SDG Group standards in environmental and social risk management and respect and promotion of human rights.

SUSTAINABLE INVESTING

Komerční pojišťovna pays special attention to issues related to socially responsible investing. In this context, we apply the ESG criteria that govern the choice of securities and their holding in the portfolio or their sale.



Komerční banka, a.s., pobočka zahraničnej banky (KBSK)



Komerční banka, a.s., pobočka zahraničnej banky is the only foreign subsidiary of KB operating in the Slovak banking market. It is based in Bratislava and focuses exclusively on corporate clients. We are a firm component of the SG and KB Groups in terms of our values.

Environmental responsibility

We are serious about the commitment to reduce negative impacts on the environment. In our rented offices, we save electricity and water; we sort waste and stopped buying disposable plastics a long time ago; we only use office requisites from recycled material and no disposable products; we have long been involved in used battery collection and seek to minimise paper use and printing; we have shifted to recycled paper. We were the first in the KB Group to include in our vehicle fleet an electric vehicle used by all employees. We have delineated a parking zone for scooters and incentivise employees to use public transport through a contribution thereto.

Social sustainability

Responsible employer

KBSK is an inclusive employer that supports diversity. In 2020, it also signed the Diversity Charter of Slovakia. With the transition to work from home, we have intensified our direct communication to employees with information about the current pandemic measures and the bank's life, while strongly perceiving individuals' needs.

Outside the workplace, we promote our employees' physical activity through a range of sports and the Multisport scheme. Our employees have also joined the Move for Youth challenge.

We actively support their volunteering and grant one paid day off to each of them for these purposes.

Client satisfaction

We are a bank that clients regard as a stable and trustworthy partner accentuating the importance of communication with clients. In 2021, we achieved the highest ever NPS of 72. Clients appreciate our high-quality services, our accessibility, and our interest in their needs. We have also polled them about their attitude to ESG issues in their business and the results tell us that we are facing a challenge to accompany them throughout the transformation of their business.

Sponsorship and charity

Every year, we allocate 1% of taxes on the basis of suggestions received from the employees. In 2021, we provided a gift to a quarantine village in Bratislava, which served

as shelter for the homeless. We supported the activities of APPA, an organisation that helps the disadvantaged. We wrote Christmas greetings to unknown old people through the Pohodovo civil association's initiative. We prepared sustainable, local, and environmental Christmas presents for our clients.

Economic sustainability

Responsible business

We rigorously comply with all internal and external regulations. We invest in the development of our systems so as to be able to offer our clients safe and useful digital services. Where clients raise any issues, we look for improvements.

We apply the ESRM approach in transactions; we follow sectoral policies while looking for opportunities in the green economy. We offer new sustainable products: in 2021, we co-financed the first ever SLL (sustainable liability loan) in Slovakia U.S. Steel in Košice.

When selecting suppliers, we do not look at the quoted price of the services only, but also at their quality and sustainability. We communicate with our suppliers on a regular basis and are a responsible business partner.

We also partner Via Bona Slovakia, which awards socially responsible companies, and actively participate in the Circular Slovakia platform and in the ESG Commission of the Slovak Banking Association.

RESPONSIBILITY

**When selecting suppliers,
we do not look at the
quoted price of the
services only, but also
at their quality and
sustainability.**





Profile of this report

Komerční banka has been publishing its sustainability report since 2015. The 2017 report was the first report compiled under the Act on Accounting. The 2019 report was the first to use the GRI indicators, and for 2020 we also worked with SDGs and extended the GRI indicators to include the financial sector (FS).

Our Sustainability Report 2021 describes the indicators that illustrate the economic, social, and environmental impacts caused in direct consequence of our business activities. KB also contributes to some impacts through financing or within its supply chain. The relevant chapters explain how we control these impacts.

This report for 2021 has been compiled in accordance with the revised GRI standards (2021), and we have applied them sooner. Further to the topics that we regard as material for us and our stakeholders, we continuously improve the comprehensiveness of the content of the report. In this report again we describe new indicators, primarily regarding the Governance, assessment of suppliers, and our approach to financing.

