

Sustainability Report 2023

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FOREWORD

Dear reader

Sustainability shapes our day-to-day actions and is an integral part of our #forwardtogether 2025 strategy. We are aware of our responsibility towards the environment, society and future generations. We strive to take environmental and social aspects into account in all areas of our business. As part of our understanding of sustainability, we provide our clients with advice on investments and on all aspects of their mortgages.

This Zuger Kantonalbank Sustainability Report for the 2023 reporting year is published for the first time in accordance with the recognised 2021 Standards of the Global Reporting Initiative (GRI). In it, we provide transparent reporting on our objectives, the potential for improvement and the successes of our organisation in implementing our sustainability concept.

In terms of the sustainable development of our core business, we began in 2023 to systematically incorporate ESG (environment, social and governance) criteria into the investment process for our in-house investment funds and asset management mandates, and to gear our investment advice to the ESG preferences of our clients. We have also drawn up a CO₂ balance sheet for the bank as a whole and set ourselves CO₂ reduction targets for the bank's operations and for the first investment products. In the spirit of responsible business conduct, we have issued guidelines for sustainable procurement and introduced regulations for our self-organised events as well as for sponsored events and donations.

As a progressive employer, we see it as our duty to create a work environment that is not only productive but also inspiring and meaningful. We are convinced that satisfied, motivated employees are key to the long-term success of our bank. This year, for example, we introduced a career model and abolished the previous ranking system, launched a new training platform and initiated four talent programmes. We continuously invest in the training and development of our teams. The aim of all these measures is to establish and promote a culture of trust and mutual appreciation. Our values of trust, feedback culture, openness and entrepreneurship shape the way we think and act, and together constitute the "ZugerKB spirit".

Having focused on conceptual work in the previous year, we took concrete implementation measures in the year under review. We have set ourselves ambitious goals and are aware that we have embarked on a long journey. By reading our report, you will gain an insight into the progress we are making on our road to becoming a sustainable company. We look forward to a constructive and continuous dialogue with you.

Kind regards

Urs Rügsegger
Chairman of the Board of Directors

Hanspeter Rhyner
Chief Executive Officer

Sustainability Report

1. Sustainability strategy and governance of Zuger Kantonalbank

1.1 How we understand sustainability

Our understanding and concept of sustainability are based on a harmonious interaction between economy, society and the environment. These three factors are inextricably linked: without a functioning economic basis, social and environmental goals cannot be achieved. In return, long-term economic success can only be achieved if the environment is intact and society is functioning well. Comprehensive sustainability development is therefore of fundamental importance if we are to leave future generations with a thriving society, an intact environment and the necessary economic resources.

1.1.1 What guides us

The following drivers form the basis for our actions in relation to sustainability:

- The Zuger Kantonalbank Act stipulates that the bank is operated as a for-profit universal bank and takes into account the needs of the people of Zug.
- As a bank, we are legally bound to take sustainability aspects into account in our business activities.
- It is our responsibility to minimise or avoid as far as possible the negative impact of our business activities on the environment and society, and to assist clients in valuing, managing and protecting their assets from ESG risks.
- Innovation and technological progress are crucial to our prosperity. We want our clients and the region to be able to benefit from these developments.
- Our staff are pivotal to our success. We want to be an attractive employer and to develop ourselves continuously.

1.1.2 Pioneering vision for ourselves and our stakeholders

We think and act in a future-oriented way. We incorporate ecological and social aspects into our ambitious economic goals. In this way, we create responsible and sustainable added value for our clients, shareholders and employees, as well as for the Zug economic region and for the environment. As a company, we strive to be a sustainable bank with particular expertise in sustainable investing.

1.2 On the road to a comprehensive sustainability strategy

In addition to “Culture & Personnel”, sustainability is a core theme of our #forwardtogether 2025 corporate strategy, which we began implementing in early 2022. In the course of 2022, we developed a sustainability concept that forms the basis of the main sustainability topics in this report.

In the year under review, the focus of our activities in relation to sustainability was on the development of our ESG approach in the investing and lending business as well as on increasing our attractiveness as an employer. We defined remuneration-related sustainability targets for the bank as a whole, reviewed and expanded our sustainability guidelines and criteria, made any necessary adjustments to our processes, and trained our employees. We also drew up a carbon footprint of our business activities (see 2.4 Key figures and targets: what climate impacts we have, and what reduction targets we are pursuing, p. 11). As part of our commitment to contribute to a sustainable development, we have improved the transparency of our reporting as well as expanded our communication activities.

1.2.1 Our key stakeholder groups

Zuger Kantonalbank operates within an extended economic ecosystem. In the context of this dynamic and rapidly developing system, we are constantly interacting with a large number of stakeholders.

As part of the sustainability concept, we have identified the following six key stakeholder groups:

1. Clients
2. Shareholders (including the Canton of Zug, as the main shareholder)
3. Employees
4. Society (including the people of Zug)
5. Suppliers and business partners
6. Environment (NGOs and associations)

It is important for us to know and understand the needs and concerns of these stakeholder groups and to address them as fully as we can in our business decisions and practices, as well as in our actions. We will continue to expand this dialogue in 2024. The exchange and ongoing collaboration with our stakeholders helps us to build lasting, long-term value that is in line with our corporate objectives as well as society's expectations and the needs of the environment.

1.2.2 Sustainability topics that are material for us

Sustainability impact analysed internally

The focus of Zuger Kantonalbank's sustainability reporting is on "material topics". These are the topics where the bank has the greatest influence on society, the environment and the economy. The starting point for this focus was the sustainability concept that we developed in 2022. Through this conceptual work we identified potential topics relevant to the bank, the sector and the Canton of Zug. The identification and selection process was carried out on the basis of industry analyses, sustainability ratings and media reports.

In 2023, all business area heads identified the potentially most important topics on the basis of a points system. With regard to the key topics, the negative external impacts – particularly in relation to climate compatibility – and social benefits were subsequently analysed and taken into account in the prioritisation. The prioritised topics were approved by the Executive Board in autumn 2023 and subsequently acknowledged by the Compensation and Sustainability Committee of the Board of Directors.

For 2024, the plan is to review and update the existing list of topics as part of a double materiality analysis involving external stakeholders. On the one hand, the sustainability topics are assessed on the basis of the actual or potential impact that we as a bank have on the environment, society and the economy. On the other hand, the impacts (opportunities and risks) that the individual topics have on us as a bank are taken into account.

Six key topics for our 2023 report

The results of our materiality analysis led to the identification of the following six key sustainability topics for Zuger Kantonalbank, ranked by decreasing intensity of their impact:

1. Responsible investments
2. Responsible lending
3. Responsible business conduct
4. Attractiveness as an employer
5. Sustainable development in the region
6. Environmentally friendly operations

We report on these six topics on the following pages. For each topic we provide a detailed explanation of its relevance on the basis of the impact on society, the environment and the economy, as well as on the objectives Zuger Kantonalbank is pursuing in relation to the respective topic, to the currently applied management approach and to the steps that are planned to develop this approach further.

1.3 Sustainability governance

1.3.1 Organisation and responsibility

1.3.1.1 Board of Directors

At the request of the Executive Board, the Board of Directors – as the highest governing body – approves the sustainability concept embedded in the corporate strategy. It defines the main ESG matters and objectives for Zuger Kantonalbank. The Board of Directors decides on the application of national or international regulations for ESG reporting and approves the corresponding external reporting.

The Audit and Risk Committee of the Board of Directors monitors the risks in connection with the identified, material ESG concerns.

Compensation and Sustainability Committee of the Board of Directors

The tasks and responsibilities are laid down in the internal organisational regulations of the Compensation and Sustainability Committee (CSC) of the Board of Directors.

The CSC supports the Board of Directors and the Executive Board on sustainability issues in an independent, expert manner. In particular, it prepares the following matters and submits them to the Board of Directors for approval: development of the sustainability concept, definition of metrics and scope, and frequency and format of reporting. Furthermore, its activity includes developing possible sustainability targets for the bank's top management tiers and examining the content relating to sustainability, remuneration and corporate governance in the Annual Report. In addition, the CSC is responsible for reviewing progress on implementation of the content as well as estimating the resources required for implementation.

The CSC holds at least two regular meetings on sustainability topics every year; these meetings are attended by the CEO, the Head of Corporate Management and the Head of Sustainability.

1.3.1.2 Executive Board

Development of the sustainability concept is the responsibility of the Executive Board, which is supported in its task by the CSC. In addition, the Executive Board is responsible for implementing the sustainability concept: its individual members together with their directly subordinate business area heads, are responsible for implementation within their departments.

Furthermore, the Executive Board ensures that material ESG risks are integrated into existing risk management structures and that the associated tasks and responsibilities are defined (see 1.4 Risk management and processes, p. 7).

The CEO and the Head of Corporate Management periodically report to the CSC on the progress made towards achieving the targets, as well as on the measures and their effectiveness.

1.3.1.3 Sustainability Office

The Sustainability Office is part of the Corporate Development and Projects area. It supports the CSC and the Executive Board with developing the sustainability concept and with managing and coordinating its implementation.

The Head of Sustainability reports to the Executive Board and the CSC at least once a year on the progress made towards achieving the targets, as well as on the implemented measures and their effectiveness.

The unit participates in the relevant steering committees and other bodies and ensures that sustainability aspects are always included at an early stage.

1.4 Risk management and processes

ESG risks are shown and recorded in the respective risk categories as part of the overall risk policy of Zuger Kantonalbank. For a detailed description of the overall risk policy, see Annual Report 2023, Notes to the consolidated financial statements, 3. Risk management, p. 58.

Climate-related financial risks are a particularly significant ESG risk for the bank. As an independent controlling unit, Risk Management and Monitoring is responsible for the development and application of methods for measuring and assessing climate-related financial risks (see 2.3 Risk management: How we integrate climate risks into risk management, p. 10).

In the case of all projects proposed to the Executive Board, project heads must assess the significant positive or negative impacts on stakeholders based on a predefined grid. The assessment is carried out by the Sustainability Office. In the event of a high ESG risk for Zuger Kantonalbank, Risk Management must be brought in to carry out a detailed risk assessment.

1.5 Membership of associations and organisations

Through targeted memberships, Zuger Kantonalbank emphasises its strong commitment to sustainability: by actively participating in associations and organisations it can play a role in shaping sustainable development within the region and the Swiss financial centre. In addition, Zuger Kantonalbank's memberships facilitate a valuable exchange of knowledge with research experts, competitors and organisations.

Association of Swiss Cantonal Banks Zuger Kantonalbank is a founding member of the Association of Swiss Cantonal Banks and is represented on its Board of Directors by the CEO.

Central Mortgage Bond Institution of Swiss Cantonal Banks The Central Mortgage Bond Institution aims to provide sustainable refinancing through the intermediation of long-term mortgage loans. Zuger Kantonalbank is represented on the Board of Directors of the Central Mortgage Bond Institution by the CEO.

Swiss Bankers Association (SBA) Zuger Kantonalbank is a member of the umbrella organisation for banks in Switzerland.

UN Principles for Responsible Investment (UN PRI) Zuger Kantonalbank signed the UN PRI in 2023.

Swiss Sustainable Finance (SSF) Zuger Kantonalbank has been a member of the SSF, which is committed to a sustainable Swiss financial services industry, since 2023.

Asset Management Association Switzerland (AMAS) Zuger Kantonalbank has been a member of AMAS, the organisation that represents the Swiss asset management industry, since 2023.

Zug Chamber of Commerce. The CEO of Zuger Kantonalbank is a member of the Board of Zug Chamber of Commerce.

Gewerbeverband Kanton Zug. Zuger Kantonalbank is a member of the Board of the Gewerbeverband Kanton Zug (trade association of the Canton of Zug).

Swiss Climate Foundation (SCF) The SCF supports SMEs with implementing climate protection projects. Zuger Kantonalbank has been a partner of the SCF since 2022 and is represented on the foundation's Advisory Board.

2. TCFD reporting

In this climate report, Zuger Kantonalbank indicates the climate risks and opportunities it has identified, and how it addresses them. In line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), reporting covers governance, strategy, opportunity and risk management as well as the key figures and targets of Zuger Kantonalbank in relation to climate. Disclosure based on the TCFD recommendations is voluntary. We show the current status of implementation as well as the outlook for future developments.

2.1 Governance: How our governance is organised regarding climate-related risks and opportunities

The governance of Zuger Kantonalbank in relation to climate corresponds to that described in section 1.3, Sustainability governance, p. 6.

2.2 Strategy: What climate-related risks and opportunities we have identified, and how we address them

According to the current, predominantly qualitative assessment, the opportunities and risks associated with climate change should only have a limited impact on the business and financial results of Zuger Kantonalbank. The table below shows the assessment of the short, medium and long-term impacts¹ of the most relevant climate-related opportunities and risks on the bank:²

Short, medium and long-term impacts of climate-related opportunities and risks

Opportunities/risks	Impacts			Assessment
	Short term	Medium term	Long term	
Opportunities				
Reduced costs through resource efficiency	x	x		Low
Reduced costs from renewable energy sources	x	x		Low
Increased returns through sustainable products, services and markets		x	x	Average
Reduced costs due to increased resilience to climate change		x	x	Moderate
Risks				
Increased credit risks, e.g. due to a CO ₂ tax		x	x	Average
Operational risks, e.g. due to incorrectly declared products (greenwashing)		x	x	Moderate
Strategic risks, e.g. due to the loss of market share in ESG products		x	x	Moderate
Reputational risks, e.g. due to reputation-damaging behaviour in relation to climate change	x	x	x	Moderate

2.2.1 Climate-related opportunities

Based on the recommendations of the TCFD, the possible opportunities arising from climate change are described in the following categories:

- **Resource efficiency** – Our aim is to handle natural resources in banking operations carefully and efficiently (see 8.2 How we make our operations as environmentally friendly as possible today, p. 42) and to reduce their potentially negative impacts on the environment gradually and as far as possible, thus also saving costs. Since the bank's operations are not very energy-intensive, the impact of this opportunity on the bank's financial results is considered to be minimal.
- **Energy sources** – We can save costs and emissions from operations through sustainable and renewable energy sources. We already obtain all our electricity from Swiss hydroelectric power stations. In addition, we use solar power at various branches as well as energy from Lake Zug at our head office (see 8.2 How we make our operations as environmentally friendly as possible today, p. 42).

¹ We define the periods as follows: short term = 0 to 5 years, medium term = 5 to 10 years, long term = 10 to 30 years.

² The assessment of climate-related opportunities and risks was based on a rating scale of 1 to 5 (1: insignificant, 2: low, 3: moderate, 4: medium or 5: high).

- **Products, services and new markets** – Our clients are increasingly concerned about climate change. The demand for products and services that take account of climate change is growing accordingly. This gives us the opportunity to support clients in these matters. For an overview of our corresponding products and services, please refer to section 3, Responsible investments, p. 13 onwards. This opportunity is offset by the strategic risk of losing market share by focusing on climate-friendly products and services – a risk that is currently assessed as moderate (see 2.2.2 Climate-related risks, p. 9).
- **Resilience** – The conscious handling of climate change enables us to take preventive measures and thus strengthen the bank's resilience in the medium to long term. Accordingly, the topic of sustainability and therefore climate change sit at the heart of our corporate strategy; thus a separate specialist unit for sustainability has been set up, initial products and services have been developed, and climate risks have been integrated into risk management. Based on this solid foundation, we aim to further strengthen the bank's resilience in the future.

2.2.2 Climate-related risks

We view climate change as a risk driver rather than a new risk category. It impacts on the various known risk categories and sub-categories via a range of possible events. To identify and assess these impacts, an inventory of climate risks has been drawn up. Based on a risk inventory report, the Executive Board as well as the Audit and Risk Committee of the Board of Directors of Zuger Kantonalbank assessed the climate-related financial risks. In the risk assessment, a distinction was made between physical and transitory climate risks:

- **Physical risks** – We differentiate between acute and chronic risks. Acute physical risks arise from event-oriented incidents such as storms or floods. Chronic physical risks arise from longer-term climate developments such as a rise in sea levels or temperatures.
- **Transitory risks** – These arise in conjunction with the transition or with society's efforts to emit fewer greenhouse gases (GHGs) through incisive measures in the form of climate policy, technological changes or adjustments in demand among consumers or investors.

There are currently no risks rated as "high" in Zuger Kantonalbank's risk inventory for climate risks. However, several risks have received an overall assessment as "medium" or "moderate", with the trend judged to be increasing in the case of various risks. All risks are transitory risks, which are described in detail below. The bank's physical risks were assessed as "low" and their occurrence tends to be confined to the region. In the case of buildings as well as our mortgage business, potential damages are also covered to a large extent by the respective building insurance policy.

- **Credit risks** – The credit risk of counterparties we finance may deteriorate if climate change results in rising costs for the counterparty or falling demand. This may be down to various climate change-related factors, such as an adjustment in the CO₂ tax, technological innovations or prohibitions, or changing expectations on the part of clients. A scenario analysis was carried out regarding a possible increase in the CO₂ tax for companies. This shows only a limited impact on a large part of the lending volume.
- **Operational risks** – Adaptation to processes or products caused by climate change can increase operational risks. This may be caused by incorrectly declared products (greenwashing), non-compliance with regulatory provisions regarding sustainability or climate change, or incorrect reporting. We counter these risks through various procedural and organisational adjustments in the sustainability area.

- **Strategic risks** – If we do not adequately integrate climate risks into our lending or investment business, this may result in a loss of market share. Through various initiatives in relation to products and services, we are currently building a corresponding climate-friendly offering.
- **Reputational risks** – If major discrepancies arise or exist between the bank's business policy orientation or operational behaviour and the social consensus on climate change, it may face reputational risks. We address these risks through various initiatives and through the internal Sustainability Office, which is involved in various projects and business processes.

