

THINKING ABOUT TOMORROW TODAY



2023 GRI Sustainability Report



**Thurgauer
Kantonalbank**

2023 GRI Sustainability Report – Contents

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Foreword by the Board of Directors and Executive Board



More than a bank – that is TKB’s mission and vision. That “more” is evident not only in our commitment to our customers but also to our region and our employees. We strive to make a positive impact and consider a sustainable mindset and actions as keys to this. Because TKB is just one part of a larger whole: In its capacity as a company and as a financial services provider that finances projects and invests money, it influences communal life, the economy and the environment. One particular challenge we face is climate change. We closely examine not only the risks but also the opportunities it brings. And we draft measures that enable our bank to take responsibility and contribute to efforts to limit climate change.



One focus of the bank’s strategy for the period from 2023 to 2027 is sustainability: We are eager to incorporate a sustainable mindset and sustainable actions even more strongly into our bank and the products and services it offers. We keep that resolution by raising employees’ awareness of and expanding their knowledge of sustainability-related topics. We incorporate sustainability into our business processes, our products and services as well as the advisory services we provide our customers. Moreover, we take a responsible approach toward dealing with greenhouse gas emissions and are eager to achieve the climate targets we have set ourselves.

TKB made quite a bit of progress in its commitment to sustainability in 2023. Part of that is the bank’s pledge to achieve a balanced carbon footprint by 2050 – including both its operational emissions and emissions in the value chain, like the lending business. In order to achieve its net-zero target, our bank joined the Science Based Targets initiative and developed science-based reduction targets. TKB also laid important foundations during the year under review. For instance, the enterprise-wide Risk Management Framework governs how the bank deals with sustainability risks, whereas the Code of Ethics (Code of Conduct) summarizes the principles that guide its actions. Finally, our bank complies with the new reporting obligations and creates transparency on non-financial matters – including through its climate report, which is aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

We are pleased about what we have achieved. At the same time, we are aware of the fact that more challenges are in store for the financial sector on its path toward a sustainable economy and society. We – as TKB – are making our contribution.

Roman Brunner
Chairman of the Board of Directors
of Thurgauer Kantonalbank

Thomas Koller
Chief Executive Officer of
Thurgauer Kantonalbank

Sustainability strategy

Since 2013, TKB has engaged in systematic sustainability management based on a comprehensive commitment to responsible business conduct. Sustainability forms part of the bank’s business strategy and represents a strategic focus of the strategy period from 2023 to 2027. TKB’s activities are in line with its vision, which is formulated as follows: “Thinking about tomorrow today. We add sustainable value for our customers, our employees, society and the environment through our commitment. We embrace a gentle approach to the use of natural resources and make an active contribution toward achieving a climate-neutral Switzerland.” The bank aspires to reduce its emissions to net zero by 2050. Stakeholder expectations as well as national and international initiatives and standards were taken into account when formulating the current sustainability strategy for the period from 2021 to 2025.

Cornerstones of the sustainability strategy

TKB bundles its commitment to sustainability into four strategic thrusts:

- Committed to customers
- Responsible towards employees
- Embedded in society and the region
- Gentle on the environment

There are 14 material topics allocated to the strategic thrusts. For each strategic thrust, TKB has formulated an aspiration that serves as a compass for the bank’s development up to 2030. Detailed information on the material topics, targets by 2025, the strategy, measures and key performance indicators is contained in the dedicated sections of this report.

An overview of the TKB sustainability strategy



Background

TKB's actions are guided by its corporate values – grounded, solid, customer-oriented, agile, uncomplicated and empathetic – as well as by overarching international and national standards. These include the UN Sustainable Development Goals (SDGs), the Paris Agreement, the Science Based Targets initiative (SBTi) for setting science-based targets for GHG emissions, the Task Force on Climate-related Financial Disclosures (TCFD) as regards disclosure of climate-related opportunities and risks, the Partnership for Carbon Accounting Financials (PCAF) for measuring and disclosing GHG emissions, the UN Principles for Responsible Investment (UN PRI), Circular 2016/1 “Disclosure – banks” of the Swiss Financial Market Supervisory Authority (FINMA) on the transparency of climate risks as well as the recommendations of the association Swiss Sustainable Finance (SSF).

Dealing with negative impacts of business operations

TKB focuses in particular on avoiding negative impacts along its value chain. The specific measures for avoiding and dealing with negative impacts are defined at the level of the material topics and described in the respective sections.

Approval and monitoring

The sustainability strategy was approved by the Board of Directors. The Executive Board is responsible for meeting the targets defined based on the strategy. Both bodies are informed biannually on target achievement.



STRATEGIC THRUST

COMMITTED TO CUSTOMERS

TKB is the bank of the people and the economy in the Canton of Thurgau. We are a reliable partner for private individuals, companies, industry and the public sector. We are working to develop our comprehensive range of financing, investment, pension and payment products and services in line with customer needs. We are adding sustainable offers to expand our range of products and services in a targeted way. We provide holistic advice to our customers and are at their side throughout their lives.

MATERIAL TOPICS

[GRI 3-2]

- Responsible advisory services
- Customer orientation
- Sustainable products and services
- Sustainable finance

ASPIRATION UNTIL 2030

Our commitment is based on the Paris Agreement that aims to limit the global temperature increase to 1.5 degrees. We take this into account when designing products and processes and we raise customer awareness of sustainability. We disclose the impact of investment products on the environment and society. We incorporate ESG criteria into financing offers (ESG: environment, social, governance).

RESPONSIBLE TOWARDS EMPLOYEES

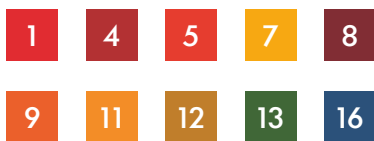
TKB is an attractive employer and training provider. We embrace equal opportunity and promote a work-life balance at all levels. We train young talent and give targeted support to employees in their career development. Everyone can assume responsibility, contribute ideas and actively shape their working environment. The bank is convinced: it can achieve more as a team.

[GRI 3-2]

- Responsibility as an employer
- Diversity and equal opportunity

We want to offer our employees a contemporary and attractive working environment, both now and in the future. Employees recommend us as an employer. The percentage of women in managerial positions is markedly higher than in 2021.

UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)



The individual Sustainable Development Goals (SDGs) are outlined on page 121.



STRATEGIC THRUST

EMBEDDED IN SOCIETY AND THE REGION

TKB is committed to the economy and society in the Canton of Thurgau. We support culture and popular sports and are particularly active in promoting young talent. We take suppliers in our region into consideration and prioritize sustainable products and services. We value responsible, contemporary corporate governance and attach great importance to information security, cyber security and data protection.

MATERIAL TOPICS

- [GRI 3-2]
- Economic performance
 - Corporate governance
 - Information security, cyber security and data protection
 - Procurement
 - Commitment to the region

ASPIRATION UNTIL 2030

We stay true to our sustainable business model. We contribute to the canton's economic stability and development through profit distribution. All bank events are subject to sustainable criteria and all sponsorship partners observe sustainability standards on these occasions. We apply defined sustainability principles to procurement. TKB team employees perform many charitable activities every year.

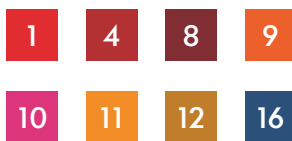
GENTLE ON THE ENVIRONMENT

TKB embraces a gentle approach to the use of resources and aspires to achieve net zero GHG emissions. In environmental management, we measure the consumption of energy and resources and make an ongoing effort to reduce our consumption. We want our operations to impact the environment as little as possible and we develop suitable measures to that end.

- [GRI 3-2]
- Climate and GHG emissions
 - Energy consumption
 - Waste and resource management

We are reducing our greenhouse gas emissions (GHG reduction pathway). Our aim is to reduce GHG emissions by 35 percent relative to 2019 and decrease energy consumption from non-renewable sources by 38 percent. We support a high-quality climate protection project commensurate with the total amount of remaining GHG emissions. Our commitment is based on the Paris Agreement, which aims to limit the global temperature increase to 1.5 degrees, as well as the Swiss guiding concept of the 2,000-Watt Society.

UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)



The individual Sustainable Development Goals (SDGs) are outlined on page 121.

Sustainability management

TKB aims to integrate sustainability into all the bank’s activities. To achieve that, the bank bases its sustainability management on the broad-based participation of various committees, departments, teams and specialist units.

Sustainability Office

The Sustainability Office is the nerve center of the sustainability topic. It is part of the “Strategy, Innovation, Sustainability” department and embedded in the bank management division, which reports to the Chief Executive Officer. The Sustainability Office steers the sustainability strategy process, coordinates the implementation of measures, actively structures the development of the bank’s sustainable commitment, annually monitors progress and ensures transparent reporting. It is also the first point of contact for internal and external stakeholders to ask questions about sustainability. TKB has had a Sustainable Real Estate Office since 2022, which provides support to the Sales department on energy topics related to real

estate and ensures that sustainability aspects are taken into consideration in real estate appraisals.

Clearly defined responsibilities

Responsibility is clearly defined for each key topic. If the topic can be processed independently by an existing organizational unit, a subject matter expert is selected from that organizational unit. The bank has set up working groups for interdisciplinary topics. Both the subject matter experts and working group heads are responsible for target achievement in the relevant material topic, coordinate the measures and provide ideas for the bank’s sustainable development. They are in continual exchange with the Sustainability Office, which ensures the flow of information among the differ-

Material topic	Responsible organizational unit
Responsible advisory services	Advisory Services and Sales
Customer orientation	Market Communication
Sustainable products and services	Product Management and Digital Channels
Sustainable finance (ESG integration)	Strategy, Innovation, Sustainability; Treasury
Diversity & equal opportunity	Human Resources
Responsibility as an employer	Human Resources
Economic performance	Strategy, Innovation, Sustainability; Treasury
Corporate governance	Strategy, Innovation, Sustainability
Information security, cyber security and data protection	Compliance
Procurement	Marketing
Commitment to the region	Marketing
Climate / GHG emissions	Strategy, Innovation, Sustainability
Energy consumption	Real estate
Waste and resource management	Real estate

ent working group leaders and subject matter experts.

Role of the Board of Directors

As the supreme strategic management body of TKB, the Board of Directors approves the sustainability strategy. It formulates aspirations and targets for sustainability topics that break new ground in terms of TKB's sustainability strategy and approves the sustainability report. The Board of Directors assigns responsibility for its implementation to the Executive Board. For this, it is supported by experts and different working groups. The Board of Directors evaluates its performance in the area of sustainability as part of its annual self-assessment; this is documented in writing.

The members and the Chairman of the Board of Directors are each appointed by the Grand Council for a four-year term of office; re-appointment is possible. The members of the Board of Directors are compensated for their work with a flat-rate fee that is not directly linked to the sustainability targets. Further information about the Board of Directors can be found in the [annual report](#).

As a general rule, the Board of Directors organizes its tasks in committees that have different competencies with respect to sustainability. As a preliminary advisory body, the Strategy Committee is responsible for the sustainability strategy and progress regarding the strategy as well as sustainability reporting (excluding climate reporting in accordance with the TCFD recommendations). As a preliminary advisory body, the Risk and Audit Committee is responsible for monitoring climate-related risks and climate reporting in accordance with the TCFD recommendations. A representative of the Board of Directors is always present at the meetings of the Sustainability Advisory Council of TKB. The Personnel Committee is responsible for the basic principles underlying the HR policy.

The Board of Directors is informed about the status of sustainability strategy implementation at regular intervals as part of company-wide strategy monitoring. This is done by the Chief Executive Officer with the support of the Sustainability Office. The Board of Directors also regularly addresses strategic issues related to sustainability.

All members of the Board of Directors attend regular training sessions on the topic of sustainability. When joining, new members of the Board of Directors undergo sustainability training sessions developed in collaboration with the School of Management and Law of the Zurich University of Applied Sciences (ZHAW) (see "Knowledge building" on page 24). Continuous checks are performed to establish which sustainability-related competencies are relevant for the members of the Board of Directors so that they can make well-informed decisions and meet their responsibilities. In the past reporting period, all members of the Board of Directors completed sustainability training with ZHAW; the sessions focused on sustainability policy, regulatory developments and sustainable finance.

The Board of Directors is also involved in dialog with stakeholder groups, either through the annual meetings with Thurgau's Governing Council, which is responsible for the bank's oversight, or at different bank events. If stakeholder groups raise critical concerns, they are brought to the attention of the Board of Directors via the institutionalized information channels. Moreover, attendance by a Board of Directors member at meetings of the Sustainability Advisory Council enables regular communication with proven experts.

Integration of climate risks into risk management

TKB is also impacted by climate change. Heightened credit or reputational risks, for example, could trigger higher value adjustments or result in higher costs. Societal expectations, including new legal requirements related to sustainability topics, can also impact the bank's business model. The sustainability risks as well as information regarding requirements and instruments for measuring these risks were incorporated into the enterprise-wide Risk Management Framework in 2023. Further information can be found in both the [climate report in accordance with the TCFD recommendations](#) as well as the risk management section of the annual financial statements, both of which are in the annexes to the [annual report](#).

Sustainability Advisory Council

TKB has had a Sustainability Advisory Council since 2021. The body comprises five external experts and monitors the implementation of the sustainability strategy. The mandate of the Sustainability Advisory Council is to critically review the bank's commitment and provide new ideas. The Sustainability Advisory Council also promotes an exchange of experiences and contributes to the further development of the sustainability strategy. The council meets three times per year. A representative of the Board of Directors, the Chief Executive Officer, the head of Corporate Development and the head of the Sustainability Office are present at each of the meetings.

Membership associations and participation in initiatives

TKB is a member of various associations and participates in various initiatives in the area of sustainability. The sustainability strategy and its measures are based on the commitments arising from these memberships and initiatives. All memberships in associations and participation in initiatives are shown on the TKB website and on the intranet for the staff. In the case of associations and initiatives of greater relevance to business operations, memberships and participation are announced through the media.

TKB made a binding commitment to its net-zero target in 2023. To reach this goal, it joined the Science Based Targets initiative (SBTi). The international climate protection initiative helps companies set ambitious, science-based reduction targets for greenhouse gas emissions. This helps TKB meet the climate-related disclosure requirements of the TCFD, among other things.

Participation in initiatives and memberships in associations are approved by the Executive Board. For this, the Executive Board specifies who is responsible for integrating the requirements into the operational business and how progress is monitored. The relevant experts in charge of operational implementation decide on the formal assignment of duties (process integration, directives). In those instances where implementation takes place via policies, they are approved by the Executive Board. If the duties entail any implications for business partnerships, these partnerships are made contingent on requirements and regulated contractually where necessary. That is how procurement is handled, for example. Details on integrating the different requirements are contained in the relevant sections on the material topics.

Obligation to observe human rights

TKB pledges to respect human rights and structures its business operations in compliance with national and international standards on human rights. This is enshrined in the Code of Ethics (Code of Conduct), which was approved by the Board of Directors in 2023 and then published. That means the bank observes human rights, including the prevention of child labor, in connection with the procurement of goods and services, when making investment decisions and when performing credit checks. TKB refers to the UN Guiding Principles on Business and Human Rights as well as the international human rights provisions binding on Switzerland (including the core labor standards of the International Labour Organization (ILO)). The bank uses a risk-based approach to identify and define the risks of human rights violations and takes a stand to prevent, put an end to and mitigate the impact of such violations. Complaints regarding potential human rights violations, like other violations related to compliance or integrity, can be addressed to TKB via the appropriate channels (also see “Communication of critical concerns”, page 18). TKB’s expectations of suppliers with respect to upholding human rights, including the exclusion of child labor, are set out in the Sustainable Procurement Principles and the Code of Ethics (Code of Conduct). TKB has recently begun requiring all suppliers with a procurement volume of CHF 10,000 per year or higher to sign a Sustainability Declaration. By signing this declaration, the suppliers pledge to comply with the minimum social and environmental requirements (also see “Procurement”, page 67).

Important partners in sustainability management





TKB works with many partners to manage the relevant sustainability topics. The partners and type of partnership are defined according to the situation and by topic. Relevant partnerships related to the topic of sustainability include those with Zurich University of Applied Sciences (ZHAW) for sustainability training, with myclimate for implementing climate protection projects and with MSCI ESG for the fundamental data used to determine GHG emissions from investments. Other partners with the potential for offering attractive financing products and services are the “Energieberatungsstelle des Kantons Thurgau” (Energy Advice Center of the Canton of Thurgau), the “Verein Energiefachleute Thurgau” (Association of Energy Experts Thurgau), the “Verein Kompetenz-Zentrum Erneuerbare Energie-Systeme Thurgau” (Competence Center for Renewable Energy Systems Thurgau), Maschinenring Ostschweiz AG (an agricultural organization) and Solarwert Thurgau. Details on the partnerships are outlined in the respective sections on the material topics.

Initiatives and associations	Description
<u>2,000-Watt Society</u>	The guiding principle of EnergieSchweiz focuses on reducing GHG emissions, energy efficiency and the use of 100 percent renewable energy. It aims to achieve a primary energy requirement per person of 2,000 watts per annum. TKB's environmental management system aligns with this guiding principle.
<u>Energy Agency of the Swiss Private Sector (EnAW)</u>	Founded by Swiss business organizations, this association helps participating companies establish energy consumption reduction targets as well as reach agreements with the Confederation, implement measures aimed at achieving those targets and report on their energy consumption. TKB joined the program in 2019.
<u>The Confederation's energy saving alliance</u>	The Confederation's initiative unites organizations that support efforts to safeguard a secure supply by voluntarily taking measures to use energy both more efficiently and sparingly. TKB is one of around 500 members.
<u>Greenhouse Gas Protocol (GHG Protocol)</u>	The internationally recognized standard enables organizations to comprehensively inventory their GHG emissions, which are broken down into three different scopes. TKB has been using this standard to prepare an inventory of its GHG emissions since 2015.
<u>Global Reporting Initiative (GRI)</u>	The Global Reporting Initiative (GRI) Standards are the world's most common interdisciplinary standards for sustainability reporting. TKB has applied the GRI reporting standards since 2014.
<u>Paris Agreement</u>	The 2015 Paris Agreement aims to limit average global warming to well below 2 degrees Celsius compared with pre-industrial levels. Switzerland ratified the agreement in 2017; TKB has aligned its sustainability strategy accordingly.
<u>öbu – Swiss Business Council for Sustainable Development</u>	öbu is committed to a prosperous economy in compliance with ecological and social principles. Since 2014, TKB has valued inter-sectoral exchange as a member of öbu.
<u>Paris Agreement Capital Transition Assessment (PACTA)</u>	Financial service providers use PACTA-based climate goal alignment tests to assess whether their investments and financing align with the Paris Agreement. TKB regularly participates in climate goal alignment tests.
<u>Partnership for Carbon Accounting Financials (PCAF)</u>	This initiative for measuring and disclosing GHG emissions caused in connection with loans granted and investments made is led by the financial industry. It has provided TKB with a framework for describing its flows of capital since 2022.

Initiatives and associations	Description
<u>Principles for Responsible Investments (UN PRI)</u>	Six principles promote responsible investments. This sector-based initiative is supported by the United Nations. TKB pledged to uphold the principles in 2021.
<u>Swiss Bankers Association (SBA)</u>	The Swiss Bankers Association (SBA) is the umbrella association of banks in Switzerland with about 260 member institutions from the various banking groups and other financial service providers. It represents the interests of the Swiss financial center vis-à-vis politicians, the authorities and the general public. TKB is a member.
<u>Science Based Targets initiative (SBTi)</u>	This initiative helps businesses set science-based targets for reducing their GHG emissions to “net zero.” TKB aligned itself with the initiative’s net-zero standard in 2023.
<u>Sustainable Development Goals (SDGs)</u>	The 2030 Agenda of the United Nations (UN) contains 17 Sustainable Development Goals. With 169 targets, they cover the economic, social and environmental dimensions. TKB factored in this goal-based system when formulating its current sustainability strategy.
<u>Swiss Sustainable Finance (SSF)</u>	The Swiss Sustainable Finance Association aims to establish Switzerland as a leading sustainable financial services center. TKB has been on board as a founding member since 2014.
<u>swisscleantech</u>	This business association lobbies for a political framework that promotes efficient technologies and climate-friendly business models. The members are committed to achieving a CO ₂ neutral Switzerland by 2050. TKB has been a member since 2020.
<u>Task Force on Climate-related Financial Disclosures (TCFD)</u>	This initiative for reporting climate risks and climate opportunities is spearheaded by the financial industry. TKB’s climate reporting has been aligned with the Task Force’s recommendations since 2021. The climate report in accordance with the TCFD recommendations is being published for the first time in 2024 as an annex to the annual report.
<u>Association of Swiss Cantonal Banks (ASCB)</u>	The cantonal banks joined forces in 1907 when they formed the Association of Swiss Cantonal Banks (ASCB). The ASCB represents the joint interests of its members, promotes cooperation among its members and helps strengthen the position of cantonal banks in Switzerland.

Sustainability ratings

Specialized rating agencies evaluate TKB's commitment to sustainability on a regular basis.

Rating agency	TKB's rating	Description	Rating from
	B	<p>With a total rating of "B", Swiss rating agency Inrate certifies that TKB has a "positive impact on environment and society".</p> <p>Inrate's rating scale comprises the levels D- (very negative impact on environment and society) to A+ (very positive impact on environment and society).</p>	31 Aug. 2023
	A	<p>With a total rating of "A", the world's biggest rating agency MSCI ESG assesses TKB's ability to manage the most significant ESG risks and opportunities as "average" relative to industry peers.</p> <p>MSCI ESG's rating scale comprises the levels CCC (laggard) to AAA (leader).</p>	28 Nov. 2023
	C-	<p>With a total rating of "C-", international rating agency ISS ESG rates TKB's ability to successfully manage its specific ESG risks along the value chain as well as to capitalize on opportunities arising from transition processes as "medium".</p> <p>ISS ESG's rating scale comprises the levels D- (poor) to A+ (excellent).</p>	2 Aug. 2023
	26.9 (medium risk)	<p>With a total rating of "26.9 (medium risk)", international rating agency Sustainalytics considers the risk of material financial impacts driven by ESG factors on TKB's enterprise value as "medium".</p> <p>The Sustainalytics rating scale comprises the levels 40+ (severe risk) to 0-10 (negligible risk).</p>	10 Feb. 2023

Dialog with stakeholders

TKB fosters an active, collaborative and candid approach with its internal and external stakeholders. Particularly important to the bank are exchanges with those stakeholders that are closely affiliated with it or else either materially impacted by or in a position to influence the bank’s business operations. TKB engages in ongoing dialog with its stakeholders to find out what they expect of the bank and which topics are on their minds. TKB would like to understand its stakeholders’ specific point of view so that the bank can address it effectively. The extent and nature of the dialog varies according to the stakeholder group. Different communication channels are used for this dialog. Events organized by the bank are also an important format for the bank to come into contact with its stakeholder groups and encourage communication.

Through memberships in associations and participation in initiatives (see the table starting on page 12), TKB makes active contributions in an effort to cluster common interests – whether

within the sector or across sectors. Corporate sustainability is the overarching topic of this regular exchange with other companies and social actors.

As a state institution under public law, TKB is politically neutral and provides no funding to political parties or individual politicians. TKB promotes its interests on sustainability-related topics, among other things, through memberships in associations and participation in a variety of initiatives (see the overview on page 12).

Stakeholders can follow the progress of TKB’s sustainability commitment through various channels. Relevant information is accessible, for example, in the GRI sustainability report and on the bank’s website. Stakeholder groups can also contact the Sustainability Office directly; its contact details can be found on the website. TKB also regularly organizes events on sustainability-related topics, especially for employees and customers.

Relevant stakeholders and their concerns

Stakeholder group	Dialog formats and concerns
Customers	TKB engages in customer dialog through different channels. First and foremost of these is personal contact, mainly in the form of advisory sessions. Bank events also provide a popular platform for exchanging information on a variety of topics including investing and pension provision, for example. Other customer contact channels include the electronic customer portal “OLIVIA”, the bank’s website and the customer service center, which can be contacted via telephone, e-mail or chat. TKB is also active on social media, where it cultivates dialog with interested persons. Customers’ top priorities include transparent and understandable product information, professional advisory services aligned with personal requirements, investment security, customer privacy and the availability of sustainable products and services.

Stakeholder group	Dialog formats and concerns
Owners	<p>The Canton of Thurgau is the majority shareholder of TKB. Responsibilities for political oversight are split between the Governing Council and cantonal parliament, Thurgau Grand Council (Grosser Rat). Preliminary discussions regarding the bank's annual report and the climate report in accordance with the TCFD recommendations by a Grand Council committee represent an important opportunity for cultivating dialog. The resulting message from the Governing Council to the Grand Council shows that financial stability and comprehensive and contemporary risk management at TKB are important to the government and parliament. There are also annual meetings between the Board of Directors, the Executive Board and cantonal government to discuss the general course of business and strategy. The Governing Council also approves the remuneration policy for the Board of Directors and is informed about the remuneration policy for the Executive Board members.</p> <p>TKB has been listed on the Swiss Exchange with participation certificates (PC) since 2014. The owners of the PCs, many of whom are from the canton, are another of the bank's important stakeholder groups. TKB holds a participants' meeting for them every year on a voluntary basis where the bank's management reports on the course of business and current developments at the bank.</p>
Employees	<p>As an employer, TKB favors straightforward communication with staff – across all hierarchical levels. Open doors, being on a first-name basis and the decision to refrain from the use of ranks all contribute greatly to ensuring that communication takes place on an equal footing. The bank welcomes employees contributing ideas via a suggestion system or making individual contributions to the implementation of corporate goals and to personal development through regular dialog with supervisors. Moreover, TKB conducts regular employee surveys to measure employee satisfaction and commitment and to provide information to help it consistently develop the company and its leadership culture along team-based lines. Employees are particularly interested in working conditions, work-life balance, equal opportunities in the workplace and performance-based compensation. The bank enables the staff to learn more about the role of the bank as a sustainable company and contribute relevant ideas through the annual sustainability event for employees.</p>

Stakeholder group	Dialog formats and concerns
Analysts and media	TKB cultivates an active information policy based on continuity and openness. An important part of that is personal contact with analysts and the media. The bank provides transparent and comprehensive information on its business operations – including its commitment to sustainability – through its annual report, the climate report in accordance with the TCFD recommendations and the GRI sustainability report. It answers individual inquiries promptly and appropriately. Analysts and the media value the bank’s readiness to provide information as well as the consistent availability of information for corporate decision-making – including on the topic of sustainability.
Suppliers and business partners	TKB maintains personal contact with its business partners and suppliers. As part of this, it raises awareness of its sustainable procurement principles and integrates sustainability-related aspects into its procurement contracts. It conducts surveys to find out more about the concerns of its suppliers. The bank’s business partners and suppliers are interested in long-term and collaborative relationships, with other important factors including selection criteria, order security and punctual payment.
Sponsorship partners	TKB is in personal contact with sponsorship partners to liaise about the causes it supports. This includes addressing sustainability-related considerations and their inclusion in contracts. Long-term and trust-based relationships matter to the sponsorship partners and to the bank. The partners value the bank’s financial support as well as the exchange of knowledge and experience.
Associations and initiatives	TKB is a member of several associations, including organizations specializing in sustainability-related topics. The bank is also guided in its actions by national and international initiatives, which address socio-political and environmental issues. All commitments revolve around an exchange of knowledge and experience as well as cooperation within the sector and beyond.

Communication of critical concerns

Critical concerns can be conveyed to TKB via different channels. Employees can report suspected violations of internal directives and regulations or of laws and regulatory requirements either to supervisors, to Compliance or to the external Whistleblowing Hotline. The Whistleblowing Hotline is set up at a Swiss law firm located outside the Canton of Thurgau in order to minimize the potential for conflicts of interest. The Hotline is to be contacted if a report to the supervisor would be inappropriate or if no action is taken following a report to an internal office. Reports to the Whistleblowing Hotline can be anonymous. Even if the communication is not anonymous, the person in question is not revealed by the external reporting office. If the external reporting office considers the matter relevant, the requisite information is relayed to the Head of Compliance at TKB who will open an internal investigation. The Whistleblowing Hotline is informed when an investigation is opened.

In the event of sexual harassment, bullying, discrimination or transgressions, anybody affected by or aware of such behavior as well as the individuals accused of this conduct can contact supervisors, HR consultants or the external employee counseling service MOVIS AG. Prior to initiating any formal complaints procedure, employees are advised to meet with HR advisor consultants to discuss the possibility of a complaints procedure and the process involved. There are no repercussions for any individuals who seek such a consultation or raise any complaints. The complaints procedure is subsequently launched by the Head of HR, who appoints an external office to conduct the process.