Compared with last year, we newly disclose the following indicators here:

202-1 (remuneration), 305-1, 2, 3, 4, 5 (emissions), FS5, FS7, FS8 (financing with positive impacts) and management approach to supplier selection (GRI 308 and 414). In connection with switching over to the revised GRI Standards, we have extended the general disclosures from the original GRI 102 (Core) and GRI 103 to the current GRI 2: General disclosures 2021 and GRI 3: Material topics 2021. In respect of wastes, we have aligned the indicators with the new version of standard GRI 306 Waste (2020). We continue to disclose the human rights indicators 408-1, 409-1, 411-1 and 412-1, 2, 3 in order to completely cover these topics, which are important for our stakeholders; nevertheless, from the perspective of the nature of KB's business they do not constitute any risk, and they are also provided for in the Czech Republic's legislative and ethics framework.

In this report we do not make any restatements of information made from previous reporting periods.

As in the case of KB's annual reports, our reports are released on an annual basis for the past calendar year. The preceding Sustainability Report was released in March 2021. The management approach and indicators described in the non-financial report concern exclusively Komerční banka. Other companies in the KB Group are under no obligation to publish non-financial information under Section 32 (f) to (i) of the Accounting Act and are not included in the indicators reported herein. This report does nevertheless present the responsible approach of KB's subsidiaries that have a significant share of the KB Group's assets and results. Progressively, we are preparing to integrate non-financial disclosures on subsidiaries into these reports and we monitor the development of mandatory reporting under the EU Taxonomy. Société Générale reports for the whole SG Group at present.

This Sustainability Report has not been audited by an independent auditor, since we are not subject to the obligation of external audit. An independent auditor audits KB Annual Report, from which some disclosures contained herein have been accepted. At the same time, another external auditor audits the carbon footprint calculation and confirms that the data included in the calculation is accurate and complete (energy and water consumed, waste generated, business trips). Further to the tightening regulation, we envisage the auditing of non-financial disclosures by an external auditor going forward.

We also report selected non-financial indicators contained herein to our parent company for their consolidation in [Société Générale's report](#).

This non-financial report has been compiled within KB's Brand Strategy and Communication in close cooperation with other parts of the bank. In the case of interest, please feel free to approach the authors, Ms Zuzana Čepelková and Ms Denisa Pozníčková, at udrzitelnost@kb.cz.



GRI CONTENT INDEX

Sustainability Report 2020 (download [here](#))
KB Annual Report 2021 (download [here](#))

Statement of use: Komerční banka a.s. has reported in accordance with the GRI Standards for the period 1 January 2021 - 31 December 2021.

GRI 1 used: GRI 1: Foundation 2021


Applicable GRI Sector Standard(s): N/A. Until the new Sector Standard is available, the GRI G4 Sector Disclosures for Financial Services are used in the report.

