




**K&H**  
**Group**  
sustainability  
**report**  
**2016**

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# I. introduction



## CEO's welcome



David Moucheron  
chief executive officer,  
K&H Group

As a leading financial institution, we believe that, besides helping our clients make smart decisions, we are also responsible for the community and environment that we work and live in. Both in business and social responsibility, we strive for progress and earning trust year by year. That is why we remained active in the areas of enterprise promotion, financial education, environmental protection and health in 2016. Our sustainability report provides a summary of the latest achievements of our social responsibility program, of which the entire K&H group is proud.

Of all our activities in 2016, the K&H 'gap in the market' scheme stands out by providing unique, useful information and guidance for business expansion and development. In order to improve young people's financial consciousness, we also continued K&H's Ready, Steady, Money! financial competition, which remained popular among students

and teachers around the country. Thanks to our 13-year-old K&H MediMagic child healthcare program, 44 institutions have received innovative and life-saving equipment. Our scholarship scheme for sustainable agriculture supports crucial research by young experts. K&H's popular sport events mobilise ten thousands of people, and we recently celebrated the 10th anniversary of K&H's collaboration with the Hungarian Paralympic Committee, which was extended for another four years. These initiatives were not only heart-warming for us but they were acknowledged by external parties, too: as in previous years, K&H received numerous CSR awards in 2016 such as K&H's 'scholarship for sustainable agriculture' s CSR Best Practice 2016 award.

Our company's success is based on the efforts of its over 4,000 employees. Our aim is to create a more attractive workplace. For this reason we offer trainings, carrier devel-



opment possibilities and other benefits for them. Thanks to our colleagues' environmental awareness and developments, our ecological footprint has been measurably reduced. So we are now the first Hungarian financial institution to have successfully certified our environmental and energy management systems under ISO 14001 and ISO 50001 .

Going forward we will continue to pursue our business in the spirit of sustainable profitability and development, focusing on our community and environment. Because we believe that we are responsible for the community and the environment where we live and operate.

” ... we believe that we are responsible for the community and environment where we live”



## K&H Group Corporate Social Responsibility Steering Committee

The Corporate Sustainability and Responsibility Steering Committee is responsible for the corporate social responsibility activities of K&H Group in Hungary, and it represents the Company's commitment to such activities implemented across the country.

### CSR topics in focus last year:

- analysing the reputational results of the K&H Group
- evaluating the “K&H for the underprivileged” programme
- reviewing the key areas of employee volunteering and social responsibility
- defining four sustainability principles
- developing an accessibility strategy



## **II. sustainability in business**

# responsibility to clients





## equal accessibility strategy of K&H Bank

**2006:** the UN adopts the Convention on the Rights of Persons with Disabilities, which comes into effect in Hungary in 2008

**2015:** the Hungarian Parliament passes a resolution on a disability programme

**2016:** the Ministry for National Economy regulates the equal access of persons with disabilities to financial services

**2016**

**2020**

**2016-2020:** by 2020 we will fully implement our ongoing accessibility initiatives in both our physical and online channels. We are committed to understanding the needs of persons with disabilities and to ensuring that all of our clients can avail themselves of our products and services in a manner compatible with their dignity.



## responsibility to suppliers

  
2791  
active  
suppliers

  
in all new  
contracts:  
Code of  
Conduct

  
in the case of high-value  
tenders:  
corporate social  
responsibility  
questionnaire

  
1  
integration of criteria  
representing social,  
ethical and environmental  
considerations

  
2  
purchasing of products  
and services least  
stressful to the  
environment

  
4  
cooperation with suppliers  
that accept the principles  
set out in the global UN  
convention as binding on  
themselves

  
3  
cooperation with suppliers  
that promote K&H  
progress towards  
sustainable development





## responsibility to employees

We strive to create an attractive workplace as the K&H Group considers its employees to be its most important assets.



