

THINKING ABOUT TOMORROW TODAY

2024



2024 GRI Sustainability Report – Contents

Foreword by the Board of Directors and Executive Board	3
Sustainability strategy	5
Sustainability management	9
Dialog with stakeholders	16
Material topics	20
Strategic thrust “Committed to customers”	22
Material topic: Responsible advisory services	24
Material topic: Customer orientation	30
Material topic: Sustainable products and services	34
Material topic: Sustainable finance	41
Strategic thrust “Responsible towards employees”	48
Material topic: Responsibility as an employer	54
Material topic: Diversity and equal opportunity	57
Strategic thrust “Embedded in society and the region”	60
Material topic: Economic performance	61
Material topic: Corporate governance	64
Material topic: Information security, cyber security and data protection	70
Material topic: Procurement	75
Material topic: Commitment to the region	78
Strategic thrust “Gentle on the environment”	82
Material topic: Climate and GHG emissions	85
Material topic: Energy consumption	88
Material topic: Waste and resource management	90
Index on non-financial matters	92
GRI Index	95
Annex	102
Key performance indicators	103
Carbon footprint assurance statement	125

Foreword by the Board of Directors and Executive Board



TKB is “more than a bank”. This is reflected in our self-image and our daily activities. Our customers experience us as a reliable partner who understands their needs and is committed to achieving their goals. The region benefits from our commitment to society and the environment as well as from our contribution as an active sponsorship partner, while our employees can count on a working environment that values, encourages and supports them.

Sustainability is an integral part of everything we do. We have set clear priorities in our banking strategy for 2023 to 2027. Sustainable mindsets and approaches are firmly embedded in all areas of the bank. Processes, products and services are systematically aligned with sustainability. We train our employees so they can provide sound advice on the topic. TKB recognizes climate change as one of the greatest challenges of our time – our goal is to make an effective contribution to limiting it and achieving our climate goals.



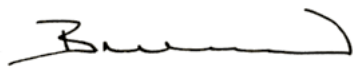
We made important progress in 2024: Our near-term science-based climate targets to achieve net zero by 2050 have been validated by the Science Based Targets initiative. We also started working on our sustainability strategy for 2026 to 2030 at the same time. Furthermore, we are promoting regional climate protection through a project in Thurgau and are now cooperating with neustark, a Swiss carbon removal provider.

Our employees are a key success factor for the bank’s commitment to sustainability. They volunteered in community service projects more than 150 times in 2024. Their high level of satisfaction was revealed in an internal survey that produced very good scores yet again, even better than in 2021.

Transparency is a key concern for us. In TKB’s 2024 Climate Report, we are expanding the disclosures to include additional asset classes in accordance with the standards of the Partnership for Carbon Accounting Financials (PCAF). This commitment is also reflected in a positive external perception, expressed as stable or improved ESG ratings and outstanding results in the WWF Rating of Swiss Retail Banks 2024.

We are aware that further challenges lie ahead. We are working in particular on expanding our collection of sustainability-relevant data and improving its quality, especially for mortgages and corporate loans.

Going forward, TKB will continue to follow the path it has set out on – with clear targets and a vision for a sustainable economy and society. There is a lot we can still do – help us on our journey and get in touch.



Roman Brunner
Chairman of the Board of Directors
of Thurgauer Kantonalbank

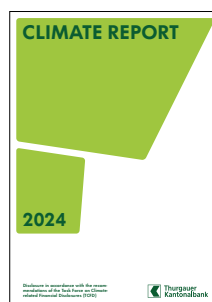


Thomas Koller
Chief Executive Officer
of Thurgauer Kantonalbank

The **Annual and Sustainability Report** explains, among other things, how TKB addresses environmental, social and employee-related issues responsibly. It also contains explanations regarding respect for human rights and the fight against corruption. The report implements the provisions of the Swiss Code of Obligations, which have been applicable to large Swiss companies since 2024.



The **Climate Report** forms an annex to the Annual Report and the GRI Sustainability Report. It shows how TKB deals with the opportunities and risks presented by climate change. The report follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The bank published a Climate Report for the first time for the 2023 financial year. The report has been mandatory since 2024.



The **GRI Sustainability Report** reports in detail on the implementation of TKB's sustainability strategy. It shows what TKB does for its customers, employees, society and the environment. The report follows the standards of the Global Reporting Initiative (GRI), the worldwide standard for sustainability reporting.



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’s overarching target is to achieve net zero GHG emissions by 2050 – both in its own operations as well as through its financing and investment activities. Stakeholder expectations as well as Swiss and international initiatives and standards were taken into account when formulating the current sustainability strategy for the period from 2021 to 2025. Furthermore, the focus in the reporting year was on further developing the sustainability strategy for the period from 2026 to 2030.

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

An overview of the TKB sustainability strategy



There are 14 material topics allocated to the strategic thrusts. For each strategic thrust, TKB has formulated an ambition 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 individual sections of this report.

Background

TKB's actions are guided by its corporate values – grounded, solid, customer-oriented, agile, uncomplicated and empathetic – as well as by overarching Swiss and international 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) regarding the 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 (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 of the report.

Adoption and monitoring

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



COMMITTED TO CUSTOMERS

STRATEGIC THRUST

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.



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 take responsibility, contribute ideas and actively shape their working environment. The bank is convinced: it can achieve more as a team.

MATERIAL TOPICS

- [GRI 3-2]
- Responsible advisory services
 - Customer orientation
 - Sustainable products and services
 - Sustainable finance

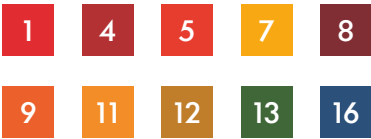
- [GRI 3-2]
- Responsibility as an employer
 - Diversity and equal opportunity

AMBITION UNTIL 2030

Our commitment is based on the Paris Agreement that aims to limit global warming to 1.5°C. We take this into account when designing products and processes and we raise customers' 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).

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 proportion 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 127.



STRATEGIC THRUST

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.



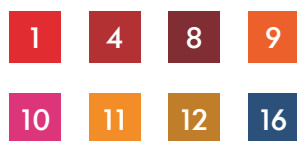
MATERIAL TOPICS

- Economic performance
- Corporate governance
- Information security, cyber security and data protection
- Procurement
- Commitment to the region

- Climate and GHG emissions
- Energy consumption
- Waste and resource management

AMBITION UNTIL 2030

We are reducing our GHG emissions – both within our own operations and through our financing and investment activities. To that end, we have joined the SBTi and formulated corresponding reduction pathways for the climate targets. The near-term climate targets up to 2030 have been validated by the SBTi and can be viewed in detail [here](#).



UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The individual Sustainable Development Goals (SDGs) are outlined on page 127.

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 bodies, 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 commitment to sustainability, 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; this office 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 material topic. If the topic can be handled 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 an ongoing dialog with the Sustainability Office,

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 and 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

which ensures the flow of information among the different working group leaders and subject matter experts.

Role of the Board of Directors

Sustainability is embedded in the banking strategy and is incorporated accordingly into the bank's business planning and annual budget, its remuneration policy and relevant decision-making processes such as those relating to major capital raisings and participations. In its capacity as TKB's strategic management body, the Board of Directors approves the bank's strategy and sustainability strategy. These include ambitions, targets and indicators on sustainability topics that break new ground in terms of TKB's sustainability strategy. The Board of Directors also approves the sustainability reporting.

The Board of Directors delegates implementation – including all measures aimed at achieving the sustainability targets and indicators – 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, which 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. A detailed description of the remuneration policy can be found in [TKB's Annual and Sustainability Report](#).

As a general rule, the Board of Directors divides its tasks between 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). The Risk and Audit Committee is responsible for preliminary deliberations on climate reporting in accordance with the TCFD recommendations. It takes note of developments relating to climate-related risks. The Personnel Committee is responsible for the basic principles underlying the HR policy, including the Code of Ethics (Code of Conduct). A member of the Board of Directors and the Chief Executive Officer are present at all meetings of the Sustainability Advisory Council.

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 additionally addresses strategic issues related to sustainability on a regular basis.

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 25). 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 fulfill their responsibilities.

The Board of Directors is also involved in dialog with stakeholder groups, either through the annual meetings with Thurgau's Governing Council, which takes responsibility for the bank's political 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 qualified experts.

Integrating sustainability risks into risk management

Sustainability risks, for example in connection with climate change, also affect TKB. 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 impact the bank's business model as well. Sustainability risks as well as information regarding the requirements and instruments for measuring these risks have been incorporated into the institution-wide Risk Management Framework since 2023. TKB views sustainability-related developments and events as risk drivers that can impact existing types of risk – credit risk, market risk, liquidity risk, operational risk and reputational risk. Risk drivers can be found along the three ESG dimensions of environment (including climate-related and other nature-related financial risks), social and governance. 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 and Sustainability Report](#).

Sustainability Advisory Council

TKB has had a Sustainability Advisory Council since 2021. The body is made up of five sustainability experts from outside the bank and provides support for 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. TKB is actively involved in, among other things, the Sustainability Working Group of the ASCB and the Climate Strategy Working Group of the Canton of Thurgau.

In the case of associations and initiatives of greater relevance to business operations, memberships and participation are announced through the media.

In 2023, TKB made a binding commitment to the net-zero target – and joined the SBTi to achieve it. Its near-term climate targets were validated by the SBTi in 2024. This international climate initiative helps companies set ambitious science-based reduction targets for their GHG emissions. This helps TKB meet the climate-related disclosure requirements of the TCFD recommendations, 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 contractually regulated 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 Swiss and international standards on human rights. This is enshrined in the Code of Ethics (Code of Conduct), which was adopted by the Board of Directors in 2023. 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 19). 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 requires all its suppliers and business partners whose procurement volume exceeds CHF 10,000 per year to sign a sustainability declaration. By signing this declaration, the suppliers and business partners pledge to comply with the minimum social and environmental requirements (also see “Procurement”, page 75).

Important partners in sustainability management

TKB works together 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 to implement climate protection projects aimed at carbon avoidance, with neustark to implement climate protection projects aimed at carbon removal and with MSCI ESG to establish the fundamental data







used to calculate GHG emissions from investments. Other partners for offering attractive financing products and services are the Energy Advice Center of the Canton of Thurgau (Energieberatungsstelle des Kantons Thurgau), the Association of Energy Experts Thurgau (Verein Energiefachleute Thurgau), the Competence Center for Renewable Energy Systems Thurgau (Verein Kompetenz-Zentrum Erneuerbare Energie-Systeme Thurgau), Maschinenring Ostschweiz AG and Solarwert Thurgau. Details on the partnerships are outlined in the respective sections on the material topics.

Initiatives and associations	Description
<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>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 widely used 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°C 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 tests to assess whether their investments and financing align with the Paris Agreement. TKB has participated in this every two years since 2020, most recently in 2024.
<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 Investment (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 and has around 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 and actively participates in the "Disclosure" working group.
<u>Science Based Targets initiative (SBTi)</u>	This initiative helps businesses set science-based targets for reducing their GHG emissions to net zero. The SBTi reviewed and validated TKB's near-term climate targets in 2024.
<u>Sustainable Development Goals (SDGs)</u>	The 2030 Agenda of the United Nations (UN) contains 17 Sustainable Development Goals. They cover the economic, social and environmental dimensions with 169 targets. 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 and is actively involved in the association.
<u>swisscleantech</u>	<p>This business association lobbies for a political framework that promotes efficient technologies and climate-friendly business models. The members are committed to achieving a carbon neutral Switzerland by 2050. TKB has been a member since 2020 and is actively involved in the association.</p> <p>TKB has also been a member of CEO4Climate, the swisscleantech network for CEOs who want to make a major contribution to climate protection, since 2021.</p>
<u>Task Force on Climate-related Financial Disclosures (TCFD)</u>	This initiative for reporting on climate risks and opportunities is led by the financial industry. TKB has been aligning with the Task Force's recommendations since 2021. The Climate Report in accordance with the TCFD recommendations was first published as an annex to the Annual and Sustainability Report in 2024.
<u>Association for Corporate Data Protection (VUD)</u>	The Association for Corporate Data Protection is committed to independent and impartial opinion making in the field of data protection. TKB has been a member since 2019.
<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. TKB is actively involved in the sustainability working group of the ASCB.

Sustainability ratings

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

Rating source	TKB's rating	Description	Rating from
	B	<p>With an overall rating of "B", Swiss rating agency Inrate certifies that TKB has a "positive impact on environment and society" for the second year in a row.</p> <p>Inrate's rating scale ranges from D- (very negative impact on environment and society) to A+ (very positive impact on environment and society).</p>	17 Sept. 2024
	A	<p>With an overall 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 ranges from CCC (laggard) to AAA (leader).</p>	18 Dec. 2024
	A+	<p>With an overall rating of "A+", the Swiss Ethos Foundation considers TKB to be very well positioned compared to its competitors in terms of exposure to serious controversies or transactions in sensitive sectors and with respect to its GHG intensity and climate strategy.</p> <p>The Ethos rating scale ranges from C to A+.</p>	31 Jan. 2025
	C (Prime)	<p>With an overall rating of "C", the international rating agency ISS ESG ranks TKB as "Prime". This status is granted to companies whose ESG performance exceeds the sector-specific threshold.</p> <p>ISS ESG's rating scale ranges from D- (poor) to A+ (excellent).</p>	5 Aug. 2024
	26.9 (medium risk)	<p>With an overall 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 ranges from 40+ (severe risk) to 0-10 (negligible risk).</p>	10 Feb. 2023
	Ambitious	<p>By classifying TKB as "Ambitious", the environmental protection organization WWF Switzerland in collaboration with INFRAS has certified that the bank has recognized the importance of ecological sustainability and has taken specific and effective measures to record and mitigate environmental consequences.</p> <p>In a ranking of 15 retail banks, TKB took third place, making it one of Switzerland's leading retail banks.</p> <p>The scale comprises five classification categories: Latecomers/non-disclosing, Mediocre, Ambitious, Pioneer, Visionary.</p> <p>Full details can be found in the WWF Rating of Swiss Retail Banks 2024 and the fact sheet for TKB.</p>	19 Nov. 2024

Dialog with stakeholders

TKB takes 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 the bank can address it effectively. The extent and nature of the dialog varies depending on 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.

TKB contributes as an active member of associations and a participant in initiatives (see the table on page 13) in order 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 funding to neither political parties nor individual politicians. TKB promotes its interests on sustainability-related topics, among other things, through memberships in associations, active involvement in working groups and participation in a variety of initiatives (see page 13 for an overview).

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 additionally organizes regular 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 channels for customer contact include the electronic customer portal named “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 conducts a 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, the Thurgau Grand Council (Grosser Rat). Preliminary discussions regarding the bank's Annual and Sustainability 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 additionally approves the remuneration policy for the Board of Directors and is informed about the remuneration policy for the Executive Board members. TKB has had participation certificates (PC) listed on the Swiss Exchange since 2014. The owners of the PCs, many of whom are from the canton, are another of the bank's important stakeholder groups. TKB voluntarily holds a participants' meeting for them every year 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 its 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 and Sustainability Report, the Climate Report in accordance with the TCFD recommendations and the GRI Sustainability Report. It answers individual inquiries promptly and adequately. Analysts and the media value the bank's readiness to provide information as well as the consistent availability of information for corporate decision-making – also with respect to 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 reliability 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 relationships built on trust are important to both the sponsorship partners and 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 – and is actively involved in working groups. The bank is also guided in its actions by national and international initiatives that 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 and grievances 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 report is not anonymous, the external reporting office does not disclose the person making the report. 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 MOVIS AG, the external employee counseling service.

Prior to initiating any formal complaints procedure, employees are advised to meet with HR advisors 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 handle 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 committee of the Board of Directors (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

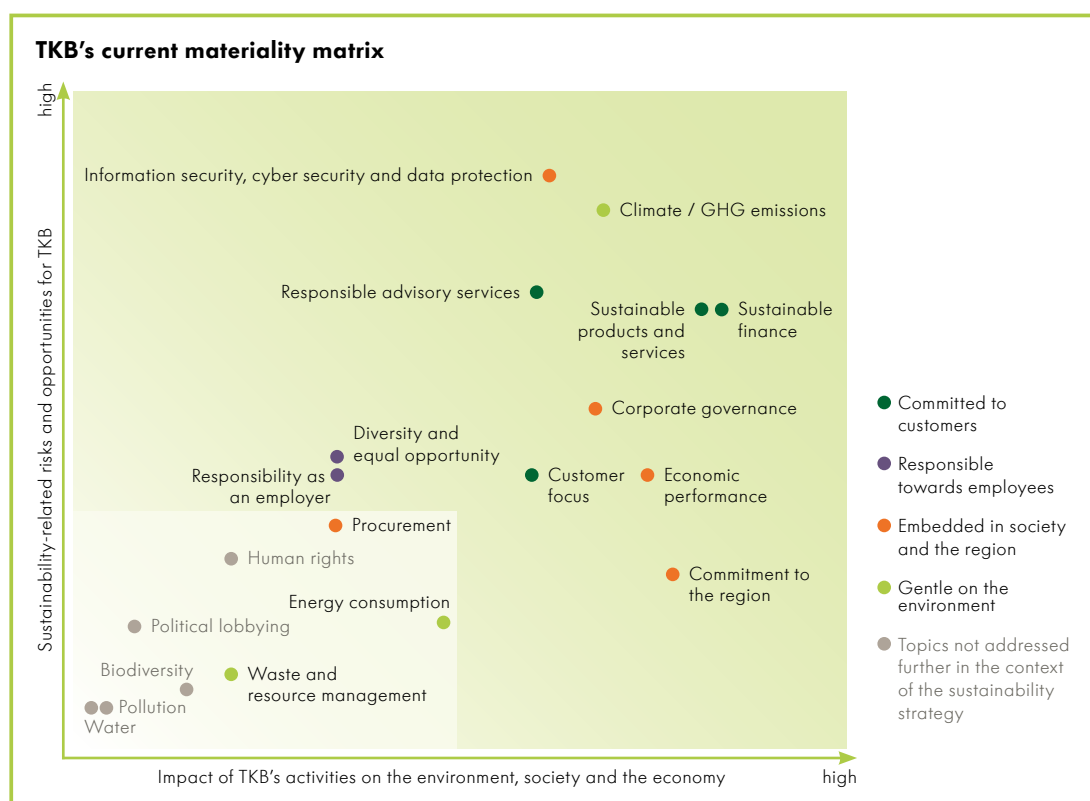
[GRI 3-1] TKB would like to set the right priorities through its sustainable actions. It has defined material topics to that end. When revising the sustainability strategy in 2020, the bank defined 13 topics where its actions have the biggest impact on the environment, society, the economy and human 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, Swiss and international 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 impacts for the topics examined. The topics were also assessed with regard to their significance for 15 stakeholder groups, from employees through suppliers, non-governmental organizations, sponsorship partners, up to and including 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 when 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 of occurrence, 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. Opportunities were evaluated in terms of their extent as well as the probability that the opportunity will be 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 commitment to sustainability 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 present 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. It 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 its 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 127 of the Annex).



Strategic thrust

“Committed to customers”

TKB is the bank of the people and economy in the Canton of Thurgau and supports its customers throughout their lives. It is a dependable 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, the bank – in its role as a financial services provider – makes the biggest impact through its products and services. In that knowledge, the bank incorporates environmental and social aspects (including human rights) into its investment and pension provision business (via its investment policy, TKB’s ESG Plus approach) and into its financing business (lending), rewards environmentally friendly behavior through 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. The bank has also defined exclusions for socially controversial topics in [TKB’s sustainability policy](#). The exclusions apply to all of the bank’s business activities – namely its financing business, its investment and pension provision business, its own financial investments and its banking operations.



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 adopted by the Federal Council to achieve a sustainable Swiss financial market is obligatory reporting on climate matters. At cantonal level, Thurgau's climate strategy involves issuing specific requirements for institutions closely connected to the canton. SwissBanking also has two self-regulation guidelines related to sustainable finance.



The individual SDGs are outlined on page 127.

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 at every stage of their lives by providing comprehensive and transparent advice on products and services. The bank enables its advisors to provide ESG advice and raises its customers' awareness of sustainability-related topics, 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.

Management approach

TKB's systematic advisory process is designed to cover its customers' individual needs as well as possible over the long term. ESG advice – and therefore the topic of sustainability – are embedded in this advisory process. Specifically, ESG advice is embedded in the bank's advisory process, its core banking system, its self-service offering and its "Omnium" advisory tool. Advisors are trained on how to correctly document ESG advisory services, particularly those related to the risk profile.

The bank attaches particular importance to the use of responsible sales practices. In its investment advisory services, for instance, TKB determines customers' risk capacity and helps them select an investment strategy that enables them to reach their financial targets at the lowest risk level possible. When a TKB investment solution is concluded, the selected strategy is automatically checked for compliance with the customer's risk profile. In the case of custody accounts with investment advice, advisors are informed on a daily basis if there is a cluster risk for equities or structured products or, in the case of equities, if the maximum exposure is exceeded by more than 10% compared to the investment strategy on file. The Compliance department monitors the processing of these reports.

TKB also refrains from providing financial incentives to advisors in the form of commissions. The variable component of all employees' salaries depends not on the achievement of sales or other performance-oriented targets, but on the bank's business success.

Advisors are trained specifically on how to provide responsible advisory services; this also forms part of the certification awarded by the Swiss Association for Quality (SAQ). 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 awareness 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 (see "Knowledge building" on page 25). This ensures that ESG topics are systematically addressed with private customers, business customers and institutional customers.



Generally speaking, sustainability is an integral part of training programs and directives. SwissBanking's two self-regulation guidelines – the “Guidelines for the 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”, both in force since 1 January 2023 – were implemented in a timely manner. TKB amended the directive governing the investment business and others as a result. Both of these guidelines are binding for members of SwissBanking. The guidelines are regularly evaluated and further developed by SwissBanking: During the reporting year, this was the case with the “Guidelines for the financial service providers on the integration of ESG-preferences and ESG-risks and the prevention of greenwashing in investment advice and portfolio management”; these changes entered into force on 1 September 2024 and are subject to transition periods.

