

Sustainability Report 2023

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Classification

1 Classification and strategy of sustainability at SZKB

1.1 Company profile

Schwyzer Kantonalbank (SZKB) is an independent institution under Cantonal public law and wholly owned by the Canton of Schwyz. Founded in 1890, SZKB conducts the business of a universal bank. The central pillars of its existence are defined in the Cantonal Law on the Schwyzer Kantonalbank (current version as of 17 February 2010). Article 3 Purpose, Section 2 states: «It (SZKB) contributes to balanced and sustainable development of the Canton, taking particular account of the needs of the people living in the Canton, the economy and the public sector.» Article 9 of the law also defines SZKB's geographical business area: Paragraph 1: «The geographical scope of business primarily includes the Canton of Schwyz.»; Paragraph 2: «Business in the rest of Switzerland and abroad is permissible if the Bank does not incur any disproportionate risks and the satisfaction of the money and credit needs within the Canton is not impaired by this activity.» and Paragraph 3: «As a rule, the Bank's foreign assets may not exceed 5% of the total balance sheet.»

SZKB's head office and all of its branches are located in the Canton of Schwyz.

1.2 Annual Report

The Annual Report also includes the SZKB Annual Financial Statements. The Annual Report presents the economic situation of the Bank. The Annual Financial Statements include, in particular, the Balance Sheet, the Income Statement, the Cash Flow Statement and the Statement of Changes in Equity. The Annual Report also provides information on the Bank's corporate structure (organisational chart), business activities, corporate governance, risk management and the remuneration of the Bank Council and the Executive Board.

1.3 Sustainability Report

The Sustainability Report covers SZKB's non-financial matters. Together with the Annual Report, it provides a comprehensive picture of the financial, social and environmental dimensions of SZKB's business activities.

Like the Annual Report, the Sustainability Report provides information about SZKB. One exception is the carbon footprint, which also includes the emissions of the Innovation Foundation and the Pension Fund of the Canton of Schwyz, as SZKB provides services to these organisations.

Unless specified otherwise, all information in this Sustainability Report pertains to the 2023 financial year, which spanned from 1 January to 31 December 2023. One exception is the operational ecology key figures, which are based on 2022 due to business-related delays in reporting from primarily external data suppliers. The period covered by the Sustainability Report thus largely corresponds to that of SZKB's consolidated financial reporting (Annual Report).

The Sustainability Report 2023 was approved by the Executive Board on 13 February 2024 and adopted by the Bank Council on 20 February 2024 for the attention of the Cantonal Council of Schwyz.

SZKB's Sustainability Report was not subjected to an external audit. It was published on 22 March 2024.

This report contains forward-looking statements based on expectations and assumptions. Various influencing factors may cause the actual results to differ from the estimates provided here.

1.4 Point of contact

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1.5 Embedding sustainability in the organisation

In 2021, SZKB established the role of «Sustainability Officer». This position reported directly to the Chief Executive Officer until August 2023. Starting from 1 October 2023, it became part of the Project & Portfolio Management department, whose head reports to the member of the Executive Board responsible for Finance and Risk Management.

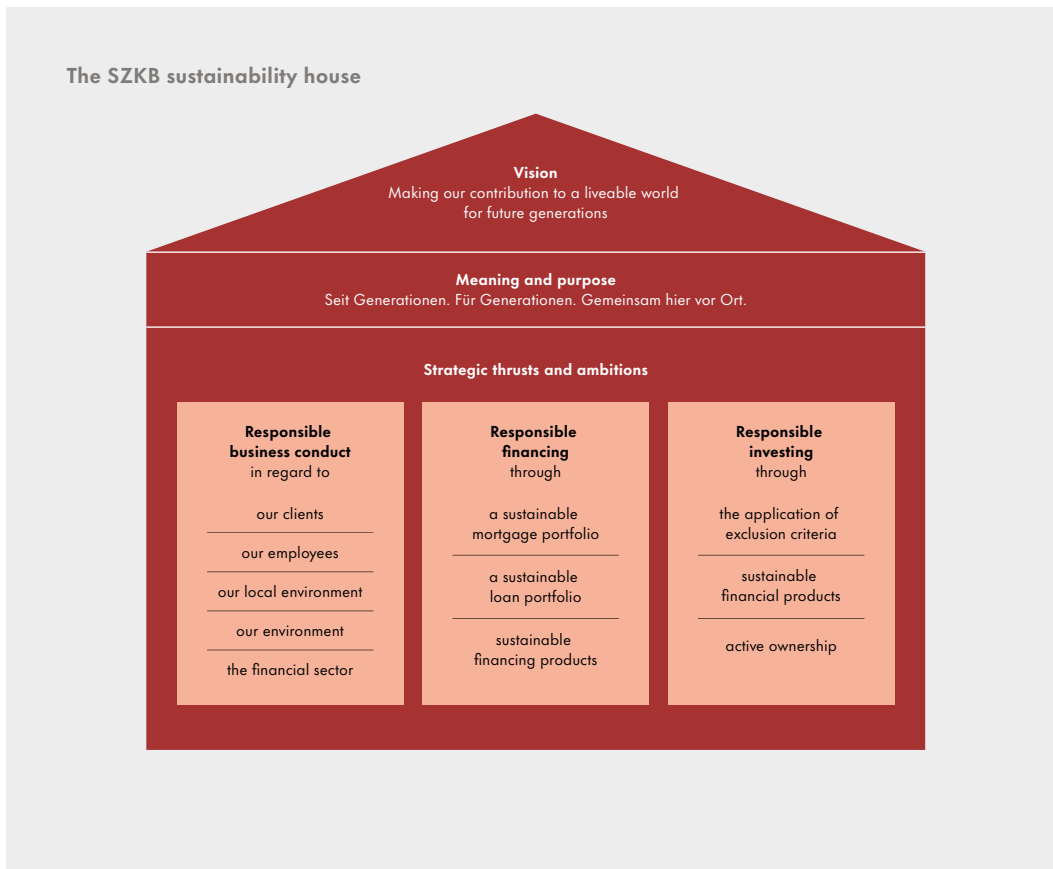
In 2023, the Executive Board, the Strategy Committee and the Bank Council approved a sustainability strategy, verified the key topics and defined sustainability goals.

SZKB integrates the reporting of material risks and their impact into its risk management process. This information is then submitted to the Executive Board and, via the Risk Committee, to the Bank Council.

The ESG Programme 2025 was launched in 2023 with the goal of firmly embedding sustainability in the operations of the Bank. The ESG Programme is a Bank-wide, interdisciplinary project that encompasses sustainability-related work in the areas of strategy & governance, risk management, control framework, compliance, investment business, lending business, ESG data & IT and ESG disclosure. The aim of the project is to ensure Bank-wide ESG transformation (e.g. development of ESG governance) as well as integration and implementation of the increasing regulatory requirements. This project has a project committee made up of the Chief Executive Officer and the members of the Executive Board responsible for finance and risk management as well as private and corporate client business.

The specific management approach for managing the key topics and their impacts is presented in the individual «Management approach» sections.

In 2023, an evaluation was conducted to determine how the topic of sustainability could be more firmly embedded in the organisation. Implementation is planned for 2024.



1.6 The SZKB sustainability strategy

SZKB’s sustainability strategy, as defined by the Bank Council in 2023, comprises the following components:

- The SZKB sustainability house
- The SZKB sustainability vision
- The SZKB sustainability ambitions
- The key topics

The SZKB sustainability house

The sustainability house is the graphic representation of the sustainability strategy as a whole. The Sustainability Report is organised along the lines of the strategic thrusts.

The SZKB sustainability vision

SZKB defined the following sustainability vision for 2023: «We are aware that the decisions we make today will have an impact on future generations. We are therefore dedicated to ensuring a sustainable future. We foster environmentally conscious behaviour and assist our clients in developing their assets and businesses in a sustainable manner. We strive to use resources efficiently, seek environmentally friendly solutions and make a positive social impact. By taking sustainability into account in all our activities, we are contributing to the preservation of a liveable world for future generations.»

The SZKB sustainability ambitions

SZKB defined the following sustainability ambitions in 2023:

- **Responsible business conduct:** «We stand for a conscientious company that acts in accordance with the best of its knowledge and beliefs. As a bank, we acknowledge our responsibility to our stakeholders. We strive to enhance overall trust in the financial sector and ensure the satisfaction of our clients and employees through our responsible operating practices, which reflect the results of specific measures taken. It is also important for us to recognise and reduce our negative impacts on the environment. Ultimately, we want to support local projects in making a positive contribution to society.»
- **Responsible financing:** «We promote sustainable financing. As a bank, we recognise our role within society as an enabler of the development of sustainable activities. We are committed to expanding access to sustainable financial services for private and professional clients while integrating environmental and social criteria into our financing solutions. We also would like to reduce the greenhouse gas emissions of our financing portfolios and achieve net zero emissions by 2050.»
- **Responsible investing:** «We promote sustainable investments. As a bank, we recognise our duty to manage our clients' assets responsibly with a long-term focus. We are committed to systematically incorporating sustainability aspects into the development of all our portfolios in order to manage sustainability risks. At the same time, we want to offer our clients sustainable products that align with their ESG preferences and expectations. Ultimately, we see ourselves as representatives of our clients in regard to all investment recipients and seek to work towards more sustainable business development on their behalf.»

Key topics

The key topics are the focus of SZKB's sustainability reporting. These were determined according to the principle of dual materiality, meaning they are those topics where the Bank has the greatest impact on society, the environment and the economy, as well as those topics that have a (financial) impact on the Bank.

The key topics were identified in the following manner: As a starting point, SZKB drew upon industry analyses, sustainability ratings, stakeholder input and media reports to compile possible topics specific to the industry, Bank, and Canton and then have the effects assessed and analysed by internal Bank experts. The assessment of the key sustainability issues was updated in 2023 by technical experts with the involvement of representatives of the stakeholder groups clients, employees, Executive Board, Bank Council and Canton (Cantonal Supervisory Commission) and discussed with and approved by the Executive Board and the Bank Council.

Key topics from the three strategic thrusts:

Key topics	Addressed in the chapter
<ul style="list-style-type: none"> • «Client satisfaction» • «Data protection/client data/privacy» • «Diversity and integration» • «Commercial traffic/commuter traffic» • «Remuneration of the highest governance bodies» • «Generations and local commitment» • «Fostering the local community and economy» • «Energy consumption and efficiency (greenhouse gas emissions)» • «Regulatory compliance» • «Reputation» • «Healthy growth» 	Responsible business conduct
<ul style="list-style-type: none"> • «Financing a sustainable property» • «Access to sustainable financial services» • «Climate change» 	Responsible financing
<ul style="list-style-type: none"> • «Sustainable products and services» • «Climate change» 	Responsible investing

The list of key topics included in the 2023 Sustainability Report differs from those published in the 2022 report as follows:

- «Sustainability in the financing sector» was broken down into «Financing a sustainable property», «Access to sustainable financial services» and «Climate change».
- «Sustainability in the investment sector» was broken down into «Sustainable products and services» and «Climate change».
- «Sustainability in the area of social affairs» was broken down into «Diversity and integration», «Commercial traffic/commuter traffic» and «Remuneration of the highest governance bodies».
- «Sustainability in operations and procurement» was renamed «Energy consumption and efficiency (greenhouse gas emissions)».
- «Good corporate governance» was broken down into «Regulatory compliance», «Reputation» and «Healthy growth».
- «Confidentiality of client data, data security and data protection» was renamed «Data protection/client data/privacy» and integrated into the Chapter «Responsible business conduct towards clients».
- «Local commitment, sponsorship and partnerships» was broken down into «Generations and local commitment» and «Fostering the local community and economy».

The materiality analysis identified additional topics beyond the key topics. However, these were categorised as non-key individual topics and integrated into overarching key topics.

Other topics from the materiality analysis	Allocation
<ul style="list-style-type: none"> • Innovation • Equal pay • Gender equality • Equal opportunities • Work-life balance • Employee development • Financial literacy informational event for the community • Volunteering • Sponsorship • Fairness towards competitors and suppliers • Sustainable procurement/supply chains • Protection of human rights • Independence of governance bodies • Political influence • Separation of powers • Responsible business conduct • Diversity and composition of the highest governance bodies • Combating corruption • Biodiversity • Recycling and waste management • Water consumption 	<ul style="list-style-type: none"> Responsible investing Business conduct

1.7 Sustainability goals

The SZKB defined sustainability targets for 2023.

Focus	Goal
Responsible business conduct	<ul style="list-style-type: none"> • In the client satisfaction survey conducted every two years, 95% of clients express satisfaction or high satisfaction with SZKB. • In the client satisfaction survey conducted every two years, from 2030 onwards at least 70% of clients will say that they perceive SZKB as a sustainable or very sustainable bank. • By 2030, all branches will be accessible to clients with reduced mobility • All SZKB full-time and part-time employees, as well as all authorised representatives with access to SZKB's IT systems, are required to complete annual online training courses on data and information security to ensure the security of client data • SZKB fulfils its role as a training company by providing a number of apprenticeship and internship positions equivalent to a minimum of 5% of the workforce. • SZKB acts as a socially responsible employer by providing job opportunities for individuals with disabilities, such as through reintegration programmes or through the continued employment of employees with limited capacity, with at least 1% of its employees taking advantage of such opportunities. • By 2030, reduction in greenhouse gas emissions from transportation (Scope 3) in accordance with Swiss climate strategy (reduction of 21% compared to reference year 2021). • The number of sickness-related absence days per employee (FTE) is less than 5.0 days per year (with long-term absences not taken into account). • The (unexplained) pay gap between the genders is no more than 2.5%. • By 2030, there will be a minimum of 25% representation of both genders among employees at all levels, including the Executive Board. • Local commitment (sponsorship) of at least CHF 0.8 million per year • Increase the number of financial literacy events hosted. • By 2027, SZKB will reduce its operational CO₂ emissions by 15.8%, or 145.0 tonnes (base year 2021), to 770.0 tonnes.. • Raising employee awareness of resource consumption (e.g. paper, heating, light and electricity). • By 2030, all bank buildings (solely) owned by SZKB will cease using oil or gas heating systems, provided that it is economically feasible and technically viable to do so.¹ • By 2030, SZKB will have installed photovoltaic systems on all bank buildings (solely) owned by SZKB, provided that it is economically feasible and technically viable to do so.
Responsible financing	<ul style="list-style-type: none"> • By 2030, the emissions intensity of financed mortgages² will be reduced by a minimum of 42% compared to the 2022 base year. • By 2030, the emissions intensity of financed commercial real estates³ will be reduced by a minimum of 40% compared to the 2022 base year. • Development of financing products that foster and support sustainable behaviour. • Raising awareness among clients. • Raising awareness among employees. • Creation of incentives (e.g. favourable interest rates) for a reduction in emissions intensity. • Support with the generational transfer of a property.
Responsible investments	<ul style="list-style-type: none"> • Consideration of controversial and/or environmentally harmful sectors in the investment decision-making process. • By the end of 2025, at least 20% of all asset management mandates should have client preferences that are conscious, focused or effective, and by the end of 2030, this should increase to at least 50%. • The share of SZKB investment funds with a conscious or focussed alignment with client preference is at least 20% of the total of all SZKB investment funds at the end of 2025 and at least 50% at the end of 2030.⁴ • Development of further financing products that foster sustainable behaviour and thus correspond to various ESG preferences. • Development of an engagement policy by 2025.

¹ The deadline for reaching this goal has been pushed back from 2027 to 2030.

² Financed mortgages include single-family houses and condominiums.

³ Including apartment buildings.

⁴ This is a volume figure (AuM).

United Nations Sustainable Development Goals

SZKB’s approach to sustainability is based on the 17 United Nations Sustainable Development Goals (SDGs). SZKB is committed to all 17 SDGs but focusses its activities on six of them in particular in order to achieve the greatest possible impact.

In mid-2021, a broad dialogue was conducted with employees from various hierarchical levels from different departments. In the presence of the Chief Executive Officer and other members of the Executive Board at a full-day workshop, the participants discussed and evaluated the 17 SDGs and how they relate to SZKB’s business activities. On

the basis of this dialogue, SZKB decided to focus its activities on seven SDGs in order to make the greatest possible impact. The Executive Board and the Bank Council verified the prioritisation in 2023, based on the defined sustainability strategy, the key topics and the determined objectives. SZKB is now focussing its activities on six SDGs. The following changes were made to the initial assessment:

- SDG 3 «Ensure healthy lives and promote well-being for all at all ages» and SDG 5 «Achieve gender equality and empower all women and girls» are no longer the main focus of SZKB, as SZKB only has limited scope for influence here.
- SDG 16 "Promote peaceful and inclusive societies for sustainable development» is a new focus SDG.

	4 QUALITY EDUCATION	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Responsible business conduct	✓		✓	✓	✓	
Responsible financing		✓		✓		
Responsible investing				✓		✓

1.8 Progress and further development

In 2023, SZKB made significant progress in addressing the issue of sustainability. This progress is presented in the individual chapters of this sustainability report. The most significant progress includes:

- The Bank Council adopted an independent sustainability strategy.
- In 2022/23, SZKB made use of external assistance to draw up a roadmap regarding the regulatory requirements in the area of sustainability and initiated the necessary actions to implement it.
- In 2023, SZKB expanded its risk management with regard to the financial impact of climate change and other key sustainability issues. This also includes adapting and reviewing the risk framework and integrating ESG risk factors into the company's overall risk management.
- In 2023, SZKB established the necessary conditions to comply with regulatory requirements and self-regulation specifications effective from 1 January 2024.

In 2024 and 2025, SZKB will continue to focus on sustainability and the implementation of the sustainability strategy defined in 2023. In 2024, the focus will be on adapting the sustainability governance, establishing a sustainability commission and rolling out Bank-wide ESG training courses. SZKB will also prioritise the continued development and implementation of the sustainability strategy, including the definition of additional measures to reduce CO₂ emissions related to mobility.





Responsible business conduct

2.1 Responsible business conduct towards clients

2.1.1 Relevance, goals, concepts and measures

Relevance of the topic to SZKB and goals

SZKB attaches great importance to client satisfaction, which plays a crucial role in the economic success of the bank. A high level of client satisfaction also enhances the company's reputation and sets it apart from the competition. Satisfied clients recommend SZKB to others and thus help attract new clients. On the other hand, dissatisfied clients are likely to switch banks. For this reason, «client satisfaction» is a key issue.

The goals, wishes and needs of the clients are the starting point for long-term and holistic advice and support provided by SZKB. SZKB's structured advisory process takes the overall family, professional and general life situation into consideration. SZKB provides a wide range of attractive products and services. As part of its comprehensive advisory services, SZKB offers its clients high-quality solutions that are tailored to their individual needs.

SZKB's primary area of activity is the Canton of Schwyz, a predominantly rural area with 30 political municipalities. SZKB operates branches and cashpoints deliberately in these areas to ensure the basic provision of financial services there, in line with its slogan of «Seit Generationen. Für Generationen. Gemeinsam hier vor Ort». In addition, SZKB also offers its clients financial services via digital sales channels.

SZKB has established the following goals for ethical business conduct in regard to its clients:

- In the client satisfaction survey conducted every two years, 95% of clients express satisfaction or high satisfaction with SZKB.
- In the client satisfaction survey conducted every two years, from 2030 onwards at least 70% of clients will say that they perceive SZKB as a sustainable or very sustainable bank.
- By 2030, all branches will be accessible to clients with reduced mobility.

Protecting client data, maintaining bank client confidentiality and ensuring data security are top priorities for SZKB. Depending on its scope and nature, any data breach, data theft or cyber attack could potentially lead to violations of personal rights, financial loss, legal repercussions, business disruption and/or loss of reputation. On the other hand, good data protection creates trust in SZKB. This is why «data protection/client data/privacy» is a key topic.

SZKB has set for itself the following goal for the future in the key topic area of «data protection/client data/privacy»: All SZKB full-time and part-time employees, as well as all authorised representatives with access to SZKB's IT systems, are required to complete annual online training courses on data and information security to ensure the security of client data.

Management approach

SZKB regularly measures client satisfaction and the outside world's perception of the Bank. Furthermore, SZKB performs periodic client surveys on specific topics, such as with clients who have used a particular service. These surveys yield valuable insights for the ongoing improvement of our products and services. SZKB also periodically participates in surveys conducted by the Association of Swiss Cantonal Banks (VSKB) in regard to client satisfaction and the image of the Bank.

SZKB uses a systematic advisory process that takes into account each client's unique life situation and identifies tailored solutions to meet their needs. To further enhance systematisation, client advisors are continuously empowered and supported by their superiors.

