



ESET
SUSTAINABILITY
REPORT
SLOVAKIA
2018



ESET
SUSTAINABILITY
REPORT
SLOVAKIA
2018

HELPING PEOPLE
ENJOY SAFER
TECHNOLOGY
FOR OVER
30 YEARS



Dear friends,

GRI 102-14

The technology and products created by ESET have been with us for over 30 years. What started as a tiny company shortly before the formation of a free and democratic Slovakia has since evolved into a global brand with more than 110 million users in over 200 countries and territories.

We are proud that the skill and longtime work of our employees have enabled us to become one of the most important producers when it comes to building a safer digital world. For years now, we have been one of the most rapidly growing tech companies in the EMEA region. Virus Bulletin, an independent testing organization, has given our products the most VB100 awards of all internet security providers in the world, recognizing the malware detection capabilities of our products, which have also received many other awards. This is one of the reasons why the world's leading companies choose to secure their data using our solutions.

Many things have changed over the last three decades, but our values have stayed the same. We are a proud Slovak brand and we are very glad that ESET is a synonym of integrity, responsibility, and courage both in Slovakia and abroad. We are fair to our customers, business partners, employees, and the society we live in. Corporate social responsibility is part of our DNA.

We view our first Sustainability Report as both a commitment and an opportunity to reflect. It has helped us to see how we conduct business in Slovakia, and we hope that our Sustainability Report will go global in the following years.

In 2018, for the first time ever, we conducted an extensive, systematic dialogue with our key partners, going through 18 CSR topics. This resulted in a selection of 12 topics, which are divided between the four areas that this report focuses on: Ethics at the Core of Our Business, Safer Technology, Satisfied Employees, and A Better Slovakia. Educated people move our country forward. This is why we decided to support and promote the work of scientists, establishing the ESET Science Award in 2018 as the "Slovak counterpart" to the Nobel Prize. This award has become the flagship project of the ESET Foundation. However, we will also continue to support projects that strengthen civil society, as well as ones that focus on education in the field of science and technology.

For us, a better Slovakia means a free and modern country that protects its nature. A country where everyone can reach their full potential. A country where young people and everyone else want to spend their future.

Richard Marko
Chief Executive Officer, ESET

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About This Report

This document is the first Sustainability Report published by ESET, covering the financial year 2018 (January 1, 2018, to December 31, 2018). It summarizes those activities and projects undertaken by the ESET headquarters and its ESET Slovakia branch that have a significant economic, social, and environmental impact and that have been identified as material by ESET's stakeholders. These activities are further described in the four main chapters: Ethics at the Core of Our Business, Safer Technology, Satisfied Employees, and A Better Slovakia.

This Sustainability Report is intended for ESET's customers in Slovakia, its employees, business partners, suppliers, as well as representatives of the public sector, nonprofit organizations, the media, experts, and the general public.

This report was drawn up in accordance with the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) – the first global set of standards that can be used to create reports on corporate social responsibility and sustainability. This report was prepared in line with the core version of the GRI Standards. An overview of the indicators used in the report can be found in the GRI Content Index, which is included at the end of this report.

ESET intends to publish its Sustainability Report for Slovakia every two years. Compliance of this report with the GRI Standards has not been verified by an external auditor. However, we worked with an external expert organization – the Pontis Foundation – for the entire duration of the report's preparation.

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Slovakia



ESET Slovakia in 2018

GRI 102-7

1
HEAD OF OFFICE
IN BRATISLAVA

2
RESEARCH CENTERS
IN ŽILINA AND KOŠICE

44
PRODUCTS
AND SERVICES
OFFERED

3
TYPES OF SALES
CHANNELS*

6.10
AVERAGE HOURS OF
SOFT-SKILL TRAININGS
PER EMPLOYEE

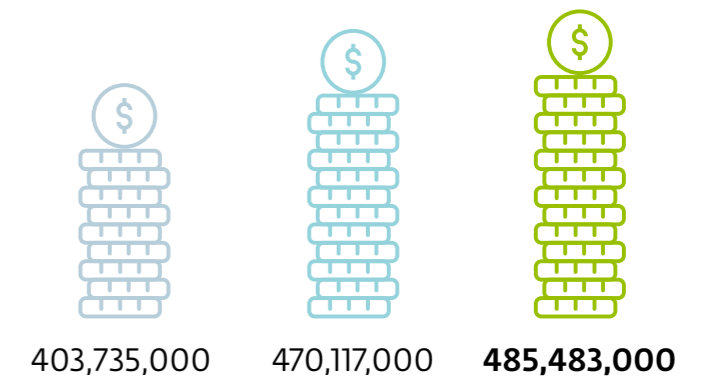
17.5%
EMPLOYEES
PARTICIPATING IN
VOLUNTEERING
ACTIVITIES

2016 2017 2018

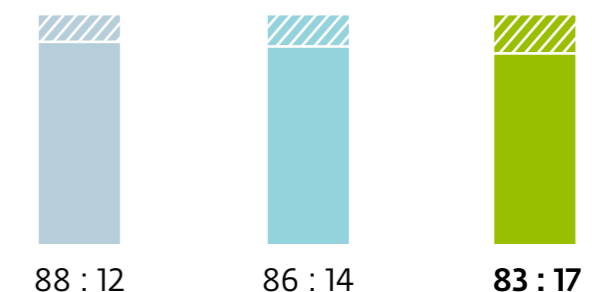
NUMBER OF EMPLOYEES



NET REVENUE¹ (EUR)



TOTAL CAPITALIZATION²
OWNER'S EQUITY : LIABILITIES (%)**



¹ Data from the individual financial statements ESET, spol. s r. o.

² Ibid.

* Direct sales (website and sales team in the field), Partners (2,430), Distributors (6)

** Owner's equity includes registered capital, net income for 2018, retained earnings from the previous years, and reserve funds. Liabilities include the company's liabilities as of December 31, such as outstanding supplier invoices and December wages, which are paid in January of the following year. ESET has covered all liabilities from 2018 and the company has no loans.

Ethics at the Core of Our Business

1





“In the late 1980s, people in communist Czechoslovakia would sit down in front of their televisions each and every week. They watched a popular TV show called Hospital at the End of the City (Nemocnica na okraji mesta) with the likable senior doctor Sova, who was sort of a superhero of those times. He was honest, fair, and an expert in his field. Back then, neither I nor Peter Paško spent a lot of time watching TV. We had fallen in love with computers since they were something completely new behind the Iron Curtain. In 1987, in the living room of a socialist apartment block, we created the precursor of our most popular antivirus solution – NOD32. It was supposed to be like a doctor for the digital world: honest, fair, and the best in its field. I think we did a good job. While only the older generations remember the Hospital at the End of the City, our Hospital at the End of the Drive (Nemocnica na okraji disku, or NOD) is used by millions of people every day.”

MIROSLAV TRNKA, ESET CO-FOUNDER

Material topics
in this chapter:
1 2 3

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- GRI 102-5

We are a Slovak IT security firm established in 1992 as a private limited liability company (ESET, spol. s r. o.). Our first antivirus products were sold in both Czechoslovakia and abroad. Our company was originally established by Miroslav Trnka, Peter Paško, and Rudolf Hrubý.

ESET is headquartered in Bratislava (Aupark Tower and Digital Park), with regional offices in Žilina and Košice. As of December 31, 2018, the company had 855 employees in Slovakia (890 including employees on maternity and parental leave).

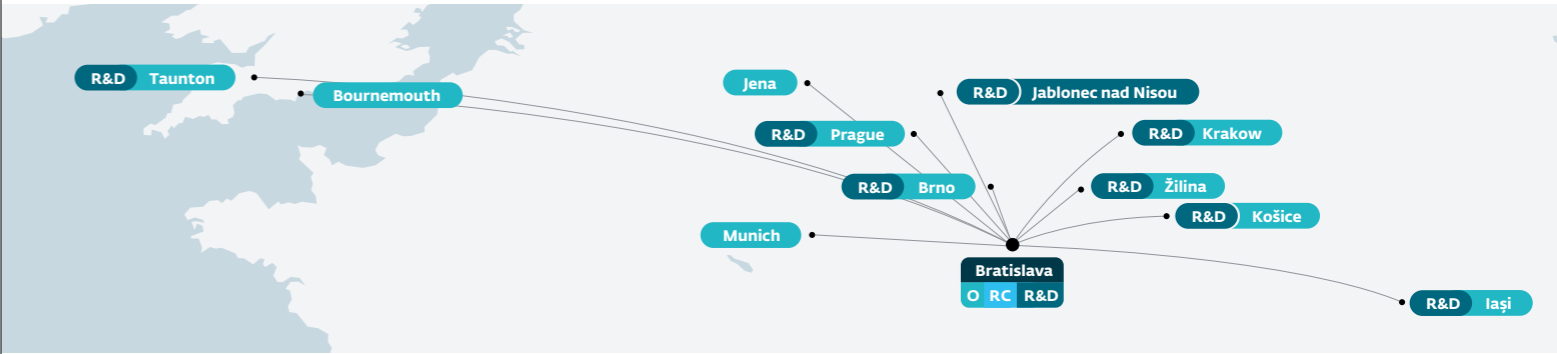
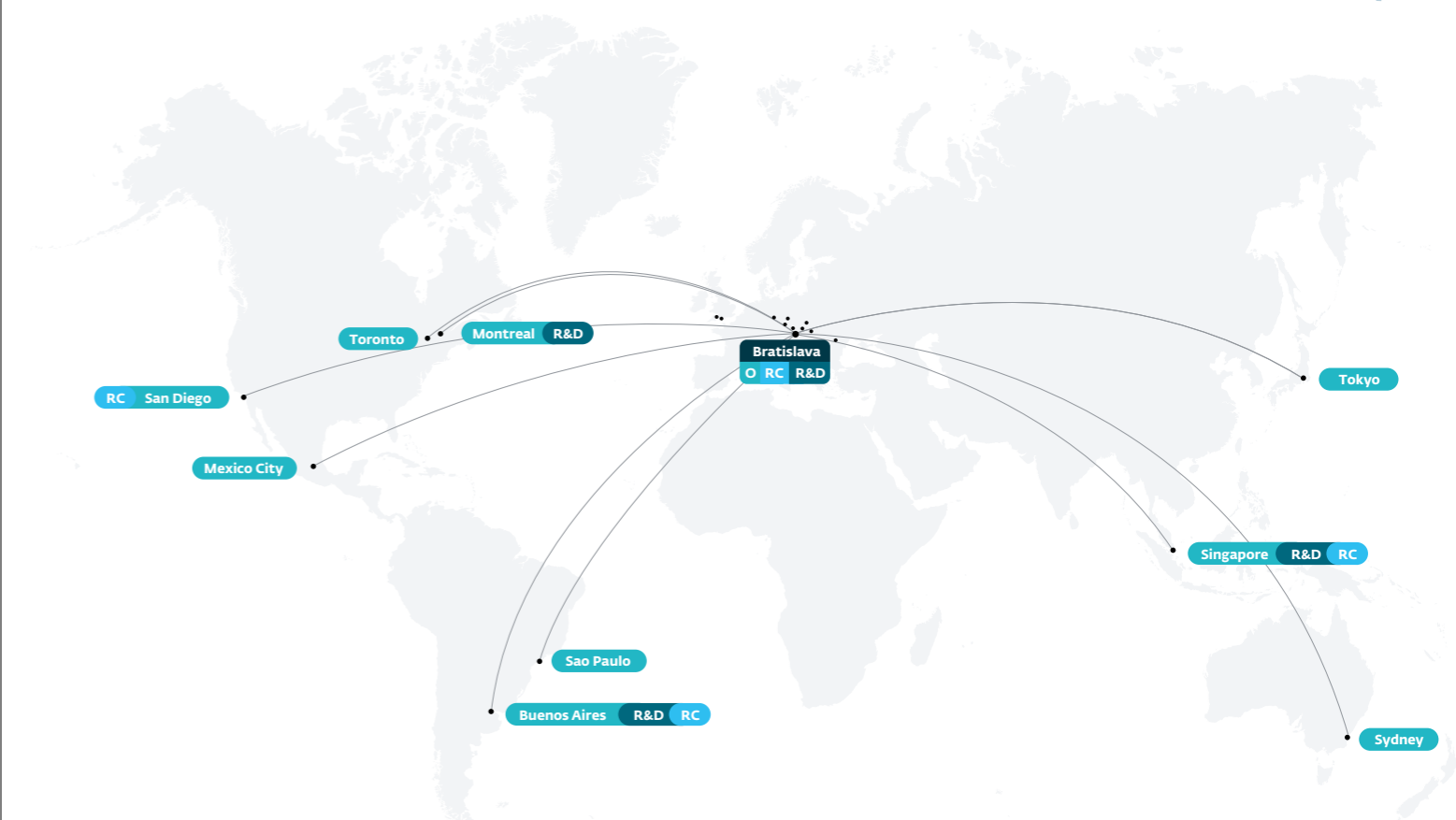
Our main business activities include developing software that protects computers, computer networks, and other devices from harmful code, as well as selling licenses for this software. More detailed information about our business activities can be found in the [Slovak Commercial Register](#).

1.1 Global Success

Since the early 1990s, the company has undergone unprecedented growth and expansion to foreign markets. First of all, the company formed a network of exclusive partners and distributors for most foreign markets, including regional sales offices in North America (1999), Latin America (2004), and Asia Pacific (2010), as well as local branches in Germany (2013), Australia (2013), the United Kingdom (2016), and Canada (2017). Thanks to a network of distributors and branches, ESET is currently present in more than 200 countries and territories, with over 1,600 employees in 23 offices all over the world. Twelve of these offices are research and development centers.

Naturally, this was not an overnight success. The global success of our company and its growth started in 1998, when we received the first perfect score from the prestigious British magazine Virus Bulletin. In 2016, ESET became the first company to have received this award 100 times for the same product.

- GRI 102-4
- GRI 102-45



HQ	RC	Office		R&D	
Headquarters	Regional Center	Europe	World	Research and Development Center	
Bratislava (SK)	Bratislava (SK)	Bratislava (SK)	Sao Paulo (BR)	Bratislava (SK)	Buenos Aires (AR)
	San Diego (US)	Prague (CZ)	Sydney (AU)	Prague (CZ)	Singapore (SG)
	Buenos Aires (AR)	Jena (DE)	Toronto (CA)	Košice (SK)	Montreal (CA)
	Singapore (SG)	Munich (DE)	Montreal (CA)	Krakow (PL)	
		Krakow (PL)	Mexico City (MX)	Žilina (SK)	
		Taunton (GB)	Tokyo (JP)	Iasi (RO)	
		Bournemouth (GB)	San Diego (US)	Brno (CZ)	
		Iasi (RO)	Buenos Aires (AR)	Taunton (GB)	
		Žilina (SK)	Singapore (SG)	Jablonec nad Nisou (CZ)	
		Brno (CZ)			
		Košice (SK)			



“In the 1990s, it had become clear that computer infiltrations would one day reach a massive scale. Back then, ESET was developing a technology that was ahead of its time by being able to detect unknown viruses using a heuristic method. We did not hesitate and established Eset, LLC, in San Diego. The challenge was how to get strategic clients to use our still unknown security product. A combination of good luck and systematic Sisyphean efforts helped us deliver our product to two American IT giants – Microsoft and Dell. In those days, ESET only had around 10 employees, including one American. We were in the right place at the right time with an excellent product and a sufficient amount of courage and conviction.”

ANTON ZAJAC, ESET CO-OWNER

(pictured with Arnold Schwarzenegger, the Governor of California, in 2006)

As time passed, our antivirus program that was originally developed by a small group of computer enthusiasts evolved into a security solution that is now considered one of the fastest and most effective in the world. Its high level of effectiveness and stability is a realization of the original vision that the program’s creators had – to provide state-of-the-art technology to everyday users.

ESET, spol. s r. o., is the parent accounting unit that currently makes up a consolidated accounting entity together with the following companies:

- ✓ ESET, LLC
USA

✓ ESET software spol. s r.o.
Czech Republic

✓ ESET LATINOAMERICA S.R.L.
Argentina

✓ ESET ASIA PTE. LTD.
Singapore

✓ ESET CANADA Recherche Inc.
Canada

✓ ESET DO BRASIL MARKETING LTDA
Brazil

✓ ESET Polska Sp. z o.o.
Poland

✓ ESET Deutschland GmbH
Germany

✓ ESET Research Czech Republic s.r.o.
Czech Republic
- ✓ ESET Software Australia, PTY, LTD.
Australia

✓ DESLock Limited
United Kingdom

✓ ESET Canada Inc.
Canada

✓ PGNB LIMITED
United Kingdom

✓ QNH Limited
United Kingdom

✓ ESET Romania S.R.L
Romania

✓ ESET MÉXICO S. de R.L. de C.V.
Mexico

✓ ESET Japan Inc.
Japan

✓ The ESET Foundation
Slovakia

This report only covers the activities of ESET in Slovakia, including the activities of the ESET Foundation. The other entities included in our consolidated financial statement are not included in this report.

1.2 Our Values, Ethics, and Compliance

The values of our company are based on the vision of its co-founders and co-owners. This is one of the reasons why integrity, reliability, and independence have been at the core of our business ever since ESET was established and why they still serve as the foundation for each of our activities 30 years later.



GRI 102-16

Material topic: 1

GRI 103

GRI 201-4

GRI 205-2

GRI 205-3

GRI 206-1

GRI 415-1



COURAGE

We don't take the easy way. We constantly push boundaries and are determined to make a difference.



INTEGRITY

We encourage honesty and fairness in everything we do. We have an ethical approach to business.



RELIABILITY

People need to know that they can count on us. We work hard to live up to our promises, and to build trust and rapport.