Customers can contact their advisor if they have questions, complaints or critical concerns, either in person or by mail, e-mail or telephone. Alternatively, they can use e-banking or the contact form on the bank's website to get in touch with TKB. TKB systematically enters this customer feedback into a database with a note on how the issue was dealt with. There is a set process that specifies which customer responses must be submitted to other competent parties. The Executive Board receives an evaluation of all complaints and concerns every month and follows up on any outliers. The Chief Executive Officer informs the competent Board of Directors committee (the Bank Committee) about complaints and concerns when necessary and, in agreement with the committee, possibly the entire Board of Directors.

The customer is also free to contact other offices, such as the Banking Ombudsman or the Swiss Financial Market Supervisory Authority (FINMA).

The public communication channels to TKB that are available to customers in Switzerland can also be used by all stakeholders. Complaints brought via the Banking Ombudsman or FINMA to TKB are dealt with on a case-by-case basis.

Material topics

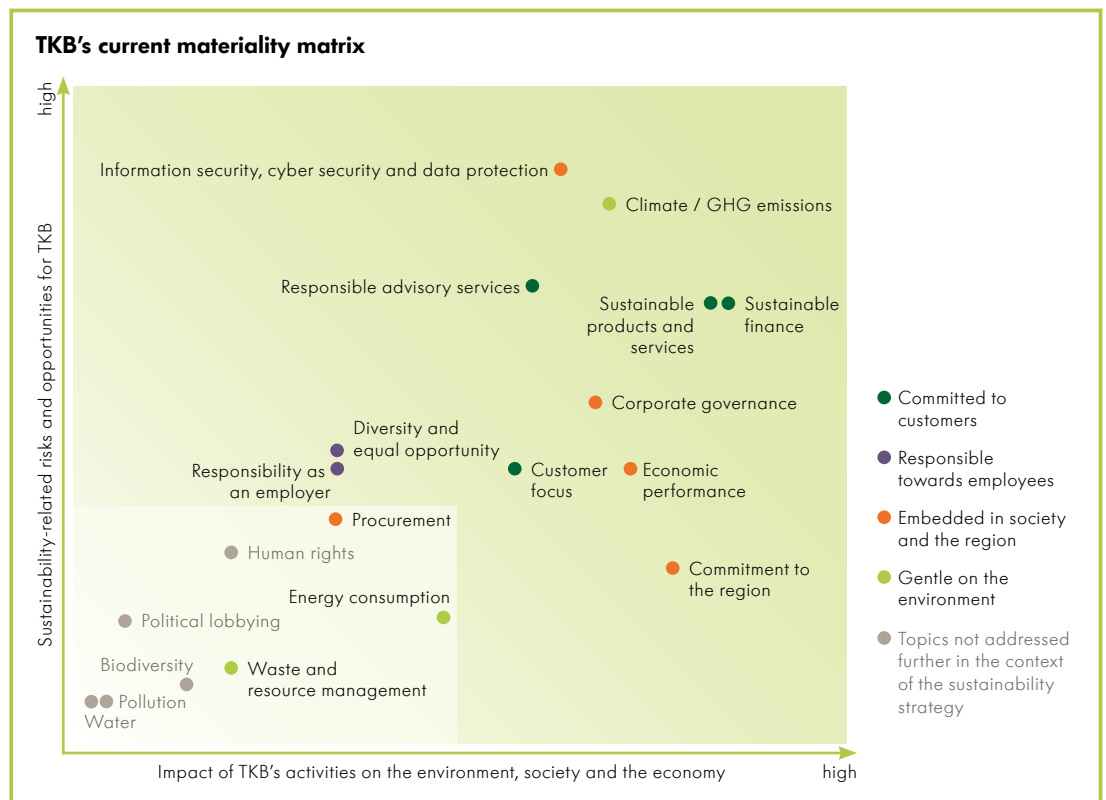
[GRI 3-1] TKB would like to set the right priorities through its sustainable actions. It has defined material topics to that end. For the sustainability strategy revision in 2020, the bank defined 13 topics where its actions have the biggest impact on the environment, society, the economy and human rights. TKB's sustainability-related risks and opportunities were also analyzed in 2023 and another material topic (information security, cyber security and data protection) was identified based on that analysis. That means TKB's 14 material topics are now based on a double materiality assessment. The updated materiality matrix was approved by the Executive Board and acknowledged by the Strategy Committee.

Each material topic is assigned to a strategic thrust. This report demonstrates the sustainability-related risks and opportunities for each material topic (outside-in perspective) and TKB's impact is described for each strategic thrust (inside-out perspective). The bank has also formulated specific targets for each material topic and defined suitable measures for those targets. The bank issues a public report once per year on the implementation of the measures and progress regarding target achievement in its GRI sustainability report and internally through a biannual strategy update.

The assessment of the impact of the bank's business activities covered the entire value chain: first to be evaluated were processes involving the procurement of goods, such as cooperation with financial services providers and suppliers. Within the bank, the processes analyzed included real estate management and the operation of branch offices. The focus then shifted to the impact of loans granted and investors' funds. Current sustainability standards, international and national targets as well as benchmarking against top-performing companies were used as metrics for the qualitative analysis. TKB evaluated the scope, degree of severity and probability of the effects for the topics examined. The topics were also assessed with regard to their signif-

icance for 15 stakeholder groups, from employees through suppliers, non-governmental organizations and sponsorship partners to customers and owners. The bank discussed and validated the topics emerging from this process with over 30 internal and external attendees at its sustainability forum in the fall of 2020.

In 2023, the sustainability-related risks and opportunities were evaluated for all topics listed in the materiality matrix. To that end, TKB used the same method to evaluate the risks as it does for evaluating all relevant risks for bank-wide risk management. The risk assessment describes risk scenarios and their potential effects. This assessment looked at the potential for damage, the probability, the impact on the bank's reputation and the implication for the bank's overall risk. The risk scenarios were then assigned to the various material topics. When assessing the opportunities, they were evaluated in terms of their extent as well as the probability of the opportunity being seized. The risk and opportunity analysis was validated at an in-house workshop. The results of both evaluations were compiled and weighted when consolidating the risk-based and opportunity-based perspectives. The Sustainability Office was in charge of the process; it was supported by Corporate Development, Risk Control and Compliance. The material topics were identified with the help of an advisory firm that specializes in sustainability.



TKB's sustainable commitment focuses on 14 material topics. These are the sustainability-related topics where the bank's business activities have the greatest impact on the environment, the economy and society (horizontal axis) and which harbor particularly significant risks and opportunities for TKB's business activities (vertical axis). Each material topic is allocated to a strategic thrust and categorized by color in the materiality matrix.

Sustainable Development Goals (SDGs)

TKB is aware of the current global challenges facing sustainable development. The bank accepts its responsibility to contribute to economic development, promote the well-being of people and protect natural resources and aligns its conduct with the SDGs – the 17 global goals with 169 targets covering the economic, social and environmental dimensions.

In order to identify which SDGs are impacted most by TKB's business activities in general as well as its sustainability-related activities in particular, the bank designated the SDGs as material topics when formulating the strategy. Eleven SDGs stood out as goals toward which the bank can and wants to make a specific contribution through its current sustainability strategy (see Overview on page 121 of the Annex).



Strategic thrust

"Committed to customers"

TKB is the bank of the people and economy in the Canton of Thurgau and accompanies its customers throughout their lives. It is a reliable partner for private individuals, industry, companies and the public sector. The bank provides holistic, personal and competent advice and offers services that provide long-term benefits and help ensure that the financial system is sustainable. It offers customers a comprehensive range of products and services in the area of finance, investing and pension provision and develops these offerings in line with its customers' needs. The range of products and services is expanded in a targeted way through the addition of sustainable offers. With its dense branch network and a steadily broader digital offering, the bank meets its customers' need for proximity and professionalism.

Impact of business activities

As a locally based financial institution that is close to its customers and offers a comprehensive range of products and services in the areas of finance, investing and pension provision, TKB is in a position to contribute toward a more sustainable financial system, economy and society. At the same time, as a financial services provider, the bank makes the biggest impact through its products and services. In that knowledge, the bank includes environmental and social aspects (including human rights) in its investment policy and credit checks, rewards environmentally friendly behavior through its products, such as the energy mortgage, and promotes the financing of socially and environmentally friendly projects by offering preferential conditions. By offering sound, personal and customer-oriented ESG advice, the bank influences its customers' decision-making by pointing out socially and environmentally friendly solutions and providing support to companies as they transform their business models. The inclusion of sustainability risks (ESG risks) in the financing process also reduces the risk of TKB's assets losing value

through physical or transition risks. Climate-friendly products, for example, reduce the risk that unrenovated properties remain in the loan portfolio long-term. Finally, the bank cultivates ties with its customers by meeting their needs and, in doing so, laying the foundation of a long-term customer relationship.

Expectations of the bank

Generally speaking, stakeholder groups expect the financial sector to contribute to sustainable development by steering flows of capital towards sustainable, forward-looking solutions. Investors and customers are not the only ones looking for sustainable investment opportunities or financing for a sustainable project, such as energy efficiency home renovations. Political and social organizations are also demanding that the financial sector reduce GHG emissions and uphold human rights in connection with their portfolios. TKB is additionally expected to offer competent advisory services on sustainable products and services to meet customers' current needs. Compliance with regulatory developments should not be forgotten either: one



of the measures decided on by the Federal Council to achieve a sustainable Swiss financial market is obligatory reporting on climate issues. At cantonal level, Thurgau's climate strategy involves issuing specific requirements for institutions closely connected to the canton. SwissBanking also has two self-regulation regimes in the areas of customer advisory services and the incorporation of sustainability criteria.



The individual SDGs are outlined on page 121.

Material topic

Responsible advisory services

Advisor training and customer education represent important building blocks in efforts to develop sustainability awareness in society. Financial institutions like TKB play a major role in economic growth and prosperity that benefits everyone by enabling discrimination-free access to financial services. The bank supports the development of sustainable communities and infrastructure and enables future-oriented entrepreneurship by granting mortgages and loans.

TKB accompanies its customers throughout their lives with comprehensive and transparent advice on products and services. The bank enables its advisors to provide ESG advice and raises awareness of sustainability issues among its customers, thereby strengthening demand for sustainable financial products and promoting a sustainable economy. By providing responsible advisory services, TKB helps prevent poverty through over-indebtedness or excessive risk-taking.

Main targets up to 2025

- The bank advises its private customers systematically and according to their needs. It does so by taking ESG criteria into consideration – especially in the areas of building, renovating and investing
- TKB systematically addresses ESG topics with its business customers to raise awareness and define their needs
- TKB has empowered its advisors to provide ESG advice

Target achievement status at the end of 2023

- All employees have been trained on the basic principles of sustainability
- All advisors have been empowered to provide ESG advice
- The bank advises its private customers systematically and according to their needs. It does so by taking ESG criteria into consideration – especially in the areas of building, renovating and investing
- TKB addresses ESG topics with its business customers to raise awareness and define their needs

Next steps (2024)

- Continuation and further development of sustainability training
- Further development of the advisory process and corresponding tools – specifically, stronger integration of the renovation and CO₂ calculator for real estate
- Implementation of various awareness-raising measures for private customer advisors, SMEs and large companies and, in collaboration with Pro Senectute, for senior citizens

Management approach

TKB has a systematic advisory process enabling it to cover as many of its customers' individual needs as possible and do so over the long term. ESG advice and, as a result, the topic of sustainability are embedded in this advisory process. Here, the bank attaches particular importance to the use of responsible sales practices. In its investment advisory services, for instance, the bank determines customers' risk capacity and helps them select an investment strategy that enables them to reach their financial targets at the lowest possible level of risk. Advisors

receive training specifically on these topics, which also form part of the certification awarded by the Swiss Association for Quality (SAQ). To avoid creating the wrong incentives or prevent conflicts of interest from arising in the advisory process, TKB refrains from offering its advisors any commissions that are directly linked to sales targets. The quality of the advice provided is ensured through regular customer surveys and the attendance of supervisors and specialists at advisory meetings. The topic of sustainability is additionally addressed at meetings with companies in order to proactively raise aware-



ness of the topic of sustainable corporate governance among business customers while simultaneously addressing the risks and opportunities inherent in their current business models.

All TKB employees up to and including the members of the Board of Directors, have undergone comprehensive and appropriate training on the topic of sustainability (further details can be found later in this section). This ensures that ESG topics are addressed in a systematic manner with private customers, business customers and institutional customers.

Both of SwissBanking's self-regulation guidelines – the “Guidelines for financial service providers on the integration of ESG preferences and ESG risks into investment advice and portfolio management” and the “Guidelines for mortgage providers on the promotion of energy efficiency” – have been implemented within TKB. The directive governing the investment business, etc. has been amended as a result. Generally speaking, sustainability is an integral part of training programs and directives.

ISO certification

All advisors are certified, regardless of whether they advise companies and commercial enterprises or private individuals. As a Client Advisor Bank certified in accordance with ISO Standard 17024 under the SAQ certification system, TKB ensures that its advisors' professional knowledge is up to date and of high quality.

Knowledge building

TKB focuses on ongoing knowledge building for all its employees to ensure that advisors can advise their customers in line with ESG criteria, including in the areas of building, renovating, sustainable corporate governance and investing. The bank has a three-level training concept in place for this. All employees complete the basic training. The two more advanced levels must be completed by employees who regularly deal with the subject of sus-

tainable finance in their everyday work, for example when advising private or business customers or for departments closely connected to sales. The training is conceived so that the knowledge is delivered in different formats that are appropriate for the function in question. Learning performance is checked after every level. Sustainability training also forms part of the onboarding process for new hires. The adaptation and expansion of the training is reviewed at regular intervals. The School of Management and Law at Zurich University of Applied Sciences (ZHAW) assists TKB with the preparation and monitoring of this training.

Cooperation

The Canton of Thurgau and TKB are both committed to raising energy efficiency and using renewable energies. Homeowners receive advice on energy and renovation potential as part of the cooperation with public energy advice centers. The service is free of charge, regardless of whether they have a business relationship with TKB. A collaborative arrangement also exists with the association *Energiefachleute Thurgau* (Association of Energy Experts Thurgau; EFT). TKB customers interested in making energy efficiency renovations to their own home or in building a new home will receive a Cantonal Energy Certificate for Buildings (CECB) report at no charge. A similar service exists for business customers, as well, through collaboration with the *Kompetenzzentrum Erneuerbare Energie-Systeme Thurgau* (Competence Center for Renewable Energy Systems Thurgau; KEEST). This cooperation will be used to promote SMEs' installation of proprietary photovoltaic production plants. KEEST prepares feasibility studies for SMEs with potential for the installation of these systems and refers them to TKB to review financing options and make a financing offer. Further information on energy advisory services can be found on [TKB's website](#).



Organization

Responsibility for the material topic “Responsible advisory services” lies with the Advisory Services and Sales department in the Market Services business area. This department is responsible for ensuring that the advisory process and advisory tools include the defined sustainability topics and that they can be addressed adequately. Furthermore, the department coordinates the work of specialist units that influence the advisory process and advisory tools. Content-related development is handled by the responsible departments. Managers and their teams are responsible for implementing measures and compliance with processes. The Sustainability Office in cooperation with the HR department is responsible for building employees’ knowledge of sustainability.

Sustainability-related risks

Ensuring that customers are adequately advised of the risks relevant to them and that the risks entered into correspond to the customer’s risk capacity is an integral part of providing responsible advisory services. There is a danger that customers might be inadequately informed about risks and, ultimately, that their investments could deviate from their risk capacity and ESG preferences. If affected customers lose some of their assets or generate fewer earnings as a result, this can culminate in either claims for compensation or the termination of business relationships. TKB considers these risks to be fairly low since it took risk-mitigating steps. Those steps include, in particular, the standardized advisory processes supported by digital tools (the Omnium advisory tool), employee training in sustainability topics as well as directives and other in-house specifications.

Sustainability-related opportunities

Providing responsible advisory services to customers is an area that opens up opportunities that TKB actively seizes. Integrating ESG topics into the advisory services provided to private and business customers opens up additional earnings potential for the bank – particularly when it comes to building, renovating, investing and sustainable corporate governance. Not only can TKB support business customers as they transform their business models but responsible advisory services strengthen customers’ trust in TKB as well.

Measures and activities

TKB collaborated with the School of Management and Law at Zurich University of Applied Sciences (ZHAW) during the period under review to successfully implement the three-level sustainability training initiative. All employees attended the basic training (Level 1), around 470 employees completed the advanced training (Level 2) and another 370 employees – mainly advisors and sales-side organizational units – successfully passed the application training sessions (Level 3). Learning performance is checked after every level. New hires complete these training sessions on an ongoing basis as part of the onboarding process.

TKB conducted a preliminary study and an implementation project during the period under review to ensure compliance with the requirements of SwissBanking’s “Guidelines for financial service providers on the integration of ESG preferences and ESG risks into investment advice and portfolio management”. The advisory process was adapted to enable the sustainability preferences and risk profiles of all customers (natural persons and legal entities) to be documented. For this, changes were made to the core banking system and the Omnium advisory tool. In investing, ESG preferences are surveyed and the ESG characteristics and risks of the investment solutions are communicated not only in the “Omnium” advisory tool, but also when opening up products in the “OLIVIA” self-service



offering, in the subscription certificate of the investment plan in the core banking system and when asking customers about their knowledge and experience. Incorporating this into the advisory process helps ensure a systematic approach is used for making customers aware of ESG preferences and risks. In addition to comprehensive sustainability training, the employees concerned receive training on any changes made to the tool. Existing customers of TKB were additionally informed about the changes to be rolled out at the end of the period under review. Self-regulation was therefore implemented in a timely manner.

The renovation and carbon calculator for real estate was integrated into both the advisory process and the advisory tools. The calculator will soon be available on TKB's website, as well. This calculator will let anybody curious about their property's energy needs, renovation requirements and CO₂ emissions calculate these figures themselves. The bank provided training to all advisors on how to use the renovation and CO₂ calculator. They were also made aware of the partner and product offerings (CECB support, energy mortgages, etc.) in the mortgage sector again on this occasion. These measures enabled the bank to implement Swiss-Banking's "Guidelines for mortgage providers on the promotion of energy efficiency" by the deadline.

Sustainability was integrated as a focus topic into meetings with companies in an effort to raise awareness among business customers, with the agenda of those sessions including issues such as the importance of sustainable corporate governance and sustainability-related risks and opportunities. The insights can then be used to extrapolate the company's priorities with regard to sustainability. Around 500 meetings were conducted with companies with this focus during the year under review. Customers appreciated TKB's proactive approach to the topic. When discussing energy efficiency building renovations with business cus-

tomers, advisors actively pointed out the energy partnerships.

Through its online platform brokermarket.ch, TKB offers mortgage brokers the opportunity to fully digitalize their processes with various lenders. A first-ever mortgage broker forum was held in collaboration with ZHAW during the year under review; the event's focus topic was sustainability. TKB also collaborated with ZHAW to develop a training initiative geared toward the mortgage brokers of brokermarket.ch. This training, which addresses sustainability topics related to the mortgage business, will be available to mortgage brokers and held for the first time in early 2024. With this initiative, brokermarket.ch and TKB hope to encourage mortgage brokers to learn about sustainability and empower them to address this topic when talking to customers.

Thurgauer Kantonalbank collaborates with Pro Senectute Thurgau. This politically and denominationally neutral professional and service organization is committed to the needs of the canton's senior citizens. The cooperative arrangement's goal is to pool the expertise of TKB and Pro Senectute Thurgau and ensure that offerings for senior citizens are available from a single source where possible, with an overarching goal of facilitating access to experts on financial matters and lifestyle management. The year under review saw the first targeted referrals between the organizations.



Target achievement status at the end of 2023

- *All employees have been trained on the basic principles of sustainability*
- *All advisors have been empowered to provide ESG advice*
- *The bank advises its private customers systematically and according to their needs. It does so by taking ESG criteria into consideration – especially in the areas of building, renovating and investing*
- *TKB addresses ESG topics with its business customers to raise awareness and define their needs*

The initial sustainability training initiative has been concluded successfully and all employees have received sustainability training. The advisors completed all three levels, including advisory-specific training, empowering them to integrate sustainability-related aspects into their advisory sessions. Sustainability training was added to the mandatory onboarding process for all employees.

The bank advises its private customers systematically and according to their needs. It does so by taking ESG criteria into consideration – especially in the areas of building, renovating and investing. TKB addresses ESG topics with its business customers to raise awareness and define their needs.

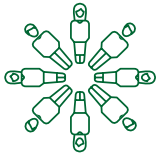
Next steps

The company-wide sustainability training initiative will be continued. TKB reviews on a regular basis which specific sustainability topics should be delved into in greater detail and whether new topics should be taught.

Expert talks will be held in collaboration with Minergie Schweiz in the first quarter of 2024 to raise awareness among private customer advisors. These will convey basic information on the topic of Minergie and Swiss labels that can be applied during financing sessions.

Additional modules will be rolled out in the “Omni-um” advisory tool to support the bank’s responsible advisory services. The renovation and CO₂ calculator for real estate will be improved on further and more strongly integrated into the advisory process in order to raise customers’ awareness of sustainability aspects of their properties and plan measures accordingly. The functionalities will be improved and expanded, enabling the bank to offer advice that better meets customers’ needs.

Business customers are also being made more aware of the topic of sustainability, including through a series of expert talks and the active promotion of advisory services relating to energy consumption analyses that can help customers optimize their operations.



The individual SDGs are outlined on page 121.

Material topic

Customer orientation

At TKB, customer proximity includes personal advisory services, a high level of visibility in the canton, accommodating services and the reliable and fast processing of orders. All this is based on the value proposition “For a lifetime”. TKB aims to achieve high customer satisfaction through this customer orientation.

Low-threshold access to sustainable financial services is a prerequisite for a sustainable economic system. TKB contributes to that. Another important aspect is conveying information on complex sustainability-related topics – like in the context of lending, for example. This enables customers to consciously make environmentally friendly decisions when building a house or renovating their home.

With its dense branch network and a strong digital offering, TKB wants to impress as an advisory and retail bank. Personal contact and the comprehensive self-service offering play an important part in that. The bank regularly checks customer satisfaction.

Main targets up to 2025

- TKB is the canton’s customer-oriented and reliable financial services provider
- Customer satisfaction is at least 8.5 (scale of 1 to 10)
- Customer loyalty – measured by their willingness to recommend the bank – is at least 8 (scale of 1 to 10)

Target achievement status at the end of 2023

- Customer satisfaction: 9 of 10 points (unchanged, measured every two years)
- Recommendation rate: 7.2 of 10 points (unchanged, measured every two years)

Next steps (2024)

- Launch of project to implement continuous measurement of customer satisfaction, rollout of feedback portal

Management approach

In accordance with the guiding principle “For a lifetime”, TKB actively strives to cultivate active customer relationships that put the customer’s life situation and needs first. Regular and personal contact strengthens the customer relationship. Customer feedback provides the bank with valuable information on how to develop the quality of its advisory services and improve customer satisfaction. This enables the bank to launch customer-centric innovation processes. TKB follows different approaches to achieve active and successful customer orientation.

Needs-oriented advice

TKB assigns all customers to a segment in order to work with them according to their needs. Moreover, the advice given by a suitable customer

advisor helps ensure the best-possible customer experience.

Physical and digital contact, accessibility

TKB is close to its customers. The dense branch network with 29 locations throughout the canton represents the bank’s physical proximity to its customers. With respect to accessibility, TKB constructs new buildings in compliance with the SIA 500 standard “Obstacle-free buildings.” If existing buildings are converted, they are retrofitted wherever possible. The customer portal “OLIVIA” offers a comprehensive digital self-service offering. “Omnium” is a digital tool used for providing personal advisory services since 2021. It supports holistic, customer-centric advisory services. TKB would like to offer easy-to-use and barrier-free services through its digital channels. The bank there-



fore applies ISO standard 9241, covering the ergonomics of human-computer interaction.

Customer reactions

TKB systematically gathers the reactions of its customers and responds to them according to a defined process. This is outlined in more detail in “Communication of critical concerns” on page 18.

Opinion surveys

TKB measures customer satisfaction and the public perception of the bank by conducting surveys at regular intervals. Every two years, for example, the bank participates in a survey conducted by the ASCB on customer satisfaction and the bank’s image to gain insights into how it is perceived by private and business customers. The bank also conducts its own survey every three years to find out about the public perception of its brand in the Canton of Thurgau. Finally, the bank has been inviting its customers since November 2021 to its digital idea laboratory, where they have an opportunity to take part in surveys, interviews and workshops. The idea laboratory is set up in “OLIVIA”, the customer portal, and is designed as a way of incorporating customers’ point of view into development projects. It also provides a platform where customer journeys (customer experiences and decision-making paths) are analyzed, new applications and advertising campaigns tested, and concepts validated.

Enabling employees

TKB creates the necessary conditions for its employees to be able to swap notes across departments on customer concerns and satisfaction. All advisors are equipped with the skills necessary for personal and customer-centric advice through annual training courses in compliance with ISO Standard 17024 (SAQ certification as a Client Advisor Bank) (see “Responsible advisory services” starting on page 23).

Organization

The “Customer orientation” material topic is coordinated by the bank’s Market Communication and Marketing departments. Their mandate is to create a good customer experience, both real and virtual.

Sustainability-related risks

For TKB, responding to customers’ needs and providing a comprehensive risk disclosure are fundamental aspects of the bank’s customer orientation. If customers suffer losses because of advice that is inadequately aligned with their risk capacity, this can lead to claims for compensation or termination of the business relationship. That, in turn, can result in damage to the bank’s reputation or low customer satisfaction. In light of steps it has taken to prevent this from happening, TKB considers these risks to be fairly low. These measures include the standardized advisory process, the use of digital tools, employee training as well as directives and other in-house requirements.

Sustainability-related opportunities

Embracing a customer orientation helps strengthen customer loyalty and secure additional earnings potential. TKB is well aware of this. Customer orientation is one of its corporate values and the bank’s strategy specifies value work – living and embedding the corporate values – as one of eight strategic priorities. It does this by regularly addressing customer orientation inside the bank, with one approach being to incorporate it into employee performance reviews.

Measures and activities

In a preliminary study on customer satisfaction, TKB identified which factors result in a high level of satisfaction, where the bank’s influence on it is largest and the best way to measure it. To do this, TKB reviewed the technical requirements and legal specifications and then, on that basis, drew up recommendations that will be addressed within the scope of a project to be launched next year. TKB will work with the Net Promoter Score (NPS) and



the Customer Satisfaction Score (CSAT) metrics for the time being. In light of the project's enormous complexity, a feedback portal for the documentation and in-house publication of measurement results will be set up first as an interim solution in 2024. A fully automatic system for measuring customer satisfaction is to be implemented in 2025.

The period under review saw TKB conduct regular user testing for the new e-banking system, both with customers and non-customers, as well as online surveys on both new and existing products and services.

Target achievement status at the end of 2023

- *Customer satisfaction: 9 out of 10 points (2021: 9 of 10 points, unchanged, measured every two years)*
- *Recommendation rate: 7.2 out of 10 points (2021: 7.2 points, unchanged, measured every two years)*

TKB invests on an ongoing basis in maintaining proximity to its customers, both in the provision of personal and holistic advisory services as well as in digital tools.

Earning a score of 9.0 (on a scale of 1 to 10), TKB was able to clearly outperform its target customer satisfaction score of 8.5 in ASCB's most recent private customer survey from 2021. That is the highest customer satisfaction rating for a bank in the Canton of Thurgau. Loyalty – measured as the willingness to recommend the bank – also increased over 2019 and came in at 7.2 on a scale of 1 to 10. TKB is working to close the gap and achieve its target score of 8.0. The best bank in this category scored 7.6. The most recent survey took place in 2023. The results are not yet available and will therefore be published in the 2024 GRI Sustainability Report.

Next steps

TKB wants to implement the feedback portal as an interim solution for measuring customer satisfaction by summer 2024. It will then be able to collect initial experiences and data that will be helpful for automating the processes in 2025. The bank will also use this data to gain initial insights and introduce measures for optimizing its customer focus.



The individual SDGs are outlined on page 121.

Material topic

Sustainable products and services

TKB offers products and services that provide an environmental or social benefit, for example in the field of renewable energies.

Flows of capital can be steered to sustainable activities and risks for people and the environment can be avoided by designing products and services in the areas of financing, pension provision and investing accordingly. This places TKB in a position to contribute to many SDGs: combating poverty, building sustainable and resilient infrastructures, promoting renewable energies and sustainable consumption patterns, combating climate change and creating a strong economy in the canton.

TKB offers products and services aimed at bringing long-term benefits to the environment, society and the economy. The share of sustainable investment solutions was increased further in 2023 and will continue to grow going forward.

