



CZECH POST SUSTAINABILITY REPORT 2023





CONTENTS

4-5	INTRODUCTORY WORD
6-7	COMPANY PROFILE
8-11	SUSTAINABILITY AND ESG
12-15	SUSTAINABILITY OBJECTIVES
16-25	INTRODUCTION OF OUR ACTIVITIES
26-35	ENVIRONMENTAL RESPONSIBILITY
36-55	SOCIAL RESPONSIBILITY
56-63	RESPONSIBLE GOVERNANCE
64-65	ABOUT THE REPORT

DEAR READERS,

i would like to begin this year's introduction to the Sustainability Report with a somewhat radical statement: the Czech Post is changing... This does not mean that we are considering its demise, we do not want to limit services to our clients who often cannot imagine their life without these, and we do not intend to significantly reduce our CSR activities. However, the truth is that without fundamental changes in its operations, the Czech Post would find itself in a hard-to-solve situation.

Therefore, in agreement with the political representation of the state, we have developed and started to implement a detailed restructuring plan. Thanks to its implementation, the Czech Post will play the role of the extended on-line and off-line hands of the state, which will help citizens daily in practical needs of their everyday life situations.

The following lines, however, will introduce you to the Czech Post from a slightly different perspective. This report will not talk only about the

company's management and will not offer only "matter-of fact" or boring" figures. On the contrary, you will learn more about how the Czech Post takes care of its employees, how it educates them, how it fulfils its social or environmental responsibility, how it cooperates with schools, how the Czech Post Foundation or the Postal Museum works, and what charity projects we support. In a nutshell, you will find here information about the activities that often remain hidden from the public, but are just as important, if not even more important than what many consider to be the only activity of the Czech Post.

My great admiration and thanks belong to all of those who have contributed in this way to the Czech Post being perceived as an important pillar not only in the social sphere of our country.

Miroslav Štěpán,
CEO of Czech Post,
State-Owned Enterprise



COMPANY PROFILE

MISSION AND STRATEGIC OBJECTIVES

Česká Pošta, s.p., i.e. Czech Post, State-Owned Enterprise (hereinafter also “Czech Post”, “CP”, “Enterprise”), within its extensive network of branches, including Partner Posts, serves its clients throughout the Czech Republic and provides a wide range of quality services, both for citizens and companies and also mainly for the state.

The portfolio of service products is a mix of basic postal services, government and commercial agendas, which puts the company in a unique position in communication between the citizen and the state while being able to distribute modern products and services even to remote areas of our country. At the same time, through its network of trained employees, Czech Post has a unique opportunity to provide these services to citizens who are not so familiar with new technologies, and thus help them adapt to the overall “digitalization” of our society.

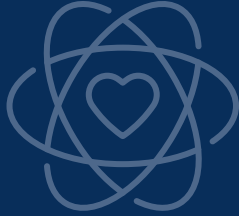
As part of the ongoing transformation, CP will continue to deepen its exceptional mix of offered services, and in the future it expects to expand the agendas provided for the state; however, the modern services of CP's partners will not be left behind either, as they will bring a set of new digital products to customers and through the newly built contact network based on highly specialized consultants, CP will be able to “break down” the digital barrier in the sales even more.

LEGAL STATUS OF CZECH POST

The company is a legal entity within the meaning of Act No. 89/2012 Coll., the Civil Code, as amended. Its legal and property status is regulated by Act No. 77/1997 Coll., on State Enterprise, as amended.

Czech Post, State-Owned Enterprise, was established on 1st January 1993 based on the decision of the Ministry of Economy of the Czech Republic of 16th December 1992, in accordance with Act No. 111/1990 Coll., on State Enterprise, and was entered in the Commercial Register maintained by the District Court for Prague 1, Section A, Insert No. 7565. At the same time, the Ministry of Economy of the Czech Republic issued the Charter of the State Enterprise dated 16th December 1992. At present, the Enterprise is registered in the Commercial Register maintained by the Municipal Court in Prague, Section A, Insert 7565. The Memorandum of Incorporation of the State-owned Enterprise Czech Post, adapted to Act No. 77/1997 on the State Enterprise, was issued by the Ministry of Transport and Communications. This charter came into force on 16th June 1997 and was further amended by amendments.





As of 31st December 2023, the Ministry of the Interior of the Czech Republic was the founder of this Enterprise.

GOVERNANCE

Within the meaning of Section 11 of Act No. 77/1997 Coll., on State Enterprise, as amended, the bodies of Czech Post are the Chief Executive Officer and the Supervisory Board.

CHIEF EXECUTIVE DIRECTOR (CEO)

The Chief Executive Director (CEO), as a statutory body of Czech Post, State-Owned Enterprise, represents the Company and manages its activities. The CEO decides on all matters of the Enterprise unless they are reserved by law to the competence of the founder pursuant to Section 12 of Act No. 77/1997 Coll., on State Enterprise, as amended.

The Chief Executive Officer shall appoint Deputy Directors of the Company who shall act in the absence of CEO in the Chief Executive Officer's full capacity. The Chief Executive Officer shall determine the order in which the deputies shall represent him. The deputy directors shall be entered in the Commercial Register of Companies.

SUPERVISORY BOARD

The Supervisory Board exercises its powers pursuant to the provisions of Section 13 of

Act No. 77/1997 Coll., on State-owned Enterprise, as amended, and to the extent specified by the founder in the Company's Articles of Association.

The Supervisory Board is composed of 15 members. One third of the members of the Supervisory Board are employees of the Company, elected and dismissed by the Company's employees based on the election results. Two thirds of the Supervisory Board members are appointed and removed by the founder.

As of 31st December 2023, the Supervisory Board had 15 members.

COMMITTEES OF THE SUPERVISORY BOARD

The Supervisory Board establishes committees of the Supervisory Board as its working, advisory and initiating bodies. Committee meetings serve particularly the purpose to discuss in advance and in more detail matters and materials that are subsequently dealt with by the Supervisory Board. The Supervisory Board elects and dismisses the members of the committees.

As of 31st December 2023, the following Supervisory Board committees have been established:

- Strategy Committee
- Audit Committee
- Human Resources Development Committee

SUSTAINABILITY AND ESG

Resolution of the Government of the Czech Republic No. 497 of 28th June 2023 approved the implementation of the transformation project of Czech Post, State-owned Enterprise. The strategy of both newly established entities will consider their approach to sustainability in 2024 according to the newly set ESG strategy and the upcoming mandatory non-financial reporting based on the European CSRD and ESRS regulation which will be binding from 2025.



ENVIRONMENTAL RESPONSIBILITY

Czech Post regards environmental protection as its priority within sustainability. As part of our sustainable business, our goal is to be as environmentally friendly and as much considerate as possible to the environment we affect through our operations. This also implies our efforts

to actively save energy, reduce our carbon footprint or develop and embrace electromobility.

In view of the transformation underway, we have chosen the following environmental responsibility objectives for 2024:

ENVIRONMENTAL RESPONSIBILITY	Starting year 2022	Target for 2024
Reducing carbon footprint	165 065 tCO ₂	↓ by 5 %
Increasing the share of electric vehicles in the fleet	0,25 %	↑ by 4 %
Reducing electricity consumption	55 966 MWh	↓ by 7 %
Reducing heat consumption	58 268 MWh	↓ by 12 %
Reducing gas consumption	65 710 MWh	↓ by 10 %



SOCIAL RESPONSIBILITY

Czech Post has long been a socially responsible company. We support equal opportunities, fair remuneration and diversity. We create conditions for the employment of disabled persons and for returning to work from maternity or parental leave. We are committed to reconciling private and professional life. We do care about health and safety of our employees. We provide employees with professional development opportunities. We cooperate with schools and universities in the professional training of current and future employees.

We care about our surroundings, our customers and our communities. As a postal licensee bearer, we are aware of our responsibility to the community. We make sure that our services and products are of high quality and accessible to all our partners. We provide our services throughout the country. Moreover, we support philanthropy and volunteering through the Czech Post Foundation.

In the area of social responsibility, we have chosen the following objectives for 2024:

GOVERNANCE – MANAGEMENT

Czech Post takes great pride in doing business transparently and fairly. At the same time, we follow standards concerning corporate governance. We have a Code of Ethics which sets out the principles of professional behaviour and conduct of our employees and is binding on all those who act on behalf of Czech Post. Since 2016, our employees have had access to a compliance line, which is an integral part of the application of the Code of Ethics. Our compliance management system works with an emphasis on combating corruption and other forms of dishonesty, with the aim of preventing criminal prosecution or conviction of the Czech Post under the Corporate Criminal Liability Act and damage to the company's reputation. In addition to the Corporate Compliance Programme against corruption and other forms of dishonesty, Czech Post also implements the Ministry of the Interior's Departmental Internal Anti-Corruption Programme.

The risk management process at Czech Post has a unified and integrated approach to risk identification, assessment, treatment, monitoring

SOCIAL RESPONSIBILITY	Starting year 2022	Target for 2024
Increasing the proportion of women in management (top and senior management)	28 %	↑ to 32 %
Increasing the proportion of people with disabilities	3,50 %	↑ to 4 %
Reducing turnover	30,30 %	↓ to 28,50 %
Reducing voluntary turnover	17,50 %	↓ to 16 %



and reporting. The risk management process is set up according to the ERM (Effective Risk Management) model. The risk management process is linked to the BCM (Business Continuity Management) process by using the value of assets.

Our sustainable supply chain is guided by the principle of value for money and the principles of non-discrimination, transparency, equality and proportionality.