ISO certification

All advisors who provide investment or financing advice are certified, regardless of whether they advise companies and commercial enterprises or private individuals. With the certification according to the SAQ certification system “Client Advisor Bank” in accordance with ISO standard 17024, TKB ensures that its advisors' professional knowledge is up to date and high in 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-phase training concept in place for this. All employees complete the basic training. The two more advanced phases must be completed by employees who regularly deal with the subject of

sustainable finance in their everyday work, for example when advising private or business customers or for departments closely connected to sales. The training is designed 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 forms part of the onboarding process for new hires as well. 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.

Financial literacy for the general public

TKB is committed to providing easy access to financial literacy to the people of Thurgau. For example, it offers compact seminars on banking-related topics for both private and business customers. Participation in these events is free of charge for customers and non-customers alike.

The following topics are currently on offer for private individuals: Investing, taxes, pension plans, marital and inheritance law, sustainable renovating and financing, launching a career and finances, online security and starting a business. For business customers, the range of topics includes succession planning, farm financing as well as operational optimization and solar potential in SMEs.

TKB additionally supports the Thurgau Debt Module (Schuldenmodul Thurgau) project in cooperation with the FinanceMission association to help foster general financial literacy among young people. This project arranges for employees of debt collection and bankruptcy offices and Caritas Thurgau counseling center to visit school classes to teach financial literacy in a double lesson.



Cooperation

The Canton of Thurgau and TKB are both committed to raising energy efficiency and using renewable energy. Homeowners receive advice on energy and renovation potential as part of the cooperation with public energy advice centers. TKB also subsidizes the “Energy from the Rooftop” (Energie vom Dach) consultation program to promote the use of photovoltaic systems. The offers are free of charge, regardless of whether the beneficiaries of these services have a business relationship with TKB. A collaborative arrangement also exists with the Thurgau Association of Energy Experts (Energiefachleute 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 through collaboration with the Thurgau Competence Center for Renewable Energy Systems (Kompetenzzentrum Erneuerbare Energie-Systeme Thurgau; KEEST). This cooperation will be used to promote SMEs’ installation of proprietary photovoltaic 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 the measures and adhering to the processes.

The Sustainability Office, together 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 that is the case and those customers lose some of their assets or generate fewer earnings as a result, this can result 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 including, in particular, the standardized advisory processes supported by digital tools (the Omnium advisory tool), employee training on sustainability-related 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

During the reporting year, all new employees completed the three-phase training initiative on sustainability, which forms part of the bank's mandatory onboarding process. The training initiative is being implemented in collaboration with the School of Management and Law of the Zurich University of Applied Sciences (ZHAW) (see "Knowledge building" on page 25 for additional information).

SwissBanking's revised "Guidelines for the financial service providers on the integration of ESG-preferences and ESG-risks and the prevention of greenwashing in investment advice and portfolio management" was reviewed in the reporting period to ensure that any adjustments needed can be implemented in 2025. Initial operational measures, including the amendment of the fund prospectus, were already implemented in the reporting year to ensure that the investment products and processes continue to comply with the regulatory requirements for ESG investment solutions.

The renovation and CO₂ calculator for real estate was integrated into the advisory process and advisory tools in 2023 and became available on TKB's website during the reporting period. 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.

Sustainability has been integrated as a focus topic in meetings with companies since 2023 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. When discussing energy efficiency building renovations with business customers, advisors actively point out the energy partnerships.

In order to make the financed GHG emissions of commercial financing transparent, selected commercial and business customers with a more emission-intensive business model were surveyed for the first time in the reporting year using a structured questionnaire. The results of the questionnaire are intended to help the bank understand where business customers stand with regard to the transformation of their business models.

The reporting year once again saw TKB engaged in activities aimed at raising awareness of sustainability in general and sustainable building and renovation in particular among customers, the people of the Canton of Thurgau and advisors working with private and business customers. The series of compact seminars entitled "Sustainable renovation and financing" (Nachhaltig Sanieren und Finanzieren) continued during the reporting year; eight seminars were taught, each with around ten participants.

Early 2024 saw the bank collaborate with KEEST to hold a business forum on large consumers' legal obligations and possible solutions. This event was met with a great deal of interest, with around 170 delegates attending. Based on this event, a new compact seminar for business customers entitled "Operational optimization and solar potential in SMEs" (Betriebsoptimierung und Solarpotenzial in KMU) was organized and presented in cooperation with KEEST, Solarstrom-Pool Thurgau and EKT.



The reporting year also saw TKB hold a series of events “Building renovations – cutting energy costs in half” (Gebäude erneuern – Energiekosten halbieren) at four locations in cooperation with the Association of Energy Experts Thurgau, as well as lectures at trade fairs such as “Immozionale Thurgau 2024”, with around 250 interested people attending the events.

Specialist lectures aimed at raising awareness among the private customer advisors were held in collaboration with Minergie Switzerland to teach some basics about Minergie and its labels.

The business customer advisors’ awareness was raised through a tour of a new TKB-financed building in the region that is considered a flagship project in terms of sustainability. The advisors were shown that consistent sustainable construction is compatible with economic considerations. This financing project came about through the good collaboration that exists between different departments and because the customer was convinced of TKB’s commitment to sustainability. Around 40 employees from TKB’s Business Customer division took part in the event.

TKB offers mortgage brokers the opportunity to fully digitalize their processes with various lenders through its online platform brokermarket.ch. A mortgage broker forum was held for the second time in the reporting year in collaboration with ZHAW. TKB additionally collaborated with ZHAW in 2023 to develop a training initiative geared toward the mortgage brokers of brokermarket.ch. This training, which addresses sustainability topics related to the mortgage business, was made available to mortgage brokers in the reporting year as well.

TKB has been collaborating with Pro Senectute Thurgau since 2023. This politically and denominationally neutral professional and service orga-

nization is committed to serving the needs of the canton’s senior citizens. The goal of the collaboration 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. Various awareness-raising measures were implemented during the reporting year for private customer advisors, commercial and corporate customers and, in collaboration with Pro Senectute, for senior citizens.

Target achievement status at the end of 2024

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 their awareness and define their needs
- TKB has empowered its advisors to provide ESG advice

Target achievement status at the end of 2024

- ✓ Achieved: All employees have been trained on the basic principles of sustainability
- ✓ Achieved: 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 their awareness and define their needs



With the successful completion of the initiative to provide introductory training on sustainability, all employees have received sustainability training. The advisors completed all three phases, 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. When doing this, it takes ESG criteria into consideration – especially in the areas of building, renovating and investing. ESG advice is embedded in the bank's advisory process, its core banking system, its self-service offering and its Omnium advisory tool. TKB addresses ESG topics with its business customers to raise their awareness and identify their needs.

Next steps

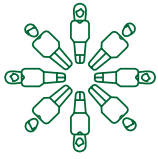
The company-wide sustainability training initiative will be continued. TKB reviews on a regular basis which specific sustainability topics should be delved into in greater detail and whether new topics should be taught. In 2025, the knowledge development and awareness training for the employees will focus on investing. In a joint offering with ZHAW, all advisors from the Private and Business Customer division, employees from sales-related departments and the members of the Executive Board will complete half-day training sessions on investing. These training sessions are aimed at further consolidating employees' knowledge, raising awareness, creating an understanding of sustainable investing and mitigating greenwashing risks.

In 2025, the bank will additionally make any changes needed in connection with the updated "Guidelines for the financial service providers on the integration of ESG-preferences and ESG-risks and the prevention of greenwashing in investment advice and portfolio management" from SwissBanking and the "Self-regulation on transparency and disclosure for sustainability-related collective assets of 29 April 2024 – (Version 2.0)" guidelines from the Asset Management Association Switzerland (AMAS).

The Sustainable Real Estate Office will continue to organize specialist lectures and roadshows in the new reporting period on the topic of sustainable building and renovation to raise awareness among private customer advisors.

Specialist lectures, trade fair appearances, events for the general public, continuation of the compact seminars, further development of impulse consulting and additional collaborations are planned to raise awareness of sustainable building and renovation among private customers and other interested parties.

The bank will continue its efforts to raise sustainability awareness among its business customers and their advisors. In order to make the financed GHG emissions of commercial financing transparent, the survey of commercial and corporate customers with emission-intensive business models is to be expanded in the upcoming reporting year (2025) by means of a structured questionnaire. The results of the questionnaire will help the bank understand where its business customers stand with regard to the transformation of their business models.



The individual SDGs are outlined on page 127.

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. The bank intends to achieve a high level of 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. Communicating complex sustainability issues – in the context of lending, for example – is also important, as it enables customers to consciously make environmentally friendly decisions when building or renovating their homes.

With its dense branch network and strong digital offering, TKB wants to demonstrate its strength 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.

Management approach

In line with its mission and vision of being “More than a bank”, TKB strives to cultivate active customer relationships that put the customer’s life situation and needs first. Regular personal contact strengthens customer relationships. Customer feedback provides the bank with valuable information on how to develop the quality of its advisory services and improve customer satisfaction. This enables it to launch customer-centric innovation processes. TKB uses a variety of approaches to achieve a customer orientation that is both active and successful.

Needs-oriented advice

TKB assigns its customers to segments so that it can support them according to their specific needs. Moreover, having the advice given by well-matched customer advisors helps ensure the best-possible customer experience.

Access to finance; distribution channels for financial services

TKB is close to its customers. Its dense branch network with 29 locations throughout the canton represents the bank’s physical proximity to its customers. With regard to accessibility, TKB complies with the SIA 500 standard entitled “Obstacle-free buildings” (Hindernisfreie Bauten) for new buildings and has existing buildings retrofitted

where possible during renovation work. Since 2021, it has used its Omnium digital tool, which supports holistic, customer-centric advice, for providing personal advisory services. Advisors will, if requested, also have advisory meetings at customers’ own homes.

TKB aims to offer easy-to-use and barrier-free services through its digital channels. To that end, the bank applies the ISO 9241 standard, which covers the ergonomics of human-system interaction. The OLIVIA customer portal offers a comprehensive digital self-service offering that includes e-banking. Its simple and intuitive design makes it easy to use, including for elderly people. TKB offers the option of opening customer relationships and accounts online. Customers can also obtain advice via video chat. TKB regularly uses the Siteimprove Accessibility Checker to check the barrier-free accessibility of its website. This tool gave the website a good score – 78.2 out of 100 points – in November 2024.

TKB has been providing all accounts free of charge since 2024, which has made its services accessible to all sections of the population from a financial perspective as well.



Customer reactions

TKB systematically gathers the reactions of its customers and responds to them according to a defined process. This is outlined in greater detail in “Communication of critical concerns” on page 19.

Opinion surveys

TKB assesses customer satisfaction and public perception of the bank at regular intervals. Every two years, for example, it participates in the ASCB survey on customer satisfaction and bank image to gain insights into how it is perceived by its private and business customers. The bank also conducts its own survey every three years to gain an insight into how the public perceives 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 the OLIVIA customer portal and is designed to incorporate customers’ perspectives into development projects. The customer journeys (customer experiences and decision-making paths) are analyzed, new applications and advertising campaigns are tested, and concepts are validated.

Enabling employees

TKB creates the necessary conditions for its employees to be able to swap notes on customer concerns and satisfaction across departments. All advisors are equipped with the requisite skills for providing personal and customer-centric advice through annual training courses in compliance with the ISO 17024 standard (SAQ certification as a Client Advisor Bank) (see “Responsible advisory services” starting on page 24).

Position statement on the economic divide

TKB recognizes the global economic disparities that cause people to have unequal access to financial services and opportunities to acquire related skills. Being a regional provider of financial services, this does not impact TKB directly. Neverthe-

less, the bank wants to mitigate the disadvantages of economic disparities within its sphere of influence as far as possible. It does this by championing low-threshold access to financial literacy education for the people of Thurgau. TKB offers free compact seminars on all aspects of the banking business and, in collaboration with FinanceMission, supports the Thurgau Debt Module (Schuldenmodul Thurgau) project to help foster general financial literacy among young people (for more information, see “Responsible advisory services” starting on page 24). Wherever possible, it promotes easier access to its branches and services through barrier-free buildings and increasingly barrier-free digital services (see “Access to finance; distribution channels for financial services” earlier in this section).

Organization

The material topic of “Customer orientation” 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 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 capacities, this can lead to claims for compensation or termination of business relationships. That, in turn, could result in damage to the bank’s reputation and/or in low customer satisfaction. In light of the 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 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 working on its corporate values – by living and embedding them – as one of its eight strategic priorities. It does this by regularly addressing customer orientation inside the bank, for example, as part of employee performance reviews.

Measures and activities

In a preliminary study on customer satisfaction in 2023, TKB identified which factors resulted in a high level of satisfaction, where the bank's influence on it was largest and the best way to measure it. To this end, TKB reviewed both the technical and legal requirements and formulated recommendations on that basis. These were addressed within the scope of a project in 2024 using the Net Promoter Score (NPS) and Customer Satisfaction Score (CSAT) metrics. The values showed the likelihood of a customer recommending TKB to others (NPS) and how satisfied they were with the bank's products and services and their interactions with the bank (CSAT).

Two separate surveys have been set up to calculate these metrics. In the customer loyalty survey, around 4,000 customers are randomly selected every month and invited to take part in an online survey. This survey aims to assess overall satisfaction, willingness to recommend, and satisfaction with individual aspects of TKB's services – including service quality, digital banking, value for money, and market presence. TKB then calculates the NPS based on the results.

The customer satisfaction survey focuses on the onboarding process. Individuals who opened a bank account with TKB – either physically or digitally – in the previous month are invited to rate their customer experience in doing so. For this,

they can rate aspects such as the effort required, the offering, the documents and the advisory service. TKB uses these ratings to determine the CSAT.

Target achievement status at the end of 2024

Targets up to 2025

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

Target achievement status at the end of 2024

- Customer satisfaction: 8.9 out of 10 points (2023) (2021: 9 out of 10 points, measured every two years)
- Recommendation rate: 7.2 out of 10 points (2023) (2021: 7.2 points, 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 8.9 (on a scale of 1 to 10), TKB was able to clearly outperform its target customer satisfaction score of 8.5 in the ASCB's most recent private customer survey from 2023. In terms of customer satisfaction, that means TKB continues to be one of the highest-rated banks in the Canton of Thurgau. Loyalty – measured in terms of a person's willingness to recommend the bank to others – was also confirmed to be at a high level: 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.



Next steps

In 2025, the documentation and processing of the results from the surveys for the NPS and the CSAT will be further developed. A dashboard will be set up to present the results to branch managers and management, making it easier for them to identify areas where the processes, systems and/or services could be improved.

The monthly customer satisfaction ratings will help the bank improve the customer experience on an ongoing basis. All feedback is analyzed centrally;

and the regularity of the measurements helps the bank identify even short-term fluctuations due to external factors more rapidly. Targeted measures for improving the processes and services are discussed with the relevant stakeholders and implemented.

In 2025, the automated software-based assessments of barrier-free access to the bank's website will be supplemented by review by a specialized external unit and improvement measures will be developed on that basis.



The individual SDGs
are outlined on page 127.

Material topic

Sustainable products and services

TKB offers products and services that provide a long-term 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 puts TKB in a position to contribute to many SDGs: combating poverty, building sustainable and resilient infrastructures, promoting renewable energy and sustainable consumption patterns, combating climate change and creating a strong economy in the canton.

Management approach

TKB offers its customers a comprehensive range of products in the areas of financing, pension provision and investing that offers long-term benefits. In the investment and pension provision business, the bank is guided by the six Principles for Responsible Investment (PRI) and reports to the PRI (see “Sustainable finance” on page 41).

Financing business: Granting loans

The following lending principles form part of the TKB Lending Policy. 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 checks. 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 com-

plies 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) and sufficient knowledge of the borrower’s personal circumstances (creditworthiness), and the purpose of the loan has been disclosed.

When assessing loan transactions – particularly in the case of financing backed by residential real estate – ecological risks (environmental risks) are taken into consideration. This involves, among other things, assessing whether there are any pollution risks (contaminated sites). Affected sites may have been contaminated with pollutants due to deposits, operational activities, exploitation, the influence of critical substances, and/or accidents. In the case of real estate, this may affect the soil, the air or the building fabric, which may result in additional costs and reduce the value of the property.

For companies, it systematically assesses the sustainability of the business model and an assessment of sustainability-related transition risks forms part of the lending process. TKB has defined criteria for ESG controversy topics that will exclude customers from obtaining loans. The Guideline on ESG controversy topics (Richtlinie zu kontroversen Um-



welt-, Sozial- und Unternehmensführungsthemen) is part of the publicly accessible [TKB Sustainability Policy](#) (see “Sustainable finance” on page 41).

Debt collection policy

TKB has a special financing unit that provides support to private and corporate customers experiencing financial difficulties. Its aim is to identify problems at an early stage to find solutions that take both the customers’ and the bank’s interests into account in good time. Debt collection procedures are conducted in accordance with the contractual provisions agreed with customers as well as applicable Swiss laws and regulations.

Customers experiencing financial difficulties have access to all of TKB’s official channels to convey any questions, complaints or critical concerns they may have. They are free to take their concerns to the Banking Ombudsman (for more information, see “Communication of critical concerns” on page 19).

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. The bank offers sustainability-linked loans to large companies.

Financing sustainability solutions (innovation financing)

TKB finances innovative sustainability solutions, including photovoltaic systems on third-party roofs (PV contracting) and district heating. 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 option for sustainable construction and renovations in compliance with the Minergie and/or CECB standards or for implementing sustainable individual measures under the promotional program currently being offered by the Canton of Thurgau. Both private and business customers can benefit from these offers.

Subsidies for CECB reports

(contribution toward certification costs)

TKB covers the certification costs for the CECB and cooperates with the Thurgau Association of Energy Experts (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 (named “eteam – ihre energieberatung”) and the photovoltaic feasibility studies prepared by KEEST. Both private and business customers can benefit from these offers.

Investment and pension business:

Asset management mandates and funds

In the investment and pension business, TKB’s approach is guided by the six Principles for Responsible Investment (PRI), and it participates in annual reporting to the PRI. It also follows SwissBanking’s recommendations concerning sustainable investments, the exclusion criteria recommended by the Swiss Association for Responsible Investments (SVVK ASIR) and its own exclusion criteria (see the [TKB Sustainability Policy](#)).

**Asset management mandates, the bank's own strategy fund, recommendation list**

All asset management mandates for private customers, the bank's own strategy fund and TKB's recommendation list are based on the bank's ESG Plus approach. 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 individual cases. That means, wherever possible, that TKB only considers investments that meet specified criteria with respect to ESG metrics. Additionally, the only providers considered are those of collective investment schemes that have made a commitment to uphold the PRI and are therefore interested in making a positive contribution to a sustainable financial system. Investment Controlling monitors compliance with these requirements. TKB additionally offers various thematic funds on its recommendation list to meet demand for impact investment products. The thematic funds and active equity funds must all demonstrate a sustainability approach that TKB can appraise based on MSCI ESG data and must include a stewardship process. In addition, the respective investment company must also have made a commitment to uphold the PRI. The funds on the recommendation list are classified on a preferential basis in accordance with Art. 8 of the European Sustainable Finance Disclosure Regulation (SFDR) or, if an impact approach is used, even in accordance with Art. 9 SFDR. Index funds must also track a sustainability index and have an MSCI ESG rating of at least BB to be included in TKB's recommendation list.

Reporting

Sustainability fact sheets based on MSCI ESG data are periodically created for the funds used in asset management for private customers or for the funds listed on the recommendation list. These fact

sheets transparently list the most important ESG metrics as well as the sustainability approaches applied. This information includes the portfolio rating, the overall ESG score, the individual ESG scores as well as climate-related data, both in absolute terms and relative to a benchmark. All investment customers are provided with an asset report showing MSCI's ESG rating and the implied temperature rise (ITR) for their individual portfolio. The ITR, or a portfolio's global warming potential, indicates whether the portfolio is already meeting the targets of the Paris Agreement to limit global warming to below 2°C. The SFDR classification according to Art. 8 and 9 is also reported for funds.

ESG Plus training sessions are held annually for customer advisors. Further information on the ESG Plus sustainable investment approach can be found on the [TKB website](#).

**Stewardship
(engagement, exercising voting rights)**

The ESG Plus approach is supplemented by the Investment Center's direct engagement with third-party investment companies. This is done for the target funds in the asset management mandates and the bank's own strategy funds as an integral part of the selection process. Direct dialog with the companies, involvement in investor initiatives and voting all occur indirectly via the external investment companies.

**Self-managed fund with individual securities
(TKB Fonds Aktien Schweiz ESG (CHF))**

The fund invests in a diversified portfolio containing around 50–70 Swiss stocks that mainly comprise securities issued by innovative, high-income companies. Its focus is on companies that are considered best-in-class and have interesting potential for profit growth. Investment decisions are based on comprehensive quantitative and qualitative analyses. Analyses performed by TKB's Portfolio Management take both conventional key financial



figures as well as ESG criteria into consideration. TKB's defined exclusion criteria for controversial business areas are supplemented by SVVK-ASIR's exclusion criteria. At the fund level, particular emphasis is also placed on carbon intensity and the implied temperature rises (ITRs) caused by the investee companies. The fund additionally aims to support ecological and social goals in accordance with the SDGs.

Stewardship (engagement, exercising voting rights)

The approach is supplemented by TKB's participation in the Responsible Shareholder Group, an engagement pool organized by Inrate. As part of these stewardship activities, the bank influences the Swiss companies in which it has invested with the goal of helping them improve their sustainable impacts and create long-term value as a result. Voting rights are exercised actively by the fund management company with a particular focus on managing ESG risks.