PASSION

We're passionate, driven and determined to make a difference. We believe in ourselves and what we do.

3 The area of **ethics and compliance** is managed by our Legal Department, which has five employees. The department is led by our Chief Legal Officer, who answers to the COO. This position has been held by **Michal Krištúfek** since March 2018. The main responsibility of this department is managing the company's legal agenda.

Over the course of its existence, our company has been able to gain the respect of its partners and the general public, earning the reputation of a company that has had ethical values deeply rooted in its identity ever since its formation.

When tens of thousands of people took to the streets of Slovak cities and towns as part of the For a Decent Slovakia initiative, reacting to the murder of journalist Ján Kuciak and his fiancée, Martina Kušnírová, Richard Marko came to one of the protest gatherings and, as the most respected CEO in Slovakia, held a speech on behalf of the private sector.

As our company grows, we realize that our values need to be formalized and “put on paper”³. Because of this, we created the [ESET Code of Conduct](#) in 2018. It came into effect on January 1, 2019, and was published on our website as well as the ESET intranet.



“I am the head of an outstanding Slovak company, but tonight I am here as one of you. We are not all the same. We have different opinions and religions, but we can agree on the fact that we want this country to be led by honest people who could be role models for us. Not people who wake up in the middle of the night because somebody might expose their schemes, but people who wake up to reflect on whether they are leading this country in the right direction.”

RICHARD MARKO, ESET CEO

excerpt from speech held at the For a Decent Slovakia public gathering that took place on March 16, 2018

Our plan for 2019, when our Code of Conduct comes into effect, is to familiarize all our employees with the principles included within it by means of an announcement made by our CEO stating that the Code of Conduct has been published. In 2019, we will use our internal communication to promote ethics in our business by reminding people how they can report violations of the Code of Conduct. We will also prepare an internal training session for employees and we will gradually implement a provision regarding our Code of Conduct into our contracts.

In 2018, we actively participated in the creation of the [Code of Conduct for the Slovensko.Digital association](#), which we joined as a regular member. Slovensko.Digital is a civic association aimed at improving the quality of the government's digital services in Slovakia. Its Code of Conduct includes specific measures in the fields of whistleblower protection, competition in public procurement, and making the process of sending IT employees on international assignments more transparent. Last year, three of our sales employees attended an anti-corruption training session organized by this association.

The principles included in the ESET Code of Conduct:

- ✓ Our values are key (courage, reliability, integrity, passion)
- ✓ We fight corruption (we avoid even the smallest signs of dishonest behavior)
- ✓ We respect each other at work (we do not tolerate bullying, mobbing, bossing, or any form of discrimination)
- ✓ We protect ESET's assets (we use them responsibly and considerately)
- ✓ We follow rules (moral, legal, internal)
- ✓ Health and safety at work, fire safety, and the environment (health always comes first)
- ✓ We protect confidential information and personal data (we maintain confidentiality)
- ✓ Leading by example (stricter rules for managers)
- ✓ We play fair when we do business (we follow the rules of fair competition)
- ✓ Reporting violations of the Code of Conduct (possible at whistleblower@eset.sk, by letter, or in person at the HR Department or Legal Department)
- ✓ We avoid conflicts of interest (we care about being objective in our work)
- ✓ Observing the principles included in the Code of Conduct (expected from everyone)
- ✓ ESET and public administration (we strive for an open and transparent relationship)

Just like in the previous years, ESET did not receive any subsidies, investment grants, or other forms of financial assistance from the Slovak or any other government in 2018. However, since 2015 we have been making use of the science and research tax deduction, as made possible by the provisions of the Income Tax Act. In 2018, this deduction was €756,793.94.

We did not record any incidents of corruption, whether it be on the side of our employees or our business partners. As a result, we did not lay off any employees nor did we terminate any contracts with our business partners due to corruption in 2018.

ESET has never been charged with corruption or anti-competitive behavior that would lead to the formation of monopolies or cartels. ESET has not provided financial or any other support to political candidates or parties.*

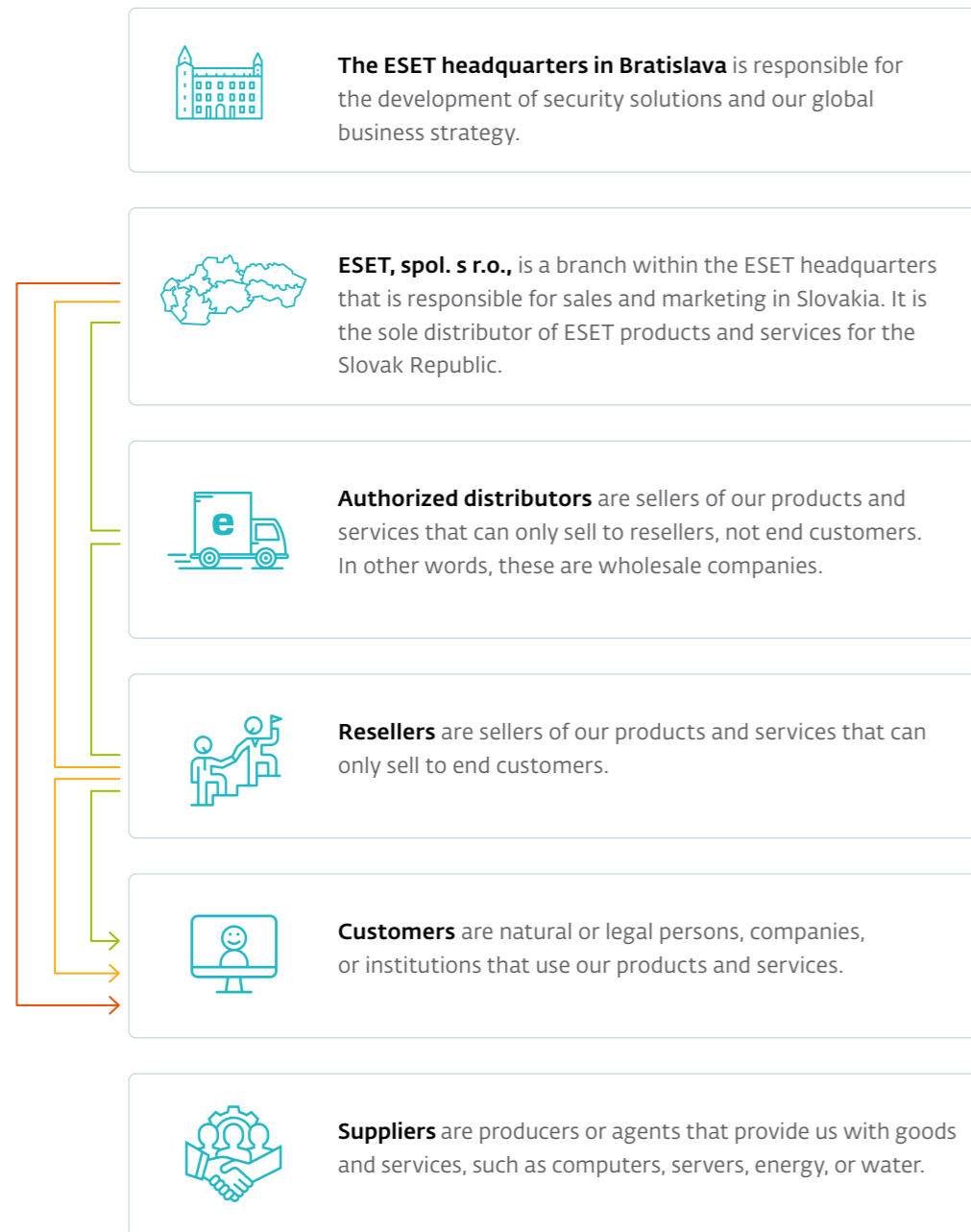
*The company's co-owners supported certain political candidates in 2018 as private individuals.



GRI 102-9

1.3 How ESET Works: Our Value Chain

Our value chain consists of six basic elements that are interconnected:



This means that Slovak customers can access ESET products and services in 3 ways:

- ESET Slovakia → Customer
- ESET Slovakia → Reseller → Customer
- ESET Slovakia → Authorized Distributor → Reseller → Customer



GRI 102-9

GRI 102-10

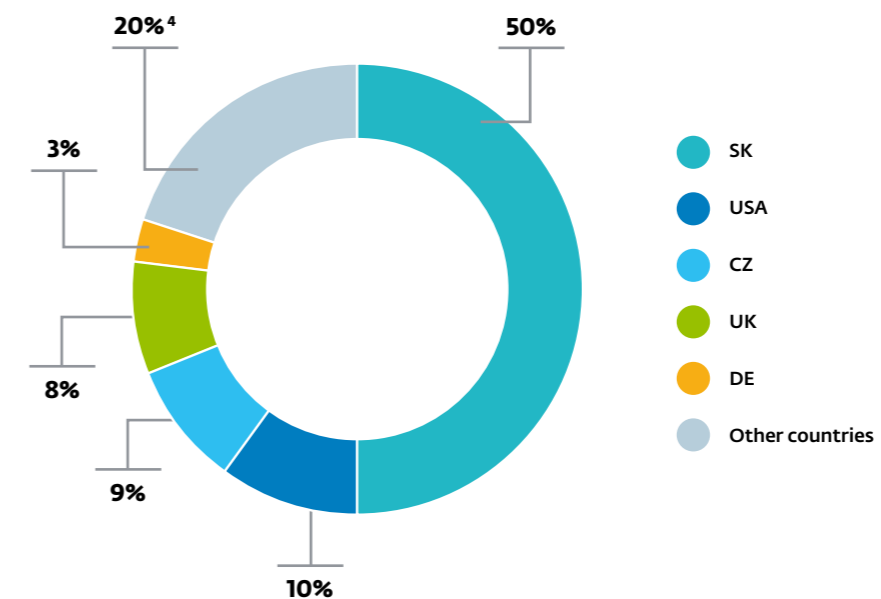
1.3.1 Our Suppliers

In 2018, we purchased goods and services from 1,229 suppliers in Slovakia, which is 110 more than in 2017. Our biggest purchases from the perspective of their financial value included space rental, software, and hardware. In 2017, we moved part of our offices and employees in Bratislava to the Digital Park building, and in 2018 we expanded this space even further.

For purchases up to €5,000 (cumulatively), employees can choose suppliers directly (however, their purchases and orders are subject to an approval process in accordance with our Competence Guideline). For purchases above €5,000, we use various types of selection procedures (request for quotation – RFQ, request for proposal – RFP, direct-agreement procedures) depending on the financial value of the purchase, the complexity of the commodity, and the importance of its impact on the company. Suppliers are selected using standard criteria, such as quality, price, and time, and we also take into account specific aspects for specific commodities. These criteria are always established before the selection procedure starts.

When selecting potential suppliers using a request for quotation, we prefer regional suppliers. However, this is not possible for all commodities.

Our suppliers by country of origin:



⁴ Countries with a share of less than 1%



Material topic: 3

GRI 103

1.4 Customer Awareness

We provide products and services that make our customers' lives easier. Through these products and services, we help our customers improve their online security so that they can deal with more important things at work and at home.

We design our products to use as little hardware resources as possible because we believe that this helps companies and homes save money. Moreover, the installation of our products for home users is designed in a way that also makes it easy for less experienced users.



"We were contacted by a customer with impaired eyesight because the screen reader he was using would encounter problems when reading certain screens of an ESET product. Communication with this end user helped us propose an optimization for our product so that it would take into account the specific features of this screen reader. We also organized a supplementary test of our products in cooperation with a specialist from the Slovak Association of People with Visual Impairment. This helped us improve their accessibility and release an optimization that expanded support for these specific screen readers. We also remained in regular contact with this customer. He still sends us suggestions for improvement when it comes to blind accessibility."

MATEJ KRIŠTOFÍK, ESET PRODUCT MANAGER

⁵ The identification of our customers' needs is managed by our **Product Management Department**, which consists of 30 employees. It has been led by **Branislav Styk** since 2008. The main responsibility of this department is managing the life cycle of our products.

When designing products and services, we react to the needs of our customers, which is why we regularly collect feedback. Frequent and continuous feedback from customers with the goal of identifying their needs is one of the main activities of ESET's Product Management team.⁵ So-called qualitative surveys, where we meet with the users of our security solutions in person, allow us to identify our customers' security issues and verify our hypotheses when it comes to potential improvements of individual functionalities.

The findings from our surveys are then aggregated, quantified, prioritized, and condensed into definitions of specific product requirements that can be used to either improve existing solutions or develop new functionalities, products, or services. Customer feedback also helps us to set up our communication and internal processes, while also helping us provide better customer support.

95

CUSTOMERS

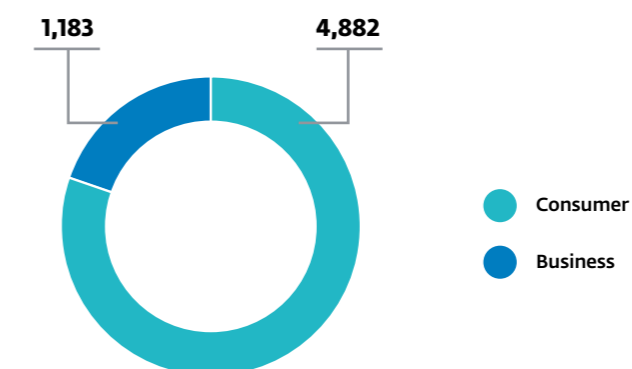
from the Consumer, SMB, and Enterprise market segments, especially from Western Europe and the USA, attended our qualitative surveys in person.

1.4.1 Customer Support

In Slovakia, we provide direct technical support⁶ for Slovak customers, as well as *Tier 3 Technical Support* for foreign distributors and several dozen premium customers with 24/7 support.

Customers can contact the technical support team using an online form or by phone. Every form that is filled out creates a service request in our system, a so-called *ticket*. In 2018, we recorded 11,419 tickets, out of which 6,065 were valid. 4,882 of those tickets were assigned the *Consumer* ticket type, while the remaining 1,183 were assigned the *Business* type.

Number of valid tickets (service requests) in 2018 (11,419 in total):



We measure our customers' satisfaction with our technical support using a *Customer satisfaction survey*, which we first started in July 2015. After a ticket is resolved, we give our customers three questions regarding the time of our reaction, their satisfaction with the answers of our technical support staff, and their overall satisfaction with how their request was resolved. We have five score levels and our goal is for the rate of low satisfaction with the answers of our technical support staff (1 and 2 points) not to exceed 5%, while positive scores (4 and 5 points) should comprise more than 80% of the responses.

88.9%

The annual average percentage of positive scores given by our customers, with only 2.6% being negative

1

BUSINESS DAY

Our reaction time for 95% of our customer support interactions.



⁶ ESET customer support is managed by our **Technical Support Department**, which has nine employees and is led by **Michal Smida**. The main responsibility of this department is providing technical support via email and phone for Slovak customers who have bought ESET products.



Material topic: **2**

GRI 103

GRI 102-15

1.5 Responsible Communication

The internet has become a natural and integral part of our lives. It brings us many opportunities, such as education, searching for information, entertainment, staying in touch with our friends and family, or communication with institutions. However, it also comes with new challenges in regard to cyber security, the protection of personal rights, the use of technology by children, or the spread of fake news and misinformation, which is increasingly being mentioned as a global threat. We realize that ESET is an authority in the field of online security, which is why we hold great responsibility for the quality of information we provide to our customers, business partners, and the media,⁷ as well as the information we provide to our employees internally.⁸ The leading principles of the way we communicate are factuality, accuracy, truthfulness, and completeness.

1.5.1 External Communication

Since our products and services are sold under a unified design all over the world, we label our products and services in accordance with the relevant legislation and standards, both local and international. The packaging and enclosed documents inform our customers about the basic characteristics of the product and its advantages, its expiration, the number of devices the license is valid for, and its hardware and software requirements.

In 2018, we did not receive any complaints regarding our products and services, as well as the information provided with them, from regulatory or other authorities.

In the marketing communication for our products and services in Slovakia, we primarily focus on raising awareness about the safe use of technology and we also provide advice for parents. We make sure that all outputs of our communication have informational value for their recipients ([find out more in the Safer Technology chapter](#)).

To a large extent, we use the internet as a communication medium. However, we also work with specialized print media to provide readers with topics regarding cyber security and to show them how they can use our products' functions to their fullest. We make sure that our advertising is not displayed on websites that spread conspiracies and misinformation, and we also minimize communication via out-of-home advertising, as this would contribute to visual smog.

In 2018, we did not receive any complaints regarding our marketing communication from regulatory or other authorities.

⁷ Communication in Slovakia is managed by our **Marketing Department**, which has eight employees. The department has been led by **Peter Ohrajter** since December 2016. The main responsibility of this department is external marketing communication and PR, event organization, partnership management, communication with business partners, and supporting the ESET Foundation in its projects.

⁸ The area of internal communication is managed by our **HR Department**, which has 19 employees. The department has been led by **Daniela Škripková** since 2015. **Katarína Šujanová** is responsible for internal communication, ensuring effective communication between our employees and senior management, and helping create a positive company culture.

1.5.2 Internal Communication

Our relationship with our employees is based on mutual dialogue. As a software company, we primarily communicate using emails, instant messaging, and our intranet. However, we also make use of video conferences and video calls. We organize discussions on a regular basis, reflecting on social and scientific topics, as well as current topics relevant for our employees. In order to improve mutual communication, in 2018 we established a series of breakfast gatherings titled *Let's Get Together*. Every December, we organize an event called *Vision for the Future*, where we talk about our vision and strategy for the following year. Twice a year, we organize our *Review Meeting*, where our senior managers (CEOs and Divisional Directors) inform our employees all over the world about ESET's plans and news.