In the area of Governance, we have chosen the following objectives for 2024:

GOVERNANCE – COMPANY MANAGEMENT	Starting year 2022	Target for 2024
Preparing for non-financial reporting under the CSRD	N	A
Responsible procurement policy	N	A
Increasing the number of barrier-free branches	53 %	↑ up to 57 %

SUSTAINABILITY OBJECTIVES

Czech Post is proud to be a signatory to the 17 UN Sustainable Development Goals which represent a development agenda for a better world by 2030. Wherever we can, we strive to implement and develop them.



In our approach to sustainability, we see the following objectives as a priority:

3 – HEALTH AND QUALITY OF LIFE

The health of our employees and their loved ones is important to us, and we do care about it. We know that health is not a given, which is why we are committed to preventive health programmes, such as breast and testicular cancer prevention.

4 – QUALITY EDUCATION

We know that no modern society can do without quality education. That is why we have long been cooperating with secondary and higher education institutions.

5 – GENDER EQUALITY

Equal treatment of men and women is a matter of course for us.

6 – DRINKING WATER AND SEWERAGE

We are committed to protecting water and its resources when doing our business.

7 – AFFORDABLE AND CLEAN ENERGY

We are committed to protecting the environment in the long term thanks to optimal energy savings and the use of green energy.

8 – DECENT WORK AND ECONOMIC GROWTH

Decent work for all our employees is a matter of course for us. Our goal is also economic growth, which will allow us to further develop our business.

10 – LESS INEQUALITY

We are a signatory to the European Charter for Diversity. The Charter was launched in Europe in 2013 as a commitment to develop a universally tolerant work environment. And that is also our goal.

11 – SUSTAINABLE CITIES AND COMMUNITIES

Our business has an impact on the environment and quality of life in cities and towns across the country. That is why we try to cooperate as much as possible with their representatives and participate in the development of their social life. Moreover, we try to reduce our impact on their environment, for example, by using alternative fuels in cars or by managing waste economically.



SUSTAINABLE DEVELOPMENT GOALS



16 – PEACE, JUSTICE AND STRONG INSTITUTIONS

We behave responsibly and transparently. We respect fundamental rights and freedoms and our legal code. We are part of the critical infrastructure of the state, and we are aware of our responsibility to the society.

17 – PARTNERSHIPS TO MEET OBJECTIVES

We are aware and perceptive concerning the wishes of our stakeholders and we do engage in dialogue with them. We know that our objectives will only be achieved through cooperation.



RELATIONS WITH STAKEHOLDERS

In 2023, we based our approach on the needs and wishes of our key stakeholders as well. We regularly communicate with our partners and use various surveys and research to determine their main expectations of the Company. Our most important partners are employees, customers, trade unions, suppliers and business partners, the regulator, representatives of municipalities and the entire public administration, schools and universities, the media, non-profit organisations as well as government institutions.



INTRODUCTION OF OUR ACTIVITIES

SERVICES PROVIDED BY THE CZECH POST

The Czech Post's dense network of branches provides the citizens of the Czech Republic with a wide range of services that enable a wide range of requests and requirements to be handled in one place, from basic postal services, through the electronic services of the state to purely commercial services.

BRANCH NETWORK NUMBER OF WHEELCHAIR

TYPE OF ESTABLISHMENT		
	2023	2022
Own branches	2 062	2 425
of which mobile post office	7	7
Post Office Partner	886	813
Pick-up points/Outlets	40	44
Post Offices	6	6
Parcel Partner	5 292	3 351

ACCESSIBLE POST OFFICES

WHEELCHAIR ACCESS		
	2023	2022
The post office has wheelchair access	1 162	1 291
The post office has a signal device	1 601	1 786
The post office has no signal device	169	148

FACILITIES FOR THE VISUALLY IMPAIRED

	2023	2022
without equipment	2 727	2 894
acoustic beacon + guide rail	123	189
acoustic beacon	47	75
guide rail	50	70

DEVICES FOR THE HEARING IMPAIRED – INDUCTION LOOP

	2023	2022
Yes	13	13
No	2 934	3 215

NUMBER OF INHABITANTS PER SERVICE POINT AND NUMBER OF MAILBOXES

	2023	2022
Population per one service point	3 641	3 195
Number of mailboxes	17 298	19 459





INTRODUCTION OF OUR ACTIVITIES

SERVICES PROVIDED AT BRANCHES

MAIN CATEGORIES OF SERVICES PROVIDED	
Delivery and dispatch of mail consignments	Banking and Insurance Services
Delivery and dispatch of parcel consignments	Energy Services (ČEZ))
Sale of stamps and packaging material	Sale of betting games and lottery tickets
Services of eGovernment (CzechPoint)	Sale of valuables and supplementary assortment
Payment and sending of cash (PK, SIPO)	Sending cash abroad (Western Union)
Payment of pensions	Copying services

BASIC POSTAL SERVICES	
Domestic consignments	Consignments abroad
ordinary mail- standard	ordinary consignment
ordinary mail	ordinary consignment for the blind
ordinary consignment for the blind	ordinary press bag
registered consignment- standard	registered consignment
Registered consignment	registered consignment for the blind
registered parcel	registered press bag
registered consignment for the blind	valuable mail
valuable mail	standard parcel
valuable parcel	valuable parcel
postal orders A, B, C	postal money order Z/C



OTHER SERVICES

Parcel delivered to your hand	Business mail
Parcel To Post Office	Business mail abroad
Balíkovna	Postal money order Z/A
Parcel Complete	Press consignment
EMS - domestic	Oversize parcel
EMS - abroad	Distribution of information/promotional materials
Business parcel abroad	Targeted leaflet
Corporate mail	Ballot paper mailings
Corporate mail - registered	Change delivery online

BALÍKOVNA

With a market share of almost 30%, Balíkovna ranks among the leaders of the logistics market in the Czech Republic. The company operates a complete chain of parcel consignment processing all the way from receipt from the sender to delivery to the addressee. In 2023, we delivered more than 57 million parcels to clients.

Our goal is to continue to offer and improve the services of Balíkovna so that the customer leaves us feeling satisfied. We take care of our products and continuously improve them to ensure that Balíkovna is as close to our customers as possible and provides them with a comprehensive service from submission to claiming the parcel.

Balíkovna is constantly expanding its network to be available to customers and our employees at every step. The Balíkovna network includes outlets at Czech Post branches, Alza Boxes, OX Points and Penguin Boxes. Currently, Balíkovna has more than 2 400 boxes, from which the parcels can be dropped and picked up. Last year, Balíkovna continued its expansion, with a significant increase in its distribution network; at the beginning of 2023 we had a total of 5 800 Balíkovna outlets and at the end of the year we even had a total of 8 200 Balíkovna outlets.



ALLIANCE PARTNERS

ČSOB Group:

- Československá obchodní banka, p.l.c.
(brand name ČSOB Postal Savings)
- ČSOB Insurance Company, p.l.c.
- ČSOB Building Society, p.l.c.
- ČSOB Pension Company, p.l.c.

ČEZ Prodej, p.l.c.

SAZKA p.l.c.

Lottery Korunka I.l.c

PES – Money express service, I.l.c.

(Western Union service)

Mobile operators:

- T-Mobile Czech Republic p.l.c.
- O2 Czech Republic p.l.c.
- Vodafone Czech Republic p.l.c.
- Mobil.CZ (MAFRA, p.l.c.)
- SAZKA mobil (SAZKA p.l.c.)
- BLESK mobil (CZECH NEWS CENTER p.l.c.)

Suppliers of other goods (printing, packaging, paper and other products)

MOBILE POST OFFICE IN 2023

Mobile Post Office is a form of providing postal services through Czech Post vehicles that are adapted for the operation of a postal counter. It is a full-fledged substitute for a branch, which offers, for example, domestic and international mail and parcel delivery, payments and order payments/pay-offs, and cash withdrawals being made as at a standard post office. Of course, it is possible to use the services of the Postal Savings Bank. Currently, the Czech Post has seven Mobile Post Offices. The locations of operation change at quarterly intervals or according to current needs.



INTRODUCTION OF OUR ACTIVITIES

STAMP PRODUCTION

In 2023, the Czech Post has secured a total of 52 postage stamps for the issuer of postage stamps, which is the Ministry of Industry and Trade of the Czech Republic. Of these, 14 were pay stamps and 38 were commemorative stamps.

COOPERATION WITH MUNICIPALITIES

Cooperation with municipalities takes place in several areas. Within the framework of the Post Office Project, the local government is approached with a priority offer to operate the Post Office Partner by municipalities to maintain good relations and cooperation with municipalities. It is solely a matter of the municipality's decision whether the offer to transfer the post office to a Partner Post Office is attractive to the municipality. If the municipality is not interested in operating the Partner Post Office, the public is informed about the possibility of applying for the tender/procurement for the operation of the Partner Post Office by means of an invitation to tender. The potential private operator of the Partner Post Office is always first presented to the municipality before it is implemented.

Within the framework of the Postal Partner Project, not only the rural branch network municipalities are addressed, but the External Network and Real Estate Management unit also pays attention to the urban branch network. The Post Office Partner Project then implements the multi-counter post office network as well.

Cooperation with local government representatives also takes place at the level of their national associations and unions. The Czech Post regularly meets with representatives of the Association of Local Authorities, the Association

of Towns and Municipalities and the Association of Regions of the Czech Republic, and its representatives are members of joint working groups where initiatives, projects and intentions aimed at the modernisation and sustainable development of both rural areas and urban agglomerations are actively communicated, including the provision of postal and financial services.