2.2.3 Climate strategy

As part of our management approach to climate risks, we have defined four action areas:

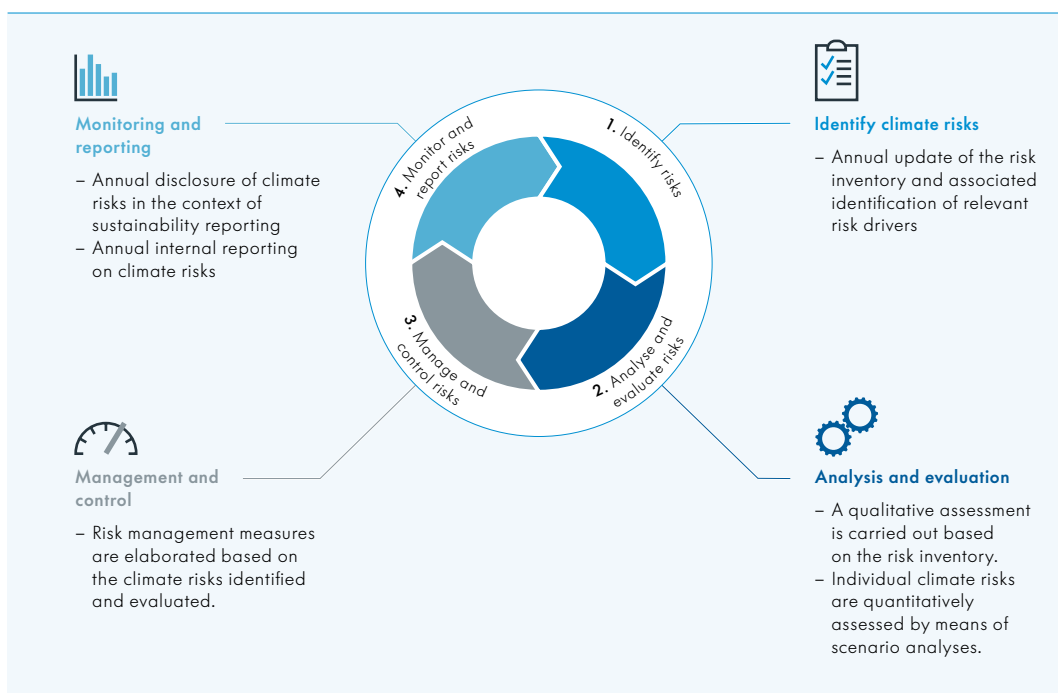
- **Measurement** – In 2023 we drew up our first comprehensive carbon footprint of our business activities for the 2022 financial year (see 2.4 Key figures and targets: What climate impacts we have, and what reduction targets we are pursuing, p. 11). In addition to the emissions from our operations, this includes the financed emissions from our balance sheet business, the asset management mandates and investment funds of Zuger Kantonalbank (parent company), as well as the funds managed by ImmoFonds Asset Management AG (IFAM).
- **Disclosure** – This first-time disclosure is based on the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) and is voluntary.
- **Reduction** – For our Scope 1 and 2 operational emissions we have set ourselves the goal of completely eliminating fossil fuels by 2030 (see 8.3.1 Climate targets, p. 44). For the first time, we also formulated a reduction path for CO₂ emissions for the Zuger Kantonalbank equity funds in 2023 (see 3.3.3 GHG emissions from in-house investment products, p. 19). A CO₂ reduction path had already been defined for the IMMOFONDS fund managed by IFAM in 2022.
- **Commitment** – We are involved in various climate protection initiatives outside our own value chain (see 7.4 What sustainable support measures were the focal point in 2023, p. 40, and 8.4.2 Climate protection outside our own value chain, p. 47).

2.3 Risk management: How we integrate climate risks into risk management

In 2023, we integrated climate risks into the Group's risk management. Various basic documents have been drawn up that support the risk management of climate-related financial risks in methodological and procedural terms. In a risk inventory, we identified and qualitatively assessed the climate-related financial risks for the first time (see 2.2.2 Climate-related risks, p. 9). The GHG emissions associated with our balance sheet were measured on the basis of the balance sheet for the first time with a reference date of 31 December 2022 (see 2.4 Key figures and targets: What climate impacts we have, and what reduction targets we are pursuing, p. 11). To enable us to measure GHG emissions in accordance with international standards annually in the future, we set up appropriate processes and established methods in the year under review. Based on the risk inventory and measurement of GHG emissions, we conducted a scenario analysis. The results were presented to the Executive Board as well as the Audit and Risk Committee of the Board of Directors.

Climate risks are integrated into risk management annually based on a clearly defined process (see graphic below).

Management and monitoring of climate-related financial risks



On an annual basis, Risk Management and Monitoring prepares a report on climate-related financial risks for the attention of the Executive Board as well as the Audit and Risk Committee of the Board of Directors. In the event of any negative developments and findings regarding climate-related financial risks, the Executive Board and the Board of Directors will be informed and, if necessary, consulted in the course of quarterly reporting or if there are acute developments.

2.4 Key figures and targets: what climate impacts we have, and what reduction targets we are pursuing

Since 2021, GHG emissions from the operations of Zuger Kantonalbank, including IFAM, have been measured in accordance with the methodology of the Association for Environmental Management and Sustainability in Financial Institutions (VfU). With regard to indirect GHG emissions from the balance sheet and assets under management, we used the methodology contained in the standard devised by the Partnership for Carbon Accounting Financials (PCAF) initiative for our first time calculation, in respect of the 2022 financial year. Zuger Kantonalbank uses the Partnership for Carbon Accounting Financials (PCAF) global standard for GHG accounting and reporting for the financial industry. For the entire portfolio of IMMOFONDS and IMMOFONDS suburban, the consumption data per property were collected using statements of ancillary costs or based on estimates. Scope 1 emissions were based on the environmental performance data of the Coordination Conference for Public Sector Construction and Property Services (KBOB). Scope 2 emissions were determined using the conversion factors of the Federal Office for the Environment and Energy. More information can be found in the ESG report 2022 (p. 25) of IFAM at www.immofonds.ch/esg/dokumente (German only).

Emissions are measured in tonnes of CO₂ equivalents (t CO₂e). CO₂ equivalents are a unit of measurement for standardising the climate impact of different greenhouse gases.

The data quality and the standard are generally at the development stage within the industry; in our case too, the emission values shown here should therefore be interpreted with the requisite caution. Due to the difference between direct and indirect emissions and their different impacts, we also recommend not comparing the GHG emissions of the individual areas on a one-to-one basis or adding them together.

Climate impact of Zuger Kantonalbank for the 2022 financial year as at 31 December 2022

	Scope	Emissions (t CO ₂ e)	Score ⁵
Operations (448 FTE) ¹	S1 + S2	166	
Lending and financial assets ²	S3 (cat. 15)	93,895	4
Discretionary mandates and ZugerKB funds ³	S3 (cat. 15)	226,534	2.1
IMMOFONDS and IMMOFONDS suburban ⁴	S3 (cat. 15)	9,527	

1 Includes all Zuger Kantonalbank locations (including Parkhaus Vorstadt in Zug) and IFAM offices.
FTE = full-time equivalent.

2 Includes mortgages, commercial real estate, corporate loans and financial assets of the parent company ZugerKB (excluding IFAM).

3 Includes asset management mandates and funds of ZugerKB.

4 Includes the IMMOFONDS and IMMOFONDS suburban funds managed by IFAM.

5 Describes the score according to the PCAF standard. Score 1 represents the best and score 5 the worst data quality.

The GHG emissions of the various business areas, including targets for banking operations and our in-house funds, are detailed in sections 3.3 (p. 18 onwards), 4.3 (p. 23 onwards) and 8.3 (p. 44 onwards).

3. Responsible investments

3.1 Why the topic is of material importance

The investment business, consisting of asset management, asset management for in-house investment products as well as investment advice and custody business, is a central pillar of the Zuger Kantonalbank business model. As a financial services provider, we have an indirect ability – via clients' investments, notably in the case of asset management and in-house products – to steer capital and financial flows and therefore the potential or actual impacts of the financed companies on the sustainable development of the economy, the environment and society, including respect for human rights.

In our internal materiality analysis, responsible investments was assigned the highest priority. This is justified by the first-time calculation of GHG emissions from our in-house funds and asset management mandates as part of Zuger Kantonalbank's total direct and indirect footprint for 2022. The calculated GHG emissions from the investment business are significantly higher than the GHG emissions from the credit business. The high priority given to responsible investments confirms the great importance our clients attach to the consideration of social and environmental aspects in their investments: a large proportion of the clients surveyed online in the summer of 2023 have expectations of Zuger Kantonalbank in this regard. We expect this importance to continue growing in the future, along with the demand for responsible investments.

3.2 How we run our investment business today

Putting Zuger Kantonalbank's investment business on a responsible footing is one aspect of the sustainability concept defined by the bank in 2022. In addition to risk and return considerations, ESG factors will also be consistently taken into account in asset management and investment advice in the future. We are convinced that the use of ESG criteria in the investment selection process will contribute to a more sustainable global financial system. Accordingly, with the signing of the Principles for Responsible Investment (PRI) in the reporting year, Zuger Kantonalbank committed itself to understanding the impact of ESG factors and incorporating them into its investment decisions.

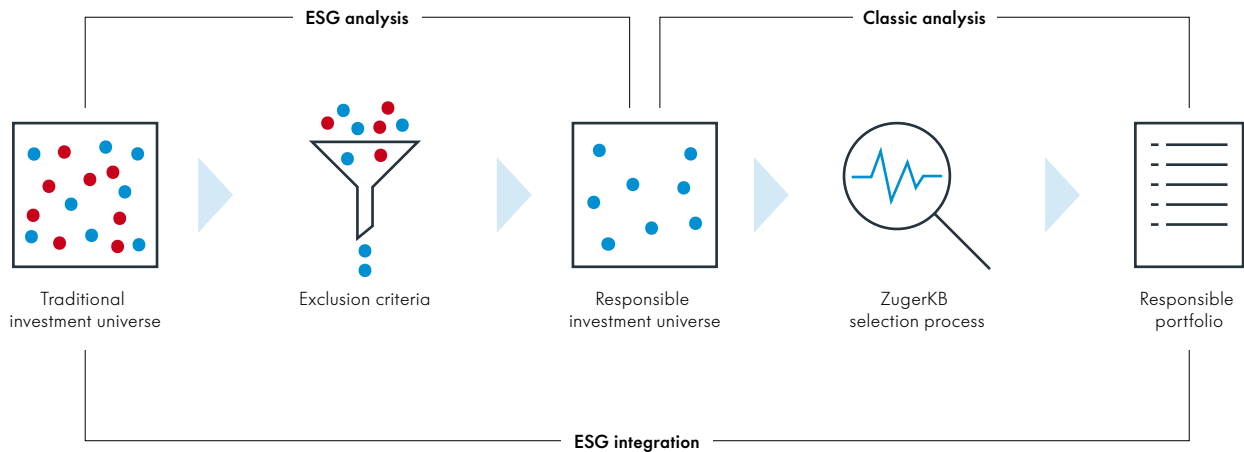
IFAM, which is part of the Group, pursues an independent sustainability approach in relation to the selection and management of investments for the listed IMMOFONDS and, since 2021, for IMMOFONDS suburban (see 3.2.6 Real estate as living spaces with character, p. 17).

3.2.1 Integration of ESG criteria into the investment process

For the management of our in-house investment funds and our asset management mandates, the structured investment process was laid down on a binding basis in a new internal directive in January 2023. Here too, there are clear rules on the integration of ESG criteria.

As the first stage in our investment process (see graphic below), business models and behaviour with high sustainability and reputational risks are excluded. We distinguish between norms-based exclusions (exclusion of companies that violate internationally recognised norms and standards), values-based exclusions (exclusion of companies whose business activities are deemed inadmissible for a sustainability-oriented investor) and country-based exclusions (countries that systematically breach international standards).

New investment process with consistent ESG integration



The exclusion criteria (see following table for a current overview) are reviewed by our ESG panel at regular intervals. The ESG panel is led by our in-house ESG analyst. The team also includes the Chief Investment Officer, Head of the Investment Center, Head of Investment Services and, as advisory members, the Head of Sustainability Management, a representative of the Investment Competence Centre and a representative of Investment Controlling.

A majority of people in Zuger Kantonalbank's Investment Office have sustainability training (CESGA, ESG-CA, CFA-ESG). All persons in the Investment Office have also been trained internally in ESG issues. If necessary, the Investment Office can obtain support from our dedicated ESG analyst at any time.

Exclusion criteria of Zuger Kantonalbank

Exclusion criteria	Direct investments	Target funds
Norms-based		
UN Global Compact	Result = "fail"	Fund share ≥ 3%
ESG controversies	Result = "red"	Fund share ≥ 3%
Controversial weapons	Share of sales > 0%	Fund share ≥ 3%
Nuclear weapons	Share of sales > 0%	Fund share ≥ 3%
Values-based		
Conventional weapons	Share of sales ≥ 5%	Fund share ≥ 8%
Thermal coal	Share of sales ≥ 5%	Fund share ≥ 8%
Unconventional oil & gas	Share of sales ≥ 5%	
Nuclear energy	Share of sales ≥ 5%	Fund share ≥ 8%
Adult entertainment	Share of sales ≥ 5%	Fund share ≥ 8%
Tobacco	Share of sales ≥ 5%	Fund share ≥ 8%
Gambling	Share of sales ≥ 5%	Fund share ≥ 8%
ESG rating	"B" or "CCC"	"B" or "CCC"
Country-based		
UN sanctions	Result = "yes"	
Government ESG rating	"B" or "CCC"	

As part of our exclusion process, we also consider the sustainability performance of companies and issuers based on ESG criteria. Companies or issuers whose sustainability performance is inadequate, i.e. if they are rated "B" or "CCC" by ratings agency MSCI ESG, are excluded. This ensures that the management of the most important sustainability topics by issuers in our Responsible investment universe is at least average compared with the sector as a whole.

When implementing their investment decisions, our responsible portfolio managers ensure that the specified sustainability policy is complied with. The bank's internal Investment Controlling unit monitors compliance with the processes on a regular basis.

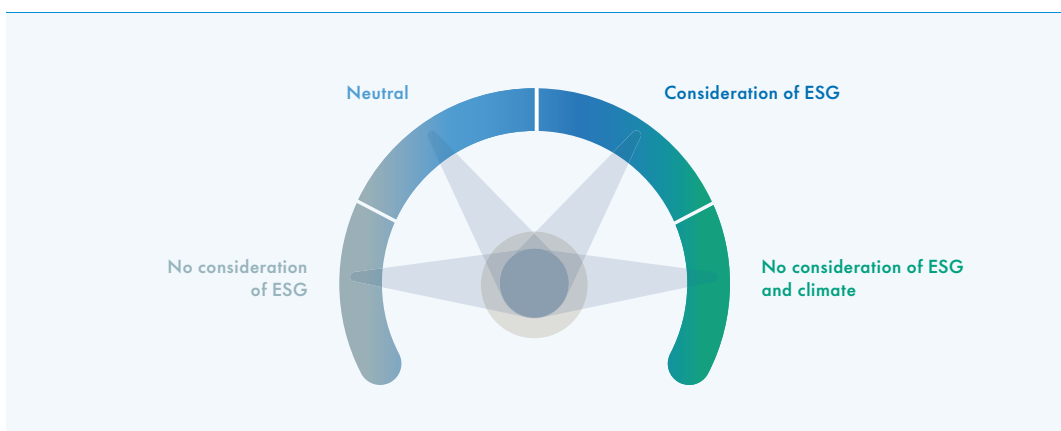
Zuger Kantonalbank's ESG panel is responsible for interpreting and developing the basic ESG philosophy in asset management. For example, in the case of investments (e.g. direct real estate funds or physical commodities) whose ESG performance cannot be analysed on the basis of the underlying assets in the same way as securities investments or investment funds, the team decides whether to include them in the Responsible investment universe or not.

Further information can be found at: <https://www.zugerkb.ch/en/private-clients/investments-stock-market/responsible-investments>

3.2.2 Investment advice tailored to client preferences

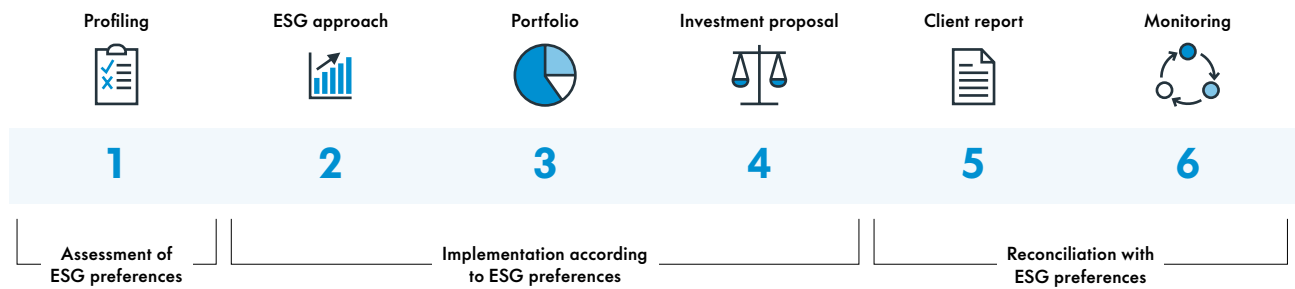
Zuger Kantonalbank adjusted its advisory process in December 2023 and is thus implementing the corresponding self-regulation guidelines of the Swiss Bankers Association in a timely manner: for all private as well as professional clients who purchase consulting products or services from us, we will now clarify what ESG preferences they have as part of the profiling or investor analysis process. Clients can choose between four different categories (see graphic below). The ESG preference of existing clients is classified as "neutral" by default as of December 2023.

Four levels of ESG preference at Zuger Kantonalbank



In the subsequent stages of the investment advisory process, the respective ESG preference is taken into account in all process steps, from analysis of the portfolio through investment proposals to reporting and ongoing compliance with the preferences in monitoring.