In 2018, we put a lot of effort into the preparation of a new global intranet. We want to further improve it in the following years so that it provides our employees with all the useful information they could need about the company and its activities, but it should also function as an internal social network and a tool that would enable team members and teams to cooperate with each other.

An example of internal communication (an email regarding ethical behavior online):



Dear colleagues,

It is up to all of us to contribute to our online community in a way that allows everyone to enjoy it. Achieving good netiquette ("netiquette" is slang for "internet etiquette") is easier than it seems. All you need to do is keep in mind a few basic rules derived from the ethical and moral values that ESET is built on. They rely on the common sense and personal responsibility of everyone using our internal communication network – ESET Intranet (SharePoint), Teams, OneDrive, Stream, and Yammer.

Why is being polite important (not only) when we're online?

Find out [here](#).

Have a nice Friday.

Katarína
Internal Communication

40

EMAILS AND

10

MEETINGS


with CSR content (volunteering, ethical values, activities organized by the ESET Foundation, etc.) were aimed at our employees in 2018.





GRI 102-12
GRI 102-13


1.6 Partnerships that Help Us Move Forward


We are part of the following global associations and organizations:



[IEEE](#)



[APWG](#)



[Antivirus Asia Researchers](#)



[Europol's Advisory Group on Internet Security](#)



[GSMA](#)


[Tech Accord](#)



[Educause](#)



[Stop. Think. Connect.](#)



[Stay Safe Online / NCSA](#)



[AMTSO](#)

We are also part of these local CSR initiatives:


[Business Leaders Forum](#)


[Fond pre transparentné Slovensko](#)


[Slovensko.Digital](#)


[SAPIE – Slovenská aliancia pre inovatívnu ekonomiku](#)

Safer Technology

2



Material topics
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4 10 11

GRI 103
GRI 418-1

9 The development of products and services is managed by ESET's Technology Division, which has approximately 572 employees. Since 2017, this division has been led by Juraj Malcho. The main responsibility of this division is technological research and development.

10 Personal data protection at ESET is managed by Tomáš Mičo – our Senior Legal Counsel/Data Protection Officer. His main responsibilities include ensuring internal supervision over the processing and protection of personal data in ESET's filing systems, full legal support for the data controller in regard to the protection of personal data and privacy, as well as fulfilling the obligations resulting from the corresponding legislation.

Information security is at the core of our business. Society is becoming increasingly dependent on digital information and services, and this area gets more complex with each passing year. Challenges in the areas of information security and privacy protection include constantly evolving threats, future regulations, and the need to find a balance between security, usability, privacy, and the business model of service providers.

We support our vision to Enjoy Safer Technology by providing secure, reliable, and transparent services to our customers, not only as part of our products and services,⁹ but also by supporting and educating our partners, suppliers, customers, and the public.

Our main goal is being a reliable business partner. This includes creating a stable environment by implementing measures that are in accordance with the General Data Protection Regulation (GDPR) and verified by an auditor of a renowned, independent external provider as part of the ISO 27 001 certification.¹⁰

Due to the implementation of GDPR, which came into effect on May 25, 2018, all our products and the related data processes were revised in 2018. We prepared a new version of our license agreements, as well as a new Privacy Policy for each of our products. All these documents can be easily accessed at help.eset.com. We have also launched a GDPR-related information campaign for our corporate customers. This means that GDPR has had more effects on our products – not just in regard to information security, but also from a marketing perspective.

0
PRIVACY COMPLAINTS
were sent by our customers in 2018. There were also no breaches, thefts, or losses of customer data recorded.



OUR GLOBAL VISION

We help our users to utilize the full potential and possibilities of technology in a safe digital world.



OUR GLOBAL COMMITMENT

We believe in technology and we want to help you enjoy it safely. Find out more at enjoysafertechnology.com.



OUR GLOBAL MISSION

We work with principled and passionate people to create a safer technological environment that everybody can enjoy. We achieve this through education, research, and development.

2.1 Our Offer to Customers

We create personalized solutions for all market segments, and we can adapt our security products to any environment. Our products and services have found their way to more than 110 million users in 202 countries and territories.



Material topic: 4

GRI 102-2
GRI 102-6

2.1.1 B2C Products

How does protection work in this segment?

Home users can choose from solutions suitable for the operating systems on their devices. Protection proactively identifies both known and unknown (0-day) malicious code, as well as other cybernetic attacks. Depending on the type of solution users choose, the product may also include additional functionality.



ESET NOD32 ANTIVIRUS

A basic security solution for devices running Windows



ESET INTERNET SECURITY

An advanced security solution for devices running Windows that offers several additional layers of security



ESET SMART SECURITY PREMIUM

An advanced security solution for devices running Windows that also includes encryption and a password manager



ESET CYBER SECURITY

A basic security solution for devices running macOS



ESET CYBER SECURITY PRO

An advanced security solution for devices running macOS that offers several additional layers of security



ESET NOD32 ANTIVIRUS PRE LINUX DESKTOP

A security solution for devices running Linux



"This app helps answer the non-trivial question that not only computer-savvy parents ask – how to gain control over the risks that our children can encounter in the online world. Paired with clearly arranged and intuitive controls, the app addresses a number of issues regarding the safe access of children to mobile tools and online apps. I can recommend Parental Control to all parents who take the digital world of their children seriously and responsibly."

JAROSLAV OSTER, IT EXPERT WITNESS & INFORMATION SECURITY CONSULTANT
AT INFO CONSULT, S.R.O.



ESET MOBILE SECURITY PRE ANDROID
A security app for phones and tablets running Android



ESET PARENTAL CONTROL PRE ANDROID
An app for children using phones and tablets running Android that protects them as they access the internet on these devices. It also gives parents the option to see their child's current location.

2.1.2 B2B Products

How does protection work in this segment?
Corporate customers can choose from several packages for companies and organizations of various sizes based on their specific needs. Individual security solutions are managed remotely using the ESET Security Management Center console, which is an enterprise-grade product available free of charge. Corporate customers can choose to outsource certain parts of their threat monitoring system, so ESET has specific services for companies and organizations to enable this.



ESET ENDPOINT ANTIVIRUS
A basic security solution for company-owned devices running Windows



ESET ENDPOINT SECURITY
An advanced security solution for company-owned devices running Windows that offers several additional layers of security



ESET ENDPOINT ANTIVIRUS PRE macOS
A basic security solution for company-owned devices running macOS



ESET ENDPOINT SECURITY PRE macOS
An advanced security solution for company-owned devices running macOS that offers several additional layers of security



ESET NOD32 ANTIVIRUS BUSINESS EDITION PRE LINUX DESKTOP
A security solution for company-owned devices running Linux



ESET ENDPOINT SECURITY PRE ANDROID
A security app for company-owned phones and tablets running Android



ESET MAIL SECURITY
A security solution for email inboxes



ESET FILE SECURITY
A security solution for servers



ESET DYNAMIC THREAT DEFENSE
Offers another layer of protection for ESET's enterprise-grade products using cloud sandbox technology, which enables the detection of newly formed threat types



ESET ENTERPRISE INSPECTOR
A tool for detecting and reacting to attacks on company endpoints



ESET SECURITY MANAGEMENT CENTER
Enables ESET security products to be managed centrally within the company infrastructure and also allows for the creation of detailed reports. The console is included free of charge with all ESET security solutions for company endpoints and servers

2.1.3 B2B Services



ESET ENDPOINT ENCRYPTION
An advanced encryption solution



ESET SECURE AUTHENTICATION
Multifactor authentication for access to systems



ESET THREAT INTELLIGENCE
This service proactively notifies the customer's security specialists of the latest targeted attacks and C&C servers around the world



ESET THREAT HUNTING
Threat evaluation, analysis of the main causes, and remediation consulting, offered upon request



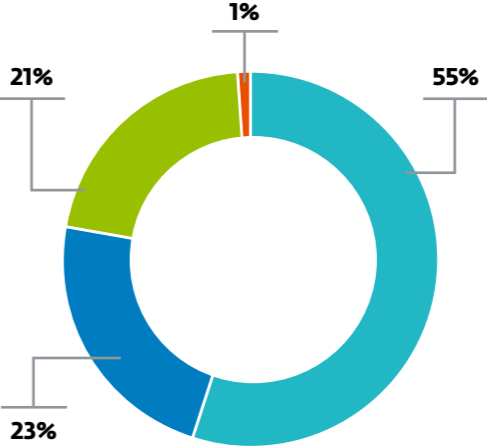
ESET THREAT MONITORING
Scans for, isolates, and analyzes threats that are hiding from detection

INFORMATION SECURITY MANAGEMENT
Proposing internal guidelines and processes in the field of information security management with the goal of supporting the customer's business goals and helping minimize security risks

SECURITY AUDIT
Determining the current state of security, checking the quality and the effectiveness of previously implemented measures, and checking whether legal and normative requirements are met

PENETRATION TESTING
Identifying security flaws and vulnerabilities in information systems

We have four large groups of clients in Slovakia:
(ESET's revenue in Slovakia makes up 2% of its total revenue)



HOMES
55%
The most popular product in this segment is *ESET Internet Security* for PCs and laptops, and *ESET Mobile Security* for mobile devices running Android. There is a growing interest in the *ESET Family Security Pack*, which offers protection for four different devices of any type.

COMPANIES (SMALL/MID/LARGE)
23%
The most popular security packages for business customers are *ESET Endpoint Protection Standard* and *ESET Endpoint Protection Advanced*. The year 2018 was noticeably influenced by GDPR, which resulted in an increased demand for *ESET Endpoint Encryption* and *ESET Secure Authentication*.

PUBLIC SECTOR
21%
The most popular security packages for state and local governments are *ESET Endpoint Protection Standard* and *ESET Endpoint Protection Advanced*. Clients in this sector are also interested in *ESET Mail Security for Microsoft Exchange Server* and *ESET Secure Business*, our top-tier security package.

NONPROFIT ORGANIZATIONS
1%
Customers from the nonprofit segment mostly choose *ESET Endpoint Protection Standard* and *ESET Endpoint Protection Advanced*. Clients in this sector are also interested in *ESET Secure Business*, our top-tier security package.

Why is ESET the right choice for you?

We're with you anywhere you go
ESET is headquartered in the Slovak capital of Bratislava, while its regional branches in North America, South America, Europe, and Asia support its business presence in more than 200 countries and territories all over the world.

Protecting you without slowing you down
ESET's solutions are known for their low system requirements, making it possible to protect you without slowing you down.

Technology that's one step ahead
ESET products are the only ones to have received the VB100 award 100 times. Since 2013, hard work and persistence by exclusive ESET partner Canon Marketing Japan has now produced its sixth straight prestigious Nikkei Computer Customer Satisfaction Survey award.

Receive support when you need it
Enjoy free, state-of-the-art customer support in your language.

We focus on securing your IT systems
Our only goal is to make sure that your system is perfectly secure.

Save time for your business
Our solutions allow customers to free up their IT resources.



Material topic: 11

GRI 103

11 Innovations and the development of new technology are managed by most teams in the Technology Division since its members deal with the development of products and implementation of improvements. On a global level, approximately **one third of the 1,600 ESET employees** work in the Technology Division. Its key subdivision – Core Research & Threat Detection – includes approximately 10% of the company's total number of employees worldwide. As many as 87 experts work for this subdivision in its Bratislava headquarters. An important department for product development is the Product Management Subdivision. To a varying degree, members of these teams contribute to innovating our technologies and implementing them into products for our customers. This subdivision includes approximately 27 employees. **Juraj Malcho** has been our Chief Technology Officer since 2017 and **Roman Kováč** has been our Chief Research Officer since 2018.

2.2 Our Way of Innovating and Developing New Technology

Our technology has been built on innovations since the very beginning.¹¹ In 1987, NOD became one of the first pieces of antivirus software in the world, while in the 1990s ESET was the first company to use heuristics and proactive protection. Many other technologies and innovations that ESET brought in the following years, such as advanced heuristics or exploit protection, were pioneering in their field. We are proud that our culture of innovation is present throughout the whole company, including our approach to employees and sales.

ESET's company goals are defined in a way that makes them measurable, allowing them to be evaluated twice per year on a company level, on a team level, and on an employee level. Our main goal is developing new technology and ensuring protection for over 110 million users of our products in more than 200 countries and territories, and, naturally, in our home market in Slovakia.

Our company does annual releases of its products for non-business users – ESET NOD32 Antivirus, ESET Internet Security, and ESET Smart Security Premium – adding new technologies and functionality each year. Every year, we also work on updates for the dozens of products we have for business users (ESET Endpoint Security, server protection, security services, etc.). Departments within the Technology Division, especially the Core Research & Threat Detection Subdivision, have measurable goals for new discoveries in their cybersecurity research. These include published research outputs, participation and presentation at expert conferences, and, of course, having our discoveries prompt a response in the global media.

We support a culture of innovation at ESET. Employees also receive financial rewards for their work results and innovations. Twice per year, four of our greatest talents receive the ESET Medal of Honor. Employees can also make use of trainings, as well as employee and talent development programs ([find out more in the Satisfied Employees chapter](#)). Several times per year, we organize cybersecurity competitions to promote knowledge in this field throughout the company and among all of our employees.

"Imagine that you've caught a completely regular cold. When you get sick, you just sniffle, sneeze, and spread the illness all day long. Computer viruses work in a similar way – they just target computers instead of humans. Unlike people, computers don't catch a disease while riding the tram, but rather through an email or a program downloaded from a sketchy website. Instead of doing what its owner wants, the poor computer then spends most of its time listening to the commands of some evildoer who might be sitting in his room on the other side of the world... until the computer manages to drive the virus out. People say that an untreated cold lasts seven days, while a treated cold lasts a week. Fortunately, this is not the case with computers – good security software can remove a computer virus in a couple of seconds."

PETER KOŠINÁR, ESET TECHNICAL FELLOW

2.2.1 What We Made in 2018

Our new line of comprehensive security products and services provides custom-made advanced solutions for companies and organizations, ensuring proactive threat detection, as well as effective device and data protection. It comprises several security services along with corporate endpoint protection.

As a completely new solution, we now provide **ESET Enterprise Inspector** – an endpoint detection and response (EDR) tool that ensures real-time monitoring and evaluation of all activities on network endpoints and, if needed, allows the security administrator to respond immediately. It uses data collected by our acclaimed solution for corporate endpoint protection – ESET Endpoint Security. Its new version detects unknown new threats, such as ransomware, using additional protection layers, which also include machine learning algorithms.

In order to unlock the full potential of this solution, ESET has also published a new line of specialized security services. These include **ESET Threat Hunting**, an on-demand forensic service used for detailed evaluation of specific security incidents, and **ESET Threat Monitoring**, which offers companies nonstop monitoring of data from ESET Enterprise Inspector and analyzes all types of security notifications.

ESET Threat Intelligence is an independent service. It provides a global overview of specific threats and sources of attacks that are verified in ESET's R&D centers and in ESET LiveGrid, a cloud-based detection and prevention system that collects information from 110 million sensors all over the world.

In order to create the most compact solution on the market, the ESET EDR tool is complemented with **ESET Dynamic Threat Defense**, a cloud-based sandbox that provides immediate analysis of newly formed and ransomware threats before they have the chance to infiltrate the company network.

In 2018, ESET also released **ESET Security Management Center**, the successor of the successful ESET Remote Administrator. This advanced console provides a complete overview of the network and ESET's company solutions, full security reports, and reporting from a single intuitive control panel.

We have also released **ESET Cloud Administrator**, a cloud-based security administrator specially designed to address the security needs of small and medium-sized businesses (SMBs). And our new **online licensing system for managed service providers (MSPs)** offers a complete overview of your customers' licenses, as well as their usage.

Our latest home security solutions offer increased multilayer protection for computers running Windows; they allow you to check the security of smart devices connected to your home network and enable the creation of security reports. The new versions of **ESET Internet Security**, **ESET Smart Security Premium**, and **ESET NOD32 Antivirus** provide users with the best balance of speed, acclaimed detection capabilities, and usability.

26,7

MILLION EUROS

of R&D pending in Slovakia, which is 62% of our global spending in this area (€3.3 million euros). Our global R&D spending has increased by 65% over the last three years.





2.3 Our Awards



EY ESO CYBER SPACE INNOVATION

ESET Enterprise Inspector, a tool that can quickly analyze and solve security problems detected within a company network, received the EY ESO Cyber Space Innovation award. The award was presented by the consulting firm EY at its EY Cyber Security Trophy awards ceremony.



CHALLENGER IN THE ENDPOINT PROTECTION SEGMENT

The analytics firm Gartner highlighted ESET as a Challenger in the 2018 Magic Quadrant for **Endpoint Protection** Platforms report. The report mentions ESET as the only Challenger for this area and highlights the company's ability to create and fulfill its vision.



EUROPOL ADVISORY GROUP MEMBER

ESET became a member of Europol's **internet security** advisory group. The company is represented by Righard Zwienenberg, ESET's security veteran and researcher.



COMPANY OF THE YEAR FOR THE SIXTH TIME

ESET has received the **TREND Company of the Year** award for the sixth time in 2018. This is an annual reward presented by the Trend weekly.



MOST ATTRACTIVE EMPLOYER: 2ND PLACE IN IT

Once again, ESET ranked high in the **Most Attractive Employer** ("Najzamestnávateľ") survey that tracks the best employers in Slovakia. The public vote earned ESET second place in the IT and Telecommunications category.



TOP IT SECURITY VENDOR (CEE)

ESET has been labeled the **top endpoint security vendor in the CEE region**, taking the most sizeable portion of the annual market share. According to the IDC Endpoint Security Software Market Shares 2017 report, ESET's market share in the CEE region accounts for **37.5 percent**, outpacing all of its competition.