These platforms have repeatedly presented new directions of application of the Czech Post in ensuring the agendas of state and public institutions towards citizens through a network of branches and a network of contact specialists, which will bring a significant increase in citizen comfort throughout the country.

Czech Post is undergoing a transformation aimed at a fundamental change in its own application, using and functioning. This process is a major societal issue and is supported by appropriate awareness-raising in the form of a communication strategy. The communication strategy is designed to ensure full awareness throughout the transformation process and to create an environment of openness, transparency and respect for all affected municipalities.

DATA BOXES INFORMATION SYSTEM

The Data Boxes Information System (DBIS) is used by a growing number of companies and authorities, as well as by businessmen and citizens. In 2023, the number of data messages continued to grow – while 121,5 million messages passed through the system in 2021, the number increased to 129,6 million in 2022 and continued to grow to 143,3 million in 2023. This is a year-on-year increase of 11%. Most messages are sent by public authorities, but the proportion of messages



from individuals and businesses is gradually increasing. In total, 1,22 billion data messages already passed through the system in the 14,5 years of operation from 2009 to the end of 2023.

In 2023, there was a significant increase in the number of data boxes. Based on a new change in legislation, a data box was automatically set up for all self-employed persons (persons with a trade licence certificate) and legal entities. The number of active data boxes has thus increased from 1,5 to 3,5 million year-on-year.

CZECH POINT

Czech Post provides Czech POINT services at approximately 760 contact points. In addition to the standard Czech POINT services, Czech Post also provides confirmation of authenticity (document verification/vidimus clause) and legalization (signature verification) services. In 2023, a total of 4,3 million Czech POINT and authentication transactions were carried out at postal branches, compared to approximately 4,4 million transactions a year earlier.

The Czech Post maintains a dominant position on the market, which is illustrated by the fact that it operates only 11% of all Czech POINT contact

points, where more than half of all Czech POINT transactions are executed (54%). The Czech Post has an even larger share in data box-related agendas, such as applying for the establishment of a data box or for invalidating data box access data and issuing new ones. A total of 75% of all such transactions are carried out at Czech Post branches.

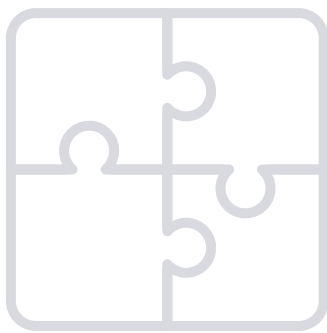
POSTSIGNUM CERTIFICATION AUTHORITY

As expected, 2023 was the most successful year for PostSignum in its history. Total revenue surpassed the best result ever in 2020, setting new highs not only in sales but also in net profit. This is due not only to the expected renewal of three-year personal certificates purchased in 2020, but also to the provision of services for new customers.

More than 323 000 pieces of certificates were issued during 2023 (i.e. approx. 11 000 fewer than in the previous year, but with a higher share of three-year certificates). More than one third of our customers have already purchased three-year certificates. An all-time high was recorded in the number of time stamps issued. Last year, 612 million timestamps were issued (i.e. a year-on-year increase of 55 million stamps).

INTRODUCTION OF OUR ACTIVITIES

The Certification Authority continues to direct its services towards maximum digitalisation and paperless operation. Following the 2022 Certificate Online project, which enables paperless issuance of certificates using electronic identification via eCertificate, the focus in 2023 is on digitising the paper archive. At the beginning of the year, a new central digital repository for the long-term preservation of electronic documents was launched, followed by the digitisation of paper contracts and documents in the Certification Authority's archive.



POSTAL MUSEUM

The Postal Museum (PM) contributes to establishing and promoting a good reputation of the Czech Post, especially to the promotion of the company's tradition, the history of the post office and stamp design. The Museum operates permanent exhibitions at its headquarters in Prague 1 - Nové Město and at its branch in Vyšší Brod, where it introduces visitors to the history of postal administration in the former abbey of the Cistercian monastery on an area of approximately 1 800 m². In addition to the short-term exhibitions which are organised at museum's Prague address and at the branch in Vyšší Brod, PM is also involved mainly in lending exhibits to many external memorial and other cultural and public institutions at home and abroad. In addition, it lends complete exhibition projects that serve as travelling presentations.

Since January 2023, the PM Gallery has joined these as an integral part of the museum, which serves to present contemporary art through the exhibition space at Post Office in Prague 1.

The Postal Museum has held or participated in the preparation of 23 exhibitions and exhibition or presentation events. It has lent 46 collection items to 10 cultural and memory institutions in the country. Key internal exhibition projects included *Marina Richter. My love, I am writing to you...*, *The post office serves you well. Advertising and design of the Czechoslovak Post* and *Are you creating? I am taking photos! Authors of postage stamps through the lens of Martin Říha*.

The museum is a long-standing and traditional member of the Czech Committee of the International Council of Museums (ICOM), the Union of Central European Technical Museums (MUT), the Conference of European Communication Museums (CECOMM) and is also a founding member of the International Association of Transport and Communication Museums (IATM). In the Czech Republic, the museum is a member of the Association of Museums and Galleries (AMG) of the Czech Republic, in the activities of which it actively participates. On 18th October 2018, the Postal Museum became a founding member of the Prestige Philately Club Prague, which focuses on close cooperation between leading philatelic collectors, connoisseurs and investors. In addition, it has long been cooperating with the Union of Czech Philatelists (UCP), also within the Society of Friends of the Postal Museum of the UCP.

POSTAL MUSEUM AND ITS ACTIVITIES FOR CHILDREN

In 2023, the museum's educational activities continued, whose aim was to bring the history of postal administration and stamp production



closer not only to adults, but especially to children's visitors. Occasional postcards were published for two exhibitions at PM Prague, as well as promotional prints (invitations, posters, leaflets, banners), interactive elements and two printed workbooks for children. Three art workshops, two meetings with the artist in the Postal Museum Gallery and 21 guided tours were held in Prague as part of the accompanying programmes for the temporary exhibitions. At the branch in Vyšší Brod, the attention was paid especially to the children's area, where educational activities (an interactive space and a summer detective story) were created for the summer exhibition season in conjunction with the exhibition *Around the World with and without Teeth...*, which boosted the attendance of particularly families with children.

In addition to the above-mentioned activities, the museum took part in the traditional *Icy Prague* and *Experience the City Differently* events. Groups of children from kindergartens, primary and secondary schools, including children with special needs, visited the museum as part of programmes for schools. Cooperation with the Friends of Prague's Peter's Quarter Association and Studio Citadela continued, and a new cooperation with the Institute for Czech Literature of the Academy of Sciences of the Czech Republic was established for children's activities within the Science Fair. Finally, the 17th year of the *Day of Czech Philately* took place, which was mainly marked by the newly opened exhibition *Are you creating? I am taking photos! Authors of postage stamps through the lens of Martin Říha*.

ENVIRONMENTAL RESPONSIBILITY

As part of sustainable business, we see our responsibility towards the environment as one of our priorities. We actively seek to save energy, reduce our carbon footprint and develop electromobility..



CARBON FOOTPRINT

The calculation of greenhouse gases (GHG) emissions was performed in accordance with the GHG Protocol by recalculating the amount of individual data associated with activities that affect the carbon footprint to help their global warming potentials (GWP). This parameter is also commonly referred to as the emission factor. All this data was then converted to carbon dioxide equivalent reported in tonnes (tCO₂e).

Even in 2023, the main source of emissions was the emissions associated with the operation of buildings, both owned and rented. The operation of owned buildings (Scope 1 and 2) accounted for around 54% of all emissions, with around 25% of total emissions coming from emissions associated with the purchase of electricity in Scope 2.

The second most significant source of emissions is the company's vehicle fleet. In the sum of owned and leased vehicles, these emissions accounted for almost 21%, with a slightly higher proportion (11% of total emissions) attributable to leased vehicles.

TOTAL EMISSIONS INDEPENDENT OF ANY GREENHOUSE GAS TRANSACTIONS SUCH AS SALES, PURCHASES, TRANSFERS OR CUSTODY OF PERMITS

	2023 TOTAL (tCO ₂ e)	2023 Emission intensity (tCO ₂ e/number of employees)
Scope 1	23 059	1,10
Scope 2*	64 537	3,09
Scope 3	75 357	3,61
Total emissions	162 953	7,80

* The market-based method was used for the Scope 2 emissions calculations.



ENVIRONMENTAL RESPONSIBILITY

Compared to the 2020 base year, the largest increase in emissions was in Scope 3 - about 24%. Half of this increase is due to the increased use of freight transport in addition to the trains used in 2020. The other half is due to the combination of the new emission factor WTT (emissions associated with the production of the fuels burned), T&D (emissions associated with losses and transmission) and the overall increase in emissions associated with fuel use.

Scope 2 increased by 17% compared to the base year. This is mainly due to an increase in emissions from purchased heat. Although electricity consumption decreased by 17%, heat consumption increased by 27%, causing emissions to increase by 33%.

In contrast, Scope 1 declined by 29%, mainly due to a decline in its own fleet.

Compared to the previous year 2022, Scope 3's increase was less than 1%. Scope 1's emissions fell by just under 7%, corresponding to a 10% decrease in the carbon footprint of its own fleet.

Scope 2's emissions also fell slightly by 1.4%. Although emissions for heat increased by 23%, emissions for electricity decreased by 12%, causing an overall decrease in emissions for Scope 2.