Main targets up to 2025

- All standard asset management solutions for private individuals and all lists of recommendations used for making investment advice solutions are linked to ESG criteria (all asset management mandates are converted to ESG Plus)
- TKB has launched an initial basic product linked to ESG criteria
- The volume of mortgages linked to ESG criteria is five times higher than in 2019
- TKB has strengthened its cooperation with energy advice centers
- TKB has reviewed and signed the UN Principles for Responsible Investment (UN PRI)
- The ESG score is displayed and addressed for all advisory mandates
- The ESG scores are displayed on all asset statements
- The ESG offering for private and business customers is continually reviewed and expanded

Target achievement status at the end of 2023

- All standard asset management solutions for private individuals and the TKB recommendation list follow the ESG approach
- Share of investment products that include ESG criteria: 23.9 percent
- Volume of energy mortgages: CHF 60 million
- Number of advisory sessions carried out in the context of the cooperation with energy advice centers: 75
- First PRI report prepared successfully and improvements extrapolated
- Sustainability information displayed for all advisory mandates and on all asset statements, including an ESG rating from MSCI ESG and the ITR

Next steps (2024)

- Switch to a different material for TKB debit cards
- Finalization of engagement concept with portfolio companies regarding a collaborative solution



Management approach

TKB wants to offer its customers a comprehensive range of products in the areas of financing, pension provision and investing that offers long-term benefits. By signing the UN Principles for Responsible Investment (UN PRI), the bank made a commitment in 2021 that it would help shape a sustainable financial system (see “Sustainable finance” on page 38).

Granting loans

Based on the Law on TKB, the bank has a social responsibility to promote economic development in the Canton of Thurgau. It is tasked with meeting the need for loans, both among private individuals and public entities. TKB therefore offers its loan products to customers primarily from the Canton of Thurgau, secondly from adjacent economic areas and, in individual cases, from outside the adjacent economic areas and from foreign countries. The bank also collaborates with other banks to grant syndicated loans if permitted by the bank’s own credit check. In addition, TKB grants loans to public-law entities in the Canton of Thurgau.

TKB seeks long-term business relationships with customers that are built on trust and also supports them in difficult economic circumstances. It complies with regulatory requirements, avoids conflicts of interest and adheres to moral and ethical values and attitudes. TKB refrains from granting loans unless it has a comprehensive understanding of the borrower’s financial circumstances (borrowing capacity), sufficient knowledge of the borrower’s personal circumstances (creditworthiness) and the purpose of the loan has been disclosed. For companies, it systematically assesses the sustainability of the business model; an assessment of sustainability-related transition risks forms part of the lending process. The assessment also looks at environmental risks. Specifically, the bank assesses whether there are any pollution risks (contaminated sites), risks related to production or disruptive incidents (risk of industrial accidents) or physical risks (natu-

ral hazards). TKB refrains from applying any blanket exclusion criteria, such as excluding entire sectors from lending, as it wants to help companies with their transformations to more sustainable business models.

Sustainability-linked loans (SLLs)

SLLs are growing in popularity, especially among larger corporate customers. Corporate financing is being increasingly structured around sustainability components if the borrower is in a position to provide the required sustainability information. TKB has been offering two credit commitments with SLL components since 2022.

Financing sustainability solutions (innovation financing)

TKB finances innovative sustainability solutions including photovoltaic systems on third-party roofs (PV contracting) and district heating, for example. Specific requirements apply regarding the amount of any investment loans granted and the period of repayment.

Energy mortgages (discounted sustainability mortgages)

TKB offers financing products that promote and reward sustainable conduct and does so at preferential terms and conditions. Energy mortgages, for example, offer an attractive financing opportunity for sustainable construction and renovations in compliance with the Minergie or CECB standard or for implementing individual sustainable measures under the promotional program currently being offered by the Canton of Thurgau.

Subsidies for CECB reports (contribution toward certification costs)

TKB covers the certification costs for the CECB and cooperates with the Association of Energy Experts Thurgau (EFT). This offer supplements the existing solutions such as the check for energy savings potential performed in conjunction with the public energy advice centers of the Canton of



Thurgau (eteam – your energy advisors) and the photovoltaic feasibility studies prepared by the Competence Center for Renewable Energy Systems Thurgau (KEEST).

Asset management mandates and funds

With regard to investing, TKB follows the recommendations of SwissBanking concerning sustainable investments as well as the exclusion criteria applied by the Swiss Association for Responsible Investments (SVVK ASIR). Since January 2021, all the bank's asset management mandates and the bank's own strategy fund have been based on the "ESG Plus" approach. This corresponds to over CHF 2.5 billion in assets. This approach is outlined in the bank's binding investment guidelines. Compliance with these guidelines is reviewed by the Risk Control department and Internal Audit. A strategy deviating from this approach is only possible at the customer's express request and in isolated cases. That means, wherever possible, TKB only considers investments that show a positive performance in terms of ESG criteria. Additionally, the only providers that are considered are those of collective investment schemes who, like TKB, have signed the UN PRI and are therefore interested in making a positive contribution to a sustainable financial system. TKB publishes a sustainability report on its sustainable funds that is based on MSCI ESG data. It provides transparency regarding the portfolio score, benchmark, carbon risk and peer products. All asset reports include a page on sustainability. This page presents both a weighted MSCI ESG rating as well as the implied temperature rise (ITR) calculated at portfolio level. It also presents the five securities with the highest ESG rating and the five securities with the lowest rating as well as five securities that have both the lowest and highest ITR. Swiss Climate Scores (SCS) recommends the ITR as a key indicator. The MSCI ESG rating is supplemented with the ITR for Basic Asset Management (Vermögensverwaltung Basis) funds (including the TKB Target Savings Plan (Zielsparplan) and 3a Investment Savings

(Wertpapiersparen 3a)). ESG Plus training is held annually for those employees who advise customers. Further information on the ESG Plus approach (sustainable investment approach) can be found on the [TKB website](#).

Individual securities and recommendation lists

TKB has been identifying sustainable individual securities (equities and bonds) on its recommendation list since 2010. The label is based on sustainability research performed by Zürcher Kantonalbank (ZKB), which analyzes and evaluates financial instruments based on ESG criteria in a two-stage filtering process. TKB's recommendation list was completely revised in 2023 and converted to an ESG-integrated version similar to the ESG Plus approach used in asset management. A minimum MSCI ESG rating of BB and a minimum rating of three stars (of a maximum of five) from the research partners of ZKB apply to equities. Funds must also have a minimum MSCI ESG rating of BB. The ESG Plus approach is applied as well – like the selection approach in asset management. Deviations from positions on the recommendation list are possible if the respective companies are in a transition phase and the fund manager's assessment of the company's ability to manage sustainability-related risks and opportunities is positive. TKB also offers various thematic funds to meet demand for impact investment products. These thematic funds and active equity funds must all demonstrate a sustainability approach, TKB must be able to appraise it transparently and it must include a stewardship process. The respective investment company must also be a signatory of the UN PRI. The funds on the recommendation list are favored in accordance with Art. 8 of the European Sustainable Finance Disclosure Regulation (SFDR) or, if an impact approach is used, even classified in accordance with Art. 9 SFDR. Index funds must also follow a sustainability index to be on TKB's recommendation list and have a MSCI ESG rating of at least BB.



Cooperation

TKB relies on cooperation with specialized partners from the region to enhance its offering. In cooperation with the public energy advice centers in the Canton of Thurgau (eteam – your energy advisors), interested parties (both customers and non-customers of the bank) receive on request a voucher for a free energy efficiency assessment of their property. TKB's advisors use the report prepared by the energy advice centers as a starting point for showing homeowners the best possible options to finance their energy efficiency renovation. This advice also factors in other aspects such as tax implications, for example. A collaborative arrangement also exists with the Association of Energy Experts Thurgau (Energiefachleute Thurgau, EFT), which prepares CECB reports for TKB customers. TKB covers the costs of preparing this report for its customers. The analysis can be used to compare and contrast different types and combinations of renovations, for example. Another of TKB's collaborations is with the Competence Center for Renewable Energy Systems Thurgau (KEEST). Here, the bank is the exclusive partner for financing photovoltaic installations for SMEs. TKB performs a free financing review, which it bases on the results of the feasibility study prepared by the Competence Center.

Organization

Responsibility for the “Sustainable products and services” material topic lies primarily with the Products and Digital Channels department at TKB. It ensures target achievement, among other things.

The bank's Investment Center is responsible for compliance with ESG Plus guidelines in asset management, for cultivating the list of recommendations for sustainable investments as well as meeting up to the UN PRI standards and associated disclosure obligations. An ESG manager in the Investment Center also monitors regulatory developments. Product Management is responsible for

initiating and rolling out products in the categories of investing, pension provision and sustainable financing.

The Investment Center is supported by the Sustainable Finance working group, the Sustainability Office, the Sustainable Real Estate Office, Credit Management and Real Estate Valuation. The new products and services are approved by the Executive Board within strategic parameters defined by the Board of Directors. The Board of Directors is informed by the Executive Board about amendments to the range of products and services offered.

TKB has a Sustainable Real Estate Office, which forms part of the Real Estate Valuation department. It is tasked with enhancing sustainability in the mortgage business. Further information is provided in “Measures and activities” on page 35.

Sustainability-related risks

With sustainable products and services, there is a risk that the sustainability approach might not be communicated clearly enough – in product descriptions or advisory sessions, for example. As a result, the bank could find itself faced with accusations of greenwashing – whether justified or not. Accusations such as these can lead to claims for compensation, damage to the bank's reputation or – in justified cases – to regulatory restrictions or fines. Switzerland does not currently have any sustainability-specific legislation that specifically sets out standardized or predefined terms and criteria, for example. Despite the fact that the bank took steps to mitigate this risk and raises its employees' awareness of the issue on an ongoing basis, it rates the risk as moderate. TKB closely monitors the regulatory developments regarding ESG-related standards and requirements and takes action at an early stage if necessary. Regular communication with in-house and external experts assists TKB in this regard.



Sustainability-related opportunities

Sustainable products and services enable TKB to steer the flow of capital toward sustainable activities, thereby making a contribution toward the decarbonization of the economy and society. A sustainable offering also enhances TKB's attractiveness as a financing partner. The bank reviews its range of products and services on an ongoing basis and develops them further in order to seize these opportunities. The bank's strategy envisages a range of products and services that will be more strongly aligned to ESG criteria in the next few years and that TKB will become increasingly sustainable.

Measures and activities

TKB has intensified its commitment in the area of sustainable real estate. All customer advisors were informed of TKB's new promotions and special offers and received training as part of an awareness campaign. A series of compact seminars was held for the public that addressed material factors for sustainable renovations and offered an overview of the advisory services on offer. These talks are to be held four times a year from now on.

The rollout of a renovation and CO₂ calculator during the period under review gave customer advisors an opportunity to talk about the "value retention" and "energy efficiency" of the buildings to be financed during their advisory sessions. If the buildings have renovation potential, the advisors can point it out and refer customers to the right external experts. TKB also expanded its cooperation with partners in the energy sector. A new cooperation arose in 2023 between TKB and the Association of Energy Experts Thurgau (Energiefachleute Thurgau, EFT). Thanks to this partnership, TKB customers interested in making energy efficiency renovations to their own home or in building an energy-efficient new home will now receive a CECB report at no charge.

Adjustments were made to the energy mortgage during the period under review based on experience gained. The approval process for energy mortgages for individual measures has been simplified. Customers can now take advantage of an energy mortgage for investment volumes starting as low as CHF 20,000. Energy mortgages of up to CHF 400,000 can be granted to business customers if a KEEEST study demonstrates that there is potential for a photovoltaic installation. What's more, energy mortgages can also be granted retroactively for measures carried out in the past five years that were financed from the owner's own resources.

To implement the "Guidelines for financial service providers on the integration of ESG preferences and ESG risks into investment advice and portfolio management", changes were made to the recommendation lists and asset reports in addition to extensive training and adjustments to both the advisory process and advisory tools (also see "Responsible advisory services"). The recommendation lists were completely revised to ensure that the criteria for the ESG Plus approach are implemented. These asset reports now contain a sustainability page. This page presents both a weighted MSCI ESG rating as well as the ITR at portfolio level. It also presents the five securities with the highest ESG rating and the five securities with the lowest rating as well as five securities that have both the lowest and highest ITR. The ESG rating and the ITR are shown for Basic Asset Management (Vermögensverwaltung Basis) funds (including the TKB Target Savings Plan (Zielsparplan) and 3a Investment Savings (Wertpapiersparen 3a)). For details about the various changes, please see "Management approach".

TKB looked at the possibility of integrating the SCS into its own products and services. The first step was to integrate the ITR at portfolio level. The ITR is listed in all asset reports for TKB investment solutions and is the first key indicator from SCS to be shown on TKB's asset reports.



TKB launched its first fund with individual securities on the Swiss equities market in mid-December 2023. Through this fund, TKB seeks to support the environmental and social aspects of the 17 SDGs. The “TKB Aktien Schweiz ESG” fund features a two-stage ESG filter. This means that, in order to be included in the fund, securities must have a minimum MSCI rating of BBB as well as an ESG rating of at least three stars (of a maximum of five) from ZKB, TKB’s research partner. When compiling the fund, special consideration is given to the CO₂ intensity of the securities and the ITR caused by the companies in the portfolio. This enables the application of a variety of sustainability approaches (particularly exclusions and best-in-class) during the fund’s compilation. Voting is handled by fund management. In 2024, a collaborative solution will be sought out to establish a more in-depth commitment with the companies in the portfolio.

Target achievement status at the end of 2023

- *All standard asset management solutions for private individuals and the TKB recommendation list follow the ESG approach*
- *Share of investment products that include ESG criteria: 23.9 percent (2022: 24.8 percent)*
- *Volume of energy mortgages: CHF 60 million (2022: CHF 41 million)*
- *Number of advisory sessions conducted in the context of the cooperation with energy advice centers: 75 (2022: 29)*
- *First PRI report prepared successfully and improvements extrapolated*
- *Sustainability information displayed for all advisory mandates and asset statements, including an ESG rating from MSCI ESG and the ITR*

All standard asset management mandates for private individuals and the TKB recommendation list follow the ESG Plus approach. The weighted MSCI ESG rating and ITR at portfolio level are specified for all advisory mandates and in all statements of assets for TKB investment solutions. These statements will be sent out for the first time in early 2024.

The review and expansion of the ESG offering for private and business customers is an ongoing process.

The first PRI report was prepared successfully during the period under review and improvements extrapolated. Compared with its competitors, TKB ranks in the midfield. TKB’s report will be published on the PRI website for the first time in the fall of 2024.

The volume of energy mortgages concluded rose to around CHF 60 million. Changes were made to the product (see above under “Measures and activities”), making the energy mortgage applicable in a broader range of situations. Rollout and implementation took place in the second half of the period under review.

Cooperation with partners in the energy sector was expanded even further. Thanks to TKB’s involvement, all incentive consulting offers are now provided free of charge. That means TKB provides the people of Thurgau with free advice on the full range of relevant topics when preparing energy-efficient construction projects.

**Next steps**

A basic product containing ESG components that was devised on the basis of customer surveys is to be rolled out by the end of 2025. In addition, TKB's debit cards will be made of recycled plastic going forward. The bank is currently looking into the question of whether recycled PVC or PET will be used for this. The new material will be used from the end of 2024 onward.

TKB, together with other cantonal banks, is an industry partner of the Innosuisse project entitled "Integrating sustainability assessments into SME financing" being carried out by the Zurich University of Applied Sciences (ZHAW) and the Lucerne University of Applied Sciences and Arts (HSLU). It will furnish resources for this project in 2024.

The possibility of also integrating the SCS in investing is currently being examined and, if deemed useful, this will also be done for TKB's strategy fund and "Aktien Schweiz ESG" fund.

Following the launch of the "TKB Aktien Schweiz ESG" fund, the engagement with the portfolio companies will be covered by a collaborative solution in 2024. The concept for this is to be finalized in the first half of 2024 (for details, please see "Sustainable finance").



The individual SDGs are outlined on page 121.

Material topic

Sustainable finance

TKB incorporates ESG criteria into business and investment decisions when designing products and services and in risk management. That refers to environmental and social aspects as well as ensuring a balanced distribution of skills and responsibility in corporate governance.

TKB's commitment in the area of sustainable finance has repercussions on its ability to achieve the SDGs: reliable financing opportunities form the basis for building and operating a resilient infrastructure and promoting sustainable industrialization. Taking social criteria and principles of good corporate governance into account in an investment policy promotes a fair economic system and corresponding employment opportunities. TKB can contribute to limiting climate change by analyzing and integrating climate risks into its business policy.

TKB would like to make a contribution toward achieving the Paris climate targets and has joined the SBTi. Besides reducing operational GHG emissions, that mainly means integrating ESG criteria into the bank's business activities and creating transparency with respect to financed emissions and climate risks in its investment and loan portfolio. TKB would like to reduce the GHG emissions in the portfolio to net zero by 2050.

Main targets up to 2025

- The bank's approach to sustainability risks (ESG risks) is integrated in its business model and the associated responsibilities are clearly defined
- Sustainability risks (ESG risks) are inventoried and addressed in compliance with internationally recognized standards (including TCFD, PCAF). The standards are mainly used to identify the integration of sustainability risks (ESG risks) into the bank's investment and financing portfolio and to identify the bank's GHG target
- Institutional customers are systematically made aware of ESG risks and advised on these issues
- The bank's financial investments are fully linked to ESG criteria

Target achievement status at the end of 2023

- The sustainability risks (ESG risks) were integrated into the bank-wide risk management system and responsibilities defined at the top level of management
- Sustainability risks (ESG risks) were inventoried in compliance with internationally recognized standards, addressed and disclosed within the scope of the climate report in accordance with the TCFD recommendations
- TKB's SBTi-based emission reduction targets were approved by the Executive Board and a target validation request was submitted to the SBTi
- Proprietary financial investments linked to ESG criteria: 100 percent
- Assets having undergone an environmental or social audit: 100 percent
- GHG emissions (Scope 1 and 2) per CHF million invested in the financing portfolio: 96 metric tons

Next steps (2024)

- Refine the structured collection and evaluation of ESG data
- Establish an engagement process for the "TKB Aktien Schweiz ESG" fund



Management approach

TKB is convinced that long-term value creation can only happen in a sustainably designed financial system, meaning one that rewards responsible investment while benefiting society and the environment at the same time. In order to help shape this kind of financial system, the bank signed up to the UN PRI in 2021. Climate-related risks and opportunities have been disclosed in accordance with the TCFD requirements since 2023. With regard to its own investment portfolio, TKB attaches great importance to diversification. Wherever possible, it bypasses companies in violation of the UN Global Compact principles, the world's most important initiative for sustainable and responsible corporate governance. It comprises ten principles on human rights, labor, environment and anti-corruption.

Switch to sustainable financing

As a founding member of Swiss Sustainable Finance, TKB has been involved in discussions regarding various aspects of sustainable finance in Switzerland since 2014. The association promotes the development of sustainable financial products and offers its members a discussion platform. TKB is also a member of the PCAF's DACHLI (Germany, Austria, Switzerland and Liechtenstein) regional group and participates in exchanges regarding the realization and implementation of the PCAF calculation approach. The "PCAF Global GHG Accounting and Reporting Standard" offers financial institutions a standardized approach to calculating and reporting on the GHG emissions and intensities of defined asset classes. The bank also discusses which approaches are being used with other cantonal banks. TKB seeks dialog with organizations and movements in civil society that call on financial sector actors to reduce the GHG emissions in their portfolios.

Proprietary financial investments

TKB has been applying a sustainability approach when selecting the bank's proprietary financial investments since December 2019. This approach

was enhanced in 2022 and is based in part on the sustainability research performed by ZKB: If ZKB rates a security as sustainable (at least three of five stars according to ZKB's ESG rating), TKB rates the security as sustainable. If the security is not covered by ZKB's sustainability research, the assessment provided in MSCI's ESG tool is used. If the security has an ESG rating of at least "BB", the bank rates it as "linked to ESG criteria". If a security is not covered by MSCI either (which could be the case for some public-law entities, etc.), the Swiss Bond Index (SBI) ESG Domestic AAA-BBB is checked. If a security meets none of these criteria, it is not purchased. The bank's own financial investments and assets are also regularly measured against ecological and social criteria using the MSCI ESG tool. The procedure for selecting proprietary financial investments is regulated by internal documentation.

Raising awareness

TKB takes a proactive approach to raising its institutional customers' awareness of sustainable investment, systematically approaching them about sustainability in order to identify their needs and take action at an early stage. Staff also need to learn more about the subject to drive sustainable finance within TKB. As a result, all TKB employees have been receiving comprehensive sustainability training (for details, see "Responsible advisory service" on page 23).

Determining GHG emissions

TKB has been using the ESG tool from financial services provider MSCI since 2020 to calculate the GHG emissions related to its asset management mandates. This tool enables the bank to rate the sustainability characteristics of its investment products. Since 2022, the bank has been using the PCAF method to measure the GHG emissions of its loan portfolio; this method is being enhanced on an ongoing basis. Science-based emission reduction targets for decarbonizing the loan portfolio were modeled on this basis.



Organization

A dedicated working group has been focused on the subject of Sustainable Finance since 2021; this group is comprised of representatives from different departments, such as Credit Management, Product Management, the Investment Center, Institutional Investors as well as different departments from the Finance and Risk business area. It meets quarterly to discuss the current status of the bank's in-house projects, which are implemented by the members of the working group together with their departments, as well as to share new ideas. The activities have been monitored by the Sustainability Advisory Council since 2021. The Sustainability Office communicates with the working group, coordinates it and relays relevant developments from the realm of ESG standards to the group.

Sustainability-related risks

Assets that are not in line with ESG criteria are at risk of disproportionately losing value going forward. This could be triggered by changes to legislation or demand – referred to as transition risks – or developments in the environment, particularly the climate – referred to as physical risks. There is a risk that TKB might underestimate or fail to recognize these risks. As the canton's leading mortgage bank, the financing of residential and commercial real estate in Switzerland is immensely important to TKB. Accordingly, the potential effects of climate change have the biggest impact on the bank's credit risks. TKB assesses these risks as moderate – they are highly relevant to the bank. The bank invests a great deal in employee training to ensure that they are able to understand such risks and assess them adequately. It also discloses climate-related risks in line with the Task Force on Climate-related Financial Disclosures (TCFD) in order to systematically identify, measure, evaluate, manage, monitor and disclose them.

Sustainability-related opportunities

The transition to a climate-friendly economy opens up business opportunities since decarbonization requires large investments. TKB can steer the flows of capital toward sustainable activities through the mortgages and business loans it grants. The building sector holds enormous financing potential. The bank can identify and take advantage of financing opportunities at an early stage by providing proactive support to its customers. Accordingly, the corporate strategy calls for TKB's business model to be more closely aligned with ESG criteria. It sees great potential in the area of sustainable finance.

Measures and activities

The directive governing the investment business was amended to implement the relevant content of SwissBanking's self-regulation guidelines regarding the inclusion of ESG preferences and ESG risks in investment advice and portfolio management. The other measures connected to this guideline are described in the sections entitled "Responsible advisory service" and "Sustainable products and services".

Thanks to improvements in the data provided by MSCI, TKB can use additional ESG key indicators – especially those with climate relevance – for the selection process it applies for its own investment strategies and to structure the process more transparently. The fundamental data for the ESG ratings of MSCI and ZKB were implemented in the core banking system so that TKB can compare the financial instrument to customers' ESG preferences prior to each recommendation to buy. Deviations are documented in the system and disclosed in the investment proposal and on the stock exchange settlement document. Various statements of assets contain a sustainability page as at the end of the period under review. TKB's recommendation list was also adapted to TKB's ESG Plus approach. Details regarding these issues are provided in "Sustainable products and services".



Initial approaches were devised for integrating and formalizing stewardship approaches. They are to be finalized and implemented in 2024. The challenge for TKB lies in the fact that it cannot exercise voting rights for its fund portfolios itself, as this is either the responsibility of the respective fund management company or – in the case of institutional investors – the investor itself. Since third-party fund investments dominate the asset management mandates, TKB will probably rely on verifications of the fund providers' stewardship policies to ensure that voting rights are being exercised. Following the launch of the "TKB Aktien Schweiz ESG" fund, the engagement with the portfolio companies will be covered by a collaborative solution in 2024. The concept for this is to be finalized in the first half of 2024 (for details, please see "Next steps").

In 2023, the Treasury department examined various measures for decarbonizing the bank's own investment portfolios. Based on the insights gained, the bank decided not to purchase any of the decarbonization instruments available on the market and not to specifically sell securities that are carbon-intensive. Since the portfolio's remaining carbon-intensive securities mature by 2029 at the latest, this together with the approach for selecting securities (see Management approach) will ensure that the GHG emissions of the investment portfolio will decline significantly by 2030. Treasury is also examining the possibility of implementing a stewardship approach for the bank's own investment portfolios.

TKB's larger institutional customers were made aware of the ESG reporting standards recommended by the Swiss Pension Fund Association (ASIP). It should be possible to provide customers with a set of key indicators that complies with this standard where required. TKB sent interested institutional customers a detailed sustainability report based on MSCI ESG data. All institutional customers with asset management mandates also receive a detailed evaluation based on MSCI ESG data as well as a summary of the most important key sustainability indicators on a regular basis or as needed.

In cooperation with an external service provider specializing in the real estate sector, the bank laid foundations for measuring the CO₂ emissions of the loan portfolio going forward and for evaluating the portfolio according to ESG criteria.

Sustainability risks (ESG risks) were added to TKB's enterprise-wide Risk Management Framework in 2023. It was adjusted to incorporate guidelines from the Board of Directors in the area of climate risks and information on the methods and instruments used to measure these risks. The Risk Control department worked closely with the Board of Directors on this task and implemented the new guidelines in 2023.

A disclosure in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) was published as part of the 2022 GRI Sustainability Report for the first time in the year under review. A comprehensive climate report in accordance with the TCFD recommendations will be published in 2024 as an annex to the annual report, which will be approved by the Grand Council.



TKB also enhanced its climate-related key indicators and targets during the year under review. Based on the calculations of the bank's Scope 3 GHG emissions, science-based emission reduction targets were defined in accordance with the SBTi. The emission reduction targets for Scope 1 and 2 were revised at the same time. These steps culminated in TKB committing to the net-zero target and joining the SBTi standard.

TKB is a member of the Canton of Thurgau's "Well-being and money" team of specialists, which helps the canton implement its action plan for the canton's climate strategy. TKB contributes to this initiative, particularly on the topic of "climate-friendly alignment of flows of capital".

Target achievement status at the end of 2023

- *The sustainability risks (ESG risks) were integrated into the bank-wide risk management system and responsibilities defined at the top level of management*
- *Sustainability risks (ESG risks) were inventoried in compliance with internationally recognized standards, addressed and disclosed within the scope of the climate report in accordance with the TCFD recommendations*
- *TKB's SBTi-based emission reduction targets were approved by the Executive Board and a target validation request was submitted to the SBTi*
- *Proprietary financial investments linked to ESG criteria: 100 percent (2022: 100 percent)*
- *Assets having undergone an environmental or social audit: 100 percent (2022: 100 percent)*
- *GHG emissions (Scope 1 and 2) per CHF million invested in the financing portfolio: 96 metric tons (2022: 106 metric tons)*

Sustainability risks (ESG risks) were added to TKB's enterprise-wide Risk Management Framework. In terms of its efforts to inventory financed emissions, TKB is on its defined target pathway. The bank joined the PCAF standard and applies it to measure and disclose financed emissions in accordance with the TCFD recommendations. As

certain data had not been required for calculating emissions in the past, some data is missing or incomplete, making preparing the calculations a challenge. For most of the loan portfolio, particularly for mortgage-backed loans, a good data pool exists, in part in combination with external data sources (e.g., the Federal Register of Buildings and Dwellings).

Institutional customers will continue to be systematically made aware of ESG risks and advised on these issues. The larger institutional customers, for example, were proactively made aware of the ASIP's "ESG Reporting Standard for Pension Funds" recommendation in 2023.

All of TKB's financial investments are linked to ESG criteria.

There was a reduction in the GHG emissions per CHF million invested in the financing portfolio, in particular due to an investment in Korea Gas maturing. 95 percent of the remaining emissions are caused by an investment in Total Energies Capital.

An overview of detailed information on the "Sustainable finance" material topic is provided under "Key performance indicators" starting on page 98.



Next steps

The goal is to continuously improve the climate disclosures in accordance with the TCFD recommendations. Not only is the missing data for calculating emissions to be recorded on an ongoing basis, but the standards themselves will be strengthened and further developed in dialog with other PCAF-affiliated banks.

Following the launch of the “TKB Aktien Schweiz ESG” fund, TKB will employ a collaborative solution in 2024 to cover the engagement with the portfolio companies. The concept for this is to be finalized in the first half of 2024 and different providers evaluated for the engagement. What’s more, a method for documenting and evaluating the stewardship behavior of third-party fund providers is to be established for the selection process.

A report for the bank’s pension fund will be prepared for 2023 in line with ASIP’s recommended standard for ESG reporting.