## training

345

types of classroom training

55

sets of e-learning materials

223

e-learning exams

121

training videos



191  
colleagues

224  
participants

career  
day

increase  
engagement

professional  
development

knowledge  
sharing

presentations  
by 20 areas

2 lectures  
on professional  
topics

→ career planning and development

career  
management  
programme

KBC  
Talent  
Bank

58  
participants

6  
new among  
top 150  
managers

11  
took up new  
positions

K&H  
Network  
Manager  
programme

33  
participants

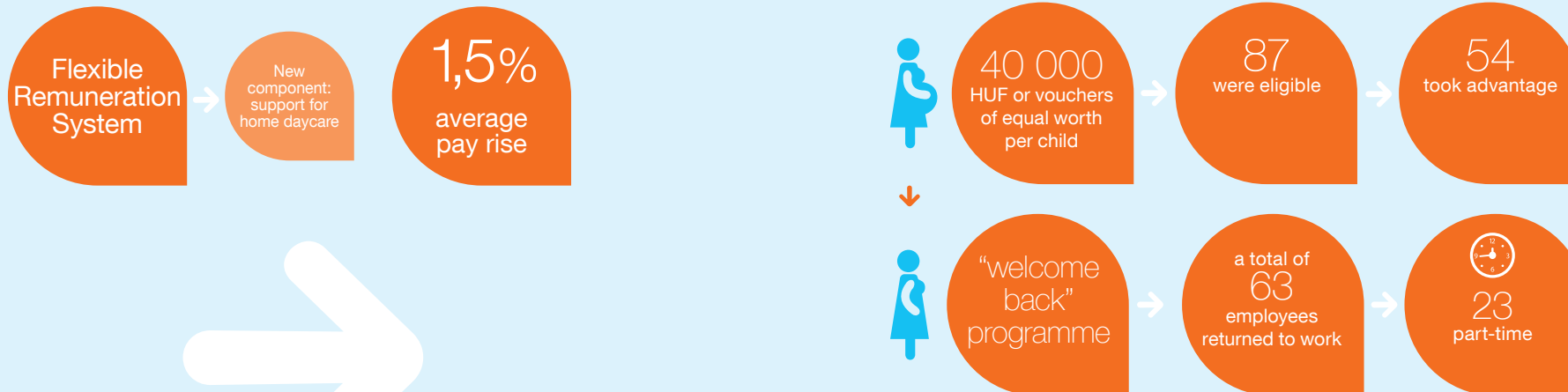
4  
already in  
manager  
positions

11  
promoted

## → work environment



## → remuneration



## → healthier employees



our employees undergo regular occupational medical tests, and we also offer ophthalmology and rheumatology care services in our head office



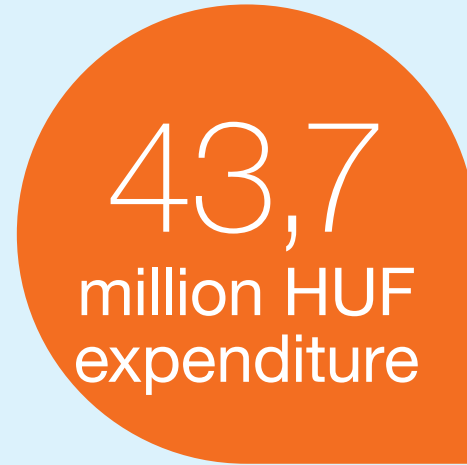
gynaecological, dermatological and ENT services are available through our occupational health care service provider



contribution to eyeglasses for 775 employees



flu vaccination arranged for 60 employees



K&H supports and promotes an active, healthy lifestyle



our employees can participate in our cycling and running events free of charge



occupational health examinations in Budapest	2,124
specialist examinations	1,616
examinations outside Budapest	1,835



## → occupational safety, bank security



on-site training nationwide



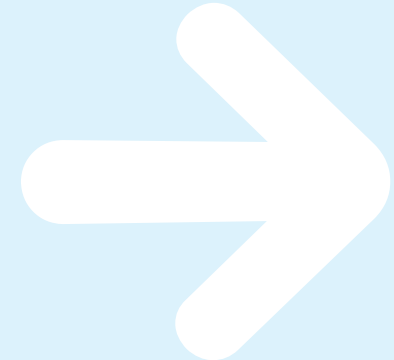
electronic training materials on occupational safety and bank security



mandatory fire protection and occupational safety training for new recruits, regular refresher courses for existing employees



bank security checks and training nationwide



## III. key areas of CSR



## key areas of CSR



**financial education**



**environmental  
responsibility**



**stimulating  
entrepreneurship**



**health**



## → financial education

The “K&H Ready, Steady, Money!” financial competition for primary school pupils was organised for the seventh time in the 2016-2017 school year to encourage children to learn the basics of finance, thus helping them live a full life and make smart financial decisions.

The K&H Group also pays special attention to disadvantaged regions and deprived pupils by creating a special prize: the pupils of the disadvantaged primary school entering the most contestants were rewarded with a finance-themed trip.