FLEET OF THE CZECH POST

The Czech Post had a total of 5 622 cars of various types in its fleet. Last year, the fleet drove a total of 118 608 470 kilometres. A total of 92% of our fleet belongs to the EURO6 emission standard. In 2023, the fleet included 16 electric cars and 20 charging stations.

In 2023, a public procurement was launched for the acquisition of 120 electric vehicles cat. M1 and 130 electric vehicles cat. N1, including 80 charging stations. As part of the logistics, our delivery drivers also have 102 e-bikes and 470 bicycles.



TOTAL EMISSIONS INDEPENDENT OF ANY GREENHOUSE GAS TRANSACTIONS SUCH AS SALES, PURCHASES, TRANSFERS OR CUSTODY OF PERMITS

	2020 TOTAL (tCO ₂ e)	2021 TOTAL (tCO ₂ e)	2022 TOTAL (tCO ₂ e)	2023 TOTAL (tCO ₂ e)
Scope 1	32 621	32 853	24 739	23 059
Scope 2*	55 214	58 930	65 454	64 537
Scope 3	60 674	68 156	74 872	75 357
Total emissions	148 509	159 939	165 065	162 953

* * The market-based method was used for the Scope 2 emissions calculations.



FLEET DISTRIBUTION BY CAR TYPE

VEHICLE CATEGORY	NUMBER	% OF VEHICLES
M1 - Passenger vehicle	1 508	26,82 %
N1 - Delivery vehicle/Van	3 887	69,14 %
N2 - Cargo vehicle	99	1,76 %
N3 - Truck	104	1,85 %
O2 - Semi-trailer/ Trailer	4	0,07 %
O2 - Semi-trailer/ Trailer	14	0,25 %
T2 - Tractor	6	0,11 %
TOTAL	5 622	100,00 %

AGE OF THE FLEET

VEHICLE CATEGORY	NUMBER	Ø AGE OF VEHICLES
M1 - Passenger vehicle	1 508	3
N1 - Delivery vehicle/Van	3 887	2
N2 - Cargo vehicle	99	8
N3 - Truck	104	7
O2 - Semi-trailer/ Trailer	4	21
O2 - Semi-trailer/ Trailer	14	7
T2 - Tractor	6	35
Total sum	5 622	

FLEET DISTRIBUTION ACCORDING TO EMISSION STANDARDS

VEHICLE CATEGORY	NUMBER	% OF VEHICLES
WITHOUT NORM	36	0,64 %
EURO0	3	0,05 %
EURO1	3	0,05 %
EURO2	2	0,04 %
EURO3	10	0,18 %
EURO4	193	3,43 %
EURO5	182	3,24 %
EURO6	5 193	92,37 %
Total sum	5 622	100,00 %

FLEET DISTRIBUTION BY FUEL

TYPE OF FUEL	NUMBER OF VEHICLES	% OF VEHICLES
Without fuel *)	18	0,32 %
CNG	55	0,98 %
Electricity	16	0,28 %
Diesel	4 561	81,13 %
Natural 95	972	17,29 %
Total sum	5 622	100,00 %

*) Semi-trailer/Trailer - therefore without fuel.



ENERGY MANAGEMENT

Since 2018, Czech Post has implemented and certified the "Energy Management System" in accordance with ČSN EN ISO 50001:2019. This system was successfully audited by CQS in 2023 and was carried out in accordance with ČSN EN ISO 50001:2019. The Energy Management System is an ideal tool for achieving systematic improvements in energy efficiency, increasing energy efficiency, improving the environment and for verifying compliance with legal requirements of the organisation in the field of energy management.

OUR RULES FOR ENERGY MANAGEMENT:

- to manage in such a way as to avoid unnecessary losses
- to monitor energy consumption and identify the causes of unwanted consumption
- to maintain our power consumption devices in such a condition that complies with legal regulations and technical standards
- to take energy only based on contracts concluded for the actual needs of the premises
- to use and introduce new technologies that are more environmentally friendly and use less energy"

EPC PROJECTS

As a sustainable company, Czech Post focuses on environmental protection including energy savings. One of the options we use to save energy is EPC projects aimed at reducing the energy consumption of buildings. Also in 2023, we continued to take the necessary steps to implement an EPC project concerning the in-depth modernisation



ENVIRONMENTAL RESPONSIBILITY

of the depot and the collecting transport hub in Prague - Malešice. A public procurement was launched, the first preliminary bids were submitted, and then companies were invited to modify their preliminary bids and towards the end of the year to submit final bids for the project. Another planned EPC project for the sites in cities of Ústí nad Labem and České Budějovice was put on hold in mid-2023.

CONSUMPTION

ELECTRICITY CONSUMPTION	
2022	2023
55 966 MWh	49 900 MWh

PURCHASE OF GREEN ENERGY	
2022	2023
6,75 %	6,75 %

HEAT CONSUMPTION	
2022	2023
58 268 MWh	55 020 MWh

GAS CONSUMPTION	
2022	2023
65 710 MWh	59 813 MWh

WATER CONSUMPTION	
2022	2023
12 571 tis. Kč	12 270 tis. Kč
Water consumption is not centrally recorded in technical units, therefore only the total cost of water charges is shown in the table.	

WASTE MANAGEMENT

Czech Post strives to manage waste as economically as possible within the environmental protection. For the years 2021-2024, Czech Post concluded Waste Management Service Contracts for all seven Regions. Due to the termination of the contracts, it was necessary to issue a new public tender for the North Bohemia, East Bohemia, South Moravia and North Moravia sites and to conclude new Waste Management Service Contracts by the end of 2023. To fulfil the reporting obligation for 2023, a total of 2 361 Waste Production and Waste Management Reports were submitted through the Integrated Environmental Reporting System, thus fulfilling the legal obligation.





COSTS ASSOCIATED WITH WASTE DISPOSAL AND QUANTITIES OF WASTE

	2022	2023
Waste removal	23 388 441 Kč	24 552 790 Kč
of which disposal of packaging waste *	222 951 Kč	256 675 Kč
Ecological disposal **	567 346 Kč	289 047 Kč
Quantity of waste in tonnes of which:	6 733	6 292
Mixed municipal waste	3 459	3 275
Paper and cardboard packaging	1 098	1 054
Paper and cardboard	1 257	1 178
Bulky waste	394	404
Plastic packaging	156	198
Iron and steel	84	53
Oily water from oil separators **	53	0
Mixtures of sand trap waste **	93	30
Oil separator sludge **	27	10

* From packaging that Czech Post places on the market. ** Disposal of hazardous waste.

ENVIRONMENTAL RESPONSIBILITY

The overall increase in the cost of waste collection was mainly due to an increase in the statutory charge for landfilling of mixed municipal waste and an increase in the prices of procured facilities. The increase in packaging waste disposal costs was mainly due to price increases by EKO-KOM, p.l.c. The decrease in environmental disposal costs was due to lower production of hazardous waste.

COLLECTION OF PAPER, PLASTICS AND SHREDDING

Raw material	Quantity 2022 (tonnes)	Quantity 2023 (tonnes)
Paper collection	1 083,9	967,7
Plastic collection	90,3	102,2
Controlled and uncontrolled paper shredding	1 214	1 075,4

RECYCLING, TAKE-BACK

In the field of electrical equipment take-back we cooperate mainly with the following companies. REMA p.l.c. and STEELMET, I.I.c.

	2022	2023
Take-back of electrical equipment during the year by the company STEELMET	70,26 t	55,38 t

AIR PROTECTION

For the year 2023, a total of 25 Notifications of complex operational records of listed sources of air pollution were submitted through the Integrated Environmental Reporting System within the Environmental Unit, thus fulfilling the legal obligation.

In 2023, we focused on upgrading unlisted sources of air pollution, mainly solid fuel boilers.

WATER PROTECTION

For the year 2023, a total of four Basic Data Reports were submitted by the polluter to the authority, the river basin administrator and the designated professional body and a total of three reports on groundwater abstraction were submitted through the Integrated Reporting System of the Czech Post, thus fulfilling the legal obligation.

REAL ESTATES/ PROPERTIES

NUMBER OF PROPERTIES OWNED BY CZECH POST INCLUDING SHARED CO-OWNERSHIP

	2022	2023
Number of properties	1180	1165

ENERGY PERFORMANCE CERTIFICATE OF THE BUILDING (EPCB)

EPCB	2022	2023
A	0	0
B	8	8
C	18	18
D	71	71
E	157	154
F	190	183
G	219	210
EPCB	517	521
Total	1 180	1 165

The Czech Post has EPCB for all buildings where required by legislation.



SOCIAL RESPONSIBILITY

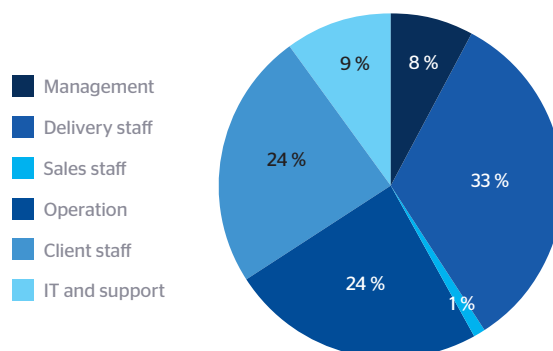
The Czech Post is one of the largest employers in the Czech Republic. We have nearly twenty-one thousand employees who provide services throughout the Czech Republic. The average headcount number of employees was 20 902. Compared to the previous year, this figure is down by 2 530 headcounts. This significant decrease is mainly related to:

- Optimising the number of city branches
- Increasing the efficiency of postal services
- Optimising letter delivery in DEPO projects and changing D+3 delivery
- Completing the outsourcing of freight transport over 3.5 tonnes
- Organisational changes and rationalisation measures in administration and management

The turnover rate increased to 35%, partly due to the implementation of organisational changes with an impact on employment. Unwanted (voluntary) turnover was 19,5 % and trended upwards year-on-year. The main reasons for voluntary turnover are the nature of the work (high physical and mental demands) and lower pay, with the ratio of CP pay to the logistics segment at 81% in 2023.