Investment advisory process



Regardless of the chosen service, Zuger Kantonalbank's clients receive their asset statement at least once a year. In the case of private clients with an ESG preference of "neutral" or "consideration of ESG", the respective ESG rating will be disclosed individually in the asset statement for each security or collective investment, provided the data is available from MSCI ESG Research LLC. The MSCI ESG rating measures a company's dependency on and resilience to long-term ESG risks of relevance to its sector. Whereas the leading companies (rated AAA and AA) have their ESG risks and opportunities under control and are therefore less exposed to potential risks, the "laggards" (rated B and CCC) do not have such management processes in place.

Our private clients with the preference "ESG and climate consideration" are additionally shown the metric for the Implied Temperature Rise (ITR) of MSCI ESG Research LLC in the advice, if available, but not as part of the asset statement. Implied Temperature Rise is an intuitive, forward-looking metric expressed in degrees Celsius that compares the alignment of companies, portfolios or funds with global temperature targets under the Paris Climate Agreement.

In line with the asset statement, an investment proposal is in each case also drawn up which works with the same ESG key figures. Currently, Zuger Kantonalbank does not offer its own investment products with impact strategies.

All 174 client-facing employees received training in ESG preferences and changes in the consulting process over the course of five sessions in the year under review.

3.2.3 Exercising of membership and creditors' rights in the case of our equity funds

Our fund management company Vontobel Fonds Services AG exercises the membership and creditors' rights associated with the equity investments of the sub-funds it manages independently and exclusively in the interests of the investors. The fund management company will, upon request, provide the investors with information on the exercising of membership and creditors' rights. In the case of scheduled routine transactions, the fund management company is free to exercise membership and creditors' rights itself or to transfer the exercising of them to the custodian bank or a third party, as well as to waive the exercising of membership and creditors' rights. In the case of all other events that might have a lasting impact on the interests of the investors, such as, in particular, the exercising of membership and creditors' rights which the fund management company holds as a shareholder or creditor of the custodian bank or another related legal entity, the fund management company will exercise the voting rights itself or issue explicit directives. In such cases, it may base its actions on information it receives from the custodian bank, portfolio manager, company concerned, proxy advisors or other third parties, or that it ascertains from the media.

For all subfunds, the fund management company actively exercises the membership rights. It is advised and supported by Columbia Threadneedle Management Limited, a company specialising in this area, or by other companies controlled by it, by means of voting rights recommendations and other administrative services. This is based on the principles for the exercising of membership rights developed by Columbia Threadneedle Management Limited and adopted by the fund management company. These principles must be adhered to with a sustainable investment policy. The exercising of membership rights includes the exercising of voting rights. Voting has the medium to long-term goal of bringing about improvements in corporate governance, in sustainable business operations and in the social, ethical and environmental responsibility of the companies, thereby achieving growth in shareholder value for the benefit of investors.

3.2.4 Compliance with due diligence in relation to own financial assets

Zuger Kantonalbank's own financial assets amounted to CHF 666 million at the end of the reporting year (see Annual Report 2023, Information on the consolidated balance sheet, 5. Financial assets p. 69). All investments meet the ESG exclusion criteria as described in section 3.2.1, Integration of ESG criteria in the investment process, p. 13.

3.2.5 Consideration of due diligence obligations when offering metals

Since November 2022 we have offered our clients exclusively "Fairtrade" or "Traceable" gold bars, the exact origin of which can be traced. Silver complies with the "Traceable Standard". Clients can thus decide for themselves whether, when making a purchase, they want to support high standards in small-scale mining ("Fairtrade") or in professional mining ("Traceable").

Further information can be found at: www.zugerkb.ch/nachhaltigesgold (German only)

3.2.6 Real estate as living spaces with character

In all new-build and existing projects, IFAM pursues the overarching ambition of designing living spaces with character. The preservation of value and sensible densification as well as the upgrading of the stock take precedence over new buildings. In this way, existing values, affordable housing and grey energy can be preserved. To gradually improve the environmental footprint of their properties, the funds managed by IFAM invest significantly in energy renovations, the replacement of fossil heating systems as well as the expansion of photovoltaics and automated metering infrastructure.

For further information, see IFAM's ESG Report 2022 at www.immofonds.ch/esg/dokumente (German only)

3.3 What objectives we are pursuing in responsible investments, and what our track record looks like

3.3.1 Key figures for the investment business

The following tables show the relative share of responsible investments of Zuger Kantonalbank for the asset management mandates and investment advice as well as the MSCI ESG key figures for our in-house funds.

Proportion of investments with ESG exclusion criteria at Zuger Kantonalbank as of 31 December 2023

	Asset management mandates ⁴	Investment advisory services ⁵
Consideration of ESG exclusion criteria ¹	100.0%	86.7%
■ of which ZugerKB ESG equity funds (ESG exclusion criteria and voting) ²	4.9%	4.4%
No consideration of ESG factors	0.0%	2.1%
Non-rated investments ³	0.0%	11.2%

1 Consideration of ZugerKB exclusion criteria as well as exclusion of companies or issuers with MSCI rating of "B" or "CCC"

2 Consideration of ESG exclusion criteria; also includes the exercising of voting rights in the case of our equity funds

3 Investments that are not recorded in the ZugerKB database

4 Includes all ZugerKB discretionary management mandates (except individual mandates)

5 Includes all investment and pension solutions (except execution-only)

MSCI ESG key figures for the ZugerKB funds as at 31 December 2023

Fonds	ESG rating	ITR
ZugerKB Fonds – Strategie ESG Konservativ (CHF)	"A"	2.3
ZugerKB Fonds – Strategie ESG Ausgewogen (CHF)	"A"	2.3
ZugerKB Fonds – Strategie ESG Dynamisch (CHF)	"A"	2.3
ZugerKB Fonds – Aktien ESG Schweiz (CHF)	"AA"	1.8
ZugerKB Fonds – Aktien ESG Europa (EUR)	"AA"	2.3
ZugerKB Fonds – Aktien ESG USA (USD)	"A"	2.5

3.3.2 GHG emissions from in-house investment products

In cooperation with an external consulting firm, the climate impact of in-house investment products was calculated in the reporting year based on figures with a cut-off date of 31 December 2022 (see 2. TCFD reporting, p. 8 onwards). The climate impact at the end of 2023 has not yet been calculated.

In future, the climate indicators will be calculated and disclosed annually.

Climate impact of the asset management mandates and the ZugerKB funds as at 31 December 2022

	Key metric	Discretionary mandates	ZugerKB funds
Carbon intensity ¹	t CO ₂ e / million CHF turnover	135	143
Data coverage ²	in %	86	80
Data quality ³	Score (1–5)	2.1	2.0

1 Describes the average CO₂ emissions per million Swiss francs of the underlying company turnover (weighted average carbon intensity, WACI).

2 Indicates the degree to which the relevant data is available for the creation of a climate balance sheet (coverage).

3 Describes the score according to the PCAF standard. Score 1 represents the best and score 5 the worst data quality.

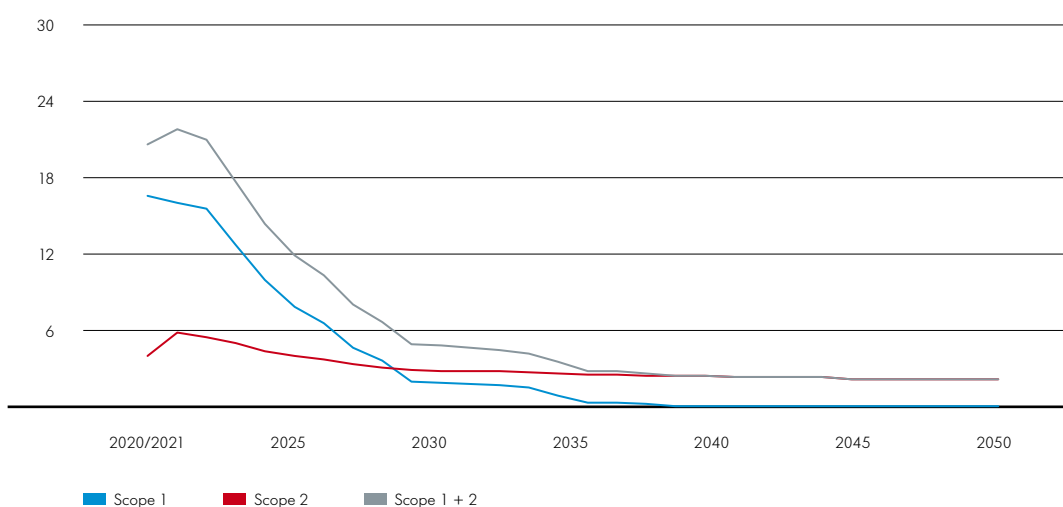
3.3.3 Reduction target for the equity funds of Zuger Kantonalbank

Based on the emissions data for 2022, a targeted reduction of –35 percent in carbon intensity by 2030 was formulated for Zuger Kantonalbank's three equity funds. For the achievement of targets, this key metric is to be taken into account as an additional criterion in portfolio management from 2024 onwards.

3.3.4 Reduction targets for IMMOFONDS and IMMOFONDS suburban

The target for IMMOFONDS (market value CHF 2.1 billion as at 31.12.2022) is to halve GHG emissions from operations of all managed properties in Scope 1 versus 2021 (approx. 17 kg CO₂e/m² energy reference area) by 2030 (approx. 8 kg CO₂e/m² energy reference area) and end the use of fossil fuel heating sources by 2045. The proportion of renewable energy sources is expected to be approx. 60 percent by 2030. The aggregated reduction path includes Scope 1 (heating oil, gas) and Scope 2 (general electricity, district heating) and its importance has been increased significantly versus previous years (see ESG Report 2022, p. 17, for IFAM at www.immofonds.ch/esg/dokumente) (German only). A net-zero strategy by 2045 is also the target for IMMOFONDS suburban (market value CHF 80.9 million as at 31 December 2022) In addition, ESG criteria are to be taken into account for portfolio properties within ten years of purchase. A tenant survey is carried out every three years in the case of both funds.

Reduction path for IMMOFONDS and IMMOFONDS suburban (in kg CO₂e/m² energy reference area, Scope 1 and 2)



Note on the graphic: The projected reduction path is based on the modelled data of IMMOFONDS properties and IMMOFONDS suburban, and takes investment planning into account.

3.4 What measures were the main focus in 2023

3.4.1 Start of transition to new investment and advisory process

In 2022, Zuger Kantonalbank decided to consistently integrate ESG criteria into the investment process of the mandates and in-house funds (see 3.2.1 Integration of ESG criteria into the investment process, p. 13), to record the ESG preferences of clients and to take them into account in the adapted advisory process (see 3.2.2 Investment advice tailored to client preference, p. 15). In 2023, we focused on implementing these decisions. In addition to the conceptual work, we forged ahead with regard to the technical requirements in the bank's IT systems and training measures in the investment and advisory business. In addition, we started work on the changeover of mandates and funds. In 2023 we also calculated the climate impact of the investment business for the first time and defined a reduction target for our equity funds (see 3.3.3 Reduction target for the equity funds of Zuger Kantonalbank, p. 19).

3.4.2 Further steps to improve the environmental balance sheet of the real estate portfolio

As well as the 27 properties in the portfolio of the IFAM funds IMMOFONDS and IMMOFONDS suburban that are already supplied with renewable heating energy, eleven fossil heating units were additionally replaced by renewable alternatives in 2023 and early 2024. Furthermore, the existing five photovoltaic systems with a total capacity of approx. 600 kilowatt peak were supplemented by five more photovoltaic systems. Connections to larger energy supply projects in Rapperswil and Zug are also planned in the next two years.

The launch of the Green Lease initiative in 2023 is particularly noteworthy. Green Lease contracts were introduced as a pilot with selected properties to promote environmentally friendly practices and sustainability among owners and tenants.

Further details and information on future measures can be found in IFAM's 2023 ESG Report, which will be available after its publication in June 2024 at: www.immofonds.ch/esg/dokumente (German only)

3.5 Other activities with an impact on sustainability

After associated project work during the reporting year, Zuger Kantonalbank began at the end of 2023 to offer clients straightforward trading and secure custody of six cryptocurrencies. For this offering we use the B2B banking platform of Sygnum Bank, which has its registered office in Zurich. The custody of digital assets is covered by the same strict legal standards that apply to traditional financial transactions. As a bank regulated under Swiss law, Sygnum Bank complies with all relevant legal and regulatory obligations on the basis of its robust anti-money laundering processes as well as its institutional security standards.

The emissions of the cryptocurrencies were estimated in the run-up to the launch of the crypto offer. The energy consumption and associated emissions are incurred in the validation of the transactions as well as for the maintenance and securing of the network. The highest CO₂ emissions of all cryptocurrencies are caused by Bitcoin and Litecoin, as they are based on the so-called “proof of work” concept, which is comparatively energy-intensive.

3.6 What is planned for the coming years

3.6.1 Completion of the transition to the new investment and advisory process

The integration of ESG criteria into all our mandates and funds is expected to be completed in 2024. In relation to investment advice, an initial exchange of experience with the advisors and consultants is planned with the aim of determining whether any adjustments to the new consultancy process are required. In addition, the approach to monitoring and control is to be defined in 2024.

3.6.2 Start of implementation of climate measures for equity funds

With the gradual implementation of the planned climate measures from 2024, we aim to reduce the carbon intensity of the three equity funds (Zuger Kantonalbank Fonds – Aktien ESG Schweiz [CHF], Zuger Kantonalbank Fonds – Aktien ESG Europa [EUR] and Zuger Kantonalbank Fonds – Aktien ESG USA [USD]) by 35 percent by 2030 (based on 2022 values). After initial experience with the planned climate measures, reduction targets and measures are being examined for bonds and strategy funds as well for discretionary management mandates. Due to the limited ability to influence carbon intensity in the consulting business, no objectives are planned here.

3.6.3 IFAM plans clear, sustainable guidelines for the maintenance of real estate

For IMMOFONDS and IMMOFONDS suburban, IFAM plans to further expand its expertise on implementation of the circular economy in the coming years and to define specifications for both sustainable maintenance and replacement as well as for the planning and construction of new buildings. In doing so, it is guided by the following principles: portfolio maintenance, densification with increased occupancy, recycling and separability of building materials, local resources with short distances, and the use of environmentally friendly and low-polluting materials. Existing properties are being upgraded step by step; for new buildings, appropriate provision is directly incorporated. Furthermore, the focus will also be on ensuring an adequate infrastructure for non-motorised traffic.

4. Responsible lending

4.1 Why the topic is of material importance

Zuger Kantonalbank's lending business consists predominantly of the traditional mortgage business and to a lesser extent the commercial lending business. Lending is a central pillar of the bank's business model, both in terms of financial volume and business income.

The materiality of the lending business results from the effects of the lending on society, the environment and the economy. Through the granting of mortgages, the bank has a direct and indirect influence on the investments and consumer behaviour of property owners, for example in the area of energy efficiency or heat supply. In addition, through its commercial lending business, Zuger Kantonalbank has a direct influence on the scope and nature of the company's business activities and investments of the financed companies and thus indirectly on their impact on society and the environment.

First-time calculation of the carbon footprint of Zuger Kantonalbank's lending business for 2022 resulted in lower financed GHG emissions than in the investment business. In the lending business there are "transitory" risks from climate change: for example, the bank could have granted a loan to a company that cannot keep pace with technological developments or the impacts of climate change on its business model, which could result in a partial or complete default. According to initial calculations by Zuger Kantonalbank, the transitory risks in the bank's loan portfolio are manageable. In our internal materiality analysis, responsible lending was therefore assigned the second highest priority.

4.2 How we operate our lending business today

Based on the legal and regulatory principles as well as the code of conduct of the Swiss Bankers Association, Zuger Kantonalbank has an extensive internal set of rules in the lending business, including guidelines for the granting of loans.

In the commercial lending business, we take a close look at the business model, organisational structure and governance of the company to be financed, but also at the purpose of the financing. The findings are incorporated into the holistic client assessment and result in a documented, comprehensible credit rating. We conduct commercial lending exclusively with companies or counterparties domiciled in Switzerland.

In the case of mortgage lending, the ESG aspects are assessed in relation to the property to be financed. Real estate, housing and construction account for approx. 40 percent of GHG emissions in Switzerland – with housing alone accounting for 25 percent. As the leading bank in the Zug economic region, we are aware of our responsibilities and want to make our contribution in this area as well. For this purpose, our client advisors and financing specialists working in real estate financing received training from a recognised external provider in the year under review. New employees entering the relevant areas will receive the same level of training in the future. In keeping with the new self-regulation guidelines issued by the Swiss Bankers Association in 2022, we now provide our clients with information on climate-friendly construction and renovation as part of our mortgage advisory service. The sustainability topics discussed during the advisory consultation are recorded in the credit file. Further information can be found at: www.zugerkb.ch/bauenundsanieren (German only)

To encourage the replacement of oil or natural gas heating by a heat pump or photovoltaic system, we have since 2022 been offering "green loans" to clients with an existing mortgage interest-free loans – without collateral requirements and for a term of two to eight years. In this way, we contribute directly to the reduction of GHG emissions in the Canton of Zug.

4.3 What objectives we are pursuing in responsible lending, and what our track record looks like

4.3.1 Scope and type of lending

At approx. CHF 14 billion, the mortgage business was dominant in terms of Zuger Kantonalbank's volume of lending business at the end of 2023. Around three quarters of the mortgage business comprises financed properties in the Canton of Zug. However, the proportion of properties in the rest of Switzerland continued to rise in the year under review.

In relative terms, the commercial lending business showed the strongest growth at 23 percent compared with the previous year. Trade, transport and warehousing, the manufacturing sector and the financial and insurance services sectors each account for around 18 percent of Zuger Kantonalbank's commercial lending business and thus together account for more than half of the total volume.