SZKB holds its products and services to high standards, which is why they are regularly reviewed and assessed by the responsible specialist department. Departments with direct client contact are involved in such reviews and assessments in order to ensure that the products and services are improved on an ongoing basis and with the needs of the clients in mind. When products are being developed, clients are involved in the process so that direct feedback on the planned developments can be obtained. Client reactions and client surveys are also used to determine input on client satisfaction and potential for improvement. The head of the specialist department brings the results of such reviews to the Sales Commission. This body is responsible for approving products and services and is made up of representatives from the Executive Board, Segment/Sales Management, Marketing & Communication and Product Management. The Sales Commission analyses the submitted product innovations, extensions or enhancements and makes a decision regarding their implementation after a broad discussion. Through the work in the Sales Commission, oversight of product launch and review lies within the responsibilities of the Executive Board.

The «Introduction of new products or entry into new business areas» directive outlines the process for product innovations and reviews. Among other things, this process ensures the involvement of 1st and 2nd line functions.

SZKB knows its clients. 99.4% of SZKB's clients reside in Switzerland, with 80.0% of them in the Canton of Schwyz. Only 0.6% of SZKB clients reside abroad and are passively served by SZKB. SZKB does not engage in active market cultivation outside Switzerland. The Bank complies with the relevant regulatory requirements (namely the provisions on automatic exchange of information, the Qualified Intermediary Agreement and the Foreign Account Tax Compliance Act) and implements them appropriately and adequately.

Key measures:

- Client satisfaction survey
- Responsible advisory services
- Information about products and services
- Complaint management
- Training/course offerings for clients
- Access to SZKB services

The Head of Finance and Risk Management, who is a member of the Executive Board, has ultimate responsibility for the creation, implementation and compliance with the measures to ensure data protection and data security.

The Compliance/Legal Services department is responsible for implementing data protection legislation. The Data Protection Advisor (Data Protection Officer until 31 August 2023) oversees the processing of personal data, provides recommendations for any necessary corrective actions and is responsible for regulatory reporting.

Finally, the Security Commission (SI-KOM) is established by the Executive Board and led by the Head of Finance and Risk Management. It includes members from the Security, Risk Management, Compliance and IT departments, and is responsible for overseeing security issues such as information protection, physical security and data protection at SZKB. Starting in 2024, the Operational Risk Commission (ORK) will supersede the SI-KOM. The ORK is a commission established by the Executive Board to manage operational risks in accordance with the risk catalogue. It ensures effective management of operational risks within the company and also serves as a liaison body between the risk management units (first line) and the independent control bodies (second line).

SZKB operates an information security management system (ISMS) based on ISO 27001. SZKB also conducts internal and external audits on a regular basis to ensure high standards with regard to data security.

As part of the security system, vulnerabilities are evaluated in regard to risk, anomalies are analysed, and appropriate actions are defined. If necessary, SZKB brings in specialised external IT firms to assess the systems for potential vulnerabilities.

SZKB applies the principles of «security by default» and «security by design» to its IT projects.

Key measures

- Protection of personal and sensitive information
- Employee awareness and training

2.1.2 «Client satisfaction»

Client satisfaction survey

The 2023 client satisfaction survey was conducted online by an external institute. The sample is comparable with the client structure of SZKB. 96% of all clients surveyed are satisfied or very satisfied with SZKB. It is gratifying that this high figure was achieved among both male and female clients. If we focus exclusively on the main bank clients, 97% say they are satisfied to very satisfied. 98% of main bank clients are inclined to recommend SZKB to others. In 2023, 53% of the surveyed clients viewed SZKB as a sustainable bank. However, a significant portion (36%) of respondents did not answer this question.

Responsible advisory services

SZKB places a high priority on providing clients with long-term, holistic advice. For this reason, SZKB is making a deliberate effort to invest in the continued enhancement of its advisory services. After an assessment of the current advisory service, action areas for targeted optimisation of the advisory experience were identified. During the 2023 reporting period, SZKB redefined its value proposition for advisory services and specified it in detail in regard to the advisory process in twelve advisory standards. Starting in 2024, sales staff will be trained in the optimised advisory approach and will consolidate what they have learned in training sessions as well as in the context of meetings with supervisors or peers. Furthermore, new tools were developed to aid in the preparation of dialogues and the recording of client situations.

Information about products and services

SZKB attaches great importance to transparency and uses physical and digital channels to provide its clients with comprehensive and targeted information. In addition to information on the product level, client-specific data is also made available in reports. When new products or product extensions are involved, the sales staff are informed of the changes and trained if necessary so that the quality of advice provided to clients can be maintained. All SZKB client advisors also complete a personal certification in accordance with the requirements of the Swiss Association for Quality (SAQ). This certification confirms that they have the necessary knowledge to advise clients well (see Chapter «2.2.2 'Diversity and integration', Section Training and education»).

Complaints management

Client service is an important factor in the key topic of «client satisfaction». If clients are dissatisfied, their complaints are received, recorded and handled by a client advisor or the central information hotline (Client Centre). Depending on the nature of the complaint, the appropriate department will be consulted. A corresponding work instruction provides the details regarding how client complaints due to lack of satisfaction with SZKB or non-compliance with standards by SZKB are handled. Because SZKB sees client complaints as an impetus for making improvements, the responsible specialist unit analyses complaints received on a quarterly basis, with any conspicuous features (clustering or concentrations of complaints) being passed on to the relevant specialist departments to be dealt with. Starting in 2024, complaints will be reported as part of operational risk reporting.

In 2023, there was a 15% increase in the number of complaints registered compared to the previous year. Approximately 35% of all documented complaints are related to fees and specifically concern the amount of correctly charged fees.

Training/course offerings for clients

To enhance client familiarity with banking topics and increase client satisfaction, SZKB offers information platforms that include ones taking the form of client events. Clients are taught how to safely use digital banking services and are assisted with important topics in this way. (See also Chapter «2.3.3 'Fostering the local community and economy', Section Financial literacy».)

Access to SZKB services

Branch and cashpoint network

Local access to SZKB's financial services is an important factor for client satisfaction.

As of 2023, SZKB has 22 branches (including the head office) and 53 (previous year: 52) of its own cashpoints. SZKB is the bank with the highest presence and accessibility in its home market of the Canton of Schwyz. SZKB is also one of 24 members of the Association of Swiss Cantonal Banks (VSKB). The Swiss Cantonal banks have more than 2,000 cashpoints throughout Switzerland, all of which are accessible free of charge to SZKB clients who have an appropriate debit card. All SZKB cashpoints are barrier-free and can therefore be used by people with disabilities without difficulty or the need for assistance.

All SZKB branches and their range of services are already barrier-free for clients. Building entrances on uneven levels such as in outdoor areas can be made accessible using ramps. Client safe-deposit boxes in the basement can be accessed by lift.

Digital sales channels

In addition to local access to financial services, digital sales channels are also crucial for ensuring client satisfaction.

SZKB offers its clients a modern online and mobile banking solution. On this basis, clients can conduct their banking transactions (including payment transactions and securities trading) from home and on the go. The e- and mobile banking solution offers SZKB clients complete transparency about their financial situation at all times. Since 2022 SZKB has also been offering its clients a solution with which payments can be made via smartphone using the Bank's own TWINT app.

SZKB also offers access to a wide range of additional, innovative solutions for private and corporate clients, such as offline and cloud-based software for integrating payments into accounting systems such as Swiss21, Klara and Bexio.

Website szkb.ch

The SZKB website is constantly being expanded and adapted to meet client needs. The SZKB website is barrier-free, making it accessible to people with visual, hearing and mobility impairments.

2.1.3 «Data protection/client data/privacy»

Protection of personal and sensitive information

SZKB treats both the personal information entrusted to it by its clients and all other personal information confidentially and according to the applicable statutory and regulatory requirements. Detailed provisions on data protection are contained in the Bank's internal «Data Protection» directive, which was issued by the Executive Board. All employees can access it on the intranet, and it is mandatory for them to adhere to it.

Data will only be collected, disclosed or forwarded to third parties if required by law, necessary for fulfilling a contract or with the consent of the individuals involved.

In the event that personal information is disclosed to a third party on the basis of a contractual obligation, the contractual partner shall also be obliged to comply with the provisions of data protection law as they would apply to SZKB. If this third party in turn commissions other third parties, this shall also apply to these subcontractors.

The Data Protection Advisor keeps a detailed inventory of the data collections in a dedicated tool that is updated at least once a year. The owner of a newly opened data collection must report it to the Data Protection Adviser if it has been in existence for more than six months. A new data record also exists if data is extracted from an existing data record and the resulting data record serves an independent purpose.

Any person may request information from the controller of a data record as to whether data relating to them is being processed. All persons have the right to inspect any information about them that is being processed. Likewise, any person about whom information is processed may request rectification and/or deletion of their individual data items in accordance with the law. These personal rights of the data subjects apply to all business areas of SZKB and are described in the «Privacy Policy» on the szkb.ch website.

Personal and other sensitive information is protected by a security system. All non-public SZKB premises are protected by personal access controls. The Bank's internal IT systems can only be accessed with the individual identifier of each employee and in conjunction with a personal password. This means that only SZKB employees or authorised representatives can access data, and each instance of access to data can be associated with a specific person. The SKZB security system is implemented according to the applicable regulations while taking the «need-to-know» principle into account.

Appropriate technical and organisational measures are used to protect information against unauthorised processing. SZKB has implemented proactive measures to reduce the risk of data leaks and ensure the integrity of data storage and confidentiality to the greatest extent possible. To respond to such incidents, SZKB has an emergency plan in place in order to ensure an appropriate reaction to any data breaches, including necessary communication with affected individuals.

SZKB backs up data regularly and tests the restore process at least annually.

Employee awareness and training

In 2023, all full-time and part-time employees with access to SZKB's IT systems were required to complete the following online training courses:

- Data protection
- Working from home
- Protection against social engineering
- Building access and dealing with visitors
- First aid, fire and evacuation.

SZKB regularly carries out measures for raising employee awareness using methods such as simulated phishing or smishing attacks.

2.1.4 Assessment of effectiveness and next steps

Assessment of effectiveness

In 2023, SZKB achieved a 96% satisfaction rate among its clients, an increase from the 2021 survey. SZKB will persist in confronting daily challenges in the times ahead in order to maintain or further improve this result.

In terms of its perception as a sustainable bank, SZKB has significant potential for improvement. To this end, the advisory services are being expanded to include specific sustainability elements (investment preferences and energy-related financing).

SZKB believes that the actions taken to ensure «client satisfaction» have been effective.

The completely revised Swiss Data Protection Act went into effect on 1 September 2023. As a measure to roll out compliance with the fully revised Data Protection Act, in 2023 all employees with access to SZKB's IT systems were given detailed training on data protection and security, and the internal directive on data protection was updated and expanded.

In 2023 (as in the previous year), clients, external parties and the supervisory authorities did not file any complaints regarding breaches of client data protection, and there was also no theft of client data.

In general, SZKB believes that its measures to protect client data are suitable for mitigating negative impacts related to the key topic of «data protection/client data/privacy».

Further development and next steps

In order to take account of changing client needs, SZKB is constantly investing in the expansion and optimisation of its advisory process and the associated tools. To this end, SZKB has launched a strategic project under the name of «Advisory Philosophy 2023+» to enhance the advisory experience and improve client satisfaction in the years ahead.

In accordance with its slogan «Seit Generationen. Für Generationen. Gemeinsam hier vor Ort.», SZKB attaches great importance to demonstrating client focus in a manner that is tangible. This is reflected in ongoing further development of the branches as well as the SZKB digital channels. For example, a completely revised mobile banking app is set to be released in 2024, with a new version of the web banking platform also in the works.

To ensure the confidentiality of personal data, data security and data protection in the future, SZKB will continuously update and enhance measures to prevent data breaches and maintain information and data security in line with the latest developments.

In the coming years, SZKB will also address the question of how compliance with the personal and information rights arising from data protection can be ensured in the event of any future use of artificial intelligence for the automated processing of data (profiling).

2.2 Responsible business conduct towards employees

2.2.1 Relevance, goals, concepts and measures

Relevance of the topic to SZKB and goals

As an employer, SZKB has the ability to shape the professional development of its employees in their work roles. This can have both negative and positive effects. Potential adverse impacts may include health issues, resignation, job loss, disadvantages due to gender, reduced employability and exploitation.

In the realm of personnel, SZKB focuses on key topics such as «Diversity and integration,» «Commercial traffic/commuter traffic» and «Remuneration of the highest governance bodies». A corporate culture that is inclusive and focused on diversity, where employees feel valued and accepted regardless of their origin, gender, religious affiliation or sexual orientation, can result in greater employee satisfaction and loyalty. Such a culture also aids in enhancing employer branding and making SZKB an employer that is more appealing to potential talent. In summary, it can be said that «diversity and integration» are of great importance to SZKB for fostering innovation, employee satisfaction and long-term success. «Commercial traffic/commuter traffic» is a key topic for SZKB, as it was the leading source of operational CO₂ emissions at the company in 2022. The remuneration of the highest governance bodies can have both positive and negative effects: Remuneration can attract talent while also creating false incentives, such as a greater willingness to take risks and a focus on short-term profit maximisation, which may result in reputational damage.

SZKB has established the following goals for ethical business conduct in regard to its employees:

- SZKB fulfils its role as a training company by providing a number of apprenticeship and internship positions equivalent to a minimum of 5% of the workforce.
- SZKB acts as a socially responsible employer by providing job opportunities for individuals with disabilities, such as through reintegration programs or through the continued employment of employees with limited capacity, with at least 1% of its employees taking advantage of such opportunities.
- The number of sickness-related absence days per employee (FTE) is less than 5.0 days per year (with long-term absences not taken into account).
- The (unexplained) pay gap between the genders is no more than 2.5%.
- By 2030, there will be a minimum of 25% representation of both genders among employees at all levels, including the Executive Board.
- By 2030, a reduction in greenhouse gas emissions from transportation (Scope 3) in accordance with the CH climate strategy (reduction of 21% compared to reference year 2021).

Management approach

The strategic responsibility for human resources policy lies with the Personnel Committee (PEA), the Bank Council and the Executive Board. The Human Resources department is responsible for the development and operational implementation of the HR strategy. It organises and is responsible for the HR strategy in the areas of digital transformation, strategic HR projects, optimisation of processes and directives, and HR communication. The department reports directly to the Chief Executive Officer (CEO).

The Bank Council and the Personnel Committee are responsible in particular for appointing and removing members of the Executive Board and the Board of Inspectors, determining the organisation, approving the remuneration and personnel regulations and determining the remuneration model for the Bank Council, subject to approval by the Cantonal Council's Supervisory Commission, as well as for determining the total fixed and variable salary amount. The Human Resources department is operationally responsible for developing and monitoring diversity, equality and integration within SZKB.

Key measures:

- Terms and conditions of employment
- Remuneration model
- Equal pay
- People Days
- Equal opportunities
- Discrimination
- Freedom of association
- Occupational safety and health
- Employee satisfaction
- Training and education
- Commercial traffic/commuter traffic

Detailed employee figures can be found in «Appendix 2 Key figures about employees».

2.2.2 «Diversity and integration»

Terms and conditions of employment

Switzerland has well-developed social security systems and fair labour law conditions that also apply to all employees of SZKB: With regard to the key topic of «diversity and integration», SZKB offers the following additional conditions, among others:

- The entire annual salary, including the variable component and excluding the coordination deduction, is insured with the Pension Fund of the Canton of Schwyz.
- If an employee goes on maternity leave, SZKB pays 100% of the employee's salary (fixed salary and variable remuneration) for a period of four months. For the duration of maternity leave, there is no reduction in holiday entitlement.
- In addition to ordinary birth, child and education allowances stipulated by the cantonal legislation of the Canton of Schwyz, SZKB pays a voluntary family allowance to all employees until their child reaches the age of 20.
- SZKB supports the compatibility of parenthood and gainful employment by providing a financial contribution to childcare for those working a minimum of a 50% workload (for mothers or single fathers) when external childcare services are used. SZKB also offers free advice and placement services for arranging childcare.

All the above-mentioned employment terms and conditions are also available to SZKB employees on a part-time basis.

Remuneration model

The SZKB remuneration model meets the transparency requirements imposed by the Swiss Financial Market Supervisory Authority (FINMA) and makes it possible to understand how remuneration is determined. The primary features of the remuneration model are as follows:

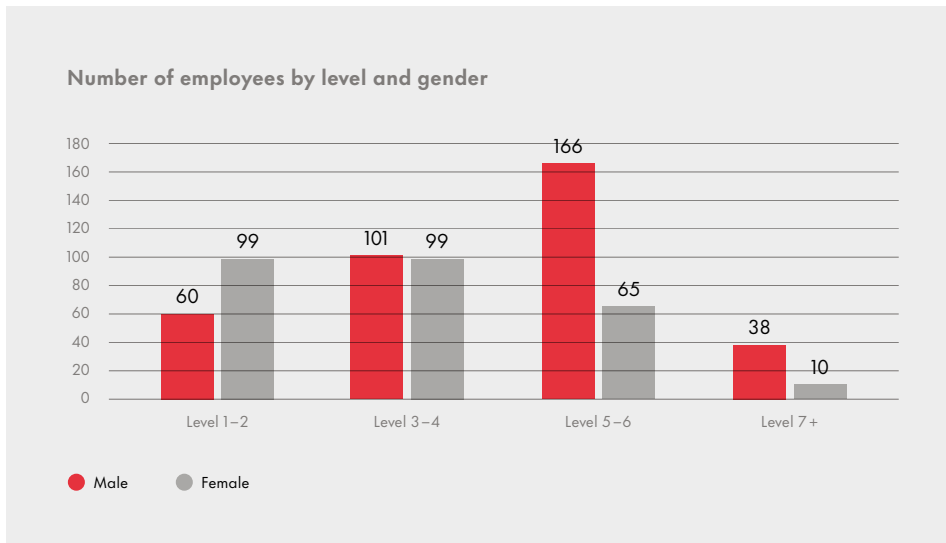
- The remuneration model is based on levels 1 to 8 for employees and levels 9 and 10 for members of the Executive Board.
- Employees who have a level 1 or 2 occupational profile receive a fixed basic remuneration without entitlement to variable remuneration.
- Employees in levels 3 to 8 may receive variable remuneration in addition to their fixed basic remuneration. There is no legal entitlement to variable remuneration, even if variable remuneration was paid in previous years.
- The amount of the individual variable remuneration is determined by the level and performance – which in turn is dictated by the results achieved and the conduct exhibited by the employee – and depends on the total amount available. The Bank Council authorises the total amount available for the variable remuneration of all employees based on SZKB’s adjusted business performance.

Equal pay

In 2023, SZKB commissioned an external consultancy (Kienbaum Schweiz AG) to analyse the gender pay gap for the second time since 2021. For the first time, equal pay was analysed separately based on both basic remuneration and total remuneration (fixed salary and variable remuneration). In 2023, the adjusted pay gap was calculated to be 2.5%, factoring in the value of the job function, age, length of service, education and job family of the employees. The adjusted pay gap determined thus remains (the 2021 analysis showed 2.2%) well below the tolerance threshold of 5.0% under the Gender Equality Act. This means there is no gender-based pay discrimination in SZKB’s remuneration.

People Days

The «People Day» leadership programme has been in place since 2022. At the end of the year, the managers of each business unit jointly discuss and calibrate the performance and potential assessments of the employees. This process creates a uniform understanding of the assessments based on objectivity, fairness and broadly supported feedback. The performance and potential assessments resulting from the People Days form the basis for the remuneration development of all employees. For employees on levels 3 to 8, the performance evaluation also represents a component for the assessment of the individual variable remuneration.



The Human Resources department carries out evaluations to identify distortions in the assessment («bias», such as in regard to employee gender, age or level). Any bias is discussed with the line.

Equal opportunities

With regard to the key topic of «diversity and integration», SZKB attaches great importance to balancing work and family life and fosters this through flexible working hours, the opportunity to work from home and attractive childcare allowances. Support is provided per day of third-party care, whether care is provided in a daycare centre or by a carer. Starting from a 50% workload, every female employee (or single parent) is entitled to benefit from the «childcare contributions» offer. Part-time positions are possible for both women and men.

SZKB undertakes not to discredit its employees on the basis of social or ethnic origin, disability, religion, age, nationality, sexual orientation, marital status, pregnancy, political affiliation, trade union membership and so on. This commitment applies to all aspects of employment, including hiring, promotion, training, compensation and preservation of their personal dignity.

The internal SZKB women’s network is another initiative related to the key topic of «diversity and integration». Every year, this network offers numerous events, networking meet-ups and continuing education courses on the topic of «women and professional and personal development» that are open to all female employees of SZKB.