SHARE OF NUMBER OF EMPLOYEES IN INDIVIDUAL OPERATIONS + SHARE OF TOTAL NUMBER OF EMPLOYEES



STAFF TURNOVER	Period			
	2022		2023	
	leaving	%	leaving	%
Total turnover	7 171	30,3 %	7 378	35,0 %
Voluntary turnover	4 138	17,5 %	4 106	19,5 %



REPRESENTATION OF MEN AND WOMEN IN THE MANAGEMENT OF THE CZECH POST AS OF 31ST DECEMBER 2023

	Women	Men
Top management	10 %	90 %
Senior management	38 %	62 %
Middle management	53 %	47 %
Lower management	86 %	14 %

THE AVERAGE ANNUAL PROPORTION OF WOMEN AND MEN IN EACH OPERATION

	Women	Men
2022	72 %	28 %
2023	72 %	28 %

STRUCTURE OF EMPLOYEES BY AGE OUT OF TOTAL NUMBER OF EMPLOYEES AS OF 31ST DECEMBER 2023

	Women	Men
up to 19 years old	0,32 %	0,49 %
20-24 years old	3,11 %	2,69 %
25-29 years old	3,43 %	2,91 %
30-34 years old	4,91 %	2,73 %
35-39 years old	6,42 %	2,57 %
40-44 years old	8,99 %	3,31 %
45-49 years old	14,63 %	4,58 %
50-54 years	13,98 %	3,49 %
55-59 years old	11,30 %	2,96 %
60-64 years old	4,40 %	1,82 %
65 and over	0,46 %	0,51 %

NUMBER OF EMPLOYEES BASED ON EMPLOYMENT CONTRACT AS OF 31ST DECEMBER 2023

Duration of the employment contract	2022		2023	
	Women	Men	Women	Men
Indefinite period	14 072	4 779	12 460	4 669
Definite period	2 648	1 329	2 194	1 042
TOTAL	16 720	6 108	14 654	5 711

NUMBER OF EMPLOYEES BASED ON EMPLOYMENT RELATIONSHIP AS OF 31ST DECEMBER 2023

Length of working time	2022		2023	
	Women	Men	Women	Men
Full time	14 875	6 040	13 086	5 649
Part-time	1 845	68	1 568	62
TOTAL	16 720	6 108	14 654	5 711



NUMBER OF NEW EMPLOYEES				
Age category	2022		2023	
	Ženy	Muži	Ženy	Muži
up to 19 years old	73	91	88	135
20-24 years old	491	507	503	514
25-29 years old	315	265	319	286
30-34 years old	354	185	402	212
35-39 years old	398	164	379	176
40-44 years old	397	180	359	179
45-49 years old	381	172	318	191
50-54 years	261	133	284	141
55-59 years old	167	104	197	123
60-64 years old	41	50	42	46
65 and over	23	22	7	24
TOTAL	2 901	1 873	2 898	2 027

STRUCTURE OF EMPLOYEES BASED ON EDUCATION AND AGE AS OF 31ST DECEMBER 2023

Age	Basic education		Vocational secondary school		Full secondary vocational		Vocational Colleges		UNIVERSITY	
	Ženy	Muži	Ženy	Muži	Ženy	Muži	Ženy	Muži	Ženy	Muži
up to 19 years old	16	30	11	33	38	37	0	0	0	0
20-24 years old	67	120	113	146	435	276	6	2	13	2
25-29 years old	96	119	109	138	440	294	12	10	43	33
30-34 years old	70	89	170	120	637	272	34	13	90	63
35-39 years old	75	50	286	157	776	212	45	17	127	88
40-44 years old	58	50	524	250	1 103	278	45	16	102	80
45-49 years old	107	61	1 281	421	1 418	312	40	7	131	131
50-54 years	59	31	1 239	333	1 447	267	6	5	96	73
55-59 years old	79	34	979	256	1 170	221	1	1	73	89
60-64 years old	36	19	346	155	473	135	1	2	38	59
65 and over	14	9	37	40	40	29	0	0	2	26
TOTAL	677	612	5 095	2 049	7 977	2 333	190	73	715	644

EMPLOYEES ELIGIBLE FOR RETIREMENT PENSION

After entitlement to an old-age pension	2022		2023	
	Women	Men	Women	Men
Senior staff	16	6	23	6
Regular staff	258	135	199	142
TOTAL	274	141	222	148

NUMBER OF MEN AND WOMEN TAKING PATERNITY, MATERNITY AND PARENTAL LEAVE IN 2023

	Paternal	M/PL	Total
Men	98	9	107
Women	-	1722	962
Total	98	1 731	1 829

NUMBER OF FOREIGN EMPLOYEES

	2022	2023
Agreements to work outside the scope of employment	529	613
Employment relationship	673	752
Total	1 202	1 365



REMUNERATION AND BENEFITS

The average monthly wage at Czech Post amounted to CZK 31 669, which represents an increase of CZK 1 724, i.e. 5.8%, compared to the previous year. The increase occurred despite the unfavourable economic situation of the company. Within the year, discussions with the trade union partners followed and extraordinary bonuses were paid to employees by the CEO in the average amount of approximately CZK 4 700 per employee.

In addition to the wages, the employer provided its employees with employee benefits, which amounted to an annual average of approximately CZK 30 000 per employee. These were mainly contributions for meal vouchers, supplementary pension savings and life insurance, recreation, physiotherapy, children's camps, sports, etc. In addition to these benefits, the company allowed its employees to take an extra week of vacation beyond the scope of the Labour Code and facilitated entry into the MultiSport and T-Mobile programmes.

EQUAL OPPORTUNITIES

In 2023, the Czech Post employed 718 people with disabilities (529 of them were women). A further 477 persons with disabilities worked under agreements for work outside the scope of employment.

In recruitment, we use a special pictogram for positions that are suitable for people with disabilities to help candidates filter out suitable positions. We also work with Rhythm (in Czech Rytmus), a non-profit organization that supports people with disabilities to actively integrate them into life beyond the workplace. Finally, we continued our cooperation with the Labour Office regarding the Vocational Retraining and Training, i.e. Preparation for Work.

In addition to women and people with disabilities, we also focus on students in the Trainee Programme as part of equal opportunities. As part of the second year 2022/2023, over 30 students joined Czech Post to work on real projects that have an impact on the operation of the entire company. In addition to the traditional work, educational workshops were prepared for the Trainees during the year to develop their potential. The aim of the programme is to give the students the necessary practice and offer them a full-time job in our company after graduation.

ADAPTATION PROCESS

To successfully integrate new employees into the workforce, we have prepared an adaptation process, which is mainly focused on operational positions, such as delivery drivers, counter staff, product sales specialists and postal administrators. In 2023, the Starting Day for new employees, as one of the adaptation activities, was already permanently implemented online, which had a positive effect in terms of saving time and travel costs. In 2023, a total of 1 828 new operational employees participated in the online Starting, i.e. onboarding Day and a total of 1 474 participants attended the adaptation trainings and training sessions.



From October to December 2023, we pilot tested shortening the theory and APOST training from the original ten days to half for the Product Sales Specialist type position and adding an additional training session primarily for newcomers to the Financial Expert position. Based on feedback from participants and internal trainers/trainers, we have decided to permanently modify the postal part of the adaptation for financial experts beginning in 2024.

WE ARE SIGNATORIES TO THE EUROPEAN DIVERSITY CHARTER

In 2019, Czech Post became a signatory to the European Diversity Charter. The Charter was established in Europe in 2013 as a commitment to develop a universally tolerant work environment. At Czech Post we focus on the following target groups:

- parents on parental leave or returning from parental leave,
- disabled people or people with reduced working capacity,

- members of national minorities, citizens of the Czech Republic,
- young people, graduates,
- people aged 50+,
- foreign employees.

WE COOPERATE WITH SECONDARY/ HIGH SCHOOLS AND UNIVERSITIES

In 2023, cooperation with partner postal secondary schools as well as universities continued. During the year we organised several excursions for students in Mošnov in the state-of-the-art logistics centre of the Czech Post, as well as excursions to depots in Brno and Prague. Moreover, as part of our cooperation with universities, we took part in an online assessment of the 5th MUB-LINE fair of fictitious companies on 21st November. Czech Post evaluated company logos of high school students from the Czech Republic and Slovakia. Based on the evaluation of an expert jury, the top 10 fictitious companies were selected to present their products or services in person.

PRACTICE OF PUPILS AND STUDENTS AT POST OFFICES

Last year, a total of 1 947 days and 13 036 hours were worked by school students in practical training. We are proud that the number of students and days worked on practical trainings within the Czech Post continues to increase. It is not only the students of "postal" schools who carry out their work experience in the ranks of the Czech Post. The number of applicants from other specialisations is also increasing. This is not only in logistics, but also in marketing, IT and other areas in which skilled people are needed at the Czech Post. During the practical training, students gain an overview of the operation and for CP, the practical training is an opportunity to present itself as an attractive employer.