Breakdown of the loan portfolio by lender¹

Commitment in CHF million	31.12.2023	31.12.2022
Type of loan		
Owner-occupied residential property	4,860.3	4,642.4
Investment properties	8,996.4	8,634.0
Commercial loans ²	770.5	628.8
Other loans ³	562.2	656.9
Total	15,189.4	14,562.1

1 Figures by loan type include deposits and are shown before netting with value adjustments.

2 Includes syndicated loans of CHF 278.1 million as at 31 December 2023.

3 Includes agricultural financing, financing to public companies and lombard loans.

Mortgage breakdown by property location

in %	31.12.2023	31.12.2022
Type of loan		
Canton of Zug	74.1	75.7
Rest of Switzerland	25.9	24.3
Total	100.0	100.0

Commercial lending, broken down by sector

in %	31.12.2023	31.12.2022
Sector		
Construction	8.7	9.1
Financial and insurance services	17.5	17.3
Scientific and technical services	10.4	7.2
Property and housing	2.6	3.2
Trade, transport and warehousing	18.7	18.3
Information and communication	5.1	6.1
Public administration, healthcare and social services	16.0	18.3
Manufacturing	18.6	17.5
Other industries	2.3	3.0
Total	100.0	100.0

4.3.2 GHG emissions from lending

As a basis for future formulation and implementation of reduction targets and in order to manage risks, GHG emissions from lending were determined for the first time for 2022 (see 2. TCFD reporting, p. 8 onwards). The following table shows the results of this first-time GHG measurement, including the values at the end of 2023. In accordance with the various PCAF approaches, classification was by mortgages for residential real estate, commercial real estate loans, and corporate loans. The table shows the absolute lending volume per PCAF category and associated GHG emissions in t CO₂e. The carbon intensity calculated from these figures shows how much t CO₂e is generated per million Swiss francs of lending volume. The score corresponds to the data quality according to the PCAF standard. Score 1 represents the best and score 5 the worst data quality. When interpreting the reported values and in any comparisons of the data with other industry values, the novelty of the PCAF standard and the fact that the data situation is still imprecise must be taken into account.

The decrease in emissions for mortgages and commercial real estate in 2023 compared with 2022 is due to reduced emission factors on the part of the PCAF. The higher emissions for corporate loans in 2023 compared with 2022 are driven by limited lendings in more emissions-intensive sectors.

Emissions from the lending business of ZugerKB (parent company) as at 31 December 2022 and 31 December 2023

PCAF categories	2023				2022			
	Volume (CHF million)	Emissions (t CO ₂ e)	Carbon intensity (t CO ₂ e / CHF m)	Score	Volume (CHF million)	Emissions (t CO ₂ e)	Carbon intensity (t CO ₂ e / CHF m)	Score
Mortgages	4,742	13,271	2.8	4	4,859	19,384	4.0	4
Commercial real estate	8,383	26,281	3.1	4	8,301	30,099	3.6	4
Corporate loans	1,012	46,083	45.5	4	896	24,400	27.2	4
Total	14,137	85,635	6.1	4	14,056	73,883	5.3	4

Notes on the table: Categorisation in terms of mortgages, commercial real estate and corporate loans follows the PCAF standard. Emissions (Scope 3, Cat. 15) are reported in t CO₂e. The mortgages category includes owner-occupied residential properties. Financing of commercial properties (including externally used residential properties) falls into the commercial properties category. The corporate lending category includes commercial lending. It must also be taken into account that not all lendings have been included in the measurement of GHG emissions, for example land financing and lombard loans.

4.4 Measures in the year under review

When calculating the overall carbon footprint of Zuger Kantonalbank in the year under review, the financed emissions from the lending business (Scope 3) were also calculated for the first time on the basis of data for 2022 (see 4.3.2 GHG emissions from lending, p. 24). In addition, the transitory risks in the lending business were assessed for the first time. Internal awareness-raising measures and training of our client advisors and financing specialists were carried out as part of the implementation of the new self-regulation guidelines issued by the Swiss Bankers Association. The advice and information offered to our clients was subsequently expanded accordingly. The lending business was not the subject of any internal or external assurance with regard to ESG issues in the year under review.

4.5 Outlook for 2024 and the following years

In the coming years, Zuger Kantonalbank will focus on creating the technical prerequisites and increasing the data base in the lending business in qualitative terms in order to improve the measurement and management of climate risks. During 2024 it is to become possible, for example, to record certificates received by clients following energy upgrades of their properties in the bank's systems and thus take them into account in terms of future evaluations and calculations of the carbon footprint.

5. Responsible business conduct

5.1 Why the topic is of material importance

Acting responsibly is a key value for us in terms of our day-to-day operations. By conducting its business activities responsibly, Zuger Kantonalbank (including its subsidiary IFAM) minimises the risks associated with non-compliance with legal requirements. We also protect our excellent reputation and maintain the trust of our stakeholders as the basis of our long-term business success. Responsible business conduct includes respect for human rights, the fight against corruption and the prevention of money laundering, competitive behaviour, the protection of personal data, ensuring the highest requirements for cyber security and avoiding greenwashing. In this way we are creating the basis for trusting cooperation with our stakeholders, in particular with our clients, shareholders, suppliers, authorities and associations.

5.2 How we organise ourselves to fulfil our responsibilities in business conduct

5.2.1 Overarching requirements

Responsibility of the Board of Directors and overarching requirements

Responsibility in the bank's business conduct is exercised at all levels. In accordance with the law and the articles of association of Zuger Kantonalbank, the Board of Directors is responsible for ultimate supervision and control. It adopts guidelines on corporate culture and principles for appropriate risk management and controls as well as for an effective internal control system (ICS). Correspondingly, the Board of Directors has, for example, issued organisational regulations, regulations on consolidated supervision, competency regulations, an overall risk policy as well as a Code of Conduct and Ethics. The latter sets out the basic ethical values and professional standards for employees.

The requirements laid down in these documents are binding for all employees of Zuger Kantonalbank and IFAM. Internal and external guidelines have applied to the sustainable purchase of products and services since the end of 2023. The information sheet setting out general principles for sustainable procurement is provided in addition to each written supplier contract. Zuger Kantonalbank expects the principles to be observed by suppliers, their employees, as well as all subcontractors and their employees. In addition, any form of child labour is strictly rejected by its subcontractors or suppliers. To ensure Zuger Kantonalbank events as well as sponsored events and awards are sustainable, sustainability guidelines and checklists were drawn up for these areas too at the beginning of 2023.

The Zuger Kantonalbank Act, as well as the articles of association and the organisational regulations of Zuger Kantonalbank, can be viewed on the bank's website at www.zugerkb.ch/rechtsform-reglemente (German only)

Three-line model for implementation and control

Within the framework of the requirements of the Board of Directors, the Executive Board is responsible for the operational implementation of these guidelines, principles and regulations. It relies on three lines: The first consists of client advisors, processing employees and specialists. As part of their work, they align their actions to the applicable guidelines and directives, thus ensuring that they act responsibly. As a second line, the independent control bodies of "compliance function" and "risk controlling" set out requirements in connection with responsible business conduct as well as providing training and ensuring compliance. Internal Audit – as the third line – conducts independent audits of business conduct.

Both the second and third line, as well as the external audit firm, report regularly to the Executive Board and the Board of Directors. Reporting includes any identified or reported compliance violations and other shortcomings in terms of compliance with responsible business conduct. These defects must be remedied within a defined period of time, with checks carried out in the course of a follow-up audit.

Comprehensive regulations of the financial industry as a framework

Finance is one of the most highly regulated sectors. Accordingly, Zuger Kantonalbank, like IFAM, is required to comply with various laws, ordinances, regulations and self-regulation guidelines and to align its business activities accordingly. These regulations primarily serve to protect clients, ensure transparency and prevent criminal, unlawful and unethical conduct.

The most important regulations that have a direct influence on business behaviour are the Anti-Money Laundering Act, the Agreement on the Swiss Banks' Code of Conduct with regard to the exercise of due diligence (CDB), the Banking Act, the Financial Institutions Act, the Financial Market Supervision Act, the Financial Market Infrastructure Act, the Financial Services Act, the Collective Investment Schemes Act, the legal requirements of international tax law, such as the Automatic Exchange of Information, the US Foreign Account Tax Compliance Act, the US Qualified Intermediary Agreement, the Data Protection Act and the legal requirements on market conduct and insider trading and to combat unfair competition and cartels, on anti-corruption and bribery, on sanctions imposed, on cross-border business, on conflicts of interest and on stock exchange listing.

Implementation via directives, implementation regulations, processes and monitoring

To comply with these requirements, the Executive Board has issued directives, implementing regulations, processes and controls. Compliance with the directives and implementing regulations is binding on the employees concerned. In essence, Zuger Kantonalbank (including IFAM) has the following directives and implementation provisions that are relevant in this context: employee transactions and insider trading, clients domiciled abroad, data protection, AIA, FATCA and QI, safeguarding of banking secrecy by employees, combating money laundering and terrorist financing, CDB, conflicts of interest, business and private mandates, investment client business, external asset managers, client trading, custodian bank, information security, cyber security, outsourcing and operational risks, and internal control system. In addition, the personnel regulations lay down rules on gifts and invitations in order to prevent corruption and bribery.

Regular training and development as well as a wide range of tools

To ensure that the employees of Zuger Kantonalbank and IFAM are familiar with the directives applicable to them in connection with business conduct, the bank arranges face-to-face and online training courses. In the case of mandatory requirements, the training courses are declared binding for all employees and completion of them is checked. For example, all employees must complete training in market behaviour and insider trading every year. About half of all employees are required to complete training in the combating of money laundering, the Financial Services Act and data protection. In addition, all client advisors are certified by the Swiss Association for Quality (SAQ). Components of this certification are various learning modules to take account of governance aspects in the performance of their function (for example, for general compliance, the combating of money laundering, fraud detection, data security, conflicts of interest and acceptance of inducements). The certification is valid for three years, then a recertification takes place. In addition to the training courses, Zuger Kantonalbank provides guidelines, instruction manuals, FAQs and other documents on the intranet to assist employees in matters of compliance, business ethics and corporate responsibility.

General due diligence as part of overall risk policy

General due diligence, i.e. the systematic review and analysis of business activity to identify potential risks (including operational risks and ESG risks) of the Group, is part of the overall risk policy. The overall risk policy and its subordinate risk policies regulate the extent to which the Group intends to take risks and how these are monitored and managed. The overall risk policy is supplemented by the regulations on the consolidated supervision of Zuger Kantonalbank. For a detailed presentation of the overall risk policy, see Annual Report 2023, Notes to the consolidated financial statements, 3. Risk management, p. 58.

Structured complaints process for all stakeholders

Clients and other stakeholders can file complaints about Zuger Kantonalbank or IFAM. The following two options are available: First, the bank has a structured complaints process. This supports, standardises and simplifies the process as well as ensuring prompt communication and efficient processing. In addition, the process enshrined in the directives stipulates that the line manager and, if necessary, the Executive Board should be involved. Secondly, complaints and concerns can be submitted to the Swiss Banking Ombudsman. This is a neutral and cost-effective intermediary, which is co-financed by Zuger Kantonalbank.

Professional whistleblowing procedure for employees

Employees have access to a professional whistleblowing process for reporting grievances about a breach of ethical or social business practices. The report can be submitted anonymously. If compliance issues are involved, the report will be sent to the Head of Legal & Compliance at Zuger Kantonalbank. If it involves other types of incident such as bullying or discrimination it goes to an independent external specialist unit. Any serious cases are part of the regular, quarterly reporting to the Executive Board and the Board of Directors.

5.2.2 Topic-specific regulations

Respect for human rights

The Code of Conduct and Ethics states that Zuger Kantonalbank (and, by analogy, IFAM) is committed to equal opportunities as well as tackling discrimination and bullying (see www.zugerkb.ch/geschaefftsethik (German only)). As a control measure, the Bank regularly has wage equality analysed by an external partner and approved by the Swiss Association for Quality and Management Systems (SQS). The voluntary parameters relating to age and nationality are also an integral part of the certification process. In addition, when concluding a contract, suppliers are given an information sheet stating that forced and child labour within the supply chain is strictly prohibited.

Prevention of money laundering and combating corruption

Money laundering is classified as a top risk at Zuger Kantonalbank. Accordingly, the bank has taken numerous measures to minimise this risk. Measures include the preparation of an annual risk analysis, maintenance of detailed directives and processes, the use of various monitoring and investigation tools, the reporting of suspected cases, annual training of employees, and inspections.

This is supplemented by a wide range of measures to combat corruption and bribery. The Code of Conduct and Ethics prohibits all forms of bribery and corruption (see www.zugerkb.ch/geschaefftsethik (German only)). In accordance with the personnel regulations, the line manager decides on gifts and invitations with a value of CHF 50 to 250; in the case of higher amounts, Compliance decides. Furthermore, business and private mandates must be disclosed and, if necessary, approved in accordance with the internal directive. Contracts with suppliers must be approved by the competent body as specified in the competency regulations – depending on type or value. In addition to the contracts with Zuger Kantonalbank or IFAM, an information sheet setting out the provisions on prevention of bribery and corruption is also issued to all suppliers. All supplier contracts must be signed by two authorised signatories of the bank.

Competitive conduct

Zuger Kantonbank and IFAM are expressly committed to free competition. Unfair competition or unlawful market collusion are not tolerated. Marketing campaigns are usually subject to legal scrutiny to ensure that there is no unfair competition. In addition, in the context of association work, care is taken to avoid any conflict with antitrust law.

Security and data protection

Zuger Kantonbank and IFAM attach great importance to security (including cyber security) and the protection of data. Comprehensive security (IT and information security, cyber security and physical security) is ensured in operations and integrated into projects. Implementation of the multi-level security strategy is based on the internationally recognised NIST Cybersecurity Framework, which also includes suppliers and partners. The strategic guidelines for cybersecurity are developed as part of the operational risk policy set by the Board of Directors. The essential element of the protective measures is the continuous security monitoring based on a professional Security Operation Center (SOC). The effectiveness of the implemented measures is assessed several times a year by means of the internal control system (ICS), security audits, security assessments and penetration tests, including security experts, evaluated by means of risk analysis and reported annually to the Executive Board as well as to the Board of Directors.

All relevant requirements are enshrined in the Group's corporate governance on a binding basis, compliance with which is regularly reviewed. All data collections are inventoried and categorised. The data retention period is based on the regulatory retention obligations. In compliance with the regulatory retention obligations, clients can also request the deletion of their personal data. Processes, procedures and software solutions ensure that the flow of client and bank data is minimised. Incidents are analysed and reported to the bank's management bodies.

To underline the importance of cyber security, Zuger Kantonbank is an active member of the FS-CSC (Swiss Financial Sector Cyber Security Centre) and of the NCSC (National Cyber Security Centre). The reporting of cyber attacks according to FINMA specifications or data breaches according to the Swiss Federal Data Protection Act (DPA) is also one of the established processes.

The central pillar of the cyber security strategy is the high awareness of data security through regular training of all employees, security exercises, timely information on current incidents on the intranet and other appropriate awareness-raising measures. With regard to data protection and data security, the Group has a comprehensive training concept with web-based training and contextual simulations, for which all employees receive a certificate on completion. This learning programme is also a mandatory part of the recruitment process for new employees. We include the protection of our clients in the systems, processes and internal awareness-raising.

It should also be noted that IFAM has its own privacy policy, which is published on its website. Zuger Kantonbank, as the sole owner of IFAM, respects the individual dual data protection requirements of IFAM and ensures compliance with these provisions as part of its collaboration.

Avoidance of greenwashing

As a member of the Asset Management Association Switzerland (AMAS), we are subject to the “Self-regulation on transparency and disclosure for sustainability-related collective assets” of 26 September 2022. This free self-regulation applies to member institutions of the Asset Management Association Switzerland (AMAS) as well as other affiliated institutions.

Zuger Kantonalbank and IFAM have implemented self-regulation. With the implementation of self-regulation, greenwashing is avoided at company level (pursuit of sustainable investment approaches based on sound investment processes), at product level (correct and transparent description of sustainability practices and characteristics of an investment product) and at point-of-sale level (advisory process with provision of full, accurate information on products).

In this context, Zuger Kantonalbank has implemented SwissBanking’s guidelines for financial service providers to allow the integration of ESG preferences and ESG risks in its investment advice and asset management in a timely manner (see 3.2.2 Investment advice coordinated with client preference, p. 15).

5.3 How we measure our responsible business conduct, and what our track record looks like

5.3.1 Compliance with laws and regulations

During the reporting period (as in the previous year 2022) no significant violations of laws or regulations were recorded and accordingly no fines were paid.

5.3.2 Respect for human rights

In the field of child labour, we have carried out a risk assessment in accordance with Art. 7 of the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO). The audit has confirmed that there is a low risk of child labour when purchasing products and services.

5.3.3 Anti-corruption

In the year under review, neither the head office nor the 13 branch offices were audited for corruption risks.

5.3.4 Communication and training in anti-corruption policies and procedures

The Code of Conduct and Ethics establishes a ban on bribery and corruption. This was noted by all seven members of the Board of Directors in the year under review. In addition, all employees were informed about the Code of Conduct and Ethics and its binding nature. Neither the Board of Directors nor the employees have received anti-corruption training as yet.

5.3.5 Confirmed corruption cases and measures taken

No cases of corruption were identified or reported in the year under review (as in the previous year 2022).

5.3.6 Anti-competitive behaviour

No anti-competitive behaviour was detected or reported in the year under review (as in the previous year 2022). As a result, there are no (pending) legal proceedings.

5.3.7 Protection of client data

In the year under review, three complaints were received from clients regarding violations of data privacy. The complaints were addressed immediately and quickly resolved to the satisfaction of the clients affected. No incidents of data theft or loss were detected in the year under review (as in the previous year 2022).

5.4 What measures were the main focus in 2023

5.4.1 Timely implementation of new legal requirements

In the year under review, Zuger Kantonalbank completed the project to implement the provisions of the new Swiss Federal Data Protection Act (DPA), which came into force on 1 September 2023. In addition, projects to implement the SwissBanking guidelines for financial service providers to allow the integration of ESG preferences and ESG risks in investment advice and asset administration and for providers of mortgages to promote energy efficiency as well as the FINMA Circular "Operational risks and resilience" were completed. Furthermore, the new requirements resulting from the Insurance Supervision Act on insurance broking, which are effective as of 1 January 2024, were met.