TKB will create the necessary framework for evaluating the loan portfolio in accordance with ESG criteria and integrate it into the core banking system. The results will then be included in the real estate valuations as well as the financing and advisory process.

Strategic thrust

"Responsible towards employees"

TKB lives up to its responsibilities as an attractive employer and provider of vocational training. It offers attractive jobs to around 850 employees and has been training apprentices and interns for many years. The bank values a flexible working environment that promotes work-life balance and equal opportunity. TKB offers fair remuneration to all employees, a modern leadership culture and development opportunities at all levels. The progressive HR policy enables staff to assume responsibility, incorporate ideas and act in an entrepreneurial way. The bank is convinced: it can achieve more as a team.

Impact of business activities

TKB is a major employer in the region with about 850 employees. It strengthens Thurgau as a business location by offering attractive employment and committing to the training and education of its employees. By embracing fair and progressive employment conditions, TKB is able to retain employees while simultaneously attracting qualified and committed staff in a competitive labor market. When it comes to employee satisfaction, professional development prospects and equal opportunities position the bank as a good employer vis-à-vis potential recruits. The diversity of cultural perspectives, backgrounds, life experiences and skills among the staff promotes innovative thinking and a positive culture of debate that culminate in sustainable solutions to challenges. The staff's diversity is a reflection of society and helps TKB better understand the varied needs of its customers.

Expectations of the bank

Competition for committed employees is fierce and the needs of current and potential employees are changing. In view of ongoing digitalization, employees expect learning and development opportunities that enable them to keep pace with this transformation. They also value scope for individual responsibility, flexibility of time and location, a work-life balance and attractive fringe benefits.

TKB customers trust that the bank is just as committed to its staff as it is to them. And they welcome the feeling that the bank and its staff understand their cultural background, life experience and life plan.

The canton expects TKB to comply with its public service mandate, act impeccably towards its staff and ensure high-quality training for young people in Thurgau.

Management approach

TKB is prudent and judicious in its dealings with staff. The vision defined in its new human resources (HR) strategy is "More than HR". It has four main strategic priorities: strengthening and developing the value-based organization and management, boosting the bank's attractiveness as an employer and the diversity of its workforce, developing talent management as well as digitalizing and continuously improving the bank's HR processes. TKB adopts different approaches to live up to its responsibility as an employer and the expectation of diversity and equal opportunities. They are outlined below.

Working conditions

TKB complies with the regulations (Employment Act, data protection, etc.) applicable to it in Switzerland. It pledges to respect human rights and structures its business operations in compliance with nationally and internationally recognized standards on human rights. Furthermore, TKB pledges to uphold the fundamental principles of the International Labour Organization (ILO) and to take steps to prevent any potential direct and indirect conflicts from arising in connection with the bank's business activities. The same working conditions apply for all TKB employees, regardless of whether they are employed on a part- or full-time basis.

Freedom of assembly, freedom of association, renunciation of forced labor, participation rights (right to collective bargaining)

TKB respects employees' important constitutional right to join trade unions and to engage in collective bargaining. This means employees are allowed to join the Swiss Bank Employees Association (SBEA) if they so desire. TKB also respects the International Covenant on Civil and Political Rights (ICCPR), Art. 8 of which stipulates that no one may be required to perform forced or compulsory labor. This constitutional right is also monitored by the authorities and sanctions imposed in the event of

violations. TKB pledges to comply with the Federal Act on Information and Consultation of Workers in its businesses.

Equal pay, compliance with minimum wages

Equal opportunities are an integral part of TKB's self-image and values. All functions are open to all genders and the compensation system is structured to be gender neutral. This was confirmed by the equal pay analysis carried out by the Competence Center for Diversity and Inclusion at the University of St. Gallen in 2020. The analysis was performed on behalf of the bank using the webtool provided by the Confederation for such analyses. Based on the low pay gap of 3.3 percent in favor of men, TKB was awarded the "We pay fair" label from the University of St. Gallen and was the first cantonal bank to receive the seal of approval from the Social Partnership Centre for Equal Pay in the Banking Industry. The equal pay analysis will be repeated in 2025.

As no minimum wage is defined at the national level in Switzerland, TKB cannot pledge to comply with it. While TKB is guided by the Agreement on Conditions of Employment for Bank Employees (ACEBE) of the SBEA when setting employees' salaries, it is not subject to the ACEBE. TKB offers fair remuneration to all employees and complies with the minimum requirements of the ACEBE.

Work-life balance, maximum working hours

TKB offers its staff flexible working hours and a working environment compatible with that. Managers and employees determine together whether and, if so, to what extent working from home or on the move (remote) is allowed. The bank allows part-time contracts for every role, including at management level. Workloads starting at 40 percent are possible for advisors and specialists, whereas workloads of 60 percent or higher are possible for management staff. TKB promotes job and top sharing by offering employees the opportunity to apply for openings with a job sharing arrangement. For that, they can access the relevant information on the

intranet, including a matching platform where they can search for a suitable job sharing partner. TKB grants 16 weeks of maternity leave to mothers and two weeks of paternity leave to fathers – each at one hundred percent of their salary. This may be extended on an unpaid basis subject to agreement. Employees from the age of 40 can take six weeks of paid time off, regardless of how long they have worked at the bank or their functional level. All employees can also buy an extra week of vacation per year. Finally, TKB complies with the Swiss Employment Act, which specifies that the maximum number of working hours per week for office staff is 45 hours.

Occupational health management, mental and physical health

TKB maintains an occupational health management system based on three pillars: work culture, prevention and case management. The bank fosters a positive work culture of appreciation. This is based on the guiding principles for good cooperation and leadership. Potential problems and crises should also be identified at an early stage. This happens during the regular performance and development meetings or by monitoring working hours and absences. TKB offers information and workshops to safeguard its employees' physical and mental health. Employees can also contact the employee counseling service MOVIS AG. In the event of a crisis, employees receive close guidance and support, whether through an in-house meeting with HR, case management by health insurer Helsana or the employee counseling services offered by MOVIS AG. MOVIS prepares a yearly overall analysis of the cases handled. If anything stands out in this report, TKB can take targeted action. The bank also offers modern working conditions that enable individual flexibility as well as ergonomic workplaces.

Information and raising awareness

Employees will find an information platform on the intranet on the topics of "Equal opportunity and work-life balance". It contains useful pointers on things like striking a work-life balance, parenthood, finances and returning to work as well as contacts for individual concerns.

Corporate culture

The bank values a climate of personal respect and mutual trust. Every employee is entitled to the protection of their personal integrity and must be able to perform their tasks free from discrimination. The bank does not tolerate discrimination. The Code of Ethics (Code of Conduct) and the directive "Sexuelle Belästigung und Mobbing am Arbeitsplatz" (Sexual harassment and bullying in the workplace) regulate non-discriminatory cooperation.

Code of Ethics (Code of Conduct)

The Code of Ethics (Code of Conduct) introduced in 2023 is binding for all employees and for the members of the Board of Directors of TKB. It also forms part of the terms and conditions of employment. Employees receive information about the topics contained in this Code of Ethics (Code of Conduct) on a regular basis, including any amendments. The Code of Ethics (Code of Conduct) is sent to all new hires as part of the terms and conditions of employment and is discussed when they join the bank.

Training and education

All employees, whether part-time or full-time, benefit from internal and external training opportunities. This is an important part of systematic employee development. For this, TKB cooperates with different external partners, including in the areas of sustainability (see details in "Responsible advisory services" on page 23), leadership development, sales development and digital advisory services. TKB also supports individual training measures to improve personal skills and generally covers all the associated costs. In the case of individuals without basic banking training, the bank offers lateral job opportunities for various positions. The in-house IT Academy enables entrants to start as application managers. The bank also offers apprenticeships every year in basic business management, in IT and culinary training in the employee restaurant. TKB offers internships for high school graduates as well.

Talent management

TKB has a clearly defined process for promoting talent and ensuring succession planning for managers. Every year, HR conducts personnel planning and development meetings with all supervisors, which includes discussing employees' performance and potential. In the case of high-potential employees, the supervisor – with HR support – works together with the employee in question to develop an individual development plan. This can comprise further training, in-house placements, on-the-job arrangements or external development centers. There is a structured succession planning process for the second management level. It is carried out twice a year by HR in cooperation with the Executive Board. This involves discussing internal and external candidates for second level management positions where changes are expected to take place in the near term. A person is defined who will remain in contact with the external candidates (Executive Board member or HR). HR works together with internal candidates to develop individual measures to foster their development and as preparation for the management position. This ensures

TKB's sound leadership in the future and that it is positioned for success over the long term. TKB also has clear processes for advisor and expert development.

Employee management

Six management principles form the basis of TKB's modern work and leadership culture. Supervisors are instructed to base their employee management on feedback, individual responsibility and an entrepreneurial mindset. As role models, managers must also first and foremost impart an awareness of overarching topics and actively support and strengthen their employees as experts in their role. That is the purpose of the continual performance and development dialog cultivated since 2017: at least three times a year, managers discuss personal commitment and propensity for active involvement with all permanent staff. To encourage entrepreneurial thinking, TKB launched a participation process called "24'n'Go" in 2021, which lets employees contribute ideas and help shape their working environment.

Organization

Responsibility for the material topics "Responsibility as an employer" and "Diversity and equal opportunity" lies with HR. It defines and initiates corresponding measures and tracks goal achievement. HR advisors who are in contact with employees and managers on a daily basis play a particularly important role. They advise managers on management-related issues, organizational matters, matters related to labor law and operational HR management as well as provide career advice and advice on a wide range of other work-related topics to employees.

Measurement of goal achievement

TKB regularly checks its standing as an employer among current and potential employees. Every three to four years, the bank conducts a survey on employee satisfaction and commitment. The next survey will take place in 2024. It conducts an annual benchmarking exercise with other cantonal banks that looks at the number of employees and number of absence days (not possible for 2022 since the key indicator measurement methodology is currently being revised).



4

The individual SDGs are outlined on page 121.

Material topic

Responsibility as an employer

TKB promotes the development of its employees. It creates career opportunities and supports their work-life balance. TKB also promotes employee health and safety at work.

Since lifelong learning is indispensable to employability, particularly in view of the perpetually changing nature of work, high-quality training must be available to everyone. As a major employer in the canton and a committed training provider with attractive training opportunities, TKB plays its part by providing non-discriminatory training and education opportunities.

As a progressive employer, TKB values a work and leadership culture built on individual responsibility and an entrepreneurial mindset. Employees can actively shape their working environment – thanks to the many opportunities for participation and a broad range of training opportunities. Flexible working models help employees achieve a good work-life balance.

At TKB, nearly all employees have permanent positions. Exceptions only exist for good reason in special situations, such as apprenticeships or maternity leave replacements. TKB limits indirect employment to a minimum and for specialized activities that fall outside the bank’s core business (cleaning and security, for example).

Main targets up to 2025

- Employee commitment is 4 (on a scale of 1 to 5)
- The number of absence days is below the average for cantonal banks
- Absences exceeding four weeks due to overwork and burnout remain isolated cases and account for under 0.5 percent of staff

Target achievement status at the end of 2023

- Employee commitment: 4.2
- Number of absence days per employee: 6.0 days
- Absences exceeding four weeks due to persistent overwork: isolated cases

Next steps (2024)

- Conduct the next employee survey
- Overhaul the commercial apprenticeship based on the commercial apprenticeship reform, introduce the “Service/Administration” apprenticeship
- Continue efforts to gain lateral entrants and returners to the workforce

Sustainability-related risks

TKB lives up to its responsibilities as a caring employer. Nevertheless, risks relating to occupational safety and employee health, such as mental overload, cannot be completely ruled out. TKB minimizes this risk through progressive working conditions, occupational safety specifications, occupational health management and external social counseling services. It assesses the remaining risk as very low.

Sustainability-related opportunities

By responsibly fulfilling its role as an employer and trainer and offering its employees attractive working conditions, TKB can boost its competitiveness, improve its internal and external reputation, retain existing employees over the long term and attract new specialists. This strengthens the bank’s future viability. To secure this advantage in the long term, the corporate strategy defines employer attractiveness as one of eight strategic priorities.



Measures and activities

TKB's IT Academy began 2023 with three people. This program enables entrants to start as an application manager. Experience so far has been very positive and the program will be continued in 2024.

In an effort to strengthen the corporate culture, all teams organized value walks in the summer of 2023 as a forum for explaining the updated corporate values (for more information, please also see "Economic performance"). TKB additionally conducted a survey to evaluate how well the corporate values are already being embraced. The results of this survey were discussed at the annual leadership workshop. In another measure, younger employees from Generation Y and Generation Z were invited to meet up with the Executive Board and Leadership Team to discuss ways for TKB to become even more agile, uncomplicated and empathetic.

Target achievement status at the end of 2023

- *Employee commitment: 4.2 (2021: 4.2)*
- *Number of absence days per employee: 6.0 days (2022: 6.1 days)*
- *Absences exceeding four weeks due to persistent overwork: isolated cases (2022: isolated cases)*

With employee commitment at 4.2 on a scale of 1 to 5, TKB is in the target range. This value is from an employee survey from 2021, which is conducted every three to four years. In 2023 the average absence per employee due to illness and accident was 6.0 workdays (2022: 6.1 workdays). The average absence at the other cantonal banks could not be determined for 2022 because the measurement methodology for the key indicator is currently being revised (2021: 5.7 workdays).

There were only isolated cases of absences exceeding four weeks due to persistent overwork during the reporting period.

The detailed key indicators on the "Responsibility as an employer" material topic are succinctly presented in "Key performance indicators" starting on page 98.

Next steps

TKB will conduct an employee survey in 2024 to measure employees' commitment to the bank.

In the interests of optimizing talent management, managers will receive awareness training to ensure the quality of continuous performance and development reviews. Both succession planning as well as the performance and potential assessments were incorporated into the online tool for performance and development reviews.

The apprenticeship program will be revised based on the commercial apprenticeship reform. TKB will introduce a commercial apprenticeship in "Service/Administration" to complement the traditional banking apprenticeship. The apprentices of this program will spend their time in the various departments of the bank (HR, Marketing, Market Communication, Accounting and the Customer Service Center). Changes will also be made to the transition from an apprenticeship to a permanent position. For many years now, TKB has been offering its apprentices a follow-up year to help them get their careers off to a simpler, quicker start. This transitional period is being optimized to make career prospects more transparent as well as to ensure that they have a chance to earn an additional professional certification as quickly as possible.

The precise terms and conditions of employment will be reviewed and amended if necessary. All employee benefits will be also reviewed, structured more clearly and presented more attractively.



The individual SDGs are outlined on page 121.

Material topic

Diversity and equal opportunity

TKB is committed to ensuring equal opportunities for all persons regardless of gender, sexual orientation, religion or heritage. The bank applies a non-discriminatory organizational culture at all levels.

Ensuring balanced gender representation at all management levels, equal pay for equal work and the involvement of everyone in the labor market, including young people or people with impairments, is included in the SDGs. As a major and responsible employer in Thurgau, TKB plays an important role in this regard, which it fulfills in part through the continual promotion of women and fair remuneration.

TKB values a diverse workforce and fair corporate culture offering equal opportunities to everyone. It offers flexible working hours and supports employees' work-life balance. It encourages the promotion and development of women in management positions and enables mothers and fathers to keep working following the birth of their children by giving them a flexible workload and choice of hours. All positions, including those with managerial responsibility, can be filled on a part-time basis.

TKB's intranet provides comprehensive information about the topics of equal opportunity and diversity, including explanations of responsibilities, strategic targets, action plans and programs. HR staff also write regularly on the topic in the internal sustainability blog for employees.

Main targets up to 2025

- 18 percent of managers are women
- 30 percent of employees at functional level 5 are women
- 9 out of 10 mothers or fathers work following the birth of their child. Of this number, 80 percent resume work at the same position or a position at the same functional level
- All roles – including those at management level – can be performed on a part-time basis
- The gender pay gap is below 5 percent

Target achievement status at the end of 2023

- Share of female managers: 18 percent
- Share of women at functional level 5: 30.7 percent
- Share of parents who continue to work at TKB following the birth of their child: 100 percent. Share of parents returning to work at the same functional level: 95.5 percent
- Possibility to work part time: in all functions
- Gender pay gap: 3.3 percent

Next steps (2024)

- Overhaul employer branding
- Prepare concept for developing the topic of diversity

Sustainability-related risks

Several risks exist with respect to equal opportunity and employee diversity. Breaches of personal integrity can occur, for example, through the misuse of power, discrimination, sexual harassment or bullying and this can result in court disputes, a loss of trust or damage to reputation. There is also a

risk that the bank may not be able to achieve the gender benchmarks prescribed by law for the top-most level of management (Board of Directors and Executive Board) in the period of time provided. These risks are mitigated by the terms and conditions of employment, the guidelines governing the conduct of bank employees summarized in docu-

ments including the Code of Ethics (Code of Conduct), among others, directives, regular awareness training for staff and management and the opportunity to take advantage of social counseling services. The bank does not tolerate any breaches of personal integrity – anybody who is affected by, observes or learns of such breaches can report them via various channels. The bank has prepared succession plans to ensure that it achieves its gender benchmarks. TKB assesses these risks as low as a result. The proportion of women in management could be much higher, however; the bank’s ability to achieve the corresponding benchmarks hinges on the availability of specialists.

Sustainability-related opportunities

Equal opportunity and diversity can boost the performance of TKB’s teams and have a positive impact on cooperation and decision-making. A working environment where equal opportunity is embraced increases the likelihood that the required specialists can be recruited and retained over the long term. Due to the regional nature of its business, the bank considers its utilization of this potential as medium. Increasing diversity is one of the bank’s strategic priorities.

Measures and activities

TKB started overhauling its branding, including its employer branding, during the period under review. Its goal is to develop a strong employer branding, draw up a concept for internal and external communication and implement initial measures of this concept in 2024.

TKB also received the Career Empowerment Label awarded by the University of St. Gallen in 2023. This label recognizes companies and organizations that consider job seekers with non-linear career paths and value diverse teams.

Finally, a process was defined in 2023 that enables employees to continue working at the company until the age of 70. The working conditions of TKB make this continued employment possible. The first employment relationships with employees over the age of 65 are planned and contractually guaranteed from 2024 onward. This will also increase the chances that people age 58+ will be considered when hiring decisions are made.

Target achievement status at the end of 2023

- *Share of female managers relative to the total workforce: 18.0 percent (2022: 17.9 percent)*
- *Share of women at functional level 5: 30.7 percent (2022: 28.7 percent)*
- *Share of parents who continue to work at TKB following the birth of their child: 100 percent (2022: 95.5 percent). Share of parents returning to work at the same functional level: 95.5 percent (2022: 100 percent)*
- *Possibility to work part time: all functions (2022: all functions)*
- *Gender pay gap: 3.3 percent (2022: 3.3 percent)*

TKB is well on the way to achieving its targets for more diversity and equal opportunity.

The analysis of salaries paid by the bank to its employees and conducted by the Competence Center for Diversity and Inclusion at the University of St. Gallen revealed a pay gap of 3.3 percent in favor of the men. The pay equity analysis was performed on behalf of the bank in 2020 and is expected to be repeated in 2025.

In 2023, TKB took part in the first-ever St. Gallen Diversity Benchmarking study by the University of St. Gallen. Compared with the other participating companies, it scored in the upper midfield.

The bank joined Thurgau's new Girls for Leadership initiative during the year under review. This initiative brings young women from different high schools together with leaders from the realms of business and society to promote an interest in leadership roles.

The detailed key indicators on the "Diversity and equal opportunity" material topic are succinctly presented in the section entitled "Key performance indicators" starting on page 98.

Next steps

A concept for developing the topic of diversity for the period from 2025 to 2027 will be drawn up in the first quarter of 2024.

The bank plans to participate in the St. Gallen Diversity Benchmarking study again in the upcoming reporting period.

It will also seek out the opinions of young employees again in the upcoming year to discuss the progress the bank is making on certain matters.

In 2024 the employer branding overhaul project will be completed and communicated and some initial measures implemented (strengthen visibility as an attractive employer, etc.).



Strategic thrust

“Embedded in society and region”

TKB is committed to the economy and society in the Canton of Thurgau. Through its economic performance, TKB is a mainstay of the canton, its economy and society. The bank is a strong believer in modern corporate governance, which includes compliance with guidelines, regular dialog with stakeholder groups and transparent reporting. Products and services are procured in the region whenever possible and selected according to social and ecological considerations. As a major sponsor, the bank has many commitments aimed at promoting social life in the canton. This support centers on promoting up-and-coming talent in sports and culture.

Impact of business activities

Strong economic performance based on modern and responsible corporate governance underpins the trust that customers, business partners and employees have in TKB. Compliance with laws and regulations; observance of rules regarding information security, cyber security and data protection; transparent reporting as well as open dialog with stakeholder groups help create sustainable value and ensure long-term customer relationships. Selected sponsorship commitments throughout the canton as well as orders placed with local suppliers not only strengthen customer proximity and customer confidence but also the local economy. By factoring in sustainability criteria when purchasing goods and services, the bank can positively influence their impact on the environment and on people. Through its positioning as a regional financial company with roots in Thurgau, the bank enjoys a competitive advantage in terms of attracting customers as well as qualified staff. TKB contributes to the financial stability of the Canton of Thurgau through its profit distribution and taxes. This enables the canton to be proactive regarding future challenges, such as population aging, the need for sustainable mobility or securing natural resources.

Expectations of the bank

The population and canton expect TKB to engage in good corporate governance that embraces integrity, transparency and exchange and contributes to economic stability and beneficial economic and social development in the canton. The bank is also expected to protect the data entrusted to it and to provide a secure digital banking infrastructure. The bank lives up to the many demands made upon it as a valuable part of society by, for example, distributing profit, paying cantonal and municipal tax, making other donations in the form of sponsorships or performing unpaid, charitable work as well as placing orders with local providers. Investors are increasingly expecting clear procurement management guidelines to ensure there are no adverse impacts for people and the environment.



The individual SDGs are outlined on page 121.

Material topic

Economic performance

TKB aims to achieve financial stability. The entire region benefits from the bank’s business success. In addition to cantonal and municipal taxes, TKB distributes part of its profit to the canton and those municipalities entitled to a share.

The bank supports the local economy through a wide range of commitments – for example by promoting platforms that facilitate dialog between economic actors, granting loans to companies of all sizes and by considering local suppliers.

Through its sponsorships – of the Thurgau energy prize, for example – it also promotes the development of environmentally friendly technologies as well as research and innovation in the interests of integrative and sustainable industrialization. All things considered, the bank’s activities contribute to the appeal of Thurgau as a business location.

Main targets up to 2025

- The bank ensures a stable equity base (capital ratio) of at least 16 percent as well as a dividend conforming to the capital market
- The return on the average required equity is 8 to 11 percent
- The distribution ratio is 40 to 60 percent of net profit

Target achievement status at the end of 2023

- Capital ratio: 19.3 percent
- Return on average required equity: 13.8 percent
- Distribution ratio: 40.8 percent

Next steps (2024)

- Implement the bank strategy for the period from 2023 to 2027, especially pushing ahead with a lighthouse project in the region that expresses the bank’s connection with the region and generates added value for the people of Thurgau

Management approach

Cantonal public service mandate

The public service mandate formulated in the Law on Thurgauer Kantonalbank requires the bank to promote the canton’s economic development as part of its social responsibility. The steering of risks, costs and returns is thus guided by financial industry best practice. A responsible approach to risk is a vital part of the bank’s sustainable business practices. The “Rahmenkonzept für das institutsweite Risikomanagement” (Enterprise-wide Risk Management Framework) approved by the Board of Directors sets the foundation for that, with the finer details regulated through various Executive Board directives (see “Erläuterungen zum Risikomanagement” (Explanations on risk management) in the [TKB 2023 Annual Report](#) starting on page 90).

The steering of risks, costs and earnings is included in the mid-term planning, where the internal key indicators are defined and used as an operational target for employees. Deviations between planned and actual values are measured and analyzed regularly as well as being reported to the Executive Board and Board of Directors. Where necessary, proposals are submitted for measures to reconcile the planned and actual values. The bank’s annual and half-year results are published and also presented to the Thurgau cantonal government and the Grand Council.

Strengthening the economic area

As an economic area, Thurgau benefits from TKB’s economic success in many ways. The bank distributes up to 60 percent of its net profit to its shareholders – the Canton of Thurgau and the holders of



participation certificates – and to municipalities entitled to a share. Locally or regionally procured goods and services are preferred. TKB is also a reliable partner of the cantonal Chamber of Industry and Commerce, Thurgau Trade Association, Thurgau Agricultural Association and Thurgau Tourism. Moreover, it supports the recognition of business performance as a sponsor of various prizes.

Organization

The Board of Directors has formal responsibility for the business performance of TKB through its approval of the bank strategy as well as the Executive Board, which is responsible for implementing the strategy. The Finance & Risk business area analyzes whether and, if so, to what extent the actual figures deviate from the target figures. The Board of Directors decides on the amount of the profit distribution.

Sustainability-related risks

TKB makes every effort to achieve its return targets but only enters into responsible, manageable risks to do so – this is embedded into the canton's owner strategy for TKB. TKB did not identify any material sustainability-related risks related to its business performance. The bank's general risk management covers all risks in this context.

Sustainability-related opportunities

TKB's firm roots in the canton, its economic solidity and its performance put it in a position to make a major contribution to Thurgau's economy. The bank's stability also boosts both its reputation in the canton and its financial performance.

Measures and activities

In 2023, TKB began implementing the bank's strategy for the period from 2023 to 2027 following its approval by the Board of Directors in 2022 and after the employees had been informed of the new strategy. Sustainability is one of the eight strategic priorities.

The bank introduced new corporate values together with the strategy. These are made up of three basic values – grounded, solid and customer-oriented – as well as three focus values – agile, uncomplicated and empathetic. The bank took steps to ensure that these values were firmly anchored in the minds of its employees, one of which being value walks that all teams went on during the summer of 2023.

Changes in interest rates prompted TKB to adjust the price conditions for its lending and the deposit-taking business to reflect the new conditions on the market. TKB's Product Management department monitors the price policy on an ongoing basis.

TKB provided financial support to local trade associations and rewarded business performance again in the past year. It sponsored and sat on the jury of both the Thurgau Energy Award and the Thurgau Female Entrepreneur Award (Thurgauer Unternehmerinnenpreis).

Finally, TKB began new collaborations and is providing support to Switzerland Innovation Park East in St. Gallen, particularly in its efforts to build up an ecosystem around the Innovation Park. The bank also promotes the region's innovative strength and boosts start-ups by making a financial contribution toward their collaboration with the Thurgau network for start-ups (Startnetzwerk Thurgau).

Target achievement status at the end of 2023

- *Capital ratio: 19.9 percent (2022: 18.5 percent)*
- *Return on equity: 13.8 percent (2022: 11.6 percent)*
- *Distribution ratio: 40.8 percent (2022: 41.2 percent)*

Looking back, 2023 was a successful financial year for TKB that featured an encouraging number of new customers and persistently stable demand for mortgages. In addition, the bank continued to make a multifaceted contribution to the region's performance.

The strategic targets were achieved for the most part.

The detailed key indicators on the bank's economic performance are succinctly presented in the "Key performance indicators" chapter starting on page 98.

Next steps

Next year, TKB would like to push ahead with existing ideas for a lighthouse project in the region. As a beacon, this project has been conceived not only to benefit the region but also express the bank's connection with it. Initial results on the project's feasibility are expected in the first half of 2024.

TKB will keep pursuing the existing targets for its strategy period from 2023 to 2027.



The individual SDGs are outlined on page 121.

Material topic

Corporate governance

Through responsible and modern corporate governance, TKB lays the foundation for business success in compliance with ethical principles. The bank views integrity, clear management structures and balanced distribution of responsibilities and skills as being among the conditions necessary for sustainable value creation. TKB considers it important to have a leadership culture that enables economic success in compliance with ethical principles.

The subjects information security, cyber security and data protection that had been included in this section of last year's report are discussed in detail in a separate section entitled "Information security, cyber security and data protection". They were added as a new material topic in the period under review.

Main targets up to 2025

- TKB reviews the creation and establishment of a company-wide Code of Ethics (Code of Conduct)
- TKB conducts transparent sustainability reporting in line with the GRI Standards
- TKB establishes a regular and transparent exchange of information with its internal and external stakeholder groups
- TKB is guided by the "Swiss Code of Best Practice for Corporate Governance" of the economic umbrella organization *economiesuisse* and the corporate governance guidelines of SIX Swiss Exchange

Target achievement status at the end of 2023

- The 2023 Sustainability Report was issued in line with the current GRI Standards
- The Code of Ethics (Code of Conduct) was approved by the Board of Directors and published both internally and externally

Next steps (2024)

- New reporting obligations in accordance with Art. 964a et seq. CO will be met in a timely manner
- Other measures for meeting non-financial reporting requirements (Art. 964a et seq. CO) will be driven forward, including machine readability for climate reporting in accordance with the TCFD recommendations

Management approach

The corporate governance approach of TKB meets the relevant provisions in the "Directive on Information Relating to Corporate Governance" of SIX Swiss Exchange and FINMA Circular "Corporate governance – banks". The bank also follows the "Swiss Code of Best Practice for Corporate Governance" of the economic umbrella organization *economiesuisse*. Responsible corporate governance has top priority for TKB, together with a clear division of responsibilities at the operational and strategic management level. It ensures this with a transparent organizational culture as out-

lined and portrayed in the bank's [annual report](#) and on the website.