Discrimination

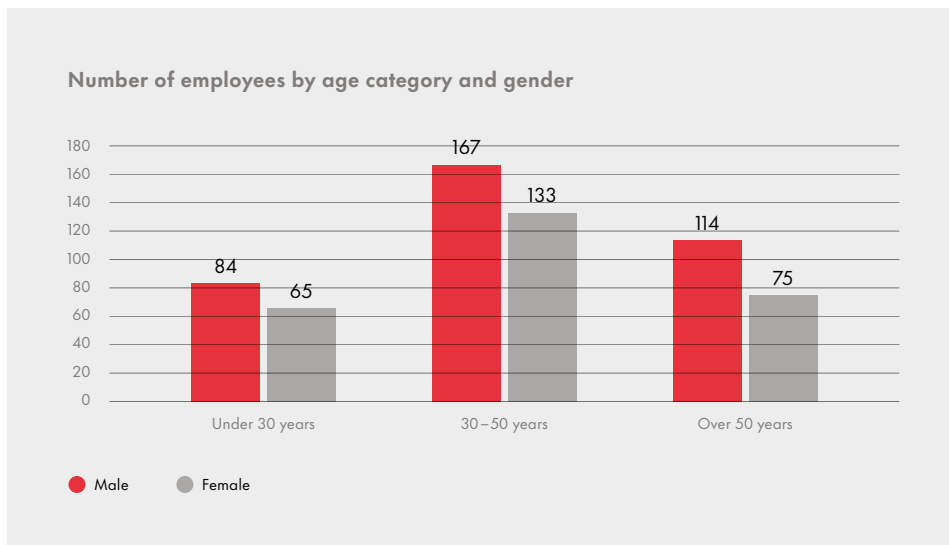
Sexual harassment, bullying and discrimination of any kind are not tolerated at SZKB. There are corresponding rules in the «Personnel Regulations, Appendix II – Privacy protection and sexual harassment».

The appropriate channels for lodging complaints are managers, the Human Resources department or the members of the Executive Board.

Irrespective of this, employees can contact the board of the Bank’s internal staff association for support and advice.

Occupational safety and health

SZKB attaches great importance to a corporate culture that fosters health and strives to keep the risk of occupational illnesses as low as possible. SZKB is greatly concerned with the physical and mental well-being of its employees. In addition to the legal requirements for occupational safety and health, SZKB’s occupational health management is based on the three pillars of prevention, intervention and integration.



A prevention campaign to address stress, headaches and sleep disorders was implemented for the benefit of all employees over the course of several months in 2023. Many opportunities were provided to enhance understanding through workshops and webinars. In the area of intervention and integration, employees and managers receive professional support and advice in the event of prolonged health-related absence from work to ensure that professional and social reintegration is successful or, if applicable, that a smooth transition to disability insurance (DI) can be made. External and independent care management also provides support to employees in the event of long-term illness and situations in which they are not able to fully perform their work.

In 2023, a six-day training programme on «Self-Efficacy & Implementation Strength» was conducted for selected managers, members of the Executive Board and HR employees within the scope of an initiative to aid in the proactive recognition of symptoms of stress.

Employee satisfaction

After the 2021 survey, SZKB conducted a follow-up employee satisfaction survey with the assistance of an external partner in 2023.

At the overall Bank level, SZKB managed to sustain positive results across all target variables from the last survey conducted in 2021, except for general employee satisfaction. The satisfaction rate stands at 77%, marking a slight decrease of 1 percentage point compared to the 2021 survey but an overall increase of 2 percentage points since the initial survey in 2017.

Parenthood (GRI 401-3)	2023	2022	Change	2021 ¹	2020 ¹
Parental leave after the birth of a child²					
Employees who took maternity leave	14	15	-6.7%		
Employees who took paternity leave	7	13	-46.2%		
Returning to work after parental leave³					
Number of employees who returned to work	20	26	-23.1%		
thereof number of women	13	14	-7.1%		
thereof number of men	7	12	-41.7%		
Return rate after the end of parental leave ⁴	95.2%	92.9%	2.6%		
for women	92.9%	93.3%	-0.5%		
for men	100.0%	92.3%	8.3%		
Illness and accidents (GRI 403-9 and 403-10)					
Days of absence per employee	4.83	4.74	1.9%		
thereof sick days	4.19	4.45	-5.8%		
thereof accident days	0.64	0.29	120.7%		

¹ No key figures are shown for 2021 and 2020, as SZKB implemented a new HR system in 2022.

² Parental leave refers to statutory maternity leave (for women) and statutory paternity leave (for men).

³ Returning to work refers to all employees who have taken parental leave during the reporting year.

⁴ The figure shows the ratio of employees who took parental leave to those who continued working after the end of parental leave.

The influencing factors with the strongest positive change in the 2023 survey were the Executive Board as a governing body (+7 points), innovation (+4 points), collaboration (+3 points) and managers (+2 points). It should be emphasised in particular that employees feel well informed about important changes and developments within SZKB and appreciate personal interaction with the Executive Board at eye level. It is also gratifying that the new remuneration model, which came into force on 1 April 2022, has been well received and that employees believe that their efforts and dedication are appropriately recognised and compensated.

The survey conducted in 2023 indicates a small decline of 2 percentage points in the «Work and leisure" category compared to the 2021 survey. This suggests that there may have been an increase in perceived workload since the last survey. Corresponding measures were defined in 2023 and will be implemented in 2024.

Training and education

Good training and education enhances an employee's ability to remain attractive in the labour market and fosters their lifelong learning. This is an important contribution to the key topic of «diversity and integration». SZKB supports its employees throughout their entire professional journey:

- SZKB is currently providing training to 30 apprentices.
- SZKB offers its own talent programme for high potentials, which offers 12 employees the opportunity to expand their leadership abilities and skills relating to methodology, dealing with people and collaborating across departments, while also expanding their network over a period of 18 months. Four women and eight men participated in the 2021–2023 talent programme.
- SZKB has been operating its own leadership programme since 2021. The leadership programme was continued in 2023 in the context of half-day sessions known as «Leadership Circles».
- SZKB provides all of its employees with its own learning platform and access to an external learning library.
- Apart from providing internal courses and training, SZKB also covers the costs of external training and further education alongside work.
- SZKB's financial commitment to internal training activities and participation in external training amounted to CHF 885,000 in 2023 (2022: CHF 824,000). SZKB's financial commitment to basic education amounted to CHF 296,000 in 2023 (2022: CHF 311,000).
- Within 24 months of starting their role, all SZKB client advisors must complete the personal certification corresponding to their job profile in accordance with the requirements of the Swiss Association for Quality (SAQ).

Training and education (GRI 404-1)	2023	2022	Change	2021 ¹	2020 ¹
Total employees in training	35	34	2.9%		
thereof apprentices	30	29	3.4%		
thereof interns	5	5	0.0%		
Employees engaging in external training and education alongside work (GRI 402-2)	78	49	59.2%		
Number of degrees at the tertiary level	33	31	6.5%		
Number of SAQ certifications	0	7	-100.0%		
Number of Banking Course completions	12	9	33.3%		
Training costs (own standard)					
Total external training costs in CHF million	1.260	0.97	5.9%		
Total external training costs as a percentage of human resource expenses	1.1%	1.2%	-3.3%		
Total external training costs, CHF per employee	1,611.30	1,590.74	1.3%		

¹ No key figures are shown for 2021 and 2020, as SZKB implemented a new HR system in 2022.

2.2.3 «Commercial traffic/commuter traffic»

In 2022, mobility was by far the largest factor driving CO₂ emissions at SZKB, with a distinction made between commuting traffic and commercial traffic. (See Chapter 2.4.1 Relevance, goals, concepts and measures.).

Commercial traffic accounted for 43.6 tCO₂ in the 2022 reporting year (2021 39.4 tCO₂). Some 66.0% of commercial trips were made by (private) diesel or petrol vehicle, and 26.7% were by train. Travel with electric vehicles then accounted for 7.4% of the distance. To reduce the emissions caused by diesel and petrol vehicles, SZKB has provided its employees with several electric vehicles for commercial trips since January 2023. Journeys taken with the two company material transport vehicles and deliveries of securities (cash and precious metals) to the branch locations carried out by external logistics partners resulted in emissions of 15.2 tCO₂, corresponding to 1.5% of total emissions.

Commuting journeys are understood to be the trips that employees take to get to work. The data was provided by an internal survey conducted in April 2023. 60% of employees responded to the survey. The resulting figures were extrapolated to the entire company. It therefore stands to reason that the values are subject to a certain degree of uncertainty.

Commuting caused 612.0 tCO₂, or 1,165 kgCO₂ per employee (FTE), and represents the largest share of total emissions at 61.4%. Commuting trips resulted in 14.9% more CO₂ emissions compared to 2021. The increase can be attributed, in part, to the easing of coronavirus restrictions in spring 2022, leading to employees returning to their workplaces and resuming their commutes.

Since car journeys with petrol and diesel vehicles account for 89.8% of commuter emissions, SZKB 2022 installed e-charging stations at its headquarters and at the Pfäffikon branch in order to create incentives for employees for the use of electromobility. As an additional measure to encourage environmentally friendly travel, the prices for using the employee parking spaces were also increased at all Bank locations in 2022.

2.2.4 «Remuneration of the highest governance bodies»

The remuneration model for SZKB's Executive Board is structured similarly to that of employees (see Chapter 2.2.2 «Diversity and integration», Section Remuneration model): It consists of a fixed basic salary and a variable component.

- Half of the variable remuneration relates to individual performance (results and conduct) of the respective member of the Executive Board as well as to the achievement of strategic performance criteria of the entire Bank in the past financial year. Two-thirds of the strategy bonus is distributed as deferred compensation. The Bank Council defines the key performance indicators (KPI).
- There is no salary component in the form of shares or options since SZKB, as an independent institution under Cantonal public law, is wholly owned by the Canton of Schwyz.
- The compensation model for the Bank Council is approved by the Cantonal Supervisory Commission and does not include a profit-sharing component.

2.2.5 Assessment of effectiveness and next steps

Assessment of effectiveness

At SZKB, HR topics and processes are well anchored in the Bank Council, the Executive Board, the HR department and line management. With the rollout of the new remuneration model and the amendment of the personnel regulations in 2022, key foundations were laid to ensure that SZKB maintains its status as an attractive employer.

There is a need for action with regard to diversity, as SZKB would like to further increase the proportion of women in senior positions in particular.

The goal «SZKB acts as a socially responsible employer by providing job opportunities for individuals with disabilities, such as through reintegration programs or through the continued employment of employees with limited capacity, with at least 1% of its employees taking advantage of such opportunities.» cannot yet be assessed, as the relevant information will not be available until 2024.

The goals relating to the pay gap, training company figures and sickness-related absence days were achieved (although no adjustment due to long-term absences could be made in the relevant figures).

In 2022, commercial and commuter traffic contributed to a 14.6% increase in CO₂ emissions and a total of 655.6 tonnes compared to 2021. This rise is largely attributed to the return to normal commuter behaviour following the pandemic.

Overall, SZKB considers the measures taken to have been effective.

Further development and next steps

Competition for committed employees remains fierce, and the needs of existing and potential employees are subject to constant change. As the digital transformation continues, employees expect their employer to help provide them with the capacity to keep pace with change. They also appreciate being given sufficient latitude for exercising personal responsibility, flexibility in terms of time and place of work, work/life balance and attractive fringe benefits.

Starting in 2024, SZKB will focus on advancing the key topics of «Diversity and integration», «Commercial traffic/commuter traffic» and «Remuneration of the highest governance bodies». The Bank will also analyse the need for additional measures and developments in these areas.

2.3 Responsible business conduct towards the local environment

2.3.1 Relevance, goals, concepts and measures

Relevance of the topic to SZKB and goals

As a bank rooted in the region, SZKB has a wide range of interactions with its local environment. There is potential for both positive and negative impacts.

If these interactions were to cease, the following negative effects are conceivable:

- Events and community gatherings could no longer take place (due to financial constraints)
- Loss of cultural traditions
- Reduction in material wealth and decline in association activities
- Deterioration of the Swiss militia system

Positive effects of the interactions can include:

- Vibrant community life
- Empowerment of underprivileged community groups to participate in sporting events
- Bolstering of the willingness of the community to engage in voluntary work
- Positive impact on nature and the environment

In accordance with the Schwyzer Kantonalbank Act Section 3 Purpose 2, SZKB must contribute to balanced and sustainable development of the Canton of Schwyz, taking the needs of the general public, the economy and the public sector into account in particular. SZKB attaches great importance to sponsorship and local involvement in relation to culture/customs, sports, society/social affairs, nature, tourism and the regional economy.

In its brand promise, its values and its conduct, SZKB emphasises that it is a generational bank. SZKB thinks in terms of generations – and this has been true for generations. This is why SZKB is dedicated to serving its clients and the community of the Canton of Schwyz. SZKB's relationships with the people, companies, associations and institutions of the Canton of Schwyz are deeply rooted and continue to grow. The ownership of SZKB by the canton, which means it is 100% owned by the people of Schwyz, also plays a role in this.

Key topics from SZKB's sustainability strategy in the area of responsible corporate behaviour towards the local environment are «Generations and local commitment» and «Fostering the local community and economy». SZKB has the following objectives in this regard:

- Local commitment (sponsorship) of at least CHF 0.8 million per year.
- Increase the number of financial literacy events hosted.

Management approach

The Segment/Sales Management, Marketing & Communication department is tasked with evaluating and approving sponsorship requests. This department reports directly to the Head of DP. SZKB prioritises supporting a wide range of projects and events that are attended by the general public and align with its corporate philosophy as a generational bank, rather than focusing solely on individual large projects. The Marketing & Communication team is authorised to make commitments of up to CHF 2,000. The Head of DP is responsible for sponsorship commitments ranging from CHF 2,000 to CHF 10,000. The Sales Commission is tasked with making decisions regarding commitments exceeding CHF 10,000.

For the purpose of pooling common interests, SZKB is involved in various organisations (see Chapter «2.3.2 'Generations and local commitment', Section Memberships»). The Bank is convinced that this will enable synergies to be exploited. SZKB's involvement and membership in these organisations are aimed not at exerting influence but rather at expanding its network, enhancing its knowledge and expertise beyond the banking sector and establishing a presence in key institutions. The Executive Board decides whether to enter into memberships and partnerships.

Another important area of focus for SZKB is the comprehensive promotion of basic financial knowledge (financial literacy) within the Canton of Schwyz community. SZKB wants to help increase the financial literacy of the people of Schwyz and promote awareness of saving, financing, investing and retirement planning in order to ensure the expansion and security of prosperity for future generations. There are plans to gradually increase the number of free and publicly accessible events throughout the canton in the coming years.

Key measures:

- Sponsorship
- Memberships
- Commitment to the start-up programme *zünder
- Fostering innovative and young enterprises
- Schwyz Mentoring Programme
- Future Day
- Volunteering
- Change of perspective
- Financial literacy

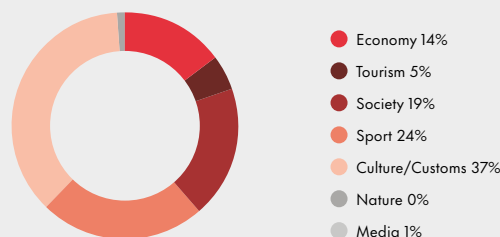
2.3.2 «Generations and local commitment»

Sponsorship

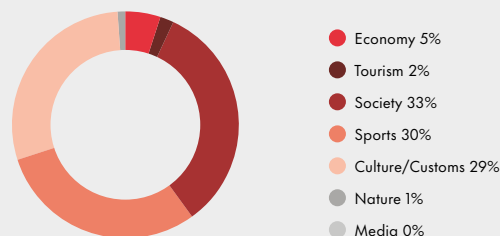
SZKB has always had close ties with the Canton of Schwyz. As a sign of its proximity to the local community, the Bank focuses on broad support of local projects and events that are embedded in the region and that generate added value. Sponsorships are awarded and contributions are made in the areas of culture/customs, society, economy, tourism, sport and nature.

SZKB provides smaller sponsorships (up to CHF 2,000) in cash or in kind (such as in the form of promotional material) in a broad-based and straightforward manner. SZKB ensures that events and their organisers receiving sponsorship payments over CHF 2,000 uphold values such as fairness and social and environmental responsibility. For commitments in excess of CHF 10,000, this obligation must also be clearly outlined in appropriate agreements and documented for SZKB.

Sponsorship contributions in CHF by category



Number of approved sponsorship contributions by category



SZKB has specific criteria for exclusion when it comes to sponsorship and does not make any contributions in the following cases:

- Events and projects outside the Canton of Schwyz
- National and international projects and events
- Projects/events managed exclusively for commercial purposes
- Political and religious events
- Support for individuals (such as athletes and artists)
- Extreme sports or dangerous events
- Projects/events from the automotive or motorbike sport sectors
- Private events
- Book projects, work catalogues, commemorative publications
- Construction projects, renovations, refurbishments
- Image and sound storage media

Because of its significant presence in the Canton of Schwyz and its close proximity to clients, SZKB frequently receives requests for sponsorship and support contributions. In 2023, it processed 757 applications for sponsorship and contribution applications and awarded a total of CHF 0.9 million. All of these commitments are spread across the entire cantonal territory for the benefit of local associations and institutions.

On its website SZKB.ch and through multiple communication channels, SZKB proactively communicates a selection of its major sponsorship commitments in sports, culture, society, social affairs, nature, environment and sustainability. The Bank communicates transparent information about the sponsorship conditions, provides access to application forms and identifies a contact person.

Memberships

SZKB and employees of SZKB, in their professional roles, are members of the following organisations in particular:

- ACI Suisse
- AMAS
- ESISUISSE
- Finnova-Kantonalbanken (Finnova Cantonal Banks)
- Gewerbe plus Feusisberg-Schindellegi (Trade plus Feusisberg-Schindellegi)
- Gewerbeverein Brunnen-Ingenbohl (Brunnen-Ingenbohl Trade Association)
- Gewerbeverein Muotathal (Muotathal Trade Association)
- Gewerbeverein Schwyz (Schwyz Trade Association)

- Gewerbeverein Unteriberg (Unteriberg Trade Association)
- Handwerker- und Gewerbeverein HGVF (Crafts and Trade Association HGVF)
- Handwerker- und Gewerbeverein Lachen/Altendorf (Craftsmen's and Tradesmen's Association Lachen/Altendorf)
- Health Tech Cluster Switzerland
- H+I Der Schwyzer Wirtschaftsverband (H+I The Schwyz Business Association)
- Industrie- und Handelskammer Zentralschweiz IHZ (Chamber of Commerce and Industry of Central Switzerland)
- JCI Junior Chamber International Ausserschwyz
- KMU Frauen Schwyz (SME Women Schwyz)
- Lions Club Schwyz
- Schweizerische Bankiervereinigung SBVg (Swiss Bankers Association)
- Schweizerische Management Gesellschaft (Swiss Management Society)
- Schwyz Next
- SIV Schweizer Immobilienschätzer-Verband (SIV Swiss Association of Real Estate Valuers)
- Swiss GAAP FER
- Swiss Sustainable Finance
- Verband Schweizerischer Kantonalbanken (Association of Swiss Cantonal Banks)
- Verein Institut für Finanzdienstleistungen Zug (Association Institute for Financial Services Zug)
- Verein Netzwerk Arbeit Kanton Schwyz (Association Network Work Canton Schwyz)
- Verein Successio (Successio Association)
- VUD (Verein Unternehmens-Datenschutz/Association for Corporate Data Protection)
- Zentralschweizer Public Relations Gesellschaft (Public Relations Society of Central Switzerland)

2.3.3 «Fostering the local community and economy»

Commitment to the start-up programme *zünder

*zünder is the independent and proactive orchestrator of the start-up community of Central Switzerland. This non-profit organisation is a programme managed by ITZ Innovation-Transfer Zentralschweiz and is funded by all the cantons of Central Switzerland as part of the New Regional Policy.

Together with the cantonal banks of the Cantons of Lucerne, Nidwalden, Obwalden, Uri and Zug, SZKB is the primary sponsor of the *zünder start-up programme. In this way, it supports (young) entrepreneurship in the region.

Fostering innovative and young enterprises

The SZKB Innovation Foundation exists in the Canton of Schwyz with the aim of supporting innovative and young enterprises. It is a well-established and thriving venture capital investor that funds emerging technology companies. As a lead investor, the Innovation Foundation provides seed financing starting at CHF 0.2 million. SZKB made its endowment capital of CHF 20 million available in 2006. The Innovation Foundation is managed by an entrepreneurial Board of Trustees and is financially, legally and strategically independent of SZKB in its operations.