GRI Standard	Disclosure Name	Location of Disclosure (AR – Annual Report, NFR – Non-Financial Report)
GENERAL DISCLOSURES (GRI 2: General Disclosures 2021)		
2-1	Organizational details	NFR - Profile of this report , front page
2-2	Entities included in the organization's sustainability reporting	NFR - Profile of this report + AR - Komerční banka Group
2-3	Reporting period, frequency and contact point	NFR - Profile of this report
2-4	Restatements of information	NFR - Profile of this report
2-5	External assurance	NFR - Profile of this report
2-6	Activities, value chain, and other business relationships	NFR - Governance (Relations with suppliers, and the supplier chain) + NFR - Governance (Implementation of sustainability principles in sourcing); NFR - Sustainable financing (the whole chapter) + NFR - Subsidiaries (the whole chapter) + AR - KB Group clients and their services
2-7	Employees	NFR - Social sustainability (Average FTE number of employees)
2-8	Workers who are not employees	NFR - Social sustainability (please see page 40 , number of employees on ML/PL)
2-9	Governance structure and composition	NFR - Our Strategic Approach to Sustainability (Governance in KB) + AR - Corporate Governance (Composition of the Board of Directors, Composition of the Supervisory Board, Organisational chart of Komerční banka)
2-10	Nomination and selection of the highest governance body	AR - Corporate Governance
2-11	Chair of the highest governance body	AR - Composition of the Board of Directors in 2021
2-12	Role of the highest governance body in overseeing the Governance	NFR - Our Strategic Approach to Sustainability (Governance in KB) + AR - Activity Report of the Board of Directors
2-13	Delegation of responsibility for managing impacts	NFR - Our Strategic Approach to Sustainability (Governance chart), AR - Committees established by the Board of Directors
2-14	Role of the highest governance body in sustainability reporting	NFR - Our Strategic Approach to Sustainability (Governance in KB)
2-15	Conflicts of interest	AR - Corporate Governance
2-16	Communication of critical concerns	AR - Activity Report of the Board of Directors
2-17	Collective knowledge of the highest governance body	AR - Board of Directors + AR - Supervisory Board
2-18	Evaluation of the performance of the highest governance body	NFR - Social sustainability (Remuneration) + Report of Remuneration
2-19	Remuneration policies	NFR - Social sustainability (Remuneration) + Report of Remuneration
2-20	Process to determine remuneration	NFR - Social sustainability (Remuneration) + Report of Remuneration
2-21	Annual total compensation ratio	We regard this information as confidential, hence we do not disclose it
2-22	Statement on sustainable development strategy	NFR - Introductory statements
2-23	Policy commitments	NFR - Governance (Rules of Conduct + Code of Conduct + chart External Initiatives) + AR - Report of the Board of Directors
2-24	Embedding policy commitments	NFR - Governance (Whistleblowing + chart Commitments for SG's and KB's external initiatives)
2-25	Processes to remediate negative impacts	NFR - Social sustainability (Complaints + KB Ombudsman) + NFR - Governance (Prevention of crime, money laundering (AML))
2-26	Mechanisms for seeking advice and raising concerns	NFR - Governance (Whistleblowing)
2-27	Compliance with laws and regulations	NFR - Governance (Protection of competition), AR - Compliance risk + AR - Governing law
2-28	Membership associations	Attachment
2-29	Approach to stakeholder engagement	NFR - Our Strategic Approach to Sustainability (Engagement with stakeholders)
2-30	Collective bargaining agreements	NFR - Social sustainability (Right to information and collective bargaining)
MATERIAL TOPICS (GRI 3: Material Topics 2021)		
3-1	Process to determine material topics	NFR - Our Strategic Approach to Sustainability (Determining topic materiality)
3-2	List of material topics	NFR - Our Strategic Approach to Sustainability (Engagement with stakeholders - chart) + NFR - Our Strategic Approach to Sustainability (SDGs double-page spread)
3-3	Management of material topics	NFR - Our Strategic Approach to Sustainability (Determining topic materiality), NFR - Ch. 2 , Ch. 3 , Ch. 4 , Ch. 5

■ (gray box) Compared to last year, we report the following new indicators in 2021