Compliance management system (including directives)

TKB applies a professional compliance management system to ensure compliance with legal, regulatory and standard industry and company-specific regulations. Every year, a risk-based monitoring and operational plan is created for the following year and approved by the Executive Board as well as being duly noted by the Risk and Audit Committee of the Board of Directors. The plan is based on the



bank's own experiences, new legal and regulatory requirements and a risk survey. The corporate governance requirements are implemented by an extensive body of directives. They regulate the approach to risks and compliance with legal and regulatory requirements.

TKB's Code of Ethics (Code of Conduct) regulates the standards of conduct across the bank and forms part of the terms and conditions of employment. The business and organizational regulations apply to the competencies and responsibilities of the different committees and functions. Various directives are also in place, including anti-corruption directives (such as the "Directive on the Acceptance and Payment of Gifts and Other Benefits" (Weisung Entgegennahme und Ausrichtung von Geschenken und anderen Vorteilen)), an anti-money laundering directive, a directive on organized crime, terrorist financing and tax-related offenses (tax evasion / tax crime) and a directive on dealing with cross-border activities. There is also a market conduct directive aimed at preventing insider trading and market manipulation. The prevention of conflicts of interest is governed by subsections of several different directives, including in the "Directive on the Acceptance and Payment of Gifts and Other Benefits" (Weisung Entgegennahme und Ausrichtung von Geschenken und anderen Vorteilen) already mentioned. In the future, this topic will be governed by a separate directive. The directives are updated regularly. Breaches of these rules are examined according to a standardized process. This is part of an established system of sanctions. Moreover, compliance with the corporate governance requirements and directives is monitored through risk management processes and an internal control system (ICS) as well as by an in-house office (Internal Audit) and an external office (auditor, FINMA). PwC performed a comprehensive audit of the compliance management system in 2023. In the course of this audit, the audit firm determined that the Compliance function has sufficient technical and human resources and that

they meet up to their responsibilities effectively. PwC also confirmed that the organizational structure of the Compliance function and the compensation system do not give rise to any conflicting objectives.

Anti-money laundering

TKB implements all relevant legal and regulatory provisions relating to the prevention of money laundering. The new Anti-Money Laundering Act was implemented in January 2023. TKB also has IT-based systems to monitor payment transactions. These systems screen all incoming and outgoing payments. An external database – World-Check – is also used to monitor all current customers on a daily basis to check whether they are included on a sanctions list. TKB applies the same procedure to new customers. The risk of money-laundering from business relationships is also monitored through a points-based system. Business relationships involving more acute risks are subject to a separate screening and approval process.

Combating tax evasion

TKB has a white money strategy in place and does not accept any new money that has not been taxed. The corresponding principles are set forth in the Code of Ethics (Code of Conduct), which states that the bank and its employees are not permitted to help customers evade or avoid taxes. TKB also complies with the Agreement on the Swiss banks' code of conduct with regard to the exercise of due diligence (CDB 20), which contains a prohibition on active assistance in tax evasion and similar acts. Finally, TKB has a directive on the tax transparency of international customers. All international customers were already vetted in this regard years ago. Additionally, the automatic exchange of information (AEOI) ensures that international customers are registered to countries that are part of the AEOI. Since the USA is not part of the AEOI, US persons are covered by the rules of the Foreign Account Tax Compliance Act (FATCA). FATCA is aimed at financial institutions worldwide and



requires them to provide the US tax authorities with information on US taxpayers on an annual basis.

Employee training

TKB has a comprehensive training concept on compliance-related topics. All new employees who join the bank complete an induction course on compliance. In addition, the bank organizes regular mandatory further training on key compliance issues for staff in need of such training. This includes sessions on anti-money laundering, market conduct, cross-border banking and tax-related matters concerning FATCA, AEOI and qualified intermediaries. Information campaigns targeting employees at all levels aim to raise awareness of the importance of acting in compliance with the rules. Moreover, compliance issues are discussed between managers and employees as part of ongoing performance and development reviews. The Head of Compliance also attends meetings of business area heads, private customers and commercial customers with their department heads to provide updates on current compliance issues.

Whistleblowing hotline

TKB has maintained an external, independent Whistleblowing hotline since 2018. In addition to the internal reporting options, such as directly contacting their supervisor or head of the Compliance department, employees can also report their suspicions to an independent law firm through the hotline. This then forwards the anonymous information to the Head of Compliance, who examines the matter in detail (for more details, please see “Communication of critical concerns” on page 18). [TKB’s Code of Ethics \(Code of Conduct\)](#) as well as the directive on the external whistleblowing hotline state explicitly that employees must not suffer any disadvantages as a result of reports, unless the report is based on knowingly false information.

Remuneration policy

The Board of Directors is responsible for the remuneration model for the Executive Board. Overall remuneration for the members of the Executive Board is made up of a fixed annual salary and a variable remuneration component.

When setting the Executive Board remuneration, the Board of Directors considers all aspects that are important for balanced and sustainable bank management. Variable remuneration is also linked to the sustainability goals. One of the five quantitative strategic targets of the corporate strategy for the period from 2023 to 2027 relates to sustainability: improving the MSCI ESG and Inrate ESG ratings by one rating category for each index. Furthermore, the Executive Board’s performance is assessed based on qualitative targets, also taking sustainability-related aspects into consideration.

By embracing a responsible remuneration policy, TKB ensures that it avoids creating the wrong incentives for its customer advisors and conflicts of interest in its advisory services.

Further information on remuneration can be found in [TKB’s annual report](#). The report also discloses the ratio of total annual remuneration.

Reporting

TKB has provided transparent reporting on its sustainability progress since 2014. The GRI Sustainability Report has been published annually since 2023. The report undergoes a preliminary review in the Strategy Committee of the Board of Directors and is then approved by the Board of Directors. The sustainability report supplements the bank’s annual report, which contains not only the annual review but also the annual financial statements, detailed information on corporate governance and the key aspects of non-financial reporting in accordance with Art. 964a et seq. of the Swiss Code of Obligations. These aspects will be dealt with in the Bank Committee and approved



by both the Board of Directors and the Grand Council (Parliament) of the Canton of Thurgau. TKB also publishes a climate report in accordance with the recommendations of the TCFD as an annex to the annual report. The climate report undergoes a preliminary review in the Risk and Audit Committee of the Board of Directors and is then approved by both the Board of Directors and the Grand Council of the Canton of Thurgau. Based on the Federal Council's Ordinance on Climate Disclosures, this climate reporting is mandatory for TKB from the 2024 financial year onward. TKB additionally communicates its sustainability performance in various formats via different channels. These include the employee magazine, the bank's website as well as social media posts. These communications enable it to meet the various information requirements of its stakeholder groups.

Organization

The Board of Directors is responsible for corporate governance at a strategic level and the Executive Board at the operational level. Various departments and specialists within the bank assist the Executive Board with implementation.

The Corporate Governance working group monitors and reviews regulatory developments. It includes employees from the General Secretariat, Corporate Development (strategy, innovation, sustainability), the Sustainability Office and the Compliance and Risk Control departments. It meets quarterly.

The Compliance department supports the Executive Board and employees by providing information, advice and training on compliance issues. It also ensures compliance with the rules and policies. The department reports regularly to the Executive Board and quarterly to the Board of Directors.

The bank has also set up permanent working groups for the topics of "Regulations", "Data protection" and "Prevention of internal fraud", which comprise, among others, the heads of HR, Internal Audit, Legal and Compliance. Other working groups are formed when necessary and to implement specific corporate governance initiatives.

Sustainability-related risks

Contemporary corporate governance is aligned with strict ethical and sustainability principles. TKB is a FINMA-licensed bank; it is subject to a multitude of regulatory and legal requirements and compliance with those requirements is audited by an external audit firm annually. The bank also describes its corporate governance in detail in its annual report. Since it is subject to strict requirements, numerous measures have been taken to mitigate the risk of violations of those corporate governance requirements. Central instruments include the internal control system (ICS) in the operating units, the independent Risk Control, the Compliance function and Internal Audit. Despite these precautions, TKB rates the associated risks as moderate, in part due to the strict requirements that apply.

Sustainability-related opportunities

Modern corporate governance lays the foundation for TKB's business operations and strengthens both its credibility and solidarity. The bank's size – classified by FINMA as a Category 3 bank – enables TKB to operate an adequate, independent risk organization. Professional risk management puts the bank in a position to identify and seize opportunities.

Measures and activities

Once again, various working groups dealt with corporate governance issues and exchanged information on a regular basis. This resulted in the following implementation measures.

In March 2023, TKB published its GRI sustainability report for 2022 in accordance with the GRI Standards 2021. This report contained an initial disclosure in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The bank published an English-language version of the report for the first time as well.

The Board of Directors approved the Code of Ethics (Code of Conduct) in 2023. This was then presented to the employees, incorporated into the terms and conditions of employment and published both internally and externally. Various communication measures help embed the Code of Ethics (Code of Conduct) within TKB.

In 2023, the “Reporting” working group closely examined again the new provisions of the Swiss Code of Obligations on non-financial reporting (Art. 964a et seq. CO) as well as the two related ordinances and their implementation at TKB. The working group’s recommendations regarding the implementation of the new reporting obligations, including the tasks and responsibilities of the Board of Directors and its committees, were approved by the Board of Directors. The revised competency regulations are expected to be adopted in early 2024.

TKB also worked on the topic of double materiality and TKB’s materiality assessment was enhanced (also see “Material topics”). In addition to the previous consideration of TKB’s impact on the environment, society and the economy (inside-out), another perspective (outside-in) will now also be taken into consideration for TKB’s sustainability-related risks and opportunities.

Target achievement status at the end of 2023

- *The Sustainability Report conforms to GRI Standards*
- *The Board of Directors adopted the Code of Ethics (Code of Conduct)*

Target achievement in the “Corporate governance” material topic is the result of an ongoing process. The bank is guided by the corporate governance guidelines of the economic umbrella organization *economiesuisse* and SIX Swiss Exchange.

The bank was not involved in any fines, non-monetary sanctions or disputes arising from failure to comply with laws or regulations during the reporting period. There were no reports to the external whistleblowing hotline.

In 2023, bank employees completed 160 training days in the areas of compliance and data protection (2022: 288 days).

Next steps

The revised competency regulations will be adopted by the Board of Directors. These reflect in particular roles and responsibilities regarding the various non-financial reporting obligations.

TKB will implement the non-financial reporting obligations in accordance with Art. 964a et seq. CO in a timely manner. The bank will also look into machine readability for its climate reporting.



The individual SDGs are outlined on page 121.

Material topic

Information security, cyber security and data protection

TKB attaches great importance to information security, cyber security and data protection. It protects its own data and that of customers in accordance with the standards customary in the industry. It uses both technical as well as organizational means to do this. The bank provides its customers and employees with transparent information about data processing.

“Information security, cyber security and data protection” is a new material topic. Despite the fact that TKB is now providing detailed reporting on this topic for the first time, the bank has been addressing it in depth for quite a while and ensures that it employs suitable structures and methods that meet the most stringent of standards.

Main targets up to 2025

- TKB prevents all reportable cyber attacks
- Implement further technical measures to safeguard information security and cyber security and protect against cyber threats
- Provide employees with regular training on information security, cyber security and data protection
- Establish a high level of transparency for data subjects by providing comprehensive information about data processing
- Establish a high level of security for permissible data processing through automation and the use of standardized processes (privacy by default / privacy by design)
- Implement continuous user awareness programs on the topics of information security and cyber security and cyber threats up to 2026

Target achievement status at the end of 2023

- All employees have completed one hour of training on information security, cyber security and data protection
- No reportable cyber attacks
- Data protection incidents that have occurred
 - Three requests submitted regarding the rights of data subjects
 - One complaint submitted regarding data protection breaches (of these, no proven cases of data protection breaches; one case of a data protection breach was dismissed)
- No data protection breaches discovered internally, two data breaches with contractual partners/processors

Next steps (2024)

- Consolidate data protection processes and continue corresponding awareness-raising and communication measures
- Implement the information security and cyber security awareness and training strategy by 2026. Focus in 2024: record the right measurement checkpoints

Management approach

Incorporation into the compliance management system

TKB attaches great importance to information security, cyber security and data protection. The Executive Board implements the information security, cyber security and data protection management system and issues directives covering areas such as data protection, data classification, basic IT protection and handling customer data. The Com-

pliance department supports the Executive Board in implementing the management system. The relevant controls in the internal control system (ICS), including controls of suppliers and IT business partners, are geared toward regulatory requirements and the relevant standards. As part of the quarterly compliance report, the Board of Directors and Executive Board are informed on a quarterly basis about issues relating to information security, cyber security and data protection. The



management system and relevant internal controls are also regularly audited by an internal and external auditor. All employees receive regular training on information security, cyber security and data protection. Information on these topics is prepared and communicated within the company and externally on an ongoing basis.

Suppliers and business partners are contractually obliged to protect data in accordance with the bank's specifications. TKB will provide contractors with training on the topic of data protection where needed. Contractors are also contractually obliged to provide data protection training for any of their employees who perform work for the bank.

Privacy Policy

The relevant provisions governing the processing of personal data are published in the [Privacy Policy](#) on the bank's website and available at any branch; these are available to customers as well as any interested parties. The Privacy Policy applies to all areas of the bank. Customers receive specific data protection notices in the form of terms of use for the use of online forms and tools or when participating in events or functions. For employees, these are set out in an internal directive on data protection. TKB grants data subjects all rights afforded to them by law including the right to obtain information free of charge, to have data rectified, blocked or erased, to restrict processing, to object to processing, and to have personal data disclosed or transferred to other controllers in a commonly used format. Data subjects can withdraw consent already given to the processing of personal data at any time, although the revocation only applies to the future. The processing of personal data can be carried out by TKB itself or via a third party on behalf of TKB. The "Outsourcing" and "Contract Administration" (Vertragswesen) directives regulate the awarding of contracts to third parties. The bank ensures compliance with data protection through suitable measures. TKB also provides sep-

arate data protection notices that refer to the EU General Data Protection Regulation (GDPR).

Access management system

Personal data is also protected against unauthorized access through a restrictive access management system, among other measures. In the interests of data minimization, there is a process that governs the periodic erasure of all digital data in the core banking system and directly connected systems as well as processes for erasing other data in peripheral systems and physical storage systems. Erasure is based on the statutory and regulatory retention periods as well as the requirements of data protection legislation.

Contingency plans for security incidents (data breaches, data incidents)

TKB has contingency plans in place for security incidents (data breaches, data incidents). The duties, competencies and responsibilities are set down in the directive. A data leakage tool (DLP) monitors the databases, outgoing e-mail traffic and selected portions of the data storage system. In the event of a leakage, the employees involved, their supervisors and the Information Security team receive an e-mail. The Information Security and Cyber Security team investigates each case. The employee involved must also give their account of what happened. The security incidents are documented, compiled and reported to the internal Cyber Risk Board. Precautions are taken to prevent potential data breaches; these include risk assessments, the use of privacy by default / privacy by design approaches and supplemental training measures. If actual data breaches occur, these are analyzed immediately in accordance with a defined process and measures are initiated to minimize the damage and improve protective measures.

Regular audits are carried out to safeguard information security and cyber security. These are aligned with the material risks in critical systems and along data transmission paths. Carried out



either by external firms (in isolated cases) or internal teams (Information Security and Cyber Security / Internal Audit), these audits examine processes as well as their impact on information and critical data used in those processes.

Organization

The Board of Directors ensures that the corporate strategy is in compliance with data protection regulations. The Executive Board is responsible for implementing the relevant measures for information security, cyber security and data protection. In particular, it ensures that personal data are processed in compliance with data protection regulations and, in doing so, safeguards the confidentiality and integrity of customer data.

Data Protection Officer

TKB's Data Protection Officer (DPO) is appointed by the Executive Board, professionally independent and not bound by directives. The DPO reports to the Compliance department and ensures that risks are identified at an early stage and that personal data processing complies with the legal requirements. The DPO advises all responsible departments of the bank on all matters relating to data protection and raises employees' awareness of issues related to data protection.

Cyber Risk Board

The Cyber Risk Board is made up of the heads of IT Security, Risk Control, IT, Information Security and Cyber Security and IT Internal Audit.

The Cyber Risk Board monitors cyber threats on behalf of TKB and therefore any changes to TKB's risk exposure. It also analyzes cyber incidents within the bank and the industry environment and monitors both penetration tests and vulnerability assessments. It evaluates current cyber risks on an ongoing basis and examines current regulatory issues.

Information Security team

Information security and cyber security are monitored and ensured by a multi-person Information Security and Cyber Security team. This team reports to the Compliance department, making it part of the second line of control. TKB also has an IT Security team that reports to IT and handles functions related to the first line of control as a result. This ensures that systems, networks and data flows are monitored at all times in order to prevent data losses and defend the bank against cyber attacks on its IT systems and applications.

Sustainability-related risks

Information security, cyber security and data protection pose risks that have a high potential for damage and losses. Information security and cyber security harbor a risk of falling victim to a cyber attack – including data theft or damage to IT services, for example. Compliance with the Data Protection Act and safeguarding bank client confidentiality entail further risks. Circumstances such as a data loss, too many access rights, mail mistakenly sent to wrong addresses or the inadequate handling of personal data could result in damage or losses. TKB classifies these risks as significant and responds to them through the use of a robust IT architecture, data access concepts, end-to-end monitoring of IT systems by internal and external specialists, dedicated software for identifying and defending against cyber threats or data loss, directives and requirements governing the handling of data as well as regular awareness-raising campaigns and training for employees and, increasingly, for customers.

Sustainability-related opportunities

The focus of information security and cyber security and data protection is on minimizing risk; there is only limited potential for opportunities. This potential could stem in particular from the fact that clear regulations and transparency regarding data protection and the processing of personal data can strengthen customer trust.



Measures and activities

The focus in the past year was on implementing measures to ensure compliance with the new Swiss Data Protection Act. TKB also implemented a data erasure process, which ensures compliance with the applicable principles of data protection. This includes in particular compliance with the statutory retention periods and rights of access as well as rule-based, automatic erasure of information in the core banking system and connected systems. This also includes the introduction of data erasure processes in the other IT systems and physical storage.

The Privacy Policy was adapted to comply with the required duties to provide information. The bank also raised awareness of this among all employees, both through intranet posts as well as presentations at division, department and team meetings, and amended the relevant IT training sessions accordingly.

Furthermore, TKB offered its compact seminars on the topic of online security to its customers free of charge; these addressed topics such as secure online banking, secure passwords, protecting yourself against social engineering attacks and general cyber security.

Target achievement status at the end of 2023

- All employees have completed one hour of training on information security, cyber security and data protection
- No reportable cyber attacks
- Data protection incidents that have occurred
 - Three requests submitted regarding the rights of data subjects
 - One complaint submitted regarding data protection breaches (of these, no proven cases of data protection breaches; one case of a data protection breach case was dismissed)
 - No data protection breaches discovered internally, two data protection breaches with contractual partners/processors

TKB is on track in terms of the targets it set itself. All employees receive regular training and are made aware of the relevance of information security, cyber security and data protection. All reportable cyber attacks were prevented. The bank successfully implemented relevant measures for ensuring compliance with the Data Protection Act. Three requests regarding the rights of data subjects were received during the period under review. One complaint regarding data breaches was also received, however it was disproved and dismissed. The user awareness strategy was finalized as well.

Next steps

During the upcoming reporting period, the newly introduced processes will be consolidated and a review will confirm that the processing of personal data is in compliance with data protection regulations. In-house measures for raising awareness and communications will also be continued.

Awareness and training measures on the topic of information security and cyber security will be implemented in the next four years; these will be based on the user awareness strategy. The goal is to establish an advanced security culture at TKB. The focus in 2024 is on recording the right measurement checkpoints.

The compact seminar “Online Security” will continue to be offered.



The individual SDGs are outlined on page 121.

Material topic

Procurement

The bank orients its procurement policy along sustainable lines and strives for local or regional supply chains. By taking account of sustainability requirements when procuring goods and services, TKB indirectly supports environmentally friendly and fair production and contributes to efforts aimed at strengthening awareness of sustainable consumption.

As a company of Thurgau with a cantonal public service mandate TKB is committed to fostering an economy compatible with society and the environment. The bank therefore does not just select products and services according to economic criteria but also based on ecological and social factors and buys from regional suppliers whenever possible.

Main targets up to 2025

- All buyers and suppliers consider the general procurement principles of the bank fully and in depth. They also meet the product-specific sustainability requirements
- TKB addresses the procurement principles with all new suppliers and current suppliers for new orders
- TKB strengthens Thurgau's economy by awarding orders to local suppliers. It considers Swiss suppliers for at least 90 percent of orders

Target achievement status at the end of 2023

- Share of goods and services procured in Switzerland: 98.4 percent

Next steps (2024)

- Update sustainability labels in the existing product-specific declarations from IT and Marketing
- Feasibility study and creation of web-based training
- Implement measures connected to the rollout of the Sustainability Declaration for Suppliers of TKB

Management approach

TKB's principles for the procurement of goods and services provide a guideline for all employees involved in purchasing.

Sustainable procurement principles

There are six overarching principles applicable to all the bank's procurement procedures: efficiency, social compatibility (including compliance with human rights), environmental compatibility, considering local business partners, transparency and partnership-based cooperation as well as product-specific requirements. The principles give the procurement managers specific criteria and key questions, general tips and process descriptions.

They stipulate that procuring parties maintain a competitive cost/benefit ratio over the entire period of use. Moreover, the goods and services must be produced or supplied under socially acceptable conditions and have the minimum possible negative impact on the environment and people throughout their entire life cycle. The procurement managers raise awareness among suppliers of occupational health and safety guidelines as well as human and labor rights. Of relevance here are the applicable laws, collective labor agreements and other collective agreements, industry standards and the guidelines of the UN International Labour Organization (ILO).



TKB addresses the sustainability requirements in discussions with all new suppliers as well as current suppliers in contract renewal negotiations. Furthermore, the general procurement principles can be found on the [TKB website](#). TKB uses internal communication channels, like the intranet, to ensure that all employees charged with procurement know and follow the principles. The topic is also addressed during sustainability training. The Executive Board is additionally updated on the status of target achievement through twice-yearly reports.

Sustainability Declaration for Suppliers

The suppliers of TKB pledge to comply with generally valid sustainability requirements through the Sustainability Declaration for Suppliers. These requirements also include ensuring that suppliers take all necessary measures to prevent corruption. The Sustainability Declaration is utilized for all procurements and services used with a value of CHF 10,000 per year or higher; it is obtained once per supplier. This helps TKB create a commitment to sustainability in the supply chain and systematically raise awareness of environmental friendliness and social compatibility among its suppliers. A structured data filing system makes it possible to track and evaluate progress made. The document can be found on [TKB's website](#).

Specific requirements

For ten product groups considered to be at risk, TKB has defined specific sustainability requirements that go beyond the general principles. Suppliers complete, sign and return these product declaration sheets to TKB. In IT, the requirements are incorporated into the tender documents, making them a fixed contractual component. The product-specific sustainability requirements apply to advertising material, IT products, furnishings, real estate and the staff restaurant.

The requirements apply to purchases with a value of CHF 10,000 or more per procurement process or cumulated over the entire year. TKB also applies these requirements to a lower procurement volume for particularly sensitive products, such as marketing items for children. A second exception applies to providers where the bank regularly places larger orders, in which case they apply regardless of the order volume. When appropriate, TKB refers to the product-specific sustainability requirements of recognized labels and certifications, such as “Blue Angel”, “amfori BSCI” and “FSC”. External procurement experts regularly review whether the relevant requirements have changed.

Annual due diligence check in accordance with the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO)

TKB is subject to the requirements of DDTrO. TKB is currently exempt from the due diligence and reporting obligations since it does not process or import any minerals or metals in excess of the defined thresholds and there are no reasonable grounds to suspect child labor in its supply chain. TKB performs an annual due diligence check and documents whether this assessment still applies. After an initial evaluation in 2022, which involved compiling an inventory of all relevant goods and services procured, this process was then operationalized in 2023. The annual due diligence check, among other things, was incorporated into the internal control system. Additional details regarding the review process can be found in the [annual report](#) (p. 45).



Organization

The procurement heads of the different departments are responsible for implementing the general procurement principles and fulfilling the product-specific sustainability requirements. The Sustainability Office is the point of contact for any questions or concerns.

The procurement managers from Marketing, IT, Real Estate, technical services and the staff restaurant discuss the ongoing updating of sustainability requirements in the “Procurement” exchange group. They also identify the need for training and process optimization. External procurement experts support the exchange between departments if needed.

Sustainability-related risks

If due diligence obligations relating to child labor or the import of minerals and metals from conflict and high-risk areas are violated in connection with the purchase of goods and services, this represents a potential risk. TKB regularly reviews compliance with the statutory requirements and has established the necessary processes. It therefore assesses the risk as low.

Sustainability-related opportunities

When procuring goods and services, the greatest opportunity lies in TKB’s ability to encourage its business partners and suppliers to engage in sustainable business practices by actively addressing sustainability-related issues and requesting compliance with certain standards. The bank focuses on opportunities to promote the topic and notes that dialog with business partners and suppliers is having a positive impact.

Measures and activities

TKB uses several different instruments that are contributing to the bank’s sustainable procurement policy. The Sustainable Procurement Principles have applied to all goods and services since 2017. These are supplemented by product-specific declaration sheets. New declaration sheets were prepared and rolled out for the staff restaurant during the period under review. A Sustainability Declaration for Suppliers was also prepared during the period under review and approved by the Executive Board. This document obligates suppliers to comply with generally applicable sustainability requirements. The Sustainability Declaration is utilized for all procurements and services used with a value of CHF 10,000 per year or higher. It will be rolled out in early 2024. This helps TKB create a commitment to sustainability in the supply chain and systematically raise awareness of environmental friendliness and social compatibility among its suppliers.

TKB also introduced a structured data filing system in 2023 where both product declaration sheets and sustainability declarations can be filed. This simplifies the monitoring process enormously for everyone involved and creates transparency.

Target achievement status at the end of 2023

- *Share of goods and services procured in Switzerland: 98.4 percent (2022: 99 percent)*

TKB achieved its goals related to the procurement of goods and services in the period under review. These projects will undergo continuous development and improvement.

The detailed information on expenditure for local suppliers is succinctly presented in “Key performance indicators” starting on page 98.



Next steps

In its product-specific declaration sheets, TKB relies on recognized sustainability labels and certifications where appropriate. External procurement experts check at regular intervals whether the requirements for these have changed. The sustainability labels and certifications of the existing product-specific declarations from IT and Marketing will be reviewed in 2024.

TKB will also examine the feasibility of web-based training on the topic of sustainable procurement for employees with procurement responsibilities. If the outcome of this is positive, a training program will be put together and rolled out as quickly as possible.

The Sustainability Declaration for Suppliers will be introduced in early 2024. After a pilot phase with the members of the Procurement experience exchange group, the declaration will then be rolled out throughout the entire bank.



The individual SDGs are outlined on page 121.

Material topic

Commitment to the region

TKB is a significant sponsor and provides over one million Swiss francs every year in support of life in the community. The bank is committed to promoting both culture as well as popular sports and acts as a patron. It is particularly active in supporting up-and-coming talent. Many employees also have commitments with associations and institutions in the region. TKB supports this charitable engagement. It also organizes seminars to inform the people of Thurgau about different financial topics, including taxes, investments and pension provision. The legally independent Anniversary Foundation of TKB is engaged mainly in cultural, artistic, academic and charitable projects with a local character.

With extensive sponsorships, the incorporation of sustainability criteria in those sponsorships and the charitable commitments of its staff, TKB is committed to promoting a rich community life in the canton. TKB also aligns its sustainable sponsorship criteria with the SDGs: about 30 of 179 subordinate goals must be met in order for TKB to deem a sponsorship agreement sustainable.