**289**

settlements



**443**

schools



**1644**

teams



**6817**

pupils





## → educating young people

*“I get to form a special bond with the children while preparing them for the competition. They are incredibly enthusiastic and motivated, and they initiate the preparatory work. Every year they come to me and ask, we are doing it again, aren't we? I have been involved in the competition since the beginning, in other words for seven years. I too get inspired by the children's attitude, and I am also interested in the subject of finances. I would like them to become really knowledgeable in this field.*


*Both the children and myself participate in the competition voluntarily so it doesn't feel like hard work, and the subject requires them to attain knowledge in something that forms an integral part of everyday life. The questions are very lifelike; the children also like the educational cartoon and they work increasingly better as a team.”*

**Réka Ratter, teacher**  
**Pásztorvölgyi Primary and Nursery School, Eger**



## → environmental responsibility

We aim to reduce our greenhouse gas emission by 20% in 2015-2020. The K&H Group has successfully had its integrated environmental and energy management system certified, thus becoming the first financial institution in Hungary to operate audited and certified ISO 14001 and ISO 50001 systems.



ISO 14001: an environmental management system that sets out strict rules and procedures to ensure environmentally friendly operation.  
ISO 50001: an international standard for energy management systems ensuring energy efficient operation.

### paper consumption

2015



2016



-17%



### drinking water consumption

2015



2016



-29%



### waste sent to incinerator

2015



2016



-0,4%



### CO<sub>2</sub> emission

2015



2016



-19%\*



\*includes savings and methodological changes



## → scholarship for sustainable agriculture

We launched the “K&H for sustainable agriculture” scholarship scheme to aid the academic work of MSc and PhD students at Hungarian universities and colleges offering agricultural degrees who focus on the sustainable development of agriculture and the food industry in their research into the future opportunities of the sector.

gross  
**1M**  
**HUF**  
grant

**7**  
winners



## **stimulating entrepreneurship**

While all sectors are represented in our corporate client base, we lay special emphasis on serving family businesses to assist with their sustainable operation in the long term. We are working on matching the needs of the population with the offerings of businesses so we have also invited the general public to collaborate in our efforts through community research, the results of which are then provided to businesses free of charge, complete with economic information and analyses.



## → K&H: gap in the market!

This niche initiative provides useful help to both local communities and enterprises so that any new businesses set up encounter real demand.



16 594

ideas



39 120

votes

→ the neighbourhood could clearly do with a florist

**a Te környékedről milyen üzlet hiányzik? mondd el a véleményed, és szavazz!**

• **miért?** véleményed a döntő egytől egy interaktív térképre lesz, így ötleted mellett nézők és szomszédok is segíthetnek, ha nem azonnal a vállalkozásodra is, sorozatban új üzlet lehetőségeket tervezel. **szavazni** ismét egy (Piacos-?) te nyelviélményekben akadnod esetén, hogy milyenek hiányoznak az új üzlet, most akár azt is nyithatsz!

• [uzletide@uh.hu](mailto:uzletide@uh.hu)

**üzlet ide!**

[uzletide.hu](http://uzletide.hu)

K&H Bank Rt. Budapest, Magyarországon. A K&H Bank az üzletide programot a Magyarországi Kereskedelmi és Vállalkozásfejlesztési Alap (K&H V&A) támogatásával valósítja meg. A program célja a vállalkozások és üzlettervezés támogatása. A K&H Bank Rt. a Magyarországi Kereskedelmi és Vállalkozásfejlesztési Alap (K&H V&A) támogatója. A K&H Bank Rt. a Magyarországi Kereskedelmi és Vállalkozásfejlesztési Alap (K&H V&A) támogatója. A K&H Bank Rt. a Magyarországi Kereskedelmi és Vállalkozásfejlesztési Alap (K&H V&A) támogatója.

In addition to market research, the Bank has also introduced important enterprise development solutions to assist businesses



partner coupon discounts

→ promote cost awareness and enable recipients to purchase products required for their business through bank partners



business compass

→ contains statistical information about a specific business activity by area



neighbourhood index

→ a map based on statistical information to aid business start-up



K&H night of revival

→ getting together Corporate and Retail clients in a HQ event, in the spirit of innovation



## health

For 13 years K&H, through its MediMagic scheme, has been a committed supporter of child health care, which is in a critical situation in Hungary. We believe in the importance of physical and mental health in our immediate and greater environments and so we support events and activities serving the vitality of our employees, clients, children and society as a whole in the hope of everyone leading a fuller life.