5.4.2 Compliance with regulations in banking operations

The measures to strengthen compliance in operations can be divided into prevention and control. In terms of prevention, Zuger Kantonalbank updated the Code of Conduct and Ethics in the year under review and issued an information sheet setting out general principles for sustainable procurement. In addition, employees received regular training in the topics relevant to them for responsible business conduct. Training in anti-money laundering, market behaviour and insider trading as well as data protection was carried out internally. The ongoing controls are divided between the three lines (see 5.2.1 Overarching requirements, p. 25) and concern all relevant topics of compliance in a broader sense.

5.4.3 Verification of efficacy

A large number of different procedures are used by Zuger Kantonalbank to verify the efficacy of the measures taken. Some examples are given here.

In the fight against money laundering, data on higher-risk transactions and their processing time are collected on a regular basis. The data provides information on whether the measures taken are effective. The quarterly employee discussions in which responsible business conduct is also discussed are another example. Furthermore, the number and type of complaints and the recommendations of the external auditors are compared with other banks. Effectiveness is also monitored on the basis of the recurring checks in all three lines (see 5.2.1 Overarching requirements, p. 25). If the "findings" decrease, the measures are effective. The number of breaches of directives and money laundering reports is also recorded in order to identify a trend at an early stage. In summary, many – though not all – procedures are effective. Measures that do not have the desired effect are either replaced or adapted. For example, the checks on compliance with the "need to know" principle are being revised in the context of data protection.

During the year under review, Internal Audit carried out various audits, for example in the areas of securities trading, financing, real estate valuation and credit recovery. Its findings were categorised into high, medium or low priority, with those in the high-priority category being in the minority. In the following year, the internal auditors also check whether the findings of the previous year have been fully and correctly implemented. This audit concluded with a good result.

5.5 What is planned for the coming years

Zuger Kantonalbank has a strategy of investing in its employees by supporting training and further education. In addition, it strives to successively improve its internal control system (ICS), its directives system and its processes, controls and measurement procedures. Zuger Kantonalbank sees both as a permanent task. From a regulatory point of view, it monitors upcoming requirements to ensure timely implementation within the bank. In the coming years, this will include Basel III (strengthening of capital requirements), as well as the rules on climate reporting and management of environmental financial risks.

6. Attractiveness as an employer

6.1 Why the topic is of material importance

We intend to remain the leading bank in the Zug economic area in the future. To remain a strong partner and provider of high-quality products and services for our clients, we – as a bank and asset manager – need motivated and well-trained specialists in various disciplines. Today's age pyramid in Switzerland shows the challenge in this regard: many of today's skilled workers – including those in our teams – will soon reach retirement age. According to the Lucerne University of Applied Sciences Financial Monitor 2023, companies in central Switzerland see the shortage of skilled workers as a key area requiring action. As a bank and asset manager, we are taking preventive measures to address the risk of undersupply of skilled workers. We are strengthening our general reputation, corporate culture and various elements of our personnel policy in order to be perceived as an attractive employer within the labour market.

6.2 How we promote our attractiveness as an employer today

Promoting our attractiveness as an employer is part of the Culture & Personnel core theme of Zuger Kantonalbank's Strategy 2025. In terms of our corporate culture, we aim to offer enjoyment and motivation in a climate of trust and mutual appreciation. Trust, openness, feedback culture and entrepreneurship should shape cooperation as lived values. We want to differentiate ourselves from our competitors and be rated as an above-average attractive employer by market standards. In this way, we at Zuger Kantonalbank can succeed in attracting and retaining top employees with commitment and passion. This is an environment that favours ambition, desire for performance, creativity and innovation.

A roadmap setting out priorities and projects has been adopted for the Culture & Personnel strategic initiative. The priorities we will be working on until 2025 are presented in the following sections.

6.2.1 Who is responsible for personnel policy and how we are organised

As defined in the competency regulations, strategic and supreme responsibility for the remuneration and HR policy of Zuger Kantonalbank lies with the Board of Directors, which delegates operational responsibility and the achievement of targets to the Executive Board. Responsibility for HR and Training within the Executive Board lies with the Head of Corporate Management.

Development of the HR concept is defined by the Executive Board annually within the framework of the Strategic Roadmap 2025 together with the HR & Training area. Inputs from the annual employee surveys and quarterly feedforward conversations are taken into account (see 6.4 Which measures were the focal point in 2023, p. 36).

The Board of Directors and the Executive Board are informed about the turnover rate and diversity by gender on a semi-annual basis. They receive more comprehensive key figures on diversity, training qualifications as well as internal changes and promotions on at least an annual basis.

6.2.2 How we support our employees in their development

Every year, we offer young professionals the opportunity to enter the banking industry through our training programmes. These include apprenticeships and an 18-month internship for high school graduates. We offer our trainees attractive opportunities both during and after training: in this way, we enable our apprentices to complete an advanced course of study (Bachelor's/Master's/Higher Technical School) while working. They can reduce their working week during this time. Thanks to these attractive offerings, there are a large number of established specialists and executives in our ranks who started their professional career with us. We offer every employee opportunities to grow and to continuously expand their personal and professional competencies. In addition to internal learning opportunities such as our eLearning platform and our specialist courses, we enable employees to attend external training and courses. In addition, we make it easier for new employees to join our bank through an individual training programme. In the initial phase they are accompanied by a mentor. Depending on the level of banking expertise, entry-level courses also include a basic banking course. New employees receive further important information about the bank on their onboarding day, in each case supported by a member of the Executive Board.

6.2.3 How we attract and train, nurture and retain talent

When it comes to nurturing and attracting talent, we take two approaches: Firstly, we nurture talent ourselves as well as developing and supporting our employees in a targeted manner. Secondly, we look for new employees through various channels, from the traditional posting on online platforms and social media channels through employee recommendations to proactively approaching specialists via our network.

We defined four different talent programmes for different profiles in the reporting period and will launch them within the bank in 2024 (see 6.5, What is planned for 2024, p. 37). To identify concrete performance improvement and long-term development measures, we began conducting a quarterly feedforward discussion with all employees in the reporting year.

Career changers have been in demand at Zuger Kantonalbank for many years. Through a specific training programme, they are prepared for the provision of complex advice in the private client and SME sectors. The programme – which provides a total of four places – lasts between 18 and 24 months.

6.2.4 How we provide our employees with attractive working conditions

We offer our employees attractive employment conditions, discounts, exciting leisure opportunities and a working environment that promotes personal development. To make working models more flexible, our employees have the opportunity to work remotely for up to three days a week. In addition, we enable job sharing. Furthermore, there are non-mandatory insurance solutions with a salary continuation of 100 percent over two years, preferential mortgage conditions, a free set of accounts and a free mobile subscription from Swisscom. We also cover the cost of the half-fare travelcard.

In addition, our employees benefit from a high-quality pension solution with a high degree of flexibility. This includes the option of choosing their own savings scale in the pension plan each year. The risk contributions for disability or death are paid in full by Zuger Kantonalbank. We offer flexible retirement options from the age of 58. Voluntary contributions to the early retirement account are possible to compensate for benefit reductions as a result of early retirement.

Zuger Kantonalbank has not entered into either of the two collective agreements for the Swiss financial sector (Agreement on Conditions of Employment for Bank Staff (ACEBS) and Agreement on the recording of working time (VAZ)). Employees on part-time contracts receive the same benefits as employees on full-time contracts, with various benefits such as holiday entitlement being calculated on a pro-rata basis. In principle, we advertise all positions at 80 or 100 percent. However, occasional positions have a shorter working week. With the exception of variable compensation, Zuger Kantonalbank also offers the same benefits to (individual) employees with a fixed-term contract of more than twelve months as it offers to permanent employees. Non-permanent employees (usually on a mandate basis) sign a contract in consultation with the hiring department. A non-disclosure agreement, in which the security requirements are set out, is signed in the case of external employees. In addition, newly commissioned external IT staff are trained in the use of the remote infrastructure or use the bank's hardware (a notebook is provided).

In accordance with the current personnel regulations, full-time employees work an average of 42 hours. According to the legal regulations in Switzerland, the maximum working week is 47 hours, as Zuger Kantonalbank employees have a 5-day week on average for the calendar year. Overtime in excess of the maximum working week may not exceed 170 hours per calendar year. Zuger Kantonalbank does not require its employees to have a health certificate, although for security reasons an extract from the criminal register is required for all employees at the time of hiring and in the case of key persons an extract from the debt enforcement register is required.

The Personnel Committee of Zuger Kantonalbank represents the interests of employees in general HR matters and concerns vis-à-vis HR and Training and the Executive Board, and makes an important contribution to positive cooperation and partnership between the bank and its employees. The composition, appointment and tasks of the Committee are laid down in specific regulations. Among other things, the Commission promotes internal exchange and organises events. For example, it organises the welcome breakfast for all new employees, at which this information is provided by our CEO, the sports club and the HR Committee.

6.2.5 How we are committed to diversity and equal opportunity

We systematically pursue wage equality between the genders. Every two years, Zuger Kantonalbank has its remuneration system analysed by an external partner and the Swiss Association for Quality and Management Systems (SQS). The voluntary parameters relating to age and nationality are also an integral part of the certification process. Proof of equal pay was most recently provided in relation to the 2022 financial year. The next external analysis is planned for the 2024 financial year. In the intervening years, an internal analysis has additionally been undertaken for the attention of the Board of Directors.

As a responsible employer, we take our duty of care seriously and seek to ensure the personal protection of our employees. Zuger Kantonalbank does not tolerate any violation of the personal integrity of employees through bullying, sexual harassment, discrimination, threats or violence. In the case of all forms of violation of personal rights or personal protection, our employees have access to an external contact point (Movis AG) for professional support and information. If our employees identify unethical actions, they can report them internally to their line manager, the Head of Legal & Compliance or anonymously to the external contact point of Movis AG. Employees who feel they are being denigrated in terms of their position or personality by the behaviour or actions of their line manager or other employees can turn to the next higher line manager or to the HR & Training department at any time. Depending on the relevance and severity, the HR managers would then investigate the case themselves or with the support of an external specialist and, if necessary, take measures.

6.2.6 How we measure employee satisfaction and our relative employer attractiveness

Zuger Kantonalbank has conducted an annual employee survey since 2021 and since 2023 has assessed the following criteria: commitment, satisfaction, resignation, attractive employer, and recommending the employer. Since 2023, Zuger Kantonalbank has – via the externally conducted employee survey – automatically participated in the Swiss Employer Award in order to gauge its attractiveness as an employer compared with 140 other Swiss companies, including nine other cantonal banks. The results of the annual employee survey are discussed at workshops by the business area heads and the Executive Board, and measures are taken that are implemented across the organisation or in the business areas.

The quarterly feedforward discussions introduced in 2023 (see 6.4) also serve as a periodic measurement of the mood among employees.

6.3 What objectives we are pursuing, and what key figures demonstrate our attractiveness as an employer

In the case of the Swiss Employer Award, we aim to achieve a ranking in the first third in our size category out of a total of around 140 participating companies from Switzerland. The participation rate in the employee survey is one of our performance targets (over 85 percent for 2023). At the Swiss Employer Award 2024, Zuger Kantonalbank received the "Top employer" award and achieved 13th place (out of 48) in the "Medium-sized companies with 250 to 999 employees" category. 90 percent of our employees took part in the survey conducted in 2023. With a very good score of 89 out of a possible 100 points, our employees recommend the bank as an attractive employer; in terms of satisfaction we were awarded 75 points, while in terms of commitment we were given 84 points out of a possible 100. These positive results are also reflected in a consistently low turnover rate, which last year fell from 8.5 percent to 6.9 percent. This shows clearly that employees can identify with Zuger Kantonalbank and its corporate strategy.

Employees of the parent company ZugerKB (excludes IFAM)

	Unit	2023	2022
Employment			
Total employees	Persons	531	499
■ of whom women	Persons	239	224
■ of whom men	Persons	292	275
Total employees	FTE	466	438
■ of whom women	FTE	189	178
■ of whom men	FTE	277	260
Full-time positions	FTE	346	332
Part-time positions	FTE	120	106
■ of whom proportion working part-time, total	in %	25.8	24.2
■ of whom proportion working part-time, women	in %	45.6	42.6
■ of whom proportion working part-time, men	in %	12.3	11.6
Temporary employees	FTE	2.1	2.2
■ of whom women	in %	38	100
■ of whom men	in %	62	0
Non-permanent employees (e.g. freelancers)	FTE	5.6	5
New hires and turnover			
Newly hired employees	FTE	77	68
■ of whom women	in %	41.7	40.2
■ of whom men	in %	58.3	59.8
■ of whom employees up to 30 years of age	in %	48.7	41.9
■ of whom employees aged between 31 and 50	in %	41.6	42.8
■ of whom employees over 50 years of age	in %	9.7	15.4
Turnover rate (gross)	in %	6.9	8.5
■ Turnover rate, women	in %	7.8	9.6
■ Turnover rate, men	in %	6.3	7.5
■ Turnover rate, employees up to 30 years of age	in %	12.4	16.7
■ Turnover rate, employees aged between 31 and 50 years	in %	7.9	7.7
■ Turnover rate, employees aged over 50	in %	2.0	4.9

	Unit	2023	2022
Training and development			
Apprentices, interns	Persons	26	25
■ Gender ratio (f/m)	%/%	50/50	48/52
Training costs (excludes management training)			
	in CHF 1,000	1,058	784
■ Training costs per employee	in CHF	1,992	1,571
Cost of leadership training	in CHF 1,000	116	126
Diversity and equal opportunities			
Gender ratio (f/m)	%/%	45/55	45/55
■ at Executive Board level	%/%	40/60	40/60
■ at business area head level	%/%	20/80	20/80
■ at team leader level	%/%	18/82	20/80
■ at apprentice/trainee/intern level	%/%	47/53	43/57
Employees up to 30 years of age	in %	24.5	22.8
■ of whom employees	in %	24.0	22.0
■ of whom members of the Executive Board	in %	0.0	0.0
■ of whom business area heads	in %	0.0	0.0
■ of whom team leaders	in %	0.0	0.0
■ of whom apprentices, trainees and interns	in %	100.0	100.0
Employees aged between 31 and 50	in %	46.3	47.7
■ of whom employees	in %	46.4	48.3
■ of whom members of the Executive Board	in %	20.0	20.0
■ of whom business area heads	in %	60.0	65.0
■ of whom team leaders	in %	66.7	63.6
■ of whom apprentices, trainees and interns	in %	0.0	0.0
Employees aged over 50	in %	29.2	29.5
■ of whom employees	in %	29.6	29.7
■ of whom members of the Executive Board	in %	80.0	80.0
■ of whom business area heads	in %	40.0	35.0
■ of whom team leaders	in %	33.3	36.4
■ of whom apprentices, trainees and interns	in %	0.0	0.0

Notes on the table:

FTE = full-time equivalent

Apprentices, trainees and interns are weighted at 0.5 FTE

In line with its growth strategy, Zuger Kantonalbank increased its headcount in most areas in 2023. In particular, we built up additional resources along the strategic focal points of entrepreneurs & executives, entrepreneurial bank, corporate development, training & development, IT (including cyber security) and platform engineering.

We are also continuously working on the goal of achieving an even more balanced gender ratio. The overall proportion of women is currently stable at 45 percent. The proportion of women on the Executive Board is 40 percent, while among business area managers it is 20 percent and at team level it is 18 percent.

One of the strategic initiatives of Zuger Kantonalbank is the cultural change towards an organisation of learning and development. This is also evident in the greater investment in the training and development of each individual. In 2023, we spent a total of CHF 1.1 million on the training and development of employees. This corresponds to CHF 1,992 per person (previous year: CHF 1,571).

In August 2023, as in the previous year, nine young people started their training at Zuger Kantonalbank – eight of them with basic commercial training and one on the banking programme for high school graduates. Four of the eight apprenticeship graduates who completed their training in the summer of 2023 have continued their professional career with us. As at 31 December 2023, Zuger Kantonalbank employed a total of 26 trainees.

In the year under review, 15 advisors were successfully certified by the Swiss Association for Quality (SAQ) while 26 were recertified.

In 2023 (as in the previous year), no cases of discrimination were reported either internally or via the external, anonymous counselling centre MOVIS.

6.4 What measures were the main focus in 2023

In the year under review, Zuger Kantonalbank abolished the individual performance targets of its employees. All employees are now working towards the same company goals. In this way, we aim to eliminate the “silo mindset” within the business and ensure that we all work together to increase our corporate success. Initial successes already became apparent during the course of the year: cross-departmental and cross-team collaboration was much more common, while communication across the business areas improved.

At the same time, the previous traditional year-end discussion, in which the performance and conduct of employees in the past twelve months was assessed and evaluated, was replaced by quarterly feedforward discussions. As part of the cultural change instigated in the context of Strategy 2025, we will in future focus on a continuous, open dialogue aimed at the development of each individual. We promote ongoing direct exchange and encourage employees and managers to actively seek and provide feedback from colleagues and line managers. In the feedforward conversation, we combine feedforward and development by focusing on how we can move forward together, develop personally and contribute to the success of the bank.

In mid-2023, Zuger Kantonalbank replaced the previous ranking system with a new career model. With this step, the bank is ensuring flatter hierarchies and helping staff to work together on an equal footing. As a result, all function descriptions have been revised and published on the intranet, so that the functions of the bank and possible development steps are transparent for all employees.

The new eLearning platform introduced in the reporting year provides all employees with central access to relevant learning content. Various learning campaigns were launched here in 2023, for example in the areas of compliance, data protection and IT security. Regular leadership training and in-depth workshops were carried out as part of the expansion of leadership training. The Leadership Forum was launched to promote an exchange between managers on leadership topics. As part of the newly established programme of business coaching for sales units, 183 coaching discussions already took place in 2023.