Main targets up to 2025

- TKB has sponsorship commitments in all districts of the canton. These take sustainability criteria into consideration
- All the bank's contracts for sponsorship commitments contain sustainability criteria and are stored digitally
- TKB raises awareness among branch employees for compliance with sustainability criteria for decentralized sponsorship activities
- Sustainability criteria apply to all bank events. The closing reports address the fulfillment of the sustainability criteria
- Bank employees engage in a total of 150 charitable acts per year. The bank reports regularly on the charitable engagement of its employees
- TKB's sustainable commitment is known throughout the canton

Target achievement status at the end of 2023

- Share of sponsorship contracts with sustainability criteria: 97.1 percent
- Number of charitable acts by employees in 2023: 185

Next steps (2024)

- Continue the exchange of experience between the Marketing department and the branches to optimize the tools developed for sponsorships and events
- Continue the charitable commitment
- Sustainability-themed trade shows
- Implement the new sponsorship tool



Management approach

TKB's sponsorship concept sets out sustainability criteria that are generally easy to understand. There is also a catalog of criteria for sponsored events addressing waste, procurement, mobility and security.

Sustainability criteria

The bank initially assesses sponsorship applications against the sustainability criteria set out in the sponsorship concept as shown on the TKB website. If the conditions are met and no exclusion criteria apply, the application is reviewed via a pre-defined process. A sustainability clause and suitable sustainability criteria are integrated into all sponsorship agreements. The clause emphasizes the value of sustainability and obliges the sponsorship partners to transparently present their efforts to meet the sustainability criteria.

Sponsorship tool

Since 2022, a digital sponsorship tool has optimized and systemized the process for entering and evaluating sponsorship commitments. All relevant data is called up online and only complete sponsorship applications can be submitted. The conditions that determine whether cooperation is approved can be seen online. When completing the online form, applicants must answer questions on certain sustainability aspects including about the waste and mobility concept, whether local suppliers are considered and the environmental performance assessment. Sponsorship applications for events with over 1,000 attendees require the organizers to describe transparently and in detail which measures they will take in the areas of waste, procurement, mobility and security to ensure the event is held in a sustainable way.

Bank events

The sustainability criteria also apply to the bank's own events. TKB values seasonal products for catering and encourages people to use public transport or form carpools. After the event, the project

management produces a final report detailing improvement potential, including with regard to sustainability.

Charitable engagement

TKB gives all its staff one working day to engage in charitable work. Various projects with Thurgau-based organizations are available for volunteering, all of which meet the bank's sustainability criteria. Bank employees also have the option of taking paid holiday for a voluntary commitment outside the scope of TKB's own offering.

TKB Anniversary Foundation

The legally independent foundation was established on the occasion of TKB's 100th anniversary. It promotes cultural, artistic, academic and charitable events and projects in the Canton of Thurgau that align with the interests of the people of Thurgau.

Ongoing exchange

TKB strives for stable sponsorship partnerships based on proximity, reliability and trust. That is why it cultivates regular exchange with its sponsorship partners. At least once per year, the bank seeks direct dialog or contacts its partners in the context of a charitable commitment or at its own networking events.

TKB measures the event-specific impact of its social commitment and sponsorships using a tool that tracks participant feedback and indirectly through the results of regular brand surveys.



Organization

The Executive Board has overarching responsibility for social engagement. The Marketing department, in particular the Events & Sponsorships team, is responsible for implementation. It manages the sponsorship concept, supports the sponsorship commitments and organizes bank events and trade show appearances.

If a sponsorship application meets the basic conditions and if a canton-wide project is involved, the sponsorship project management prepares an application to the Executive Board, which will decide on its approval. If the sponsorship request relates to a local project, the relevant branch office decides whether to approve it.

Since 2021, the sponsorship project management has organized “Committed to the region”, a group focused on sharing experience gained through sponsorship projects. The group comprises project managers from Events, Exhibitions and Sponsorships as well as representatives of select branches. External sustainability experts are included where necessary. The group meets twice a year to advance the bank’s engagement in line with the targets outlined in its sustainability strategy.

Sustainability-related risks

TKB does not see any sustainability-related risks related to its commitment to the region.

Sustainability-related opportunities

Through its commitment to the region, TKB fulfills its legally stipulated public service mandate, which states that the bank has a social responsibility to promote economic development in the Canton of Thurgau. This social commitment also boosts the bank’s visibility, consolidates its position on the market and contributes to the bank’s positive reputation. For years, now, TKB has been actively working to promote Thurgau’s diversity, strengthen its economy and make it a pleasant place to live. This commitment is a core element of the bank’s mission and vision.

Measures and activities

TKB honed its sponsorship targets during the period under review to better align these with the bank’s sustainability goals. The amended goals help reveal at an early stage of the process just how well a sponsorship request fits TKB’s sustainability strategy. This is extremely beneficial to the decision-making process. The sponsorship tool used for submitting and managing requests has some shortcomings, however (related to data analysis, etc.) that could not be rectified during the period under review. For events, event-management software was introduced that streamlines the process enormously while also reducing paper consumption by shifting communications to electronic channels (wherever possible, physical responses to invitations are replaced by e-mails, etc.).

The sustainability guidelines and checklists for events, trade shows and sponsorships were presented via a roadshow at TKB’s branches. This not only boosted awareness of the resources among employees but also helps ensure that they are used consistently throughout the bank.

After hardly any exhibitions were held during the pandemic, 2023 brought ten trade shows with a TKB stand on the topic of sustainability. The bank additionally participated at the real estate fair Immozionale, where its stand once again revolved



around the topic of sustainability but in collaboration with the public energy advice centers of the Canton of Thurgau (eteam – your energy advisors). Thanks to the uniform theme and appearance, the booth could be reused for all trade shows. The booth's visual design and interactive concept received many compliments from attendees.

TKB sponsored and sat on the jury of the Thurgau Energy Award again in the period under review and also presented a special award for owner-occupied residential property.

2023 also saw the bank continue its efforts to raise awareness of sustainability-related topics in society and the region. One example of this was its launch of a new compact seminar entitled “Sustainable renovation” (Nachhaltig sanieren), which was attended by 16 people during the first two iterations. The bank also collaborated with Energy Experts Thurgau (EFT Energiefachleute Thurgau) to hold free information evenings on the topic of “Building renovations – cutting energy costs in half” (Gebäude erneuern – Energiekosten halbieren). This program features expert speakers (on issues such as energy policy, advisory services, building renovations, solar installations, Minergie, etc.) as well as a portion on how to finance these measures, which is presented by TKB. TKB additionally supported two studies related to sustainability. One of them examined what SMEs are doing to promote sustainability management. The results of this study were presented to the employees of the Business Customers area to raise their awareness of the matter. The second was the 2023 IFZ Sustainable Investment study, which is published on a regular basis. Finally, TKB published an article on the topics of sustainability and SMEs in the *Wirtschaft Thurgau* newsletter.

The bank supports the “Schuldenmodul Thurgau” (Thurgau Debt Module) in cooperation with the association “Finance Mission” to help foster general financial literacy among young people. This

course involves employees of the debt collection and bankruptcy offices and Caritas counseling center visiting classes at schools to teach financial literacy in a double lesson.

Since 2021, TKB has donated CHF 6,000 a year to WWF Ostschweiz for its “NaturSchule” (Nature School) project. WWF made around 90 visits to schools in Thurgau last year as part of this project. During these visits, a playful approach is used to teach children about endangered species and how to protect their natural habitat.

185 employees volunteered in 2023, performing a total of around 1,300 hours of charitable work. A total of eleven different pool projects were offered; these are organized centrally and participation is open to groups of at least ten people. There were also 17 individually planned projects. Several different group projects are planned again in the coming year, some of which are new additions.

The legally independent Anniversary Foundation donated about CHF 400,000 to support 231 local projects during the reporting period.

Target achievement status at the end of 2023

- *Share of sponsorship contracts with sustainability criteria: 97.1 percent (2022: 95.6 percent)*
- *Number of charitable acts by employees in 2023: 185 (2022: 85)*

TKB is on track in terms of its targets. The bank made progress in 2023 in terms of its awareness training, in particular, with roadshows at the branches and various measures aimed at the people and businesses of Thurgau.

The detailed information on TKB expenditure in the context of its sponsorships and the expenditure of the legally independent TKB Anniversary Foundation is succinctly presented in “Key performance indicators” starting on page 98.



Next steps

Continue the exchange of experience between the Marketing department and the branches. This will focus on optimizing the tools for sponsorships.

TKB will be present at fairs again in 2024. A significantly smaller number of industrial fairs are being held than in the previous year; TKB is planning to participate in approximately three of these as well as one trade show. Last year's concept and focus on the topic of sustainability will be left unchanged.

A new version of the sponsorship tool will be available from early 2024 onward; this tool is expected to offer simpler usability and better functions for performing evaluations. This tool should make sponsorship decisions even more data-driven going forward. The new event management software introduced in 2023 will be fully linked to the core banking system in 2024, meaning that it will be fully functional.

Finally, TKB will continue to pursue its charitable commitments, offer compact seminars again and resume its work with the Finance Mission unchanged.

Strategic thrust *“Gentle on the environment”*

TKB has made a commitment to achieving the net-zero target by 2050 and joined the SBTi. This obligation relates to both direct operational as well as financed indirect GHG emissions. Operational GHG emissions stem from the bank’s own business activities; according to the GHG Protocol, these fall under Scope 1 to 3 and categories 1 to 14 of Scope 3. Financed emissions include the third-party emissions financed through loans and investments as described in Scope 3, category 15 of the GHG Protocol. TKB has an environmental management system to record and analyze its operational and financed GHG emissions. It derives measures to optimize and reduce both emissions as well as energy and resource consumption so its operations have the smallest environmental impact possible. TKB also encourages its employees and customers to make a contribution toward climate protection and look into the subject (also see “Responsible advisory services” on page 23). Specifically, it promotes an exchange of knowledge within the Canton of Thurgau on topics such as energy efficiency and real estate value retention.

Impact of business activities

The bank’s main environmental impact stems from its banking services, for example energy consumption by IT infrastructure and building technology, employee commuting and business travel as well as from the use and disposal of various materials in the offices. TKB also has a major lever for influencing its environmental impact through the construction of new offices and renovation of existing ones. However, most of the bank’s environmental impact is indirect, as it influences the flow of capital through its lending and investment business. These subjects are addressed in the material topics “Sustainable finance” and “Sustainable products and services” and within the framework of [climate reporting in accordance with the TCFD recommendations](#).

Expectations of the bank

The employees, the Canton of Thurgau as the owner, customers and investors consider efficient management of direct environmental impacts as a given and acknowledge the bank’s efforts. Good environmental management is an industry standard and neglectful behavior harms the bank’s reputation, which can make it harder to recruit new staff or gain customers, investors or business partners. Financial institutions are also being increasingly called upon to actively address and reduce their indirect environmental impact through their lending and investment business. TKB wants to answer this call in a more targeted manner (for more information, see the “Committed to customers” strategic thrust starting on page 21).



Management approach

TKB does not want to earn at the expense of future generations. It complies with the environmental laws in force in Switzerland and tries to positively influence its direct environmental impacts while avoiding or reducing its negative impacts. These efforts will help Switzerland achieve its net-zero target by 2050. TKB had defined binding, science-based reduction targets for both its operational and financed GHG emissions in connection with its SBTi membership. These are aimed at limiting global warming to well below 2 degrees Celsius. The bank bases its climate disclosures on the TCFD recommendations.

Environmental management system

The bank has an environmental management system that meets the requirements of the GHG Protocol. It uses this system to record consumption of energy, water and paper, waste and GHG emissions and the environmental footprint from travel. Greenhouse gas emissions and energy consumption are counted at the bank's own premises as well as in its external data centers and online service providers. TKB uses the results to check the effectiveness of its measures once per year and optimizes them when necessary. Avoiding adverse environmental consequences is the overriding priority. If such consequences are entirely or partly unavoidable, the bank will implement improvement or substitute measures, such as the use of renewable energies. When calculating and disclosing its financed GHG emissions, TKB uses the PCAF standard for preparing its greenhouse gas inventory and report ([see the Climate report in accordance with TCFD recommendations](#)).

Electricity

Since 2012, TKB has relied exclusively on natural electricity generated in Switzerland, largely from renewable sources, for buildings that it owns and leases. 100 percent of the power requirements of the external data centers is covered by renewable energy. TKB's fleet of company vehicles, compris-

ing nine cars, was switched to electric vehicles (including a plug-in hybrid) in 2022. The bank also sets up e-charging stations available to the public at selected locations.

Real estate

When building and renovating its own buildings, the bank applies sustainability criteria that are set out in its real estate strategy as approved in 2021. These criteria complement the guideline for ecological construction approved in 2014. Whenever heating systems are replaced, TKB refrains from using fossil fuels where possible and uses self-produced electricity.

Mobility

Business and commuter traffic accounts for over 30 percent of the bank's direct GHG emissions. Given the rural nature of the Canton of Thurgau, employees mainly use cars to travel to work. The bank holds a regular employee mobility survey to improve the data basis and to garner feedback as to how employees can be supported in their mobility behavior. Progressive working from home policies and the expansion of virtual meetings to avoid business travel are the first action points.

Procurement and resource management

The environment section of the general principles for the procurement of goods and services focuses on recognized sustainability labels and certifications (see details in "Procurement" on page 67). The bank also mainly uses recycled paper and is progressively digitalizing its processes to reduce operational paper use. Other steps for reducing resource consumption include optimizing food consumption in the staff restaurant and continual reductions in the number of printers.

Raising employee awareness

Finally, the personal behavior of employees regarding energy use, resource consumption and waste disposal are key to the success of the bank's "Gentle on the environment" theme. TKB motivates its



staff to behave in an environmentally friendly way in day-to-day business and in general through various awareness-raising measures, such as articles in the employee magazine, the sustainability blog and events. It also promotes knowledge exchange in the canton. TKB regularly uses external communication channels, including social media, to address environmental issues to an interested public (also see "Knowledge building" in the section entitled "Responsible advisory services" on page 23).

Organization

The Sustainability Office is responsible for operational environmental management. The Real Estate department implements the measures. The Risk Control department is responsible for calculating financed GHG emissions. The Sustainability Office is responsible for working out strategic matters (including climate targets). TKB has the support of an external partner for managing the environmental management system, particularly for data gathering and analysis.



The individual SDGs are outlined on page 121.

Material topic

Climate and GHG emissions

Since limiting climate change and adapting to its impacts are among the most pressing global challenges, TKB is reducing greenhouse gas emissions. In doing so, it also factors in indirect emissions in upstream and downstream processes in addition to the direct GHG emissions at the company’s locations. The bank can make a contribution by shaping its own investment decisions and operational processes in a climate-friendly way and by acting as a role model in the canton. It also uses advisory sessions to systematically raise customers’ awareness of sustainability-related topics and ESG risks and, in doing so, promotes a shift in the flow of capital toward sustainable businesses and activities (also see “Responsible advisory services” starting on page 23).

TKB uses an environmental management system to measure its environmental impact. It derives measures to reduce its GHG emissions from the system’s data. The bank also continually reduces its environmental impact through a variety of measures, including raising employee awareness. TKB has supported a high-quality climate protection project by the Swiss foundation myclimate since 2021 that is commensurate with its remaining operational emissions. The bank will add more measures in the coming years in alignment with the reduction pathway.

Main targets up to 2025

- GHG emissions are 19 percent below their 2019 value
- TKB supports a high-quality climate protection project commensurate with the total amount of remaining operational GHG emissions

Target achievement status at the end of 2023

- GHG emissions down 18 percent (base year: 2019)
- TKB’s SBTi-based emission reduction targets were approved by the Executive Board and a target validation request was submitted to the SBTi
- Support for a climate protection project in a scope commensurate with the unavoidable GHG emissions

Next steps (2024)

- Mobility survey: presentation of results, deduction of recommended actions and implementation of further measures
- Employee awareness training on the topics of climate and GHG emissions, e.g., through a sustainability event

Sustainability-related risks

Climate change gives rise to risks for TKB that affect its investment and financing activities. The financing of residential and commercial real estate in Switzerland is immensely important to the bank; accordingly, the potential consequences of climate change have the greatest impact on its credit risk. Important to TKB are transition risks – such as rising levies for greenhouse gas emissions or an increase in loan defaults – and physical risks – like flooding. Market and liquidity risks as well as operational risks, on the other hand, only impact cli-

mate change indirectly and to a very minor degree. In the short to medium term, climate change poses merely a low risk to the bank across all risk types. In the long term, TKB expects the importance of physical climate risks to grow. However, compared with other non-climate-related risks and measured against equity, these are currently assessed as being rather low. The bank has taken steps to mitigate these risks, one of which being the implementation of statutory requirements to disclose climate-related risks and opportunities in accordance with the TCFD recommendations.



Sustainability-related opportunities

The transition to a climate-friendly economy opens up business opportunities since decarbonization requires large investments. TKB can steer the flows of capital toward sustainable activities through the mortgages and business loans it grants. The building sector holds enormous financing potential. The bank can identify and take advantage of financing opportunities at an early stage by providing proactive support to its customers. Accordingly, the bank's strategy calls for TKB's business model to be more closely aligned with ESG criteria. More detailed information about climate-related risks and opportunities can be found in the climate report, which forms part of TKB's annual report.

Measures and activities

TKB joined the SBTi during the year under review and pledged to define binding, science-based emission reduction targets for its direct and indirect GHG emissions, particularly for the lending business (also see "Sustainable finance" starting on page 38).

TKB conducted a mobility survey among its staff in the fall of 2023. It revealed both a slight decrease in commuter traffic over 2021 and a slight increase in business travel. Most commuting and business travel still took place by car. The results will be discussed with the Executive Board in 2024 and suitable measures will be deduced.

The year under review also saw the bank continue its efforts to raise awareness among employees and the people of Thurgau. For one, the bank sponsored the public e-mobility days organized in the municipalities of Weinfelden and Horn; these were also advertised inside the bank. For another, TKB organized its fourth sustainability event for employees – featuring a new concept in the year under review. Employees were able to pick and choose the elements of the program that interested them most, including tours of two Minergie properties.

Swiss Climate performed the audit of the GHG inventory again. Within the scope of its audit, it reviewed the accuracy of the GHG inventory approach as well as the requisite calculations and processes involved. A summary of the resulting Assurance Statement is in the Annex on page 119. The Scope 3 emissions specified in the assurance statement are more comprehensive than those listed on p. 118. The key performance indicators are reported in accordance with the GRI Standards; these, however, do not require certain emission categories to be listed that appear in the assurance statement.

Target achievement status at the end of 2023

- GHG emissions down 18 percent (base year: 2019)
- TKB's SBTi-based emission reduction targets were approved by the Executive Board and a target validation request was submitted to the SBTi
- Support for a climate protection project in a scope commensurate with the unavoidable GHG emissions of 2023

TKB is well on the way to achieving its environmental targets. Since 2021, it has supported CO₂ reductions in climate protection projects in a scope commensurate with the remaining operational GHG emissions. Based on its unavoidable operational GHG emissions of 2,001 metric tons, the bank supported a high-quality climate protection project by the Swiss foundation myclimate in 2023.

Due to a mistake made in the calculations, emissions from Scope 3.8 have previously been reported under Scope 1; this error has since been rectified, which is why the Scope 1 emissions are now lower across all the years included in the report. TKB caused 31 percent fewer direct (Scope 1) GHG emissions in 2023 than in 2019. Compared with the previous year, however, Scope 1 emissions increased due to the leakage of refrigerants amounting to 65 t CO₂ e in 2023. The refrigerant leaks were first inventoried in 2023. The cause of the leak is known



and steps have been taken to rectify the situation. Indirect (Scope 2) GHG emissions were 10 percent higher than the 2019 base year. This increase is attributable in part to the installation of heat pumps and greater demand for electricity due to e-mobility.

Two thirds of the bank's overall GHG emissions are from business travel, employee commuting, paper and water consumption as well as the operation of external data centers. These other indirect emissions (Scope 3) were down 27 percent in 2023 compared with the 2019 base year. This is attributable in particular to new data regarding business travel and commuting, which was updated with information obtained from the employee survey showing a slight decrease in commuting and a larger share of e-mobility.

The detailed key indicators are summarized in "Key performance indicators" starting on page 98.

With respect to real estate energy consumption data, the bank was unable to achieve its planned efficiency increase. The project to map all consumption meters in the energy tracking system suffered a delay due to capacity shortages in the provider's organization. One consequence of this was an inability to perform an automatic plausibility check on the 2023 consumption figures. All consumption meters had been mapped by the end of 2023.

TKB enhanced the quality of its data for Scope 3 emissions (purchased goods and services) during the period under review. The underlying data was examined in detail together with a specialized consulting firm. That then allowed a more detailed allocation of the emission factors and a more precise GHG inventory as a result.

The bank also submitted its science-based emission reduction targets to SBTi for validation in 2023.

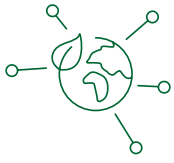
Next steps

The bank implements measures to reduce its emissions on an ongoing basis. For more details, please refer to the separate [Climate report in accordance with the TCFD recommendations](#) as well as the transition plan contained therein.

Work to roll out the energy tracking system will continue so that this system is fully operational in 2024.

The results of the mobility survey will be discussed with the Executive Board in 2024 to extrapolate suitable measures. The bank will not only communicate those results to the employees, but also implement measures based on the findings.

The bank will carry out further awareness-raising activities in 2024. These are expected to include a renewal of support for e-mobility days as well as a sustainability event for staff.



The individual SDGs are outlined on page 121.

Material topic

Energy consumption

TKB is reducing energy consumption at all locations as well as in upstream and downstream parts of the value chain. It prioritizes the use of renewable energies and energy efficiency. When buying products and services, the bank pays attention to their energy intensity and the type of energy used for their production.

Through the reduction of its energy consumption and promotion of renewable energy carriers, TKB supports the necessary conversion of its energy systems. In so doing, it takes on a pioneering role for employees and other enterprises in the canton and has a positive impact on things that lie beyond the scope of its own operational decisions.

Almost two-thirds of the energy used by TKB is for its buildings; just under one-third is for mobility. The bank is continually reducing its energy consumption by modernizing its real estate and acquiring environmentally friendly vehicles.

Main targets up to 2025

- The consumption of non-renewable primary energy is 22 percent lower than in 2019
- The consumption of non-renewable primary energy in the area of mobility – including business travel and commuter traffic – is down 15 percent from 2019
- The consumption of non-renewable primary energy is 38 percent lower than in 2019 for the bank’s own buildings

Target achievement status at the end of 2023

- Non-renewable primary energy down by 24 percent (base year: 2019)
- Non-renewable primary energy for mobility down by 20 percent (base year: 2019)
- Non-renewable primary energy at TKB’s own buildings down 33 percent (base year: 2019)

Next steps (2024)

- Continuation of real estate strategy

Sustainability-related risks

TKB did not identify any material sustainability-related risks related to its energy consumption. The bank is prepared for rising energy prices and continues to work on easing its dependence on fossil fuels and reducing the energy consumption of its in-house infrastructure.

Sustainability-related opportunities

Lower energy consumption will enable the bank to cut costs, increase its independence and strengthen its reputation. An economical use of energy enables the bank to serve as a role model and encourage

third parties to implement cost-cutting measures. TKB classifies these opportunities as significant.

Measures and activities

Work to completely renovate the Bischofszell branch was completed and the grand opening took place in June 2023. Renovation work on the branch in Aadorf is proceeding according to schedule.

As a member of the energy saving alliance, TKB introduced energy saving measures in the winter of 2023 that remained in effect throughout the rest of the year.



As part of a pilot project, the Frauenfeld branch has had an e-bike for customer visits since early 2023. Experience has shown that e-bike use is heaviest in pleasant weather and that further room for improvement still exists. The advisors that use the e-bike, however, are happy to have it and the response from customers has been positive as well. The Frauenfeld branch will continue to use the e-bike; insights from this first year of operation will be incorporated into efforts to elaborate further mobility measures.

Target achievement status at the end of 2023

- *Non-renewable primary energy down by 24 percent (base year: 2019)*
- *Non-renewable primary energy for mobility down by 20 percent (base year: 2019)*
- *Non-renewable primary energy at TKB's own buildings down 33 percent (base year: 2019)*

The key indicators for the reporting period show that TKB is making good progress towards achieving its stated aims for 2025.

Overall energy consumption fell by 13 percent in 2023 compared with the 2019 base year. Energy consumption per employee (full-time equivalent) was down 22 percent compared with the base year 2019. This is attributable to both structural measures as well as a decline in commuter traffic. It also resulted in a decrease in the consumption of non-renewable primary energies since 2019.

The detailed key indicators are summarized in "Key performance indicators" starting on page 98.

Next steps

The real estate strategy will continue to be pursued; additional properties will be renovated and converted in the coming months. The renovation in Aadorf, for example, will be completed in 2024: TKB has geared this project toward the Minergie-P standard, installed a photovoltaic system and a heat pump with a geothermal probe that also enables the building to be cooled in the summer. A photovoltaic system will be installed at the Arbon branch as well, while the Frauenfeld branch will undergo a facade renovation and have its windows replaced. Last but not least, the air conditioning system at the headquarters in Weinfelden will be converted to a geothermal assisted system. The energy saving measures introduced in 2023 in connection with the bank's membership in the energy saving alliance will be continued.



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The individual SDGs are outlined on page 121.

Material topic

Waste and resource management

TKB takes a gentle approach to consumables and avoids unnecessary waste, in spite of not having a material-intensive business model as a financial services provider. The bank is prudent in its consumption of resources when buying products and services. Product recyclability and selecting less resource-intensive products are key to this. When procuring paper, TKB values a high recycled component and FSC certification. The bank also reduces its operational paper consumption through continual process digitalization. TKB sells leftovers from the staff restaurant at reduced prices.

Main targets up to 2025

- Paper consumption is 40 percent lower than in 2013
- 90 percent of paper used is recycled paper
- TKB embraces a gentle approach to resources. To achieve that, the bank will develop a disposal concept and infrastructure strategy as well as action proposals for the staff restaurant

Target achievement status at the end of 2023

- Paper consumption down 54 percent (base year: 2013)
- Share of recycled paper: 94 percent
- Initial steps have been taken to implement the new concept for the staff restaurant

Next steps (2024)

- Implementation of disposal concept
- Creation of a new concept for the staff restaurant

Sustainability-related risks

TKB has not identified any sustainability-related risks in connection with its waste and resource management.

Sustainability-related opportunities

Sustainability-related opportunities are negligible since there are very few possibilities for cutting costs. TKB still considers a prudent approach to the use of resources important because this elicits a positive response among internal and external stakeholder groups: Impeccable conduct enables the bank to raise its employees' awareness of environmentally friendly behavior in everyday life and encourage them to do the same. This, in turn, helps it cultivate a positive image in the banking environment. TKB classifies this opportunity as significant.

Measures and activities

At two branches of different sizes, TKB conducted a pilot project in October 2023 to test the waste disposal boxes envisaged in the disposal concept. Based on the insights gained through the pilot project, the bank now plans to implement its new disposal concept at all branches – including its headquarters – in 2024.

A new concept is being drawn up for the staff restaurant. The new concept will aim to make the restaurant more resource efficient while still enabling it to continue offering an attractive selection of foods and drinks in keeping with the times.



Target achievement status at the end of 2023

- *Paper consumption down 54 percent (base year: 2013)*
- *Share of recycled paper: 94 percent*
- *Initial steps have been taken to implement the new concept for the staff restaurant*

Staff shortages combined with a large workload caused implementation of the disposal concept to be delayed during the period under review. It will be rolled out in 2024. Some first steps were taken to adapt the concept for the staff restaurant and work on this will continue in 2024.

The detailed key indicators are summarized in “Key performance indicators” starting on page 98.

Next steps

The new concept for the employee restaurant will be completed in the first half of 2024 and implementation is envisioned in the second half of the year.

The new disposal concept will be implemented throughout the entire bank in 2024. This process will be accompanied by suitable in-house communications. If any changes still need to be made to the concept as a result of insights gained from real-world operations, these will be implemented over the course of the year.

GRI Index

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the German version of the report.