POSTAL SKILLS COMPETITION 2023

Once again, after one year, we organized the 11th edition of the popular Postal Skills Competition. This year it was hosted by the High School of Logistics and Chemistry in Olomouc. Representatives from ten postal high schools from all over the country took part, and they competed in various disciplines in which they could test their postal as well as general knowledge.

WE EMPLOY PRISONERS

Based on the signed Memorandum of Mutual Cooperation between the Czech Post and the Prison Service of the Czech Republic, the cooperation was extended from the original three prisons in 2022 to seven more cooperating prisons in 2023. Currently, we cooperate with the following selected prisons: Hradec Králové, Věhrdy, Bělušice, Pardubice, Příbram, Teplice, Rapotice, Pankrác and Plzeň.

In the above-mentioned prisons, we transport prisoners from the prison to our workplace, the exception being Hradec Králové Prison, where the prisoners themselves come to our workplace. Our permanent goal is to help in the correction of convicts, to give prisoners the opportunity to work while they are in prison and to apply for employment after their release from prison. We have extended our cooperation to include individual cooperation with individual prisons in the context of the re-socialisation of convicts, including support in education and cooperation with the families of convicts.



EMPLOYEE TRAINING

In 2023, a total of 100 271 staff were trained, of which 75 373 were trained electronically, i.e. 75%. The training was provided mainly in the mandatory area, the area of professional training and statutory examinations, the area of alliance partner training, and professional and development training.

Most of the face-to-face trainings were delivered by teams of internal trainers, internal trainers - coaches and representatives of alliance partners, or selected senior staff. A total of 2 470 course dates were organised in 2023.

We continued to digitalize our trainings and the gamechanger in this area was the change from the current face-to-face form of training for drivers of vehicles up to 3,5 tonnes to an



SOCIAL RESPONSIBILITY

electronic form. This change affected more than 5 300 operational employees, mainly parcel and letter/mail delivery persons. The main benefits of electronic training are time flexibility, savings in training costs, travel and overtime, and the possibility of more frequent repetition of information and practical examples.

A team of internal lecturers was engaged in training in the field of professional training in electronic and face-to-face form to obtain the prescribed qualification of eGovernment services (e.g. courses CA PostSignum, Czech POINT, confirmation of authenticity and legalization and others), which we classify in the field of mandatory training and examinations. Workshops for Customer Care Consultants were recently conducted. From the second half of the year, an adaptation training for financial experts was prepared and implemented in a pilot in the Internal Network Prague and Central Bohemia. A team of internal trainers was dedicated

to development activities such as adaptation training for newcomers - Client Communication or Starting Day online for new employees. Newly added to the adaptation programme this year was a new workshop, the Ten Commandments for Financial and Insurance Experts. For the corporate business area, a development project called the Business Academy was prepared and partially implemented to reach out to individual business type positions, including back-office employees, to select the necessary topics to learn knowledge and skills as part of their personal development.

We launched the 2nd year of the Talent Programme, which aims to retain and develop talented employees and enable their career growth. Out of 100 nominated employees, a total of 19 were selected to participate in this development program. The talent programme includes the opportunity to work on projects related to the transformation of the Czech Post.

AN OVERVIEW OF THE NUMBER OF EMPLOYEES TRAINED IN EACH AREA IN 2022 AND 2023

Area	2022	2022	2022	2023	2023	2023
		Number of participants	Number of participants		Number of participants	Number of participants
		Face-to-face	E-learning		Face-to-face	E-learning
Adaptation training and professional training	9 469	2 682	6 787	15 948	5 454	10 494
Mandatory training and legislative examinations	50 905	20 145	30 760	47 255	12 614	34 641
Professional training and soft skills training	2 571	2 327	244	3 129	2 965	164
Alliance Partner Product Training	30 819	3 839	26 980	33 939	3 865	30 074
Total*	93 764	28 993	64 771	100 271	24 898	75 373

* employee's overall attendance at training sessions is counted, i.e. one employee could attend e.g. three face-to-face and two e-learning sessions.



As part of the development of individual managers, the 360° Feedback Evaluation project was successfully implemented, in which feedback is provided to one employee by a larger number of respondents. For several years, Czech Post has also been involved in the T2G inter-company mentoring programme, which serves as a platform for bringing together employees from different disciplines who want to develop themselves or offer development through mentoring. In 2023, seven of our colleagues were nominated for the programme.

SOCIAL DIALOGUE

Regular and open communication with employee representatives is very important to us. We have a total of 84 basic trade union organisations, grouped into nine trade union entities. The management of Czech Post meets with their representatives on a nationwide platform at least once every two months. At the regional level, management meets with union partners on a regular basis and as needed when discussing

organisational changes. The common goal of the Czech Post and the trade union partners is to maintain social harmony in the company.

HEALTH AND SAFETY AT WORK

Czech Post places a high emphasis on ensuring Occupational Health and Safety (OHS) and Fire Protection (FP) at all its workplaces. It always strives to create a healthy and safe environment for employees and to ensure that potential risks are eliminated. In this area, through periodic training sessions, we are targeting greater awareness, information and knowledge of OHS among senior employees who have an indivisible responsibility for the state of their workplace.

OHS staff have long been in close contact with trade unions, where the trade unions operating at the Czech Post have their own union inspectors in the field of OHS who also carry out workplace inspections. We regularly provide the trade unions with the statistics that we have jointly agreed

on, whether it is about accidents, occupational diseases, OHS defects, etc. The trade unions participate in the annual OHS and FP inspections of Czech Post's workplaces.

RISKS

There are several ways to identify risks at Czech Post workplaces. Primarily, immediately after the discovery of a risk, it is the legal obligation of the workplace manager to identify the risk and take measures to eliminate it. Other risks are identified during the annual OHS inspections of workplaces. Risks also arise, for example, from workplace injuries/accidents, where action is taken to prevent similar situations.

The Czech Post has prepared a Catalogue of Occupational Health and Safety Risks, which lists, in accordance with legislation, all possible risks arising from all activities performed, including the calculation of the probability of risk, the consequence of risk, the impact of risk and the possibilities of corrective measures taken.

HEALTH CARE AND INJURY PREVENTION

For the Czech Post, taking care of employees' health and wellness is a priority. One of the ways of taking care of employees' health is education. OHS officers regularly train managers in OHS and FP, who are then required to train their subordinates. As part of the training, employees are made aware of the potential risks arising from their work. Employees are also familiarised with the operation of the workplace and are made aware of the specifics of individual workplaces. They are also familiarised with the operating instructions for individual machines and equipment, handling equipment, etc.

Employees are provided with Personal Protective Equipment (PPE) in full extent according to the workplace and job position, and protective

drinks according to the established entitlement. Instructions on appropriate handling of loads and other situations that may arise are posted on the intranet of Czech Post. Employees regularly attend periodic medical check-ups with the work-medical related services.

STAFF TRAINING

In most cases, OHS and FP training is conducted face-to-face at workplaces, while for selected groups of employees it is conducted by e-learning. The frequency of training is strictly determined by law. Since OHS and FP training is a legal obligation, all employees of the Czech Post are trained. Initial training is given when starting the employment and then repeated training is provided. OHS and FP training apply to all employees without distinction. For managers and senior staff, however, the OHS and FP training is more extensive, and this training includes a test checking and verifying their OHS and FP knowledge.

Since agency's employees are not employees of the Czech Post, but the employees of the agency, the obligation falls on the agency. At the Czech Post offices, agency employees are trained in the local conditions and in the OHS and FP obligations related to their work at the Czech Post. As far as the employees with agreement to work outside the scope of employment are concerned, the same obligations apply as for the employees working full-time. Thus, they are subject to OHS training.

WORKING INJURIES

Czech Post recorded a total of 588 injuries among its employees in 2023. Compared to 2022, the number of accidents decreased by 68. None of the accidents sustained by employees in the last two years was fatal. We do not record the number of accidents with our suppliers;



here again, the issue is governed by the Labour Code, where the employer with employees of another employer is only obliged to participate in the clarification of the accident/injury at the Czech Post workplace when an accident/injury occurs.

NUMBER OF INJURIES SUSTAINED AT WORK	
2022	2023
656	588

OCCUPATIONAL DISEASES

The Czech Post has not recorded any recognised occupational diseases among its employees in the last two years.

We do not record the number of occupational diseases for our contractors, and the investigation of occupational diseases is focused on the period and activity in which the disease may have occurred, which usually occurs after decades of work. Proving an occupational disease is ambiguous, even more so in the case of external contractors and suppliers, where the employee is not even a long-term employee of the Czech Post.



PROGRAMME TO HELP EMPLOYEES UNDER ATTACK

The Czech Post operates the so-called Postal Inspection, which ensures the operation of the information system for dealing with emergencies, namely the Permanent Operational Service (POS), within which it provides, among other things, information services to CEO, senior employees at the G-1 management level and other competent persons, as well as support to other organisational units in dealing with emergencies. In this context, it organises a round-the-clock call-out service throughout the country, which is involved in the performance of urgent actions in the event of emergencies or in the event of internal and external crime (robberies, thefts by breaking into company premises, suspected serious crimes committed by employees, etc.). In this context, all inspection staff involved in the call-out service were trained by police psychologists of the Police Presidium of the Czech Republic in elementary skills and the basics of providing post-traumatic care. This service is applied in the framework of the inspection staff's trips to the scene of a serious crime. To be exact, these are cases of robbery of CP branches, where the professional assistance of psychologists is offered and mediated to the victims of crime. In 2023, the Inspection staff from the Crisis Intervention Unit of the Police of the Czech Republic offered psychological assistance to persons affected by emergencies in five cases.