THE MOST RESPECTED CEO

ESET CEO **Richard Marko** has been named the *"Most Respected CEO of the Year"* for the second time in 2018. The winner was decided in an annual survey conducted by the advisory company PricewaterhouseCoopers (PwC).



PARTNER OF NO MORE RANSOM

ESET became a partner of **No More Ransom** – an international initiative to promote the fight against ransomware, jointly organized by Europol, the Dutch police, and various IT security organizations.

NIKKEI COMPUTER CUSTOMER SATISFACTION SURVEY 2013–2018



CANON MARKETING JAPAN (CMJ)

Since 2013, hard work and persistence by exclusive ESET partner Canon Marketing Japan has now produced its sixth straight prestigious Nikkei Computer Customer Satisfaction Survey award. The excellent collaboration also bore fruit with the establishment of ESET Japan Inc. on September 1, 2018.



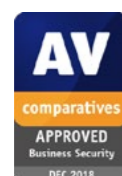
VB100

In 1998, ESET NOD32 Antivirus received its first **Virus Bulletin Test Award**. In 2016, ESET became the **first and, to date, only company ever** received the VB100 award 100 times for a single product. In total, ESET has received the VB100 award 117 times – **6 times in 2018 alone**.



VBSPAM

In 2018, ESET excelled in tests performed by VBSpam, receiving the **VBSpam+** award as many as **4 times**.



AV-COMPARATIVES

In 2018, **AV-Comparatives** performed tests where ESET received the gold medal for fewest false positives and the silver medal for the best overall speed.



SE LABS AAA

SE Labs awarded ESET's enterprise and consumer products with the highest possible score.



THE FORRESTER WAVE™

ESET was highlighted as a Leader in The Forrester Wave™: **Endpoint Security Suites** report for the second quarter of 2018, while also receiving the highest score possible for its corporate vision and focus, as well as its security community involvement.



LEADERSHIP COMPASS ENTERPRISE ENDPOINT SECURITY

In 2018, **KuppingerCole Analysts** included ESET in the list of overall leaders in its report titled Leadership Compass Enterprise Endpoint Security: **Anti-Malware Solutions**.



ESET AS A STRONG PERFORMER

Forrester, an independent research company, highlighted ESET as a Strong PERFORMER in its 2018 **Endpoint and Detection Response** report.



THE RADICATI GROUP, INC.
A TECHNOLOGY MARKET RESEARCH FIRM



HIGHLIGHTED AS A "TOP PLAYER"

ESET was highlighted as a Top Player in the **Endpoint Security Report** published by the **Radicati** research company, which evaluated 17 suppliers of endpoint security solutions based on two criteria: functionality and strategic vision.



BEST ENDPOINT SOLUTION

Gartner Peer Insights, a platform for evaluating technology with more than 500,000 verified users, selected one of ESET's products as the **Best Endpoint Protection Suite**. ESET placed at least 20% higher than the other solutions.



Material topic: 10

GRI 103

2.4 Educating Our Customers and the Wider Public

As an expert authority in the field of internet security, we feel the obligation to educate our customers and the public about online threats. ESET manages [WeLiveSecurity.com](https://www.welivesecurity.com), a global platform where we publish information about our research from all over the world, along with the latest information about malicious code and trends in the field of internet security.

In September 2018, ESET discovered the first ever malicious code that infects the UEFI – the firmware of a computer motherboard – and gave it the name LoJax. Several signs indicated that the malware was probably created by the Sednit group. According to the American Department of Justice, the group is responsible for the attack on the Democratic Party shortly before the 2016 presidential election. The group is supposedly also responsible for an email leak from the World Anti-Doping Agency, as well as an attack on the global TV network TV5Monde. In this specific case, the group attacked government targets in the Balkans, as well as in Central and Eastern Europe. Up to this point, UEFI threats had only been theorized since no real UEFI threat had been discovered. UEFI threats are especially dangerous due to the fact that they serve as a key to the whole computer and they can withstand multiple security measures, such as a complete reinstall of the operating system or changing the hard drive.

In October 2018, ESET's researchers discovered details about the successor to the BlackEnergy cybergang. ESET named this group GreyEnergy, discovering that it focuses on espionage and reconnaissance, and that it was also preparing further cyberattacks. Over the last three years, we have discovered that GreyEnergy participated in attacks on energy companies and other key enterprises in Ukraine and Poland. BlackEnergy had been focusing its efforts on Ukraine for years. The group rose in prominence in December 2015, when it was responsible for the first ever power outage caused by a cyberattack, leaving 230,000 people without electricity. After this attack, BlackEnergy separated into at least two smaller groups, which ESET named TeleBots and GreyEnergy.



"The digital world is like the perfect theme park – full of playgrounds with climbers, slides, merry-go-rounds, games, fun, and surprises. That's why children enjoy it so much. But just like you don't leave your children alone in a theme park, the same should be true for the virtual world. Avoid leaving them unsupervised when they use their phones, tablets, or computers. This world of fantasy lacks the boundaries that make their lives safe. They haven't learned their limitations yet and, unfortunately, this world can also be accessed by people who are undesirable, as any smart and loving parent would agree. And these aren't just suspicious-looking men offering free candy... I am very glad that there is something to protect my daughters from future trouble. I trust ESET, I really appreciate the people who come up with its products, and as a mother I am very thankful. Of course, I will continue to educate myself in these topics because only smart parents can protect their children from the pitfalls of strange parks full of unpredictable experiences."

KRISTÍNA TORMOVÁ, SHOW HOST, ACTRESS,
AND CHILDREN'S ONLINE SAFETY AMBASSADOR

In 2018, our researchers also identified and analyzed proof connecting the infamous TeleBots cybergroup with the dangerous malicious code Industroyer. Its goal was to disrupt critical infrastructure, and in 2016 it caused a massive power outage in Kyiv, the capital of Ukraine.

In addition to these activities, we have published several pieces of research about threats on the Android platform. We have informed about attacks carried out by the Turla group, which targeted diplomats in post-Soviet countries. We have also published several materials explaining GDPR and various cybersecurity threats, such as ransomware, as well as publishing a regular report about current trends in cyber threats and security.

In 2018, parents were the main focus of our activities in Slovakia, with the goal of raising awareness about the protection of children online. In cooperation with specialized and lifestyle media (such as Techbox, PC Revue, Nový Čas, Evita, and Maminka), we presented topics connected to the protection of children online, suitable uses of technology, and the ethical issues of technology use. We created a series of articles for the eduworld.sk portal, and we also covered the topic of protecting children online in cooperation with the influencer Kristína Tormová. We also started collaborative work on a book on raising children in a digital age, which will be finished by the end of 2019.

In 2018, we published our [Parent's Guide to Protecting Children Online](#), which is available as a free download on our website. In cooperation with Orange Slovakia, we have created new didactic materials about online security that can be used by primary school computer science teachers. Our plan for 2019 is to distribute the guidebook to more than 70 schools in Slovakia as part of our Digital Skills initiative. The initiative uses the help of expert volunteers from the ranks of employees working for several companies organized in the Business Leaders Forum association, which also includes ESET.

We work with the editorial staff of specialized magazines in Slovakia to regularly present the field of IT security to a wider audience. In 2018, dozens of print and online media (such as Trend, Forbes, Techbox, PCrevue.sk, and Zive.sk) published hundreds of articles thanks to the know-how that ESET shared with them. They covered topics such as online shopping security and payment protection, phishing, identity theft, and home network protection.

We were also active in the private sector. We held lectures and speeches at 30 events all over Slovakia, and we also organized ESET Security Days, a specialized security conference that took place in Bratislava and Poprad. Our primary focus was topics related to the implementation of GDPR, encryption, preventing threats in a corporate environment, as well as artificial intelligence.

We provided our expertise for Digital Intelligence, an educational project launched by ČSOB (www.digitalnainteligencia.sk) that aims to eliminate risks in the digital financial environment. The project was nominated as a finalist in the Social Innovation category of the Via Bona Slovakia 2018 award.

All of our activities aimed at education in the field of cybersecurity help raise awareness about this topic in society, while also indirectly contributing to the protection of customers from misinformation and fake news, which is becoming a serious problem in Slovakia.

Since honest and fair behavior lies at the core of our business, we want our society to be able to face false information and conspiracies. In 2018, for instance, we supported a TV series titled Chochmesovci ("The Well-Behaved Family"), which was aimed at etiquette in everyday situations and also dealt with netiquette, i.e., online etiquette. The ESET Foundation also helped with the creation of Checkbot, an online bot that helps combat fake news and misinformation on social media ([find out more in the chapter titled A Better Slovakia](#)).

Satisfied Employees

3





"I am one of the few people lucky enough to have witnessed the transformation of a small firm to a world-renowned company. What an exciting story this will be to tell my grandchildren! I started working at ESET as a secretary in 1992, just a couple of months after graduating. I have great memories of the times when my responsibility was processing the orders of license renewals and upgrades. Back then, we would do all of this manually and I had to process around 1,000 orders per month. Looking back, this seems like an impossible feat, but for me it was the happiest period of my work here. It might sound strange, but there were weekends when I couldn't wait for Monday to come so that I could immerse myself in my work again."

MIRIAM HIRNEROVÁ,
SALES SUPPORT AND ECONOMY MANAGER SLOVAKIA,
THE FIRST EVER ESET EMPLOYEE

Material topics in this chapter:

5 6

14

NATIONALITIES
represented
among our
colleagues
working in
Slovakia



More than 30 years have passed since the first version of our antivirus product was launched. Since then, we have launched our company, formed international branches, and grown into a global brand with over 1,600 employees around the world. We are constantly growing, but we stay true to the principles ESET was founded upon. Integrity, fairness, and innovation go hand in hand with an informal environment, humor, and a family-like atmosphere.

ESET is what it is thanks to all of our employees. We help them develop their talent and support them in creating innovative solutions. Employees also receive financial rewards for their outstanding work results and innovations. In 2018, four of our greatest talents received the ESET Medal of Honor. We motivate our employees to share their talents in CSR activities and expert volunteering. In 2018, we worked hard on building a new version of our intranet in order to improve internal communication and motivate our employees to participate in various projects and come up with their own initiatives.

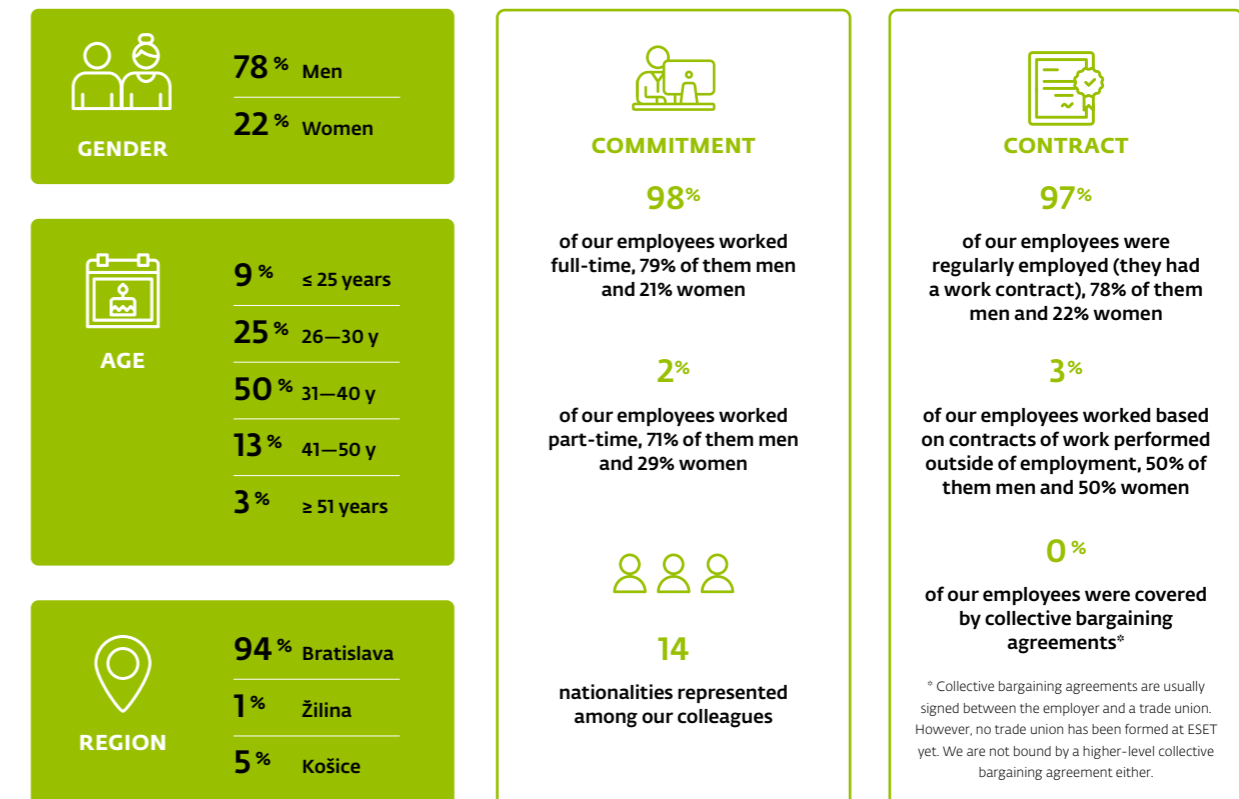


3.1 Our Employees

GRI 102-8 GRI 102-41

Number of ESET employees in Slovakia as of December 31, 2018: **855**

Out of which:



3.2 We Care and Provide Fair Remuneration

Material topic: 6

GRI 103

GRI 405-2

We couldn't provide high-quality products and services without good, motivated employees.

ESET's remuneration system¹² is based on a fair approach to employees regardless of their age or gender. We provide equal pay for male and female employees, and this principle is true for all levels and positions. Our employee remuneration system is created using a process of job evaluation. This process provides a foundation that helps us place employees in different wage levels and assign each of them a relevant performance bonus system based on their experience, knowledge, and skills. Our system of performance rewards takes into account individual goals, as well as company-wide goals, team goals, and evaluations of our employees' soft skills.

¹² The area of remuneration and employee benefits is managed by our HR Department, which has 19 employees. The department has been led by **Daniela Škripková** since 2015. The main responsibility of this department is employee care, development, and talent acquisition.

GRI 401-1

* The average number of employees in 2018 (calculated per individual) was 822.6.

3.2.1 New Hires

In 2018, we hired 166 new employees, which is 20.2% of the average number of employees in 2018*:



BY AGE	NUMBER OF EMPLOYEES HIRED	PERCENTAGE OF THE AVERAGE NUMBER OF EMPLOYEES
25 years and younger	45	5.5%
26—30 rokov	51	6.2%
31—40 rokov	52	6.3%
41—50 rokov	14	1.7%
51 years and older	4	0.5%
TOTAL	166	20.2 %



BY REGION	NUMBER OF EMPLOYEES HIRED	PERCENTAGE OF THE AVERAGE NUMBER OF EMPLOYEES
Bratislava	162	19.7%
Košice	2	0.25%
Žilina	2	0.25%
TOTAL	166	20.2%



BY GENDER	NUMBER OF EMPLOYEES HIRED	PERCENTAGE OF THE AVERAGE NUMBER OF EMPLOYEES
Men	101	12.3%
Women	65	7.9%
TOTAL	166	20.2%

GRI 401-2

3.2.2 Employee Benefits

ESET values the work of all employees, which is why the company offers benefits for all employee categories in Bratislava, Žilina, and Košice. Part-time employees receive the same benefits as full-time employees. Where relevant, the amount/length of the benefit is influenced by the number of hours worked per week. Additionally, people working for ESET based on a contract of work performed outside of employment are also eligible for many of the benefits.

1 Benefits offered to regular employees (both full-time and part-time)

- **Meal allowance** – higher than required by law and fully covered by the company.
- **Commuting allowance** – paid on a monthly basis since the first day of work, even during the trial period.
- **Complementary retirement savings** – the employer contributes with three percent of the employee's gross wage with no upper limit, while the employee him- or herself may contribute as much as he or she decides, with a minimum of five euros per month.
- **Sick Days** – if the employee isn't feeling well, he or she can take additional days off.
- **Home Office** – all full-time employees can work from home two days a month (or more upon approval from their superior).

2 Benefits offered to regular employees, as well as people with contracts of work who provide specialized services

- **Referral bonus for recommending a suitable candidate** for a vacancy – received by 36 employees in 2018.
- **Wedding bonus** – received by 35 employees in 2018.
- **Childbirth and parental leave benefits** – 10 of our female employees made use of the childbirth and maternity/parental leave bonus. Fathers could choose between a financial bonus (30 employees) and five days of work leave after their child was born (11 employees). We also had 11 fathers who went on parental leave with financial support from ESET.

3 Benefits offered to all employees, including the people with contracts of work who perform administrative work, support work, and other simple activities

- **Loyalty program** – a set of benefits awarded at work anniversaries that includes a financial benefit, extra vacation days (also valid for the following years), and a sweet surprise. 90 of our employees celebrated work anniversaries in 2018.
- **Sports and relaxation** – in 2018, 67% of our employees participated in various sports events, competitions, and relaxation activities that were either organized or provided by our company.

84%

OF OUR EMPLOYEES made use of the opportunity to work from home in 2018.



- ♦ **ESET Health Week** – our employees can have several health indicators measured and they also have the option to have their birthmarks checked, see if the frequent use of computer screens has had a negative impact on their sight, and attend a physiotherapist-led lecture on how to maintain a healthy back. 26% of our employees made use of this option in 2018.

In 2018, we prepared the documentation needed to start providing leisure vouchers for our employees as required by the Slovak legislation. Our goal was to do it in a way that would allow them to retain all existing benefits. In practice, this means that all our employees are legally entitled to an annual bonus of €275 that they can use for leisure activities and vacations.