The support model for training and development as well as the criteria for the funding of further training courses were revised in the year under review. Courses, i.e. external or internal training events normally lasting one or a few days, and whose costs amount to a maximum of CHF 3,000, are wholly financed by the bank and can be attended at any time after approval by line managers or business area heads. External training, i.e. courses of study (e.g. CAS, MAS, DAS, Bachelor's, Diploma) usually provided by a university over a longer period of time and leading to an examination, requires an application. The bank will cover between 20 and 80 percent of the costs in this case. The HR department decides on how the costs are shared based on transparent criteria. Exceptions must be approved by the relevant department head.

6.5 What is planned for 2024

In 2024, we will use various measures to ensure that the measures initiated or newly introduced in the year under review are deepened and firmly embedded throughout the company.

In the reporting period, we completed the preparatory work for Zuger Kantonalbank's four new talent programmes for executives, young talents, specialists and experienced executives. The four programmes are being launched in 2024. The criteria for nominating participants and the activities in these programmes will be communicated to all employees. In 2024, we will also review and further develop the working models and ancillary services. In addition, we will provide training and development for specialists and optimise the certification of customer advisors as well as further deepening the feedforward culture. Last but not least, we will systematically review the measures in relation to employer branding, recruiting and digital onboarding of new employees.

7. Sustainable development in the region

7.1 Why the topic is of material importance

Sustainable development of the Zug economic area promotes the quality of life of the population, protects the environment and increases the competitiveness of companies. Zuger Kantonalbank contributes to this development by supporting projects and initiatives that have a positive impact on the environment and society. We also contribute to the positive development of the region by meeting the sustainable financial needs of private and business clients as well as creating jobs and apprenticeships in a motivating working environment.

7.2 How we select our regional support measures

Zuger Kantonalbank is committed to the development of Zug as a place to live and work and gives a share of value creation back to the population by supporting non-profit and cultural organisations. The main focus is on volunteering and the charity ethos.

We have defined specific, transparent criteria or guidelines for the selection of charitable awards and sponsorship commitments, which can be found at www.zugerkb.ch/sponsoring (German only). The project or event to be supported must fit the values of Zuger Kantonalbank, belong to one of the sports, culture, environmental or social sectors that appeal to a broad population and have a strong connection to the economic region of Zug.

Projects or events that involve high sustainability and reputation risks (in accordance with the exclusion criteria in the investment business – see 3.2.1 Integration of ESG criteria into the investment process, p. 13) are excluded, as are public sector projects or events as well as those of religious institutions, those with a political orientation and projects or events managed on an exclusively commercial basis. Accordingly, Zuger Kantonalbank has decided not to support any construction projects, refurbishments, renovations, private individuals, artists, individual athletes, book projects, image and sound recordings, fun fairs, graduation parties or school and club camps.

7.3 How our stakeholders benefit from our financial performance, and the share of funding accounted for by regional support measures

The economic commitment of Zuger Kantonalbank is broad-based with 14 offices in all Zug municipalities. It is also present across the Canton of Zug with 50 ATMs and 15 self-service zones. In addition to its core business of advising private and corporate clients, it is an important employer as well as being a significant work-provider and taxpayer.

7.3.1 Directly generated and distributed economic value

Zuger Kantonalbank experienced profitable growth in the year under review, particularly in the interest rate business. Compared with the previous year, the directly generated economic output rose by CHF 155.0 million to CHF 429.6 million. The business development is described in detail in the Management Report.

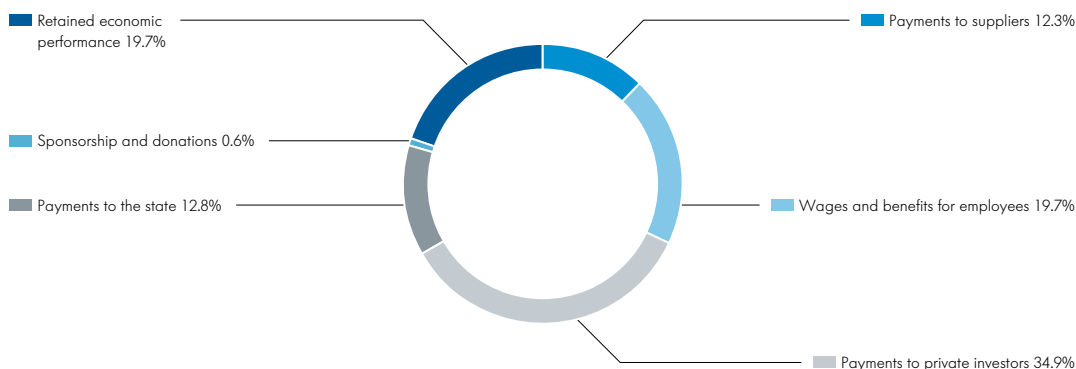
All Zuger Kantonalbank stakeholders benefit from the significantly higher economic output in the form of higher distributions: Payments to suppliers (consisting in particular of general and administrative expenses and commission expenses) increased by CHF 6.4 million. As a result of the staff increase, wages and benefits for employees rose by CHF 13.8 million to CHF 84.6 million. Payments to private investors increased by CHF 96.1 million to CHF 150.0 million. While an unchanged dividend of CHF 220 is to be distributed to our private shareholders, clients benefit in particular from the higher interest rates paid on their bank deposits. Payments to the state increased by CHF 4.7 million to CHF 55.1 million. Due to the improved result, tax payments are higher than in the previous year. In addition to taxes, payments to the state include compensation for the state guarantee and dividend payments to the Canton.

The economic value we retained, which increased by CHF 32.0 million, will be used in particular to further strengthen the equity base of Zuger Kantonalbank.

in CHF 1,000 (rounded)	2023	2022
Interest and discount income	326,235	177,492
Interest and dividend income on financial investments	3,296	2,421
Changes in value adjustments for default risk as well as losses from interest operations	-8,972	-2,571
Commission income from securities trading and investment activities	51,372	50,830
Commission income from lending activities	3,691	2,653
Commission income from other services	33,286	26,416
Net income from trading activities and the fair value option	19,342	16,136
Net other income	1,390	1,244
1. Direct economic value generated	429,641	274,621
2. Economic value distributed	-346,043	-223,030
Payments to suppliers	-52,319	-45,965
Wages and benefits for employees	-84,606	-70,782
Payments to private investors (debt and equity)	-149,993	-53,862
Payments to the state	-55,072	-50,387
Sponsorship and donations	-4,053	-2,034
3. Retained economic value	83,598	51,591

Note on the graphic: The figures and the scope of consolidation correspond to the consolidated financial statements in the Financial Report and include payments for multi-year sponsorship contracts. Additional internal information was also used.

Distributed and retained economic performance for 2023



7.3.2 Objectives and ambitions of Zuger Kantonalbank

As part of its sustainability strategy, Zuger Kantonalbank has set itself the following goals with regard to the material topic of "Sustainable development in the region":

- Support for at least 700 Zug-based associations or charitable organisations that have a significant cultural, social or sporting commitment to the Zug economic region.
- Consistent implementation of the newly created criteria and sustainability guidelines for the award programme and for sponsorship commitments.
- The commitment of Zuger Kantonalbank to society should continue to be perceived as positive. The regional embedding must continue to be accorded a very high rating and Zuger Kantonalbank is to continue positioning itself clearly as a leader in terms of its commitment to society in the Canton of Zug.

7.4 Which sustainable support measures were the main focus in 2023

In 2023, we made a total of CHF 0.9 million available for awards and supported 700 Zug associations and institutions in this way. Furthermore, in 2023, we made another total contribution of CHF 1.2 million through a range of sponsorship activities in the field of sport, culture and society. Examples of our sustainable support measures include:

7.4.1 Swiss Climate Foundation

Zuger Kantonalbank has been committed to climate protection and Swiss SMEs through its cooperation with the Swiss Climate Foundation since 2022. Every year, it remits its CO₂ reimbursement to the Foundation (gross amount of CHF 36,853.70 in 2023). The Foundation supports SMEs in Switzerland and Liechtenstein that contribute to climate protection with innovative approaches. As a member of the advisory board, Zuger Kantonalbank also contributes to the cycle of knowledge between the Foundation, partner companies and supported projects of SMEs.

7.4.2 Climate Charter Zug+

Since 2022, we have been supporting Climate Charter Zug+, an initiative of the Zug Chamber of Commerce, with CHF 20,000 per year. The aim of the initiative is to motivate the entire Zug economy and companies to implement climate-friendly business practices quickly and coherently.

7.4.3 Support for start-ups and innovation promotion measures (buildify.earth)

The public limited company buildify.earth, which was newly founded in the year under review, is to promote substantial investments in promising start-ups from the Switzerland Innovation Park Central ecosystem and thus promote the development of innovative products and services in central Switzerland in the coming years. Zuger Kantonalbank acquired one third of the share capital of the newly founded company and thus enabled its launch. We will contribute our financial expertise to the Board of Directors of buildify.earth AG via Martin Neuhaus, Head of Corporate Client Consulting.

7.4.4 Various commitments in regional associations for culture and sports

In the year under review, we supported the 31st Swiss Yodelling Festival Zug, the non-profit association ConSol, the sports day of the two gymnastics clubs STV Menzingen and STV Allenwinden with 900 children and young people, as well as the 125th anniversary of the Cham-Hünenberg Orchestra. Over the next three years, we will be promoting the EVZ's Women & Girls programme.

7.4.5 Promoting financial education

In the field of education, Zuger Kantonalbank has since 2016 supported the Finance Mission association, which teaches children and young people how to use money responsibly. In the 2023 reporting year, Zuger Kantonalbank also held free mobile banking support workshops in all branches (except the Zugerland branch). These are aimed at clients who want to learn more about digital banking and how to carry out banking transactions via their smartphone or computer.

7.4.6 Public recognition of the funding measures

Every two years, the Association of Swiss Cantonal Banks surveys the image and reputation of the cantonal banks and their competitors. The strong regional embedding of Zuger Kantonalbank was clearly confirmed in the most recent study in 2023: of all the banks in the Canton of Zug, Zuger Kantonalbank received the highest rating for its commitment to society and compliance with ethical and moral principles.

7.5 What is planned for the coming year

7.5.1 New projects in sports and culture

Unterägeri Theatre Association

We are supporting Unterägeri Theatre Association with the new production "Robinson laht Grüesse!", which is being performed from 24 February to 9 March 2024. The Unterägeri Theatre Association has around 50 members, who work for the theatre with great passion and commitment. With its comedy, the amateur/regional theatre inspires numerous visitors from the Ägerital and surrounding areas.

117 Central Switzerland Swiss Wrestling and Alpine Festival

Zuger Kantonalbank is supporting the 117th Central Switzerland Swiss Wrestling and Alpine Festival as Main Sponsor and Arena Partner. From 5 to 7 July 2024, about 400 participants and up to 10,000 visitors are expected. The Festival is a cultural and social event that strengthens cohesion and identity among the population of Zug and at the same time contributes to value creation in the region.

In July 2024, around 80,000 visitors will be able to admire spectacular water displays – designed by an experienced creative team from the region – on the Zug lakeside promenade as part of ZugMAGIC. We support the free event as a Presenting Partner.

7.5.2 Supporting equal opportunities and education

The "Free tutoring for children and young people – For more equal opportunities in education" project was launched by the Red Cross Zug cantonal association a few years ago. Volunteers from the Zug Youth Red Cross provide free tutoring for primary and high school students. With its financial support, Zuger Kantonalbank contributes to this initiative for a better quality of life and equal opportunities in the region.

8. Environmentally friendly operations

8.1 Why the topic is of material importance

The use of energy and other resources is part of everyday business life, including at Zuger Kantonalbank. For a service provider, the ecological footprint, i.e. the negative impact of resource use on the environment, is comparatively low. This was confirmed by the first comprehensive carbon footprint of Zuger Kantonalbank (including IFAM), for the year 2022. Our emissions from operations are many times lower than our emissions from lending.

At the same time, we advise our clients in the field of real estate financing to consider and promote environmental efficiency. Or we recommend that our clients take ESG criteria into account in their investments in order to reduce the corresponding risks. As part of the responsible business conduct, it is therefore appropriate for us (irrespective of the rather low level of operational emissions) to take targeted measures to nevertheless continuously reduce our ecological footprint.

8.2 How we make our business as environmentally friendly as possible today

Zuger Kantonalbank seeks to use its resources as sparingly as possible and to successively minimise their potentially negative impact on the environment.

8.2.1 Environmental concept as a framework

The basis for environmental and resource management is the sustainability concept of Zuger Kantonalbank (including IFAM), applicable since 2022, and the CO₂ reduction targets for the period to 2030 as adopted by the Board of Directors in November 2023, including the underlying energy reduction and substitution measures. These are divided into three action areas: i) buildings, ii) travel and iii) other resources (see graphic below). The concept envisages that responsibility is assumed for a portion of the remaining CO₂ emissions via the purchase of avoidance or removal certificates¹.

In relation to buildings, our 2030 environmental concept takes into account the model regulations issued by the Canton of Zug in the energy sector in 2009, according to which the building envelope of new buildings must comply with the Minergie-P standard.

Implementation paths and action areas of the 2030 environmental concept

Minus 80% CO₂ emissions by 2030 (Scope 1+2)

ACTION AREAS			
	BUILDINGS	TRAVEL	OTHER RESOURCES
IMPLEMENTATION PATHS	1. REDUCE Reduce energy/resource consumption and optimise travel behaviour		
	– Awareness-raising among employees – Energy efficiency measures – Building refurbishment	– Awareness-raising among employees – Promote virtual meetings	– Reduce paper consumption – Reduce consumption of other materials
	2. SUBSTITUTE Use renewable energies/sustainable materials and promote emission-free travel		
	– Replace fossil heating systems – Electricity from 100% renewable energy – Promote biodiversity	– Convert company vehicle fleet to electric – Offer e-bikes and e-cars to employees – Use public transport and car sharing	– Use recycled paper – Use sustainable materials
	3. COMPENSATE Offset the remaining CO ₂ emissions through avoidance and removal certificates		

8.2.2 Action areas: buildings and travel

In addition to raising awareness among our employees, energy consumption at all locations is surveyed on a regular basis. Efficiency measures or building renovations are carried out as required to reduce energy consumption. For refurbishment work or new-builds, only the use of renewable heating systems is permitted. All electricity comes from renewable sources. The company's own production of solar power is to be promoted, along with biodiversity.

Employees have 22 e-bikes at their disposal for journeys between our locations. For longer distances, they can use one of the four electric cars at the VorZUG (Oberneuhofstrasse 12, Baar) or Postplatz (Bahnhofstrasse 1, Zug) locations. The partnership with Mobility enables our employees to use public transport even for client visits to remote locations and to take advantage of the car sharing offer for the "last mile". From 2024 onwards, only electrically powered vehicles will be procured.

8.2.3 Responsible use of water and waste

At ZugerKB, water is used for sanitary facilities, cleaning, and watering of plants and lawns. It is also used for cooling and heating by the heat pump installed at the main building at Postplatz (Bahnhofstrasse 1, Zug) and for the properties at Baarerstrasse 10, 12 and 37 in Zug, which are connected to the Circulago district heating network. All these locations are heated and cooled using energy from Lake Zug. This is a closed circuit, with heating and cooling provided by a heat exchanger.

In each case, Zuger Kantonalbank obtains the water from the municipality in which the building is located. The waste water is fed to the Canton's two central waste water treatment plants in Cham (ARA Schönau) and in Neuheim (ARA Tal) via the municipal drainage system. We do not discharge any waste water other than that used in our buildings.

We produce paper waste mainly in the form of files and used paper. In addition, household waste is generated. An internal information sheet on the use of infrastructure and services governs the disposal of waste. For example, special waste disposal stations are available at all locations in order to carefully separate and dispose of the waste. Electronic waste and disposable batteries that cannot be recycled are properly disposed of or recycled.

Decommissioned but still usable hardware such as PCs, servers or monitors are given to employees free of charge or at a discount. We work with a reseller who removes the data prior to handover in accordance with a certified process.

8.2.4 Who is responsible for our environmentally friendly operations, and how we train staff and raise awareness

The Head of Operations is responsible for implementing the measures aimed at achieving the objectives. The Head of Facilities implements the measures, checks consumption levels in all buildings on a regular basis and reports on the progress of implementation to the Head of Operations and the Sustainability Office.

The employees who are responsible for the operation of the building facilities at Zuger Kantonalbank therefore receive training to promote ecological operating practices in accordance with current requirements. In addition, there is regular communication and cooperation between the Head of Facilities at Zuger Kantonalbank and the persons responsible at the various locations and in the branches. The Head of Facilities makes personal visits to all buildings at least once per year.

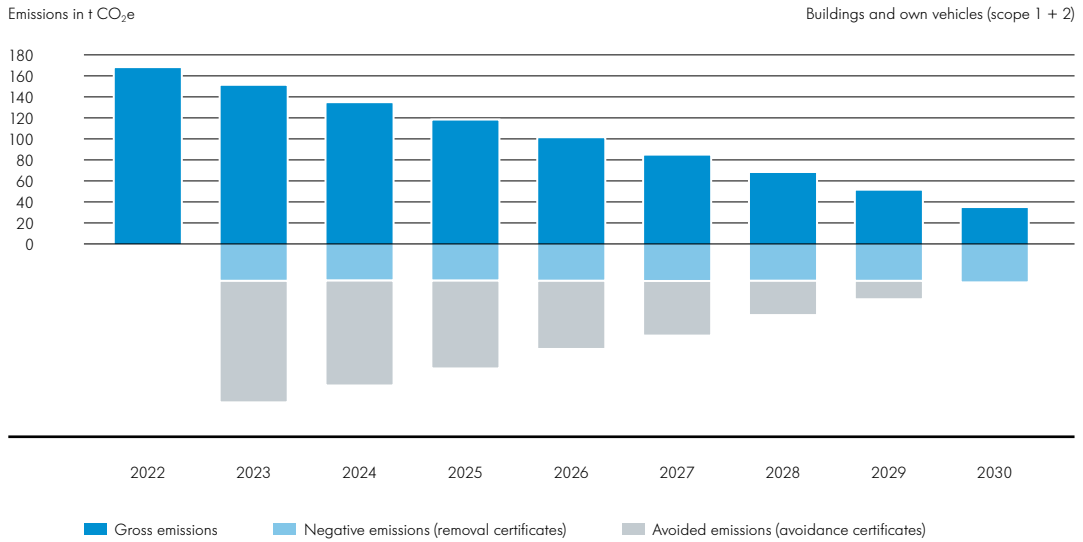
All new employees of Zuger Kantonalbank are made aware of their contribution to environmentally friendly operations through mandatory online training in the topic of sustainability. From 2024, new employees will also be informed about sustainability management as part of our information event on Welcome Day.