In 2022, there were four incidents of robbery of post office/counter clerk and one incident of a delivery person being assaulted while on an errand. In 2023, robbery of a post office/counter clerk occurred in two cases. There were no robberies of a delivery person that year.

CAUSES OF WORK INJURIES/ACCIDENTS AT WORK								
SOURCES	failure or defective condition of any of the sources of injury	poor or insufficient risk assessment	defects in the workplace	No. personal. employment security. incl. PPE	breach of work discipline by the affected person	unforeseen risk or failure of a human factor	other, unspecified reason	TOTAL
means of transport					1	50	3	54
contact with machinery and electrical equipment	1			1	1	12	2	17
materials, loads, objects (falling, hitting, flying away, being buried)	1					95	24	120
falling on the flat land, from height, to a depth, sinking	2				2	237	55	296
Equipment, instrument, tool						5	5	10
industrial pollutants, chemical substances, biological agents								0
hot substances and objects, fire, explosives								0
Machines propelling, auxiliary, working tools						4		4
people, animals, natural elements						35	3	38
electricity								0
other, unspecified source						8	41	49
TOTAL	4	0	0	1	4	446	133	588

OMBUDSMAN FOR EMPLOYEES

To defend the legitimate interests of employees in the performance of their duties, the Czech Post has an Employee Ombudsman. Employees can contact the ombudsman with their complaints, suggestions, information and questions in writing, by telephone or in person. In 2023, this option was used more frequently by employees from the logistics units. In total, the Ombudsman dealt with 135 submissions from employees, mostly of a labour and financial nature. A third of these were found to be justified. The generalised conclusions of the investigation provide feedback on the internal environment of the company. In justified cases, employees are individually compensated.

POSTAL OMBUDSMAN

In 2023, a total of 23 04 customers of the Czech Post turned to the Postal Ombudsman. Of this number, the Postal Ombudsman dealt with 1305 complaints, which were assessed according to their nature and investigated and resolved in cooperation with specialised departments. The Postal Ombudsman dealt directly with 539 complaints. In 107 cases, the existing decisions of the relevant departments of the Czech Post were basically confirmed, while 427 submissions were dealt with by the Ombudsman based on customer complaints without prior standard proceedings. In accordance with CP's internal standards, the ombudsman granted compensation to CP's customers in five cases. The total amount of compensation in 2023 was CZK 10 242. A total of 748 submissions did not meet the conditions for resolution by the Postal Ombudsman. There were praise or thanks to the employees of the Czech Post in 26 submissions.

PARTNERSHIP AND COOPERATION IN EVENTS WITH A CHARITABLE FOCUS

LEAGUE AGAINST CANCER

The Czech Post was the general partner of the Czech Day Against Cancer project. It is a charity fund-raising for the fight against cancer.

COLLECTION OF THE MEMORY OF THE NATION FOR THE WAR VETERANS DAY

As partners, we participated in the project Memory of the Nation Collection for the War Veterans Day, the proceeds of which are used to further record the memories of the participants of the Second and Third Resistance.

RUN 4 HELP

We have become the main partner of the charity run "Run 4 Help", which focuses on raising awareness of the fight against meningitis. Proceeds from the event go towards lower limb amputees.

72 HOURS

Czech Post is the general partner of the 72 Hours project, which supports volunteering activities.

CZECH WHEELCHAIR FLOORBALL

The Czech Post as the general partner of the Wheelchair Floorball Extra League and the Czech national team.

ACTIVELY WITH A WHEELCHAIR

The project called "Actively with a Wheelchair", of which CP is a partner, focuses on active sporting for the disabled in various sports.



THREE-WISE MEN COLLECTION

Czech Post is a partner of the largest charity fundraising event in the Czech Republic. The money raised helps hundreds of thousands of people in need through Charity of the Czech Republic.

PRAGUE PARA DANCE CHAMPIONSHIP

Czech Post supported the international wheelchair dance competition under the title of Czech Para Dance Sport, Czech Paralympic Committee and International Paralympic Committee as a Partner. The aim of the event is to fulfil the idea that "Sport is only one" and to present dance in its many forms.



CZECH POST FOUNDATION

Czech Post is fully aware of its responsibility towards its employees, clients and the environment in which it operates, and therefore the Czech Post established Czech Post foundation on 22nd December 2016 as part of its Corporate Social Responsibility Strategy. The main mission of the Czech Post Foundation is to help people who really need help and to support specific projects aimed at health and improving the quality of human life.

In 2023, the Czech Post Foundation opened all its programmes, namely Post wo/men to Post wo/men, Post wo/men with Heart, Post for Health and Post for the Future. Last year, the foundation's Board of Directors dealt with 154 applications for financial contributions, of which 97 were approved. A total of CZK 1 967 149 was paid out. Each application with which our colleagues approached the Foundation was carefully considered by the Board of Directors at its meetings. Its activities were monitored by the Supervisory Board.

POST WO/MEN TO POST WO/MEN PROGRAMM

The POST WO/MEN TO POST WO/MEN program is the cornerstone of our foundation. Its aim is to help current and former Czech Post employees and their families in difficult situations. During the time the foundation has been operating, it has already found its place in the hearts of post wo/men. Requests for financial contributions are sent not only by the needy themselves, but also by their colleagues who have already helped many of them by their attentiveness. Last year, the Foundation's Board of Directors dealt with over 30 applications for financial contributions, and it approved all of them. We have contributed to physiotherapy for ill children, compensatory aids, a wheelchair, a contribution for a car for our colleague's disabled daughter and much more. In 2023, the Board of Directors approved financial contributions from the Post wo/men to Post wo/men program in the amount of CZK 1 203 949.

POST WO/MEN WITH HEART PROGRAMME

The Post wo/men with heart programme aims to support the volunteering activities of Czech Post's employees, and it is very popular among Czech Post employees. In 2023, we opened



it for the sixth time and received 106 applications for financial contributions. The Board of Directors took a close look at all the applications and approved a contribution for 50 of them. In total CZK 500 000 were paid to these organisations in 2023. An important condition for granting the contribution is the personal involvement of post wo/men in these organisations. The contributions are directed, for example, to support small firefighters, footballers, majorettes and to organisations dedicated to the development of leisure activities or the preservation of traditions.

POST FOR HEALTH PROGRAMME

The Post Office for Health programme is primarily aimed at supporting organisations that have a long-term commitment to physical and mental health. In 2023, we supported Jan H., a disabled athlete, with CZK 10 000.

POST FOR THE FUTURE PROGRAMME

In 2023, we continued to accept applications for the Post Office for the Future programme. Under this programme, we support the education and talents of our colleagues' children. It was possible to apply for a financial contribution throughout the year. Under this program, the Board of Directors also consistently assesses the total income of the applicant's family. A total of 18 applications were received and 17 were approved. The Board of Directors approved funding contributions from this program in the amount of CZK 253 200.



RESPONSIBLE GOVERNANCE

We conduct our business transparently and fairly, i.e. in accordance with our compliance program and Code of Ethics. Our main objective is to provide quality service to the satisfaction of all customers, in accordance with legislation and best practice. We therefore strive to continuously improve our services and products, considering the needs of our partners and the environment in which we operate.



CODE OF ETHICS AND COMPLIANCE PROGRAMME

The Code of Ethics is a set of moral and social rules, it sets out the principles of professional behaviour/conduct of employees and is binding for all those who act on behalf of the Czech Post. Its purpose is to define for employees and for persons acting on behalf of the Czech Post the boundaries of desirable behaviour/conduct towards the employer, co-workers, customers, business partners and state institutions, and thus to create, maintain and deepen trust in the activities of the Czech Post. The Czech Post does not tolerate behaviour/conduct which breaches the law and the principles of fair business dealings or good morals. Any form of discrimination in interpersonal and employment relations is unacceptable.

In 2023, we significantly updated the Code of Ethics based on changes in the internal and external context of Czech Post's business and our own findings from the corporate compliance programme. In the existing principle

"We behave equally and do not discriminate" - religion, other beliefs, national or social origin, gender and health status have been added to the list of protected characteristics of human personality. In another existing principle "We act professionally, honestly, in good faith and with professional care" the requirement to perform our duties in a non-partisan manner has been reformulated, expressing the Czech Post's will to apply a policy of religious, philosophical and political neutrality in its activities, which takes into account the legitimate expectations of customers and business partners and at the same time does not restrict the right of employees to participate in political and social events in their private lives. The existing principles of the Code of Conduct have been expanded with two new ones. The principle "Protecting privacy and data" emphasises the key principles of handling personal data and other data used in the activities of the Czech Post. The principle "We care about fair competition" highlights the principles of conduct reflected in the activities of the Czech Post as an entity competing for customers and suppliers on the one hand and at the same time as a contracting authority or supplier of public contracts awarded according to legally binding rules on the other hand.



Since 2016, employees have had access to a compliance line, which is an integral part of the application of the Code of Conduct. During 2023, a total of 13 reports of suspected misconduct were received through this line. These included 11 cases of suspected violations of internal regulations and working procedures, conduct potentially damaging to the reputation of the Czech Post, conflicts of interest, and violations of the Code of Ethics. Of these, five were found to be justified after investigations and were accompanied by corrective measures. In the HR area, the only allegation made concerning disagreements between an employee and a supervisor was not found to be justified by the investigation. Moreover, the only allegation concerning a suspected criminal offence for which the Czech Post could be held liable was not found substantiated after the investigation. In mid-2023, the Czech Post's compliance line was adapted to the mandatory requirements of the Whistleblower Protection Act and has been operating as an internal whistleblowing system under the Act since August 2023.