Naturally, ESET also provides workplace snacks, non-alcoholic beverages, and fruit every day and free of charge. In 2018, we introduced a new concept of events called *Let's get together*, which gives our employees the option to enjoy breakfast together twice a month and allows them to chat with their colleagues in an informal atmosphere. Other popular employee events include the *Family Day*, the so-called “*Žranica*” (Bash), the *St. Nicholas Day Party*, the *Christmas Party*, and other company teambuilding activities.

3.3 Facilitating Education and Development

Our goal in the area of employee development and education is to promote a healthy company culture based on knowledge sharing, continuous and meaningful development,¹³ and experienced leaders. Employee development is one of our priorities. We work on it together with our employees, we motivate their managers to actively participate too, and we respond to our employees' initiatives and development needs. We understand that organizing one-off open training sessions is not enough, so we provide our employees with systematic, long-term programs, personalized workshops, individual consultations, coaching, and development planning consultations. An important part of development activities at ESET is the option to use the newly gained knowledge in practice and receive feedback from superiors.

We do our best to ensure that every employee has information about and access to the development and education options offered by ESET. This is why we have created a separate page on our intranet, which is continuously being updated with information about planned or past development activities. We also inform about our colleagues' activities using email invites. We support our managers and employees to come up with suggestions for topics that they consider important. They can share their ideas using feedback forms available after training sessions and workshops, or they can do so using other forms of personal or written communication.

In 2018, the most attended training sessions among our employees included the following topics: Intercultural Communication, The Basics of Labor Law for Managers and the Employee Lifecycle, How to Develop Employees, Effective and Assertive Communication, How to Lead a Performance Evaluation Review, and Presentation Skills.



Material topic: 5

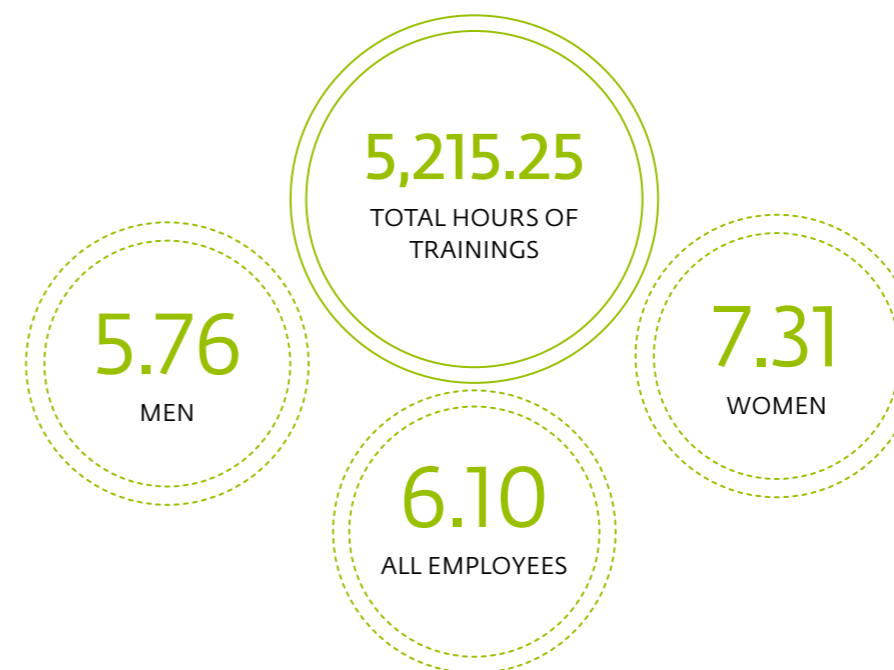
GRI 103

¹³ Soft skill development is managed by our **HR Department** (**Lucia Lanáková** – Talent Development Specialist, and **Michaela Vranová** – Junior Training and Development Specialist). We also manage development activities at some of our other branches. Technical skills, conferences, etc., are managed individually by specific teams and departments. In 2018, a sum of more than €143,000 was allocated for employee development and soft skill trainings.

3.3.1 Trainings, Workshops, and Education

GRI 404-1

Average hours of soft skill trainings per employee (2018)



Average training hours per employee by category (2018)



GRI 404-2

3.3.2 Development Plans and Leader Support

As a tool of supporting development and education, our employees had the opportunity to create their own development plans in 2018. This tool is one of the ways we try to show our employees that development is a complex process, meaning that in addition to formal training it is also important to actively share information with one's team colleagues, utilize new knowledge in one's work, build relationships in the workplace, and take on challenging tasks. This year, we showed the importance of development using a series of workshops on *How to Develop Employees*, which were offered to our team leaders and managers.

Our new leaders receive support through a development program titled *Learn to Lead*. The program lasts almost 10 months, combining high-quality training sessions, individual coaching, active participation of superiors in trilateral meetings, and work on practical examples outside of the training room. In 2018, we launched the fifth edition of this program. Experienced managers can attend interactive workshops that last half a day and focus on topics from managerial practice. These coach-led sessions make use of experiential learning, short lectures, discussions, and practical training with feedback in order to tackle topics such as Motivation in Practice, Remote People Management, Establishing Relationships, or Giving Feedback.

Since our company has not had the need for such a program yet, in 2018 we did not have a transition assistance program for employees before retirement or those whose employment has been terminated.



"The fact that ESET gives employees the chance to grow is not just an empty phrase. I myself am proof of this. When I started working here in 1994, ESET was a really small company. There were the three founders, one assistant, and a couple of students – including myself – who started working on a new generation of our product. Starting as a developer, I later became our Chief Technology Officer and in 2005 I became a member of our limited liability company. In recent years, I have been trying to turn our company into a global corporation from the position Global CEO. I have been a part of ESET for 25 years and I am glad that I'm not the only one whose personal story is so closely linked with the story of our company."

RICHARD MARKO, ESET CEO

(pictured: Richard Marko with Maroš Grund, one of ESET's co-owners, at the Cofax IT fair in 1999)

GRI 404-3

3.3.3 Evaluation and Feedback

Continuous feedback plays an important role. But this is just one of the skills our managers develop while attending leadership workshops and coaching sessions. We also teach them how employee development works, how they can continuously support their team members, and how to set goals that help team members strengthen their knowledge and skills.

Twice a year, managers and team leaders lead regular performance evaluation and development reviews with every employee. This review gives the manager and employee room to evaluate the employee's work performance, as well as his or her soft skills, which the manager evaluates based on anonymous feedback collected using an online form (a minimalistic version of 360° feedback). This is an opportunity for employees to self-evaluate their performance, as well as the quality of cooperation with their superior and their overall satisfaction in the company. An important part of this review is development planning, which draws on the performance evaluation, the employee's future goals, as well as his or her career ambitions.

100%*

OF OUR
EMPLOYEES

underwent a
performance
evaluation
in 2018.



* Out of which 2% were in their trial period at the end of 2018, so their performance was evaluated in a different way.

A Better Slovakia

4



Material topics in this chapter:

7 8 9

GRI 103

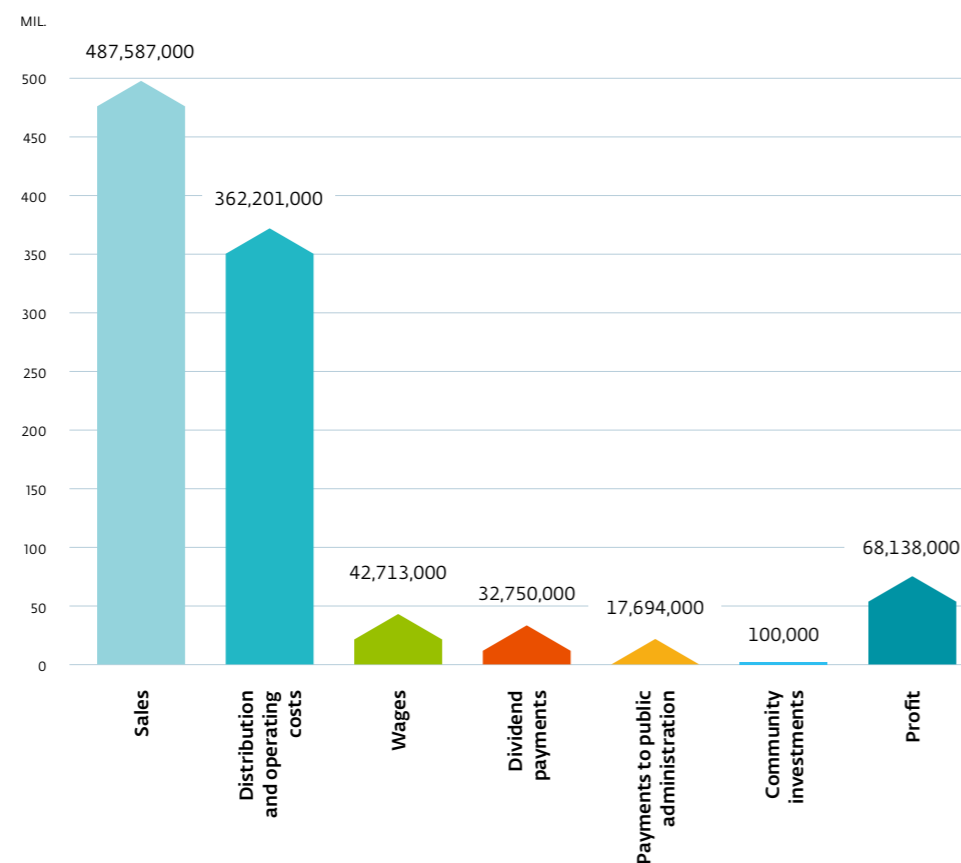
GRI 201-1

14 Community support is managed by ESET's CSR Department. It is led by **Lucia Marková**, who has three more colleagues in the CSR team. The main role of our CSR team is to handle the company's CSR activities and communication (including volunteering and pro bono activities), organize various charitable events and collections, and secure the operation of the **ESET Foundation**. Since mid-2018, the responsibilities of our CSR team have also included preparation of the ESET Science Award.

ESET was established in the former Czechoslovakia near the end of the socialist period. Back then, the idea of being able to freely decide, express ourselves, and travel was all just an unrealistic dream. Thanks to the fall of the Iron Curtain, ESET could grow into a successful company known by people in more than 200 countries and territories all over the world. Slovakia is now part of the democratic world, but freedom cannot exist without responsibility. We feel the responsibility to contribute to the development of our country and share our success. We do not flee to tax havens – we even consolidate our profits from our foreign branches here in Slovakia, which allows us to contribute to public services for all.

We want Slovakia to prosper, which is why we have been supporting projects for a better society through the ESET Foundation since 2011. Our main focus is education since our country has no chance of moving forward without educated people who understand the world around them. We support the engagement and volunteering activities of our employees, we organize charitable events, and we also raise our employees' environmental awareness.¹⁴

Our 2018 by the numbers (in EUR):¹⁵



15 The data used here comes from the individual financial statements of ESET, spol. s r. o., prepared as of December 31, 2018.



Material topic: 9

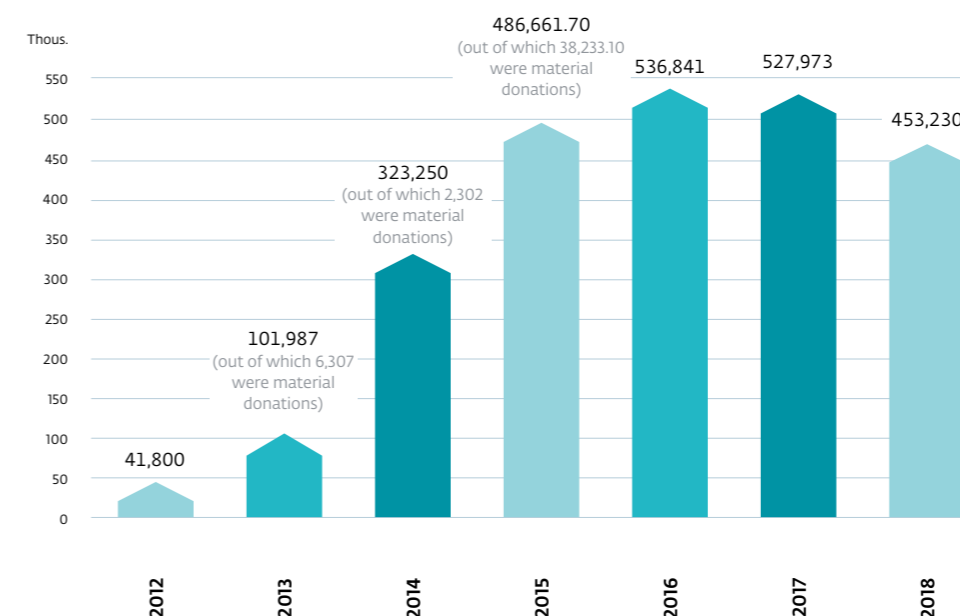
GRI 103

4.1 Supporting Education and Local Development

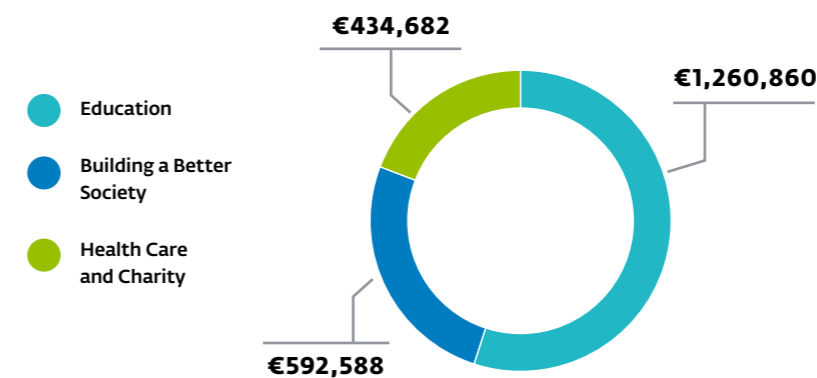
The ESET Foundation is the materialization of our effort to become a good partner for the community. It was established in 2011 in order to manage our philanthropic and charitable activities. Originally, it supported a wide array of areas – activities in the field of learning and education, improving public administration and its efficiency, or even health care and social services.

Over the years, the volume of financial resources used to support various projects has increased significantly thanks to contributions from ESET, 2% tax assignment, and donations.

Financial resources distributed by the ESET Foundation 2012– 2018 (in EUR):



Areas supported by the ESET Foundation (2011–2018):



479

PROJECTS

with a total value of **€2,288,130** were supported by the ESET Foundation between its establishment and the end of 2018.

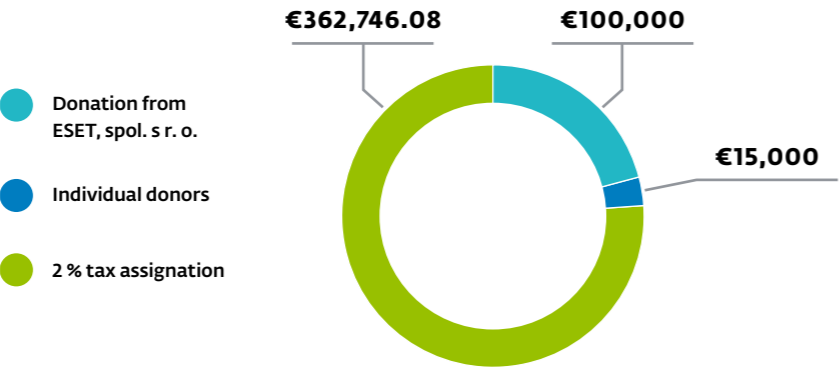


Since 2018, the main focus of the ESET Foundation has been education, especially in the field of IT, internet security, science and research popularization, and building a better civil society. Projects focusing on health protection and the provision of social aid are supported as part of community projects managed by ESET employees.

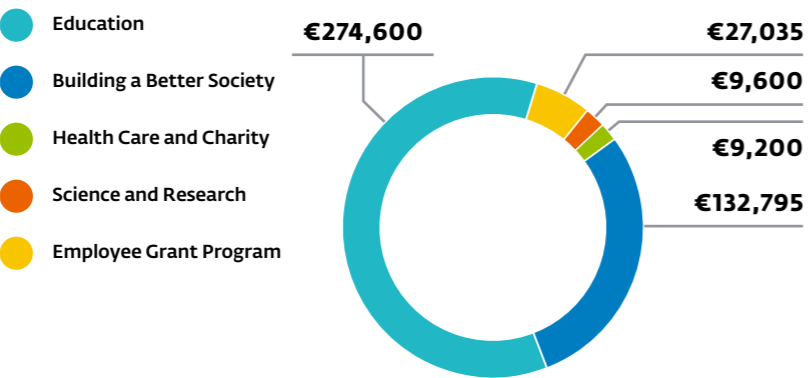
16 In 2018, the ESET Foundation's Board of Directors consisted of Miroslav Trnka (Chairman, ESET Co-Owner), Pavel Luka (COO), and Lucia Marková (CSR Manager). The foundation is managed by Peter Kováč.

In 2018, the foundation organized four calls for grants in the areas of Education and Building a Better Society, as well as two calls for grants for its Employee Grant Program. Once again, the volume of these financial resources was determined by our Board of Directors¹⁶, which meets four times a year for this purpose.

Structure of the ESET Foundation's income in 2018:



Areas supported by the ESET Foundation in 2018:



88

PROJECTS supported in 2018

4.1.1 Education First

We believe that the quality of education influences the quality of life of individuals, families, and communities both in Slovakia and abroad. This is why we are concerned over the alarming state of the Slovak education system, and we use the ESET Foundation to support projects that help change it for the better. The foundation's priorities include developing a modern and innovative education system. Education that gives everyone the same chances: the most skillful and most active students, as well as those who have difficult conditions for their growth.