Schwyz Mentoring Programme

SZKB supports the Schwyz Mentoring Programme. The Schwyz Mentoring Programme is based on a partnership that came into being in the spring of 2022 between the SZKB, the Women's Network of the Canton of Schwyz, SME Women Schwyz, the Schwyz Next business platform, the Schwyz Business Association H+I, the Schwyz Hospital and the Schwyz University of Teacher Education. The objective of the programme is to assist young women who are getting started in their careers through mentors from various industries who offer their skills, knowledge and resources in order to:

- Encourage career planning
- Draw attention to the benefits of networking
- Accompany them as they reflect on reconciling work and family
- Raise awareness of occupational pension issues

Future Day

SZKB has been participating in the national Future Day with a special offer since 2019. In addition to the established national Future Day for children of employees organised in 2023, SZKB held the additional special programme «A Day As a Bank Manager» for the second time. This special programme was intended to serve 5th-, 6th- and 7th-grade girls without a caregiver at SZKB who want to gain insight into what the everyday working life of a female executive at SZKB is like. 32 boys and girls participated in national Future Day, and 28 girls took part in the special programme «A Day As a Bank Manager».

Voluntary engagement

Numerous SZKB employees are privately involved in various associations and political functions outside the Bank. All secondary employment (also including work outside associations and non-political functions) must be approved by a member of the Executive Board. In 2023, 274 employees were authorised to engage in secondary employment, compared to 256 employees in 2022.

Change of Perspective

In a programme designated «Change of Perspective», SZKB provides all employees with a day off from work to engage in charitable activities. The last Change of Perspective event took place in 2022 as part of a two-year cycle, and is planned again for 2024. In future, Change of Perspective will take place on an annual basis.

Financial literacy

SZKB has long offered numerous public events in the canton on all aspects of preparing for retirement financially, sometimes in cooperation with local partners (including the Frauenfachschule Schwyz/Schwyz Women's Technical College and Pro Senectute) In 2024, SZKB will be hosting a series of free events aimed at the Canton of Schwyz community. The series of events will kick off in the autumn of 2024 with activities focused on the theme of «Prevention». The goal is to progressively broaden this series of events and provide assistance to various community groups with their financial questions.

2.3.4 Assessment of effectiveness and next steps

At CHF 0.9 million, SZKB's sponsorship commitment exceeded the target value of CHF 0.8 million. There was also a backlog of social activities in 2023 (after the coronavirus crisis), which was reflected in a higher number of applications and a higher total sponsorship contribution by SZKB.

No statement can yet be made regarding the number of financial literacy events, as these are not planned until 2024.

Overall, SZKB considers the measures taken with regard to the local environment to be effective.

Further development and next steps

In 2024, SZKB will assess its interest in joining other organisations that contribute to a more sustainable world.

The series of events aimed at enhancing the financial literacy of the people of Schwyz will be launched with pilot events in autumn 2024.

With the restructuring of the Change of Perspective event, which will take place annually from 2024, SZKB will invest up to 600 person-days per year in selected charitable projects. SZKB hopes that this focus will also bring about a noticeable impact.

2.4 Responsible business conduct towards the environment

2.4.1 Relevance, goals, concepts and measures

Relevance of the topic to SZKB and goals

SZKB's commitment to sustainability also includes its own operational ecology. SZKB requires a variety of resources in order to provide its services, which inevitably result in emissions and other environmental impacts. The following aspects are particularly relevant to SZKB:

- Direct and indirect energy consumption during operation
- Share of renewable energies in energy consumption
- Consumption of the resources of paper and water
- Share of office paper and toilet paper from recycled sources
- Waste produced

These relevant aspects may adversely affect SZKB's stakeholders through impacts such as increased CO₂ emissions and potential environmental pollution.

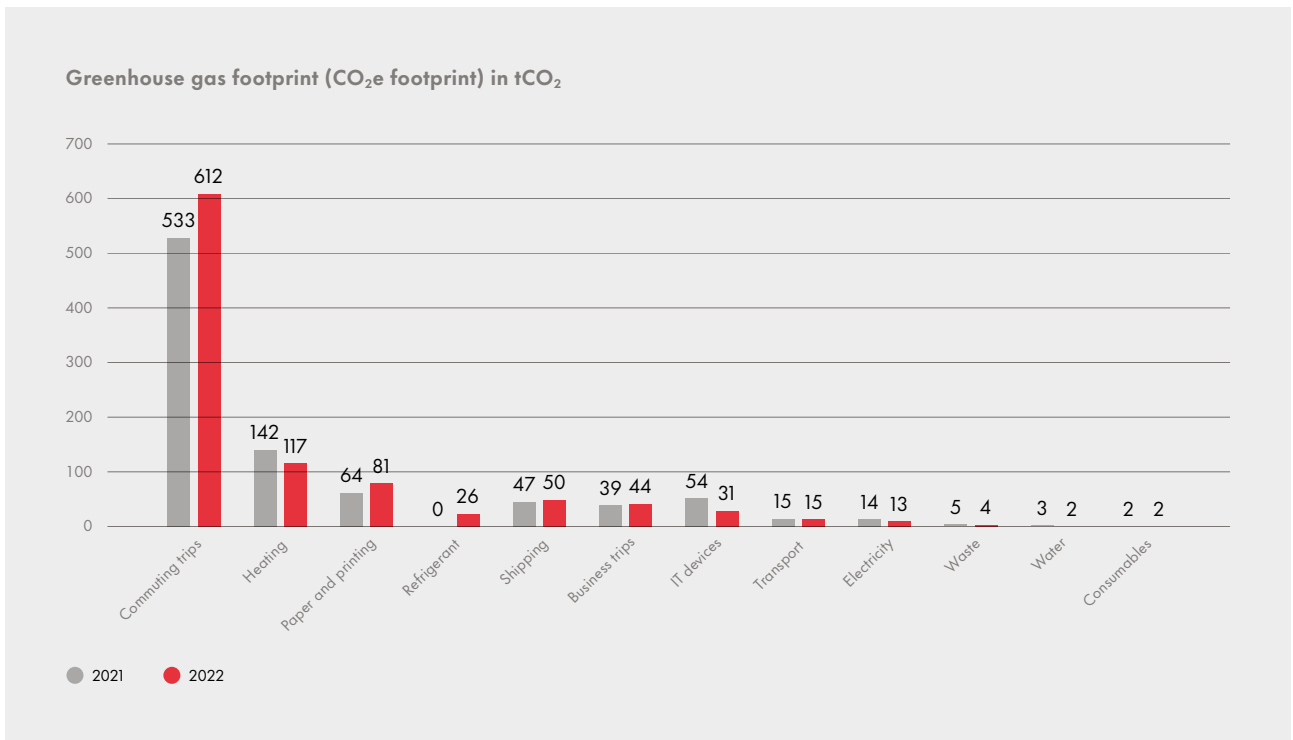
SZKB has established the following goals for ethical business conduct in regard to the environment:

- By 2027, SZKB will reduce its operational CO₂ emissions by 15.8%, or 145.0 t (base year 2021), to 770.0 t.
- Raising employee awareness of resource consumption (e.g. paper, heating, light and electricity).
- By 2030, all bank buildings (solely) owned by SZKB will cease using oil or gas heating systems, provided that it is economically feasible and technically viable to do so.
- By 2030, SZKB will have installed photovoltaic systems on all bank buildings (solely) owned by SZKB, provided that it is economically feasible and technically viable to do so.

Management approach

Even if the consumption of resources and the associated environmental impact at SZKB (as at all financial companies) are significantly lower than with undertakings such as industrial companies, operational sustainability management is still of great importance to SZKB. Responsibility for identifying, analysing and implementing measures was integrated into the line in 2023. Two organisational units are of central importance here: the Real Estate/Services department and the Contract/Partner Management department.

In 2023, SZKB calculated its carbon footprint for the financial year 2022 in accordance with ISO 14064-1 and the Greenhouse Gas Protocol for Scope 1, 2 and parts of Scope 3 in cooperation with the consulting firm Swiss Climate (see Appendix «Disclosure of the methodological basis, Chapter 1.6 Operational CO₂ emissions»). An external auditing company conducted an audit of the carbon footprint and awarded the «Certified CO₂ optimised by Swiss Climate» label. The certification guidelines for this «Silver Label» require not only an annual survey and audit of the company's own carbon footprint but also the establishment of a target path and measures to reduce CO₂ emissions.



In 2022, SZKB’s total emissions amounted to 916.9 tCO₂, which are distributed across the consumption areas listed above.

Procurement is also an important issue for a service institution like SZKB. SZKB endeavours to keep the added value of the services it procures in the Canton of Schwyz or in Switzerland wherever feasible. This ensures that the local economy in the canton benefits from the procurement activity. The distances are short, resulting in lower CO₂ emissions from transport and delivery to SZKB.

In its procurement activities, SZKB adheres to principles that include the following: product-specific requirements, consideration of local business partners, transparency and partnership-based cooperation, social responsibility (including respect for human rights), environmental responsibility and economic efficiency.

Key measures:

- Heating
- Materials (paper, water, waste)
- Electricity
- Refrigerants
- Procurement
- Promotional materials/campaigns

2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)»

Heaters

Emissions from heating systems (including water heating) at the headquarters and in the branches account for 116.7 tCO₂, or 11.7% of the total.

Energy sources for the heating systems include district heating (42.6%), natural gas (21.6%), heating oil (14.9%), electric heat pumps (13.4%) and wood (7.5%). This means that 63.5% of the heating energy is generated primarily from renewable energy sources.

Materials (paper, water, waste)

In recent years, SZKB has continuously reduced its paper and toner consumption. By default, clients receive transaction notifications as well as account and custody account statements only as electronic documents. The figure below shows the downward trend in physical client output (with 2005 = 100% taken as a basis).

In 2022, greenhouse gas emissions for paper and printing accounted for 81.3 tCO₂, a share of 8.2% of the total footprint, with the share of recycled paper making up 22.8%. In 2022, SZKB made the decision to systematically transition to using recycled products for its toilet paper and all office paper starting from 1 January 2023.

SZKB collects, separates and disposes of numerous consumable materials, including paper, cardboard, plastics/films, IT equipment, PET bottles, coffee capsules and household rubbish. Around 56.7% of this waste was recycled in 2022.

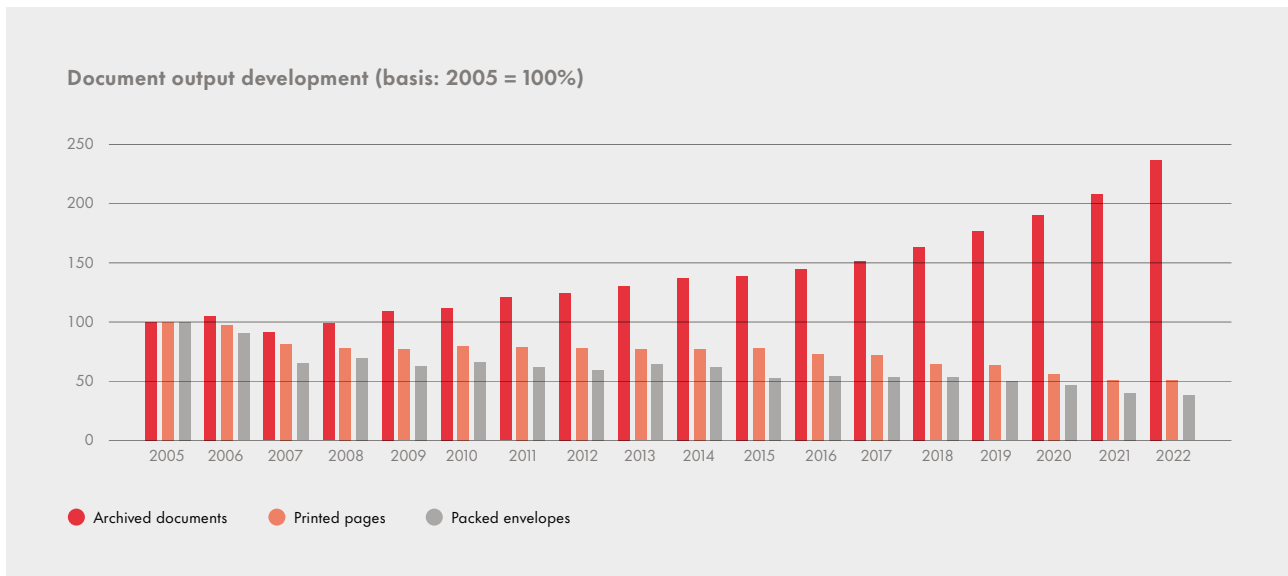
Across the entire Bank, 2.2 t of CO₂ emissions were generated in the water category, accounting for 0.2% of total emissions.

Electricity

At 13.3 tCO₂, SZKB's electricity consumption accounts for just 1.3% of CO₂ emissions. The carbon footprint takes into account the power consumption of the actual Bank premises (headquarters and branches), an external computer centre and the 13 cashpoints located at third-party sites.

A total of 93.8% of the almost 2.2 GWh of electricity comes from renewable energy sources. Due to rental agreements, the exact composition of the remaining 6.2% is not conclusively known.

Outdated and inefficient light sources for indoor and outdoor lighting are gradually being replaced by LEDs and other energy-saving lamps.



Refrigerants

In the 2022 carbon footprint, 25.5 tCO₂e were attributed to refrigerant losses. The tightness of air conditioning systems is subject to annual fluctuations: Even with regular maintenance, a specific appliance could still develop a defect that results in loss of refrigerant. In 2022, there were leaks of this kind in two systems, resulting in a total of 16.0 kg of refrigerant escaping (2021: 0.0 kg). Since refrigerants are typically very harmful to the environment, one kilogram of refrigerant has the impact of 1.6 t of CO₂e.

Procurement

In the Bank's sustainability management, the procurement of products and services plays a not insignificant role. SZKB awards contracts worth several million francs every year. It is important to SZKB that sustainability aspects are also included in the award criteria.

In 2022/2023, SZKB carried out an analysis and risk assessment to identify the procurement areas in which violations of ESG criteria could occur. Environmental, social and governance aspects were taken into account, with an assessment then made as to whether child labour might have occurred in the supply chain, as required under CO Art. 964k (1) (2). One of the outcomes of this analysis was the restructuring of the process for procuring client gifts (see the following section on «Promotional material/campaigns»).

Procurement areas with an elevated risk of violating social criteria include client gifts and promotional items, while areas with an increased risk of violating environmental criteria include vehicle procurement. SZKB sought to raise awareness among its responsible purchasers in regard to the elevated ESG risks.

In 2022 and 2023, SZKB did not receive any reports of environmental or social responsibility standards being violated in procurement, nor were there any cases of employees being involved in corruption.

In 2023, SZKB launched a new contract management application to systematically and regularly evaluate both new and existing contractual partnerships. This enables SZKB to conduct in-depth, system-led due diligence on key business partners, including the evaluation of ESG-related matters.

Promotional material/campaigns

In regular internal training sessions, employees entrusted with the procurement of promotional materials are trained on SZKB's procurement principles. In periodic exchange inside and outside the organisation, expenditure on promotional and campaign material is critically scrutinised, and the related procurement is put to the test on a regular basis.

SZKB's business activities include the production of various informational and promotional materials. These include printed materials such as flyers, brochures and booklets, as well as various promotional and advertising items and giveaways. There is a process for printed materials that clarifies in detail whether printed materials are necessary at all and whether they can be dispensed with. Starting from autumn 2022, all printed materials have been produced using only 100% recycled paper. SZKB pays contributions to suppliers for all print orders so that the suppliers can make climate protection contributions to offset the emissions generated during printing and transport. The printers with whom SZKB works are all located in Switzerland.

Place of production	Number	Volume in CHF	Share in %
Canton of Schwyz	109	226,808	71.9%
Switzerland	17	88,053	27.9%
Outside Switzerland (purchase of images online)	2	719	0.2%
Total	129	315,580	100%

When it comes to promotional items and giveaways, SZKB sees value and quality as extremely important. Promotional gifts are sourced exclusively from suppliers in Switzerland, with most of them coming from the Canton of Schwyz. Care is taken to ensure that the promotional items and gifts are manufactured in Switzerland or Europe. SZKB requires its suppliers to ensure that fair conditions prevail during production and that resource-efficient materials are used. When manufacturing promotional items, SZKB seeks to work with institutions that offer employment opportunities to people with disabilities where possible. In this context, SZKB cooperates with the BSZ Foundation in various ways.

Place of purchase of promotional gifts and items	Number	Volume in CHF	Share in %
Canton of Schwyz	44	98,587	41.9%
Switzerland	41	136,899	58.1%
Outside Switzerland	0	0	0.0%
Total	85	235,486	100.0%

SZKB also prefers to work with local providers when it comes to advertising campaigns. The foreign share of the campaigns results exclusively from the advertising presence on digital channels. Otherwise, the money spent on SZKB's advertising campaigns benefits Switzerland and the Canton of Schwyz.

Key figures on operational ecology

The key figures on operational ecology are listed on the right.

2.4.3 Assessment of effectiveness and next steps

Assessment of effectiveness

Various measures to reduce operational CO₂ emissions were successfully implemented in 2022/2023. Nevertheless, overall emissions could not be reduced compared to the previous year. SZKB therefore continues to see potential for improvement in the area of the environment.

SZKB's operational CO₂ emissions increased by 79.2 t from 916.9 t in 2021 to 996.1 t in 2022. This is primarily due to the rise in emissions as a result of the return to normal commuter behaviour after the pandemic and refrigerant losses.

On the other hand, there were major reductions in CO₂ emissions in the categories of heating (-17.5%), IT equipment procurement (-42.2%) and water consumption (-19.6%).

No specific measures were implemented in 2023 with regard to the goal «Raising employee awareness of resource consumption (e.g. paper, heating, light and electricity)».

The Gersau and Tuggen branches replaced their fossil-fuelled heating systems with a heat pump and a wood-chip heating system in 2023.

In 2023, an outside expert was hired to conduct a detailed analysis of the potential for photovoltaic (PV) energy generation on all Bank buildings (solely) owned by SZKB.

Further development and next steps

SZKB aims to achieve the defined goals for reducing its CO₂ emissions by continuing to pursue its chosen approach and systematically taking advantage of its options for reducing these emissions. For this purpose, SZKB will prioritise the implementation of the following actions:

- Fostering a sense of personal responsibility and raising awareness among employees of the necessity of further reducing material and energy consumption on an ongoing basis.
- Ongoing conversion to more environmentally friendly heating systems at branch properties (solely) owned by the Bank.
- Development and implementation of a master plan for the installation of PV systems on Bank-owned properties.

Key figures on operational ecology

	Unit	2022	2021 ¹	Change
CO₂ emissions (GRI 305)				
Total emissions	tCO ₂	996.1	916.9	8.6%
thereof Scope 1 – direct emissions		102.0	98.4	3.7%
thereof Scope 2 – indirect emissions		15.9	16.5	-3.6%
thereof Scope 3 – other indirect emissions		878.2	802.0	9.5%
Emissions per employee	tCO ₂ /FTE	1.89	1.76	7.4%
Energy consumption (GRI 302-1)				
Total energy consumption	MWh	3,142	3,322	-5.4%
thereof electricity ²		2,238	2,181	2.6%
thereof heating oil		135	146	-7.5%
thereof natural gas		195	285	-31.6%
thereof wood		68	72	-5.6%
thereof electric heat pump		121	112	8.0%
thereof district heating		385	526	-26.8%
Energy intensity (302-3)				
Consumption per energy reference area in m ²	MWh	0.15	0.16	-6.3%
Energy consumption per employee	MWh/FTE	6.0	6.4	-6.3%
Paper consumption (including printing and toilet paper) (GRI 301-1)				
Total paper consumption	kg	77,602	61,326	26.5%
thereof recycled paper		11,734	3,891	201.6%
thereof climate-neutral printing		5,782	4,539	27.4%
Paper consumption per employee	kg/FTE	147.7	117.5	25.7%
Water consumption (GRI 303-5)				
Total water consumption	m ³	5,076	6,314	-19.6%
Water consumption per employee	m ³ /FTE	9.7	12.1	-19.8%
Waste (GRI 306-1)				
Total waste	kg	17,743	17,029	4.2%
thereof recycled		10,053	8,767	14.7%
thereof not recycled		7,670	8,078	-5.1%
thereof hazardous waste		20	184	-89.1%
Branches (own standard)				
Total branches incl. headquarters	Number	22	22	0
In sole ownership		13	13	0
of which heated with fossil fuels		5	7	-2
of which with PV system		4	4	0

¹ = reference year.² Of which 93.8% from renewable energy sources.