Cooperation

TKB relies on cooperation with specialized partners from the region to enhance its offering. In cooperation with the public energy advice centers of the Canton of Thurgau (eteam), interested parties (both customers and non-customers of the bank) receive on request vouchers for free energy efficiency assessments of their properties. TKB's advisors use the reports prepared by the energy advice centers as a starting point for showing homeowners the best options for financing their energy-efficient renovations. This advice also covers other aspects, such as the tax implications. TKB additionally subsidizes "Energy from the Roof" (Energie vom Dach) impulse consultations, where both TKB customers and non-customers alike can seek advice on photovoltaic systems free of charge. A collaborative arrangement also exists with the Thurgau Association of Energy Experts (Energiefachleute Thurgau, EFT), which prepares CECB reports for TKB customers. TKB covers

the costs of preparing these reports 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 Thurgau Competence Center for Renewable Energy Systems (KEEST). Here, the bank is the exclusive partner for financing photovoltaic installations for SMEs. TKB performs free financing reviews based on the results of the feasibility studies prepared by KEEST.

Organization

Responsibility for the material topic of "Sustainable products and services" 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 ensuring compliance with the ESG Plus guidelines in asset management, maintaining the recommendation list for sustainable investments, and meeting the PRI requirements and the associated disclosure obligations. An ESG officer in the Investment Center monitors regulatory developments as well. 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. Any 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 any 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 improving sustainability in the mortgage business and embedding it in the advisory process. Further information is provided under “Measures and activities” in this section.

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 contributing toward 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 to seize these opportunities. The bank’s strategy is to align its offering of products and services even more closely with ESG criteria in the coming years and to become increasingly sustainable.

Measures and activities

TKB eliminated account management fees in April 2024. At the same time, the bank reduced the flat fees for service packages that include other services alongside one or more accounts. In doing so, TKB has made it easier to access the bank’s products and services.

Since mid-2024, all new Debit Mastercards have been made from 100% recycled PVC sourced entirely from production waste and recycled cards. Around 34,000 cards were replaced in the reporting period.

TKB joined the Responsible Shareholder Group (RSG), Inrate’s engagement pool, in the reporting year. Going forward, the bank’s membership in the RSG will enable it to directly influence the Swiss companies in which TKB has invested, either through its asset management mandates or as part of the “TKB Aktien Schweiz ESG” fund. This influence also extends to companies in which TKB has invested its own financial assets. The goal of this engagement is to help companies improve their sustainable impacts and create long-term value as a result. While the RSG engagement focuses on the individual securities of Swiss companies, TKB works through its Investment Center to directly engage with third-party investment companies for the target funds in its asset management mandates and strategy funds. Further information can be found in the management approaches for the material topics of “Sustainable products and services” and “Sustainable finance”.

TKB continued to look at the possibility of integrating the Swiss Climate Scores (SCS) into its own products and services. The first step was the integration of ITRs at portfolio level in 2023 and they have been listed in all asset reports for TKB investment solutions since then.



The bank reviews the existing cooperation offers on a regular basis. The focus in the reporting year was on further developing the cooperation with KEEST. The possibility of introducing a free impulse consultation for business customers was examined and tested as part of a pilot project.

Target achievement status at the end of 2024

Targets up to 2025

- All standard asset management solutions for private individuals and all lists of recommendations that underlie the investment advisory solutions are linked to ESG criteria (all asset management mandates have been 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 (PRI)
- The ESG score is reported and addressed for all advisory mandates
- The ESG scores are reported on all statements of assets
- The ESG offering for private and business customers is continually reviewed and expanded

Target achievement status at the end of 2024

- ✓ Achieved: All standard asset management solutions for private individuals and the TKB recommendation list follow the ESG approach
- Proportion of investment products that include ESG criteria: 24.6 percent (2023: 23.9 percent)
- Volume of energy mortgages: CHF 81 million (2023: CHF 60 million)
- Number of subsidized advisory sessions in the context of cooperation with the public energy advice centers: 146 (2023: 75)
- ✓ Achieved: PRI reporting performed successfully and improvements derived from it
- ✓ Achieved: Sustainability information reported for all advisory mandates and on all statements of assets, including an ESG rating and ITR from MSCI ESG

All standard asset management mandates for private individuals (since 2021) and the TKB recommendation list (since 2023) 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.

During the reporting period, PRI reporting was successfully conducted for the second time and TKB used it to derive improvement measures. Reporting forms part of the operational tasks of the Investment Center and is now firmly embedded in the bank's operations. Compared with its competitors, TKB ranks in the midfield. TKB's report was first published on the PRI website in the fall of 2024.



The volume of energy mortgages concluded rose to around CHF 81 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 reporting period.

Cooperation with partners in the energy sector, with the Office of Energy and the public energy advice centers of the Canton of Thurgau was expanded in the reporting year. Thanks to TKB’s involvement, all impulse consulting offers are now 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. The product concept should become available over the course of the year so that next steps can be decided.

SCS will be integrated in the investment area, as well, with implementation for the strategy fund planned in the upcoming reporting period (2025).

The introduction of a free impulse consultation for business customers was examined as part of a pilot project in the reporting period. The results of the pilot project will be evaluated in 2025, and the bank will press ahead with its goal of launching a corresponding free impulse consultation.



The individual SDGs
are outlined on page 127.

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 to sustainable finance has an impact on the achievement of the SDGs: Reliable financing opportunities lay the foundation for developing 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 wants to contribute to achieving the Paris climate targets. Its overarching goal is to achieve net-zero GHG emissions by 2050, both through its own operations and through its financing and investment activities. It has joined the SBTi and formulated reduction pathways to achieve this goal. The SBTi validated its near-term climate targets in 2024. The aim, in addition to avoiding and reducing GHG emissions, is to integrate ESG criteria into the bank's business activities and provide transparency with regard to the financed emissions and climate risks in the investment and loan portfolio.

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. To help shape this kind of financial system, TKB is guided by the six Principles for Responsible Investment and submits a report to the PRI every year. When identifying climate-related risks and opportunities, TKB follows the TCFD recommendations and publishes a climate report.

Switch to sustainable financing

As a founding member of the Swiss Sustainable Finance association, TKB has been involved since 2014 in discussions regarding various issues related to sustainable finance in Switzerland. 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, where it participates in discussions 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 the approaches used with other cantonal banks and is actively involved in the sustainability working group of the Association of Swiss Cantonal Banks (ASCB). TKB seeks dialog with organizations and movements in civil society that call on financial sector actors to reduce the GHG emissions in their portfolios.

TKB Sustainability Policy

TKB has had a Sustainability Policy in place since 2024 that explains the bank's principles of sustainability in greater detail. This policy helps the bank achieve its net-zero target by formulating exclusions for socially controversial topics. The exclusions apply to all of the bank's business activities – namely

its financing business, its investment and pension provision business, its own financial investments and its banking operations. Loans to and investments in companies that quarry, mine or extract particularly emissions-intensive energy sources such as coal, petroleum or natural gas, or that own or operate fossil-fuel power plants or nuclear power plants are excluded. The exclusions will apply in the bank's financing business from 1 July 2025 onward. Prior to this, the provisions need to be integrated into the bank's processes and systems. The exclusions do not apply retroactively to existing transactions in any area. More detailed explanations and any exclusions can be found in the bank's internal directives, explanations and other tools. The bank's approach to dealing with ESG controversy topics is managed using an iterative and systematic monitoring process.

Financing business (lending)

The lending principles are an integral part of the TKB Lending Policy. Further details can be found in the management approach to the material topic of "Sustainable products and services" and the [TKB Sustainability Policy](#).

Investment and pension business (investment policy, ESG Plus approach)

All asset management mandates for private customers, the bank's own strategy fund and TKB's recommendation list are based on the ESG Plus approach. This approach is set out in TKB's binding investment guidelines. Further details can be found in the management approach to the material topic of "Sustainable products and services", the [TKB Sustainability Policy](#) and the [ESG Plus approach](#).

Bank's own financial investments

TKB has been using a sustainability-based approach to select the bank's own financial investments since December 2019 and this process was refined in 2024. TKB has issued guidelines

with exclusion criteria for ESG controversy topics that form part of the TKB Sustainability Policy and apply to the bank's own financial investments. The exclusion criteria are implemented consistently during the stock selection process, with the bank's own financial investments regularly analyzed for ESG controversy topics using MSCI ESG data and the criteria incorporated into the security selection process. For its own financial investments, TKB has also set itself a near-term climate target in accordance with the SBTi based on the temperature rating approach and the SBTi validated the target in 2024. These factors are also taken into account in the stock selection process. TKB continues to rely on sustainability research issued by Zürcher Kantonalbank (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, TKB uses the assessment provided by MSCI's ESG tool. 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, for example), the Swiss Bond Index (SBI) ESG Domestic AAA-BBB is checked. If a security fails to meet any 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.

Stewardship (engagement)

The sustainability approach is supplemented by TKB's participation in the Responsible Shareholder Group, an engagement pool organized by Inrate. As part of these stewardship activities, the bank influences the Swiss companies in which it has invested with the goal of helping them improve their sustainable impacts.



The process used to select the bank's own financial investments is set out in internal documents and the requirements governing ESG controversy topics and is enshrined in the Balance Sheet Management (Bilanzsteuerung) directive with reference to the TKB Sustainability Policy.

Raising awareness

TKB takes a proactive approach to raising awareness of the topic of sustainable investing among its institutional customers and systematically discusses sustainability with them to identify their needs and take action at an early stage. Knowledge building is important to promote the topic of sustainable finance within TKB. As a result, all TKB employees have been receiving specific training on sustainable finance and general training on sustainability (for details, see "Responsible advisory service" on page 24).

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; and this method is being enhanced on an ongoing basis. Based on this, science-based climate targets for reducing GHG emissions were set for the bank's own financial assets (listed equities and corporate bonds), corporate loans to large companies (> 500 employees) and commercial and residential real estate, which were validated by the SBTi in 2024.

Organization

A dedicated working group has been focused on the subject of Sustainable Finance since 2021; this group is comprised of representatives from Credit Management, Product Management, the Investment Center and 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. Its activities have been substantively supported by the Sustainability Advisory Council since 2021. The Sustainability Office communicates with the working group, coordinates it and relays sustainability-relevant developments 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 training its employees to ensure that they are able to understand such risks and assess them adequately. It also discloses climate-related risks in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to systematically identify, measure, evaluate, manage, monitor and report 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 near-term climate targets (time horizon up to 2030) comply with the SBTi standard and were validated by the SBTi in the reporting year. The climate targets that impact the TKB's financing and investment activities cover around 74% of its total assets (based on figures from the 2024 half-year balance sheet).

The TKB Sustainability Policy was developed and adopted during the reporting year; this policy specifies the bank's principles of sustainability and contains requirements regarding ESG controversy topics. TKB has defined exclusion criteria for each of these topics. The bank's approach to dealing with ESG controversy topics is managed using an iterative and systematic monitoring process.

The Risk Control department and the Sustainability Office addressed other nature-related financial risks in the reporting year. This included performing a gap analysis on the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD) and deducing the potential implications of FINMA Circular 2026/1 "Nature-related financial risks", which will enter into force on 1 January 2026. Based on the findings, an initial materiality analysis was then performed for the nature-related financial risks using a rough industry and location

analysis for the corporate loans. The previous risk inventory, which had focused on climate risks, was also expanded to include other nature-related financial risks. The bank's focus here was on biodiversity loss, pollution, waste-related problems, excessive resource consumption and wildlife conservation violations.

As explained in the management approach to the "bank's own financial assets", the stock selection process was improved in the reporting year. The process now also includes exclusion criteria for ESG controversy topics and considers whether companies have set themselves near-term climate targets. The supplemental approach for selecting the bank's own financial investments is set out in internal documents and in the Balance Sheet Management directive (Bilanzsteuerung) with reference to the TKB Sustainability Policy.

TKB continued to make improvements to its sustainable investing activities and joined the Responsible Shareholder Group (RSG), Inrate's engagement pool, in the reporting year. Going forward, the bank's membership in the RSG will enable it to influence Swiss companies which TKB has invested in through its asset management mandates or the "TKB Aktien Schweiz ESG" fund. This influence also extends to companies in the bank's own portfolio of financial investments. Engagement via the RSG is supplemented by direct engagement, which forms the second level of TKB's engagement strategy. The Investment Center engages in dialog with third-party fund companies for the target funds in TKB's asset management mandates and strategy funds as an integral part of the selection process. Further information can be found in the management approaches for the material topics of "Sustainable products and services" and "Sustainable finance".

In 2024, TKB and TKB's pension fund both took part (for the third time) in the climate test conducted by the Swiss Federal Office for the Environment. This was conducted using the PACTA methodology, a standardized process that checks whether investments and financing are in line with the Paris Agreement's goal of limiting global warming to well below 2°C. TKB had its strategy funds and asset management mandates, its own financial investment portfolio and its mortgage portfolios analyzed during the climate test. The focus for mortgages was on owner-occupied properties. The results show that all of TKB's investment portfolios have a low exposure to carbon-intensive sectors according to the PACTA definition and that their performance, compared to their competitors, is average or better. In the case of mortgages, the carbon intensities for the Scope 1 emissions of financed buildings are also below the average of the participating financial institutions. TKB made headway compared to the results of its last climate test.

The TKB Pension Fund implemented the recommendations of the Swiss Pension Fund Association (ASIP) regarding the "ESG Reporting Standard for Pension Funds" and thereby provided its beneficiaries with transparent sustainability-related metrics for the first time in its 2023 Annual and Sustainability Report.

The bank took an in-depth look at the availability of mortgage-related data during the reporting year. A process has been set up so that, going forward, building certificates (CECB, Minergie, etc.) can be retrieved and mapped at the individual property level. At the same time, the property data was analyzed based on previously recorded federal building identifiers (EGIDs) and other property-related data requirements were examined. Recommendations for action were drawn up for the following year on this basis. The carbon emissions of the mortgage loan portfolio were additionally recorded in collab-

oration with a specialized service provider and evaluated in accordance with ESG criteria. The analysis revealed that the results on hand are based on many assumptions and that the database needs to be improved. We are currently working on developing specific measures aimed at improving the database.

In 2024, the Swiss cantonal banks launched a joint investment solution: the Education Initiative Swiss Cantonal Banks sub-fund of the Swisscanto (LU) Portfolio Fund Sustainable Balance (CHF) investment fund. Each year, the sub-fund donates two percent of its volume to Education Cannot Wait, the United Nations fund for educating children in crisis areas. TKB has supported the product by contributing around CHF 500,000 of the total start-up capital of CHF 10,000,000 and is thereby helping to achieve inclusive and equitable quality education (SDG 4).

Target achievement status at the end of 2024

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 and 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 define the bank's GHG target pathway
- 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 2024

- ✓ Achieved: The sustainability risks (ESG risks) have been integrated into the bank-wide risk management system and responsibilities have been defined at the top level of management
- ✓ Achieved: Sustainability risks (ESG risks) have been inventoried in compliance with internationally recognized standards, addressed and then disclosed as part of the Climate Report in accordance with the TCFD recommendations
- The near-term climate targets comply with the SBTi standard and were validated in 2024
- Institutional customers are systematically and proactively made aware of and advised on sustainable investing
- ✓ Achieved: Bank's own financial investments linked to ESG criteria: 100 percent (2023: 100 percent)
- Assets having undergone an environmental or social audit: 100 percent (2023: 100 percent)
- GHG emissions (Scope 1 and 2) per CHF million invested in the financial investment portfolio: 5 metric tons of CO₂ (2023: 96 metric tons of CO₂)

All targets in the material topic of sustainable finance were achieved before the end of the strategy period. All of TKB's own financial investments are linked to ESG criteria. The stock selection process applies a sustainability approach that is continuously being developed. Sustainability risks (ESG risks) have been integrated into the bank-wide risk management system and responsibilities have been

defined at the top level of management. Sustainability risks are identified in accordance with internationally recognized standards; and financed GHG emissions are calculated in accordance with the PCAF standard and disclosed as part of climate reporting in accordance with the TCFD recommendations. The availability and quality of data on financed emissions, especially in respect of mortgages (on commercial and residential real estate) and corporate loans, remain a challenge for TKB. The bank has also developed target pathways and values and had the near-term science-based [climate targets](#) for its financial investments (listed equities and corporate bonds), corporate loans to large companies (> 500 employees) and mortgages on commercial and residential real estate validated by the SBTi.

Institutional customers will continue to be systematically made aware of ESG risks and advised on these issues. Larger institutional customers are proactively made aware of the recommendations made by the Swiss Association of Pension Funds (ASIP) in its ESG Reporting Standard for Pension Funds, which have been reflected in the TKB Pension Fund's annual report since 2024, and are provided with sustainability-related metrics.

The significant reduction in GHG emissions per CHF million invested in the financial investment portfolio is attributable to the improved database provided by MSCI's ESG tool.

An overview of detailed information on the "Sustainable finance" material topic is provided under "Key performance indicators" starting on page 102.



Next steps

TKB intends to keep making continuous improvements to its climate-related disclosures in accordance with the TCFD recommendations. The missing data for calculating the financed emissions need to be recorded on an ongoing basis, and the standards themselves need to be strengthened and further developed in dialog with other PCAF-affiliated banks.

Now that it has joined the RSG, 2025 will see TKB prepare its first stewardship report, which will provide information on the bank's engagement activities.

TKB intends to continuously improve the database for its mortgage portfolio (commercial and residential real estate). The in-depth analysis conducted during the reporting year yielded some important findings (e.g. on data cleansing), which are to be implemented during 2025. Furthermore, the ESG-related exclusion criteria defined in the TKB Sustainability Policy are to be integrated into the system-based lending process by mid-2025.

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 900 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 opportunities. TKB offers fair remuneration to all employees, a modern leadership culture and development opportunities at all levels. Its progressive HR policy enables staff to take responsibility, contribute 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. 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. Its employees' satisfaction with regard to their professional development prospects and equal opportunities positions 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. A diverse workforce helps TKB to understand the wide-ranging needs of its customers.

Expectations of the bank

Competition for committed employees is fierce and the needs of current and potential employees are changing. As technology continues to advance, employees expect learning and development opportunities to keep pace with change. They also appreciate having enough leeway for individual responsibility, flexibility in terms 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 fulfill its public service mandate, treat its employees impeccably and ensure high-quality training for young people in Thurgau.

Management approach

TKB is prudent and judicious in its dealings with staff. TKB's HR strategy has four main 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 and continuing to digitalize and improve 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 opportunity. These are outlined below.

Working conditions

TKB adheres to the regulations in force in Switzerland (Employment Act, data protection, etc.). 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 or indirect conflicts from arising in connection with the bank's business activities.

Programs for employees with part-time contracts

TKB employees who are employed on a part-time basis are subject to the same terms and conditions of employment as full-time employees. That means they are entitled to equal treatment with comparable full-time employees in terms of salary levels, contractual arrangements (including maternity and sick leave), dismissal rules, pension entitlements and education, as well as equal protection of their right to organize, to engage in collective bargaining and to act as employee representatives. The same principle applies to non-pay benefits, subject to a restriction on preferential terms for TKB products and services: these are not available to employees with hourly contracts and average workloads of less than 35 percent.

Disciplinary practices

Depending on the severity of the violation, breaches of internal or external guidelines by employees may result in consequences ranging from written warnings up to and including termination of the employment contract, either with or without notice. Physical punishment is never permitted as a disciplinary measure.

Freedom of association, 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' Union (SBPV). TKB also respects the International Covenant on Civil and Political Rights (ICCPR), Art. 8 of which stipulates that no one shall be required to perform forced or compulsory labor. This constitutional right is monitored by the relevant authorities and violations are sanctioned. TKB is committed to complying with the Swiss Federal Act on Information and Co-determination for Employees in Businesses (Mitwirkungsgesetz).

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. Due to its 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, making it the first cantonal bank to receive the seal of approval from the Social Partnership Center 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 SBPV's Agreement on Conditions of Employment for Bank Employees (ACEBE) when setting employees' salaries, it is not bound by it. TKB offers fair remuneration to all employees and complies with the minimum requirements of the ACEBE, thereby ensuring decent living conditions for its employees and their families.

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 (remotely) 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 with continued salary payments of 100 percent. This may be extended with unpaid leave, subject to agreement. Employees generally have at least five weeks of vacation, which is above the statutory minimum of four weeks. Regardless of how long they have worked at the bank and regardless of their functional level, employees can take 5.5 weeks of vacation from the age of 30 and six weeks from the age of 40. All employees can also buy an extra week of vacation per year. TKB's Personnel Regulations additionally stipulate that employees who care for family members or life partners living in the same household may take up to three days of paid leave per incident (subject to a maximum of ten days per year, except in the case

of children). In justified cases, the bank will also consider granting additional days of paid leave. Finally, TKB complies with the Swiss Federal Employment Act (Arbeitsgesetz), 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 promotes a positive and appreciative work culture. 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 a range of preventive measures to safeguard the physical and mental health of its employees, including information, workshops and training on various topics. These include courses on stress management and mindfulness. Employees can also contact the MOVIS AG employee counseling service. In the event of a crisis, employees receive close guidance and support, whether through an internal meeting with HR, case management by the Helsana health insurer 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. If required, the bank offers re-entry programs for people with mental health problems – provided that re-entry is possible from an operational perspective. Finally, the bank offers ergonomic workplaces and modern working conditions that permit individual flexibility.

Information and raising awareness

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

Corporate culture

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

Code of Ethics (Code of Conduct)

The Code of Ethics (Code of Conduct) forms part of the terms and conditions of employment and is binding on all employees and the members of TKB's Board of Directors. The employees receive information about the topics covered by the Code of Ethics (Code of Conduct), and any amendments to it, on a regular basis. The Code of Ethics (Code of Conduct) is sent to all new hires as part of the terms and conditions of their 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 24), leadership development, sales development and digital advisory services. TKB supports individual training measures aimed at improving personal skills and generally covers the associated costs in full. 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 business management, in IT and as a chef in the staff restaurant. TKB offers internships for high school graduates as well.

TKB offers general internal training or context-specific internal training in areas such as advisory services, leadership and sustainability. These training sessions are developed and conducted either internally or in collaboration with external partners. The quality and relevance of training sessions is ensured by means of surveys conducted among the participants in new training sessions, and adjustments are made as needed. Ongoing training sessions are subject to spot checks, especially if employees' feedback is negative.