Due to the external context, the Czech Post's compliance programme was extended in 2023 to include the areas of ensuring the supplementary sanction measures of the European Union and the Czech Republic against Russia and Belarus in connection with the military conflict in Ukraine, reflecting the binding requirements of the European Union for reporting on the sustainable operation and development of Czech Post according to ESG standards starting in 2025, and verifying the growing number of candidates for business cooperation in the form of Czech Post Partner and Balíkovna Partner. There was also a new focus on the implementation of the management and control system for financial services enabled by Czech Post for the

benefit of third parties, and the setting up of compliance prevention, detection and response measures contained therein.

PRINCIPLES OF ETHICAL BEHAVIOUR/ CONDUCT:

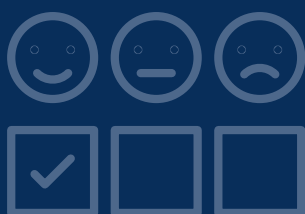
- We comply with laws and internal regulations
- We behave equally and do not discriminate
- We protect human personality
- We act professionally, honestly, in good faith and with professional care
- We are economical with the resources entrusted to us
- We prevent damage
- We cooperate and communicate openly
- We help and assistance in all investigations
- We protect privacy and data
- We are committed to fair competition

INTOLERABLE BEHAVIOR/CONDUCT:

- Zero tolerance of crime
- Theft, embezzlement or damage to the property and intellectual property of the Czech Post
- Misuse or dissemination of protected information to third parties
- Unfair competition and unfair procurement conduct
- Corruption and bribery
- Fraudulent conduct
- Working under the influence of alcohol and drugs
- Acting in a conflict of interest

COMPLIANCE

Within the Czech Post, we approach compliance as the compliance of employees' conduct with legal and internal regulations, including the Code of Conduct. To support the implementation of the principles set out in the Code of Ethics, Czech Post has established and is further developing



a robust compliance management system with an emphasis on combating corruption and other forms of misconduct, with the aim of preventing criminal prosecution or conviction of Czech Post under the Corporate Criminal Liability Act and damage to the company's reputation.

In addition to the Company Compliance Programme against corruption and other forms of unfair conduct, CP also implements the Ministry of the Interior's internal anti-corruption programme. We view compliance not as a forced obligation but as an integral part of our corporate culture and a way to further improve the functioning of Czech Post and its perception by all our partners.

All Czech Post employees are responsible for compliance within the Czech Post. By complying with legal regulations, the Code of Ethics and other internal regulations, we protect not only Czech Post as a legal entity, but above all

ourselves and our jobs. It is in the interest of all of us to take a proactive approach to resolve any disputes and to try to prevent violations of the established rules, whether by ourselves or by our colleagues. The importance of compliance is also documented by its embedding in the Statute of the Czech Post, which obliges the CEO to develop a compliance management system and to have its results discussed annually by the Supervisory Board of the Czech Post. This approach will not only contribute to the creation of an environment based on trust and open communication but will also promote a good atmosphere at the workplace, where not only we but also our customers will be happy to return to.

CZECH POST VALUES:

- Satisfied customer is our goal
- Quality and performance determine success
- Responsibility is a matter of course for us
- Looking for new ways
- We are a loyal team



RELATIONS WITH SUPPLIERS

The Czech Post also requires correct conduct from its suppliers and other designated legal and natural persons with whom it concludes business or other contractual relations. In the compliance and anti-corruption clauses that are part of these contracts, the Czech Post requires the above-mentioned entities to behave in such a way that there is no reasonable suspicion of committing or perpetrating a criminal offence that could be attributed to the contractual partner or the Czech Post itself under Act No. 418/2011 Coll., on Criminal Liability of Legal Persons and Proceedings Against Them, as amended. In addition, alliance and selected contractual partners are bound by a contractual ethics clause

to comply with the Code of Ethics of Czech Post within the scope of activities performed by the partner/contractual partner based on the contract with the Czech Post. In the event of a breach of the clauses, Czech Post will have the option to withdraw from the contract.

SUPPLIER'S CODE OF CONDUCT

The Supplier Code of Conduct summarizes the basic values and standards of conduct that Czech Post recognizes and follows. Through this document, the Czech Post expresses its expectation that suppliers resulting from the procurement process and other designated external entities (contractors whose goods or services are sold by the Czech Post through its network of branches or in other ways) will become familiar with and comply with the Supplier Code. The provisions of the CP Supplier Code are included in the contractual documentation.

RISK MANAGEMENT

Risk management is a part of the corporate governance process at the Czech Post. It enables the management and conscious acceptance of all risks that arise in response to changes in the external environment as well as to changes within the company. A uniform and integrated approach to the identification, assessment, treatment, monitoring and reporting of risks is introduced in the risk management process. The risk management

process is set up according to the ERM (Effective Risk Management) model, i.e. comprehensive systemic management of all identified risks within the company. Compliance of the management documentation regulating the risk management process in the CP with the standards of ČSN ISO 31000, ČSN EN ISO/IEC 27001, ČSN EN ISO/IEC 27005, ČSN EN ISO 9001, as amended, with the requirements of Act No. 181/2014 Coll., the Act on Cyber Security, as amended, and Decree No. 82/2018 Coll., on security measures,



cyber security incidents, reactive measures and on determining the formalities of submissions in the field of cyber security, as amended, is ensured. Active involvement of asset owners, who are responsible for the management of the respective asset/risk in the entrusted area of activity, is introduced in the management process.

SECURITY

Ensuring the basic security requirements for the smooth operation of all services, ensuring the protection of employees and clients of the Czech Post, protection of own and entrusted property are the basic mission of the Security Unit. In addition to the above-mentioned tasks, the Security Unit is responsible for crisis management and planning, dealing with external and internal crime against the Czech Post, measures in legalization of proceeds of crime and financing of terrorism, management of classified information in the operation of the Czech Post and occupational health and safety issues.

The Security Unit also provides physical control of the protection of personal data under the methodological guidance of a specialised legal unit. In addition, the Czech Post, as a member of the Critical Infrastructure Association, through the Security Unit, participated in negotiations concerning the forthcoming Critical Infrastructure Act with the gestor for this Act (General Directorate of Fire Rescue Corps of the Czech Republic)..

CYBER SECURITY

The Czech Post is an entity that is subject to fulfilling cyber security obligations under the Cyber Security Act. Therefore, CP is an Obligated Person/entity under the applicable legislation and is also

the administrator and operator of the Critical Information Infrastructure and other systems designated as Essential Information Systems, especially in the provision of basic postal services, and is also the operator of DBIS. However, it is important for the Czech Post to protect the information about our customers, i.e. clients, and to provide them with a trustworthy partner that not only fulfils the minimum required by the legislation, but at the same time truly addresses the protection of its clients.

Czech Post actively invests in the protection of its systems through comprehensive organisational and technical measures. Every year, these measures are subject to a thorough audit conducted by the internal audit department, which evaluates their effectiveness. In accordance with the current situation in cyberspace, we take the necessary measures to strengthen security. As part of these initiatives, the Information Security Management System (ISMS) is regularly re-evaluated to ensure that it is up-to-date and maximally effective.

The Information Security Management System (ISMS) is designed to consider a wide range of legislative requirements and standards in the field of cyber security. These included standards include the ISO 2700x series of international standards, which provide a framework model for information security management. In addition, the Cybersecurity Act is considered together with its relevant decree, which set out the requirements for the protection of cyber infrastructure in the Czech Republic. The Network and Information Security (NIS) Regulation, which sets out the requirements for increasing the level of cybersecurity and incident reporting in sectors that are critical to societal and economic functioning. In addition, the ISMS incorporates the General Data Protection Regulation (GDPR), which governs the protection of personal data and privacy of



individuals in the European Union, and other relevant legislative requirements in accordance with the operating environment and specifics of the organization. This comprehensive approach ensures that Czech Post's ISMS is robust and fully compliant with the highest cybersecurity standards and legislation.

The ISMS is currently being updated to include the transition to the new version of the Network and Information Security Regulation (NIS2), and at the same time includes the draft of a new Act on Cyber Security, which transposes NIS2 into the Czech legislative environment. This will ensure that Czech Post's ISMS remains fully compliant with the latest standards and requirements within cyber security.

As part of its protection against cyber threats, the organization cooperates with an international company CSIS which operates a system for

evaluating illegal activity that misuses the name of the organization, i.e., Czech Post, state-owned enterprise. This cooperation includes active blocking of fraudulent URLs that are often used in fraudulent e-mail or SMS messages sent by fraudsters to the organization's customers. These fraudulent messages often attempt to obtain sensitive information or funds from recipients under the pretext of fake parcels "we are delivering a package to you, pay an extra 20 CZK" or requests to change passwords.

CYBER EVENTS, INCIDENTS AND ATTACKS IN 2023

Cyber events:	217
Cyber incidents:	11
Cyber attacks:	6

ABOUT THE REPORT

The Czech Post Sustainability Report 2023 is a follow-up to the Czech Post Annual Report 2023.

The data presented in this report has not been verified by an external auditor.

If you have any questions about this report or about sustainability at the Czech Post, feel free to contact us at info@cpost.cz.

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