We support the development of 21st century skills, as well as personal development for the younger generation. We understand how important technology and digital skills are, as they will play a key role when people want to find employment in the future. We organize regular activities to raise awareness about information security by focusing on the prevention of cybercrime among children and adolescents, offering direct support by educating and working with their teachers and parents ([more information on the Promotion of Online Safety can be found in the Safer Technology chapter](#)).

Selected projects supported by the ESET Foundation in 2018*:

Recipient	Project	Grant size
Manageria	Teach for Slovakia is a program that focuses on intensive personal and professional development for its alumni and young professionals in Slovakia, building a community of leaders in education to help achieve its vision "to give every child a chance to succeed."	€25,000
The Slovak Mathematic Society	This organization prepares weekend training sessions and one-day seminars where primary school teachers learn how to use the so-called "Hejný method." This method of teaching mathematics helps teachers change their teaching style, giving their students the skills needed to solve novel math problems.	€20,000
InQb – a University Technology Incubator	This project supports innovations and startups as part of long-term cooperation between ESET and the InQb University Incubator, which exists as a separate department at the Slovak University of Technology.	€20,000
Union of Slovak Mathematicians and Physicists, Žilina	This grant supports the organization of SEZAM, a correspondence competition based on the ideas of Milan Hejný's method of teaching mathematics.	€15,000
First Lego League Slovensko	This grant provides financial support for a robotics competition that sparks children's interest in science and technology, while also developing their sense of fair play, teamwork, inclusion, analytical thinking, and presentation skills.	€10,000

* A complete overview of supported projects can be found at www.nadaciaeset.sk (Annual Report 2018)



“Slovakia lacks vast natural resources and oil that we could simply mine and sell in order to enjoy an easy life. So, in order to make a living, we have to work. There are two options. The first one is doing unqualified manual labor, which does not necessarily lead to long-term prosperity. There will always be someone willing to do your job for less somewhere else in the world. The other option is building a knowledge-based economy. Achieving global success thanks to skills is something ESET has managed to do. But Slovakia needs more such ESETs. That is why we need to put more emphasis on education and motivate people who have gone abroad for their studies to come back home. These are important topics that both the government and companies should address.”

PAVEL LUKA, ESET CHIEF OPERATING OFFICER

4.1.2 A Strong Civil Society

We also want to use the ESET Foundation in order to participate in public matters, thus helping build a better civil society. We support independent NGOs that promote positive change, create social pressure to solve pressing issues, and call for an increase in transparency and efficiency when it comes to using public resources.

Selected projects supported by the ESET Foundation in 2018*:

Recipient	Project	Grant size
The Pontis Foundation	Development of individual fundraising for nonprofit organizations on the dobrakrajina.sk fundraising website.	€15,000
Slovensko.Digital	Supporting a civic association that aims to improve the quality of the government's digital services in Slovakia.	€10,000
The Cvernovka Foundation	Support for the "Occupation" project – a multi-genre event organized to commemorate the 50th anniversary of the occupation of Czechoslovakia by Warsaw Pact troops in August 1968.	€10,000
Seesame	Creating the first Facebook chatbot that helps people identify fake news.	€5,000
Via Iuris	The "Citizen's Voice" project – providing legal assistance for active citizens and institutions who act in the public interest in the fields of human rights, rule of law, public affairs management, environmental protection, as well as the fight against corruption and cronyism.	€5,000

* A complete overview of supported projects can be found at www.nadaciaeset.sk (Annual Report 2018)

4.1.3 Our Employee Grant Program

Since 2016, the ESET Foundation has been supporting ESET employees who wish to engage in public-benefit and community activities in their place of residence or work, or other places where they already participate in public-benefit projects. The focus of this support is not strictly defined since we try to react to the distinct needs of our employees' diverse communities. The maximum grant size per project is €2,000. Since 2016, our Employee Grant Program has supported 74 projects with a total sum of €112,881.

In the fall of 2017, we launched a system of electronic auctions that enables ESET to sell unused company property to its employees. All financial resources gained this way are sent to the ESET Foundation and used for the Employee Grant Program. In 2018, this meant an additional €2,911 for employee-managed community projects. In December 2018, we organized an auction of company cars, which brought us €41,110 in financial resources for 2019.

Selected employee projects supported by the ESET Foundation in 2018*:

Organization	Project	Grant size
Civic association "Stará Jedáleň" (Old Canteen)	A community center in Rača-Krasňany will provide a safe and open space where older children and young people can spend their free time.	€2,000
Civic association Francesco, Plavecký Štvrtok	Supporting the civic association's educational activities and field social work with the Roma community.	€2,000
Civic association Odyseus	Community-run patrols in the "Pentagon" apartment complex – field work with drug abusers and/or street sex workers.	€1,500
The "Naše Karpaty" (Our Carpathians) initiative	Placing a bicycle stand at Kamzík (part of the Koliba neighborhood in Bratislava), which allows cyclists to inflate their tires, fix punctures, and use tools for bicycle repairs.	€1,272
Oáza – Nádej pre lepší život (Oasis – Hope for a Better Life)	"Tuláci tulákom" (Strays to Strays), a project where people experiencing homelessness take care of unwanted, abandoned, and abused dogs.	€940

€27,035
for projects where
our employees are
involved



* A complete overview of supported projects can be found at www.nadaciaeset.sk (Annual Report 2018)

560

HOURS

taught by our
colleagues pro
bono

4.1.4 Additional Support of Education, Science, and Research

In 2015, we established the **ESET Research Center** at the Faculty of Informatics and Information Technology of the Slovak University of Technology in Bratislava. The center enables students of three faculties (the SUT Faculty of Informatics and Information Technology, the SUT Faculty of Electrical Engineering and Information Technology, and the Comenius University Faculty of Mathematics, Physics, and Informatics) to consult their work on scientific writing and to conduct practical experiments in the field of information security.

The center's activities also include two elective courses taught by seven of our employees: Basics of Reverse Engineering and Programming in C++. This course (Programming in C++), is filled to its maximum capacity every year and it also receives high scores in the student survey ratings, with 64% of the students rating it "better than average." In 2018, it was attended by 24 students. In several cases, our employees served as tutors for students who needed help with their bachelor's and diploma theses. Some students can also receive an offer to do an internship at ESET.

As a member of Business Leaders Forum, an association of companies promoting corporate social responsibility, ESET and other companies also launched the **Digital Skills** initiative in 2018. Its goal is to show computer science teachers new ways of working with their students using the playful programming methods offered by Code.org, while also presenting the importance and options of digital security. Starting in the second semester of the 2018–2019 school year, the initiative plans to organize training sessions at primary schools all over Slovakia, where teachers will be trained by volunteering employees of the participating companies. In 2018, two ESET employees worked on the Online Safety Manual, which schools will be able to use as a teaching material starting in 2019.

Even though ESET is not viewed as a scientific institution, research in the field of IT security is one of our main activities. This is why the 30th anniversary of our technology came with the decision of ESET co-owners to support scientific knowledge and bring positive change to the field of science and research in Slovakia. In 2018, we started preparing the launch of the prestigious **ESET Science Award**, whose aim is to support outstanding Slovak scientists, young scientists, and science teachers.

This award is organized by the ESET Foundation, which aims to draw attention to the current situation of science and research in Slovakia. The award also aims to help Slovak scientists gain international renown and popularize science and research, giving the Slovak society new positive role models from this field. By doing so, we want to raise awareness about the social importance and economic effect of investment in science, which is reflected in the international competitiveness of the country, as well as the cultural and living standards of its inhabitants. We believe that our award for science and research can be one of the impulses for further development in this field.



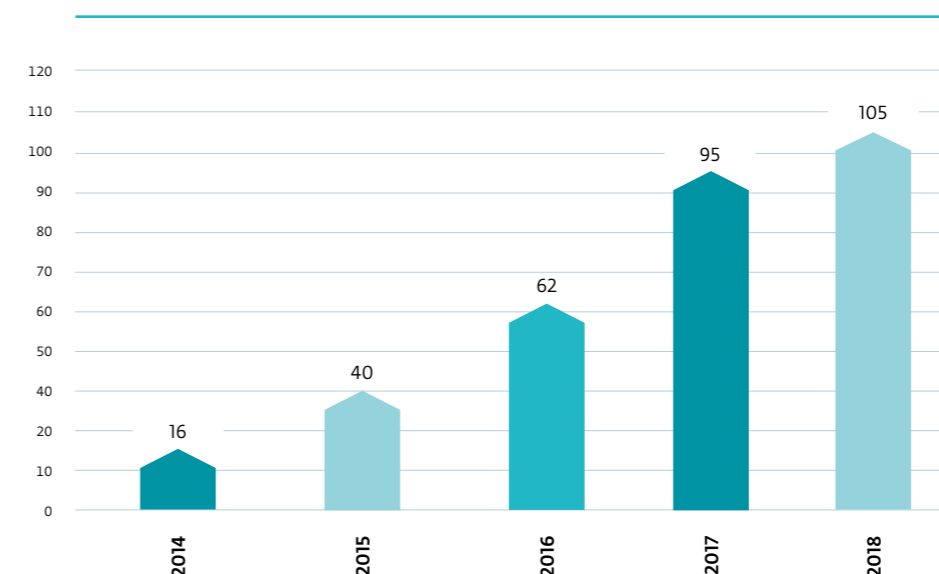
Material topic: 8

GRI 103

4.2 Supporting Employee Engagement and Volunteering

ESET has been supporting volunteering since 2010. That was when we first participated in Our City, the largest corporate volunteering event in Slovakia, which became an annual tradition for us. In 2018, as many as 105 of our employees participated in Our City (over 12% of our total number of employees). While some provided manual help for Bike Kitchen Bratislava and the Czechoslovak Fortification Museum, others spent the day at the Sun Rise Retirement Home. In Košice, they helped paint the fence at a local leisure center and made new benches.

Number of volunteers participating in Our City:



Our employees come up with their own ideas on how to help the community. Our volunteer work gradually grew from simple manual labor to pro bono training sessions for nonprofit organizations, as well as lectures on online safety. Since 2016, we have been supporting our employees' engagement in their local communities through the ESET Foundation's Employee Grant Program ([find out more in Supporting Education and Local Development](#)).

Our internal survey on volunteering, which was filled out by 22% of our employees in 2017, showed that almost 65% of the respondents had not participated in any volunteering program coordinated by ESET or the ESET Foundation. However, almost 50% of our employees stated that they wanted to participate in volunteering activities, and a large portion of them would like to focus on expert volunteering.

761

HOURS

of expert
volunteering

420

HODÍN

of manual
volunteering
provided by
our employees
in 2018.

4.2.1 A Focus on Expert Volunteering

In 2018, the results of our internal volunteering survey prompted us to create the Employee Volunteering Program, which aims to support corporate volunteering. The program was officially launched on January 1, 2019. ESET gives its employees the option to spend **eight hours of their working time per year** helping their communities and providing active help for meaningful projects via employee volunteering. They get as many as **eight hours a month for expert corporate volunteering**, allowing them to help selected projects from pre-approved organizations. This allocation of volunteering hours reflects our focus on expert corporate volunteering, which we consider a higher level of employee engagement. Expert volunteering can create a greater added value and it is usually not just a one-time activity, but a long-term cooperation with an even bigger impact.

7

EMPLOYEES

taught elective courses (Fundamentals of Reverse Engineering and Programming in C++) at the Faculty of Informatics and Information Technology of the Slovak University of Technology (560 hours of volunteering).

18

EMPLOYEES

participated in the Digital Skills program, which has been training computer science teachers at primary schools all over Slovakia since February 2019. Two of our employees created a didactic manual on online safety (43 hours of volunteering).

8

EMPLOYEES

led 12 children who attended the First Lego League robotics club (78 hours of volunteering).

8

EMPLOYEES

provided pro bono help for the Slovensko. Digital association, which aims to improve the quality of the government's digital services (30 hours of volunteering).

15

EMPLOYEES

held short specialized lectures focusing on specific IT topics at various universities and research institutions (30 hours of volunteering).

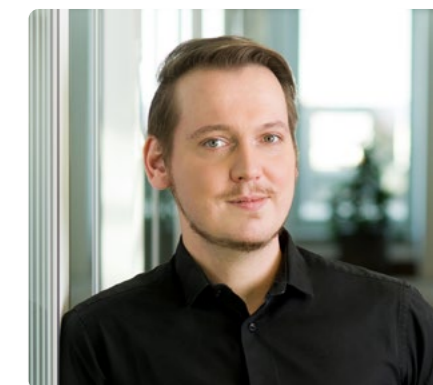
5

EMPLOYEES

organized pro bono training sessions for nonprofit organizations, focusing on PR, marketing, GDPR, and similar topics (20 hours of volunteering).

"I have provided several pro bono training sessions for nonprofit organizations, teaching them how to improve their communication. At another workshop, I presented some of our communication missteps. I also attended the Pro Bono Marathon together with my colleagues and we helped create a communication strategy for the fight against misinformation. Another great experience has been serving as a mentor for Juraj Kováč and his project titled 'Rozbehni sa!' (Get Started!). What always makes these training sessions incredibly pleasant is experiencing positive feedback, seeing change, and giving nonprofit organizations new information, skills, and experience to make full use of. Seeing their success is my biggest gratification."

BRANISLAV ONDRÁŠIK,
SECURITY RESEARCH COMMUNICATIONS MANAGER, ESET



4.2.2 Clothing Collections and Charity Campaigns

We are an active member of the "Firmy komunita" (Companies to the Community) working group, which is part of the Business Leaders Forum platform. This motivated us to participate in a clothing collection that took place in the spring and fall of 2018, providing clothing and other things for people in need.

Every year, we also participate in other charitable events. One of them is **Giving Tuesday** – a global answer to the shopping craze of Black Friday and Cyber Monday, events that have already made their way to Slovakia. In 2018, Giving Tuesday took place on November 27, and this was ESET's second time participating.

Using internal communication and the DobraKrajina.sk donation widgets, we asked our employees to support organizations focusing on education, the fight against corruption, and helping children from poor and unstimulating environments. The ESET Foundation chose to support three organizations by matching each donation they received from ESET's employees and supporters between Giving Tuesday (November 27) and December 21, 2018.

As many as 66 employees participated in the campaign, donating a total sum of €2,198. Thanks to the matching offer from the ESET Foundation, the total help provided was €4,396.

160

EMPLOYEES

participated in the 2018 collection, collecting over 44 bags of clothes and textiles, as well as 35 bags of other things for more than 200 clients selected by nonprofit organizations.



€8,022

was donated to projects listed at the DobraKrajina.sk donation portal in 2018, thanks to the generosity of our employees and the ESET Foundation's matching policy.



The generosity of ESET's employees could also be seen during the **Christmas Charity Punch**, which took place in our Bratislava offices. During this event, we collected money for the Omama project organized by the "Cesta von" (Way Out) association. We managed to collect €1,093, and this sum was matched by the ESET Foundation, resulting in a total donation of €2,186. These financial resources will help with the organization of a program that focuses on the personal development of early-age children (0–3) from poor and unstimulating environments, increasing their chance of leading a successful life.

We are also proud that our employees are willing to get dirty for a good cause. Every July, we manage to form a team of runners to attend the difficult *Tvrďák race* that takes place in Čunovo near Bratislava. In 2018, 14 of our employees, together with their family members, participated in the race. Our team finished 18th out of 121 participating teams. The event also included a charity competition, "Dobrý Tvrďák" (Tvrďák for a Good Cause), where we placed 1st, 2nd, and 3rd for men, as well as 1st and 3rd for women. The winners, Ronald Weiss and Andrea Ivaničová, each won a prize of €200. Together with the registration fees and financial support from other employees, we donated €1,440 to Generation 3.0, a project that promotes positive innovations in the educational system.



4.3 Raising Environmental Awareness

ESET is not a manufacturing company, which means that our environmental impact is most evident in the spaces we use, our data centers and offices, as well as in the way our employees behave.

Our Bratislava offices are located in Aupark Tower, a green building that has received the BREEAM EXCELLENT certificate. We choose modern, energy-efficient data centers for all the spaces we use. By consolidating data centers and servers using virtualization, using IT equipment with low energy consumption, and using so-called thin clients (computers with very low energy consumption) as our employees' workstations, we can significantly reduce our consumption of electricity. We use passive cooling for our server rooms and efficient cooling systems for our spaces (hot and cold aisles).

Most of our products and services for companies are primarily distributed using electronic licenses, which eliminates the negative impact that packaging and distribution would have on the environment. Naturally, we make sure that obsolete IT equipment is recycled. Rather than going on business trips, we make maximum use of video calls when contacting our branches. However, our company policy, as well as the development and implementation of new products, still do not make particular use of the precautionary principle as defined by the Rio Declaration on Environment and Development.

In 2018, we set a goal for ourselves to raise environmental awareness among our employees and improve waste sorting and recycling at our headquarters in Bratislava. We based our activities on the volunteering initiative created by a group of active employees, so-called eco-ambassadors, whose goal is to raise awareness about the need to minimize waste. Our eco-ambassadors meet once a month in order to propose specific activities and an internal communication strategy for environmental topics.



Material topic: 7

GRI 103

GRI 102-11

15

ECO-AMBASSADORS

in our company in 2018



10

COMPANY
BICYCLES

273

RIDES

50

EMPLOYEES

registered in our
bike-sharing
system in 2018.