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. A structured succession planning process is in place for the second level of management, which HR carries out twice a year together with the Executive Board. The process involves discussing internal and external candidates for second-level management positions where changes are expected to take place in the near term. A person (a member of the Executive Board or HR) will be designated to remain in contact with the external candidates. HR will work with internal candidates to design individual measures to foster their development and prepare them 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 the development of advisors and specialists.

Mentoring

Mentoring is a temporary partnership coordinated by HR in which experienced employees – the internal mentors – pass on their knowledge and experience to (usually) younger employees – the mentees. Mentoring benefits mentees by providing them with support for their professional development, regular feedback and access to new networks.

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 first and foremost impart an awareness of overarching topics and actively support and strengthen their employees as experts in their roles. That is the purpose of the continuous performance and development reviews conducted since 2017: Managers meet with all permanent staff on a regular basis (at least once a year) to discuss their personal engagement and their willingness to make an active contribution. 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

HR is responsible for the material topics of "Responsibility as an employer" and "Diversity and equal opportunity". HR 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 and provide the employees generally with career advice and advice on a wide range of other work-related topics.

Measurement of goal achievement

TKB regularly checks its standing as an employer among current and potential employees. It conducts a survey on employee satisfaction and commitment every three to four years. The survey was most recently conducted in 2024, and the results are explained under "Measures and activities" on page 54.



Material topic

Responsibility as an employer

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

Since the nature of work is perpetually changing, lifelong learning is indispensable for employability. 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 environments – 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 reasons and in special situations, such as apprenticeships or maternity leave replacements. TKB limits indirect (non-regular) employment to a minimum and for specialized activities (cleaning and security, for example) that fall outside the bank's core business.

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

An employee survey was conducted in 2024. This survey is repeated every three to four years (the most recent one before this was in 2021). The results have improved across all departments and business areas compared to the previous survey. This applies not only to general employee satisfaction but also to organizational energy and the employees' commitment to TKB. The results of the survey were presented at a leadership workshop in August 2024. The managers then discussed the individual results in detail. They provided their teams with transparent information about the survey's results and discussed measures for making ongoing improvements to the work culture. They identified fields of action as part of the continuous improvement process and to promote their own development as managers. By the end of November 2024, the managers had submitted reports to their own superiors and the members of the Executive Board detailing their findings and the measures they had derived from the findings.

TKB's general terms and conditions of employment were also subjected to a review in 2024. This concluded that the terms and conditions remained up-to-date and appropriate and that there was no material need for action or amendments.

Various tasks were carried out in preparation of a fringe benefits platform that is due to launch in 2025. This platform should make it possible to integrate existing offerings and accommodate ongoing expansions.

The bank continued its efforts to integrate lateral entrants and returners to the workforce and improved its processes in this area. Changes were made to classes on banking fundamentals, for example, in the reporting year.

In the summer of 2024, two apprentices began their training to become commercial employees specialized in "service and administration", which is a new training program at TKB. The smooth start and the positive feedback from the apprentices confirmed the bank's plan to continue this training program.

The fundamental principles of TKB's employer brand were revised in the reporting year and the Executive Board confirmed its employer value proposition of "Achieving more together". An employer communication strategy was then developed on this basis – with input from internal specialist units – to communicate the employer brand effectively. The new website is expected to be fully live in spring 2025.

As part of the revamping of the commercial apprenticeship program to bring it in line with the 2023 Swiss Vocational Education and Training Ordinance (Bildungsverordnung), training sessions were held for practical instructors in spring 2024 to familiarize them with the changes. This ensured that TKB continues to offer training in compliance with the current requirements.

TKB successfully introduced a mentorship program in 2024 in which experienced employees shared their knowledge and experience with mentees.

Target achievement status at the end of 2024

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 the 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 2024

- Employee commitment: 4.4 (2021: 4.2)
- Number of absence days per employee: 6.3 days (2023: 6.0 days)
- Absences exceeding four weeks due to overwork: isolated cases (2023: isolated cases)

With employee commitment at 4.4, TKB is within the target range. In 2024 the average absence per employee due to illness or accident was 6.3 workdays (2023: 6.0 workdays). The average absence rates can no longer be compared with the statistics of the other cantonal banks as benchmarking has been discontinued.

Absences exceeding four weeks due to overwork and burnout remain isolated incidents and occur in under 0.5 percent of staff.

The detailed indicators on the "Responsibility as an employer" material topic are succinctly presented in the "Performance indicators" section starting on page 102.

Next steps

TKB will introduce “LernBar”, a new learning platform with an optimized learning management system, in 2025. This system will improve the onboarding process and improve the bank’s ability to customize the learning content.

A management development program, which has been implemented with an external partner, will be more firmly established and made available to all levels of management. Once only seen as a development opportunity for new managers and as a continuous development tool for experienced managers, this program is now also intended to serve as a tool for assessing potential managers’ current skills.

The bank will improve its internal information on career and career opportunities. Positive examples are to be used for external communications to increase the bank’s attractiveness as an employer, both internally and externally.

The fringe benefits platform is to be launched in 2025. This platform will present fringe benefits in a clearer and more attractive way while simplifying employees’ access to them.

The mentorship program will be continued and expanded. An opportunity for the various mentor/mentee pairs to share their experiences is planned for spring 2025.



The individual SDGs are outlined on page 127.

Material topic

Diversity and equal opportunity

TKB is committed to ensuring equal opportunity 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 and 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 a fair corporate culture that offers 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. In 2023, TKB was awarded the Career Empowerment label by the University of St. Gallen. This label recognizes companies and organizations that consider job seekers with non-linear career paths and value diverse teams.

TKB's intranet provides comprehensive information about diversity and equal opportunity, including explanations of responsibilities, strategic targets, action plans and programs.

Sustainability-related risks

Several risks exist with respect to equal opportunities 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 lawsuits, a loss of trust and/or reputational damage. 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 on conduct (which are summarized in the [Code of Ethics](#) ([Code of Conduct](#)), among other things), the directives, the regular awareness training for staff and management, and the option of accessing external social counseling. The bank does not tolerate any breaches of personal integrity – and 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. Thanks to these measures, TKB assesses these risks as low. While the proportion of women in management could still be significantly higher, the bank's ability to achieve the corresponding benchmarks hinges on the availability of skilled workers.

Sustainability-related opportunities

Diversity and equal opportunity 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

After a process was defined in 2023 that enables employees to continue working at the company until the age of 70, the first employment relationships with people over 65 began in the reporting year. In this way, TKB expresses its appreciation for the experience and knowledge of older employees while also promoting an age-diverse workforce.

In 2024, TKB continued to focus on the proportion of women recruited and in the talent pipeline. One key component of these efforts was targeted approaches to women for open management positions. Diversity targets have also been defined for the next three years, such as increasing the proportion of women in management positions to at least 23 percent by 2030. Similarly, the proportion of women on the highest specialized career path (functional level 5) is to be raised significantly by 2030. From 2027, age and inclusion will be added as further diversity criteria when considering changes aimed at optimizing the employment conditions.

Target achievement status at the end of 2024

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 and fathers continue to work following the birth of their child. Of this number, 80 percent resume work in the same position or in 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 2024

- Proportion of female managers relative to the total workforce: 19.0 percent (2023: 18.0 percent)
- Proportion of women at functional level 5: 30.2 percent (2023: 30.7 percent)
- Proportion of parents who continue to work at TKB following the birth of their child: 100 percent (2023: 100 percent). Proportion of parents returning to work at the same functional level: 100 percent (2023: 95.5 percent)
- Possibility to work part time: all functions (2023: all functions)
- Gender pay gap: 3.3 percent (2020: 3.3 percent)

TKB achieved all of its diversity and equal opportunity targets for 2025 in 2024.

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 men. The salary analysis was performed on behalf of the bank in 2020 and will be repeated in 2025.

In 2024, TKB participated once again in the St. Gallen Diversity Benchmarking study by the University of St. Gallen. Compared with the other participating companies, it scored in the upper midfield.

The detailed indicators on the “Diversity and equal opportunity” material topic are succinctly presented in the section entitled “Key performance indicators” starting on page 102.

Next steps

The issue of gender representation will continue to play an important role in the bank's strategic personnel recruitment in 2025. The focus here will be on proactively approaching women for recruitment, especially if none or only a few apply for a position.

TKB will conduct its next gender pay gap analysis in the upcoming reporting period (2025). Participation in the next St. Gallen Diversity Benchmarking study is also planned.

The bank will actively involve young employees again in 2025 to discuss its progress on specific topics.

Strategic thrust

“Embedded in society and the 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 culture and sports.

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 and open dialogs 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 strengthen not only customer proximity and 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 people. Through its positioning as a regional financial company with roots in Thurgau, the bank enjoys a competitive advantage in terms of attracting customers and qualified staff. TKB contributes to the financial stability of the Canton of Thurgau through its profit distribution and payment of

taxes. This enables the canton to be proactive regarding future challenges, such as population aging, the need for sustainable mobility and securing natural resources.

Expectations of the bank

The population and canton expect TKB to engage in good corporate governance that embraces integrity, transparency and dialog 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 taxes, making other donations in the form of sponsorships, performing unpaid, charitable work, and placing orders with local providers. Investors are increasingly expecting clear procurement management guidelines to ensure there are no adverse impacts for people and/or the environment.



The individual SDGs are outlined on page 127.

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 the municipalities that are entitled to a share. The canton, as the owner of the bank, provides TKB's share capital. In return, the canton is paid interest at market rates (see the Annual and Sustainability Report, page 50).

TKB supports the local economy through a wide range of activities, for example by promoting platforms for dialog between economic actors, granting loans to companies of all sizes and 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.

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 Institution-wide Risk Management Framework (Rahmenkonzept für das institutsweite Risikomanagement) adopted by the Board of Directors lays the foundation for this, with the finer details regulated through various Executive Board directives (see the section entitled "Explanations on risk management" (Erläuterungen zum Risikomanagement) in TKB's 2024 Annual and Sustainability Report starting on page 90).

The management of risks, costs and earnings is reflected in the mid-term planning, which defines the internal indicators that serve as operational targets for the employees. Deviations between planned and actual values are regularly measured, analyzed and reported to the Executive Board and Board of Directors. Where necessary, proposals are

drawn up for measures aimed at bringing the target and actual figures into line. The bank's annual and half-year results are published and then 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 that are entitled to a share. Locally or regionally sourced 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, which approves the bank strategy, and the Executive Board, which implements the strategy, have formal responsibility for TKB's business performance. The Finance & Risk unit analyzes whether and to what extent the

actual figures deviate from the target figures and ensures compliance with the Institution-wide Risk Management Framework. The Board of Directors decides on the amount of the profit distribution.

Sustainability-related risks

TKB makes every effort to achieve its return targets and takes responsible, manageable risks to do so – and this is embedded in the canton's ownership strategy for TKB. TKB has not identified 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 2024, TKB continued to implement its banking strategy for the period from 2023 to 2027. In this context, for example, it completed the Omnium advisory tool and expanded the digital self-services so that purely digital customer onboarding is now possible. Work on the regional flagship project in connection with the banking strategy has been suspended for the time being. Various measures in 2024 served to further embed the corporate values that had been introduced with the banking strategy. They are discussed in the course of management seminars, taken into account in performance and development reviews with employees, and regularly addressed in video messages from the Executive Board.

In 2024, TKB continued to provide financial support to local business associations and rewarded entrepreneurial achievements. For example, the

bank was the main sponsor of last year's Thurgau Economic Forum, whose motto was "Sustainability and the circular economy" (Nachhaltigkeit und Kreislaufwirtschaft).

Finally, 2024 also saw TKB enter into new partnerships and participations. The bank succeeded, for example, in expanding its positioning as an investment bank by acquiring a stake in the Arete Ethik Invest AG asset management company. Its acquisition of the trademark rights to the Swiss mortgage brokerage platform Valuu and the transfer of Valuu to Brokermarket strengthened the bank's positioning in the mortgage market, as well. Last but not least, TKB is continuing to promote the region's innovative spirit and give start-ups a boost by providing financial support for their collaboration with the Thurgau network for start-ups (Startnetzwerk Thurgau).

Target achievement status at the end of 2024

Targets up to 2025

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

Target achievement status at the end of 2024

- Capital ratio: 19.2 percent (2023: 19.9 percent)
- Return on equity: 12.8 percent (2023: 13.8 percent)
- Distribution ratio: 42.3 percent (2023: 40.8 percent)



Looking back, 2024 was a successful financial year for TKB that featured an encouraging number of new customers and continued stable demand for mortgages. The bank continued to make a multifaceted contribution to the region's performance. And it achieved its strategic targets.

The detailed indicators on the bank's economic performance are succinctly presented in the "Key performance indicators" chapter starting on page 102.

Next steps

In 2025, TKB will continue to work along the three dimensions of its banking strategy with its eight strategic focal points. Overall, it will continue pursuing the targets it has already formulated in its banking strategy for 2023 to 2027.



The individual SDGs are outlined on page 127.

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.

Management approach

TKB's corporate governance approach complies with the relevant provisions of the "Directive on Information Relating to Corporate Governance" of the SIX Swiss Exchange and FINMA's circular entitled "Corporate governance – banks". The bank also follows the "Swiss Code of Best Practice for Corporate Governance" of the *economiesuisse* economic umbrella organization.

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 described in the bank's [Annual and Sustainability Report](#) and on its website.

Compliance management system (including directives)

TKB has implemented a professional compliance management system to ensure compliance with the applicable 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 set of

directives that govern the bank's approach to risks and its compliance with legal and regulatory requirements.

TKB's [Code of Ethics \(Code of Conduct\)](#) defines 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. In addition, there are various directives to prevent bribery and corruption (such as the directive on the "Acceptance and Granting of Gifts and Other Benefits" (*Entgegennahme und Ausrichtung von Geschenken und anderen Vorteilen*)), to combat money laundering, organized crime, terrorist financing and tax evasion / crime, and to deal with cross-border activities. There is also a market conduct directive to prevent insider trading and market manipulation (*Marktverhalten*). The directives are updated regularly. Any violations of these specifications are investigated using a standardized process that forms part of an established system of sanctions. 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 internal office (Internal Audit) and external offices (the auditor and FINMA). The prevention of conflicts of interest is governed by subsections of several different directives, including the

above-mentioned Directive on the Acceptance and Payment of Gifts and Other Benefits (Weisung Entgegennahme und Ausrichtung von Geschenken und anderen Vorteilen). Employees now also have access to a checklist entitled “Measures for appropriately managing conflicts of interest” that will help them identify conflicts of interest at an early stage and take appropriate action.

Anti-money laundering

TKB implements all relevant legal and regulatory provisions relating to the prevention of money laundering. 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 knowingly 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 of active assistance in tax evasion and similar acts. Finally, the bank has a directive on the tax transparency of international customers (Weisung zur Steuertransparenz von Auslandskunden), and all international customers were already vetted in connection with this directive years ago.

TKB assesses as part of an annual audit whether any customers may have committed tax offenses. If certain thresholds are met, customer advisors are automatically instructed to perform in-depth examinations.

TKB additionally ensures that its international customers are reported to countries that participate in the Automatic Exchange of Information (AEOI). Since the USA does not participate in 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 information about US taxpayers to the US tax authorities on an annual basis. International customers who are not domiciled in an AEOI country must provide a one-time written confirmation that they are in compliance with the applicable tax laws.

Fair competition

The purpose of the Swiss Federal Act on Cartels and other Restraints of Competition (Kartellgesetz) is to prevent the harmful effects of cartels and other restraints of competition and thus to promote competition. As an independent institution, TKB supports free competition and opposes the formation of cartels or other anti-competitive agreements.

Employee training

TKB has a comprehensive training program on compliance-related topics. All new employees who join the bank complete an onboarding course on compliance. In addition, the bank regularly organizes mandatory further training on compliance issues for affected employees. 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. Finally, the Head of Compliance also has a standing appointment to attend the management meetings of the heads of the Private Customers and Business Customers divisions 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 the Head of Compliance, employees can also report their suspicions to an independent law firm through the hotline. The hotline 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 19). TKB’s Code of Ethics (Code of Conduct) and Directive on the External Whistleblowing Hotline (Weisung zur externen Meldestelle für Compliance-Verstösse) explicitly state that employees must not suffer any disadvantages in connection with reports submitted, unless the report is based on deliberately false information.

Remuneration policies

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.

Even outside the Executive Board, TKB’s responsible remuneration policy ensures that no wrong incentives are created and that no conflicts of interest arise. TKB pays particular attention to employees who are involved in the advisory process. Additional information on the bank’s remuneration policy can be found in “Responsible advisory services” on page 24.

Further information on remuneration can be found in TKB’s Annual and Sustainability 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 yearly since 2023. The report is reviewed by the Strategy Committee of the Board of Directors and then submitted to the Board of Directors for approval. The GRI Sustainability Report supplements the bank’s Annual and Sustainability Report, which contains not only the annual report but also the annual financial statements, detailed information on corporate governance and the key aspects of the bank’s non-financial reporting in accordance with Art. 964a et seq. of the Swiss Code of Obligations. These matters are reviewed by the Bank Committee and submitted to the Board of Directors for approval. TKB also publishes a Climate Report in accordance with the TCFD recommendations as an annex to the Annual and Sustainability Report or as part of the sustainability reporting required by the Swiss Code of Obligations, respectively. Climate reporting is reviewed by the Risk and Audit

Committee and submitted to the Board of Directors for approval. In accordance with the Swiss Federal Council's Ordinance on Climate Disclosures, this climate reporting has been mandatory for TKB from the 2024 financial year onward.

The bank's entire Annual and Sustainability Report is approved by the Thurgau cantonal parliament, which is responsible for part of the political oversight over the bank.

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 the strategic level and the Executive Board is responsible for it at the operational level. Various departments and specialists within the bank assist the Executive Board with implementing it.

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, which comprise, among others, the heads of HR, Internal Audit, Legal and Compliance, for the topics of "Regulations", "Data protection" and "Prevention of internal fraud". 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 and Sustainability 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), independent Risk Control, the Compliance function and Internal Audit. Despite these precautions, TKB assesses the associated risks as moderate 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

The Corporate Governance working group continued its work in the reporting year. This involved regular discussions regarding report formats, ratings and regulatory developments. Other issues that played central roles during meetings of the Sustainability Advisory Council were reporting, sustainability-related social and political developments, and the market situation with regard to sustainable finance.

A bank-wide Sustainability Policy was drafted and approved by the Executive Board in the reporting year (see “Sustainable Finance” on page 41).

In March 2024, TKB published its GRI Sustainability Report for 2023 in accordance with the GRI Standards 2021. The bank simultaneously published its climate reporting in accordance with the TCFD recommendations as part of the Annual and Sustainability Report.

Target achievement status at the end of 2024

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 *economiesuisse* economic umbrella organization and the corporate governance guidelines of SIX Swiss Exchange

Target achievement status at the end of 2024

- The Sustainability Report was prepared in accordance with the GRI Standards
- ✓ Achieved: The Code of Ethics (Code of Conduct) was adopted in 2023
- Regular communication formats with internal and external stakeholder groups have been established
- The bank is guided by the corporate governance guidelines of the *economiesuisse* economic umbrella organization and SIX Swiss Exchange

Target achievement in the material topic of “Corporate governance” is the result of an ongoing process, with all targets being met for this reporting period.

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 2024, bank employees completed 578 training days in the areas of compliance and data protection (2023: 160 days). This increase is attributable in particular to the bank-wide cyber security training conducted during the reporting year (see “Information security, cyber security and data protection” on page 70 for more information).

Next steps

The TKB Sustainability Policy will be fully embedded in the relevant banking processes during 2025. The last step will be to integrate exclusions regarding controversial topics into the processes and systems in the bank's financing business; this is expected to be completed by 1 July 2025. The reporting in accordance with the TCFD recommendations will be further developed in some areas. A special focus is on preparing the report for publication in a format that can be read by both humans and machines.



The individual SDGs are outlined on page 127.

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.

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 management system for information security, cyber security and data protection and issues directives. These relate to, among other things, data protection, data classification, basic IT protection and the handling of customer data. The Compliance 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 internal and external auditors. All employees receive regular training on information security, cyber security and data protection. Information on these topics is prepared and communicated within the bank and externally on an ongoing basis.

Suppliers and business partners are contractually obliged to protect data in accordance with the bank's specifications. TKB provides contractors with training on 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. TKB also provides separate data protection notices that refer to the EU General Data Protection Regulation (GDPR). Customers receive specific data protection notices in the form of terms of use when they use online forms and tools or participate 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 at any time revoke a consent that they have already given to the processing of their personal data, although the revocation will only apply to the future.

Personal data can be processed by TKB itself or by third parties on behalf of TKB. The “Outsourcing”, “Cooperation with third parties” (Zusammenarbeit mit Dritten) and “Contract administration” (Vertragswesen) directives govern how contracts are awarded to third parties. Third-party data processing is performed exclusively via a contract and an agreement governing commissioned data processing pursuant to the Swiss Federal Act on Data Protection that sets out binding requirements and detailed disclosures. IT is responsible for provider onboarding management, which includes a detailed due diligence process that takes place during outsourcing partner selection (“Cooperation with third parties” directive (Zusammenarbeit mit Dritten)). This process includes, for example, a risk assessment, an integrity check, verification of ISO 27001 certification, reference checks and the identification of red flags. Various requirements relating to information security, cyber security and data protection are also added to the respective contracts with third parties. These include, among other things, requirements concerning technical and organizational measures relating to information security, cyber security and data protection as well as a list of subcontractors and requirements to be reviewed and approved. The contractors are required to provide TKB with prior written notification of any changes or if they call in new subcontractors. TKB must consent in writing to any changes of subcontractors.

The bank monitors compliance with the requirements, although this process was still being revised at the time this report was published.