2.5 Responsible business conduct towards the financial sector

2.5.1 Relevance, goals, concepts and measures

Relevance of the topic to SZKB and goals

Complying with regulations and fostering healthy growth that aligns with SZKB's risk profile is essential for maintaining SZKB's impeccable reputation for responsible business conduct in regard to the financial sector. Insufficient compliance could lead to reputational harm, sanctions (such as fines, claims for damages or liability claims), loss of market share and economic damage for the Canton of Schwyz as the owner of SZKB.

Management approach

The «Code of Conduct of Schwyzer Kantonalbank» outlines the fundamental principles necessary for successful and ethical business conduct at SZKB. This Code is issued by the Bank Council of SZKB and is applicable to all employees and governing bodies of the Bank. The Code of Conduct is available to all employees on the intranet and is also published on the website www.szkb.ch. It contains statements on compliance with regulations and responsible behaviour; on integrity, fairness and professionalism in dealing with internal and external partners (including the avoidance of conflicts of interest); and on sustainability, risk behaviour and whistleblowing.

Detailed provisions on the Code of Conduct are outlined in the internal regulations and directives of the Bank. The Bank Council issues the regulations, while the Executive Board of SZKB issues the directives.

SZKB does not accept employees engaging in illegal conduct or violating internal policies. Audits and controls by supervisors, second-line units (in particular by Risk Management and the Compliance function) and the risk-based approach of the internal and external auditors (PricewaterhouseCoopers) ensure that the requirements are met.

Key measures:

- Regulatory compliance
- Conflicts of interest
- Whistleblowing
- Taxes

2.5.2 «Regulatory compliance»

Regulatory compliance

The publicly available «Code of Conduct of SKZB» outlines the following principles with regard to regulatory requirements: «SZKB complies with all applicable laws, guidelines and regulations. The governing bodies and employees of SZKB are dedicated to demonstrating exemplary behaviour and to taking conscientious, diligent action in this regard.»

In this context, there are numerous directives and work instructions which with all SZKB employees are required to comply. This applies in particular to the areas of combating money laundering, due diligence (both when entering into and managing business relationships), managing conflicts of interest, adherence to market conduct rules and ensuring compliance.

SZKB follows the Wolfsberg Group principles published on its website. The Wolfsberg Group has set for itself the goal of establishing a framework and guidelines for managing risks related to financial crime. By using the Wolfsberg Questionnaire, SZKB can evaluate its partner banks' efforts to prevent money laundering, particularly in the areas of «know your customer» and combating the financing of terrorism.

To support the fight against corruption and money laundering, SZKB uses the global databases of World-Check and Dow Jones to identify politically exposed persons, individuals and organisations with elevated risk and financial, regulatory and reputational risks. These databases are used to verify transactions as well as new and existing customers. The necessary measures are initiated if a potential link to a critical issue is identified, in particular in connection with money laundering, terrorism, drug trafficking, corruption, arms trafficking, human trafficking or other offences under Swiss criminal law legislation. These measures can include a report to the competent authority in accordance with the applicable money laundering or embargo legislation.

Local media, local notices and reports from the police and state judicial bodies are also drawn upon to identify the above-mentioned risks among the primarily local clientèle in and around the Canton of Schwyz.

All SZKB employees attend annual training courses on topics relating to regulation (such as combating money laundering, due diligence, FATCA, etc.) and good corporate governance as well as their ethical implications.

2.5.3 «Reputation»

Conflicts of interest

In its publicly available «Code of Conduct», SZKB stipulates that conflicts of interest are to be avoided and that SZKB's governing bodies and employees are prohibited from deriving any unauthorised personal benefit from business opportunities that arise through the use of company property or information, or as a result of their position within SZKB. SZKB's website provides details on different types of conflicts of interest and offers guidance on how to handle and mitigate them, thereby demonstrating that the Bank has extensive internal regulations and processes in place. These are found in the «Policy on Dealing with Conflicts of Interest» and «Personnel Regulations» issued by the Bank Council. The regulations are available to all employees on the intranet and apply at all levels and across all business areas of SZKB.

Whistleblowing

SZKB has established a reporting office to which employees and third parties, such as clients and suppliers, can report misconduct at any time by e-mail or in writing. Related information is made available to the public at www.szkb.ch.

Information can also be provided anonymously and will be treated confidentially unless there is a legal obligation to disclose it. Provided that reports are submitted in good faith, SZKB will protect employees who report wrongdoing from any related sanctions. The handling of information received is governed by the «Whistleblowing Policy» issued by the Bank Council of SZKB, which is available to all employees on the intranet.

2.5.4 «Healthy growth»

Taxes

SZKB is a member of the Swiss Bankers Association and fulfils the obligations arising from the Agreement on the Swiss banks' code of conduct with regard to the exercise of due diligence. Detailed provisions are stipulated in binding directives.

SZKB does not provide tax advisory services. Clients are evaluated with regard to the existence of qualified tax offences, and the tax compliance information they provide is checked. SZKB holds the FATCA status «Registered Deemed Compliant FFI – Local FFI» and systematically implements the relevant restrictive FATCA rules in cooperation with an independent specialised consulting firm.

As an independent institution operating under cantonal public law, SZKB is not subject to direct taxes on profits and capital at the federal, cantonal or municipal levels. The interest on the endowment capital provided by the Canton of Schwyz and the settlement of the state guarantee are based on the provisions of the publicly available «Law on the Schwyzer Kantonalbank».

2.5.5 Assessment of effectiveness and next steps

Assessment of effectiveness

In 2023, SZKB addressed the requirements in the area of sustainability. In particular:

- The allocation of responsibilities within SZKB and investment controlling underwent a review.
- Potential risks associated with greenwashing have been identified, and a corresponding greenwashing framework is being developed.
- The new self-regulation guidelines of the Swiss Bankers Association have been implemented.

In the reporting year, the Money Laundering Reporting Office Switzerland (MROS) at the Federal Office of Police (fedpol) was notified of isolated cases of suspected money laundering within the meaning of the Money Laundering Act.

In the reporting year 2023 (as in the previous year), the whistleblowing office did not receive any reports.

In the reporting year, as in the previous year, it was not necessary to submit any reports or take any measures regarding untaxed client assets.

As in the previous year, neither fines nor other non-monetary sanctions were imposed on SZKB in 2023 due to non-compliance with laws and/or regulations (in general, but especially not in the social or economic area).

SZKB has determined that it has fulfilled the stipulations of «regulatory compliance» and ensured «healthy growth» and «reputation» based on the measures taken.

Further development and next steps

To ensure that SZKB continues to meet all regulatory requirements in future, the Bank uses a regulatory radar scheme to proactively monitor current developments. Requirements in regard to sustainability (including those relating to greenwashing) are also taken into account. Management regularly reviews and discusses the regulatory radar. SZKB will also implement a greenwashing framework in 2024.





Responsible financing

3 Responsible financing

3.1 Relevance, goals, concepts and measures

Relevance of the topic to SZKB and goals

The lending business has a positive or negative impact on many sustainability issues, including those related to the environment, society and the economy. However, the actual impact does not manifest immediately but rather has downstream effects on borrowers. Some positive effects include job creation, while negative effects may include the generation of unwanted CO₂ emissions.

For SZKB, «financing a sustainable property», «access to sustainable financial services» and «climate change» are key topics in the area of responsible financing, as SZKB finances a significant amount of CO₂ emissions through its financing business. Switzerland's climate strategy emphasises the importance of reducing CO₂ emissions in the building sector. To meet the goals outlined in the Swiss climate strategy, it is crucial to elevate the renovation rate for existing properties in particular. SZKB aims to reduce CO₂ emissions in the real estate sector by developing financing products (in addition to raising awareness among property owners) that foster and support sustainable behaviour on the part of mortgage borrowers.

As part of its responsible financing strategy, SZKB has defined the following sustainability targets for 2023:

- The emissions intensity of mortgages¹ financed will be reduced by a minimum of 42% by 2030 compared to the 2022 base year.
- The emissions intensity of commercial real estate² financed will be reduced by a minimum of 40% by 2030 compared to the 2022 base year.
- Development of financing products that foster and support sustainable behaviour.
- Raising awareness among clients.
- Raising awareness among employees.
- Creation of incentives, such as favourable interest rates, to facilitate a decrease in emissions intensity.
- Support with the generational transfer of a property.

SZKB has aligned its objectives with the Swiss climate strategy. Furthermore, for SZKB to achieve its goals, it is essential that the financial industry and SZKB are willing to provide information, advice and financing and that policymakers establish suitable economic framework conditions while Switzerland systematically pursues its own net zero target.

Due to its balance sheet volume and its contribution to business income, the lending business will play an important role in SZKB's business model. The Bank focuses on business with private, commercial and corporate clients primarily in the Canton of Schwyz and neighbouring regions.

¹ Financed mortgages include single-family houses and individual flats.

² Including blocks of flats.

One of the ways in which SZKB demonstrates its commitment to sustainability in the area of financing is by practising responsible lending. Being the largest lender in the canton, the Bank wields influence over the flow of funds through loans and investments. It therefore plays a key role in the sustainable development of the Schwyz economic region and assists private, commercial and corporate clients over generations. With its lending policy, SZKB has an impact on the environment, society and the economy.

Management approach

SZKB manages the impact of sustainable financing through the credit products it offers and the established credit processes. The Credit Regulations established by the Bank Council provide the framework for SZKB's lending business.

Clients with higher risks of default are closely monitored by a specialised team. SZKB is committed to working with its clients to identify sustainable solutions whenever possible.

The primary measures are outlined in Chapter 3.4 «Climate change» and 3.5 «Assessment of effectiveness and next steps».

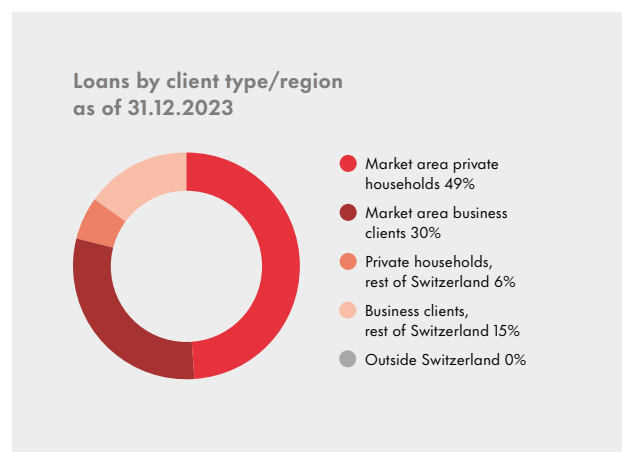
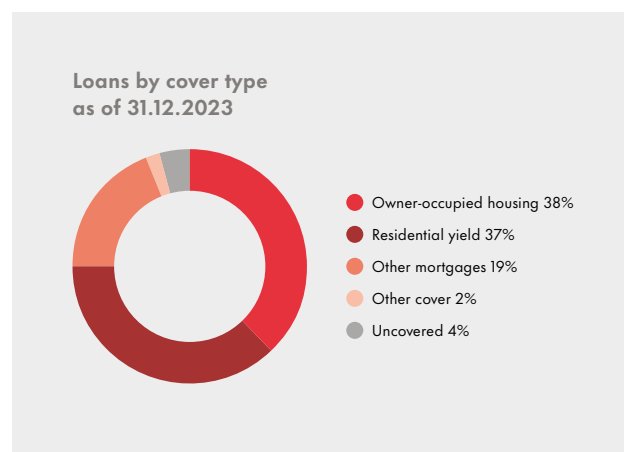
3.2 «Financing a sustainable property»

Financing portfolio

As the leading bank in the Canton of Schwyz for private and business clients,¹ SZKB is primarily active in the mortgage business (chart below) and focusses on its market area (chart below). This includes the Canton of Schwyz and neighbouring regions in which SZKB possesses extensive market expertise.

The regional allocation is based on the location of the property for mortgage insurance and the debtor's domicile for all other types of insurance.

The law governing the Schwyzer Kantonalbank limits the possible foreign assets of SZKB to a maximum of 5% of the balance sheet total. As a result of internal regulations, the financing business can account for a maximum of 0.7% of this. Currently, only 0.02% of loans are financed with clients domiciled outside Switzerland. Mortgages are not granted to clients with covered properties outside Switzerland.



¹ Business clients are commercial and corporate clients, public corporations, self-employed individuals and simple partnerships.

The business client base of SZKB reflects SZKB’s business activities and is primarily composed of sectors related to the real estate business.

SZKB currently has no exclusion criteria for the financing of individual sectors.

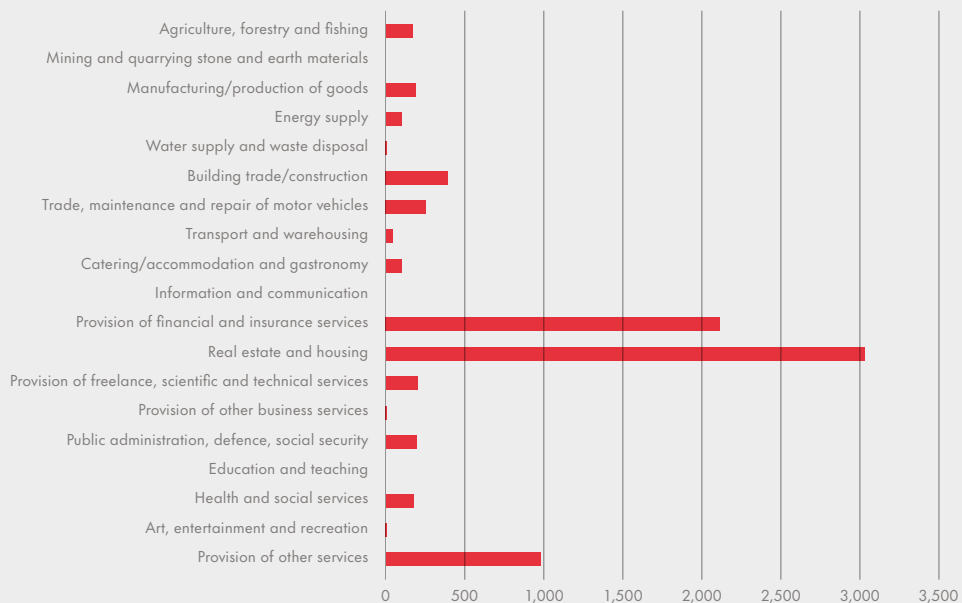
Special sectors:

- Because of limitations on foreign participation and the composition of the sectors (see figure below), there is no direct financing available for the extraction of tar sands oil, production of Arctic oil or ultra-deep-sea oil, or lignite and hard coal mining outside Switzerland.
- Agriculture in Switzerland, and in the Canton of Schwyz in particular, is dominated by small-scale farms. The average usable area per farm in the Canton of Schwyz is 16 hectares. SZKB does not have any exclusions in place

for financing specific business sectors. The regulations of the canton determine the maximum amount of financing available for the specific agricultural enterprise. Legislation sets out extensive requirements for land management (environmental protection, biodiversity, water protection, sustainable land use) and animal welfare. Control mechanisms have been put in place by the state.

- SZKB also provides financing for companies that produce renewable energy, specifically in the areas of district heating and hydropower. Furthermore, loans are provided to support smaller-scale solar power installations and energy-efficient renovations for private, commercial and corporate clients, as well as non-profit housing developers. SZKB also provides financing for hospitals, retirement and nursing homes, and other social institutions and handles student loans granted by the Canton of Schwyz, with a volume of around CHF 1 million.

Financing: Business clients by sector as of 31.12.2023 in million



3.3 «Access to sustainable financial services»

Guarantee Fund

SZKB works with the Guarantee Fund of the Canton of Schwyz and the SZKB Innovation Foundation to provide clients with access to additional sources of financing.

The Guarantee Fund is a cantonal institution with a legal personality, and its registered office is in Schwyz. The purpose of the fund is to provide guarantees for loans, credits and guarantees for natural and legal persons resident or domiciled in the Canton of Schwyz who prove to be credit-worthy and trustworthy. The fund is used to guarantee loans, credits and guarantees for which no or no fully bankable cover can be provided and which are needed for the following purposes:

- For the acquisition, construction, maintenance and improvement of residential buildings, condominiums and commercial and agricultural real estate (real estate loans)
- For the construction, maintenance, improvement and expansion of service enterprises as well as commercial, industrial and agricultural businesses (operating loans)
- For start-up and venture financing of companies

SZKB is responsible for reviewing applications and processing such loans.

The SZKB Innovation Foundation exists in the Canton of Schwyz to promote innovative and young companies (see Chapter «2.3.3 'Fostering the local community and economy' Section 'Fostering innovative and young companies'»).

3.4 «Climate change»

Financed CO₂ emissions

In the reporting year, SZKB for the first time calculated the greenhouse gas emissions on its financing portfolio (Scope 3, Category 15) as of 31 December 2022 (table below).

The calculated values are used as the basis for measuring the emissions intensity goals.

PCAF investment class	Volume/share of portfolio (CHF million, %)	Absolute emissions Scope 1 and 2 ¹ (ktCO ₂ e)	CO ₂ footprint Scope 1 and 2 ² (tCO ₂ per CHF million of financed balance sheet volume)	Emissions intensity Scope 1 and 2 ³ (kgCO ₂ per m ² of financed area or tCO ₂ e/million of revenue)	PCAF Data Quality Score ⁴
Mortgages	7,658, 45.1%	24.8	3.2	24.3	3.9
Commercial property	7,435, 43.8%	31.3	4.2	24.2	4.0
Corporate financing ⁵	1,432, 8.4%	111.0	77.5	33.6	4.8
Total	16,525, 96.3% ⁶	167.1	10.1	25.0	4.0

¹ Absolute amount of Scope 1 and 2 greenhouse gas emissions from SZKB's financing activities.

² Absolute amount of Scope 1 and 2 greenhouse gas emissions from SZKB's financing activities relative to the financing volume.

³ The emissions intensity shown pertains to Scope 1 and 2 of the financing. SZKB does not currently calculate Scope 3 emissions from financing activities.

⁴ 1 high, 5 low.

⁵ Corporate financing also includes the agricultural sector, which accounts for around 80% of the emissions calculated in this asset class.

⁶ Individual loans are excluded on the basis of the PCAF method (primarily construction loans and building land loans). This accounts for the discrepancy of 3.7%.

As of the end of December 2023, SZKB had a financial investment portfolio totalling CHF 1,509 million, with the majority being highly liquid bonds that qualify as high-quality liquid assets (HQLA). The portfolio consists of corporate bonds, mortgage bonds, and public sector bonds.

The emissions calculations are conducted according to the PCAF standard, which only includes CO₂ data for corporate bonds and mortgage bonds in the portfolio. This is because there is currently no established methodology for measuring emissions from other asset classes. This means that the reported emissions only account for 25% of SZKB's financial investment portfolio.

PCAF investment class	Volume/share of portfolio (CHF million, %)	Absolute emissions Scope 1 and 2¹ (ktCO₂e)	CO₂ footprint Scope 1 and 2 (relative carbon footprint (tCO₂e/millions of CHF investment))	Emissions intensity Scope 1 and 2 (weighted average carbon intensity (tCO₂e/millions of CHF revenue))	PCAF Data Quality Score
Financial assets	371, 25%	8.0	21.7	17.7	1.7

3.5 Assessment of effectiveness and next steps

Assessment of effectiveness

During the reporting year, the emphasis was on the implementation of the Swiss Bankers Association's (SBA's) «Guidelines for Mortgage Providers on the Promotion of Energy Efficiency» in the key area of «Financing a sustainable property». SZKB achieved the following milestones, particularly in the owner-occupied residential property sector:

- Collaboration with myky: Using the platform solution provided by myky AG, clients and property owners can now calculate their CO₂ emissions and explore energy-efficient renovation options. The property can be quickly analysed, and optimisation measures can be simulated. Quotes can be acquired from a network of partners, and work can be commissioned. The tool also supports SZKB advisors in their consultations.
- SZKB has developed a standardised financing product for energy-efficient renovations, which is set to be launched in January 2024. With this product, existing SZKB clients with owner-occupied properties in the Canton of Schwyz can benefit from subsidised loans up to CHF 75,000. Application and processing have been simplified for clients and pricing has been made attractive in order to create additional incentives for energy-efficient renovations. Clients who do not meet the requirements for the standardised product and those outside the Canton of Schwyz who are undertaking energy-related renovations are supported with a contribution towards obtaining the GEAK, GEAK Plus or Minergie certificate.
- All SZKB financial advisors have been trained in energy-efficient property renovation. The client advisors were empowered to consistently integrate the topic into their advice for all residential property financing and to engage in discussions about potential solutions with the client through the myky partner application or new fact-sheets. For more detailed advice, it is recommended to seek assistance from external experts.
- SZKB has established the necessary conditions to include in its systems additionally required property data, such as heating type or energy reference area, and to access external, publicly available data. To support client advisors, SZKB has created a central starting page that consolidates available data and facilitates the prompt identification and resolution of data gaps. This gives client advisors the opportunity to enter into more in-depth and informed conversations with our clients about the property.

