

SUSTAINABLE PROCUREMENT

GENERAL PRINCIPLES

Introduction

Thurgauer Kantonalbank (TKB) makes a commitment in its sustainability strategy to live up to its economic, environmental and social responsibility – also with respect to procurement. Six principles describe how TKB integrates sustainability-related factors into its procurement practices and what its expectations are of suppliers.

1 Cost effectiveness

TKB procures products and services with a competitive cost/benefit ratio. When assessing costs, we look not only at the cost of procurement, but the total cost of ownership. We regard compliance with our defined requirements for products/services, quality, suppliers and deliveries as a benefit. These requirements can comprise not only economic/commercial aspects (technical performance, availability, etc.) but also environmental and social factors (energy efficiency, social standards, etc.). We identify conflicting goals at an early stage and resolve those conflicts under the prevailing conditions and with an eye to sustainable development.

2 Social compatibility

TKB employs socially responsible procurement practices. We procure products and services that are produced under socially acceptable conditions. When doing so, we expect our suppliers and their producers to comply with occupational safety and health legislation and follow the requirements on human and labor rights as defined in the applicable laws, collective and standard employment contracts, industry standards as well as the conventions of the International Labour Organization and the United Nations (Guiding Principles on Business and Human Rights).

3 Environmental friendliness

TKB employs environmentally friendly procurement practices. We procure products and services that have the smallest possible negative impact on the environment and health throughout their entire life cycle. This includes keeping resource and energy consumption at

a low level, generating minimal emissions and waste and minimizing the use of ingredients that have a harmful impact on the environment or health. We acknowledge product characteristics that support these goals including upgradability, reparability, durability and recyclability.

4 Consideration of local business partners

TKB buys locally or regionally whenever possible. This is done in the interest of complying with our legally stipulated public service mandate to promote economic development in the Canton of Thurgau, enables us to better monitor the sustainability risks of procured products and services and can help save the environment by keeping transport routes short. This approach also enables us to expand our relationships with clients.

5 Transparency and partnership-based cooperation

TKB is a fair business partner. We value partnership-based cooperation with our suppliers. Our business relationships are characterized by transparent processes, professionalism, reliability and longevity. We communicate our requirements clearly and offers received are reviewed for compliance with those requirements. Bribery, corruption and criminal conduct are not tolerated. We reserve the right to terminate relationships with any suppliers that fail to meet our requirements and do not initiate any improvement measures. While the bank aims for long-term business relationships, these are periodically examined with respect to new needs, situations and/or market developments.

6 Product-specific requirements

We define specific requirements that extend beyond the general principles for important products or products subject to a high level of risk. We base our sustainability requirements on recognized sustainability labels and certifications where appropriate.