8.3 What objectives we pursue, and how environmentally friendly our business is today

8.3.1 Climate targets

By 2030, we intend to reduce our operational CO₂ emissions (Scope 1 and 2) by at least 80 percent compared with 2022 and no longer use fossil fuels in our operations. Zuger Kantonalbank is aiming for its operations to be net zero by 2030.

Reduction path for operational CO₂ emissions by 2030



8.3.2 Key figures for environmentally friendly operations

In 2023, Zuger Kantonalbank's energy consumption fell by 4 percent compared with the previous year due to the temporary closure of the Baar and Zugerland branches during renovation work. Thanks to lower energy consumption, the connection of the Neustadt service zone to the district heating network and the mild winter, GHG emissions (Scope 1 and 2) fell to a total of 142 tonnes of CO₂e, i.e. by a total of 15 percent compared with the previous year. The number of kilometres driven in the course of business trips increased slightly to 628,536 kilometres due to the additional personnel. Furthermore, paper consumption fell by 7 percent to 41.1 tonnes, while the proportion of recycled material remained steady.

	Unit	2023	2022
Full-time positions	FTE	477	448
Energy consumption	kWh	2,251,573	2,341,456
Electricity from non-renewable sources	kWh		
Electricity from renewable sources	kWh	1,490,439	1,614,208
Natural gas	kWh	344,984	390,552
Heating oil	kWh	140,013	160,967
District heating (Circulago and biomass)	kWh	257,008	156,922
Heat energy from heat pump	kWh	19,129	18,807
Proportion of renewable energy	in %	78	76
Energy intensity	kWh/FTE	4,719	5,230
Business travel	km	628,536	607,041
Public transport	km	255,142	235,154
Road transport	km	373,394	371,887
Short-haul flights	km		
Long-haul flights	km		
Consumption of materials	kg	49,996	53,628
Virgin fibre paper (FSC)	kg	41,107	44,084
Recycled paper	kg	8,889	9,544
Recycled paper as a proportion of the total	in %	18	18
Water consumption (drinking water)	m³	6,085	6,349
Waste water (public sewerage)	m³	6,085	6,349
Waste and recycling	t	52	62
Waste for incineration	t	21	24
Waste for recycling	t	31	39
Other waste	t	0.1	0.1
Recycling rate	in %	60	62
Direct and indirect GHG emissions (Scope 1 and 2)	t CO₂e	142	166
Direct GHG emissions (Scope 1)	t CO ₂ e	128	151
Indirect GHG emissions (Scope 2)	t CO ₂ e	14	15
Indirect emissions from business travel (Scope 3) ¹	t CO ₂ e	121	117
Intensity of GHG emissions (Scope 1 and 2)	kg CO ₂ e per FTE	298	371

¹ Business travel with private vehicles, including couriers and company-owned vehicles; excluding commuting and Scope 3 emissions from electricity, heat, paper, water and waste

Own buildings

Building name	Street	Locality	Heating medium	FTE (as at 31 December 2023)
Postplatz	Bahnhofstrasse 1	6301 Zug	Lake water/gas	194.3
Bahnhof	Baarerstrasse 37	6300 Zug	District heating/Circulago	17
Neustadt	Baarerstrasse 12	6300 Zug	District heating/Circulago	
Cham	Zugerstrasse 15	6330 Cham	Natural gas	11.8
Unterägeri	Zugerstrasse 26	6314 Unterägeri	Heating oil	12
Oberägeri	Poststrasse 4	6315 Oberägeri	Heating oil	2.3
Steinhausen	Zugerstrasse 3	6312 Steinhausen	Natural gas	6.3
Menzingen	Höhenweg 3	6313 Menzingen	Heating oil	3
Neuheim	Poststrasse 2	6345 Neuheim	Heating oil	1.5
Walchwil	Dorfstrasse 2	6318 Walchwil	Heating oil	3.8
Hünenberg	Chamerstrasse 11	6331 Hünenberg	District heating/biogas	4.8
Parkhaus Vorstadt	Schmiedgasse 3	6301 Zug	No heating	
IFAM company property	Rämistrasse 30	8001 Zürich	Natural gas	11.4

Rented

Building name	Street	Locality	Heating medium	FTE (as at 31 December 2023)
VorZUG	Oberneuhofstrasse 12	6340 Baar	Ground water – HP	169.9
Spedi	Oberneuhofstrasse 10	6340 Baar	Natural gas	7.9
Zugerland	Hinterbergstrasse 40	6312 Steinhausen	Natural gas	1
Herti	Hertizentrum 10	6300 Zug	Air/water – HP	3.4
Rotkreuz	Luzernerstrasse 3	6343 Rotkreuz	HP	6.1
Baar	Dorfstrasse 2	6340 Baar	Natural gas	20.6

Notes on the calculation of the key figures

This report has been prepared for the first time in accordance with the industry-standard KPI system published by the Association for Environmental Management and Sustainability in Financial Institutions (Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten – VfU) using the VfU tool (2022 version) and the internationally recognised Greenhouse Gas Protocol (2020 version).

Emissions from business travel using private vehicles were reduced in 2022, based on a transport survey conducted among employees for 2021. Emissions for 2022 and 2023 were extrapolated to reflect the number of employees.

Notes on the system boundaries of the key figures

With regard to the consumption of materials, Zuger Kantonalbank only records paper consumption. In respect of indirect GHG emissions from operations in the upstream and downstream value chain (Scope 3 emissions), only the emissions caused by business travel are taken into account. Emissions from employee commuting are not included. Significant sources of GHG emissions associated with banking products and services (Scope 3, Category 15 of the GHG Protocol) are explained in section 3, Responsible investments, p. 13 onwards, and section 4, Responsible lending, p. 22 onwards. A general overview can be found in section 2, TCFD reporting, p. 8 onwards.

All reported figures cover the Group, i.e. the environmental footprint includes consumption by the company properties of Zuger Kantonalbank, IFAM and Parkhaus Vorstadt AG.

8.4 What measures were the main focus in 2023

8.4.1 Action area: buildings and travel

The Baar and Zugerland offices were modernised and energy-efficient lighting and control systems were installed in the year under review. A photovoltaic system with an output of 27.2 kilowatt peak was installed in Cham and has been in operation since November 2023.

In the year under review, Zuger Kantonalbank participated in the Switzerland-wide “Bike to Work” challenge for the first time. A total of 47 employees took part. As a result, 13,090 car kilometres and approx. 2 tonnes of CO₂e were avoided.

8.4.2 Climate protection outside the company’s own value chain

In relation to the unavoidable CO₂ emissions in Scope 1 and 2, a high-quality removal project by Verora (www.verora.ch) in Neuheim, Canton Zug, has been supported since 2023. In the case of other residual emissions, including emissions from business travel (Scope 3), avoidance certificates are purchased. Some of the contributions are channelled into a methane and CO₂ avoidance project through small biogas plants on Swiss farms, while some go into a project to store CO₂ through sustainable forest management in the Canton of Schwyz. The certificates are obtained through the climate protection organisation Swiss Climate.

We are also making a financial climate contribution for all remaining printed materials. This is channelled into various national and international climate protection projects of the ClimatePartner organisation.

8.5 What is planned for the future

In 2024, the oil-fired heating system of the Unterägeri office building is to be replaced by a district heating connection. In addition, the gas-fired heating system of the branch in Steinhausen will be switched to alternative forms of energy in 2025. This means that annual GHG emissions of approx. 14 t CO₂e (Scope 1) will be eliminated in future.

As a basis for further energy optimisation (Scope 2), a monitoring system for energy consumption will be installed at the Postplatz building. Our own electricity production from renewable energy sources will increase due to the new photovoltaic system on the roof of the Neuheim branch. An additional photovoltaic system is planned for the Steinhausen site in 2025. Furthermore, by 2025 the nine remaining company vehicles with internal combustion engines will be replaced by electric vehicles – starting in 2024.

To promote biodiversity, the area around our head office will be the subject of an environmental upgrade in 2024. On a site of approximately 1,000 m², 370 m² will be planted with shrubs and 110 m² as a flower meadow, while wild bees will be introduced.

9. About this report

9.1 Reporting standard

The 2023 Sustainability Report has been published by Zuger Kantonalbank in accordance with the 2021 GRI Standards (see GRI Index, p. 49 onwards) for the first time and takes into account the legal requirements according to CO Art. 964 (see CO Index, p. 57 onwards).

9.2 Reporting period

The Zuger Kantonalbank Sustainability Report is published annually. Unless stated otherwise, all information relates to the 2023 calendar year (1 January 2023 to 31 December 2023) or to the reporting date of 31 December 2023. For a small number of indicators for environmentally friendly operations, reference is made to a specific period covering the last twelve reported months due to a business-related delay in the reporting of the data by external and internal suppliers. The reporting period for this Sustainability Report thus corresponds as far as possible to that of the consolidated financial reporting of Zuger Kantonalbank.

The Sustainability Report 2023 forms part of the Annual Report 2023, which is being published in its entirety in German on 28 March 2024. The Sustainability Report section has been translated into English.

9.3 System boundaries

The management system in relation to sustainability and the data largely cover the Zuger Kantonalbank Group (for details of the scope of consolidation, see Annual Report 2023, Consolidated financial statements, p. 43 onwards). In the event of discrepancies in the management system between Zuger Kantonalbank and IFAM or missing data for IFAM, this is explicitly pointed out in the report. The Sustainability Report has been prepared in accordance with the principle of materiality in relation to the topics and expectations of the various stakeholders.

9.4 Restatements

Compared with the sustainability reports of previous years, which were not compliant with GRI Standards, there are no restatements due to organisational changes or changes to measurement methods, etc.

9.5 External assurance

The Zuger Kantonalbank Sustainability Report has not been the subject of external assurance. The Financial Report (consolidated financial statements and parent company financial statements) has been audited by the external auditors, PricewaterhouseCoopers AG (see Annual Report 2023, Report of the statutory auditor, p. 122 and p. 123).

9.6 Contact for questions on sustainability reporting

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GRI Index

Statement of use Zuger Kantonalbank has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023.

GRI 1 used GRI 1: Foundation 2021

Applicable GRI Sector Standard(s) GRI G4 Financial Services Sector Supplement 2013

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
General disclosures			
GRI 2: General disclosures 2021	2-1 Organisational details	Annual Report 2023: Consolidated financial statements, Notes to the consolidated financial statements, 1. Name, legal form and registered office of the bank, page 48 Annual Report 2023: Corporate governance, 1. Corporate structure and shareholders, page 126	
	2-2 Entities included in the organisation's sustainability reporting	Sustainability Report 2023: About this report, page 48 Annual Report 2023: Consolidated financial statements, Notes to the consolidated financial statements, 2. Accounting and valuation principles, Scope of consolidation, page 49	
	2-3 Reporting period, frequency and contact point	Sustainability Report 2023: About this report, page 48	
	2-4 Restatements of information	Sustainability Report 2023: About this report, page 48	
	2-5 External assurance	Sustainability Report 2023: About this report, page 48	
	2-6 Activities, value chain and other business relationships	Annual Report 2023: Key figures, page 8 Annual Report 2023: Consolidated financial statements, Notes to the consolidated financial statements, 1. Name, legal form and registered office of the bank, page 48	Minor omission: A more comprehensive presentation of the business model is to be provided in the 2024 report.
	2-7 Employees	Sustainability Report 2023: Table "Employees of the parent company ZugerKB (excluding IFAM)", page 34	All information: Consolidated information for the Group as a whole is not currently available. The figures refer exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting will be established over the next two years.
	2-8 Workers who are not employees	Sustainability Report 2023: Table "Employees of the parent company ZugerKB (excluding IFAM)", page 34	All details: Consolidated information for the Group as a whole is not currently available. The figures refer exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting will be established over the next two years.
	2-9 Governance structure and composition	Annual Report 2023: Corporate governance, 3. Board of Directors, page 127 onwards	
	2-10 Nomination and selection of the highest governance body	Annual Report 2023: Corporate governance, 3.4 Nomination, election and term of office, page 132 onwards Annual Report 2023: Compensation Report, 10. Gender representation on the Board of Directors and Executive Board, page 121	

	Disclosure	Place of declaration/indication of information	Omission Omitted requirement(s): Reason/explanation
General disclosures			
GRI 2: General disclosures 2021	2-11 Chair of the highest governance body	Annual Report 2023: Corporate governance, 3.1.3 Executive/ non-executive members, page 132	
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report 2023: Corporate governance, 3.6 Competency regulation, page 135	
	2-13 Delegation of responsibility for managing impacts	Annual Report 2023: Corporate governance, 3.6 Competency regulation, page 135	
	Role of the highest governance body in sustainability reporting	Annual Report 2023: Corporate governance, 3.6 Competency regulation, page 135	
	2-15 Conflicts of interest	Annual Report 2023: Corporate governance, 3.3 Number of permitted activities, page 132 Annual Report 2023: Corporate governance, 4.3 Number of permitted activities, page 140	
	2-16 Communication of critical concerns	Annual Report 2023: Corporate governance, 3.7 Information and control instruments, page 136	
	2-17 Collective knowledge of the highest governance body	Annual Report 2023: Corporate governance, 3.5 Internal organisation, functioning of the Board of Directors and its committees, page 135	
	2-18 Evaluation of the performance of the highest governance body	Annual Report 2023: Corporate governance, 3.5 Internal organisation, functioning of the Board of Directors and its committees, page 135	
	2-19 Remuneration policies	Annual Report 2023: Compensation Report, 2. Principles of compensation and participation programmes, page 114 onwards	
	2-20 Process to determine remuneration	Annual Report 2023: Compensation Report, 2. Principles of compensation and participation programmes, page 114 onwards	
	2-21 Annual total compensation ratio	Annual Report 2023: Compensation Report, 11. Annual total compensation ratio, page 121	
	2-22 Statement on sustainable development strategy	Sustainability Report 2023: Foreword, page 3	
	2-23 Policy commitments	Code of Conduct of Zuger Kantonalbank (www.zugerkb.ch/verhaltens-und-ethikkodex) Sustainability Report 2023: 1 Sustainability strategy and governance of Zuger Kantonalbank, page 4 onwards Sustainability Report 2023: 5 Responsible business conduct, page 25 onwards	

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
General disclosures			
GRI 2: General disclosures 2021	2-24 Embedding policy commitments	Code of Conduct of Zuger Kantonalbank (www.zugerkb.ch/verhaltens-und-ethikkodex) Sustainability Report 2023: 1. Sustainability strategy and governance of Zuger Kantonalbank, page 4 onwards Sustainability Report 2023: 5. Responsible business conduct, page 25 onwards	
	2-25 Processes to remediate negative impacts	Sustainability Report 2023: 5. Responsible business conduct, structured complaints process for all stakeholders, page 27	
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Report 2023: 5. Responsible business conduct, professional whistleblowing procedures for employees, page 27	
	2-27 Compliance with laws and regulations	Sustainability Report 2023: 5.3 How we measure our responsible business conduct, and what our track record looks like, page 29	
	2-28 Membership associations	Sustainability Report 2023: 1.5 Memberships of associations and organisations, page 7	
	2-29 Approach to stakeholder engagement	Sustainability Report 2023: 1.2.1 Our key stakeholder groups, page 5	
	2-30 Collective bargaining agreements	No employees in the Group are subject to collective bargaining agreements.	