Because the relevant calculation basis was established in 2023 and there is thus no previous year for comparison, it is not possible to assess the progress towards meeting the emissions intensity reduction goals.

Based on what we currently know, we believe that the measures being taken will be effective.

Further development and next steps

In 2024, SZKB will further advance sustainability efforts through responsible financing in the following areas:

- Further development of consulting and products as well as expansion to other building types and client segments, with a particular focus on commercial clients.
- Further development of risk analyses, particularly in the realm of natural disasters and long-term scenarios related to climate change.
- Investigate how environmental risks can be systematically integrated into credit assessment and approval process where appropriate.
- Development of tools for managing and measuring environmental risks and integration into existing risk reports.
- Enhancement of data quality and addition of missing data.
- SZKB is preparing for full compliance with the TCFD requirements outlined in the Ordinance on Reporting on Climate Matters.



Responsible investing

4 Responsible investing

4.1 Relevance, goals, concepts and measures

Relevance of the topic to SZKB and goals

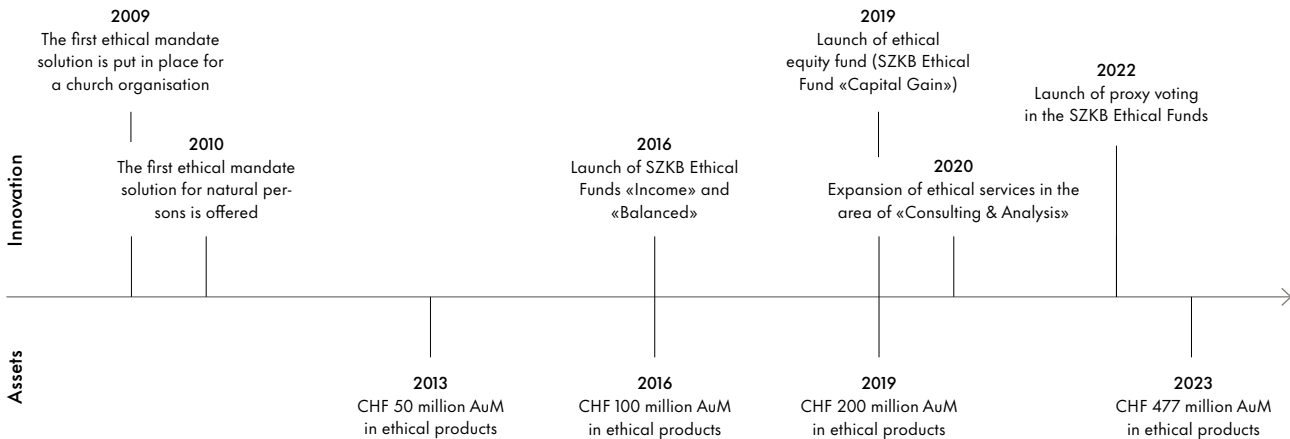
The investment business can either positively or negatively affect many sustainability issues including the environment, social concerns (especially human rights and child labour) and the economy. Nevertheless, the effective impact does not manifest directly, but downstream at the companies where clients invest their assets. For example, shares and bonds can be used to provide financial resources to companies that are committed to reducing carbon emissions (CO₂) on a lasting basis. Conversely, companies in certain sectors run the risk of using the funds to facilitate economic activities that are associated with human rights violations, child labour or forced labour.

For this reason, «sustainable products and services» and «climate change» are key topics for SZKB in the area of responsible investments.

SZKB has defined the following goals in the area of responsible investing:

- Consideration of controversial and/or environmentally harmful sectors in the investment decision-making process.
- By the end of 2025, at least 20% of all asset management mandates should have client preferences that are conscious, focused or effective, and by the end of 2030, this should increase to at least 50%.
- The proportion of SZKB investment funds with alignment with client preferences of conscious or focussed will be at least 20% of the total of all SZKB investment funds at the end of 2025, and this proportion will increase to at least 50% by the end of 2030.¹
- Development of further investment products that foster sustainable behaviour and thus correspond to various ESG preferences.
- Development of an engagement policy by 2025.

Sustainability milestones for SZKB investments



¹ This is a volume figure (AuM).

After the financing business, the investment business is SZKB's second-largest segment. As part of its asset management and investment advisory activities, SZKB ensures that its clients receive recommendations for investment solutions that are best suited to their individual needs.

Management approach

SZKB ensures that the managed portfolio adheres to the investment policy within the framework of an overall assessment. The SZKB Investment Committee defines the tactical asset allocation each month. A member of the Executive Board chairs the Investment Committee. SZKB is obliged to carefully select the financial instruments to be included in the portfolio managed for the client. This approach is set out in the internal directive «Investment Process in Asset Management and SZKB Fund Management».

Key measures:

- Products and services that take ESG considerations into account
- Protection of shareholder voting rights
- Sustainable gold
- Transparency in the sustainable SZKB investment funds
- Raising awareness among employees
- Climate change

4.2 «Sustainable products and services»

SZKB's ethical product line

SZKB successfully implemented its inaugural ethical mandate solution for a client in 2009, and has been providing clients with a variety of financial instruments that take ESG considerations into account since 2010. This is done within the framework of the SZKB Ethical Fund and asset management. This «ethical product line» is based on a combination of a best-in-class approach (positive selection), comprehensive exclusion criteria (negative selection) and traditional financial analysis.

Overview of SZKB exclusion criteria

Company	Countries ¹
Sector-based criteria	Labour law
Alcohol	Nuclear energy
Arctic drilling	Nuclear weapons
Fracking/oil sands	Authoritarian regimes
Genetic engineering Food	Discrimination
Gambling	Euthanasia
Nuclear power	Money laundering
Coal mining	Child labour
Military and weapons	Climate protection
Fur production	Corruption
Pesticides	Human rights
Pornography	Freedom of the press/media
Stem cell research	Arms budget
Tobacco	Death penalty
Animal testing	Freedom of association
	Whaling
Standards-based criteria	
Labour rights	
Child labour	
Human rights	
Environmental behaviour	
Economic behaviour	

¹ Country view: If an exclusion criterion is violated, no investment can be made in corresponding government bonds or other government financing.

As part of its product reviews and analyses, product management reviews the range of investments that take ESG considerations into account at least once a year and expands the range if necessary.

Exercising shareholder voting rights

Since 2022, voting rights (proxy voting) have been actively exercised for all SZKB Ethical Funds, taking into account ESG criteria based on the proposals of an independent voting rights advisor. The applied voting policy, the voting directives and the specific voting behaviour are published transparently on the SZKB website.

Sustainable gold

As a global hub in the refining and trading of gold, Switzerland has a special role to play in this market. SZKB focusses consistently on gold from fair trade. The Bank is therefore committed to better protection of people and the environment in the gold mining industry. Since 2021, gold bars weighing between one and twenty grams have been sold exclusively with the Fairtrade seal of approval from the Max Havelaar Foundation (Switzerland).

SZKB purchases gold bars weighing 20 grams or more exclusively from Swiss banks. The banks have provided written assurance to SZKB that all bars delivered by them adhere to the relevant rules of the London Bullion Market Association (LBMA) for proper delivery, also known as good delivery.

Transparency in the sustainable SZKB investment funds

SZKB publishes a transparency report for every sub-fund within the ethical product line, which provides an overview of all the companies in which it has invested and their corresponding SZKB ESG ratings. It also prepares a climate report with information on the fund's environmental footprint. In this way, SZKB is helping investors to more effectively evaluate the ESG impact of their investments.

Raising awareness among employees

SZKB's employees form the face of the Bank in regard to its clients. Accordingly, raising the awareness of employees on the topic of «Sustainability in the investment sector» is of crucial importance. In 2023, SZKB conducted a one-day in-person training course for all of its front-line employees. All of the client advisors participated. In addition to a theory block on ESG in the investment sector, the SBA guideline «Guidelines for financial service providers on the inclusion of ESG preferences and ESG risks in investment advice and asset management», which is set to take effect in 2024, was the subject of intense employee training and awareness raising programmes.

Key figures in the investment sector

	2023	2022	Change 2022/2023	2021	2020
Sustainable asset management mandates (number)	122	116	5.2%	106	62
Sustainable asset management mandates (in CHF million)	115.1	98.9	16.4%	117.0	87.1
Share of volume of sustainable asset management mandates of the total asset management mandates	2.7%	2.6%	3.8%	2.8%	2.3%
Sustainable SZKB investment funds (in CHF million)	361.7	318.5	13.6%	273.8	148.0
Share of volume of sustainable SZKB investment funds of the total SZKB investment funds	22.8%	23.8%	-4.2%	21.2%	12.0%

4.3 «Climate change»

SZKB reviews the climate-relevant data for SZKB Ethical Funds and mandates on a quarterly basis. These portfolios consist solely of individual securities, making it easier to evaluate climate-related data than with collective investments.

SZKB offers ethical products with four different risk characteristics (ratio of equities to fixed-income securities): income, balanced, growth and capital gains. Each type of risk is analysed separately in relation to greenhouse gases, and the findings are published in the specific climate report for that product.

As of the end of December 2023, the aggregated emissions of CO₂ equivalents (CO₂e) of the companies in which investments were made were as follows:

Fund	Total tonnes CO ₂ e	Difference to benchmark index*
SZKB Ethical Fund Income	13,735	-49.4%
SZKB Ethical Fund Balanced	71,267	-48.8%
SZKB Ethical Fund Growth	7,254	-32.5%
Ethical Fund Capital Gain	113,556	+3.8%

The table indicates that the companies in the SZKB Ethical Fund emit a lower overall amount of CO₂ than those in the benchmark index.

In addition, the emissions intensity (CO₂e emissions in relation to turnover) is assessed. This is important because only considering absolute emissions per company in isolation would unfairly favour smaller companies (with lower absolute emissions).

In terms of emissions intensity (tCO₂e/sales), the following picture emerged at the end of December 2023:

Fund	Emissions intensity	Difference to benchmark index
SZKB Ethical Fund Income	27.88	-67.6%
SZKB Ethical Fund Balanced	23.08	-73.9%
SZKB Ethical Fund Growth	24.34	-73.3%
SZKB Ethical Fund Capital Gain	26.20	-72.2%

This demonstrates that the companies in the SZKB Ethical Fund have a significantly lower emissions intensity compared to those in the benchmark index (similar to the earlier definition).

* The benchmark index is made up of the following indices, depending on the risk characteristics:

Index	Ethical Fund Income	Ethical Fund Balanced	Ethical Fund Growth	Ethical Fund Capital Gain
SBI Corporate Total Return	45.4%	33.0%	17.4%	
Bloomberg Euro Corporate Bond Index	13.8%	10.0%	5.3%	
Markit iBoxx USD Liquid Investment Grade Index	13.8%	10.0%	5.3%	
SPI Index	8.0%	14.4%	22.4%	31.7%
MSCI World (ex CH)	17.0%	30.6%	47.6%	67.3%

4.4 Assessment of effectiveness and next steps

Assessment of effectiveness

By adhering to the SBA guideline «Guidelines for financial service providers on the inclusion of ESG preferences and ESG risks in investment advice and asset management», in 2023 SZKB established essential conditions for achieving the goals of responsible investment objectives.

As of 2023, we cannot definitively determine the proportion of asset management mandates aligned with conscious, focused or effective client preferences. This is because we have yet to conduct a survey on client sustainability preferences, which is scheduled for 2024. We cannot currently provide information on client assets in SZKB investment funds aligned with conscious and focused client preferences, as the survey on sustainability preferences will not be conducted until 2024.

For 2024, further activities are planned for the objectives «Consideration of controversial and/or environmentally harmful sectors in the investment decision-making process», «Development of further investment products that promote sustainable behaviour and thus correspond to various ESG preference» and «Development of an engagement policy by 2025».

Overall, SZKB considers the measures taken to have been effective.

Further development and next steps

In 2023, SZKB implemented a project to incorporate the SBA guideline «Guidelines for financial service providers on the inclusion of ESG preferences and ESG risks in investment advice and asset management». SZKB will survey the sustainability preferences of new clients starting from 1 January 2024 and of existing clients by no later than 31 December 2024. Corresponding to the chosen preference, an investment recommendation is used for each transaction to ensure that the financial instrument to be purchased aligns with the client's specified sustainability preference (if already known).

Due to the systematic integration of the topic of sustainability into the investment advisory process, SZKB believes that steady growth can be achieved in the area of sustainable investments. On this basis, SZKB will expand its product range from April 2024 to include a sustainable fund line and a sustainable asset management mandate with the SZKB ESG rating «conscious».

Training employees and educating clients about sustainability in the investment sector is an integral component of the «responsible investment» strategy and is ensured through the ongoing improvement of advisory tools and product training.

Starting from 1 January 2024, SZKB will assign an ESG rating to all securities. The internal document «ESG Policy» forms the basis for this. This document will have the status of an internal directive and will govern matters including the SZKB ESG rating process.

SZKB has also planned the following actions for 2024 and beyond:

- Starting from 2024, SZKB will only recommend investments that exclude extreme ESG risks (such as cluster munitions and nuclear weapons).
- Daily review of client portfolios for discrepancies related to their chosen ESG preference and the investment instruments included therein. The client advisors discuss any discrepancies with the clients.
- Development of an engagement policy.



Notes

1 Disclosure of the methodological basis

1.1 General requirements

The following general requirements are relevant for SZKB's 2023 sustainability reporting:

- In accordance with the Swiss Code of Obligations (CO), SZKB is obliged to report on non-financial matters starting from financial year 2023.
- SZKB decided to calculate the financed emissions in accordance with the PCAF standard.
- SZKB decided to prepare its sustainability reporting for 2023 and 2022 in accordance with GRI.

Notes 3 and 4 feature an index for the requirements «Reporting on non-financial matters in accordance with the Swiss Code of Obligations» and «Reporting in accordance with GRI (GRI Index)», which shows where the information pertaining to the points to be reported can be found in the sustainability report.

SZKB employs specific concepts for reporting on individual, specific matters. This is especially true for the carbon footprint and the surveys on client and employee satisfaction.

1.2 Transparency regarding non-financial issues

On 29 November 2020, the «Responsible Business Initiative» was defeated by a majority of the cantons. The indirect counter-proposal of Parliament was thus approved. This includes new non-financial reporting obligations and new due diligence obligations in the areas of conflict minerals and metals and child labour.

In accordance with Art. 964a CO, SZKB is obliged to prepare a report on non-financial issues starting from financial year 2023. This obligation is met by this Sustainability Report.

The report is to include information that is necessary for understanding the business trend, the business results, the company's situation and the impact of its activities on these topics (Art. 964b CO with further details). This includes accountability in regard to environmental issues, in particular CO₂ targets, social issues, employees, human rights and combating corruption both domestically and internationally. Furthermore, specific due diligence and reporting obligations apply in the areas of conflict minerals and metals, as well as child labour.

Companies involved in conflict minerals and metals or child labour are obliged to develop a supply chain policy as part of their management system and establish a traceability system for their supply chain. Companies must identify and assess the risks of adverse impacts in their supply chains, draw up a risk management plan and take measures to minimise the identified risks.

1.3 ESG-related risk management

SZKB's risk management process is comprised of five phases.

- 1) Continuous identification of pertinent risks and risk drivers.
- 2) Assessment of identified risks.
- 3) Ongoing management of risks in everyday business operations.
- 4) During monitoring, applicable standards and control mechanisms are subject to review or quality assurance.
- 5) Reporting provides all hierarchical levels with a transparent and current overview of the underlying risk profile and the respective risk position.

In 2023, SZKB updated and expanded its risk inventory for ESG risk drivers in 2023. The risk inventory covers all three environmental (E), social (S) and governance (G) dimensions. Climate risks form an integral component of the environmental dimension.

In the risk inventory, the key events associated with environmental, social and governance standards were defined and described. The main mechanisms for transfer to the relevant risk category and the affected sub-portfolios were recorded for each event. Environmental events are broken down into physical and transitory risks of an acute or chronic nature. The identified transmission channels are described in detail and illustrate how ESG impacts each of these channels. The ESG events and their corresponding transmission channels were quantified according to the associated exposure (E=Exposure), the probability of their occurrence (L=Likelihood) and the impact (I=Impact) of their occurrence (S=Score). This results in a score that assists in identifying the most critical transmission channels.

An overall qualitative assessment with regard to materiality is conducted and described qualitatively for each event. The entire assessment process is carried out for both the gross total risk and the net total risk. The regionally specific conditions of the SZKB are taken into account, such as by utilising the publicly available maps provided by the Federal Office for the Environment (FOEN). The assessment of the net view took into consideration the measures and initiatives implemented by SZKB to mitigate the presented risks.

Due to the changing market environment, a qualitative assessment of the long-term trend was also conducted based on the existing net risk.

1.4 CO₂e emissions

CO₂ is a key driver of climate change. In addition to the greenhouse gas carbon dioxide (CO₂), there are other greenhouse gases such as methane and nitrous oxide. The different gases do not contribute to the greenhouse effect to the same extent and remain in the atmosphere for different lengths of time. In order to make the effect comparable, the unit of measurement CO₂ equivalents (CO₂e) was created to standardise the climate impact of the various greenhouse gases.

In this Sustainability Report, the terms CO₂ and CO₂e are used interchangeably.

1.5 Scope 1, 2 and 3

The terms «Scope 1», «Scope 2» and «Scope 3» play a role in CO₂e reporting. The following applies:

1. Scope 1 comprises direct greenhouse gas emissions that originate from sources that are under the company's control or within its sphere of influence. This typically includes emissions from the combustion of fossil fuels such as gas or oil in our own facilities or vehicles.
2. Scope 2 comprises indirect greenhouse gas emissions resulting from the purchase of external sources of electricity or thermal energy.
3. Scope 3 encompasses all other indirect emissions of greenhouse gases that are not included in Scope 1 or Scope 2. These are emissions that occur along the entire value chain of a company, including suppliers, clients, transport, disposal and product use.

In its CO₂e emissions, SZKB differentiates between operational and financed emissions.

1.6 Operational CO₂ emissions

Direct and indirect CO₂ emissions are documented in SZKB's carbon footprint. Due to business-related delays in reporting by data suppliers that are primarily external, the carbon gas footprint does not refer to the same reporting year as the Sustainability Report, but instead to the previous year in each case.

In addition to Scope 1 and 2 emissions, SZKB also reports some of its Scope 3 emissions from operations in accordance with ISO 14064-1 and the Greenhouse Gas Protocol (GHG) (see Chapter 2.4.1 «Relevance, goals, concepts and measures», Section Management approach). The following table provides an overview of the emission sources that fall under Scope 3 in SZKB's operational carbon footprint:

GHG	Emission source	Taken into account	Reason
3-1	Purchased goods and services:		
	paper consumption (copy paper, toilet paper, paper towels)	Yes	Relevant in terms of quantity and relevant for any measures
	Print jobs (external)	Yes	Relevant in terms of quantity and relevant for any measures
	Shipments	Yes	Relevant in terms of quantity and relevant for any measures
	Consumables (cardboard, plastic, film)	Yes	Negligible in terms of quantity, but relevant for possible measures
	Chemicals	No	No relevant chemicals present
	Water	Yes	Negligible in terms of quantity, but relevant for possible measures
3-2	Capital goods (computers, laptops, monitors, mobile phones, telephones, tablets, projectors)	Yes	Relevant in terms of quantity and relevant for any measures
3-3	Activities with energy sources:		
3-3-a	Energy supply, preliminary stages of oil, gas and wood power plants	Yes	Relevant
3-3-b	Energy supply, preliminary stages of electrical power plants	Yes	Relevant
3-4	Upstream transport and distribution	Yes	Relevant in terms of quantity and relevant for any measures
3-5	Waste from business activities	Yes	Low emissions in terms of quantity, but relevant to measures and raising awareness internally.
3-6	Business trips (external vehicles)	Yes	Relevant in terms of quantity and for measures.
3-7	Commuting trips	Yes	Relevant in terms of quantity and for measures.
3-8	Upstream leasing assets	No	None available or already integrated in Scope 1-2
3-9	Transport and distribution of the goods sold	No	None available
3-10	Further processing of goods sold	No	Services sold do not cause any emissions
3-11	Use of goods sold	No	Services sold cause hardly any emissions during use
3-12	Disposal of sold goods	No	Services sold cause hardly any emissions during disposal
3-13	Downstream leasing assets	No	None available or already included in Scope 1-2 as it is part of the core business
3-14	Franchises	No	None available
3-15	Investments	No	These are financed emissions, information about which can be found in Chapters 3 «Responsible financing» and 4 «Responsible investment», as well as in these notes.