## → K&H MediMagic child healthcare scheme



Nationwide funding application scheme 2016

20  
million HUF  
for medical equipment



hospitals



ambulance stations

of this,  
equipment worth

9 million HUF

was purchased for institutions  
operating in the most  
disadvantaged microregion



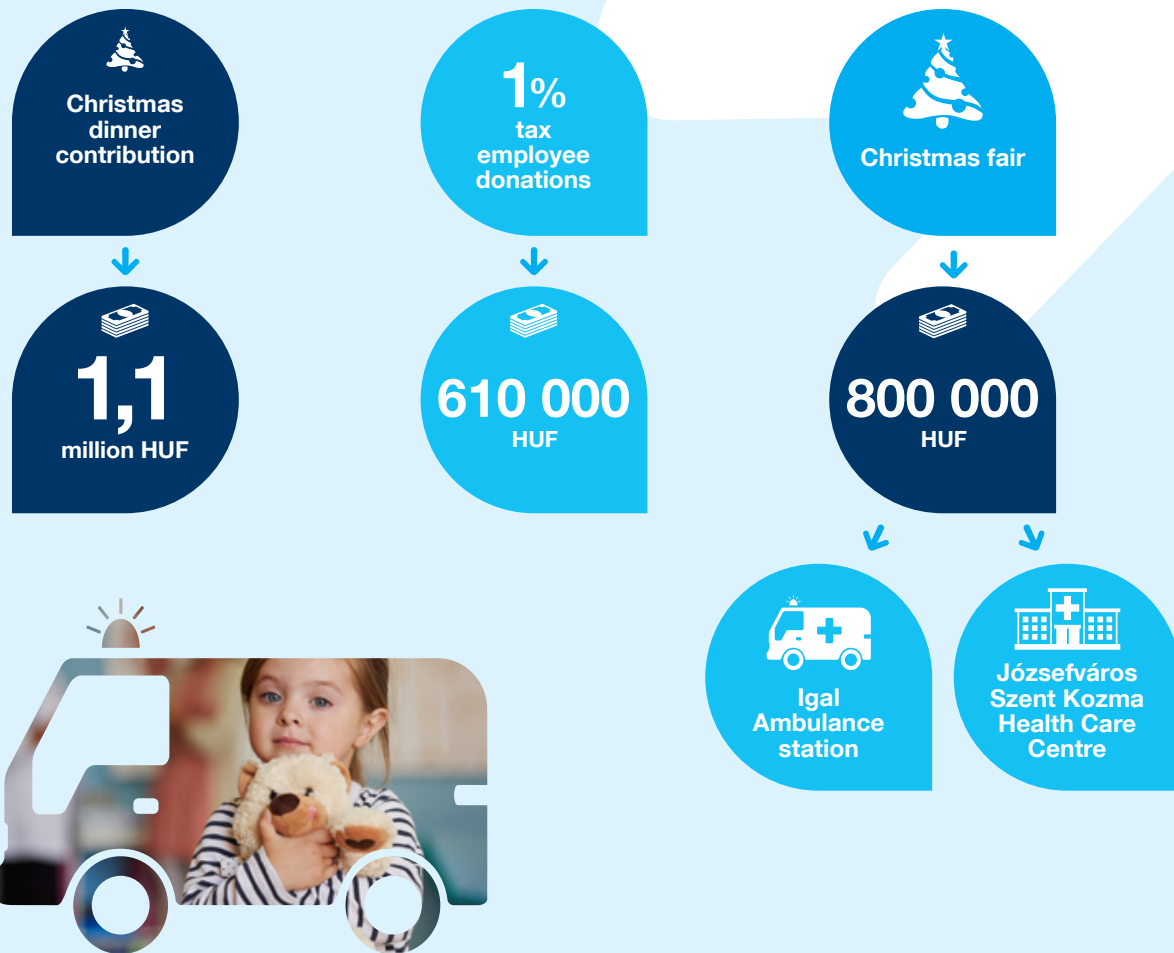
a total of 365 institutions  
benefited in 13 years

Σ  
589  
million HUF

## partner donations



## employee donations



## K&H MediMagic story-telling doctors

*“In addition to treatment and medication, it is also important for sick children not to be bored, to have somebody to play with, to distract them from their illness during their long hours of inactivity. Story-telling doctors help them get away from the stark reality of the hospital environment, which in turn aids their recovery.”*

**Dr Viktor Bauer**  
**Dr Kenessey Albert Hospital and Medical Treatment Centre,**  
**Balassagyarmat**

**13 300**

new registered  
story tellers

**5000**

volunteers read  
stories

in  
**48**

hospitals



**173**

stories on video



**YouTube**



stories recorded  
on-site at  
**7**  
companies



**18 600**

views



Gelencsér Tímea

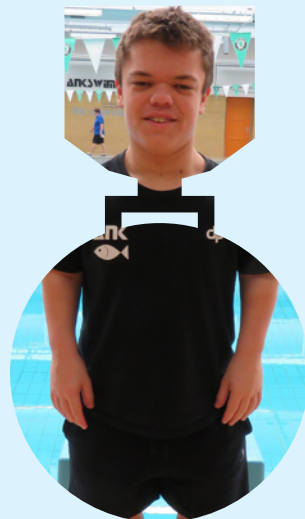
→ sport

## K&H, the Bank of the Hungarian Paralympic Team

We have extended our sponsorship agreement with the Hungarian Paralympic Committee so we remain the proud silver sponsor and the financial institution of the Hungarian Paralympic team. We offer a full range of financial services to the organisation and paralympic athletes, providing a stable background to prepare for international competitions and the 2020 Tokyo Paralympic Games.