Access management system

Personal data is protected against unauthorized access through a restrictive access management system, among other measures. In the interests of data minimization, there is a policy that governs the periodic erasure of all digital data in the core banking system and directly connected systems, and there are 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 a directive. A data loss and data leakage prevention tool (DLP) monitors the databases, outgoing e-mail traffic and selected portions of the data storage system for leaks. In the event of a leak, the employees involved, their supervisors and the Information Security team are notified by e-mail. The Information Security team investigates each case. The employee involved must also give their account of what happened. Security incidents are documented, compiled and reported to the internal Cyber Risk Board. Precautions are taken to prevent potential data protection breaches: these include risk assessments, privacy by default and privacy by design policies, and supplementary 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 the protective measures.

Regular audits are carried out to ensure information and cyber security. They are aligned with the material risks in critical systems and data transmission pathways. These audits are carried out either by external companies or internal teams (Information Security or Internal Audit).



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 protection, 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. From an administrative perspective, the DPO is a member of the Compliance department. Their contact details are published on TKB's website and reported to the Swiss Federal Data Protection and Information Commissioner (FDPIC). They serve as the point of contact for data subjects and the authorities. The DPO ensures that risks are identified at an early stage and that the processing of personal data complies with the legal requirements. They advise all responsible departments of the bank on all matters relating to data protection and raise employees' awareness of issues related to data protection. Within the scope of their duties, they have unrestricted rights to information and access.

Cyber Risk Board

The Cyber Risk Board comprises the heads of IT Security, Risk Control, IT, Information Security, Compliance and IT Internal Audit. It monitors cyber threats and changes in TKB's risk exposure. It analyzes cyber incidents within the bank and the industry environment and supervises penetration tests and vulnerability assessments. It evaluates current cyber risks on an ongoing basis and follows regulatory developments.

Information Security team

Information and cyber security are monitored and ensured by a multi-person Information Security team. Organizationally, this team forms part of the Compliance department. TKB also has an IT Security team that forms part of the IT department for organizational purposes. This ensures that the bank's 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 and cyber security are vulnerable to cyber attacks, which might take the form of data theft or damage to IT services, for example. Compliance with the Swiss Federal Act on Data Protection and safeguarding banking secrecy 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 addresses them with a robust IT architecture, access policies, end-to-end monitoring of IT systems by internal and external specialists, dedicated software for identifying and defending against cyber threats and 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 as well.

Sustainability-related opportunities

Information security, cyber security and data protection focus on minimizing risk, so there is only limited potential for seizing opportunities. This limited potential consists in particular of 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 2024 was on implementing awareness-raising measures, providing information and cyber security training, consolidating data protection processes, and ongoing efforts to make the topic an integral part of day-to-day work.

In this context, a mandatory web-based training (WBT) module was implemented for all new and existing employees in order to promote an awareness of data protection compliance within the organization. The bank additionally increased the cyber literacy of its entire workforce through awareness-raising measures including a bank-wide anti-phishing campaign and WBT.

The DPO offered support with projects, processes and contracts on all matters relating to data protection. This noticeably raised employees' awareness of issues such as these in their day-to-day work.

TKB improves and updates its data protection expertise on an ongoing basis and its membership in the Association for Corporate Data Protection (VUD) enables the DPO to actively network with other data protection experts as well as data protection authorities in Switzerland and abroad.

Periodic reviews and the optimization of internal processes for documenting data protection procedures, the use of state-of-the-art risk management tools, and the implementation of automated compliance review mechanisms helped increase the efficiency of data protection management even further during the reporting year.

TKB offered free compact seminars on the topic of online security to its customers, covering secure online banking, secure passwords, protecting oneself against social engineering attacks, and cyber security in general.

Finally, TKB developed a bank-wide data governance system that was approved by the Executive Board. This involved revising and adapting various directives, introducing a new directive on data governance, and creating the technical prerequisites.

Target achievement status at the end of 2024

Targets up to 2025

- TKB prevents all reportable cyber attacks
- Implement further technical measures for information and cyber security and to 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 standardized processes (privacy by default and privacy by design)
- Continuously implement user awareness programs on information security, cyber security and cyber threats until 2026

**Target achievement status at the end of 2024**

- All employees completed a WBT session on cyber security; only new employees completed the WBT session on data protection as it is only offered every two years
- Reportable cyber attacks: 0 (2023: 0)
- Data protection breaches that occurred: 5 (2023: 0)
- Requests submitted regarding the rights of data subjects: 6 (2023: 3)
- Complaints submitted regarding data protection breaches: 0 (2023: 1), of which:
 - Proven cases of data protection breaches: 0 (2023: 0);
 - Dismissed complaints regarding data protection breaches: 0 (2023: 1)
- Data protection breaches discovered internally: 0 (2023: 0)
- Data protection breaches at contractual partners/processors: 0 (2023: 2)

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.

Next steps

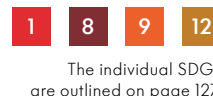
The Executive Board approved the updated data governance system in the reporting period, and data domain managers will be trained on it during 2025.

Additional modules are to be added to the existing WBT, which is mandatory for all new and current employees, during the upcoming reporting period (2025).

Awareness-raising and training measures on information and cyber security based on the user awareness strategy will be implemented by 2026. These measures will be aimed at achieving continuous improvements in the security culture across the bank.

Monitoring for the purpose of data loss and data leakage prevention (DLP) will be extended to the bank's cloud services, and a central DLP management system will be introduced to ensure uniform handling of DLP breaches. Other topics from FINMA's Circular 2023/1 entitled "Operational risks and resilience – banks" will also be addressed in the course of 2025.

The "Online security" compact seminar for customers and non-customers will be continued.



Material topic

Procurement

The bank's procurement policy is guided by sustainability and strives to use local or regional supply chains. By taking sustainability requirements into account when procuring goods and services, TKB indirectly supports fair and environmentally friendly production and contributes to efforts to raise awareness of sustainable consumption.

As a Thurgau-based company with a cantonal public service mandate, TKB is committed to promoting a socially and environmentally friendly economy. As a result, the bank selects products and services not just according to economic criteria but also based on ecological and social factors and buys from regional suppliers whenever possible.

Management approach

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

Sustainable procurement principles

Six overarching principles apply to the bank's procurement processes: efficiency, social compatibility (including the observation of human rights), environmental compatibility, consideration of local business partners, transparency and partnership-based cooperation, and product-specific requirements. These 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. Procurement managers raise suppliers' awareness of occupational health and safety guidelines as well as human and labor rights. Of decisive relevance here are the applicable laws, collective labor agreements and other collective bargaining 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 with current suppliers in contract renewal negotiations. Moreover, its general procurement principles can be found on its website. It uses internal communication channels, like its intranet, to ensure that all of its employees who are tasked 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

TKB's suppliers pledge to comply with generally applicable sustainability requirements through the Sustainability Declaration for Suppliers. These include a requirement to take all necessary steps to prevent corruption. The Sustainability Declaration is used for all products and services procured with a value of more than CHF 10,000 per year; and it is obtained once per supplier. This is helping TKB to establish a commitment to sustainability in its supply chain and to systematically raise awareness among its suppliers of environmental and social compatibility. A structured data filing system makes it possible to track and evaluate progress in collecting the declarations. The Sustainability Declaration is available to the public on TKB's website.

Specific requirements

For ten high-risk product groups, TKB has defined specific sustainability requirements that go beyond the general principles. Suppliers complete, sign and return these product declaration sheets to TKB. For IT procurement, the requirements are incorporated into the tender documents, making them a fixed component of the contracts. The product-specific sustainability requirements apply to advertising material, IT products and the staff restaurant.

The requirements apply to purchases with a value of CHF 10,000 or more per procurement procedure 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 draws on 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 Swiss 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 DDTrO. However, it 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 any child labor in its supply chain. TKB performs and documents an annual due diligence check as to whether this assessment remains valid. Further details on the process for this due diligence check can be found in the [Annual and Sustainability Report](#) (page 45).

Organization

The procurement heads of the different departments are responsible for implementing the general procurement principles and compliance with 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, Facility Management and the staff restaurant have formed a procurement discussion group to discuss how to continuously improve and update TKB’s response to the sustainability requirements. They also identify training needs and discuss how to optimize processes. External procurement experts support the dialog between departments.

Sustainability-related risks

Violation of the due diligence obligations relating to child labor or the import of minerals and metals from conflict and high-risk areas in connection with the purchase of goods or services represents a potential risk. TKB reviews its compliance with the statutory requirements on a regular basis and has established the processes that are necessary for this purpose. 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 requiring compliance with specific standards. The bank focuses on opportunities to promote the topic and notes that its dialog with business partners and suppliers is having a positive impact.

Measures and activities

TKB is using several different instruments to contribute 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. The corresponding declaration sheets for IT and Marketing were updated in the reporting period.

Following last year's preparation and approval of the Sustainability Declaration for Suppliers, the focus of this reporting period was on its implementation. Rollout took place in early 2024. Since then, the Sustainability Declaration has been used for all procurements with a value of CHF 10,000 or more per year. These measures are helping TKB to make sustainability binding in its supply chain and to systematically raise awareness among its suppliers of environmental and social compatibility.

TKB was able to successfully implement almost all of its planned measures in 2024. The only exception was the development of a WBT program, which has so far only undergone feasibility testing.

Target achievement status at the end of 2024

Targets up to 2025

- All buyers and suppliers observe the bank's general procurement principles fully and consistently. They also meet the product-specific sustainability requirements
- TKB discusses the Sustainable Procurement Principles with all new suppliers and with 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 its orders

Target achievement status at the end of 2024

- Proportion of goods and services procured in Switzerland: 97.7 percent (2023: 98.4 percent)

TKB achieved its goals related to the procurement of goods and services in the reporting period. 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 102.

Next steps

The feasibility of a WBT on sustainable procurement was confirmed in 2024, and it will be created and rolled out in 2025. Processes will be established in 2025 that will enable the bank to more closely monitor whether Sustainability Declarations have been obtained from its suppliers.



The individual SDGs are outlined on page 127.

Material topic

Commitment to the region

TKB is a major sponsor and provides over one million Swiss francs every year to support social life within the community. It is committed to promoting both culture and popular sports and acts as a patron. It is particularly active in supporting up-and-coming talent. Many of its employees are also involved in regional associations and institutions. It supports this commitment to community service. It also organizes seminars to teach the people of Thurgau about a variety of financial topics, including taxes, investments and pension provision. TKB Anniversary Foundation (TKB-Jubiläums-Stiftung), which is legally independent of TKB, is mainly engaged in cultural, artistic, academic and community service projects with a local character.

TKB is committed to promoting social diversity within the canton through extensive sponsorships, the incorporation of sustainability criteria into those sponsorships, and the community service missions of its staff. Furthermore, TKB aligns its criteria for sustainable sponsorships with the SDGs.

Management approach

TKB's sponsorship policy sets out general sustainability criteria. For events that take place as part of a sponsorship, there is also a list of criteria relating to waste, procurement, mobility and safety.

Sustainability criteria

The bank initially assesses sponsorship applications against the sustainability criteria set out in its sponsorship policy, as shown on the [TKB website](#). If these criteria are met and no exclusion criteria apply (e.g. violation of human and/or labor rights, see the [TKB Sustainability Policy](#)), the application will be processed in accordance with a predefined 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, TKB has used a digital sponsorship tool to optimize and systemize its process for evaluating and entering into sponsorship commitments. All relevant data is collected online and only

complete sponsorship applications can be submitted. The conditions for deciding on a sponsorship can be viewed online. When completing the online form, applicants must answer questions regarding specific aspects of sustainability, such as the waste and mobility policy, consideration of local suppliers, and the life cycle assessment. Sponsorship applications for events with over 1,000 attendees require the organizers to describe transparently and in detail what measures they will take regarding waste, procurement, mobility and security to ensure that the event is held in a sustainable manner.

Bank events

The sustainability criteria also apply to the bank's own events. In its catering, for example, TKB values seasonal products and encourages participants to use public transport or to form carpools. After the event, the project management team produces a final report that explains where potential for improvement exists, including in terms of sustainability. To assist with this, the bank has developed sustainability checklists, which are tailored to the size of events, that employees can use while organizing the events to systematically check for sustainability-related issues.

Community service missions

TKB gives all its employees one working day per year to engage in community service missions. There are various projects with organizations in Thurgau, all of which meet the bank's sustainability criteria, that the employees can choose from for volunteering. They also have the option of taking paid leave to volunteer outside of the range of missions that TKB has organized.

TKB Anniversary Foundation

This 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 will benefit the people of Thurgau.

Ongoing dialog

TKB strives for enduring sponsorship partnerships that are characterized by closeness, reliability and trust and maintains regular dialog with its sponsorship partners to that end. It therefore seeks a direct dialog with its partners, or contacts them in the context of community service missions or at its own networking events, at least once per year. TKB measures the event-specific impact of its social commitment and sponsorships through a tool that tracks participant feedback and indirectly through the results of regular brand surveys.

Organization

Overall responsibility for social engagement lies with the Executive Board. The Marketing department, and especially the Events & Sponsorships team within it, is responsible for implementing sponsoring projects. It manages the sponsorship policy, provides support for the sponsorship commitments and community service missions, and organizes bank events and trade show presences.

If a sponsorship application meets the basic conditions and relates to a canton-wide project, the sponsorship project management team will submit a proposal to the Executive Board, which will then decide whether or not to approve the application. If the application relates to a local project, the relevant branch will decide whether or not to approve it.

The sponsorship project manager has been leading the "Committed to the region" experience discussion group since 2021. This group comprises project managers from Events, Exhibitions and Sponsorships as well as representatives of selected branches. External sustainability experts are called in where necessary. The group meets once a year to advance the bank's commitment to the targets set out 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 in the market and contributes to its positive reputation. For years, now, TKB has been committed to promoting Thurgau's diversity, strengthening its economy and making it a pleasant place to live. This commitment is a core element of the bank's mission and vision.

Measures and activities

TKB continued to pursue and refine its activities during the reporting period. For example, a “light” sustainability checklist was introduced for smaller bank events. This provides branches with tools for checking sustainability criteria when organizing events of all sizes.

The event management software rolled out in the previous year for centrally organized events was also successfully connected to the core banking system and its use expanded to all branches. The relevant employees were trained accordingly.

In 2024, TKB continued its efforts to raise awareness of sustainability-related topics in society and the region. It offered its “Sustainable renovation” (Nachhaltig sanieren) compact seminar. As in the previous year, it continued its collaboration with EFT Energiefachleute Thurgau to hold free evening sessions featuring information on the topic of “Renewing buildings – halving energy costs” (Gebäude erneuern – Energiekosten halbieren) (see also “Responsible advisory services” on page 24).

TKB collaborates with the FinanceMission association to support the “Thurgau Debt Module” (Schuldenmodul Thurgau) project to foster general financial literacy among young people. This project arranges for employees of debt collection and bankruptcy offices and Caritas Thurgau counseling center to visit school classes to teach financial literacy in a double lesson.

Since 2021, TKB has been making a yearly contribution of CHF 6,000 to help WWF Eastern Switzerland implement its “Nature School” (NaturSchule) 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 habitats.

154 employees volunteered in 2024, performing a total of around 998 hours of community service work. A total of 20 different pool projects were offered: these are organized centrally and participation is open to groups of at least ten people. There were also four individually planned missions. The community service work performed in collaboration with PluSport at the Disability Rights Action Days 2024 was acknowledged with a letter of appreciation from Federal Councillor Elisabeth Baume-Schneider. Various group missions are also planned for the upcoming year (2025).

The legally independent TKB Anniversary Foundation donated a total of around CHF 737,000 to support 247 local projects during the reporting period. The projects included community gardens and the Lake Constance Cleanup.

Target achievement status at the end of 2024

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 about 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 community service missions per year. The bank reports regularly on its employees’ community service commitment
- TKB’s commitment to sustainability is known throughout the canton

Target achievement status at the end of 2024

- Proportion of sponsorship contracts with sustainability criteria: 100 percent (2023: 97.1 percent)
- Number of community service missions by employees: 154 (2023: 185)

TKB is on track in terms of its targets. It continues to engage in sponsorships throughout the canton. It also makes an ongoing effort to raise awareness among its employees in order to promote compliance with sustainability criteria in sponsorships. This involves a constant dialog with the branch offices, in which sustainability is regularly discussed.

The sustainability checklist is included in the final reports on bank events. The “light” sustainability checklist can now be used for smaller events.

Detailed information on TKB’s expenditure in the context of its sponsorships and on the expenditure of the legally independent TKB Anniversary Foundation is succinctly presented in “Key performance indicators” starting on page 102.

Next steps

The Marketing department and branches will continue to share their experiences in the new reporting period.

Rollout of the new sponsorship tool in the branches is on the agenda for 2025. This tool will provide a bank-wide overview of all sponsorships, including costs, thereby establishing an important baseline for evaluating and managing sponsorship activities, especially those related to sustainability.

Round tables are being planned with other cantonal banks for the first time in 2025 to discuss sponsorship activities. These are expected to provide the banks with an opportunity to discuss best practices, common challenges and possible solutions twice a year. The sustainability-related aspects of sponsorship activities will also be an important topic in this context.

In 2025, events can be handled bank-wide with the help of event management software. This tool reduces manual tasks and interfaces, which will streamline the processes considerably. Fully digital invitations and registrations will also conserve considerable amounts of paper.

Finally, TKB will continue to pursue its community service missions, offer further compact seminars and resume its work with the FinanceMission unchanged.



Strategic thrust

"Gentle on the environment"

TKB's overarching target is to achieve net-zero GHG emissions by 2050 – both in its own operations as well as through its financing and investment activities. To achieve this goal, the bank joined the SBTi and formulated corresponding reduction pathways for its near-term climate targets, which were validated by the SBTi. Operational GHG emissions stem from the bank's own business activities and fall under Scope 1 to Scope 3 of the GHG Protocol (categories 1 to 14 of Scope 3). Financed emissions include third-party emissions financed by loans and investments in accordance with Scope 3, Category 15, of the GHG Protocol, which the bank calculates in accordance with the PCAF standard. TKB has an environmental management system in place to inventory and analyze its operational and financed GHG emissions. It derives measures to optimize and reduce both emissions and energy and resource consumption in order to minimize the environmental impact of its operations. TKB encourages its employees and customers alike to contribute to climate protection and learn about the issues (see "Responsible advisory services" on page 24). In particular, it promotes an exchange of knowledge within the Canton of Thurgau on energy efficiency and maintaining the value of real estate.

Impact of business activities

TKB's direct environmental impact stems mainly from the provision of its banking services, for example from energy consumption by its IT infrastructure and building technology, from employee commuting and business travel, and from the use and disposal of various materials in its offices. TKB also has a major lever for influencing its environmental impact through its 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 of "Sustainable finance" and "Sustainable products and services"

and within the framework of its 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 the bank's efficient management of its direct environmental impacts as a given and acknowledge its achievements. Good environmental management is part of the industry standard and neglectful behavior would harm the bank's reputation, which could in turn make it harder to recruit new staff or gain new customers, investors and/or business partners. Financial institutions are also being increasingly called upon to actively address and reduce their



indirect environmental impacts through their lending and investment business. TKB intends to answer this call in an even more targeted manner (for more information, see the "Committed to customers" strategic thrust starting on page 22).

Management approach

TKB does not want to operate 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 has developed binding and science-based reduction targets for both its own and its financed GHG emissions as a result of joining the SBTi. Its near-term climate targets were validated by the SBTi in 2024. These targets should help to limit global warming to well below 2°C. The bank's reporting on climate matters follows 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 as well as the environmental impact of mobility and of purchased goods and services. GHG emissions and energy consumption at the bank's own premises are taken into account as well as those of its external data centers and online service providers. TKB uses the results of these inventories to check the effectiveness of its measures once per year and optimizes them if necessary. In doing so, avoiding negative environmental impacts is the top priority. If negative environmental impacts are not entirely avoidable, the bank will implement improvements or alternative measures, such as the use of renewable energy. When calculating and disclosing its financed GHG emissions, TKB uses the PCAF standard for preparing its GHG inventory and reporting (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 or leases. 100 percent of the power requirements of the external data centers is met by renewable energy. TKB's fleet of company vehicles, comprising nine cars, was switched to electric vehicles (including a plug-in hybrid) in 2022. The bank is also setting up e-charging stations for public use and e-charging stations for employees 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, which it adopted in 2021. These criteria complement the guideline for ecological construction that it adopted in 2014. Whenever heating systems are replaced, TKB refrains from using fossil fuels where possible and instead relies on self-produced electricity.

Mobility

Business and commuter traffic is responsible for a significant proportion of the bank's direct GHG emissions. Given the rural nature of the Canton of Thurgau, many employees use cars to travel to work. The bank conducts regular employee mobility surveys to improve the quality of its database and to derive ideas on ways to support its employees 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 general principles for the procurement of goods and services focus with respect to environmental issues on recognized sustainability labels and certifications (see details in "Procurement" on page 75). The bank mainly uses recycled paper and is progressively digitalizing its processes to reduce its consumption of paper in its operations.



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 important to the success of the bank's "Gentle on the environment" strategic thrust.

TKB employs various awareness-raising measures, such as articles in the employee magazine and events, to encourage its employees to behave in an environmentally friendly way in their day-to-day work and beyond. It also promotes an exchange of knowledge in the canton. TKB regularly uses external communication channels, including social media, to address environmental issues with an interested public (also see "Knowledge building" in the section entitled "Responsible advisory services" on page 25).

Organization

The Sustainability Office is responsible for operational environmental management. The measures are implemented by the Real Estate department. The Risk Control department is responsible for calculating financed GHG emissions. The Sustainability Office is responsible for working out strategic matters (including climate targets); for further details, see the material topic of "Sustainable finance" on page 41. TKB engages the support of an external partner for the management of its environmental management system, particularly for data gathering and analysis.



The individual SDGs are outlined on page 127.

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 its GHG emissions. For this purpose, it includes not only its direct GHG emissions at its own locations but also its indirect GHG emissions in its upstream and downstream processes. TKB can contribute by making investment decisions and designing operational processes that are climate-friendly and by setting an example in its capacity as a major player in the canton. It also uses advisory sessions as a means of systematically raising customers' awareness of sustainability-related topics and sustainability risks (ESG risks). In doing so, it promotes a shift in the flow of capital toward sustainable businesses and activities (also see "Responsible advisory services" starting on page 24).