In the reporting year, SZKB did not purchase any CO₂ certificates or engage in emissions trading, and there were no reductions in production capacity or significant outsourcing of processes.

1.7 Financed CO₂ emissions

SZKB decided to calculate the financed emissions in accordance with the PCAF standard.

The acronym PCAF stands for «Partnership for Carbon Accounting Financials». PCAF is a global initiative that was launched in 2019 with the primary objective of developing uniform standards and methods for accounting for greenhouse gas emissions. This will allow banks in particular to quantify their emissions, develop targets for reducing emissions and communicate their progress in a transparent manner.

PCAF defined seven primary categories for accounting for greenhouse gas emissions in the financial sector. The categories are:

- Listed shares and corporate bonds
- Corporate loans and unlisted equity
- Project financing
- Commercial property
- Mortgages
- Motor vehicles
- Public debt

The PCAF categories of projects and financing of motor vehicles are not material for SZKB because SZKB does not engage in this type of business. In the area of leasing, however, SZKB refers clients to a specialised partner company.

1.8 For measurement of financed CO₂ emissions in the area of mortgage and credit

In the reporting year, SZKB for the first time calculated the greenhouse gas emissions on its leasing portfolio (Scope 3, Category 15). Emissions were calculated based on the global standards of the Greenhouse Gas Protocol (GHG) and the Partnership for Carbon Accounting Financials (PCAF). SZKB allocated its financing portfolio to the following PCAF classes:

- Mortgages (owner-occupied residential property and individual flats)
- Commercial properties (outstanding mortgage financing with mortgage liens, excluding agriculture)
- Corporate financing (other loans, including agriculture)

These allocations differ from the definitions typically used at SZKB.

Although SZKB also provides individual financing in the energy sector, SZKB has simplified its presentation by grouping this activity in commercial real estate and corporate financing due to the low volume of this business.

In cases where values were missing, external public data sources were used for the calculation. Whenever the data for the calculation was still incomplete, average values based on the known values were derived and applied. The PCAF Data Quality Score reflects the average quality of the data used.

The emissions intensity shown pertains to the Scope 1 and 2 emissions from financing. At present, SZKB does not include Scope 3 emissions from financing in its calculations. The financed emissions for the mortgages and commercial properties have been calculated using the emission factors in kgCO₂/m² (score 4) for 2020 provided by PCAF (in accordance with PCAF's recommendation, as more recent factors still have a provisional status). The emissions associated with corporate financing were determined using emission factors measured in kgCO₂e per thousand francs of turnover (PCAF score 4), which were calculated and provided by the consulting firm zeb. zeb calculated these emission factors on the basis of Swiss emissions statistics, the national input-output table and the national accounts, which only take into account Scope 1 and 2 emissions. If no turnover or accounting data was available for the companies, the emissions were computed using the PCAF score 5 calculation methodology. When calculating the financed emissions, missing data was supplemented with average values and estimates.

1.9 For measurement of financed CO₂ emissions in the investment area

SZKB reports the CO₂ emissions financed by its SZKB Ethical Fund.

SZKB uses data from the sustainability specialist ISS ESG to assess sustainability indicators, with a focus on climate metrics. ISS ESG is a subsidiary of the Institutional Shareholder Services (ISS) Group, which was founded in 1985 and specialises in ESG solutions. The division has a staff of 610 individuals and not only provides sustainability ratings for companies and funds but also gathers climate data from more than 37,000 companies.

The ISS ESG methodology for measuring and assessing the climate footprint of investment portfolios includes around 800 sector and sub-sector-specific models. This allows a special focus to be placed on factors that are especially pertinent to the specific business sector.

The ISS ESG methodology consists of the following steps:

1. Compilation of the emissions reported by the company itself: Various public sources are used for this purpose, such as sustainability reports, Bloomberg surveys, CDP and investor relations.
2. Evaluation and validation of this information, with the possibility of discarding it necessary. The data points received are checked for their trustworthiness using criteria such as: Discrepancies with historical data, discrepancies between sources, external validation and company experience in climate data collection.
3. Estimate of emissions from companies that do not provide information about their own greenhouse gas emissions: Sector- and sub-sector-specific models are used for this purpose.
4. Assessment of Scope 3 emissions: Depending on the company-specific sector profile, the Scope 3 emissions of each company are modelled with a) a bottom-up approach focused on the value chain, b) a top-down approach focused on the product or c) a peer group-oriented process.
5. Allocation of corporate emissions to portfolios: Greenhouse gas emissions of companies are allocated to their owners, that is, the shareholders, on a pro rata basis in accordance with the «ownership principle», similar to how company assets are allocated. The TCFD recommendations are used to determine the weighted greenhouse gas intensity. For this purpose, the emissions per sales dollar are multiplied by the specific company's portfolio share.

1.10 Reporting in accordance with GRI

SZKB chose to prepare its sustainability reporting in accordance with the Global Reporting Initiative (GRI) in 2023 and in subsequent financial years, as it did in 2022.

GRI is a globally recognised framework for sustainability reporting. It was developed to help companies and organisations transparently and comprehensively communicate their economic, ecological and social impacts. The most important features of the GRI guidelines are:

1. The GRI guidelines are a comprehensive approach that addresses a broad range of sustainability issues, including environmental performance, social impact, labour practices, human rights, governance and more.
2. A key principle of the GRI guidelines is the concept of materiality. Companies are to identify the sustainability concerns that are most pertinent to their business activities and stakeholders and report on these aspects. This enables targeted and focussed reporting.
3. The GRI guidelines provide a framework for the preparation of sustainability reports. They define a set of indicators and key figures that companies can use to measure and report their performance.

1.11 Client satisfaction survey

In 2023, SZKB worked together with a specialized consulting firm to conduct a client satisfaction survey. The key figures were:

- Survey period: 4–24 May 2023
- Invited clients: 10,986
- Response rate: private clients 11%, private banking clients 18%, commercial/corporate clients 12%.
- Survey methodology: online after receipt of a letter.

1.12 Employee satisfaction survey

In 2023, SZKB conducted an employee satisfaction survey. The survey period was from 12 June to 7 July 2023. A total of 520 active employees were invited to participate, and 496 of them, representing an 87% response rate, completed the survey. The employee satisfaction survey was carried out electronically and anonymously and involved a benchmark comparison with 15 other financial service providers, including eight cantonal banks. Approximately 90 questions were posed in different categories referred to as the «influencing factors». The influencing factors included the employee's own team, cooperation, the employee's manager, SZKB's strategy, processes and procedures, remuneration and work equipment provided. The responses of the survey participants were used to determine «target variables», including satisfaction, employer attractiveness, absence of a feeling of resignation, willingness to recommend SZKB to others and commitment. Overall, the target variables reflect the level of satisfaction, commitment and motivation of SZKB employees, as well as their perception of SZKB as an attractive employer.

2 Key figures about employees

All key figures excluding hourly employees, including apprentices and interns.

	2023	2022	Change	2021 ¹	2020 ¹
Number of employees, employment relationship and employment level (GRI 2-7)					
Total number of employees					
Number of FTEs (full-time equivalents) ²	548.4	525.3	4.4%		
Number of employees (persons) ³	638	610	4.6%		
thereof in the Executive Board	5	5	0.0%		
thereof per level: ⁴					
Level 1-2	159	162	-1.9%		
Level 3-4	200	179	11.7%		
Level 5-6	231	220	5.0%		
Level 7-10	48	49	-2.0%		
thereof number of apprentices	30	29	3.4%		
thereof number of interns	5	5	0.0%		
Employees paid on an hourly basis ⁵	37	35	5.7%		
Employees by employment relationship (permanent/temporary/hourly)⁶					
Permanent employees ⁷	628	603	4.1%		
thereof women	269	268	0.4%		
thereof men	359	335	7.2%		
Temporary employees ⁸	10	7	42.9%		
thereof women	4	2	100.0%		
thereof men	6	5	20.0%		
Hourly employees ⁹	37	35	5.7%		
thereof women	36	34	5.9%		
thereof men	1	1	0.0%		

¹No key figures are shown for 2021 and 2020, as SZKB implemented a new HR system in 2022.

²Excluding employees paid on an hourly basis and banking authority employees, including apprentices and interns (included at 50% as per SNB requirements).

³ Excluding employees paid on an hourly basis and banking authority employees, including apprentices and interns.

⁴For an explanation of the levels, see Chapter 2.2.2 «Diversity and integration» Section 5.4. «Remuneration model».

⁵ Hourly employees are not included in the other figures.

⁶ Excluding banking authority employees.

⁷ Apprentices and interns are counted as permanent employees. Excluding hourly employees.

⁸ Excluding hourly employees.

⁹ Hourly employees are not included in the other figures.

	2023	2022	Change	2021 ¹	2020 ¹
Employees by employment level (full-time/part-time)¹⁰					
Full-time employees	381	399	-4.5%		
Women in full-time employment (compared to total headcount)	16.6%	19.3%	-14.1%		
Women in full-time employment (compared to all women)	38.8%	43.7%	-11.2%		
Men in full-time employment (compared to total headcount)	43.1%	46.1%	-6.4%		
Men in full-time employment (compared to all men)	75.3%	82.6%	-8.8%		
Part-time employees	257	211	21.8%		
Women in part-time employment (compared to total headcount)	26.2%	24.9%	5.0%		
Women in part-time employment (compared to all women)	61.2%	56.3%	8.7%		
Men in part-time employment (compared to total headcount)	14.1%	9.7%	45.8%		
Men in part-time employment (compared to all men)	24.7%	17.4%	42.1%		
New employee hires and employee turnover (GRI 401-1)					
New employees¹¹					
Number of employees (persons)	83	67	23.9%		
thereof employees under 30 years	33	29	13.8%		
thereof employees under 30 years (in per cent)	39.8%	43.3%	-8.1%		
thereof employees between 30 and 50 years	40	32	25.0%		
thereof employees between 30 and 50 years (in per cent)	48.2%	47.8%	0.9%		
thereof employees over 50 years	10	6	66.7%		
thereof employees over 50 years (in per cent)	12.0%	9.0%	34.5%		
thereof women	31	31	0.0%		
thereof women (in per cent)	37.3%	46.3%	-19.3%		
thereof men	52	36	44.4%		
thereof men (in per cent)	62.7%	53.7%	16.6%		
Employee departures¹²					
Annual turnover rate (net)	40	59	-32.2%		
thereof employees under 30 years	16	10	60.0%		
thereof employees under 30 years (in per cent)	40.0%	16.9%	136.0%		
thereof employees between 30 and 50 years	19	36	-47.2%		
thereof employees between 30 and 50 years (in per cent)	47.5%	61.0%	-22.2%		

¹⁰ Excluding hourly employees and banking authority employees, including apprentices and interns.

¹¹ New employees with a fixed-term employment relationship are not included.

¹² Departures of employees with a fixed-term employment relationship and retired persons are not included.

	2023	2022	Change	2021 ¹	2020 ¹
thereof employees over 50 years	5	13	-61.5%		
thereof employees over 50 years (in per cent)	12.5%	22.0%	-43.3%		
thereof women	25	28	-10.7%		
thereof women (in per cent)	62.5%	47.5%	31.7%		
thereof men	15	31	-51.6%		
thereof men (in per cent)	37.5%	52.5%	-28.6%		
Turnover (in per cent)					
Annual turnover rate (net) ¹³	8.0%	10.3%	-22.3%	7.1%	6.3%
Annual turnover rate (gross) ¹⁴	11.4%	14.5%	-21.4%	11.3%	10.7%
Diversity					
Governance bodies (GRI 405-1)¹⁵					
Number of members of the Bank Council:	9	9	0.0%		
thereof women	1	1	0.0%		
thereof women (in per cent)	11.1%	11.1%	0.0%		
thereof men	8	8	0.0%		
thereof men (in per cent)	88.9%	88.9%	0.0%		
Age structure of the Bank Council:					
Proportion of Bank Council members under 30 years	0.0%	0.0%	0.0%		
Proportion of Bank Council members from 30 to 50 years	44.4%	44.4%	0.0%		
Proportion of Bank Council members over 50 years	55.6%	55.6%	0.0%		
Number of members of the Executive Board:	5	5	0.0%		
thereof women	1	1	0.0%		
thereof women (in per cent)	20.0%	20.0%	0.0%		
thereof men	4	4	0.0%		
thereof men (in per cent)	80.0%	80.0%	0.0%		
Age structure of the Executive Board:					
Proportion of Executive Board members under 30 years	0.0%	0.0%	0.0%		
Proportion of Executive Board members from 30 to 50 years	80.0%	100.0%	-20.0%		
Proportion of Executive Board members over 50 years	20.0%	0.0%	N/A		
Age structure (GRI 2-7)					
Employees under 30 years ¹⁶	23.4%	23.6%	-1.1%		
Employees between 30 and 50 years	47.0%	46.4%	1.4%		
Employees over 50 years	29.6%	30.0%	-1.3%		

¹³ Number of departures of permanent employees (as a percentage of the total headcount at the end of the year).

¹⁴ Number of departures (including retirements, deaths and terminations by the employer) (as a percentage of the total headcount at the end of the year).

¹⁵ The governance bodies comprise the Bank Council and the Executive Board.

¹⁶ Including the Executive Board, excluding Bank Council members.

	2023	2022	Change ¹⁷	2021 ¹	2020 ¹
Levels (own standard)					
Proportion of women level 1–2 ¹⁸	62.3%	67.9%	–8.3%		
Proportion of men level 1–2	37.7%	32.1%	17.6%		
Proportion of women level 3–4	49.5%	51.4%	–3.7%		
Proportion of men level 3–4	50.5%	48.6%	3.9%		
Proportion of women level 5–6	28.1%	27.3%	3.2%		
Proportion of men level 5–6	71.9%	72.7%	–1.2%		
Proportion of women level 7 – 10	20.8%	16.3%	27.6%		
Proportion of men level 7 – 10	79.2%	83.7%	–5.4%		

¹⁷ Relative change of percentage shares.

¹⁸ For an explanation of the levels, see Chapter 2.2.2 «Diversity and integration» Section 5.4. «Remuneration model».

3 Reporting on non-financial issues in accordance with the Code of Obligations (CO)

3.1 Transparency in regard to non-financial issues

CO Art.		Place of disclosure
The report on non-financial issues provides ...		
Art. 964b (1)	an account of environmental issues (especially CO ₂ targets)	SR ¹ Chapter 2.4 Corporate responsibility in regard to the environment and corresponding section in the GRI Index SR Chapter 3.4 «Climate change» SR Chapter 4.3 «Climate change»
Art. 964b (1)	an account of social issues	SR Chapter 2.1 Corporate responsibility in regard to clients and corresponding section in the GRI Index SR Chapter 2.3 Corporate responsibility in regard to the local environment and corresponding section in the GRI Index SR Chapter 3.2 «Financing a sustainable property»
Art. 964b (1)	an account of employee issues	SR Chapter 2.2 Corporate responsibility in regard to employees and corresponding section in the GRI Index
Art. 964b (1)	an account of respect for human rights	SR Chapter 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Procurement. SR Chapter 2.5 Corporate responsibility in regard to the financial sector and corresponding section in the GRI Index
Art. 964b (1)	an account of the fight against corruption	SR 2.5 Corporate responsibility in regard to the financial sector and corresponding section in the GRI Index
The report contains information ...		
Art. 964b (1)	that is necessary for an understanding of the business development	Annual Report SR Chapter 1.1 Company profile GRI 2–6
Art. 964b (1)	that is necessary for understanding the company's situation	Annual Report

¹ SR = Sustainability Report

CO Art.			Place of disclosure
Art. 964b (1)	that is necessary for understanding the impact of the company's activities on ...	environmental issues (especially CO ₂ targets)	SR Chapter 2.4 Corporate responsibility in regard to the environment and corresponding section in the GRI Index SR Chapter 3.4 «Climate change» SR Chapter 4.3 «Climate change»
		social issues	SR Chapter 2.1 Corporate responsibility in regard to clients and corresponding section in the GRI Index SR Chapter 2.6 Corporate responsibility in regard to the local environment and corresponding section in the GRI Index
		employee issues	SR Chapter 2.2 Corporate responsibility in regard to employees and corresponding section in the GRI Index
		respect for human rights	SR Chapter 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Procurement. SR Chapter 2.5 Corporate responsibility in regard to the financial sector and corresponding section in the GRI Index
		combating corruption	SR Chapter 2.5 Corporate responsibility towards the financial sector and corresponding section in the GRI Index

The report includes, in particular, ...

Art. 964b (2) (1)	a description of the business model		Annual Report GRI 2–6
Art. 964b (2) (2)	a description of the approaches taken to the issues referred to in paragraph 1, including the due diligence applied	environmental issues (especially CO ₂ targets)	SR Chapter 2.4.1 Relevance, goals, concepts and measures SR Chapter 3.1 Relevance, goals, concepts and measures SR 4.2 «Sustainable products and services» SR Chapter 4.3 «Climate change»
		social issues	SR Chapter 2.2.1 Relevance, goals, concepts and measures SR Chapter 2.3.1 Relevance, goals, concepts and measures SR Chapter 2.5.1 Relevance, goals, concepts and measures
		employee issues	SR Chapter SR Chapter 2.2.1 Relevance, goals, concepts and measures
		respect for human rights	SR Chapter SR Chapter 2.4.1 Relevance, goals, concepts and measures SR Chapter SR Chapter 2.5.1 Relevance, goals, concepts and measures SR Chapter 4.2 «Sustainable products and services», Section Sustainable gold
		combating corruption	SR Chapter 2.5 Responsible business conduct towards the financial sector

CO Art.			Place of disclosure
Art. 964b (2) (3)	a presentation of the measures taken to implement these concepts and an evaluation of the effectiveness of these measures	environmental issues (especially CO ₂ targets)	SR Chapter 2.4.1 Relevance, goals, concepts and measures and 2.4.3 Assessment of effectiveness and next steps SR Chapter 3.1 Relevance, goals, concepts and measures and 3.5 Assessment of effectiveness and next steps SR Chapter 4.1 Relevance, goals, concepts and measures, Section management approach and 4.4 Assessment of effectiveness and next steps
		social issues	SR Chapter 2.2.1 Relevance, goals, concepts and measures and 2.2.5 Assessment of effectiveness and next steps SR Chapter 2.3.1 Relevance, goals, concepts and measures and 2.3.4 Assessment of effectiveness and next steps
		employee issues	SR Chapter 2.2.1 Relevance, goals, concepts and measures and 2.3.4 Assessment of effectiveness and next steps
		respect for human rights	SR Chapter 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Procurement.
		combating corruption	SR Chapter 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Procurement. SR Chapter 2.5 Responsible business conduct towards the financial sector
Art. 964b (2) (4)	a description of the material risks associated with the issues referred to in paragraph 1 and the company's management of those risks; material risks are risks that:	a. arise from the company's own business activities and	Annual Report SR Chapter 2.1.1, 2.2.1, 2.3.1, 2.4.1, 2.5.1, 3.1 and 4.1 Relevance, goals, concepts and measures
		b. where relevant and proportionate, arise from its business relationships, products or services;	SR Chapter 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Procurement. SR Chapter 3.4 «Climate change» SR Chapter 4.3 «Climate change»
Art. 964b (2) (5)	the key performance indicators for the company's activities in relation to the issues referred to in paragraph 1. SZKB uses the terms «(sustainability) targets» and «key performance indicators (KPIs)» synonymously.	area of CO ₂ targets	SR Chapter 1.7 Sustainability goals SR Chapter 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology SR Chapter 3.4 «Climate change» SR Chapter 4.3 «Climate change»
		area of social issues	SR Chapter 1.7 Sustainability goals SR Chapter 2.1.2 «Client satisfaction», Section Client satisfaction survey
		area of employee issues	SR Chapter 1.7 Sustainability goals SR Chapter 2.2.2 «Diversity and integration», Section Employee satisfaction SR Appendix 2 Key figures on employees
		area of respect for human rights	No specific performance indicators have been defined with regard to human rights.
		area of combating corruption	No specific performance indicators have been defined for the issue of corruption.