What we implemented in 2018 as part of our Eco-Campaign:

- Double-sided printing as the standard printer setting
- Strategically placed waste sorting bins – every kitchen now includes a glass sorting bin and every floor now includes a paper sorting bin next to the printer; bins for plastic and mixed waste in our kitchens
- Environmentally friendly storage of sugar and honey (no more packaged ones) in our kitchens; honey from a local supplier
- Water carafes instead of plastic bottles; portable and reusable glass bottles for each employee to promote drinking tap water
- A training for our cleaning staff
- A workshop for 50 of our employees organized in cooperation with the Živica organization
- Lectures organized during the Health Week event in fall
- Blog space on our intranet where employees can contribute with their articles and good advice
- A competition for employees with 8 participating projects, including a clothing swap at ESET and a cleaning session at the Janko Kráľ City Park – the winning team decided to use their prize to adopt a beehive
- Launching a company bike-sharing system
- All new employees attend a lecture about our CSR activities, which includes information about our environmental approach in the workplace

Preview of the email that prompted employees to participate in our eco-competition:

Dear colleagues,

We are looking for eco-pioneers – teams and individuals who will come up with a specific eco-challenge that they care about and then try to implement it.

What your task is: At first, you will continue doing everything as usual and write down your habits, for instance by including specific numbers (of kilometers traveled, of single-use packaging used, etc.). Then you will have 4 weeks to try out a different way of doing things.

What we have in mind: For instance, you can start cycling to work instead of driving; convince the AUPARK complex to provide a container for sorting organic waste to prevent food from ending up in mixed waste; stop using single-use plates, cutlery, and lunch containers; stop drinking bottled water and other beverages; go vegan for 2 days a week; stop using products made with palm oil; go green when tidying up; start making your own cosmetics; start vermicomposting in the office; or anything else you can come up with. It's up to you :-)

For more inspiration, check out these videos:

<https://youtu.be/j-XR6rwb2ig>

<https://www.ekovyzva.cz>

<https://www.youtube.com/user/SitEkoporadenSTEP>

How the winners will be selected: Everyone who participates will win the prize of doing something good for our planet :) But to show the colleagues who won't be participating what you've tried and how it went, you will be recording your project. At the end, you will make a video to show your colleagues HOW IT'S DONE!

Duration of the competition: October 15 to November 16, 2018

More information and details will be presented at our workshop during Health Week.

You can apply until September 21, 2018, by sending an email to me.

We also award points for your creativity and enthusiasm. :-) The videos will be available on our intranet and your colleagues will vote for the ones they like most. The videos with the highest number of votes will be rewarded with practical eco-prizes.

We're looking forward to your inspiring ideas!

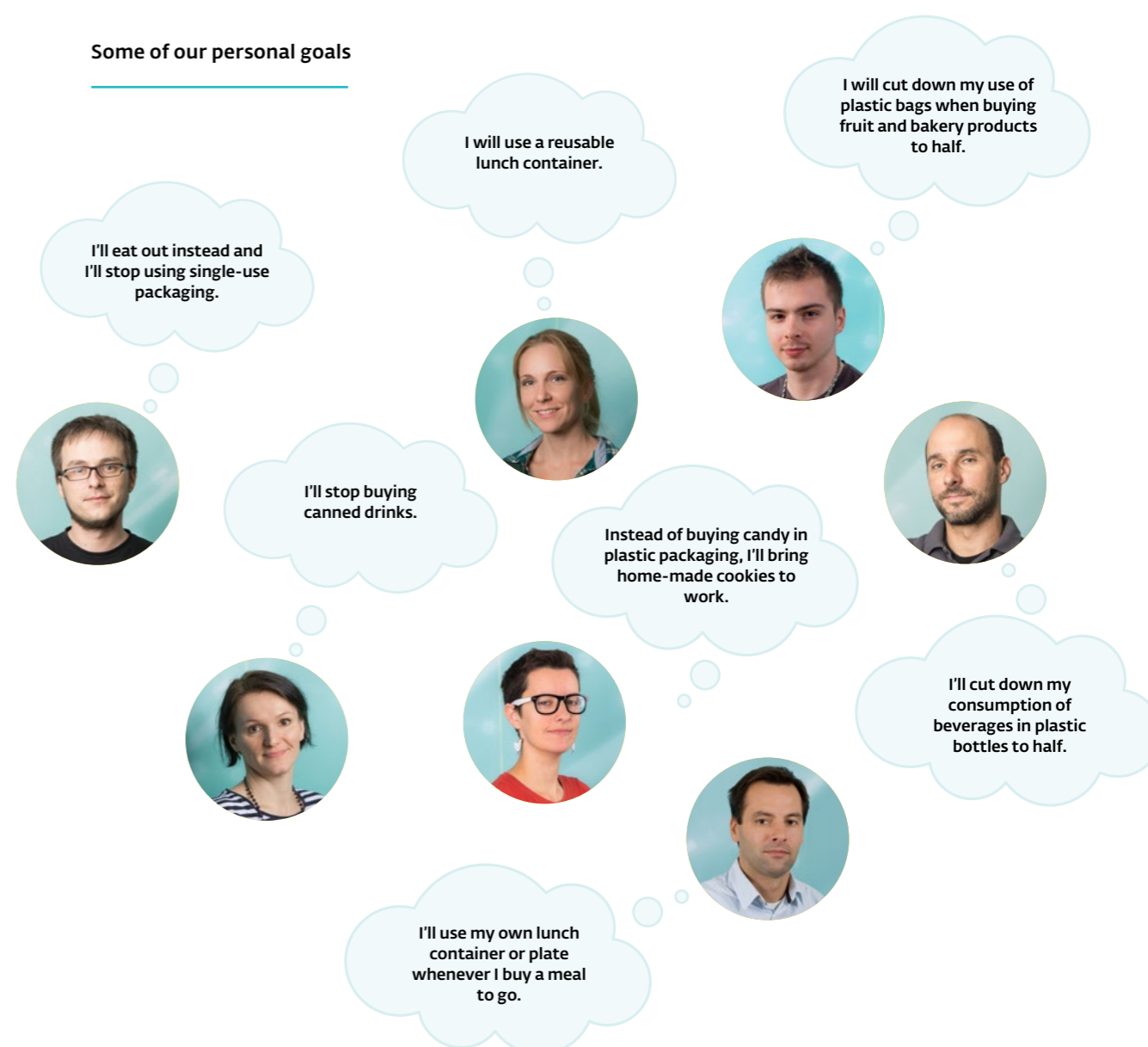
The ESET CSR Team



"I do my best to lead by example and show my colleagues that it's not enough if we just sort our waste, but rather that we should avoid creating waste in the first place. The only thing limiting us is our own comfort and laziness – how much we're willing to sacrifice by, for instance, standing up from the desk, taking a few steps, and throwing an empty plastic bottle in the plastic sorting bin instead of with the rest of our office waste. Or rather, not using a plastic bottle in the first place. I believe that the small things matter. If we all start by changing ourselves, not just in the workplace but also at home, it could add up to a whole lot."

LUCIA DAUBNEROVÁ, CSR SPECIALIST, ESET ECOAMBASSADOR

Some of our personal goals



Responsible Business According to ESET

5



Material topic
in this chapter:
12



GRI 102-18
GRI 102-19
GRI 102-20

We are proud that integrity, decency, and ethics are the values that our key partners and the general public associate ESET with. We have had this approach since our company was established in 1992, and our goal is to continue developing this approach toward all our stakeholders.

5.1 CSR in Our Management

In addition to creating a basic ethical framework, the focus of our CSR activities since 2011 has been to support our local communities through the ESET Foundation. In April 2016, we created the position of a CSR Manager, which is currently held by Lucia Marková.

In addition to Lucia Marková, our CSR Department currently has three other employees. The department’s main duty is coordinating all of ESET’s activities, projects, and communication in the field of corporate social responsibility, including the coordination of employee volunteering, as well as other social, educational, or environmental initiatives. The CSR Department cooperates with the ESET Foundation, ensuring its operation and management, while also organizing projects, including the ESET Science Award – the ESET Foundation’s project for popularizing science and research. The department’s duties also include communication with stakeholders, including the communication of CSR topics to employees.



“If we want to attract top talent and help these people do their jobs with enthusiasm, they need have faith that the company they work for shares their values. Several employees have told us that the way they perceived our approach was the very reason that made them chose our company. Being honest, behaving ethically, being aware of the wider context, and developing good relationships in the business ecosystem – these values are just as important to us as the growth of our company. They influence our approach to business, and we want them to be present in everything we do.”

LUCIA MARKOVÁ, CSR MANAGER AT ESET

Our CSR Manager answers to ESET’s COO, a position currently held by Pavel Luka. Every year, the COO approves our CSR activities and budget. The CSR Manager meets with the upper management every two weeks.

The ESET Foundation’s Board of Directors, which decides on the grants provided for selected organizations, meets four times a year. In 2018, the Board of Directors consisted of Miroslav Trnka (chairman), Pavel Luka, and Lucia Marková. The ESET Foundation is established by ESET, spol. s r. o., and managed by Peter Kováč.

From the perspective of CSR, 2018 was a groundbreaking year for us. We worked with the Pontis Foundation to organize a CSR analysis of our company, as well as an internal and external stakeholder dialogue, and we also identified the key CSR topics that are also covered by this report:



ETHICS AT THE CORE
OF OUR BUSINESS

- Ethics in Business
- Responsible Communication
- Customer Awareness
- Stakeholder Dialogue



SAFER TECHNOLOGY

- Information Security and Personal Data Protection
- Supporting Online Safety
- Innovations and Technology



SATISFIED EMPLOYEES

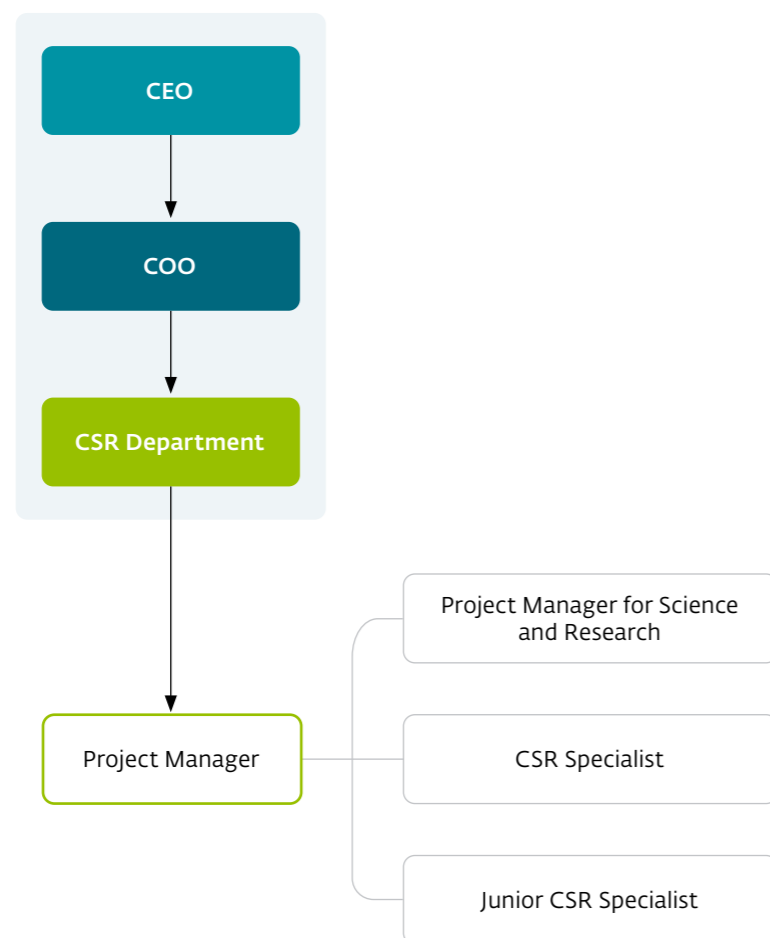
- Employee Training and Development
- Fair Remuneration and Benefits



A BETTER SLOVAKIA

- Supporting Education and Local Development
- Employee Engagement and Volunteering
- Employee Environmental Awareness

The organizational structure of the CSR Department



The ESET Foundation's bodies



5.2 Stakeholder Dialogue

We communicate with our most important stakeholders actively and regularly throughout the year.¹⁷ This is because we can only bring the best solutions if we understand their needs and requirements. However, we understand that we cannot please everyone. As we were setting up ESET's CSR strategy and preparing this report, we assigned priorities to our stakeholders as part of an **internal stakeholder dialogue**.

The stakeholder dialogue took place in June 2018 in the form of a facilitated discussion between our colleagues from the CSR Department and representatives of our HR, Marketing, Sales, Financial, Legal, and Purchasing departments. It determined the importance of individual stakeholder groups. This was done by defining and then assigning the stakeholders' impact on ESET and vice versa in each of the three areas encompassed in the triple bottom line: economic, social, and environmental. This discussion helped us determine the seven most important groups of stakeholders who help us fulfill our vision in sustainable development.

ESET's most important stakeholder groups:

INTERNAL

- Employees
- Owners

EXTERNAL

- Customers
- Business partners
- The government and the public sector
- Nonprofit organizations and the community
- The media

Our internal and external communication channels, as well as the digital world and its wide possibilities of use, enable us to maintain an active dialogue with our stakeholders and collect up-to-date feedback.



Material topic: 12

GRI 103

GRI 102-21

GRI 102-40

GRI 102-42

GRI 102-43

¹⁷ Stakeholder dialogue is managed by the CSR team, which is led by Lucia Marková and which had three other employees in 2018. Stakeholder dialogue with employees is managed by the HR team responsible for internal communication. In 2018, this was the responsibility of Katarína Šujanová.

The tools we use to communicate with our internal stakeholders:

- Our intranet
- Internal mass emails
- Speeches by our top management – in person at regular events (*Vision for the Future*, *Review Meeting*, *ESET World*, and internal events), via live streams, and pre-recorded
- Internal events – *Let's Get Together* (regular informal breakfast), *Family Day*, “*Žranica*” (Bash), *Health Week*, *St. Nicholas Day*, *Christmas party*
- ESET Global Partner Center (GPC) – a platform for sharing mainly technical information and content
- Trainings for new employees
- Company- or division-wide internal conferences

The tools we use to communicate with our external stakeholders:

- The www.eset.sk website (including the ESET blog)
- A website for the professional community – www.welivesecurity.com – and www.saferkidsonline.info
- Social media (Facebook, Instagram, LinkedIn, YouTube)
- Articles and ads in online and print magazines
- Online and TV reports
- Direct email, newsletters
- Electronic and printed whitepapers
- Technical support (by phone and email)
- Press releases for journalists and separate presentations of new products for the press
- The ESET Partner Portal, training sessions for partners
- Presentations and meetings at conferences either organized or sponsored by ESET

5.3 Identifying Material Topics

We started preparing our first Sustainability Report back in May 2018. We contacted the consultants working at the Pontis Foundation, who prepared a specialized training session on the GRI standards and the process of creating a sustainability report. We then conducted a comprehensive CSR analysis, which included an evaluation of our CSR activities in four areas (Market, Employees, Environment, and Community), recommendations for each area, as well as an overview of our competition's CSR activities.

This CSR analysis was used as a starting point for our identification of the key topics that were later evaluated by both internal and external stakeholders.

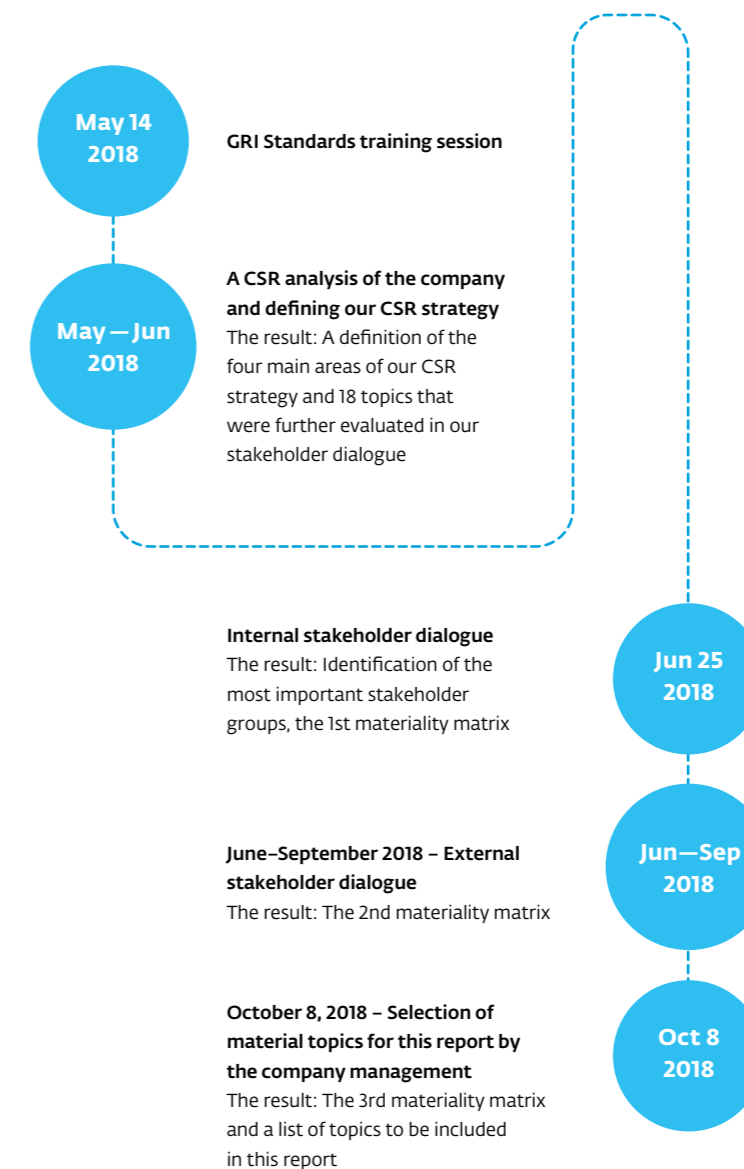


GRI 102-44

GRI 102-46

GRI 102-47

The process of preparing this Sustainability Report:



The entire preparation of this Sustainability Report was managed by our CSR team in cooperation with the Pontis Foundation. The main tool we used when deciding which topics are the most important for our company was a so-called materiality matrix, which reflects two dimensions – the impact of our company in individual topics from the perspective of sustainability (x-axis) and the materiality of individual topics for our most important stakeholders (y-axis).