TKB uses an environmental management system to measure its environmental impact, and it uses the results to derive measures to reduce its GHG emissions. It continually reduces its environmental impact through a variety of measures, including raising its employees' awareness. TKB has supported high-quality carbon avoidance projects run by the Swiss myclimate foundation since 2021. It began supporting a project in Thurgau in 2024. This commitment was supplemented in 2024 by a new cooperation with neustark, a Swiss climate-tech that removes carbon dioxide from the atmosphere and stores it permanently in demolition concrete – in a process known as carbon removal. Starting in 2026, neustark will permanently remove 100 metric tons of CO₂ from the air per year on behalf of TKB. The bank will derive more measures in the coming years in line with its target pathway.

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. Transition risks, such as rising levies for GHG emissions or an increase in loan defaults, and physical risks, such as flooding, are important to TKB. Market, liquidity and operational risks, on the other hand, are only impacted indirectly by climate change – and only to a very small degree. In the short to medium term, climate change poses 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 moderately low. The bank has taken steps to mitigate these risks, including implementing the statutory

requirement 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 become even 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 the TKB Annual and Sustainability Report.



Measures and activities

TKB's near-term climate targets were validated by the SBTi during the reporting year. Besides its operational GHG emissions, the set targets relate to the bank's financing and investment activities (see "Sustainable finance" starting on page 41).

TKB renewed its collaboration with the Swiss myclimate foundation in 2024 and is now supporting a climate protection project in Thurgau. This climate commitment was supplemented in 2024 by a new cooperation with neustark, a Swiss climate-tech that removes carbon dioxide from the atmosphere and stores it permanently in demolition concrete. Starting in 2026, neustark will permanently remove 100 metric tons of CO₂ from the air per year on behalf of TKB.

A six-month pilot project was launched with Mobility, a Swiss car-sharing service, in September 2024 based on proposed measures that had been derived from the 2023 mobility survey and discussed with the Executive Board. This project should show whether employees reduce their use of private vehicles for commuting and business trips if they can use car-sharing vehicles instead.

In 2024, TKB built charging infrastructure for employees in Arbon, where three EV charging stations are now available for use. An expansion of the charging infrastructure was one of the needs expressed by employees in the 2023 mobility survey.

The reporting year also saw the bank continue its efforts to raise awareness among employees and the people of Thurgau. For example, the bank supported a public e-mobility day organized by the municipality of Horn and also advertised it internally. Another measure was a sustainability event for employees, TKB's fifth such event, which addressed employee resilience and biodiversity, among other things.

Swiss Climate audited the bank's GHG inventory again in 2024. Within the scope of its audit, it checked that the GHG inventory had been correctly prepared and that the calculations and processes that underlay it were valid. A summary of the resulting assurance statement can be found in the Annex on page 125.

Information on the measures and activities relating to financed emissions can be found in "Responsible advisory services" (page 24), "Sustainable products and services" (page 34) and "Sustainable finance" (page 41).

Target achievement status at the end of 2024

Targets up to 2025

- GHG emissions 19 percent below their 2019 value
- Support a high-quality climate protection project

Target achievement status at the end of 2024

- GHG emissions down 22.5 percent (base year: 2019)
- TKB's near-term climate targets were validated by the SBTi
- Supported a high-quality climate protection project

TKB is well on the way to achieving its environmental targets. It has been supporting climate protection projects since 2021. In 2024, it supported a high-quality climate protection project organized by the Swiss myclimate foundation in Thurgau that will avoid 150 metric tons of carbon emissions. It also arranged for neustark, a Swiss climate-tech, to remove 100 metric tons of CO₂ from the atmosphere each year, starting in 2026.



TKB caused 48.8 percent fewer direct (Scope 1) GHG emissions in the 2024 reporting period than it had in 2019. The reporting period ran from 1 July 2023 to 30 June 2024 (12 months), having been changed compared to the previous year in order to align it with the reporting period for financed emissions (reference date: 30 June of each year). As a result of this change, the 2023 and 2024 reporting periods overlapped from July to October 2023. Scope 1 emissions declined considerably compared to the previous period because 65 metric tons of CO₂ equivalents of climate-harming refrigerants had leaked during the 2023 reporting period. No leaks of refrigerants were found in the 2024 reporting period. Indirect (Scope 2) GHG emissions were 16.9 percent higher than the 2019 base year. This increase was attributable to the following factors, among others: the installation of heat pumps, an increase in demand for electricity due to e-mobility, and the return of some leased space to TKB (because the electricity requirements for the leased space ceased to be allocated to the tenant).

The majority of TKB's indirect operational emissions (Scope 3) are generated through purchased goods and services, spending on capital goods, and business and commuter traffic. All types of indirect operational emissions (Scope 3, Categories 3.1 to 3.14) have been inventoried since 2022 and have been included for the first time in this report. A comparison with the 2019 base year is only possible for some figures, because the 2019 base year does not yet take account of all of the emissions that are now being reported.

The SBTi validated TKB's near-term climate targets in the reporting year.

The detailed indicators are summarized in "Key performance indicators" starting on page 102.

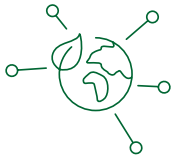
Next steps

The bank is implementing emission-reduction measures on an ongoing basis. For further details, please refer to the separate [Climate report in accordance with the TCFD recommendations](#) and the transition plan contained in it.

The pilot phase of the Mobility car-sharing project runs until the end of February 2025, after which it will be evaluated. TKB will conduct the next iteration of the employee mobility survey it conducts every two years in 2025.

The bank plans to expand the charging infrastructure for employees in Romanshorn and at its operational headquarters in Weinfelden during the next reporting period.

TKB will carry out further awareness-raising activities during 2025. These will include supporting another e-mobility day and organizing a sustainability event for staff.



The individual SDGs are outlined on page 127.

Material topic

Energy consumption

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

TKB is supporting the necessary conversion of energy systems by promoting renewable energy sources and is steadily reducing its energy consumption by modernizing its real estate assets in an energy-efficient manner and purchasing environmentally friendly vehicles. In so doing, it is serving as a role model for its employees and for other enterprises in the canton and is having a positive impact beyond the scope of its own operational decisions.

Sustainability-related risks

TKB has not identified any material sustainability-related risks related to its energy consumption. The bank is prepared for rising energy prices and is continuing to work on limiting its dependence on fossil fuels and reducing the energy consumption of its own internal infrastructure.

Sustainability-related opportunities

Lower energy consumption enables the bank to cut its costs, increase its independence and enhance its reputation. The bank's economical use of energy enables it to serve as a role model and to encourage third parties to implement energy-efficient measures. TKB rates these opportunities as significant.

Measures and activities

The full renovation of the Aadorf branch is proceeding according to plan. The Frauenfeld branch is also undergoing remodeling at present: barrier-free access to the lobby was completed in 2024; this will be followed by an energy-efficient renovation of the building.

TKB's building in Ermatingen has been sold and renovated (including with respect to its heating system) by the new owner. The branch, which now only leases the building, reopened in November 2024.

A change was made to the cooling system at the headquarters in Weinfelden: its air conditioning is now supported by an environmentally friendly groundwater cooling system. A large PV system was installed on the Arbon branch's roof.

During the reporting year, the bank organized an architectural competition for the planned energy-efficient and general renovation of its headquarters in Weinfelden and selected a winning project – which is scheduled to start in 2026.

Target achievement status at the end of 2024

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 for the bank's own buildings is 38 percent lower than in 2019



Target achievement status at the end of 2024

- Non-renewable primary energy down by 23.6 percent (base year: 2019)
- Non-renewable primary energy for mobility down by 18.7 percent (base year: 2019)
- Non-renewable primary energy at TKB's own buildings down 30.2 percent (base year: 2019)

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

Overall energy consumption was 10.9 percent lower in 2024 than in the 2019 base year. Energy consumption per employee (full-time equivalents) was down 20.6 percent compared with the 2019 base year. This was attributable to both structural measures and a decline in commuter traffic. These have also resulted in a decrease in the consumption of non-renewable primary energy since 2019.

The rollout of the energy-tracking system, which began in 2023, was completed in the reporting period. Since then, facility management staff have been able to use mobile devices to enter meter readings directly into the system, which has resulted in greater efficiency; the plausibility of the data is now checked as it is entered. The energy-tracking system also reduces the number of interfaces, thereby providing a better overview of the condition of the building technology at TKB's locations and of their consumption.

The detailed indicators are summarized in "Key performance indicators" starting on page 102.

Next steps

TKB will continue to pursue its real estate strategy. Additional properties will undergo energy-efficient renovations and remodeling in the coming months. At the Frauenfeld branch, the energy-efficient portion of the renovation – which includes replacing the windows and heating systems – will be completed in 2025. Renovation of the Kreuzlingen branch – comprising renovation of its facade and replacement of its heating system – will also begin in the upcoming reporting period (2025). TKB is also planning to apply during 2025 for a permit to renovate its headquarters.

In the next reporting period, TKB intends to compare the energy-tracking system with the environmental data from the specialized consulting firm in order to ensure data congruence and identify any overlaps in the data collected.



8 12

The individual SDGs are outlined on page 127.

Material topic

Waste and resource management

TKB uses consumables sparingly and avoids unnecessary waste. The bank keeps resource consumption in mind when buying products and services. Product recyclability and selecting less resource-intensive products are key to this. When procuring paper, TKB attaches importance to having a high recycled component and Forest Stewardship Council (FSC) certification. The bank also reduces its operational paper consumption through ongoing digitalization of its processes. TKB sells leftovers from its staff restaurant at reduced prices.

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 nevertheless considers the prudent use of resources important because it elicits a positive response from internal and external stakeholder groups: Exemplary conduct enables the bank to raise its employees' awareness of environmentally friendly behavior in everyday life and to motivate them. This, in turn, helps it cultivate a positive image in the banking world. TKB rates this opportunity as significant.

Measures and activities

The disposal concept was successfully implemented in 2024: All types of recyclable materials (except organic waste) are now collected separately at all locations and sent for recycling.

The staff restaurant concept has been improved and various measures have been implemented, such as limiting food waste and reducing water consumption.

Target achievement status at the end of 2024

Targets up to 2025

- 40 percent decrease in paper consumption compared to 2013
- 90 percent of paper used is recycled paper
- TKB takes a gentle approach to resources. To that end, it is developing a disposal concept, an infrastructure strategy, and recommendations for the staff restaurant

Target achievement status at the end of 2024

- Paper consumption down 66.5 percent (base year: 2013)
- Proportion of recycled paper: 91 percent
- Staff restaurant concept improved and measures implemented

The detailed indicators are summarized in "Key performance indicators" starting on page 102.



Next steps

Further measures from the staff restaurant concept, e.g. to reduce the use of single-use items, are to be implemented during 2025.

Following implementation of the disposal concept, comprehensive data on TKB's recycling rate will be available for the first time for the upcoming reporting period (2025). This data will be analyzed and, if necessary and appropriate, measures will be derived from the findings.

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

New legal provisions regarding sustainability disclosures have been in force in Switzerland since the reporting year. In accordance with the Swiss Code of Obligations, companies that exceed a certain size threshold are required to make five “non-financial matters” transparent. TKB is implementing the new reporting obligations in its Annual and Sustainability Report. Its GRI Sustainability Report and Climate Report in accordance with the TCFD recommendations provide in-depth information on the relevant matters.

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

	Environmental matters	Social matters	Employee-related matters	Respect for human rights	Anti-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, in addition to TKB's annual and sustainability report, additional information on non-financial matters can be found in the GRI Sustainability Report 2024 and the 2024 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. 22, 60, 82 CR TCFD, pgs. 15–18	"Impact of business activities" subsection in each case Climate-related risks and their impact
Para. 2(2)	Policies	GRI SR, pgs. 34–37, 41–43, 75–76, 83–84 CR TCFD, pgs. 13–19	"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 their effectiveness	GRI SR, pgs. 38–40, 44–47, 77, 86–87, 88–89, 90 CR TCFD, pgs. 31–53	"Measures and activities" and "Target achievement status" subsections in each case Indicators and targets, "Metrics for dealing with climate-related risks and opportunities"
Para. 2(4)	Material risks and how they are being dealt with	GRI SR, pgs. 11, 38, 43, 76, 85, 88, 90 CR TCFD, pgs. 27–30	Subsection entitled "Integration of climate risks into risk management", each with the subsection entitled "Sustainability-related risks" Risk management, "The processes used for dealing with climate-related risks"
Para. 2(5)	Key performance indicators	GRI SR, pgs. 103–104, 120–124 CR TCFD, pgs. 31–53	Table "Key performance indicators"; indicators on strategic thrusts "Committed to customers" and "Gentle on the environment" Indicators and targets, "Metrics for dealing with climate-related risks and opportunities"
Social matters			
Para. 1	Impact of business activities	GRI SR, pgs. 22, 48, 60	"Impact of business activities" subsection in each case
Para. 2(2)	Policies	GRI SR, pgs. 16–19, 24–26, 30–31, 41–43, 50–51, 70–72, 75–76	Section entitled "Dialog with stakeholders", in particular the subsection entitled "Communication of critical concerns" "Management approach" subsection in each case Under the strategic thrust "Responsible towards employees", the section entitled "Occupational health management"
Para. 2(3)	Measures and assessment of their effectiveness	GRI SR, pgs. 27–29, 32–33, 44–47, 73–74	"Measures and activities" and "Target achievement status" subsections in each case
Para. 2(4)	Material risks and how they are being dealt with	GRI SR, pgs. 11, 26, 31–32, 43–44, 72	"Sustainability-related risks" subsection in each case
Para. 2(5)	Key performance indicators	GRI SR, pg. 109	Table entitled "Key performance indicators", "Number of absence days" disclosure There is currently no inventory of the number of critical concerns.
Employee-related matters			
Para. 1	Impact of business activities	GRI SR, pg. 48	Subsections entitled "Impact of business activities"
Para. 2(2)	Policies	GRI SR, pgs. 49–52	Subsection entitled "Management approach"

CO 964b	Disclosure	Location	Additional information and omissions
Para. 2(3)	Measures and assessment of their effectiveness	GRI SR, pgs. 54–56, 58	"Measures and activities" and "Target achievement status" subsections in each case
Para. 2(4)	Material risks and how they are being dealt with	GRI SR, pgs. 11, 54, 57	"Sustainability-related risks" subsection in each case
Para. 2(5)	Key performance indicators	GRI SR, pgs. 105–116	Table "Key performance indicators", indicators regarding the strategic thrust "Responsible towards employees"
Respect for human rights			
Para. 1	Impact of business activities	GRI SR, pgs. 22, 60	"Impact of business activities" subsection in each case
Para. 2(2)	Policies	GRI SR, pgs. 12, 34–37, 41–43, 75–76	"Obligation to observe human rights" subsection "Management approach" subsection in each case
Para. 2(3)	Measures and assessment of their effectiveness	GRI SR, pgs. 38–40, 44–47, 77	"Measures and activities", "Target achievement status" subsections in each case; only "Measures and activities" for the material topic of "Procurement"
Para. 2(4)	Material risks and how they are being dealt with	GRI SR, pgs. 11, 38, 43–44, 76	"Sustainability-related risks" subsection in each case
Para. 2(5)	Key performance indicators	GRI SR, pgs. 103–104	Table "Key performance indicators", indicators on the strategic thrust "Committed to customers", except 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, pg. 60	Subsections entitled "Impact of business activities"
Para. 2(2)	Policies	GRI SR, pgs. 64–67, 75–76	Subsection entitled "Management approach" For the material topic of Procurement in the section entitled "Sustainability Declaration for Suppliers"
Para. 2(3)	Measures and assessment of their effectiveness	GRI SR, pgs. 68, 77	"Measures and activities" and "Target achievement status" subsections
Para. 2(4)	Material risks and how they are being dealt with	GRI SR, pgs. 11, 67	"Sustainability-related risks" subsection
Para. 2(5)	Key performance indicators	GRI SR, pg. 68	See indicators in the subsection entitled "Target achievement status at the end of 2024".

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 2024 – 31 December 2024.

GRI 1 used: GRI 1: Foundation 2021

GRI Standard/ other source	Disclosure	Location	Additional information and omissions
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. 126	
[2-3]	Reporting period, frequency and contact point	GRI SR: pg. 126	
[2-4]	Restatement of information		Retention rate of employees having taken parental leave: The reported figures were correct in each case but had been allocated to the wrong years. All figures have been shifted forwards by one year as a result. (GRI SR, pg. 110) Environmental information: Environmental data is now collected for the period from July to June. The reporting period has been adjusted in order to align it with the reporting period for financed emissions (reference date: 30 June of each year). As a result of this adjustment, the 2023 and 2024 reporting periods overlap from July to October 2023. (GRI SR, pgs. 120–124) GHG emissions and emission intensity (Scope 3): All Scope 3 emissions are now reported (previously, only parts of them were reported). To facilitate comparability with previous years, both sets of disclosures are presented in accordance with the old and the new methods of presentation and bases of calculation. (GRI SR, pg. 124)

GRI Standard / other source	Disclosure	Location	Additional information and omissions
[2-5]	External assurance	GRI SR: pg. 125	
Activities and workers			
GRI 2: General Disclosures 2021			
[2-6]	Activities, value chain and other business relationships	AR: pg. 75 GRI SR: pg. 13	
[2-7]	Employees	GRI SR: pgs. 105–106	
[2-8]	Workers who are not employees	GRI SR: pg. 106	
Governance			
GRI 2: General Disclosures 2021			
[2-9]	Governance structure and composition	AR: pgs. 50–55, 58–65 GRI SR: pg. 10	
[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: pgs. 10–11	
[2-13]	Delegation of responsibility for managing impacts	GRI SR: pgs. 9–13	
[2-14]	Role of the highest governance body in sustainability reporting	GRI SR: pg. 10	
[2-15]	Conflicts of interest	AR: pg. 55	
[2-16]	Communication of critical concerns	GRI SR: pg. 19	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. 10	
[2-18]	Evaluation of the performance of the highest governance body	GRI SR: pg. 10	
[2-19]	Remuneration policies	AR: pgs. 65–67 GRI SR: pgs. 10, 66	
[2-20]	Process to determine remuneration	AR: pgs. 65–67 GRI SR: pgs. 9, 66	
[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: pgs. 3–4	
[2-23]	Policy commitments	GRI SR: pgs. 5–6, 11–12	
[2-24]	Embedding policy commitments	GRI SR: pgs. 10–13	

GRI Standard / other source	Disclosure	Location	Additional information and omissions
[2-25]	Processes to remediate negative impacts	GRI SR: pgs. 6, 19	
[2-26]	Mechanisms for seeking advice and raising concerns	GRI SR: pgs. 19, 31, 66	
[2-27]	Compliance with laws and regulations	GRI SR: pg. 68	
[2-28]	Membership associations	GRI SR: pgs. 11–14	

Stakeholder engagement

GRI 2: General Disclosures 2021

[2-29]	Approach to stakeholder engagement	GRI SR: pgs. 16–18	
[2-30]	Collective bargaining agreements	GRI SR: pg. 106	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, incl. the maximum working hours.