3.1 Due diligence and transparency regarding minerals and metals from conflict regions and child labour

CO Art.		Place of disclosure
The companies are to maintain a management system and define in it the following:		
Art. 964k (1) (1)	the supply chain policy for minerals and metals potentially originating from conflict regions and other areas of high risk;	Not applicable. SZKB does not import or process minerals or metals from conflict regions and other areas of high risk.
Art. 964k (1) (2)	The supply chain policy for products and services for which there is reasonable suspicion of child labour;	SR Chapter 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Procurement
Art. 964k (1) (3)	a system that makes it possible to track and trace the supply chain.	SR Chapter 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Procurement SR Chapter 4.2 «Sustainable products and services», Section Sustainable gold
Art. 964k (2)	They identify and assess the risks of adverse impacts on their supply chain. They draft a risk management plan and take measures to minimise the identified risks.	SR Chapter 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Procurement SR Chapter 4.2 «Sustainable products and services», Section Sustainable gold
Art. 964k (3)	They comply with due diligence requirements regarding minerals and metals audited by an independent expert.	Not applicable. SZKB does not import or process minerals or metals from conflict regions and other areas of high risk.

4 Reporting in accordance with GRI (GRI Index)

Declaration of use	SZKB has reported the information cited in this GRI Content Index for the period from 1 January 2023 to 31 December 2023 in accordance with the GRI Standards.
Standard used	GRI 1 Foundation 2021
Industry standard used	None, as the banking standard is not yet available.
General note	There is generally no disclosure by region, as SZKB only operates in the Canton of Schwyz.

GRI standard/ other source	Disclosure	Place of disclosure	Disclosure/omission
The organisation and its reporting practices			
GRI 2: General Disclosures 2021	2-1 Organisational details	1.1 Company profile Annual Report	The organisation consists of the following governance bodies: Bank Council (highest governance body), Executive Board and auditors (internal audit).
	2-2 Entities included in the organisation's sustainability reporting	Annual Report	The companies in which SZKB holds a permanent direct or indirect material interest are listed in the Annual Report. SZKB's Sustainability Report does not contain any information about these companies.
	2-3 Reporting period, frequency and point of contact	1.3 Sustainability Report 1.4 Point of contact	
	2-4 Restatements of information		The Sustainability Report was prepared for the second time for 2023. There are no changes due to organisational adjustments (acquisition of companies, changes in the legal structure, outsourcing), changes in measurement methods or the like. No figures from the 2022 Sustainability Report were corrected in the 2023 Sustainability Report.
	2-5 External assurance	1.3 Sustainability Report	There was no external audit of the Sustainability Report.

GRI standard/ other source	Disclosure	Place of disclosure	Disclosure/omission
Governance			
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	1.1 Company profile Annual Report	SZKB offers the following services in particular: <ul style="list-style-type: none"> • Mortgage loans • Corporate loans • Lombard loans • Investment advice • Asset management • Retirement planning advice • Account management • Payment transactions
	2-9 Governance structure and composition	Annual Report 1.5 Embedding sustainability in the organisation	
	2-10 Nomination and selection procedure for the highest governance body	Annual Report	
	2-11 Chair of the highest governance body	Annual Report	
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report 1.5 Embedding sustainability in the organisation	
	2-13 Delegation of responsibility for managing impacts	1.5 Embedding sustainability in the organisation	
	2-14 Role of the highest governance body in sustainability reporting	1.3 Sustainability Report 1.5 Embedding sustainability in the organisation Annual Report	
	2-15 Conflicts of interest	2.5.3 «Reputation», Section Conflicts of interest	
	2-16 Communication of critical concerns	Annual Report	
	2-17 Collective knowledge of the highest governance body	Annual Report	
	2-18 Evaluation of the performance of the highest governance body		The Bank Council conducts an annual self-evaluation.
	2-19 Remuneration policies	Annual Report 2.2.4 «Remuneration of the highest governance bodies»	The remuneration of the Executive Board is only reported in total and not per person.
	2-20 Process to determine remuneration	Annual Report 2.2.4 «Remuneration of the highest governance bodies»	

GRI standard/ other source	Disclosure	Place of disclosure	Disclosure/omission
Strategy, directives and practices			
GRI 2: General Disclosures 2021	2–22 Declaration of application of the sustainable development strategy	Annual Report Sustainability Report, special 1 Classification and strategy of sustainability at SZKB	
	2–23 Declaration of commitment to principles and conduct	1.6 The SZKB sustainability strategy, Section The SZKB sustainability ambitions 2.2.2 «Diversity and integration» 2.4.1 Relevance, goals, concepts and measures 2.5.1 Relevance, goals, concepts and measures 2.5.2 «Regulatory compliance» 2.5.3 «Reputation», Section Conflicts of interest	
	2–24 Inclusion of policy commitments	2.5.1 Relevance, goals, concepts and measures 2.5.2 «Regulatory compliance» 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Procurement	SZKB continuously enhances its impact on people, society and the environment through the implementation of various strategies, processes and measures. Information on this can be found in the respective descriptions of the management approaches in Chapter 2.1.1, 2.2.1, 2.3.1, 2.4.1, 2.5.1, 3.1, 4.1.
	2–25 Procedure for eliminating negative effects	2.2.2 «Diversity and integration», Section Discrimination 2.2.2 «Diversity and integration», Section Occupational safety and health 2.5.3 «Reputation», Section Whistleblowing	SZKB continuously enhances its impact on people, society and the environment through the implementation of various strategies, processes and measures. Information on this can be found in the respective descriptions of the management approaches in Chapter 2.1.1, 2.2.1, 2.3.1, 2.4.1, 2.5.1, 3.1, 4.1.
	2–26 Mechanisms for seeking advice and raising concerns	2.1.2 «Client satisfaction», Section Complaints management 2.5.3 «Reputation», Section Whistleblowing	
	2–27 Compliance with laws and regulations	2.5.4 Assessment of effectiveness and next steps	
	2–28 Membership associations	2.3.2 «Generations and local commitment», Section Memberships	
Stakeholder engagement			
GRI 2: General Disclosures 2021	2–29 Approach to stakeholder engagement	1.6 The SZKB sustainability strategy, Section Material topics	
Material topics			
GRI 3: Material Topics 2021	3–1 Process to determine material topics	1.6 The SZKB sustainability strategy, Section Material topics	
	3–2 List of material topics	1.6 The SZKB sustainability strategy, Section Material topics	

GRI standard/ other source	Disclosure	Place of disclosure	Disclosure/omission
Responsible business conduct			
Responsible business conduct towards clients			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.6 The SZKB sustainability strategy, Section Material topics 2.1.1 Relevance, goals, concepts and measures	
416: Client safety and health 2016	416-1 Assessment of the safety and health impacts of various categories of products and services		SZKB does not manufacture any products or services that have an impact on safety and health.
	416-2 Violations related to the safety and health impacts of products and services		SZKB does not manufacture any products or services that have an impact on safety and health. Accordingly, there were no violations in 2023 (as in the previous year).
GRI 417 Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling		Not applicable for SZKB.
	417-2 Incidents of non-compliance concerning product and service information and labelling		In 2023 (as in the previous year), there were no significant violations of laws, regulations or voluntary codes of conduct in connection with product and service information.
	417-3 Incidents in connection with marketing and communication		In 2023 (as in the previous year), there were no significant violations of laws, regulations or voluntary codes of conduct in connection with marketing and communication.
GRI 416: Protection of Client Data 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of client data		As in the previous year, there were no externally reportable incidents in 2023.
Responsible business conduct towards employees			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.6 The SZKB sustainability strategy, Section Material topics 2.2.1 Relevance, goals, concepts and measures	All work carried out by employees working from home is subject to labour law contracts.

GRI standard/ other source	Disclosure	Place of disclosure	Disclosure/omission
GRI 2: General Disclosures 2021	2-7 Employees	Appendix 2 Key figures about employees	All employees of SZKB currently identify as either male or female. There are no employees who have declared that they are of a different gender or of no gender. As in the previous year, there were no significant fluctuations in the number of employees during the reporting year.
	2-8 Workers who are not employees		SZKB does not employ any staff on an on-call basis. SZKB works together with a range of recognised specialists on a contractual basis.
	2-21 Annual total compensation ratio	2.2.4 «Remuneration of the highest governance bodies»	
	2-30 Collective bargaining agreements		SZKB has its own employment terms and conditions, which are based on Swiss legislation, standard industry conditions and SZKB's corporate values. No SZKB employees are subject to a collective bargaining agreement.
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Appendix 2 Key figures about employees	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	2.2.2 «Diversity and integration», Section Terms and conditions of employment	All benefits are available to all SZKB employees (at all business locations, adjusted for part-time work).
	401-3 Parental leave	2.2.2 «Diversity and integration», Section Equal opportunity	
GRI 402: Employer-Employee Relationship 2016	402-1 Minimum notice period for operational changes		SZKB has no minimum notification deadlines (except in case of contractual changes where the statutory deadlines are observed).

GRI standard/ other source	Disclosure	Place of disclosure	Disclosure/omission
GRI 403: Occupational Safety and Health 2018	403-1 Management system for occupational safety and health	2.2.2 «Diversity and integration», Section Occupational safety and health	
	403-2 Hazard identification, risk assessment and incident investigation	2.2.2 «Diversity and integration», Section Occupational safety and health	
	403-3 Occupational health services	2.2.2 «Diversity and integration», Section Occupational safety and health	
	403-4 Employee involvement, consultation and communication on occupational safety and health	2.2.2 «Diversity and integration», Section Occupational safety and health	
	403-5 Employee training on occupational safety and health	2.2.2 «Diversity and integration», Section Occupational safety and health	
	403-6 Promotion of employee health	2.2.2 «Diversity and integration», Section Occupational safety and health	
	403-7 Prevention and mitigation of occupational safety and health impacts directly linked to business relationships	2.2.2 «Diversity and integration», Section Occupational safety and health	
	403-8 Employees covered by an occupational safety and health management system		All employees are covered (100%).
	403-9 Work-related injuries	2.2.2 «Diversity and integration», Section Occupational safety and health	The risk of injury and illness is low in the financial sector in comparison with other industries. The lost days reported also include accidents that occurred outside of the work environment. There were no work-related fatalities in the reporting year.
	403-10 Work-related illnesses	2.2.2 «Diversity and integration», Section Occupational safety and health	The reported lost days include all days lost due to illness, including those that are unrelated to work.
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	2.1.3 «Data protection/client data/privacy», Section Employee awareness and training 2.2.2 «Diversity and integration», Section «Education and training» 2.5.2 «Regulatory compliance», Section Regulatory compliance	The number of hours for participation in internal and external training and continuing education courses is not available.
	404-2 Programmes for upgrading employee skills and transition assistance programmes	2.2.2 «Diversity and integration», Section «Education and training»	
	404-3 Percentage of employees receiving regular performance and career development reviews	2.2.2 «Diversity and integration», Section People Day	All employees (excluding part-time cleaning staff) receive a regular appraisal.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity in governance bodies and among employees	Annual Report 2.2.2 «Diversity and integration», Section Equal opportunity Appendix 2 Key figures about employees	
	405-2 Ratio of basic salary and remuneration of women to men	2.2.2 «Diversity and integration», Section Equal pay	The average pay for men and women within each employee category (level) is not disclosed.

GRI standard/ other source	Disclosure	Place of disclosure	Disclosure/omission
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	2.2.2 «Diversity and integration», Section Discrimination	As in the previous year, no incidents of discrimination were reported in 2023.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Business locations and suppliers for which the right to exercise freedom of association and collective bargaining may be at risk	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Procurement	SZKB guarantees its employees the general right to freedom of association. The employees have the right to form or join employee organisations of their choice without the prior approval of SZKB. SZKB does not discriminate against employees on the basis of their membership in such an organisation or their participation in trade union activities.
SZKB standard	Number of strikes and mass redundancies		As in previous years, there were no strikes and no mass redundancies at SZKB in financial year 2023.
Corporate responsibility in regard to the local environment			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.6 The SZKB sustainability strategy, Section Material topics 2.3.1 Relevance, goals, concepts and measures	
GRI 204: Procurement Practices 2016	204-1 Proportion of expenses for local suppliers	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Promotional material/campaigns	
GRI 408: Child Labour 2016	408-1 Business locations and suppliers at significant risk for incidents of child labour	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Procurement	There is no significant risk of child labour at any of SZKB's business locations or direct suppliers.
GRI 409: Forced or Compulsory Labour 2016	409-1 Business locations and suppliers at significant risk for incidents of forced or compulsory labour	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Procurement	There is no significant risk of child labour at any of SZKB's business locations or direct suppliers.
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies and procedures		No training required, as SZKB does not employ any security personnel who act in a semi-sovereign capacity.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents in which the rights of indigenous peoples were violated		SZKB has no knowledge of any incidents in which the rights of indigenous peoples have been violated.
GRI 413: Local Communities 2016	413-1 Business locations with local community involvement, impact assessments and grant programmes	2.3.1 Relevance, goals, concepts and measures 4.2 «Sustainable products and services», Section Sustainable gold	
	413-2 Business locations with significant or potential negative impacts on local communities	2.3.1 Relevance, goals, concepts and measures	
SZKB standard	Access points in areas that are sparsely populated or structurally weak	2.1.2 «Client satisfaction», Section Access to SZKB services	

GRI standard/ other source	Disclosure	Place of disclosure	Disclosure/omission
Corporate responsibility in regard to the environment			
GRI 3: Material Topics 2021	3–3 Management of material topics	1.6 The SZKB sustainability strategy, Section Material topics 2.4.1 Relevance, goals, concepts and measures Appendix Disclosure of methodological principles 1.6 Operational CO ₂ e emissions	
GRI 301: Materials 2016	301–1 Materials used by weight or volume	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology	
	301–2 Recycled input material used	2.4.2 «Energy consumption and efficiency aterials (paper, water, waste) 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology	
	301–3 Recycled products and their packaging materials	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Materials (paper, water, waste) 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology	
GRI 302: Energy 2016	302–1 Energy consumption within the organisation	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology Appendix Disclosure of methodological bases 1.6 Operational CO ₂ e emissions	
	302–2 Energy consumption outside the organisation	2.2.3 «Commercial traffic/commuter traffic» 2.4.2 «Energy consumption and efficiency y figures on operational ecology Appendix Disclosure of methodological bases 1.6 Operational CO ₂ e emissions	
	302–3 Energy intensity	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology	
	302–4 Reduction of energy consumption	2.4.1 Relevance, goals, concepts and measures 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology Appendix Disclosure of the methodological bases 1.6 Operational CO ₂ e emissions	
	302–5 Reduction in energy requirements for products and services		Not applicable for SZKB.

GRI standard/ other source	Disclosure	Place of disclosure	Disclosure/omission
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Materials (paper, water, waste)	
	303-2 Management of water discharge-related impacts		SZKB discharges 100% of its wastewater to sewage treatment plants.
	303-3 Water withdrawal	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology	SZKB obtains the water it requires only from official water suppliers.
	303-4 Water discharge	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Materials (paper, water, waste) 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology	
	303-5 Water consumption	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Materials (paper, water, waste) 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology	

GRI standard/ other source	Disclosure	Place of disclosure	Disclosure/omission
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	2.4.1 Relevance, goals, concepts and measures 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology Appendix Disclosure of the methodolog- ical bases 1.6 Operational CO ₂ e emissions	
	305-2 Indirect energy-related GHG emissions (Scope 2)	2.4.1 Relevance, goals, concepts and measures 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology Appendix Disclosure of the methodolog- ical bases 1.6 Operational CO ₂ e emissions	
	305-3 Other indirect GHG emissions (Scope 3)	2.4.1 Relevance, goals, concepts and measures 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology Appendix Disclosure of the methodolog- ical bases 1.6 Operational CO ₂ e emissions	
	305-4 Intensity of GHG emissions	2.4.1 Relevance, goals, concepts and measures 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology 2.2.5 Assessment of effectiveness and next steps	
	305-5 Reduction of GHG emissions	2.4.1 Relevance, goals, concepts and measures 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology 2.2.5 Assessment of effectiveness and next steps	
	305-6 Emissions of ozone-depleting substances (ODS)	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Refrigerants	
	305-7 Nitrogen oxides (NO _x), sulphur oxides (SO _x) and other significant air emissions		No relevant emissions.

GRI standard/ other source	Disclosure	Place of disclosure	Disclosure/omission
GRI 306: Waste 2020	306-1 Waste generated and significant waste-related impacts	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Materials (paper, water, waste) 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology	
	306-2 Management of significant waste-related impacts	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Materials (paper, water, waste) 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology	
	306-3 Waste generated	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology	
	306-4 Waste diverted from disposal	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Materials (paper, water, waste) 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology	
	306-5 Waste directed to disposal	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Materials (paper, water, waste) 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Key figures on operational ecology	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Procurement	
	308-2 Negative environmental impacts in the supply chain and actions taken	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Procurement	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Procurement	
	414-2 Negative social impacts in the supply chain and actions taken	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Procurement	
Corporate responsibility in regard to the financial sector			
GRI 3: Material Topics 2021	3-3 Management of material topics	1.6 The SZKB sustainability strategy, Section Material topics 2.5.1 Relevance, goals, concepts and measures	

GRI standard/ other source	Disclosure	Place of disclosure	Disclosure/omission
GRI 207: Taxes 2019	207-1 Tax concept	2.5.4 «Healthy growth», Section Taxes	
	207-2 Tax governance, control and risk management		As an independent institution operating under cantonal public law, SZKB is not subject to direct taxes on profits and capital at the federal, cantonal or municipal levels.
	207-3 Stakeholder engagement and management of tax concerns		As an independent institution operating under cantonal public law, SZKB is not subject to direct taxes on profits and capital at the federal, cantonal or municipal levels.
	207-4 Country-by-country reporting		Not relevant for SZKB, as SZKB only operates in Switzerland.
SZKB standard	Business areas evaluated for risks related to untaxed client funds	2.5.4 «Healthy growth», Section Taxes	
	Confirmed cases of untaxed client assets and measures taken	2.5.4 «Healthy growth», Section Taxes	
	Legal proceedings due to insider trading and market manipulation		In 2023, SZKB was not involved in any legal proceedings due to insider trading or market manipulation (as in the previous year).
GRI 205: Anti-corruption 2016	205-1 Business locations assessed for risks related to corruption	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Procurement 2.5.2 «Regulatory compliance», Section Regulatory compliance	The internal and external regulations apply to all areas and branches of SZKB.
	205-2 Communication and training about anti-corruption policies and procedures	2.5.2 «Regulatory compliance», Section Regulatory compliance	
	205-3 Confirmed incidents of corruption and actions taken	2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)», Section Procurement	For the reporting year 2023 (as in the previous year), SZKB has not received any indications of possible cases of corruption among its employees. Therefore, no specific measures are necessary.
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices		As in 2022, there were no legal proceedings due to anti-competitive behaviour or cartel/monopoly formation in 2023.
GRI 415: Political Influence 2016	415-1 Political contributions		SZKB refrains from exerting political influence. SZKB made a contribution of CHF 2,000 to the Cantonal Council President's celebration in 2023. SZKB otherwise did not make any contributions to political parties or individual politicians in 2023. SZKB is neutral in regard to politics and religion and does not take any political positions. The Swiss Bankers Association (SBA) and the Association of Swiss Cantonal Banks (ASCB) represent the interests of the Cantonal banks and the financial centre with political consultations or initiatives, for example. SZKB is a member of both organisations.

GRI standard/ other source	Disclosure	Place of disclosure	Disclosure/omission
Responsible financing			
GRI 3: Material Topics 2021	3–3 Management of material topics	1.6 The SZKB sustainability strategy, Section Material topics and goals 3.1 Relevance, goals, concepts and measures	
SZKB standard	Composition of the lending business by region, size of enterprise and sector	3.2 «Financing a sustainable property», Section Financing portfolio	
	Lending business with special benefits to society	3.2 «Financing a sustainable property», Section Financing portfolio	
Responsible investing			
GRI 3: Material Topics 2021	3–3 Management of material topics	1.6 The SZKB sustainability strategy, Section Material topics 4.1 Relevance, goals, concepts and measures	
SZKB standard	Volume and share of sustainable asset management mandates	4.2 «Sustainable products and services» Section SZKB's ethical product line, including the table of key figures in the investment sector	
	Volume and share of sustainable investment funds	4.2 «Sustainable products and services» Section SZKB's ethical product line, including the table of key figures in the investment sector	
	Interaction on environmental and social issues with companies held in portfolios of the institution	4.2 «Sustainable products and services» Section Exercising shareholder voting rights	

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