ECONOMIC (GRI 200)		
ECONOMIC PERFORMANCE (GRI 201: Economic Performance 2016)		
201-1	Direct economic value generated and distributed	AR - Comments on the IFRS consolidated financial results + AR - Survey of Results 2017-2021 + AR - Consolidated Statement of Income
201-2	Financial implications and other risks and opportunities due to climate change	NFR - Sustainable financing (<u>Methodology for monitoring and measuring transaction sustainability</u>)
MARKET PRESENCE (GRI 202: Market Presence 2016)		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Social sustainability (<u>Remuneration</u>)
202-2	Proportion of senior management hired from the local community	At the first and second management level, KB has 93% of employees from the Czech Republic.
INDIRECT ECONOMIC IMPACTS (GRI 203: Indirect Economic Impacts 2016)		
203-1	Infrastructure investments and services supported	NFR - Sustainable financing (<u>Investment loans with a positive environmental or social impact</u>)
203-2	Significant indirect economic impacts	NFR - Sustainable financing (<u>Investment loans with a positive environmental or social impact</u>) + NFR - Jistota Foundation
204-1	Proportion of spending on local suppliers	NFR - Governance (<u>Relations with suppliers, and the supplier chain</u>)
ANTI-CORRUPTION MEASURES (GRI 205: Anti-corruption 2016)		
205-1	Operations assessed for risks related to corruption	NFR - Governance (<u>Anti-corruption measures</u>)
205-2	Communication and training about anti-corruption policies and procedures	NFR - Governance (<u>Code of Conduct</u>) + NFR - Governance (<u>Employee training</u>)
205-3	Confirmed incidents of corruption and actions taken	NFR - Governance (<u>Anti-corruption measures</u>)
ANTI-COMPETITIVE BEHAVIOUR (GRI 206: Anti-competitive Behaviour 2016)		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	NFR - Governance (<u>Protection of competition</u>)
ENVIRONMENT (GRI 300)		
ENERGY (GRI 302: Energy 2016)		
302-1	Energy consumption within the organization	NFR - Environmental sustainability (<u>Energy consumption</u>). KB monitors and reports energy consumption in kWh.
302-3	Energy intensity	NFR - Environmental sustainability (<u>Energy consumption</u>)
302-4	Reduction of energy consumption	NFR - Environmental sustainability (<u>Energy consumption</u>)
WATER (GRI 303: Water and Effluents 2018)		
303-3	Water withdrawal	NFR - Environmental sustainability (<u>Water consumption</u>). We take drinking water from the public supply network through third parties. This water does not come from areas affected by drought.
303-5	Water consumption	NFR - Environmental sustainability (<u>Water consumption</u>). In our case, water consumed equals water taken.
EMISSIONS (GRI 305: Emissions 2016)		
305-1	Direct (Scope 1) GHG emissions	NFR - Environmental sustainability (<u>CO₂ emissions</u>)
305-2	Energy indirect (Scope 2) GHG emissions	NFR - Environmental sustainability (<u>CO₂ emissions</u>)
305-3	Other indirect (Scope 3) GHG emissions	NFR - Environmental sustainability (<u>CO₂ emissions</u>)
305-4	GHG emissions intensity	NFR - Environmental sustainability (<u>CO₂ emissions</u>)
305-5	Reduction of GHG emissions	NFR - Environmental sustainability (<u>CO₂ emissions</u>)
WASTE (GRI 306: Waste 2020)		
306-1	Waste generation and significant waste-related impacts	NFR - Environmental sustainability (<u>Waste management</u>)
306-2	Management of significant waste-related impacts	NFR - Environmental sustainability (<u>Waste management</u>)
306-3	Waste generated	NFR - Environmental sustainability (<u>Waste management</u>)
SUPPLIER ENVIRONMENTAL ASSESSMENT GRI 308: Supplier Environmental Assessment (2016)		
308	Management approach	NFR - Governance (<u>Relations with suppliers, and the supplier chain</u>) + NFR - Governance (<u>Implementation of sustainability principles in sourcing</u>)
SOCIAL (GRI 400)		
EMPLOYMENT (GRI 401: Employment 2016)		
401-1	New employee hires and employee turnover	NFR - Social sustainability (<u>page 44–45</u>)