a KBC csoport tagja



Bence Iván, swimmer



Péter Molnár, field athlete



Nándor Tunkel, powerlifter

## K&H go! paralympic card programme

In 2016 two paralympic athletes and a paralympic assistant received financial support under the K&H go! paralympic card programme: for every 1,000 HUF spent using a K&H Visa Classic embossed debit bank card we contribute 1 HUF from our own income. The winners were selected by online voting.

## K&H go! mass sport events



### K&H go! running days

number of participants: 14,357



### K&H go! cycling days

number of participants: 2,650



### K&H go! swimming across Lake Velence

number of participants: 1,550





→ children from disadvantaged region's at cultural programmes

sponsoring  
theatre  
and musical  
productions

+

contribution to  
travel costs  
packed food

22  
employees



14

settlements



655

children



# IV. awards

# 2016



K&H was awarded the **“Bank of the Year in Hungary”** title by The Banker, an international banking and financial magazine published by The Financial Times, for the fifth time



**Retail savings product of the year:**  
1. place

**Retail loan product of the year:**  
2. place

**Most innovative bank of the year:**  
2. place

**Retail mobile and online banking solution of the year:**  
3. place



K&H has been recognised by the international periodical Euromoney as **“Best Bank in Hungary”** in three consecutive years



The financial magazine Global Finance awarded the **“Best Trade Finance Provider in Hungary”** title to K&H for the third time.



In 2016 K&H placed second in the Services category of **Insurance Company of the Year**



K&H was awarded the **Superbrand** recognition for the sixth time, again in both the Superbrands and Business Superbrands categories.



K&H Bank was the Hungarian National Champion of the Customer Focus category in the **European Business Awards** for the third consecutive year.



K&H received a **Family-friendly Workplace** award from the Ministry of Human Capacities for the implementation of its Senior Programme for employees aged over 55.





The K&H Ready, Steady, Money! financial competition won the **“Most Creative Good Deed”** special prize in the Three Good Deeds CSR competition.



The Hungarian Donors' Forum (MAF) recognised the K&H MediMagic Scheme by awarding it first place in the **“Programme of the Year with the Most Powerful Social Impact”** category and second place in the “Social Investment Programme of the Year” category.



K&H's **instalment reduction** campaign won a **bronze** Effie.



K&H's 'scholarship scheme for sustainable agriculture' received the **Hungarian PR Association's CSR Best Practice 2016** award



**Prizma Creative PR Award** The K&H Ready, Steady, Money! financial competition received a bronze award.

# V. GRI – G4 index

## V. GRI – G4 index

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G4-10	Staff composition	3
G4-12	Presentation of the organisation's supply chain	8
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G4-15	Supported initiatives	6-30
G4-18	Specifying the report content	2
G4-19	Important considerations	3,4
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G4-24	Affected groups the organisation is committed towards	6-9,15
G4-25	Basic principles determining the relationships with the affected groups	6-9,16,20-21,24,30
G4-26	Management system of those affected	4
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G4-28	Reporting period	1
G4-32	Compliance level	34
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G4-56	Organisation values, basic values, standards and expected behaviours	3
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G4-DMA	General data provision about the leadership style	3
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G4-EN1	Quantity of used materials in terms of mass or volume	19
G4-EN3	Energy consumption in the organisation	19
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G4-DMA	General data provision about the leadership style	18
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G4-DMA	General data provision about the leadership style	18
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Work safety		
G4-DMA	General data provision about the leadership style	12
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G4-DMA	General data provision about the leadership style	9
G4-LA10	Skill development and life-long learning programmes, which help employees stay employed or close their careers	9-10
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G4-DMA	General data provision about the leadership style	4,7
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G4-HR3	Number of negative discrimination cases and the measures taken to eliminate them	4,7,11
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G4-SO1	Rate and impact of activities having an effect on local communities, development programmes	21-30
Evaluation of suppliers with respect to their social impact		
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G4-DMA	General data provision about the leadership style	6-7