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

GRI 1 used: GRI 1: Foundation 2021

GRI Standard / other source	Disclosure	Location	Additional information and omissions
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General disclosures

The organization and its reporting practices

GRI 2: General disclosures 2021

[2-1]	Organizational details	AR: pgs. 49–50, 132	
[2-2]	Entities included in the organization’s sustainability reporting	GRI SR: pg. 120	
[2-3]	Reporting period, frequency and contact point	GRI SR: pg. 120	
[2-4]	Restatement of information		<p>Retention rate of employees having taken parental leave: The wrong denominator was used for the calculation in previous years (“Total number of employees that took parental leave”). The ratio now refers to the “Total number of employees who returned to work after parental leave during the reporting period”. This reference was corrected for the entire time series. The ratio is therefore higher than in the previous year’s report (GRI SR: p. 106)</p> <p>GHG emissions (Scope 1 and 3): In previous years, emissions from Scope 3.8 (upstream leased assets) were mistakenly included in Scope 1. This double counting has been rectified, which is why the Scope 1 emissions are lower across the entire time series than in the previous year’s report. (GRI SR: pgs. 117–118)</p> <p>GHG emissions (Scope 3): The emission factor used for recycling paper was too high in previous years. This has been corrected for the entire time series. Scope 3 emissions are therefore lower across the entire time series than in the previous year’s report. (GRI SR: pg. 118)</p>

GRI Standard / other source	Disclosure	Location	Additional information and omissions
[2-5]	External assurance	GRI SR: pgs. 119–120	

Activities and workers

GRI 2: General disclosures 2021

[2-6]	Activities, value chain and other business relationships	AR: pg. 75 GRI SR: pg. 11	
[2-7]	Employees	GRI SR: pgs. 100–101	
[2-8]	Workers who are not employees	GRI SR: pg. 101	

Governance

GRI 2: General disclosures 2021

[2-9]	Governance structure and composition	AR: pgs. 50–55, 58–65 GRI SR: pg. 9	
[2-10]	Nomination and selection of the highest governance body	AR: pg. 55	
[2-11]	Chair of the highest governance body	AR: pgs. 51–52	
[2-12]	Role of the highest governance body in overseeing the management of impacts	GRI SR: pg. 9	
[2-13]	Delegation of responsibility for managing impacts	GRI SR: pgs. 8–11	
[2-14]	Role of the highest governance body in sustainability reporting	GRI SR: pg. 9	
[2-15]	Conflicts of interest	AR: pg. 55	
[2-16]	Communication of critical concerns	GRI SR: pg. 18	Omission – information not available / incomplete: There is currently no record of the number of critical concerns.
[2-17]	Collective knowledge of the highest governance body	GRI SR: pg. 9	
[2-18]	Evaluation of the performance of the highest governance body	GRI SR: pg. 9	
[2-19]	Remuneration policies	AR: pgs. 65–67 GRI SR: pgs. 9, 60	
[2-20]	Process to determine remuneration	AR: pgs. 65–67 GRI SR: pgs. 9, 60	
[2-21]	Annual total compensation ratio	AR: pg. 66	

Strategy, policies and practices

GRI 2: General disclosures 2021

[2-22]	Statement on sustainable development strategy	GRI SR: pg. 3	
[2-23]	Policy commitments	GRI SR: pgs. 4–5, 10–11	
[2-24]	Embedding policy commitments	GRI SR: pgs. 9–11	

GRI Standard / other source	Disclosure	Location	Additional information and omissions
[2-25]	Processes to remediate negative impacts	GRI SR: pgs. 5, 18	
[2-26]	Mechanisms for seeking advice and raising concerns	GRI SR: pgs. 18, 29, 60	
[2-27]	Compliance with laws and regulations	GRI SR: pg. 62	
[2-28]	Membership associations	GRI SR: pgs. 10–13	

Stakeholder engagement

[2-29]	Approach to stakeholder engagement	GRI SR: pgs. 15–17	
[2-30]	Collective bargaining agreements		TKB is not bound by a collective bargaining agreement and has not employed any persons governed by a collective bargaining agreement. The same working conditions apply to all employees, including the maximum working hours.

Material topics

GRI 3: Material topics 2021

[3-1]	Process to determine material topics	GRI SR: pgs. 19–20	
[3-2]	List of material topics	GRI SR: pgs. 6–7	

Strategic thrust “Committed to customers”

Material topic “Responsible advisory services”

GRI 3: Material topics 2021

[3-3]	Management of material topics	GRI SR: pgs. 21–22, 23–27	
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Material topic “Customer orientation”

GRI 3: Material topics 2021

[3-3]	Management of material topics	GRI SR: pgs. 21–22, 28–30	
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Own disclosure

Customer survey on customer satisfaction and recommendation	GRI SR: pg. 30
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Material topic “Sustainable products and services”

GRI 3: Material topics 2021

[3-3]	Management of material topics	GRI SR: pgs. 21–22, 31–37	
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GRI Standard / other source	Disclosure	Location	Additional information and omissions
Own disclosures			
	Share of products and services with ESG criteria	GRI SR: pgs. 36, 98	
	Monetary value of products and services developed for a specific environmental benefit	GRI SR: pgs. 36, 98	
	Number of advisory sessions carried out by cantonal energy advice centers	GRI SR: pgs. 36, 98	
Material topic "Sustainable finance"			
GRI 3: Material topics 2021			
[3-3]	Management of material topics	GRI SR: pgs. 21–22, 38–43	
Own disclosures			
	Proportion of assets audited for ecological or social aspects with a positive or negative result	GRI SR: pgs. 42, 99	
	Percentage of financial investments linked to ESG criteria	GRI SR: pgs. 42, 99	
	CO ₂ emission (Scope 1–2) per invested CHF million of the financing and investment portfolio	GRI SR: pgs. 42, 99	
Strategic thrust "Responsible towards employees"			
Material topic "Responsibility as an employer"			
GRI 3: Material topics 2021			
[3-3]	Management of material topics	GRI SR: pgs. 44–50	
GRI 401: Employment 2016			
[401-1]	New employee hires and employee turnover	GRI SR: pgs. 102–103	
GRI 404: Training and education 2016			
[404-1]	Average hours of training and education per year per employee	GRI SR: pg. 104	
[404-3]	Percentage of employees receiving regular performance and career development reviews	GRI SR: pg. 48	
Own disclosures			
	Employee survey on satisfaction and commitment	GRI SR: pgs. 50, 104	
	Number of absence days	GRI SR: pgs. 50, 104	
	Number of absences longer than four weeks due to overwork and burnout	GRI SR: pg. 50	

GRI Stan- dard/ other source	Disclosure	Location	Additional information and omissions
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Material topic "Diversity and equal opportunity"

GRI 3: Material topics 2021

[3-3]	Management of material topics	GRI SR: pgs. 44–48, 51–53	
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GRI 401: Employment 2016

[401-3]	Parental leave	GRI SR: pgs. 105–106	
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GRI 405: Diversity and equal opportunity 2016

[405-1]	Diversity of governance bodies and employees	GRI SR: pgs. 52, 106–108	
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Own disclosures

	Degree of employment after parenthood	GRI SR: pg. 109	
	Gender pay gap	GRI SR: pg. 52	
	Proportion of returnees following parenthood at the same function or level	GRI SR: pgs. 52, 110	
	Proportion of part-time employees in management positions	GRI SR: pgs. 110–111	

Strategic thrust "Embedded in society and region"

Material topic "Economic performance"

GRI 3: Material topics 2021

[3-3]	Management of material topics	GRI SR: pgs. 54, 55–57	
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GRI 201: Economic Performance 2016

[201-1]	Direct economic value generated and distributed	GRI SR: pg. 112	
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Own disclosures

	Capital ratio	GRI SR: pgs. 57, 113	
	Return on average required equity	GRI SR: pgs. 57, 113	
	Dividend payout ratio	GRI SR: pgs. 57, 113	

Material topic "Corporate governance"

GRI 3: Material topics 2021

[3-3]	Management of material topics	GRI SR: pgs. 54, 58–62	
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Own disclosure

	Number of training days in "Compliance and data protection"	GRI SR: pg. 62	
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GRI Standard / other source	Disclosure	Location	Additional information and omissions
Material topic "Information security, cyber security and data protection"			
GRI 3: Material topics 2021			
[3-3]	Management of material topics	GRI SR: pgs. 54, 63–66	
GRI 418: Customer privacy 2016			
[418-1]	Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI SR: pg. 66	
Own disclosure			
	Number of training days in "Compliance and data protection"	GRI SR: pg. 62	
Material topic "Procurement"			
GRI 3: Material topics 2021			
[3-3]	Management of material topics	GRI SR: pgs. 54, 67–70	
GRI 204: Procurement Practices 2016			
[204-1]	Proportion of spending on local suppliers	GRI SR: pgs. 70, 113	
Material topic "Commitment to the region"			
GRI 3: Material topics 2021			
[3-3]	Management of material topics	GRI SR: pgs. 54, 71–75	
GRI 201: Economic Performance 2016			
[201-1]	Direct economic value generated and distributed	GRI SR: pg. 114	
Own disclosures			
	Proportion of contracts with integrated sustainability criteria for sponsorships and events	GRI SR: pgs. 75, 114	
	Number of charitable acts by employees	GRI SR: pgs. 75, 114	
Strategic thrust "Gentle on the environment"			
Material topic "Climate and GHG emissions"			
GRI 3: Material topics 2021			
[3-3]	Management of material topics	GRI SR: pgs. 76–81	
GRI 305: Emissions 2016			
[305-1]	Direct GHG emissions (Scope 1)	GRI SR: pg. 117 CR TCFD: pgs. 22–23	
[305-2]	Indirect energy-related GHG emissions (Scope 2)	GRI SR: pg. 117 CR TCFD: pgs. 22–23	

GRI Standard / other source	Disclosure	Location	Additional information and omissions
[305-3]	Other indirect GHG emissions (Scope 3)	GRI SR: pg. 118 CR TCFD: pgs. 22–25	
[305-4]	GHG emissions intensity	GRI SR: pg. 118	
Own disclosure			
	Reduction of GHG emissions (Scope 1–3) relative to base year 2019/2020	GRI SR: pgs. 80, 118	
Material topic “Energy consumption”			
GRI 3: Material topics 2021			
[3-3]	Management of material topics	GRI SR: pgs. 76–78, 82–83	
GRI 302: Energy 2016			
[302-1]	Energy consumption within the organization	GRI SR: pg. 116	
[302-3]	Energy consumption outside of the organization	GRI SR: pg. 116	
[302-3]	Energy intensity	GRI SR: pg. 116	
Own disclosures			
	Reduction of energy consumption (within and outside the organization relative to the base year 2019)	GRI SR: pg. 116	
	Consumption of non-renewable primary energy	GRI SR: pg. 117	
Material topic “Waste and resource management”			
GRI 3: Material topics 2021			
[3-3]	Management of material topics	GRI SR: pgs. 76–78, 84–85	
GRI 301: Materials 2016			
[301-1]	Materials used by weight or volume	GRI SR: pg. 115	
[301-2]	Recycled input materials used	GRI SR: pgs. 85, 115	
Own disclosure			
	Water consumption	GRI SR: pg. 118	

Index on non-financial matters (Art. 964a et seq. CO)

New legal provisions regarding sustainability disclosures have applied in Switzerland since the year under review. According to the Swiss Code of Obligations, companies that exceed a certain size threshold are required to create transparency on five “non-financial matters”. TKB implements the new reporting obligations in its annual report. In addition to this, the GRI sustainability report offers in-depth information on the relevant topics.

The table below shows which non-financial concerns are allocated to the material topics of TKB's sustainability strategy.

	Environmental matters	Social matters	Employee matters	Respect for human rights	Combating corruption
Committed to customers					
Responsible advisory services		x			
Customer orientation		x			
Sustainable products and services	x			x	
Sustainable finance	x	x		x	
Responsible towards employees					
Responsibility as an employer		x	x		
Diversity and equal opportunity			x		
Embedded in society and the region					
Economic performance					
Corporate governance					x
Information security, cyber security and data protection		x			
Procurement	x	x		x	x
Commitment to the region		x			
Gentle on the environment					
Climate and GHG emissions	x				
Energy consumption	x				
Waste and resource management	x				

The table below shows where, besides in TKB’s annual report, supplemental information can be found on the non-financial matters in both the GRI sustainability report and in the climate report in accordance with the TCFD recommendations.

CO 964b	Disclosure	Location	Additional information and omissions
Environmental matters (including CO₂ targets)			
Para. 1	Impact of business activities	GRI SR, pgs. 21, 54, 76 CR TCFD, pgs. 13–15	“Impact of business activities” subsection in each case Climate-related risks and their effects
Para. 2(2)	Concepts	GRI SR, pgs. 32–34, 39–40, 67–69, 77–78 CR TCFD, pgs. 9–16	“Management approach” subsection in each case Strategy, “The inclusion of climate-related risks and opportunities in business policy”
Para. 2(3)	Measures and assessment of effectiveness	GRI SR, pgs. 35–37, 40–42, 69–70, 80–81, 82–83 CR TCFD, pgs. 21–30	“Measures and activities” and “Target achievement status” subsections in each case Key indicators and targets, “Key performance indicators for dealing with climate-related risks and opportunities”
Para. 2(4)	Material risks and how they are handled	GRI SR, pgs. 10, 35, 40, 69, 79, 82, 84 CR TCFD, pgs. 17–20	Subsection “Integration of climate risks into risk management”, each with the subsection “Sustainability-related risks” Risk management, “The processes used for dealing with climate-related risks”
Para. 2(5)	Key performance indicators	GRI SR, pgs. 98–99, 115–118 CR TCFD, pgs. 21–30	Table “Key performance indicators”; key indicators on two strategic thrusts: “Committed to customers” and “Gentle on the environment” Key indicators and targets, “Key performance indicators for dealing with climate-related risks and opportunities”
Social matters			
Para. 1	Impact of business activities	GRI SR, pgs. 21, 44, 54	“Impact of business activities” subsection in each case
Para. 2(2)	Concepts	GRI SR, pgs. 15–18, 23–24, 28–29, 39–40, 46, 63–65, 67–69	Section “Dialog with stakeholders” in particular the subsection “Communication of critical concerns” “Management approach” subsection in each case Under the strategic thrust “Responsible towards employees”, the section on “Occupational health management”
Para. 2(3)	Measures and assessment of effectiveness	GRI SR, pgs. 25–27, 30, 40–42, 66	“Measures and activities” and “Target achievement status” subsections in each case
Para. 2(4)	Material risks and how they are handled	GRI SR, pgs. 25, 29, 40, 65	“Sustainability-related risks” subsection in each case
Para. 2(5)	Key performance indicators	GRI SR, p. 104	Table “Key performance indicators”, “Number of absence days” disclosure There is currently no record of the number of critical concerns.
Employee matters			
Para. 1	Impact of business activities	GRI SR, pg. 44	Subsections “Impact of business activities”
Para. 2(2)	Concepts	GRI SR, pgs. 45–48	Subsection “Management approach”

CO 964b	Disclosure	Location	Additional information and omissions
Para. 2(3)	Measures and assessment of effectiveness	GRI SR, pgs. 50, 52–53	“Measures and activities” and “Target achievement status” subsections in each case
Para. 2(4)	Material risks and how they are handled	GRI SR, pgs. 49, 51–52	“Sustainability-related risks” subsection in each case
Para. 2(5)	Key performance indicators	GRI SR, pgs. 100–111	Table “Key performance indicators”, key indicators regarding the strategic thrust “Responsible towards employees”

Respect for human rights

Para. 1	Impact of business activities	GRI SR, pgs. 21, 54	“Impact of business activities” subsection in each case
Para. 2(2)	Concepts	GRI SR, pgs. 11, 32–34, 39–40, 67–69	“Obligation to observe human rights” subsection “Management approach” subsection in each case
Para. 2(3)	Measures and assessment of effectiveness	GRI SR, pgs. 35–37, 40–42, 69–70	“Measures and activities”, “Target achievement status” subsections in each case; only “Measures and activities” for the material topic “Procurement”
Para. 2(4)	Material risks and how they are handled	GRI SR, pgs. 35, 40, 69	“Sustainability-related risks” subsection in each case
Para. 2(5)	Key performance indicators	GRI SR, pgs. 98–99	Table “Key performance indicators”, key indicators on the strategic thrust “Committed to customers”, except key indicators for “Number of advisory sessions carried out by energy advice centers” and “CO ₂ emissions (Scope 1–2) per invested CHF million of the financial investment portfolio”

Anti-corruption

Para. 1	Impact of business activities	GRI SR, pgs. 54, 68	Subsections “Impact of business activities”
Para. 2(2)	Concepts	GRI SR, pgs. 58–61, 68	Subsection “Management approach” For the material topic of Procurement in the section “Sustainability Declaration for Suppliers”
Para. 2(3)	Measures and assessment of effectiveness	GRI SR, pgs. 62, 69–70	“Measures and activities” and “Target achievement status” subsections
Para. 2(4)	Material risks and how they are handled	GRI SR, pg. 61	“Sustainability-related risks” subsection
Para. 2(5)	Key performance indicators	GRI SR, pg. 62	See key indicators in the subsection “Target achievement status at the end of 2023”.

Annex

Performance indicators

Strategic thrust

Committed to customers

Sustainable products and services

[self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Share of products and services (assets under management) with ESG criteria [self-disclosure]						
Volume of total products / services (assets under management) ² (in million francs)	12.9%	10,264	9,095	10,420	9,310	8,626
Number of ESG products/services ³	4.6%	40,193	38,434	34,638	25,551	-
Volume of ESG products/services ⁴ (in million francs)	8.6%	2,451	2,256	2,478	1,820	-
Share of ESG products/services relative to total volume (in percent)	-3.7%	23.9	24.8	23.8	19.5	-
Monetary value of products and services (assets under management) developed for a specific environmental benefit [self-disclosure]						
Total mortgage volume (in million francs)	4.4%	20,000	19,154	21,740	20,575	19,662
Total volume of energy mortgages (in million francs)	46.4%	60	41	44	42	41
Share of volume comprised of energy mortgages (in percent)	40.2%	0.3	0.2	0.2	0.2	0.2
Number of advisory sessions carried out by energy advice centers [self-disclosure]						
Advisory sessions provided by energy advice centers (energy efficiency real estate advisory services) ⁵	82.8%	53	29	30	10	48
Number of advisory sessions provided by energy advice centers (rooftop energy) ⁶	-	22	-	-	-	-

¹ Change in 2023 relative to the previous year (2022) in percent

² Total investment volume (assets under management) (AuM, custody account, pension provision)

³ Conversion to ESG Plus approach; number of custody accounts (AuM basis, private mandates, pension funds)

⁴ Conversion to ESG Plus approach; AuM basis, private mandates, pension funds

⁵ Energy advisory services have been provided in cooperation with the energy advice centers of the Canton of Thurgau since 2018

⁶ Advisory services offered since 2023

Sustainable finance (ESG integration)

[self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Proportion of assets audited, for environmental or social aspects with a positive or negative result [self-disclosure]						
Value of entire assets under management at the end of the reporting period (in million francs)	0.5%	1,987	1,977	1,705	1,629	1,293
Value of entire assets subject to positive environmental and/or social screening ² (in million francs)	0.5%	1,987	1,977	1,705	1,629	1,288
Value of entire assets subject to negative environmental and/or social screening ² (in million francs)	0.0%	0.0	0.0	0.0	0.0	5
Value of entire assets subject to positive and negative environmental and/or social screening ² combined (in million francs)	0.0%	0.0	0.0	0.0	0.0	0.0
Proportion of assets that has undergone a positive environmental or social audit relative to total assets (in percent)	0.0%	100.0	100.0	100.0	100.0	99.6
Proportion of assets that has undergone a negative environmental or social audit relative to total assets (in percent)	0.0%	0.0	0.0	0.0	0.0	0.4
Proportion of assets that has undergone a combined negative and positive environmental or social audit combined relative to total assets (in percent)	0.0%	0.0	0.0	0.0	0.0	0.0
Percentage of financial investments linked to ESG criteria [self-disclosure]						
Share of total financial investments	2.5%	166	162	132	135	123
Number of financial investments linked to ESG criteria ³	2.5%	166	162	132	135	122
Proportion of financial investments linked to ESG criteria (in percent)	0.0%	100.0	100.0	100.0	100.0	99.2
CO₂ emissions (Scope 1–2) per invested CHF million of the financial investment portfolio [self-disclosure]						
CO ₂ emissions in metric tons of CO ₂ equivalent (CO ₂ e) per million francs invested in the entire portfolio ⁴	–9.6%	95.6	105.7	168.0	167.4	173.4

¹ Change in 2023 relative to the previous year (2022) in percent

² The self-disclosure analysis forms the basis for this evaluation: "Percentage of financial investments linked to ESG criteria"; volume in CHF millions instead of the number of securities

³ The basis for this evaluation of the "ESG criteria link" is the sustainability approach applied by TKB to the bank's proprietary financial investments since spring 2023 (see "Sustainable finance")

⁴ Basis: MSCI ESG tool (please note: there was no emission data available for 44.8% of the securities or 24.5% of the portfolio's market value for the 2023 financial investment portfolio. Moreover, in the 2023 portfolio, 24.8% of emission data displayed relative to the number of securities and 57.8% relative to the portfolio's market value is based on MSCI estimates; emission data were effectively or fully reported for 30.3% of the number of securities or 17.7% of the portfolio's market value)

Strategic thrust

Responsible towards employees

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 401-1, GRI 404-1, GRI 401-3, GRI 405-1, self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Employees [GRI 2-7]						
Total headcount, in FTEs ²	3.9%	755.3	726.8	711.6	704.4	684.7
Total headcount (FTEs) in accordance with AR standard (50% apprentices, excluding hourly wage earners), in FTEs ³	4.3%	731	701	684	679	658
Number of full-time positions offered ⁴ (FTEs) excluding apprentices/interns	2.6%	710	692	674	663	632
Employees						
– Total employees (all including apprentices/interns and hourly wage earners)	3.6%	865	835	809	799	777
– of which functional level 7 (EB) ⁵	0.0%	6	6	6	6	-
– of which management positions (all supervisors as per staffing plan; excluding EB) ⁵	3.9%	133	128	125	126	-
– of which without management position (rest) ⁵	3.6%	726	701	678	667	-
– of which functional level 5 ^{5,6}	6.0%	336	317	291	272	-
– of which apprentices	-4.4%	43	45	47	48	48
– of which interns	-25.0%	3	4	4	1	2
– of which hourly wage earners	0.0%	9	9	9	8	7
Total number of employees by employment contract ⁷ (temporary/unlimited)	3.6%	856	826	800	791	770
Unlimited employment contract						
– Men	3.9%	430	414	407	402	316
– Women	3.7%	363	350	329	326	389
– Other	-	-	-	-	-	-
Temporary employment contract⁸ (including apprentices and interns)						
– Men	-8.3%	33	36	36	36	36
– Women	15.4%	30	26	28	27	29
– Other	-	-	-	-	-	-

¹ Change in 2023 relative to the previous year (2022) in percent

² Total staff including hourly wage earners, apprentices/interns calculated 100% / reference date as at 31 December 2023

³ Excluding hourly wage earners (due to AR standard), including apprentices and interns (calculated at 50%)

⁴ Target number, excluding apprentices/interns and temporary staff

⁵ Start of data capture due to change to functional level model in 2020

⁶ Additional information: employees at functional level 5 are part of the employees without a management position (rest). Functional level 5 comprises experts. It is thus the highest level of a career as a specialist.

⁷ Headcount including apprentices/interns, but excluding hourly wage earners, as they are listed separately

⁸ Apprentices/interns count as temporary employment contracts, not unlimited

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 401-1, GRI 404-1, GRI 401-3, GRI 405-1, self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Hourly wage earners	0.0%	9	9	9	8	7
– Men	0.0%	3	3	3	2	1
– Women	0.0%	6	6	6	6	6
– Other	-	-	-	-	-	-
Total number of employees by degree of employment ² (full-time and part-time)	4.2%	819	786	758	750	727
Full-time (excluding apprentices/interns)	4.5%	488	467	474	476	461
– Men	2.9%	350	340	343	350	338
– Women	8.7%	138	127	131	126	123
– Other	-	-	-	-	-	-
Proportion of full-time employees, by gender (in percent)						
– Men	-1.5%	71.7	72.8	72.4	73.5	73.3
– Women	4.0%	28.3	27.2	27.6	26.5	26.7
– Other	-	-	-	-	-	-
Part-time ² (excluding apprentices/interns, including hourly wage earners)	3.8%	331	319	284	274	266
– Men	4.8%	88	84	76	63	59
– Women	3.4%	243	235	208	211	207
– Other	-	-	-	-	-	-
Proportion of part-time employees, by gender (in percent)						
– Men	1.0%	26.6	26.3	26.8	23.0	22.2
– Women	-0.3%	73.4	73.7	73.2	77.0	77.8
– Other						

Workers who are not employees [GRI 2-8]

Total number of workers not employed but controlled ³	-11.1%	8	9	n.s.	n.s.	n.s.
Ratio of workers not employed but controlled compared with the total number of employees (in percent)	-14.2%	0.9	1.1	n.s.	n.s.	n.s.

¹ Change in 2023 relative to the previous year (2022) in percent

² Headcount, excluding apprentices/interns

³ These are people employed with a third-party company, but who have worked exclusively for TKB at a higher number of hours for an extended period (e.g., at reception). Their number is recorded per person and at the end of the reporting period (reference date). This key indicator has been surveyed since 2022.

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 401-1, GRI 404-1, GRI 401-3, GRI 405-1, self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
New employee hires and employee turnover [GRI 401-1]						
Number of persons ² (headcount) as above in GRI 2-7	-	865	835	809	799	777
– of which < 30 years ³	-	190	186	198	190	185
– of which 30–50 years ³	-	411	396	364	361	353
– of which > 50 years ³	-	264	253	247	248	239
– of which men ³	-	466	453	446	440	426
– of which women ³	-	399	382	363	359	351
– of which other ³	-	-	-	-	-	-
Total number of employees hired during the reporting period, broken down by age group ²	-21.9%	89	114	88	87	79
– < 30 years	-16.0%	42	50	52	54	51
– 30–50 years	-36.4%	35	55	30	29	19
– > 50 years	33.3%	12	9	6	4	9
Proportion of new employees, by age group (in percent)						
– < 30 years	7.6%	47.2	43.9	59.1	62.1	64.6
– 30–50 years	-18.5%	39.3	48.2	34.1	33.3	24.1
– > 50 years	70.8%	13.5	7.9	6.8	4.6	11.4
Total number of employees hired during the reporting period, broken down by gender ²	-21.9%	89	114	88	87	79
– Men	-28.3%	43	60	46	49	44
– Women	-14.8%	46	54	42	38	35
– Other	-	-	-	-	-	-
Proportion of new employees, by gender (in percent)						
– Men	-8.2%	48.3	52.6	52.3	56.3	55.7
– Women	9.1%	51.7	47.4	47.7	43.7	44.3
– Other	-	-	-	-	-	-

¹ Change in 2023 relative to the previous year (2022) in percent

² Headcount including apprentices/interns, including hourly wage earners

³ Information for calculating turnover

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 401-1, GRI 404-1, GRI 401-3, GRI 405-1, self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Total number of employees who left the company during the reporting period, by age group ²	-16%	68	81	86	64	70
– < 30 years	-29.4%	24	34	34	33	38
– 30–50 years	-15.4%	22	26	24	15	19
– > 50 years	4.8%	22	21	28	16	13
Employee turnover by age group ³ (unadjusted turnover, in percent)						
– < 30 years	-26.9%	10.5	14.4	13.6	13.5	16.1
– 30–50 years	-11.5%	5.1	5.8	6.1	3.8	5.1
– > 50 years	3.6%	8.3	8.0	11.1	6.3	5.2
Total number of employees who left the company during the reporting period, by gender	-5.8%	68	81	86	64	70
– Men	-32.7%	33	49	45	35	44
– Women	9.4%	35	32	41	29	26
– Other	-	-	-	-	-	-
Employee turnover by gender ³ (unadjusted turnover, in percent)						
– Men	-30.3%	6.7	9.6	9.1	7.2	9.4
– Women	11.4%	8.2	7.3	10.1	7.3	6.7
– Other	-	-	-	-	-	-
Employee turnover ³ (unadjusted turnover, in percent)						
– total	-13.8%	7.4	8.5	9.6	7.2	8.2
Employee turnover ³ (adjusted turnover, in percent)						
– total ⁴	-24.3%	5.6	7.4	5.6	4.7	5.7

¹ Change in 2023 relative to the previous year (2022) in percent

² Headcount including apprentices/interns, including hourly wage earners

³ Calculated using the Schlüter formula: [Number of departures / (initial headcount + new hires)] × 100

⁴ adjusted = without natural departures, e.g. retirement, termination by employer, death, etc. (i.e., only termination by the employee)

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 401-1, GRI 404-1, GRI 401-3, GRI 405-1, self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Average hours of training per year per employee [GRI 404-1]						
Training days ²	26.5%	2,713	2,144	959	911	1,324
Training days per employee	21.9%	3.2	2.6	1.2	1.1	1.7
– Men	17.4%	3.3	2.8	1.2	1.2	2.0
– Women	29.1%	3.0	2.3	1.2	1.0	1.4
– Other	-	-	-	-	-	-
Cost of training in CHF million (including apprentices)	-10.4%	1.6	1.8	1.0	1.3	1.4
– as % of staff costs	-16.0%	1.3	1.6	0.9	1.2	1.4
– per employee in CHF	-13.4%	1,873	2,162	1,272	1,669	1,849
Completed apprenticeships	0.0%	15	15	16	17	17
Federally recognized qualification	13.9%	41	36	33	19	27
Employees preparing for a federally recognized qualification	25.0%	75	60	49	44	48
In-house trainers	9.1%	36	33	27	19	27
Employee survey on “Satisfaction” and “Commitment” [self-disclosure]						
Employee satisfaction & commitment on a scale from 1 to 5, where 5 means “completely satisfied” (in points)	-4.5%	-	-	4.2	-	-
Organizational energy	-4.0%	-	-	48	-	-
Number of absence days (due to illness and accident) [self-disclosure]						
Number of absence days (due to illness and accident)	0.5%	4,462	4,441	3,443	3,645	4,045
Average number of absence days per employee (due to illness and accident)	-2.1%	6.0	6.1	4.8	5.2	5.9
Average number of absence days at cantonal banks (due to illness and accident)	-	n.s. ³	n.s. ³	5.9	5.4	6.1