401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	NFR - Social sustainability (<u>Employee benefits and advantages to foster identification with the KB Group</u>)
401-3	Parental leave	NFR - Social sustainability (<u>chart 6</u>) ML a PL
LABOUR / MANAGEMENT RELATIONS (GRI 402: Labour/Management Relations 2016)		
402-1	Minimum notice periods regarding operational changes	NFR - Social sustainability (<u>Right to information and collective bargaining</u>)
OCCUPATIONAL HEALTH AND SAFETY (GRI 403: Occupational Health and Safety 2018)		
403-1	Occupational health and safety management system	NFR - Social sustainability (<u>Occupational health and safety and working conditions</u>)
403-2	Hazard identification, risk assessment, and incident investigation	NFR - Social sustainability (<u>Occupational health and safety and working conditions</u>)
403-3	Occupational health services	NFR - Social sustainability (<u>Occupational health and safety and working conditions</u>)
403-4	Worker participation, consultation, and communication on occupational health and safety	NFR - Social sustainability (<u>Occupational health and safety and working conditions</u>)
403-5	Worker training on occupational health and safety	NFR - Social sustainability (<u>Occupational health and safety and working conditions</u>)
403-6	Promotion of worker health	NFR - Social sustainability (Measures to support employees during the covid-19 pandemic)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	NFR - Social sustainability (<u>Occupational health and safety and working conditions</u>)
403-8	Workers covered by an occupational health and safety management system	NFR - Social sustainability (<u>Occupational health and safety and working conditions</u>)
403-9	Work-related injuries	NFR - Social sustainability (<u>Occupational health and safety and working conditions</u>)
403-10	Work-related ill health	NFR - Social sustainability (<u>Occupational health and safety and working conditions</u>)
TRAINING AND EDUCATION (GRI 404: Training and education 2016)		
404-1	Average hours of training per year per employee	NFR - Social sustainability (<u>Employee training and development - chart</u>)
404-2	Programs for upgrading employee skills and transition assistance programs	NFR - Social sustainability (<u>Employee training and development</u>)
404-3	Percentage of employees receiving regular performance and career development reviews	NFR - Social sustainability (<u>Performance evaluation and feedback</u>)
DIVERSITY AND EQUAL OPPORTUNITY (GRI 405: Diversity and Equal Opportunity 2016)		
405-1	Diversity of governance bodies and employees	NFR - Social sustainability (<u>Diversity and inclusion</u>) + NFR - Social sustainability (<u>chart n. 13 a 14</u>)
405-2	Ratio of basic salary and remuneration of women to men	NFR - Social sustainability (<u>Diversity and inclusion</u>) + NFR - Social sustainability (<u>Remuneration</u>)
NON-DISCRIMINATION (GRI 406: Non-discrimination 2016)		
406-1	Incidents of discrimination and corrective actions taken	NFR - Social sustainability (<u>Diversity and inclusion</u>)
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING (GRI 407: Freedom of association and collective bargaining 2016)		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	KB does not have any such operations, i.e. no such risk can occur
CHILD LABOUR (GRI 408: Child labour 2016)		
408-1	Operations and suppliers at significant risk for incidents of child labour	KB does not have any such operations, i.e. no such risk can occur
FORCED OR COMPULSORY LABOUR (GRI 409: Forced or compulsory labour 2016)		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	KB does not have any such operations, i.e. no such risk can occur
SECURITY PRACTICES (GRI 410: Security Practices 2016)		
410-1	Security personnel trained in human rights policies or procedures	NFR - Social sustainability (<u>Employee training and development</u>)
RIGHTS OF INDIGENOUS PEOPLE (GRI 411: Rights of indigenous people 2016)		
411-1	Incidents of violations involving rights of indigenous peoples	We at KB are not aware of violations of the rules that are enshrined in Czech laws
HUMAN RIGHTS (GRI 412: Human Rights Assessment 2016)		
412-1	Operations that have been subject to human rights reviews or impact assessments	Human rights are governed by the Czech legal order as such, therefore, human rights cannot be violated by the principle of the functioning of the State; i.e., there are no such operations, no need for specific training in this area, no need for contracts and agreements to be assessed from this point of view
412-2	Employee training on human rights policies or procedures	Human rights are governed by the Czech legal order as such, therefore, human rights cannot be violated by the principle of the functioning of the State; i.e., there are no such operations, no need for specific training in this area, no need for contracts and agreements to be assessed from this point of view