12

TOPICS

were selected for this Sustainability Report by our CEO Richard Marko and COO Pavel Luka based on the results of our stakeholder dialogue and the strategic priorities of our company.



In order to be able to place all the 18 topics that arose from the CSR analysis on a two-dimensional graph (see the table on the next page), we needed to know the opinions of our colleagues and external partners. The method we chose was to rate each topic in the context of our business on a scale of 0 to 10.

For our **internal stakeholder dialogue**, we used the help of **nine** internal experts from the HR, Marketing, Sales, Financial, Legal, and Purchasing departments, who helped us create the 1st materiality matrix.

For the **external stakeholder dialogue**, we had a total of **1,002** stakeholders in seven groups rate the importance of each of the 18 topics listed below, thus creating the 2nd materiality matrix:

- Employees – an internal online survey, 335 respondents
- Owners – personal meetings (Anton Zajac, Richard Marko)
- Nonprofit organizations and the community – two focus groups with a total of 13 organizations (The Fair-Play Alliance, DobraKrajina.sk, the University of Economics in Bratislava, the Faculty of Informatics and Information Technology of the Slovak University of Technology in Bratislava, Future Generations Europe, the Slovak Institute for Active Citizenship, the InQb Technology Incubator, the Slovak Governance Institute, Slovensko.Digital, the Slovak Mathematic Society, Trojsten, Via Iuris, Živica)
- Customers – an online survey, 643 respondents
- The government and the public sector – personal meetings, 2 respondents (the Ministry of Defense of the Slovak Republic, the National Security Authority)
- The media – personal meetings, 4 respondents (TREND, Forbes, Denník N, Hospodárske noviny)
- Business partners – personal meetings, 3 respondents (Orange Slovakia, Slovenská sporiteľňa, Slovak Telekom)

These are the topics where all stakeholders expressed the highest expectations:

- **Information Security** — not only in regard to the quality of our products, but also in regard to our support for public-benefit projects
- **Ethics in Business** — their high expectations for the future are connected to ESET's good reputation, which should be kept intact
- **Employee Training and Development** — since this topic is directly connected to the quality of our products and our potential for innovation
- **Supporting Education** — the stakeholders primarily emphasized the importance of specialized, university-level IT education

Since we do not simply view this Sustainability Report as a place where we can present our results, but also as an important management tool, the whole process of its preparation was overseen by ESET's management.

A list of the topics that were discussed in the stakeholder dialogue

(the final topics covered by this report are marked in bold and numbered):



THE MARKET

- 1 Ethics in Business**
- 2 Responsible Communication**
- a A Sustainable Supply Chain
- 3 Customer Awareness**
- 4 Information Security and Personal Data Protection**



EMPLOYEES

- b Work-Life Balance and Support for Parents
- c Diversity and Inclusion
- d Health and Safety at Work
- 5 Training and Development**
- 6 Fair Remuneration and Benefits**



THE ENVIRONMENT

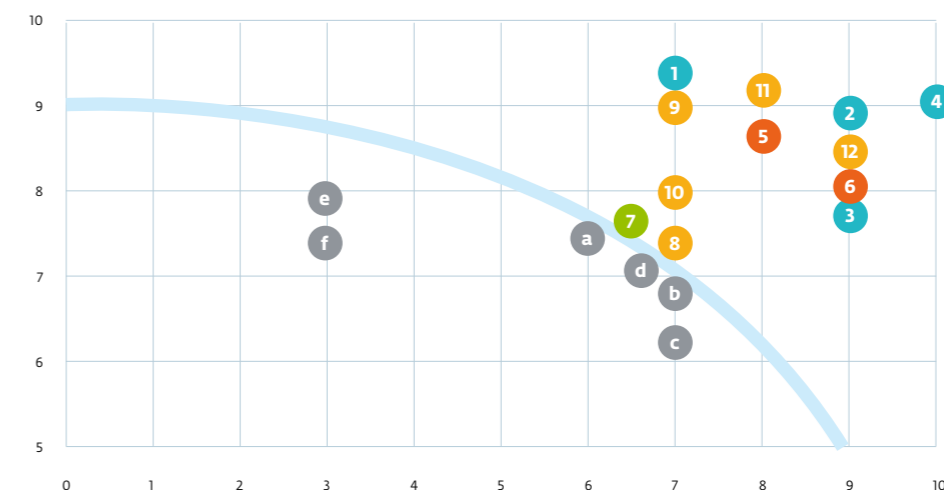
- e Energy Efficiency
- f Waste Management and Recycling
- 7 Employee Environmental Awareness**



THE COMMUNITY

- 8 Employee Engagement and Volunteering**
- 9 Supporting Education and Local Development**
- 10 Supporting Online Safety**
- 11 Innovations and Technology**
- 12 Stakeholder Dialogue**

RESULT – the final materiality matrix:





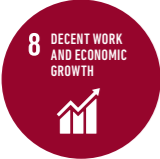
The topics that ESET and its key stakeholders consider most important are shown in the top right corner.

These topics served as a basis that helped us prepare this report in accordance with the GRI Standards. We used at least one GRI indicator for each topic. However, since several of our topics are not covered by the GRI Standards, for these we focused on a qualitative description (a management approach) and defined our own indicators.



5.4 Our CSR Goals

In this report, we defined the **four main pillars** of our corporate social responsibility: Ethics at the Core of Our Business, Safer Technology, Satisfied Employees, and A Better Slovakia. We set several short-term, mid-term, and long-term goals for each of these areas. Our CSR strategy is also inspired by the UN's 17 Sustainable Development Goals (SDGs). Therefore, there is a specific SDG assigned to each of these areas, indicating that our activities contribute to it. Our goals for the following years also include environmental activities, which we would like to focus on in order to lower the impact of climate change.

Area	Goal for 2019	Goal for 2020	Goal for 2021 and beyond
Ethics at the Core of Our Business 	<ul style="list-style-type: none"> The Code of Conduct comes into effect for all employees (communicated directly by our CEO) Promoting the option of reporting Code of Conduct violations 	<ul style="list-style-type: none"> 100% of our employees have attended a training session on ethical business and the principles encompassed in the Code of Conduct 	<ul style="list-style-type: none"> The Code of Conduct is now also included in all contracts with our suppliers Publishing a global Code of Conduct for the whole ESET group
Safer Technology 	<ul style="list-style-type: none"> The Digital Skills initiative (organized together with other BLF member companies) ensures that 1,000 teachers from more than 70 primary schools in various cities and towns have attended a training on how to teach children the basics of IT security Publishing a book on raising children in the digital age An analysis of the cybersecurity situation in the general population, identifying weak points and preparing activities aimed at raising awareness 	<ul style="list-style-type: none"> Distributing the book on raising children in the digital age, which will reach at least 15,000 households in Slovakia (either in print or electronically) Creating a set of educational and communication activities based on the analysis conducted in 2019 that will support raising awareness about cybersecurity in the general population 	
Satisfied Employees 	<ul style="list-style-type: none"> Conducting an employee satisfaction survey, including questions about their satisfaction with employee benefits and internal communication Implementing an internal monitoring system Launching a series of lectures and discussions (titled "5 minutes to 4") 	<ul style="list-style-type: none"> Conducting the second edition of the employee satisfaction survey, with a focus on the topics identified in 2019 Modifying our system of benefits based on the survey results Identifying top talent for key positions Supporting the formation of employee resource groups, i.e., employee-led interest groups that support inclusion 	<ul style="list-style-type: none"> Conducting the next edition of the employee satisfaction survey, with a focus on the topics identified in the previous two years Creating strategic development plans for top talents – future leaders

Area	Goal for 2019	Goal for 2020	Goal for 2021 and beyond
A Better Slovakia 	<ul style="list-style-type: none"> Launching a separate grant program focusing on the popularization of science and research Organizing the first edition of the ESET Science Award, awarded by an international committee Our employees have dedicated a total of 500 and more hours to the Digital Skills expert volunteering program 	<ul style="list-style-type: none"> 20% of our employees now participate in expert or manual volunteering* 	<ul style="list-style-type: none"> Creating an expert platform as part of the ESET Science Award (consisting of people who received the ESET Science Award in its first editions and key representatives of scientific institutions) that will contribute to creating better science policies and planning strategies in Slovakia. Specific measures will be based on the Summary Report on the State of Science in Slovakia.
NEW A Greener World 	<ul style="list-style-type: none"> Setting up measurements of the environmental impact of our activities (measuring CO2 emissions, energy consumption, waste production) 	<ul style="list-style-type: none"> Launching measurements of the environmental impact of our activities and setting up measures to mitigate it 	<ul style="list-style-type: none"> Gradual reduction of our waste production, CO₂ emissions, and energy consumption Opening a new ESET head office in Bratislava that meets the strictest environmental standards

* In 2018, 17.5% of all ESET employees participated in volunteering activities.



GRI Content Index

GRI 102-55

GRI Disclosure	Page(s)	Included in Chapter	Note
GRI 102: General indicators 2016			
Organizational Profile			
102-1 Name of the organization	4	About This Report	
102-2 Activities, brands, products, and services	8 25–28	Ethics at the Core of Our Business, Safer Technology	
102-3 Location of headquarters	4	About This Report	
102-4 Location of operations	8 - 9	Ethics at the Core of Our Business	
102-5 Ownership and legal form	8	Ethics at the Core of Our Business	
102-6 Markets served	25; 29	Safer Technology	
102-7 Scale of the organization	5	ESET Slovakia in 2018	
102-8 Information on employees and other workers	41	Satisfied Employees	The numbers listed in the report only include people who had a valid contract of work with ESET as of December 31, 2018, calculated per individual.
102-9 Supply chain	14–15	Ethics at the Core of Our Business	
102-10 Significant changes to the organization and its supply chain	15	Ethics at the Core of Our Business	
102-11 Precautionary Principle or approach	61		
102-12 External initiatives	20–21	Ethics at the Core of Our Business	
102-13 Ćembership of associations	20–21	Ethics at the Core of Our Business	
Strategy			
102-14 Statement from senior decision-maker	2	A Word from Our CEO	

GRI Disclosure	Page(s)	Included in Chapter	Note
102-15 Key impacts, risks, and opportunities	18		
Ethics and integrity			
102-16 Values, principles, standards, and norms of behavior	11	Ethics at the Core of Our Business	
Governance			
102-18 Governance structure	67–68	Responsible Business According to ESET	
102-19 Delegating authority	66–67	Responsible Business According to ESET	
102-20 Executive-level responsibility for economic, environmental, and social topics	66–67	Responsible Business According to ESET	
102-21 Consulting stakeholders on economic, environmental, and social topics	69	Responsible Business According to ESET	
Stakeholder engagement			
102-40 List of stakeholder groups	69	Responsible Business According to ESET	
102-41 Collective bargaining agreements	41	Satisfied Employees	
102-42 Identifying and selecting stakeholders	69	Responsible Business According to ESET	
102-43 Approach to stakeholder engagement	69–70	Responsible Business According to ESET	
102-44 Key topics and concerns raised	72	Responsible Business According to ESET	
Reporting practice			
102-45 Entities included in the consolidated financial statements	10	Ethics at the Core of Our Business	
102-46 Defining report content and topic boundaries	70–73	Responsible Business According to ESET	Every topic is defined in more detail in individual chapters (the introduction is labeled with the topic number).

GRI Disclosure	Page(s)	Included in Chapter	Note
102-47 List of material topics	73	Responsible Business According to ESET	
102-48 Restatements of information	n/a		This is our first sustainability report.
102-49 Changes in reporting	n/a		This is our first sustainability report.
102-50 Reporting period	4	About This Report	
102-51 Date of most recent report	4	About This Report	This is our first sustainability report.
102-52 Reporting cycle	4	About This Report	
102-53 Contact point for questions regarding the report	4	About This Report	
102-54 Claims of reporting in accordance with the GRI Standards	4	About This Report	
102-55 GRI content index	76		
102-56 External assurance	4	About This Report	
Material topics (Topic-specific Standards)			
GRI 201 Economic Performance 2016			
103 Management Approach 2016 (inclusive for GRI 103-1, GRI 103-2, and GRI 103-3)	50–52	A Better Slovakia, topic: <i>Supporting Education and Local Development</i>	
201-1 Direct economic value generated and distributed	50	A Better Slovakia, topic: <i>Supporting Education and Local Development</i>	
103 Management Approach 2016 (inclusive for GRI 103-1, GRI 103-2, and GRI 103-3)	12–13	Ethics at the Core of Our Business, topic: <i>Ethics in Business</i>	
201-4 Financial assistance received from government	13	Ethics at the Core of Our Business, topic: <i>Ethics in Business</i>	

GRI Disclosure	Page(s)	Included in Chapter	Note
GRI 205 Anti-corruption 2016			
103 Management Approach 2016 (inclusive for GRI 103-1, GRI 103-2, and GRI 103-3)	12–13	Ethics at the Core of Our Business, topic: <i>Ethics in Business</i>	
205-2 Communication and training about anti-corruption policies and procedures	12	Ethics at the Core of Our Business, topic: <i>Ethics in Business</i>	
205-3 Confirmed incidents of corruption and actions taken	13	Ethics at the Core of Our Business, topic: <i>Ethics in Business</i>	
GRI 206 Anti-competitive Behavior 2016			
103 Management Approach 2016 (inclusive for GRI 103-1, GRI 103-2, and GRI 103-3)	12–13	Ethics at the Core of Our Business, topic: <i>Ethics in Business</i>	
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	13	Ethics at the Core of Our Business, topic: <i>Ethics in Business</i>	
GRI 401 Employment 2016			
103 Management Approach 2016 (inclusive for GRI 103-1, GRI 103-2, and GRI 103-3)	41	Satisfied Employees, topic: <i>Fair Remuneration and Benefits</i>	
401-1 New employee hires and employee turnover	42	Satisfied Employees, topic: <i>Fair Remuneration and Benefits</i>	Reason for omission – Confidentiality constraints. Information about employee turnover is considered sensitive internal information. Our calculations are based on the average number of employees in 2018 – 822.6. The numbers only include people who had a valid contract of work with ESET, calculated per individual.
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	43–44	Satisfied Employees, topic: <i>Fair Remuneration and Benefits</i>	The following benefits were not offered by ESET in 2018: <ul style="list-style-type: none">• Contributions to disability, life, and accident insurance• Health care contributions• The option to obtain company shares

GRI Disclosure	Page(s)	Included in Chapter	Note
GRI 404 Training and Education 2016			
103 Management Approach 2016 (inclusive for GRI 103-1, GRI 103-2, and GRI 103-3)	44	Satisfied Employees, topic: <i>Employee Training and Development</i>	
404-1 Average hours of training per year per employee	45	Satisfied Employees, topic: <i>Employee Training and Development</i>	We only list soft skill trainings. The calculations were based on the total number of people who had a valid contract of work with ESET as of December 31, 2018, calculated per individual, specifically 855 employees.
404-2 Programs for upgrading employee skills and transition assistance programs	46	Satisfied Employees, topic: <i>Employee Training and Development</i>	
404-3 Percentage of employees receiving regular performance and career development reviews	47	Satisfied Employees, topic: <i>Employee Training and Development</i>	The calculations were based on the total number of people who had a valid contract of work with ESET as of December 31, 2018, calculated per individual, specifically 855 employees.
GRI 405 Diversity and Equal Opportunity 2016			
103 Management Approach 2016 (inclusive for GRI 103-1, GRI 103-2, and GRI 103-3)	41	Satisfied Employees, topic: <i>Fair Remuneration and Benefits</i>	
405-2 Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation	41	Satisfied Employees, topic: <i>Fair Remuneration and Benefits</i>	
GRI 415 Public Policy 2016			
103 Management Approach 2016 (inclusive for GRI 103-1, GRI 103-2, and GRI 103-3)	12–13	Ethics at the Core of Our Business, téma: <i>Etika v podnikaní</i>	
415-1 Political contributions	13	Ethics at the Core of Our Business, téma: <i>Etika v podnikaní</i>	

GRI Disclosure	Page(s)	Included in Chapter	Note
GRI 417 Marketing and Labeling 2016			
103 Management Approach 2016 (inclusive for GRI 103-1, GRI 103-2, and GRI 103-3)	18–19	Ethics at the Core of Our Business, topic: <i>Responsible Communication</i>	
417-2 Incidents of non-compliance concerning product and service information and labeling	18	Ethics at the Core of Our Business, topic: <i>Responsible Communication</i>	
417-3 Incidents of non-compliance concerning marketing communications	18	Ethics at the Core of Our Business, topic: <i>Responsible Communication</i>	
GRI 418 Customer Privacy 2016			
103 Management Approach 2016 (inclusive for GRI 103-1, GRI 103-2, and GRI 103-3)	24	Safer Technology, topic: <i>Information Security</i>	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	24	Safer Technology, topic: <i>Information Security</i>	
Topics not covered by specific GRI disclosures (reporting according to GRI 103 Management Approach 2016):			
Customer Awareness	16		
Innovations and Technology	30		
Supporting Online Safety	24 36–37		
Employee Engagement and Volunteering	57		
Employee Environmental Awareness	61		
Stakeholder Dialogue	69		This topic is covered by the GRI General Disclosures.