¹ Change in 2023 relative to the previous year (2022) in percent

² Including self-study sustainability training 1 and 2 in 2022. However, otherwise without web-based training or further self-study

³ The key indicator can only be disclosed in the subsequent year. The average absence at the other cantonal banks could not be determined for 2022 because the measurement methodology for the key indicator is currently being revised

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 401-1, GRI 404-1, GRI 401-3, GRI 405-1, self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Parental leave [GRI 401-3]						
Total number of employees entitled to parental leave, by gender ³	-	22	22	19	27	29
– Men	-	12	9	9	15	18
– Women	-	10	13	10	12	11
– Other	-	-	-	-	-	-
Total number of employees that took parental leave, by gender ³	-	22	22	19	27	29
– Men	-	12	9	9	15	18
– Women	-	10	13	10	12	11
– Other	-	-	-	-	-	-
Total number of employees who returned to work after parental leave during the reporting period, by gender ³	-	22	21	17	25	28
– Men	-	12	9	9	15	18
– Women	-	10	12	8	10	10
– Other	-	-	-	-	-	-
Total number of employees who returned to work following parental leave and were still employed 12 months following their return, by gender ³	-	n.s. ²	20	17	25	27
– Men	-	n.s. ²	9	9	15	17
– Women	-	n.s. ²	11	8	10	10
– Other	-	-	-	-	-	-
Return to work rate (in percent)	4.8%	100.0	95.5	89.5	92.6	96.6
– Men	0.0%	100.0	100.0	100.0	100.0	100.0
– Women	8.3%	100.0	92.3	80.0	83.3	90.9
– Other	-	-	-	-	-	-

¹ Change in 2023 relative to the previous year (2022) in percent

² The key indicator for 2023 will only be available 12 months following the end of the reporting year, i.e., at the end of 2024

³ These disclosures do not show the change from the previous year since this is not a meaningful key indicator

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 401-1, GRI 404-1, GRI 401-3, GRI 405-1, self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Retention rate of employees having taken parental leave (in percent) ²	-4.8%	n.s.	95.2	100.0	100.0	96.4
– Men	0.0%	n.s.	100.0	100.0	100.0	94.4
– Women	-8.3%	n.s.	91.7	100.0	100.0	100.0
– Other	-	-	-	-	-	-

Diversity of governance bodies and employees [GRI 405-1]

Total number of persons on the Board of Directors, by gender	0.0%	9	9	9	9	9
– Men	0.0%	6	6	7	7	7
– Women	0.0%	3	3	2	2	2
– Other	-	-	-	-	-	-
Percentage of persons on the Board of Directors, by gender						
– Men	0.0%	66.7	66.7	77.8	77.8	77.8
– Women	0.0%	33.3	33.3	22.2	22.2	22.2
– Other	-	-	-	-	-	-
Total number of persons on the EB, by gender	0.0%	6	6	6	6	5
– Men	0.0%	6	6	6	6	5
– Women	0.0%	0	0	0	0	0
– Other	-	-	-	-	-	-
Percentage of persons on the EB, by gender						
– Men	0.0%	100.0	100.0	100.0	100.0	100.0
– Women	0.0%	0.0	0.0	0.0	0.0	0.0
– Other	-	-	-	-	-	-
Total number of staff in management positions, by gender (including EB) ³	3.7%	139	134	131	132	-
– Men	3.6%	114	110	112	117	-
– Women	4.2%	25	24	19	15	-
– Other	-	-	-	-	-	-

¹ Change in 2023 relative to the previous year (2022) in percent

² Ratio refers to the "Total number of employees who returned to work after parental leave during the reporting period". This reference was corrected for the entire time series (previously: reference to "Retention rate of employees that took parental leave"). The ratio is therefore higher than in the previous year's report

³ Start of data collection due to change to functional level model in 2020

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 401-1, GRI 404-1, GRI 401-3, GRI 405-1, self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Percentage of employees in management positions, by gender (including EB) ²						
– Men	-0.1%	82.0	82.1	85.5	88.6	-
– Women	0.4%	18.0	17.9	14.5	11.4	-
– Other	-	-	-	-	-	-
Total number of staff in management positions, by age group (including EB) ²	3.7%	139	134	131	132	-
– < 30 years	-25.0%	3	4	7	6	-
– 30–50 years	6.8%	79	74	69	73	-
– > 50 years	1.8%	57	56	55	53	-
Percentage of staff in management positions, by age group ²						
– < 30 years	-27.7%	2.2	3.0	5.3	4.5	-
– 30–50 years	2.9%	56.8	55.2	52.7	55.3	-
– > 50 years	-1.9%	41.0	41.8	42.0	40.2	-
Total number of other employees, by gender ^{2,3}	3.6%	726	701	678	667	-
– Men	2.6%	352	343	334	323	-
– Women	4.5%	374	358	344	344	-
– Other	-	-	-	-	-	-
Percentage of other employees, by gender ²						
– Men	-0.9%	48.5	48.9	49.3	48.4	-
– Women	0.9%	51.5	51.1	50.7	51.6	-
– Other	-	-	-	-	-	-

¹ Change in 2023 relative to the previous year (2022) in percent

² Start of data capture due to change to functional level model in 2020

³ All employees, including hourly wage earners and apprentices/interns

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 401-1, GRI 404-1, GRI 401-3, GRI 405-1, self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Total number of other employees, by age group ²	3.6%	726	701	678	667	-
– < 30 years	2.7%	187	182	191	184	-
– 30–50 years	3.1%	332	322	295	288	-
– > 50 years	5.1%	207	197	192	195	-
Percentage of other employees, by age group ²						
– < 30 years	-0.8%	25.8	26.0	28.2	27.6	-
– 30–50 years	-0.4%	45.7	45.9	43.5	43.2	-
– > 50 years	1.5%	28.5	28.1	28.3	29.2	-
Total number of employees at FL5, by gender ³	6.0%	336	317	291	272	-
– Men	3.1%	233	226	221	210	-
– Women	13.2%	103	91	70	62	-
– Other	-	-	-	-	-	-
Percentage of staff at FL5, by gender ^{2,3}						
– Men	-2.7%	69.3	71.3	75.9	77.2	-
– Women	6.8%	30.7	28.7	24.1	22.8	-
– Other	-	-	-	-	-	-
Total number of employees at FL5, by age group ³	6.0%	336	317	291	272	-
– < 30 years	11.1%	10	9	11	8	-
– 30–50 years	4.5%	210	201	187	175	-
– > 50 years	8.4%	116	107	93	89	-
Percentage of staff at FL5, by age group ³						
– < 30 years	4.8%	3.0	2.8	3.8	2.9	-
– 30–50 years	-1.4%	62.5	63.4	64.3	64.3	-
– > 50 years	2.3%	34.5	33.8	32.0	32.7	-

¹ Change in 2023 relative to the previous year (2022) in percent

² Start of data capture due to change to functional level model in 2020

³ Additional information: employees at functional level 5 are part of the employees without a management position (rest). Functional level 5 comprises experts. It is thus the highest level of a career as a specialist

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 401-1, GRI 404-1, GRI 401-3, GRI 405-1, self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Degree of employment after parenthood [self-disclosure]						
Degree of employment of employees who returned to work after parenthood, broken down by gender						
Women	-16.7%	10	12	8	10	10
– > 80%	-100.0%	0	1	0	1	4
Proportion of women returnees > 80% (in percent)	-100.0%	0.0	8.3	0.0	10.0	40.0
– 61–80%	-50.0%	1	2	2	1	0
Proportion of women returnees 61–80% (in percent)	-40.0%	10.0	16.7	25.0	10.0	0.0
– 50–60%	0.0%	7	7	2	8	3
Proportion of women returnees 50–60% (in percent)	20.0%	70.0	58.3	25.0	80.0	30.0
– < 50%	0.0%	2	2	4	0	3
Proportion of women returnees < 50% (in percent)	20.0%	20.0	16.7	50.0	0.0	30.0
Men	33.3%	12	9	9	15	18
– > 80%	14.3%	8	7	7	15	18
Proportion of men returnees > 80% (in percent)	-14.3%	66.7	77.8	77.8	100.0	100.0
– 61–80%	100.0%	4	2	2	0	0
Proportion of men returnees 61–80% (in percent)	50.0%	33.3	22.2	22.2	0.0	0.0
– 50–60%	0.0%	0	0	0	0	0
Proportion of men returnees in 50–60% (in percent)	0.0%	0.0	0.0	0.0	0.0	0.0
– < 50%	0.0%	0	0	0	0	0
Proportion of men returnees < 50% (in percent)	0.0%	0.0	0.0	0.0	0.0	0.0

¹ Change in 2023 relative to the previous year (2022) in percent

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 401-1, GRI 404-1, GRI 401-3, GRI 405-1, self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Proportion of returnees after parental leave at the same function(al level)² [self-disclosure]						
– Men	33.3%	12	9	9	15	-
– Women	-25.0%	9	12	7	8	-
Proportion of men (in percent)	0.0%	100.0	100.0	100.0	100.0	-
Proportion of women (in percent)	-10.0%	90.0	100.0	87.5	80.0	-
Total (in percent)	-4.5%	95.5	100.0	94.1	92.0	-
Proportion of part-time employees in management positions [self-disclosure]						
Number of part-time employees (excluding apprentices/ interns) < 100 percent degree of employment	3.8%	331	319	284	274	266
Number of women employed part-time < 100 percent degree of employment ²	3.4%	243	235	208	211	-
– EB	0.0%	0	0	0	0	-
– Management position	0.0%	10	10	6	4	-
– Rest	3.6%	233	225	202	207	-
– of which women at functional level 5 ³	20.4%	59	49	33	29	-
Number of men employed part-time < 100 percent degree of employment ²	4.8%	88	84	76	63	-
– EB	0.0%	0	0	0	0	-
– Management position	35.7%	19	14	11	10	-
– Rest	-1.4%	69	70	65	53	-
– of which men at functional level 5 ³	11.1%	40	36	33	29	-

¹ Change in 2023 relative to the previous year (2022) in percent

² Start of data capture due to change to functional level model in 2020

³ Functional level 5 comprises experts. It is thus the highest level of a career as a specialist

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 401-1, GRI 404-1, GRI 401-3, GRI 405-1, self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Proportion of women employed part-time < 100 percent degree of employment ²						
– EB (in percent)	-	-	-	-	-	-
– Management position (in percent)	-3.3%	4.1	4.3	2.9	1.9	-
– Functional level 5 ³ (in percent)	16.4%	24.3	20.9	15.9	13.7	-
Proportion of men in part-time employment ²						
– EB (in percent)	-	-	-	-	-	-
– Management position (in percent)	29.5%	21.6	16.7	14.5	15.9	-
– Functional level 5 ³ (in percent)	6.1%	45.5	42.9	43.4	46.0	-
Proportion of all employees in management positions, part-time < 100 percent degree of employment ² (in percent)	16.5%	20.9	17.9	13.0	10.6	-
Proportion of women in management positions, part-time < 100 percent degree of employment ² (in percent)	-4.0%	40.0	41.7	31.6	26.7	-
Proportion of men in management positions, part-time < 100 percent degree of employment ² (in percent)	31.0%	16.7	12.7	9.8	8.5	-
Proportion of all employees at functional level 5, part-time < 100 percent degree of employment ^{2,3} (in percent)	9.9%	29.5	26.8	22.7	21.3	-
Proportion of women at functional level 5, part-time < 100 percent degree of employment ^{2,3} (in percent)	6.4%	57.3	53.8	47.1	46.8	-
Proportion of men at functional level 5, part-time < 100 percent degree of employment ^{2,3} (in percent)	7.8%	17.2	15.9	14.9	13.8	-

¹ Change in 2023 relative to the previous year (2022) in percent

² Start of data capture due to change to functional level model in 2020

³ Functional level 5 comprises experts. It is thus the highest level of a career as a specialist

Strategic thrust

Embedded in society and the region

Economic Performance

[GRI 201-1; self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Direct economic value generated and distributed (in CHF 1,000) [GRI 201-1]						
Economic value generated						
Operating income	14.6%	426,890	372,611	366,114	341,676	341,056
Operating profit	21.3%	228,103	188,113	182,629	166,394	167,042
Net profit for the year	7.5%	158,950	147,848	145,552	139,082	135,087
Distributable profit	7.3%	161,589	150,574	148,291	141,855	138,031
Distributed economic value						
Material expenses	11.5%	65,733	58,931	58,518	56,602	56,710
– of which central sponsorships	10.6%	1,566	1,416	1,109	1,165	1,383
Commitment by the TKB Anniversary Foundation ²	0.0%	400	400	500	600	400
Personnel expenses ³	6.7%	120,380	112,818	110,289	107,747	105,218
Dividends to PC holders	6.5%	13,200	12,400	12,400	12,000	11,200
Dividends and taxes to the canton and municipalities	5.9%	74,879	70,726	70,415	67,130	69,849
– of which profit distribution to the canton	6.4%	51,260	48,200	48,200	46,600	42,583
– of which profit distribution to municipalities entitled to payment	0.0%	3,000	3,000	3,000	3,000	3,000
– of which interest on share capital	9.9%	1,540	1,401	1,401	1,401	2,217
– of which compensation for government guarantee	3.9%	8,246	7,936	7,565	7,115	6,758
– of which taxes	6.3%	10,833	10,190	10,249	9,014	15,291
Retained economic value						
Allocation to statutory reserves	8.7%	81,500	75,000	73,000	69,000	69,500
Allocation to reserves for general banking risks	89.7%	55,000	29,000	27,000	28,000	15,000

¹ Change in 2023 relative to the previous year (2022) in percent

² Excluding commitment to fitness parks in 2020 as well as footgolf course in 2021

³ Including voluntary allocation to the TKB pension fund of CHF 11.2 million

Economic Performance

[GRI 201-1; self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Capital ratio [self-disclosure]						
Required equity (in CHF million)	1.3%	1,848	1,825	1,587	1,513	1,543
Equity (in million francs)	5.4%	2,678	2,541	2,439	2,308	2,211
Capital ratio (eligible equity available as % of risk-weighted assets)	4.3%	19.3	18.5	18.4	18.3	18.6
Return on Ø required equity [self-disclosure]						
Return ² (in percent)	19.0%	13.8	11.6	11.8	11.3	12.0
Dividend payout ratio [self-disclosure]						
Distribution ratio ³ (in percent)	-0.8%	40.8	41.2	41.8	42.3	40.6
– taxes to the canton (in percent)	-0.5%	39.0	39.2	39.8	40.2	38.4
– Tax to municipalities entitled to a share (in percent)	-6.8%	1.9	2.0	2.0	2.1	2.2

¹ Change in 2023 relative to the previous year (2022) in percent

² Excluding anticyclical buffer

³ Definition: Distribution ratio corresponds to dividend, interest on share capital and profit distribution to the canton as a proportion of distributable profit

Procurement Practices

[GRI 204-1]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Proportion of spending on local suppliers [GRI 204-1]						
Percentage of the procurement budget spent on suppliers in Switzerland (e.g., the percentage of products and services procured locally)	-2.2%	76.5	78.2	78.0	78.5	63.0
Percentage of the procurement budget spent on suppliers in Thurgau (e.g., the percentage of products and services procured locally)	7.4%	21.9	20.4	20.0	19.9	35.0

¹ Change in 2023 relative to the previous year (2022) in percent

Commitment to the region

[GRI 201-1; self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Direct economic value generated and distributed [GRI 201-1]						
Sponsorship commitment (in thousand francs)	10.6%	1,566	1,416	1,109	1,165	1,383
TKB Anniversary Foundation ² (in thousand francs)	0.0%	400	400	500	600	400
Proportion of contracts with integrated sustainability criteria for sponsorships and events ³ [self-disclosure]						
Total number of contracts for sponsorships and events	2.9%	70	68	67	62	58
Number of contracts with integrated sustainability criteria	4.6%	68	65	62	56	52
Proportion of contracts with integrated sustainability criteria (in percent)	1.6%	97.1	95.6	92.5	90.3	89.7
Number of charitable acts by employees ⁴ [self-disclosure]						
Number of charitable acts by employees	117.6%	185	85	130	-	-

¹ Change in 2023 relative to the previous year (2022) in percent

² Excluding commitment to fitness parks in 2020 as well as footgolf course in 2021

³ This information has only been collected since 2019

⁴ The first volunteer day was in 2021

Strategic thrust

Gentle on the environment

Gentle on the environment

[GRI 301-1, GRI 301-2, GRI 302-1, GRI 302-2, GRI 302-3, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Materials used by weight or volume [GRI 301-1]						
Overall paper consumption (in kg)	-54.4%	76,640	85,100	83,602	109,098	115,566
Recycled input materials used [GRI 301-2]						
Proportion of recycled paper relative to total paper consumption ² (in percent)	-	94	89	76	80	81
Paper consumption per employee (in kg/FTE)	-59.2%	102	117	117	153	169

¹ Change in 2023 relative to 2013 in percent

² Since this is a proportionate target, the percentage change compared with 2013 is not shown

Gentle on the environment

[GRI 301-1, GRI 301-2, GRI 302-1, GRI 302-2, GRI 302-3, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Energy consumption within the organization [GRI 302-1]						
Total energy consumption within TKB in megawatt hours (MWh)	-5.2%	5,087	5,417	5,311	5,465	5,364
– of which electricity	13.5%	3,734	3,857	3,315	3,417	3,289
– of which heating oil	-73.4%	210	268	777	775	791
– of which natural gas	-13.4%	1,048	1,184	1,150	1,207	1,210
– of which diesel	-97.8%	1	3	2	19	33
– of which gasoline	-100.0%	-	4	10	10	7
– of which hybrid gasoline	-	-	-	-	-	-
– of which plug-in gasoline	402.1%	3	2	1	0.3	1
– of which electric vehicles	5022.7%	11	8	6	3	0.2
– of which district heating	138.3%	80	92	51	34	34
Energy consumption outside of the organization [GRI 302-2]						
Total energy consumption outside of TKB in megawatt hours (MWh)	-28.0%	2,172	2,478	2,461	3,111	3,015
– of which energy consumption of external data centers	-19.6%	222	228	263	271	276
– of which energy consumption from business travel and commuting	-28.8%	1,950	2,251	2,198	2,841	2,739
Energy intensity [GRI 302-3]						
Energy intensity per energy reference area (heating energy, electricity) (MWh/m ²)	-12.0%	0.16	0.17	0.17	0.19	0.18
Energy intensity per employee (MWh/FTE)	-21.5%	9.6	10.8	10.9	12.1	12.3
Reduction of energy consumption (inside and outside the organization) relative to base year 2019/2020 [self-disclosure]						
Total energy consumption (inside/outside the organization) (MWh)	-13.4%	7,259	7,895	7,772	8,576	8,379

¹ Change in 2023 relative to 2019 in percent

Gentle on the environment

[GRI 301-1, GRI 301-2, GRI 302-1, GRI 302-2, GRI 302-3, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Non-renewable primary energy [self-disclosure]						
Total non-renewable primary energy in mega-joules per year (MJ/a)	-24.1%	36,888,840	41,825,514	42,307,110	54,560,424	48,603,886
– of which consumable supplies	-34.1%	3,028,631	3,574,680	3,824,409	4,607,562	4,593,136
– of which real estate	-33.4%	6,748,684	7,915,733	8,853,032	9,955,105	10,128,099
– of which water consumption	-10.0%	18	17	17	19	20
– of which employee mobility and business travel	-20.0%	27,111,508	30,335,084	29,629,652	39,997,738	33,882,631
Direct (Scope 1) GHG emissions ² [GRI 305-1]						
Total direct GHG emissions in metric tons of CO ₂ equivalent (t CO ₂ e)	-31.1%	283	259	383	401	410
– of which heating oil	-78.2%	39	54	176	176	180
– of which natural gas	-16.5%	177	201	201	211	212
– of which refrigerant losses ³	-	65	-	-	-	-
– of which diesel	-97.8%	0.3	1	1	9	15
– of which gasoline	-100.0%	-	2	4	5	3
– of which plug-in gasoline	401.5%	1	1	0.3	0.1	0.2
Energy indirect (Scope 2) GHG emissions [GRI 305-2]						
Total indirect GHG emissions (through district heating and electricity) in metric tons of CO ₂ equivalent (t CO ₂ e)	10.0%	742	760	682	702	675
– of which district heating	-	0	0	-	-	-
– of which electricity	9.4%	738	757	680	701	675
– of which electric vehicles	5036.1%	4	3	2	1	0.1
– of which plug-in gasoline	406.3%	0.2	0.1	0.0	0.0	0.0

¹ Change in 2023 relative to 2019 in percent

² In the past, emissions from Scope 3.8 (upstream leased assets) were mistakenly included in Scope 1. This double counting has been rectified, which is why the Scope 1 emissions are lower across the entire time series than in the previous year's report

³ First inventoried in 2023

Gentle on the environment

[GRI 301-1, GRI 301-2, GRI 302-1, GRI 302-2, GRI 302-3, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, self-disclosure]

Disclosure	Change ¹	2023	2022	2021	2020	2019
Other indirect (Scope 3) GHG emissions [GRI 305-3]						
Total other indirect GHG emissions in metric tons of CO ₂ equivalent (t CO ₂ e) ²	-27.4%	1,003	1,131	1,159	1,420	1,381
– of which external data centers	-	-	-	-	-	-
– of which business travel and commuter traffic	-26.9%	658	739	722	930	900
– of which paper ³	-34.5%	194	231	250	299	297
– of which water	0.0%	1	1	1	1	1
GHG emissions intensity [GRI 305-4]						
Greenhouse gas emissions in metric tons of CO ₂ equivalent per employee (t CO ₂ e/FTE)	-25.5%	2.7	2.9	3.1	3.6	3.6
Reduction of operational GHG emissions (Scope 1–3) from base year 2019/2020 [self-disclosure]						
Total operational GHG emissions (Scope 1–3, in t CO ₂ e)	-17.8%	2,027	2,150	2,224	2,523	2,466
Water consumption [self-disclosure]						
Water consumption in cubic meters (m ³)	-10.3%	6,538	6,327	6,164	6,860	7,288
Water consumption in cubic meters per employee (m ³ /FTE)	-18.7%	8.7	8.7	8.6	9.6	10.7

¹ Change in 2023 relative to 2019 in percent

² The emissions stated in the assurance statement are more comprehensive than the other indirect (Scope 3) GHG emissions disclosed here. This is in accordance with the GRI Standard, which does not require certain emission categories to be listed that appear in the assurance statement.

³ The emission factor previously used for recycled paper was too high and has been corrected. Scope 3 emissions are therefore lower across the entire time series than in the previous year's report.

Carbon footprint assurance statement



AA1000
Licensed Report
000-191/V3-B15B9

Assurance Statement: CO₂ Footprint Thurgauer Kantonalbank 2023 (Summary)

SCOPE

Swiss Climate was commissioned by Thurgauer Kantonalbank AG to provide assurance on its 2023 carbon footprint data. Swiss Climate undertook the assurance in accordance with AA1000AS v3 Type 2 moderate-level assurance.

Swiss Climate analysed:

- Standards used for carbon footprint calculation and accuracy of activity data;
- Carbon footprint methodology, including operational and organisational boundaries, data quality, conversion factors and calculations used, with an emphasis on the plausibility of the information; and
- Responsibilities, processes and systems used to gather and consolidate carbon footprint data.

CARBON FOOTPRINT

Swiss Climate has verified the following greenhouse gas emissions for the year 2023:

	t CO ₂ e
Scope 1	283
- Heating (natural gas, heating oil)	216
- Business travel	1
- Leakage cooling agents	65
Scope 2	742
- Electricity	742
- District heating	0*
Scope 3	5'534
- Purchased goods and services	3'554
of which paper	194
of which water	1
- Capital goods	1'049
- Other energy related emissions	124
- Waste	69
- Business travel and employee commuting	658
of which transport and distribution	3
of which business travel	122
of which employee commuting	533
- Leased assets	272
Total	6'559

* below 0.5 t CO₂e

OPINION

Swiss Climate did not find evidence to insinuate that the processes and systems in place to collect the data and to calculate the carbon footprint are such that the company's carbon management performance would be erroneously described, nor that the carbon footprint would not follow the leading international standards such as ISO 14064-1 and the Greenhouse Gas Protocol, and therefore not fulfil the criteria of relevance, completeness, consistency, transparency and accuracy.

SIGNED FOR AND ON BEHALF OF SWISS CLIMATE

Leading Auditor:

Second Auditor/Review:

Franziska Kastner, Swiss Climate AG

Nora Tanner, Swiss Climate AG

Bern, 14 February 2024

About this report

Content of the report

[GRI 2-2] Thurgauer Kantonalbank (TKB) reports on its sustainability-related activities in this report. The GRI Sustainability Report provides a transparent and extensive account of how the bank takes relevant sustainability topics into account in its business mindset and actions and the progress it has made as a result. The report covers TKB with its 29 branches. Holdings are not covered in the report as there are no relevant controlling interests.

Reporting period

[GRI 2-3] This GRI Sustainability Report covers the 2023 financial year. TKB reports annually on its sustainability activities. The last report was published in March 2023 for the 2022 financial year.

The English translation of the report is expected to be published in May 2024. In the event of questions of interpretation between versions of this report in different languages, the German version shall prevail.

Approval of the report

The report is approved by the Board of Directors.

Alignment with the GRI Standards

This report was prepared in accordance with the GRI Standards 2021. The light gray references in square brackets refer to the GRI Standards relevant to the information provided.

External advice

LRQA, an external consulting firm, worked with TKB to produce the GRI Sustainability Report in compliance with the GRI Standards. This consulting firm specializes in the management of sustainability topics, including for the purpose of producing sustainability reports in compliance with the GRI Standards.

Data audit

[GRI 2-5] The information published in the Sustainability Report was assembled and reviewed with care. Swiss Climate carried out a formal audit of the carbon footprint (see page 119). The other information did not undergo a formal audit.

Contact for questions

[GRI 2-3] The media office (medien@tkb.ch) or sustainability manager Petra Roth (nachhaltigkeit@tkb.ch) are available to answer questions on the GRI Sustainability Report or on TKB's commitment to sustainability.



End poverty in all its forms everywhere



Reduce inequality within and among countries



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Make cities and human settlements inclusive, safe, resilient and sustainable



Achieve gender equality and empower all women and girls



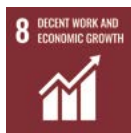
Ensure sustainable consumption and production patterns



Ensure access to affordable, reliable, sustainable and modern energy for all



Take urgent action to combat climate change and its impacts



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Contact us.

We look forward to hearing from you.

Headquarters

8570 Weinfelden, Bankplatz 1

You can reach us as follows

Monday to Friday from

8 a.m. to 6 p.m.

Tel. 0848 111 444

Fax 0848 111 445

E-mail info@tkb.ch

Branches

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8595 Altnau, Bahnhofstrasse 1
8580 Amriswil, Rütistrasse 8
9320 Arbon, St. Gallerstrasse 19
8572 Berg, Hauptstrasse 49
9220 Bischofszell, Bahnhofstrasse 3
8575 Bürglen, Istighoferstrasse 1
8253 Diessenhofen, Bahnhofstrasse 25
8586 Erlen, Poststrasse 8
8272 Ermatingen, Schiffländestrasse 22
8264 Eschenz, Hauptstrasse 88
8360 Eschlikon, Bahnhofstrasse 61
8500 Frauenfeld, Rheinstrasse 17
9326 Horn, Am Bahnhofplatz 2
8546 Islikon, Bahndammstrasse 2
8280 Kreuzlingen, Hauptstrasse 39
Seepark, Bleichestrasse 15
8555 Müllheim, Frauenfelderstrasse 2
9542 Münchwilen, Im Zentrum 2
9315 Neukirch-Egnach, Bahnhofstrasse 79
9532 Rickenbach bei Wil,
Toggenburgerstrasse 40
8590 Romanshorn, Hubzelg
8370 Sirnach, Frauenfelderstrasse 5
8266 Steckborn, Seestrasse 132
8583 Sulgen, Bahnhofstrasse 1
8274 Tägerwilen, Hauptstrasse 89
9545 Wängi, Dorfstrasse 6
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Please add "Postfach" to the address when sending mail to the branches. Thank you.