 (gray box) Compared to last year, we report the following new indicators in 2021

412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Human rights are governed by the Czech legal order as such, therefore, human rights cannot be violated by the principle of the functioning of the State; i.e., there are no such operations, no need for specific training in this area, no need for contracts and agreements to be assessed from this point of view
LOCAL COMMUNITIES (GRI 413; Local Communities 2016)		
413-1	Operations with local community engagement, impact assessments, and development programs	KB does not have any such operations
413-2	Operations with significant actual and potential negative impacts on local communities	KB does not have any such operations
SUPPLIER SOCIAL ASSESSMENT (GRI 414: Supplier Social Assessment (2016))		
414	Management approach	NFR - Governance (<u>Relations with suppliers, and the supplier chain</u>) + NFR - Governance (<u>Implementation of sustainability principles in sourcing</u>)
POLITICAL CONTRIBUTIONS (GRI 415: Political Contributions 2016)		
415-1	Political contributions	Governance (<u>Interest representation</u>)
CUSTOMER HEALTH AND SAFETY (GRI 416: Customer Health and Safety 2016)		
416-1	Assessment of the health and safety impacts of product and service categories	Our products and services have no negative impact on health and safety
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Our products and services have no negative impact on health and safety
MARKETING AND LABELLING OF PRODUCTS AND SERVICES (GRI 417: Marketing and Labelling 2016)		
417-1	Requirements for product and service information and labelling	NFR - Social sustainability (<u>Complaints</u>)
417-2	Incidents of non-compliance concerning product and service information and labelling	NFR - Social sustainability (<u>Client data security</u>)
417-3	Incidents of non-compliance concerning marketing communications	NFR - Social sustainability (<u>Complaints</u>)
CUSTOMER PRIVACY (GRI 418: Customer Privacy 2016)		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	NFR - Social sustainability (<u>Complaints</u>) + NFR - Social sustainability (<u>Client data security</u>)
ADDITIONAL SECTOR DISCLOSURES: FINANCIAL SERVICES (G4 Sector disclosure: Financial Services)		
FS1	Policies with specific environmental and social components applied to business lines	NFR - Governance (<u>Environmental and social risk management</u>)
FS2	Procedures for assessing and screening environmental and social risks in business lines	NFR - Sustainable financing (<u>Methodology for monitoring and measuring transaction sustainability</u>) + NFR - Sustainable financing (<u>Investment loans with a positive environmental or social impact</u>)
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	NFR - Sustainable financing (<u>Investment loans with a positive environmental or social impact</u>)
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	NFR - Sustainable financing (<u>Improving staff competency to implement the environmental and social policies</u>)
FS5	Interactions with clients/ investees/business partners regarding environmental and social risks and opportunities	NFR - Governance (<u>Relations with suppliers, and the supplier chain</u>) + NFR - Governance (<u>Sustainability in financial services</u>)
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	NFR - Sustainable financing (<u>Investment loans with a positive environmental or social impact</u>)
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	NFR - Sustainable financing (<u>Investment loans with a positive environmental or social impact</u>)
FS14	Initiatives to improve access to financial services for disadvantaged people	NFR - Social sustainability (<u>Service accessibility for disadvantaged people</u>)
FS16	Initiatives to enhance financial literacy by type of beneficiary	NFR - Social sustainability (<u>Financial education and literacy</u>)

ANNEX: MEMBERSHIP OF ORGANISATIONS

American Chamber of Commerce in the Slovak Republic

Association for Energy Storage and Batteries

Association for Electronic Commerce (APEK)

Czech Capital Market Association (AKAT)

Association for Property Market Development

Association of Social Responsibility

Association of Business Service Leaders in the Czech Republic

Association of Certified Fraud Examiners (ACFE)

Association of Chartered Certified Accountants (ACCA)

Business for Society

CGI - Corporate Governance Institute

Circular Slovakia

COGEN Czech

Comite National des conseillers du commerce exterieur
de la France (CNCCEF)

CZ Biom, Czech Biomass Association

Czech Institute of Directors

Czech Institute of Internal Auditors (ČIIA)

Czech Banking Association (ČBA)

Czech Compliance Association

Czech Management Association

Business Council for Sustainable Development (CBCSD)

Czech-German Chamber of Trade and Industry

European Banking Federation (Payment System Committee)

French-Czech Chamber of Commerce in the Czech Republic

French-Slovak Chamber of Commerce in Slovakia (FSOK)

Netherlands-Slovakia Chamber of Commerce (HOK)

Czech Chamber of Commerce

Chamber of Tax Advisors of the Czech Republic

International Swap and Derivatives Association (ISDA)

Japanese Chamber of Commerce and Industry in the Czech Republic

CFO Club

Chamber of Certified Accountants

Korean Chamber of Commerce in the Czech Republic

Marketing Institute (MKTl)

MasterCard International (MCI)

Mountfield HK Business Club

SWIFT Members National Association in Slovakia

National Committee of the International Chamber of Commerce
in the Czech Republic (ICC)

Odyssea

People Management Forum

PMF - HR FORUM

Debt Advisory Centre - Counselling

Czech Advertising Standards Council

Bank Card Association (SBK)

COMMON Czech Republic association

Slovak Compliance Circle (SCC)

Slovak Banking Association

Slovak-German Chamber of Trade and Industry (DSIHK)

Czech-Chinese Chamber of Mutual Cooperation

Society for Worldwide Interbank Financial Telecommunication (SWIFT)

Solar Association

Union of Banks and Insurance Companies

The Czech Private Equity and Venture Capital Association (CVCA)

The Financial Markets Association of the Czech Republic (A.C.I.) – Forex Club

Turnaround Management Association, Czech Republic

Visa Europe, Czech Republic and Slovakia