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
Material topics			
GRI 3: Material topics 2021	3-1 Process to determine material topics	Sustainability Report 2023: 1.2.2 Sustainability topics that are material for us, page 5	
	3-2 List of material topics	Sustainability Report 2023: 1.2.2 Sustainability topics that are material for us, page 5	
Responsible investments			
GRI 3: Material topics 2021	3-3 Management of material topics	Sustainability Report 2023: 3. Responsible investments, page 13 onwards	
GRI 201: Economic performance 2016	201-2 Financial implications and other risks and opportunities related to climate change	Sustainability Report 2023: 2. TCFD reporting, page 8 onwards Sustainability Report 2023: 3.3.2 GHG emissions from in-house investment products, page 19 Sustainability Report 2023: 3.3.3 Reduction targets for IMMOFONDS and IMMOFONDS suburban, page 19	
GRI G4 Financial Services Sector Supplement 2013	G4-HR1 Human rights clauses and screening on human rights in the investment business	Sustainability Report 2023: 3.2.1 Integration of ESG criteria into the investment process, page 13 onwards	
	G4-FS7 Investment business with special social benefits	Currently, Zuger Kantonalbank does not have any investment business with special social benefits.	
	G4-FS8 Investment business with special environmental benefits	Currently, Zuger Kantonalbank does not have any investment business with special environmental benefits.	
	G4-FS10 Interaction in environmental and social matters with companies held in the institution's portfolios	Sustainability Report 2023: 3.2.3 Exercising of membership and creditors' rights in the context of our equity funds, page 16 onwards	Percentage and number of companies in collective investments of Zuger Kantonalbank with which it has interacted on sustainability issues: Specific figures are not currently available. Reporting will be established over the next two years.
	G4-FS11 Assets subject to positive and negative environmental or social screening	Sustainability Report 2023: 3.3.1 Key figures on the investment business, page 18	
Responsible lending			
GRI 3: Material topics 2021	3-3 Management of material topics	Sustainability Report 2023: 4. Responsible lending, page 22 onwards	
GRI 201: Economic performance 2016	201-2 Financial implications and other risks and opportunities related to climate change	Sustainability Report 2023: 2. TCFD reporting, page 8 onwards Sustainability Report 2023: 4.3.2 GHG emissions from lending, page 24	

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
Material topics			
GRI G4 Financial Services Sector Supplement 2013	G4-HR1 Human rights clauses and screening on human rights in the lending business	Zuger Kantonalbank conducts its commercial lending business exclusively with companies with financed groups or counterparties whose registered office is in Switzerland. There is no screening on human rights and loan agreements do not contain any human rights clauses.	
	G4-FS6 Composition of the credit business by region, size of companies and industry	Sustainability Report 2023: 4.3.1 Scope and type of lending, page 23	Composition of commercial lendings by region and size of companies: The corresponding analyses are not available. Reporting will be established over the next two years.
	G4-FS7 Lending business with special social benefits	Currently, Zuger Kantonalbank does not have any lending business with special social benefits.	
	G4-FS8 Lending business with special environmental benefits	Currently, Zuger Kantonalbank does not have any lending business with special environmental benefits.	
Responsible business conduct			
GRI 3: Material topics 2021	3-3 Management of material topics	Sustainability Report 2023: 5. Responsible business conduct, page 25 onwards	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Sustainability Report 2023: 5.3 How we measure our responsible business conduct, and what our track record looks like, page 29	
	205-2 Communication and training about anti-corruption policies and procedures	Sustainability Report 2023: 5.3 How we measure our responsible business conduct, and what our track record looks like, page 29	
	205-3 Confirmed incidents of corruption and actions taken	Sustainability Report 2023: 5.3 How we measure our responsible business conduct, and what our track record looks like, page 29	
GRI 206: Anti-competitive behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Sustainability Report 2023: 5.3 How we measure our responsible business conduct, and what our track record looks like, page 29	
GRI 418: Customer privacy 2016	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report 2023: 5.3 How we measure our responsible business conduct, and what our track record looks like, page 29	

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
Material topics			
Attractiveness as an employer			
GRI 3: Material topics 2021	3-3 Management of material topics	Sustainability Report 2023: 6. Attractiveness as an employer, page 31 onwards	All information: Consolidated information for the Group as a whole is not currently available. The figures refer exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting will be established over the next two years.
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report 2023: Table "Employees of the parent company ZugerKB (excludes IFAM)", page 34	All information: The figures are only shown as a rate, not as absolute figures. The reporting will be expanded accordingly next year. All information: Consolidated information for the Group as a whole is not currently available. The figures refer exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting will be established over the next two years.
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report 2023: 6.2.4 How we offer our employees attractive working conditions page 32	All information: Consolidated information for the Group as a whole is not currently available. The figures refer exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting will be established over the next two years.
	401-3 Parental leave	No quantitative information	All required information: The corresponding analyses are not available. Reporting will be established over the next two years.
GRI 404: Training and further education 2016	404-1 Average hours of training per year per employee	No quantitative information	All required information: The corresponding analyses are not available. Reporting will be established over the next two years.
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Sustainability Report 2023: 6.2.2 How we support our employees with their development, page 31	All information: Consolidated information for the Group as a whole is not currently available. The figures refer exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting will be established over the next two years.
	404-3 Percentage of employees receiving regular performance and career development reviews	100%. Sustainability Report 2023: 6.2.3 How we attract and train, nurture and retain talent, page 32	All information: Consolidated information for the Group as a whole is not currently available. The figures refer exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting will be established over the next two years.

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
Material topics			
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	Annual Report 2023: Compensation Report, 10. Gender representation on the Board of Directors and the Executive Board, page 121 Sustainability Report 2023: Table "Employees of the parent company ZugerKB (excluding IFAM)", page 34	All information: Consolidated information for the Group as a whole is not currently available. The figures refer exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting will be established over the next two years.
	405-2 Ratio of basic salary and remuneration of women to men	Sustainability Report 2023: 6.2.5 How we are committed to diversity and equal opportunity, page 33	All information: Consolidated information for the Group as a whole is not currently available. The figures refer exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting will be established over the next two years.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Sustainability Report 2023: 6.3 What objectives we are pursuing, and what key figures demonstrate our attractiveness as an employer, page 36	All information: Consolidated information for the Group as a whole is not currently available. The figures refer exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting will be established over the next two years.
Sustainable development in the region			
GRI 3: Material topics 2021	3-3 Management of material topics	Sustainability Report 2023: 7. Sustainable development in the region, page 38 onwards	
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	Sustainability Report 2023: Directly generated and distributed economic value, pages 38 and 39	
Environmentally friendly operations			
GRI 3: Material topics 2021	3-3 Management of material topics	Sustainability Report 2023: 8. Environmentally friendly operations, page 42 onwards	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Sustainability Report 2023: Key figures for environmentally friendly operations, page 45	
	301-2 Recycled input materials used	Sustainability Report 2023: Key figures for environmentally friendly operations, page 45	
	301-3 Reclaimed products and their packaging materials	Sustainability Report 2023: Key figures for environmentally friendly operations, page 45	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Sustainability Report 2023: Key figures for environmentally friendly operations, page 45	
	302-2 Energy consumption outside of the organisation	Sustainability Report 2023: Key figures for environmentally friendly operations, page 45	
	302-3 Energy intensity	Sustainability Report 2023: Key figures for environmentally friendly operations, page 45	
	302-4 Reduction of energy consumption	Sustainability Report 2023: Key figures for environmentally friendly operations, page 45	
	302-5 Reduction in energy requirements of products and services	The financial products and services of Zuger Kantonalbank do not result in any direct energy consumption on the part of clients.	

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
Material topics			
Environmentally friendly operations			
GRI 303: Water and effluents 2018	303-1 Interactions with water as a shared resource	Sustainability Report 2023: 8.2.3 Responsible use of water and waste, page 43	
	303-2 Management of water discharge-related impacts	Sustainability Report 2023: 8.2.3 Responsible use of water and waste, page 43	
	303-3 Water withdrawal	Sustainability Report 2023: Key figures for environmentally friendly operations, page 45	
	303-4 Water discharge	Sustainability Report 2023: Key figures for environmentally friendly operations, page 45	
	303-5 Water consumption	Sustainability Report 2023: Key figures for environmentally friendly operations, page 45	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Report 2023: Key figures for environmentally friendly operations, page 45	
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Report 2023: Key figures for environmentally friendly operations, page 45	
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability Report 2023: Key figures for environmentally friendly operations, page 45	
	305-4 GHG emissions intensity	Sustainability Report 2023: Key figures for environmentally friendly operations, page 45	
	305-5 Reduction of GHG emissions	Sustainability Report 2023: Key figures for environmentally friendly operations, page 45	
	305-6 Emissions of ozone-depleting substances (ODS)	Zuger Kantonalbank does not produce any (significant) emissions of this nature.	
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	Zuger Kantonalbank does not produce any (significant) emissions of this nature.	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Sustainability Report 2023: 8.2.3 Responsible use of water and waste, page 43	
	306-2 Management of significant waste-related impacts	Sustainability Report 2023: 8.2.3 Responsible use of water and waste, page 43	
	306-3 Waste generated	Sustainability Report 2023: Key figures for environmentally friendly operations, page 45	
	306-4 Waste diverted from disposal	Sustainability Report 2023: Key figures for environmentally friendly operations, page 45	
	306-5 Waste directed to disposal	Sustainability Report 2023: Key figures for environmentally friendly operations, page 45	

CO Index

Index for reporting on non-financial matters in accordance with the CO (Art. 964) and DDTro

Topic	Sub-topic	Location	Notes:	Compliance with other standards (GRI, TCFD)
Business model			It was decided not to present the business model in the report for the 2023 financial year. It will be presented in the 2024 report.	GRI 2-6
Environmental concerns	Materiality/risks	Sustainability Report 2023: 1.2.2 Sustainability topics that are material for us, page 5 Sustainability Report 2023: 2. TCFD reporting, page 8 onwards Sustainability Report 2023: 3. Responsible investments, page 13 Sustainability Report 2023: 4. Responsible lending, page 22 Sustainability Report 2023: 8. Environmentally friendly operations, page 42		GRI 3-1, GRI 3-2, GRI 3-3 GRI 201-2 TCFD
	Concept/management approach	Sustainability Report 2023: 2. TCFD reporting, page 8 onwards Sustainability Report 2023: 3. Responsible investments, page 13 onwards Sustainability Report 2023: 4. Responsible lending, page 22 onwards Sustainability Report 2023: 8. Environmentally friendly operations, page 42 onwards		GRI 3-3 TCFD
	CO ₂ targets	Sustainability Report 2023: 2.4 Key figures and targets: What climate impacts we have, and what reduction targets we are pursuing, page 11 onwards Sustainability Report 2023: 3. Responsible investments, reduction target for the equity funds of Zuger Kantonalbank, page 19 Sustainability Report 2023: 3. Responsible investments, 3.3.3 reduction targets for IMMOFONDS and IMMOFONDS suburban, page 19 Sustainability Report 2023: 8. Environmentally friendly operations, 8.3.1 Climate targets, page 44		GRI 3-3 TCFD
	Other targets		No other environmental targets	

Topic	Sub-topic	Location	Notes:	Compliance with other standards (GRI, TCFD)
	Due diligence	Annual Report 2023: Notes to the consolidated financial statements, 3. Risk management, page 58 onwards Sustainability Report 2023: 3.2.4 Compliance with due diligence in relation to own financial assets, page 17 Sustainability Report 2023: 3.2.5 Consideration of due diligence obligations in the supply of metals, page 17		
	Measures	Sustainability Report 2023: 3. Responsible investments, page 20 onwards 2023 Sustainability Report: 4. Responsible lending, page 24 Sustainability Report 2023: 8. Environmentally friendly operations, page 47		GRI 3-3
	Performance indicators	Sustainability Report 2023: 2.4 Key figures and targets: What climate impacts we have, and what reduction targets we are pursuing, page 11 onwards Sustainability Report 2023: 3.3 What objectives we are pursuing in responsible investments, and what our track record looks like, page 18 onwards Sustainability Report 2023: 4.3 What objectives we are pursuing in responsible lending, and what our track record looks like, page 24 Sustainability Report 2023: Key figures for environmentally friendly operations, page 45 onwards		G4-FS6, G4-FS10, G4-FS11, GRI 301-1, GRI 301-2, GRI 301-3, GRI 302-1, GRI 302-2, GRI 302-3, GRI 302-4, GRI 302-5, GRI 303-3, GRI 303-4, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 305-6, GRI 305-7, GRI 306-3, GRI 306-4, GRI 306-5, TCFD
	Effectiveness review	Sustainability Report 2023: 1.3 Sustainability governance, page 6 onwards		
Social concerns	Materiality/risks	Sustainability Report 2023: 1.2.2 Sustainability topics that are material for us, page 5 Sustainability Report 2023: 3. Responsible investments, page 13 Sustainability Report 2023: 4. Responsible lending, page 22 Sustainability Report 2023: 5. Responsible business conduct, page 25 Sustainability Report 2023: 7. Sustainable development in the region, page 38		GRI 3-1, GRI 3-2, GRI 3-3
	Concept/management approach	Sustainability Report 2023: 3. Responsible investments, page 13 Sustainability Report 2023: 4. Responsible lending, page 22 Sustainability Report 2023: 5. Responsible business conduct, page 25 Sustainability Report 2023: 7. Sustainable development in the region, page 38		GRI 3-3

Topic	Sub-topic	Location	Notes	Compliance with other standards (GRI, TCFD)
	Targets	Sustainability Report 2023: 7. Sustainable development in the region, Zuger Kantonalbank's goals and ambitions, page 40		GRI 3-3
	Due diligence	Annual Report 2023: Notes to the consolidated financial statements, 3. Risk management, page 58 onwards Sustainability Report 2023: 3.2.4 Compliance with due diligence in relation to own financial assets, page 17 Sustainability Report 2023: 3.2.5 Consideration of due diligence obligations in the supply of metals, page 17		
	Measures	Sustainability Report 2023: 3. Responsible investments, page 20 onwards Sustainability Report 2023: 4. Responsible lending, page 24 Sustainability Report 2023: 5. Responsible business conduct, page 30 Sustainability Report 2023: 7. Sustainable development in the region, page 40		GRI 3-3
	Performance indicators	Sustainability Report 2023: 3.3 What objectives we are pursuing in responsible investments, and what our track record looks like, page 18 onwards Sustainability Report 2023: 4.3 What objectives we are pursuing in responsible lending, and what our track record looks like, page 24 Sustainability Report 2023: 5.3 How we measure our responsible business conduct, and what our track record looks like, page 29 Sustainability Report 2023: 7.3 How our stakeholders benefit from our financial performance, and our share of regional support measures, page 38 onwards		G4-HR1, G4-FS6, G4-FS10, G4-FS11, GRI 2-27, GRI 206-1, GRI 418-1
	Effectiveness review	Sustainability Report 2023: 1.3 Sustainability governance, page 6 onwards Sustainability Report 2023: 5.4.3 Effectiveness check, page 30		
Employee matters	Materiality/risks	Sustainability Report 2023: 1.2.2 Sustainability topics that are material for us, page 5 Sustainability Report 2023: 6. Attractiveness as an employer, page 31		GRI 3-1, GRI 3-2, GRI 3-3
	Concept/management approach	Sustainability Report 2023: 6. Attractiveness as an employer, page 31		GRI 3-3
	Targets	Sustainability Report 2023: 6.3 What objectives we are pursuing, and what key figures demonstrate our attractiveness as an employer, page 34		GRI 3-3
	Due diligence	Annual Report 2023: Notes to the consolidated financial statements, 3. Risk management, page 58 onwards		

Topic	Sub-topic	Location	Notes	Compliance with other standards (GRI, TCFD)
	Measures	Sustainability Report 2023: 6.4 What measures were the main focus in 2023, page 36 onwards		GRI 3-3
	Performance indicators	Sustainability Report 2023: 6.3 What objectives we are pursuing, and what key figures demonstrate our attractiveness as an employer, page 34		GRI 401-1, GRI 401-2, GRI 405-1, GRI 405-2, GRI 406-1
	Effectiveness review	Sustainability Report 2023: 1.3 Sustainability governance, page 6 onwards		
Respect for human rights	Materiality/risks	Sustainability Report 2023: 1.2.2 Sustainability issues that are material for us, page 5 Sustainability Report 2023: 3. Responsible investments, page 13 Sustainability Report 2023: 4. Responsible lending, page 22 Sustainability Report 2023: 5. Responsible business conduct, page 25		GRI 3-1, GRI 3-2, GRI 3-3
	Concept/management approach	Sustainability Report 2023: 3. Responsible investments, page 13 Sustainability Report 2023: 4. Responsible lending, page 22 Sustainability Report 2023: 5. Responsible business conduct, page 25 Sustainability Report 2023: 5. Responsible business conduct, page 27		GRI 3-3
	Targets		No specific targets	GRI 3-3
	Due diligence	Annual Report 2023: Notes to the consolidated financial statements, 3. Risk management, page 58 onwards Sustainability Report 2023: 3.2.4 Compliance with due diligence in relation to own financial assets, page 17 Sustainability Report 2023: 3.2.5 Consideration of due diligence obligations in the supply of metals, page 17 Sustainability Report 2023: 3.2.5 Consideration of due diligence obligations in the supply of metals, page 17		
	Measures		No specific measures in the year under review	GRI 3-3

Topic	Sub-topic	Location	Notes	Compliance with other standards (GRI, TCFD)
	Performance indicators	Sustainability Report 2023: 3.2.1 Integration of ESG criteria into the investment process, page 13 onwards Sustainability Report 2023: 5.3 How we measure our responsible business conduct, and what our track record looks like, page 29	Lending business: Zuger Kantonalbank conducts its commercial lending business exclusively with companies with financed groups or counterparties whose registered office is in Switzerland. There is no screening on human rights and loan agreements do not contain any human rights clauses.	G4-HR1, GRI 2-27
	Effectiveness review	Sustainability Report 2023: 1.3 Sustainability governance, page 6 onwards Sustainability Report 2023: 5.4.3 Effectiveness check, page 30		
Combating corruption	Materiality/risks	Sustainability Report 2023: 1.2.2 Sustainability topics that are material for us, page 5 Sustainability Report 2023: 5. Responsible business conduct, page 25		
	Concept/management approach	Sustainability Report 2023: 5. Responsible business conduct, page 25 Sustainability Report 2023: Prevention of money laundering and the fight against corruption, page 27		
	Targets		No specific targets	
	Due diligence	Annual Report 2023: Notes to the consolidated financial statements, 3. Risk management, page 58 onwards		
	Measures	Sustainability Report 2023: Confirmed incidents of corruption and actions taken, page 29		
	Performance indicators	Sustainability Report 2023: Confirmed incidents of corruption and actions taken, page 29		GRI 205-1, GRI 205-2, GRI 205-3
	Effectiveness review	Sustainability Report 2023: 1.3 Sustainability governance, page 6 onwards Sustainability Report 2023: 5.4.3 Effectiveness check, page 30		

Topic	Sub-topic	Location	Notes:	Compliance with other standards (GRI, TCFD)
Due diligence and transparency regarding minerals and metals from conflict areas	Supply chain policy	Sustainability Report 2023: 3.2.5 Consideration of due diligence obligations in the supply of metals, page 17		
Due diligence and transparency regarding child labour	Supply chain policy	Sustainability Report 2023: 5. Responsible business conduct, respect for human rights, page 27		
	Risk assessment	Sustainability Report 2023: 5. Responsible business conduct, respect for human rights, page 29		

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