Material topics

GRI 3: Material Topics 2021

[3-1]	Process to determine material topics	GRI SR: pgs. 20–21	
[3-2]	List of material topics	GRI SR: pgs. 7–8	

Strategic thrust “Committed to customers”

Material topic “Responsible advisory services”

GRI 3: Material Topics 2021

[3-3]	Management of material topics	GRI SR: pgs. 22–29	
Own disclosure			
	Access points in low-populated or economically disadvantaged areas by type	AR: pgs. 132–133 GRI SR: pgs. 30–31	

Material topic “Customer orientation”

GRI 3: Material Topics 2021

[3-3]	Management of material topics	GRI SR: pgs. 22–23, 30–33	
Own disclosure			
	Customer survey on customer satisfaction and recommendation	GRI SR: pgs. 32–33	

Material topic “Sustainable products and services”

GRI 3: Material Topics 2021

[3-3]	Management of material topics	GRI SR: pgs. 22–23, 34–40	
-------	-------------------------------	---------------------------	--

GRI Standard / other source	Disclosure	Location	Additional information and omissions
Own disclosures			
	Proportion of products and services with ESG criteria	GRI SR: pgs. 39, 103	
	Monetary value of products and services developed for a specific environmental benefit	GRI SR: pgs. 39, 103	
	Number of advisory sessions carried out by cantonal energy advice centers	GRI SR: pgs. 39, 103	
Material topic "Sustainable finance"			
GRI 3: Material Topics 2021			
[3-3]	Management of material topics	GRI SR: pgs. 22–23, 41–47	
Own disclosures			
	Proportion of assets audited for ecological or social aspects with a positive or negative result	GRI SR: pgs. 46, 104	
	Percentage of financial investments linked to ESG criteria	GRI SR: pgs. 46, 104	
	CO ₂ emission (Scope 1–2) per invested CHF million of the financing and investment portfolio	GRI SR: pgs. 46, 104	
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. 48–56	
GRI 401: Employment 2016			
[401-1]	New employee hires and employee turnover	GRI SR: pgs. 107–108	
GRI 404: Training and Education 2016			
[404-1]	Average hours of training and education per year per employee	GRI SR: pg. 109	
[404-3]	Percentage of employees receiving regular performance and career development reviews	GRI SR: pgs. 52, 109	
Own disclosures			
	Employee survey on satisfaction and commitment	GRI SR: pgs. 55, 110	
	Number of absence days	GRI SR: pgs. 55, 110	
	Number of absences longer than four weeks due to overwork and burnout	GRI SR: pgs. 55–56	

GRI Standard / other source	Disclosure	Location	Additional information and omissions
-----------------------------	------------	----------	--------------------------------------

Material topic "Diversity and equal opportunity"

GRI 3: Material Topics 2021

[3-3]	Management of material topics	GRI SR: pgs. 48–53, 57–59	
-------	-------------------------------	---------------------------	--

GRI 401: Employment 2016

[401-3]	Parental leave	GRI SR: pg. 110	
---------	----------------	-----------------	--

GRI 405: Diversity and Equal Opportunity 2016

[405-1]	Diversity of governance bodies and employees	GRI SR: pgs. 58, 111–113	
---------	--	--------------------------	--

Own disclosures

	Degree of employment after parenthood	GRI SR: pg. 114	
	Gender pay gap	GRI SR: pg. 58	
	Proportion of returnees following parenthood at the same function or level	GRI SR: pgs. 58, 115	
	Proportion of part-time employees in management positions	GRI SR: pgs. 115–116	

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. 60–63	
-------	-------------------------------	--------------------	--

GRI 201: Economic Performance 2016

[201-1]	Direct economic value generated and distributed	GRI SR: pg. 117	
---------	---	-----------------	--

Own disclosures

	Capital ratio	GRI SR: pgs. 62, 118	
	Return on average required equity	GRI SR: pgs. 62, 118	
	Dividend payout ratio	GRI SR: pgs. 62, 118	

Material topic "Corporate governance"

GRI 3: Material Topics 2021

[3-3]	Management of material topics	GRI SR: pgs. 60, 64–69	
-------	-------------------------------	------------------------	--

Own disclosure

	Number of training days in "Compliance and data protection"	GRI SR: pg. 68	
--	---	----------------	--

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. 60, 70–74
-------	-------------------------------	---------------------------

GRI 418: Customer Privacy 2016

[418-1]	Substantiated complaints concerning breaches of customer privacy and losses of customer data	GRI SR: pg. 74
---------	--	----------------

Own disclosure

Number of training days in "Compliance and data protection"	GRI SR: pg. 68
---	----------------

Material topic "Procurement"

GRI 3: Material Topics 2021

[3-3]	Management of material topics	GRI SR: pgs. 60, 75–77
-------	-------------------------------	---------------------------

GRI 204: Procurement Practices 2016

[204-1]	Proportion of spending on local suppliers	GRI SR: pgs. 77, 118
---------	---	----------------------

Material topic "Commitment to the region"

GRI 3: Material Topics 2021

[3-3]	Management of material topics	GRI SR: pgs. 60, 78–81
-------	-------------------------------	---------------------------

GRI 201: Economic Performance 2016

[201-1]	Direct economic value generated and distributed	GRI SR: pg. 119
---------	---	-----------------

Own disclosures

Proportion of contracts with integrated sustainability criteria for sponsorships and events	GRI SR: pgs. 81, 119
---	----------------------

Number of charitable acts by employees	GRI SR: pgs. 81, 119
--	----------------------

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. 82–87
-------	-------------------------------	-----------------------

GRI 305: Emissions 2016

[305-1]	Direct GHG emissions (Scope 1)	GRI SR: pg. 122 CR TCFD pgs. 32–34
---------	--------------------------------	--

[305-2]	Indirect energy-related GHG emissions (Scope 2)	GRI SR: pg. 122 CR TCFD pgs. 32–34
---------	---	--

GRI Standard / other source	Disclosure	Location	Additional information and omissions
[305-3]	Other indirect GHG emissions (Scope 3)	GRI SR: pg. 123 CR TCFD pgs. 32–39	
[305-4]	GHG emissions intensity	GRI SR: pg. 124	
Own disclosure			
	Reduction of GHG emissions (Scope 1–3) relative to base year 2019/2020	GRI SR: pgs. 86, 124	
Material topic “Energy consumption”			
GRI 3: Material Topics 2021			
[3-3]	Management of material topics	GRI SR: pgs. 82–84, 88–89	
GRI 302: Energy 2016			
[302-1]	Energy consumption within the organization	GRI SR: pg. 121	
[302-3]	Energy consumption outside of the organization	GRI SR: pg. 121	
[302-3]	Energy intensity	GRI SR: pg. 121	
Own disclosures			
	Reduction of energy consumption (within and outside the organization relative to the base year 2019)	GRI SR: pg. 121	
	Consumption of non-renewable primary energy	GRI SR: pg. 122	
Material topic “Waste and resource management”			
GRI 3: Material Topics 2021			
[3-3]	Management of material topics	GRI SR: pgs. 82–84, 90–91	
GRI 301: Materials 2016			
[301-1]	Materials used by weight or volume	GRI SR: pg. 120	
[301-2]	Recycled input materials used	GRI SR: pgs. 90, 120	
Own disclosure			
	Water consumption	GRI SR: pg. 124	

Annex

Key performance indicators

Strategic thrust

Committed to customers

Sustainable products and services

[own disclosure]

Disclosure	Change ¹	2024	2023	2022	2021	2020
Proportion of products and services (assets under management) with ESG criteria [own disclosure]						
Volume of total products / services (assets under management) ² (in CHF millions)	15.5%	11,858	10,264	9,095	10,420	9,310
Number of ESG products/services ³	9.0%	43,825	40,193	38,434	34,638	25,551
Volume of ESG products/services ⁴ (in CHF millions)	19.0%	2,916	2,451	2,256	2,478	1,820
Proportion of ESG products/services relative to total volume (in percent)	3.0%	24.6	23.9	24.8	23.8	19.5
Monetary value of assets under management developed for a specific environmental benefit [own disclosure]						
Total mortgage volume (in CHF millions)	6.3%	21,269	20,000	19,154	21,740	20,575
Total volume of energy mortgages (in CHF millions)	34.8%	81	60	41	44	42
Proportion of volume comprised of energy mortgages (in percent)	26.8%	0.4	0.3	0.2	0.2	0.2
Number of advisory sessions carried out by energy advice centers [own disclosure]						
"Energy-efficient real estate advisory services" (number of advisory sessions) ⁵	-34.0%	35	53	29	30	10
"Energy from the Rooftop" (number of advisory sessions) ⁶	404.5%	111	22	-	-	-

¹ Change in 2024 relative to the previous year (2023) in percent

² 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)

[own disclosure]

Disclosure	Change ¹	2024	2023	2022	2021	2020
Proportion of assets audited for environmental or social aspects with a positive or negative result [own disclosure]						
Value of all assets under management at the end of the reporting period (in CHF millions)	5.8%	2,102	1,987	1,977	1,705	1,629
Value of all assets subject to a positive environmental and/or social screening ² (in CHF millions)	5.8%	2,102	1,987	1,977	1,705	1,629
Value of all assets subject to a negative environmental and/or social screening ² (in CHF millions)	0.0%	0.0	0.0	0.0	0.0	0.0
Value of all assets subject to a combined positive and negative environmental and/or social screening ² (in CHF millions)	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	100.0
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	0.0
Proportion of assets that has undergone a combined negative and positive environmental or social audit 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 [own disclosure]						
Total number of financial investments	1.2%	168	166	162	132	135
Number of financial investments linked to ESG criteria ³	1.2%	168	166	162	132	135
Proportion of financial investments linked to ESG criteria (in percent)	0.0%	100.0	100.0	100.0	100.0	100.0
CO₂ emissions (Scope 1–2) per invested CHF million of the financing and investment portfolio [own disclosure]						
CO ₂ emissions in metric tons of CO ₂ equivalents (CO ₂ e) per CHF million invested in the entire portfolio ⁴	–94.7%	5.1	95.6	105.7	168.0	167.4

¹ Change in 2024 relative to the previous year (2023) in percent

² The own 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 own financial investments since spring 2023 (see "Sustainable finance")

⁴ Significant reduction in CO₂e per CHF million invested due to improved data from MSCI (the tool provider) (from September to December)

Strategic thrust

Responsible towards employees

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1, GRI 401-3, GRI 404-1, GRI 404-3, GRI 405-1, own disclosure]

Disclosure	Change ¹	2024	2023	2022	2021	2020
Employees [GRI 2-7]						
Total headcount, in FTEs ²	5.7%	798.1	755.3	726.8	711.6	704.4
Total headcount (FTEs) in accordance with AR standard (50% apprentices, excluding hourly wage earners), in FTEs ³	5.6%	772	731	701	684	679
Number of full-time positions offered (personnel units) excluding apprentices/interns ⁴	3.8%	737	710	692	674	663
Employees						
– Total employees (all including apprentices/interns and hourly wage earners)	5.8%	915	865	835	809	799
– of which functional level 7 (EB)	0.0%	6	6	6	6	6
– of which management positions (all supervisors as per staffing plan; excluding EB)	2.3%	136	133	128	125	126
– of which without a management position (rest)	6.5%	773	726	701	678	667
– of which functional level 5 ⁵	12.5%	378	336	317	291	272
– of which apprentices	9.3%	47	43	45	47	48
– of which interns	33.3%	4	3	4	4	1
– of which hourly wage earners	–33.3%	6	9	9	9	8
Total number of employees by employment contract ⁶ (temporary/permanent)	6.2%	909	856	826	800	791
Permanent employment contract	5.4%	836	793	764	736	728
– Men	5.3%	453	430	414	407	402
– Women	5.5%	383	363	350	329	326
Temporary employment contract ⁷ (including apprentices and interns)	15.9%	73	63	62	64	63
– Men	33.3%	44	33	36	36	36
– Women	–3.3%	29	30	26	28	27

¹ Change in 2024 relative to the previous year (2023) in percent

² Total staff including hourly wage earners, apprentices/interns calculated at 100% / reference date as at 31 December 2024

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 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

⁶ Headcount including apprentices/interns, but excluding hourly wage earners, as they are listed separately below

⁷ Apprentices/interns count as temporary employment contracts, not permanent

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1, GRI 401-3, GRI 404-1, GRI 404-3, GRI 405-1, own disclosure]

Disclosure	Change ¹	2024	2023	2022	2021	2020
Hourly wage earners	-33.3%	6	9	9	9	8
– Men	-100.0%	0	3	3	3	2
– Women	0.0%	6	6	6	6	6
Total number of employees by degree of employment ² (full-time and part-time)	5.5%	864	819	786	758	750
Full-time (excluding apprentices/interns)	4.3%	509	488	467	474	476
– Men	6.0%	371	350	340	343	350
– Women	0.0%	138	138	127	131	126
Proportion of full-time employees, by gender (in percent)						
– Men	1.6%	72.9	71.7	72.8	72.4	73.5
– Women	-4.1%	27.1	28.3	27.2	27.6	26.5
Part-time ² (excluding apprentices/interns, including hourly wage earners)	7.3%	355	331	319	284	274
– Men	10.2%	97	88	84	76	63
– Women	6.2%	258	243	235	208	211
Proportion of part-time employees, by gender (in percent)						
– Men	2.8%	27.3	26.6	26.3	26.8	23.0
– Women	-1.0%	72.7	73.4	73.7	73.2	77.0

Workers who are not employees [GRI 2-8]

Total number of workers not employed but controlled ³	0.0%	8	8	9	n.s.	n.s.
Ratio of workers not employed but controlled compared with the total number of employees (in percent)	-5.5%	0.9	0.9	1.1	n.s.	n.s.

Collective bargaining agreements [GRI 2-30]

Number of employees covered by collective bargaining agreements	0.0%	0	0	0	0	0
---	------	---	---	---	---	---

¹ Change in 2024 relative to the previous year (2023) in percent

² Headcount, excluding apprentices/interns

³ These are people who are employed by a third-party company but have worked exclusively at TKB for a significant number of hours per week over an extended period (e.g., at the reception desk). Their number is recorded per person and at the end of the reporting period (reference date).

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1, GRI 401-3, GRI 404-1, GRI 404-3, GRI 405-1, own disclosure]

Disclosure	Change ¹	2024	2023	2022	2021	2020
New employee hires and employee turnover [GRI 401-1]						
Number of persons ² (headcount) as above in GRI 2-7	5.8%	915	865	835	809	799
– of which < 30 years ³	5.8%	201	190	186	198	190
– of which 30–50 years ³	3.9%	427	411	396	364	361
– of which > 50 years ³	8.7%	287	264	253	247	248
– of which men ³	6.7%	497	466	453	446	440
– of which women ³	4.8%	418	399	382	363	359
Total number of employees hired during the reporting period, broken down by age group ²	31.5%	117	89	114	88	87
– < 30 years	14.3%	48	42	50	52	54
– 30–50 years	60.0%	56	35	55	30	29
– > 50 years	8.3%	13	12	9	6	4
Proportion of new employees, by age group (in percent)						
– < 30 years	–13.1%	41.0	47.2	43.9	59.1	62.1
– 30–50 years	21.7%	47.9	39.3	48.2	34.1	33.3
– > 50 years	–17.6%	11.1	13.5	7.9	6.8	4.6
Total number of employees hired during the reporting period, broken down by gender ²	31.5%	117	89	114	88	87
– Men	46.5%	63	43	60	46	49
– Women	17.4%	54	46	54	42	38
Proportion of new employees, by gender (in percent)						
– Men	11.4%	53.8	48.3	52.6	52.3	56.3
– Women	–10.7%	46.2	51.7	47.4	47.7	43.7

¹ Change in 2024 relative to the previous year (2023) 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 2-30, GRI 401-1, GRI 401-3, GRI 404-1, GRI 404-3, GRI 405-1, own disclosure]

Disclosure	Change ¹	2024	2023	2022	2021	2020
Total number of employees who left the company during the reporting period, by age group ²	-2.9%	66	68	81	86	64
– < 30 years	16.7%	28	24	34	34	33
– 30–50 years	-9.1%	20	22	26	24	15
– > 50 years	-18.2%	18	22	21	28	16
Employee turnover by age group ³ (unadjusted turnover, in percent)						
– < 30 years	11.8%	11.8	10.5	14.4	13.6	13.5
– 30–50 years	-16.1%	4.3	5.1	5.8	6.1	3.8
– > 50 years	-21.7%	6.5	8.3	8.0	11.1	6.3
Total number of employees who left the company during the reporting period, by gender	-2.9%	66	68	81	86	64
– Men	-3.0%	32	33	49	45	35
– Women	-2.9%	34	35	32	41	29
Employee turnover by gender ³ (unadjusted turnover, in percent)						
– Men	-9.1%	6.0	6.7	9.6	9.1	7.2
– Women	-8.2%	7.5	8.2	7.3	10.1	7.3
Employee turnover ³ (unadjusted turnover, in percent)						
– total	-8.7%	6.7	7.4	8.5	9.6	7.2
Employee turnover ³ (adjusted turnover, in percent)						
– total ⁴	1.8%	5.7	5.6	7.4	5.6	4.7

¹ Change in 2024 relative to the previous year (2023) in percent

² Headcount including apprentices/interns, including hourly wage earners

³ Calculated using the Schlüter formula: $[\text{Number of departures} / (\text{initial headcount} + \text{new hires})] \times 100$

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 2-30, GRI 401-1, GRI 401-3, GRI 404-1, GRI 404-3, GRI 405-1, own disclosure]

Disclosure	Change ¹	2024	2023	2022	2021	2020
Average hours of training and education per year per employee [GRI 404-1]						
Training days ²	-31.6%	1,856	2,713	2,144	959	911
Training days per employee	-35.6%	2.0	3.2	2.6	1.2	1.1
– Men	-33.3%	2.2	3.3	2.8	1.2	1.2
– Women	-38.7%	1.9	3.0	2.3	1.2	1.0
Cost of training in CHF million (including apprentices)	1.9%	1.6	1.6	1.8	1.0	1.3
– as % of staff costs	-3.0%	1.3	1.3	1.6	0.9	1.2
– per employee in CHF	-4.5%	1,789	1,873	2,162	1,272	1,669
Completed apprenticeships	-6.7%	14	15	15	16	17
Federally recognized qualification	31.7%	54	41	36	33	19
Employees preparing for a federally recognized qualification	-14.7%	64	75	60	49	44
In-house trainers	-19.4%	29	36	33	27	19
Percentage of employees receiving regular performance and career development reviews [GRI 404-3]						
Percentage of employees in the reporting period receiving regular performance and career development reviews (in percent) ³	0.0%	100.0	100.0	100.0	100.0	100.0
Employee survey on “Satisfaction” and “Commitment” [own disclosure]						
Employee satisfaction & commitment on a scale from 1 to 5, where 5 means “completely satisfied” (in points)	-	4.4	-	-	4.2	-
Organizational energy	-	52	-	-	48	-
Number of absence days (due to illness or accident) [own disclosure]						
Number of absence days (due to illness or accident)	9.0%	4,863	4,462	4,441	3,443	3,645
Absence rate (in percent) ⁴	3.0%	2.0	2.0	2.0	1.6	1.8
Average number of absence days per employee (due to illness or accident)	5.4%	6.3	6.0	6.1	4.8	5.2
Average number of absence days at cantonal banks (due to illness or accident) ⁵	-	n.s.	n.s.	n.s.	5.9	5.4

¹ Change in 2024 relative to the previous year (2023) in percent

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

³ In principle, all permanent employees are reviewed on a regular basis as part of their performance and career reviews

⁴ Calculated using the following formula: [(Number of absence days × 100) / Number of possible working days per year]

⁵ Cantonal benchmarking was last performed in 2022

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1, GRI 401-3, GRI 404-1, GRI 404-3, GRI 405-1, own disclosure]

Disclosure	Change ¹	2024	2023	2022	2021	2020
Parental leave [GRI 401-3]						
Total number of employees entitled to parental leave, by gender ²	-	26	22	22	19	27
– Men	-	7	12	9	9	15
– Women	-	19	10	13	10	12
Total number of employees that took parental leave, by gender ²	-	26	22	22	19	27
– Men	-	7	12	9	9	15
– Women	-	19	10	13	10	12
Proportion of employees having taken parental leave, by gender (in percent)	0.0%	100.0	100.0	100.0	100.0	100.0
– Men	0.0%	100.0	100.0	100.0	100.0	100.0
– Women	0.0%	100.0	100.0	100.0	100.0	100.0
Total number of employees who returned to work after parental leave during the reporting period, by gender ²	-	26	22	21	17	25
– Men	-	7	12	9	9	15
– Women	-	19	10	12	8	10
Total number of employees who returned to work following parental leave and were still employed 12 months following their return, by gender	-	n.s. ³	21	17	25	27
– Men	-	n.s. ³	11	9	9	15
– Women	-	n.s. ³	10	11	8	10
Return to work rate (in percent)	0.0%	100.0	100.0	95.5	89.5	92.6
– Men	0.0%	100.0	100.0	100.0	100.0	100.0
– Women	0.0%	100.0	100.0	92.3	80.0	83.3
Retention rate of employees having taken parental leave (in percent) ⁴	17.9%	95.5	81.0	147.1	108.0	60.7
– Men	-8.3%	91.7	100.0	100.0	100.0	94.4
– Women	8.3%	100.0	91.7	100.0	100.0	100.0

¹ Change in 2024 relative to the previous year (2023) in percent

² These disclosures do not show the year-over-year change since this is not a meaningful indicator

³ The indicator for 2024 will only be available 12 months following the end of the reporting year, i.e. at the end of 2025

⁴ Retention rate moved forward by one year to comply with GRI requirements: The 2024 figure refers to the total number of employees who returned to work following parental leave and were still employed 12 months following their return

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1, GRI 401-3, GRI 404-1, GRI 404-3, GRI 405-1, own disclosure]

Disclosure	Change ¹	2024	2023	2022	2021	2020
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	16.7%	7	6	6	7	7
– Women	–33.3%	2	3	3	2	2
Percentage of persons on the Board of Directors, by gender						
– Men	16.7%	77.8	66.7	66.7	77.8	77.8
– Women	–33.3%	22.2	33.3	33.3	22.2	22.2
Total number of persons on the EB, by gender	0.0%	6	6	6	6	6
– Men	0.0%	6	6	6	6	6
– Women	0.0%	0	0	0	0	0
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
Total number of employees in management positions, by gender (including EB)	2.2%	142	139	134	131	132
– Men	0.9%	115	114	110	112	117
– Women	8.0%	27	25	24	19	15

¹ Change in 2024 relative to the previous year (2023) in percent

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1, GRI 401-3, GRI 404-1, GRI 404-3, GRI 405-1, own disclosure]

Disclosure	Change ¹	2024	2023	2022	2021	2020
Percentage of employees in management positions, by gender (including EB)						
– Men	–1.3%	81.0	82.0	82.1	85.5	88.6
– Women	5.7%	19.0	18.0	17.9	14.5	11.4
Total number of staff in management positions, by age group (including EB)	2.2%	142	139	134	131	132
– < 30 years	0.0%	3	3	4	7	6
– 30–50 years	5.1%	83	79	74	69	73
– > 50 years	–1.8%	56	57	56	55	53
Percentage of employees in management positions, by age group						
– < 30 years	–2.1%	2.1	2.2	3.0	5.3	4.5
– 30–50 years	2.8%	58.5	56.8	55.2	52.7	55.3
– > 50 years	–3.8%	39.4	41.0	41.8	42.0	40.2
Total number of other employees, by gender ²	6.5%	773	726	701	678	667
– Men	8.5%	382	352	343	334	323
– Women	4.5%	391	374	358	344	344
Percentage of other employees, by gender						
– Men	1.9%	49.4	48.5	48.9	49.3	48.4
– Women	–1.8%	50.6	51.5	51.1	50.7	51.6

¹ Change in 2024 relative to the previous year (2023) in percent

² All employees, including hourly wage earners and apprentices/interns

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1, GRI 401-3, GRI 404-1, GRI 404-3, GRI 405-1, own disclosure]

Disclosure	Change ¹	2024	2023	2022	2021	2020
Total number of other employees, by age group	6.5%	773	726	701	678	667
– < 30 years	5.9%	198	187	182	191	184
– 30–50 years	3.6%	344	332	322	295	288
– > 50 years	11.6%	231	207	197	192	195
Percentage of other employees, by age group						
– < 30 years	–0.6%	25.6	25.8	26.0	28.2	27.6
– 30–50 years	–2.7%	44.5	45.7	45.9	43.5	43.2
– > 50 years	4.8%	29.9	28.5	28.1	28.3	29.2
Total number of employees at FL5, by gender ²	12.5%	378	336	317	291	272
– Men	13.3%	264	233	226	221	210
– Women	10.7%	114	103	91	70	62
Percentage of staff at FL5, by gender ²						
– Men	0.7%	69.8	69.3	71.3	75.9	77.2
– Women	–1.6%	30.2	30.7	28.7	24.1	22.8
Total number of employees at FL5, by age group ²	12.5%	378	336	317	291	272
– < 30 years	0.0%	10	10	9	11	8
– 30–50 years	11.0%	233	210	201	187	175
– > 50 years	16.4%	135	116	107	93	89
Percentage of staff at FL5, by age group ²						
– < 30 years	–11.1%	2.6	3.0	2.8	3.8	2.9
– 30–50 years	–1.4%	61.6	62.5	63.4	64.3	64.3
– > 50 years	3.4%	35.7	34.5	33.8	32.0	32.7

¹ Change in 2024 relative to the previous year (2023) in percent

² Additional information: employees at functional level 5 are part of the employees without a management position (rest)

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1, GRI 401-3, GRI 404-1, GRI 404-3, GRI 405-1, own disclosure]

Disclosure	Change ¹	2024	2023	2022	2021	2020
Degree of employment after parenthood² [own disclosure]						
Degree of employment of employees who returned to work after parenthood, broken down by gender						
Women		19	10	12	8	10
– > 80%		0	0	1	0	1
Proportion of women who returned to > 80% (in percent)		0.0	0.0	8.3	0.0	10.0
– 61–80%		3	1	2	2	1
Proportion of women who returned to 61–80% (in percent)		15.8	10.0	16.7	25.0	10.0
– 50–60%		11	7	7	2	8
Proportion of women who returned to 50–60% (in percent)		57.9	70.0	58.3	25.0	80.0
– < 50%		5	2	2	4	0
Proportion of women who returned to < 50% (in percent)		26.3	20.0	16.7	50.0	0.0
Men		7	12	9	9	15
– > 80%		5	8	7	7	15
Proportion of men who returned to > 80% (in percent)		71.4	66.7	77.8	77.8	100.0
– 61–80%		2	4	2	2	0
Proportion of men who returned to 61–80% (in percent)		28.6	33.3	22.2	22.2	0.0
– 50–60%		0	0	0	0	0
Proportion of men who returned to 50–60% (in percent)		0.0	0.0	0.0	0.0	0.0
– < 50%		0	0	0	0	0
Proportion of men who returned to < 50% (in percent)		0.0	0.0	0.0	0.0	0.0

¹ Change in 2024 relative to the previous year (2023) in percent

² These disclosures do not show the year-over-year change since this is not a meaningful indicator

Responsible towards employees

[GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1, GRI 401-3, GRI 404-1, GRI 404-3, GRI 405-1, own disclosure]

Disclosure	Change ¹	2024	2023	2022	2021	2020
Proportion of returnees after parental leave at the same function(al level) [own disclosure]						
– Men ²		7	12	9	9	15
– Women ²		19	9	12	7	8
Proportion of men (in percent)	0.0%	100.0	100.0	100.0	100.0	100.0
Proportion of women (in percent)	11.1%	100.0	90.0	100.0	87.5	80.0
Total (in percent)	4.8%	100.0	95.5	100.0	94.1	92.0
Proportion of part-time employees in management positions [own disclosure]						
Number of part-time employees (excluding apprentices/ interns) < 100 percent degree of employment	7.3%	355	331	319	284	274
Number of women employed part-time < 100 percent degree of employment	6.2%	258	243	235	208	211
– EB	0.0%	0	0	0	0	0
– Management position	20.0%	12	10	10	6	4
– Rest	5.6%	246	233	225	202	207
– of which women at functional level 5 ³	13.6%	67	59	49	33	29
Number of men employed part-time < 100 percent degree of employment	10.2%	97	88	84	76	63
– EB	0.0%	0	0	0	0	0
– Management position	–10.5%	17	19	14	11	10
– Rest	15.9%	80	69	70	65	53
– of which men at functional level 5 ³	22.5%	49	40	36	33	29

¹ Change in 2024 relative to the previous year (2023) in percent

² These disclosures do not show the year-over-year change since this is not a meaningful indicator

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 2-30, GRI 401-1, GRI 401-3, GRI 404-1, GRI 404-3, GRI 405-1, own disclosure]

Disclosure	Change ¹	2024	2023	2022	2021	2020
Proportion of women employed part-time < 100 percent degree of employment						
– EB (in percent)	-	-	-	-	-	-
– Management position (in percent)	13.0%	4.7	4.1	4.3	2.9	1.9
– Functional level 5 ² (in percent)	7.0%	26.0	24.3	20.9	15.9	13.7
Proportion of men employed part-time < 100 percent degree of employment						
– EB (in percent)	-	-	-	-	-	-
– Management position (in percent)	-18.8%	17.5	21.6	16.7	14.5	15.9
– Functional level 5 ² (in percent)	11.1%	50.5	45.5	42.9	43.4	46.0
Proportion of all employees in management positions, part-time < 100 percent degree of employment (in percent)	-2.1%	20.4	20.9	17.9	13.0	10.6
Proportion of women in management positions, part-time < 100 percent degree of employment (in percent)	11.1%	44.4	40.0	41.7	31.6	26.7
Proportion of men in management positions, part-time < 100 percent degree of employment (in percent)	-11.3%	14.8	16.7	12.7	9.8	8.5
Proportion of all employees at functional level 5, part-time < 100 percent degree of employment ² (in percent)	4.2%	30.7	29.5	26.8	22.7	21.3
Proportion of women at functional level 5, part-time < 100 percent degree of employment ² (in percent)	2.6%	58.8	57.3	53.8	47.1	46.8
Proportion of men at functional level 5, part-time < 100 percent degree of employment ² (in percent)	8.1%	18.6	17.2	15.9	14.9	13.8

¹ Change in 2024 relative to the previous year (2023) in percent

² 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; own disclosure]

Disclosure	Change ¹	2024	2023	2022	2021	2020
Direct economic value generated and distributed (in CHF 1,000) [GRI 201-1]						
Economic value generated						
Operating income	–1.5%	420,348	426,890	372,611	366,114	341,676
Operating profit	–4.1%	218,761	228,103	188,113	182,629	166,394
Net profit for the year	–0.6%	158,020	158,950	147,848	145,552	139,082
Net profit	–0.4%	160,863	161,589	150,574	148,291	141,855
Distributed economic value						
Material expenses	1.1%	66,483	65,733	58,931	58,518	56,602
– of which central sponsorships	10.7%	1,734	1,566	1,416	1,109	1,165
Commitment by the TKB Anniversary Foundation ²	84.3%	737	400	400	500	600
Personnel expenses ³	4.6%	125,972	120,380	112,818	110,289	107,747
Dividends to PC holders	3.0%	13,600	13,200	12,400	12,400	12,000
Dividends and taxes to the canton and municipalities	2.2%	76,503	74,879	70,726	70,415	67,130
– of which profit distribution to the canton	2.9%	52,761	51,260	48,200	48,200	46,600
– 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	6.5%	1,639	1,540	1,401	1,401	1,401
– of which compensation for government guarantee	0.9%	8,321	8,246	7,936	7,565	7,115
– of which taxes	–0.5%	10,782	10,833	10,190	10,249	9,014
Retained economic value						
Allocation to statutory reserves	–3.3%	78,800	81,500	75,000	73,000	69,000
Allocation to reserves for general banking risks	–14.5%	47,000	55,000	29,000	27,000	28,000

¹ Change in 2024 relative to the previous year (2023) in percent

² Excluding commitments to fitness parks in 2020 and footgolf course in 2021

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

Economic Performance

[GRI 201-1; own disclosure]

Disclosure	Change ¹	2024	2023	2022	2021	2020
Capital ratio [own disclosure]						
Required equity (in CHF millions)	5.5%	1,949	1,848	1,825	1,587	1,513
Equity (in CHF millions)	4.7%	2,804	2,678	2,541	2,439	2,308
Capital ratio (eligible equity available as % of risk-weighted assets)	-0.6%	19.2	19.3	18.5	18.4	18.3
Return on Ø required equity [own disclosure]						
Return ² (in percent)	-7.3%	12.8	13.8	11.6	11.8	11.3
Dividend payout ratio [own disclosure]						
Distribution ratio ³ (in percent)	3.5%	42.3	40.8	41.2	41.8	42.3
– Taxes to the canton (in percent)	3.6%	40.4	39.0	39.2	39.8	40.2
– Tax to municipalities entitled to a share (in percent)	0.5%	1.9	1.9	2.0	2.0	2.1

¹ Change in 2024 relative to the previous year (2023) 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 net profit

Procurement Practices

[GRI 204-1]

Disclosure	Change ¹	2024	2023	2022	2021	2020
Proportion of spending on local suppliers [GRI 204-1]						
Percentage of the procurement budget spent on suppliers in Switzerland (i.e. the percentage of products and services procured locally)	-13.7%	66.0	76.5	78.2	78.0	78.5
Percentage of the procurement budget spent on suppliers in Thurgau (i.e. the percentage of products and services procured locally)	44.3%	31.7	21.9	20.4	20.0	19.9

¹ Change in 2024 relative to the previous year (2023) in percent

Commitment to the region

[GRI 201-1; own disclosure]

Disclosure	Change ¹	2024	2023	2022	2021	2020
Direct economic value generated and distributed [GRI 201-1]						
Sponsorship commitment (in CHF thousands)	10.7%	1,734	1,566	1,416	1,109	1,165
TKB Anniversary Foundation (in CHF thousands)	84.3% ²	737	400	400	500	600
Proportion of contracts with integrated sustainability criteria for sponsorships and events [own disclosure]						
Total number of contracts for sponsorships and events	-1.4%	69	70	68	67	62
Number of contracts with integrated sustainability criteria	1.5%	69	68	65	62	56
Proportion of contracts with integrated sustainability criteria (in percent)	2.9%	100.0	97.1	95.6	92.5	90.3
Number of community service missions by employees ³ [own disclosure]						
Number of community service missions by employees	-16.8%	154	185	85	130	-

¹ Change in 2024 relative to the previous year (2023) in percent

² Year-over-year change, partly due to contribution to construction project of more than CHF 250,000

³ The first community service missions took place 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, own disclosure]

Disclosure	Change ¹	2023/24	2023	2022	2021	2020
Full-time equivalents (FTE) as at the reference date ² [own disclosure]						
Full-time equivalents as at the reference date	13.7%	767	755	730	713	711
Materials used by weight or volume [GRI 301-1]						
Overall paper consumption (in kg)	-66.5%	56,275	76,640	85,100	83,602	109,098
Recycled input materials used [GRI 301-2]						
Proportion of recycled paper relative to total paper consumption ³ (in percent)		91	94	89	76	80
Paper consumption per employee (in kg/FTE)	-70.5%	73	102	117	117	153

¹ Change in 2024 relative to 2013 in percent

² The intensities in this section are calculated using the FTEs as at the reference date of the environmental data inventory.

As a result, from 2022 onwards, the FTE figures disclosed differ from the personnel indicators reported as at 31 December.

³ As this is a proportionate target, the percentage change since 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, own disclosure]

Disclosure	Change ¹	2023/24	2023	2022	2021	2020
Energy consumption within the organization [GRI 302-1]						
Total energy consumption within TKB in megawatt hours (MWh)	-2.0%	5,245	5,055	5,384	5,285	5,451
– of which electricity	20.2%	3,961	3,747	3,870	3,325	3,422
– of which heating oil	-76.3%	187	210	268	777	775
– of which natural gas	-13.3%	1,049	1,048	1,184	1,150	1,207
– of which diesel	-98.5%	0	1	3	2	19
– of which gasoline	-100.0%	-	-	4	10	10
– of which hybrid gasoline	-	-	-	-	-	-
– of which plug-in gasoline	455.4%	3	3	2	1	0
– of which electric vehicles	5,071.4%	11	11	8	6	3
– of which district heating	128.0%	33	35	47	14	14
Energy consumption outside of the organization [GRI 302-2]						
Total energy consumption outside of TKB in megawatt hours (MWh)	-26.8%	2,208	2,172	2,478	2,461	3,111
– of which energy consumption of external data centers	-17.7%	227	222	228	263	271
– of which energy consumption from business travel and commuting	-27.7%	1,980	1,950	2,251	2,198	2,841
Energy intensity [GRI 302-3]						
Energy intensity per energy reference area (heating energy, electricity) (MWh/m ²)	-8.6%	0.2	0.2	0.2	0.2	0.2
Energy intensity per employee (MWh/FTE)	-20.6%	9.7	9.6	10.8	10.9	12.0
Reduction of energy consumption (inside and outside the organization) relative to base year 2019/2020 [own disclosure]						
Total energy consumption (inside and outside the organization) (MWh)	-10.9%	7,452	7,227	7,862	7,746	8,562

¹ Change in 2024 relative to the 2019 base year, 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, own disclosure]

Disclosure	Change ¹	2023/24	2023	2022	2021	2020
Non-renewable primary energy [own disclosure]						
Total non-renewable primary energy in megajoules per year (MJ/a)	-23.6%	37,145,381	36,888,840	41,825,514	42,307,110	54,560,424
– of which consumable supplies	-44.5%	2,547,734	3,028,631	3,574,680	3,824,409	4,607,562
– of which real estate	-30.2%	7,066,804	6,748,684	7,915,733	8,853,032	9,955,105
– of which water consumption	-7.0%	19	18	17	17	19
– of which employee mobility and business travel	-18.7%	27,530,824	27,111,507	30,335,084	29,629,652	39,997,738
Direct GHG emissions (Scope 1) [GRI 305-1]						
Total direct GHG emissions in metric tons of CO₂ equivalents (t CO₂e)	-48.8%	210	283	259	383	401
– of which heating oil	-81.5%	33	39	54	176	176
– of which natural gas	-17.2%	175	177	201	201	211
– of which refrigerant losses	-	-	65	-	-	-
– of which diesel	-98.5%	0.2	0.3	1.4	0.8	8.8
– of which gasoline	-100.0%	-	-	1.6	4.4	4.8
– of which plug-in gasoline	454.4%	1.1	1.0	0.8	0.3	0.1
Energy indirect (Scope 2) GHG emissions [GRI 305-2]						
Total indirect GHG emissions (through district heating and electricity) in metric tons of CO₂ equivalents (t CO₂e)	16.9%	788	745	763	684	703
– of which district heating	-	0.1	0.1	0.1	-	-
– of which electricity	16.3%	784	741	760	682	702
– of which electric vehicles	5,084.7%	4	4	3	2	1
– of which plug-in gasoline	459.4%	0.2	0.2	0.1	0.0	0.0

¹ Change in 2024 relative to the 2019 base year, 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, own disclosure]

Disclosure	Change ¹	2023/24	2023	2022	2021	2020
Other indirect (Scope 3) GHG emissions [GRI 305-3]						
Total other indirect operational GHG emissions in metric tons of CO₂ equivalents (t CO₂e)²	325.8%	9,840	10,416	10,543	1,906	2,386
3.1 Purchased products and services	20.6%	6,423	6,678	6,444	250	299
– of which paper	–44.3%	165	194	231	250	299
– of which water	–7.4%	1	1	1	1	1
3.2 Capital goods³	-	1,871	2,207	2,362	-	-
3.3 Fuel- and energy-related emissions	–22.7%	126	124	135	161	168
3.5 Operational waste	10.9%	71	70	68	66	66
Business travel and commuting	–27.8%	1,270	1,250	1,432	1,399	1,823
– 3.4 of which upstream transport and distribution ³	-	2	2	2	-	-
– 3.6 of which business travel	–35.5%	229	226	238	232	369
– 3.7 of which commuting	–25.6%	1,044	1,028	1,196	1,168	1,455
– 3.9 of which downstream transport and distribution	0.0%	1	1	1	1	1
3.8 Upstream leased assets	7.1%	30	28	28	28	28
3.10 Processing of sold products⁴	-	-	-	-	-	-
3.11 Use of sold products⁴	-	-	-	-	-	-
3.12 Disposal of sold products at the end of their lives⁴	-	-	-	-	-	-
3.13 Downstream leased assets³	-	43	52	69	-	-
3.14 Franchises⁴	-	-	-	-	-	-
Total other financed indirect GHG emissions in metric tons of CO₂ equivalents (t CO₂e)						
3.15 Investments⁵						
Corporate bonds (held by TKB) (Scopes 1–3) ⁶	-	147,900	-	-	-	-
Business loans (Scopes 1–3) ⁷	-	192,677	-	-	-	-
Mortgages (commercial real estate) (Scopes 1+2) ⁸	-	64,289	61,617	-	-	-
Mortgages (residential real estate) (Scopes 1+2) ⁸	-	55,348	59,595	-	-	-

¹ Change in 2024 relative to the 2019 base year, in percent

² Total indirect operational emissions (Scope 3, Categories 3.1 to 3.14) have been inventoried since 2022 and are disclosed for the first time in this report.

A comparison with the 2019 base year is only possible for some figures, because the 2019 base year does not yet take account of all of the emissions that are now being reported.

³ Since this figure has only been included in the survey since 2022, it is not possible to show the percentage change since 2019

⁴ Category not relevant for TKB

⁵ Detailed information on financed emissions can be found in the [TKB Climate Report](#)

⁶ First inventoried in 2024; PCAF data quality score of 2

⁷ First inventoried in 2023; PCAF data quality score of 5

⁸ First inventoried in 2023; PCAF data quality score of 4

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, own disclosure]

Disclosure	Change ¹	2023/24	2023	2022	2021	2020
GHG emissions intensity [GRI 305-4]						
GHG emissions in metric tons of CO ₂ equivalents per employee (t CO ₂ e/FTE) (Scopes 1, 2 and, from Scope 3, paper, water, and business travel and commuter traffic, in t CO ₂ e) ²	-30.5%	3.4	3.5	3.9	4.1	4.8
GHG emissions in metric tons of CO ₂ equivalents per employee (t CO ₂ e/FTE) (Scopes 1 and 2, and Scope 3.1–3.14, in t CO ₂ e)	184.6%	14.1	15.2	15.8	4.2	4.9
Reduction of operational GHG emissions from the 2019/2020 base year [own disclosure]						
Total operational GHG emissions (Scopes 1 and 2 and, from Scope 3, paper, water, and business travel and commuter traffic, in t CO ₂ e) ²	-22.5%	2,434	2,473	2,685	2,716	3,226
Total operational GHG emissions (Scopes 1 and 2 and Scope 3.1–3.14, in t CO ₂ e)	219.1%	10,838	11,443	11,565	2,973	3,490
Water consumption [own disclosure]						
Water consumption in cubic meters (m ³)	-7.4%	6,749	6,538	6,327	6,164	6,860
Water consumption in cubic meters per employee (m ³ /FTE)	-17.4%	8.8	8.7	8.7	8.6	9.6
Wastewater (public sewage system) (m ³) ³	-7.4%	6,074	5,884	5,694	5,548	6,174

¹ Change in 2024 relative to the 2019 base year, in percent

² Operational emissions according to previous calculations

³ Empirical value that 10% of the water used is not discharged into the sewage system, as it is used to irrigate green spaces, for example

Carbon footprint assurance statement



Assurance Statement: CO₂ Footprint Thurgauer Kantonalbank 2023/2024 (Summary)

SCOPE

Swiss Climate was commissioned by Thurgauer Kantonalbank AG to provide assurance on its 2023/2024 (01.07.2023 – 0.06.2024) 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 the accuracy of activity data;
- Carbon footprint calculation methodology, including operational and organisational boundaries, data quality, conversion factors used and calculations, 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 2023/2024:

	t CO ₂ e
Scope 1 - Direct emissions	210
1.1 Heating (natural gas, heating oil)	209
1.2 Business travel	1
1.3 Leakage cooling agents	-
Scope 2 - Indirect emissions	788
2.1 Electricity	788
2.2 District heating	0*
Scope 3 - Up- and downstream emissions	9'838
3.1 Purchased goods and services	6'423
3.2 Capital goods	1'871
3.3 Fuel and energy related activities	126
3.4 Upstream transportation and distribution	2
3.5 Waste	71
3.6 Business travel	229
3.7 Employee commuting	1'044
3.8 Leased assets	30
3.9 Downstream transportation and distribution	1
3.13 Leased assets	43
Total	10'837

* 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:

Luka Blumer, Swiss Climate AG

Bern, 25 September 2024

Second Auditor/Review:

Annika Schmidt, Swiss Climate AG

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 comprehensive account of how the bank takes relevant sustainability issues into account in its business thinking and actions and the progress it has made. The report covers TKB with its 29 branches. Participations are not covered in the report because they do not involve controlling interests.

Reporting period

[GRI 2-3] This GRI Sustainability Report covers the 2024 financial year. TKB reports annually on its sustainability activities. The last report was published in March 2024 for the 2023 financial year. An English translation of the report will be published in the second quarter of 2025. 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 has been approved by the Board of Directors.

Alignment with the GRI Standards

The report was prepared in accordance with the GRI Standards 2021. The light gray references in square brackets refer to the GRI Standards that are 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 compiled and reviewed with care. Swiss Climate carried out a formal audit of the carbon footprint (see page 125). The other information did not undergo a formal audit.

Contact for questions

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



End poverty in all its forms everywhere



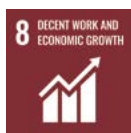
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Achieve gender equality and empower all women and girls



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



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



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



Reduce inequality within and among countries



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



Ensure sustainable consumption and production patterns



Take urgent action to combat climate change and its impacts



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

CONTACT US.

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

8355 Aadorf, Morgentalstrasse 4
9556 Affeltrangen, Hauptstrasse 2
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, Hauptstrasse 121
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, Bleichstrasse 15
8555 Müllheim, Frauenfelderstrasse 2
9542 Münchwilen, Im Zentrum 2
9315 Neukirch-Egnach, Bahnhofstrasse 79
9532 Rickenbach b. Wil, Toggenburgerstr. 40
8590 Romanshorn, Hubzelg
8370 Sirmach, Frauenfelderstrasse 5
8266 Steckborn, Seestrasse 132
8583 Sulgen, Bahnhofstrasse 1
8274 Tägerwilen, Hauptstrasse 89
9545 Wängi, Dorfstrasse 6
8570 Weinfelden, Bankplatz 1

Please add "Postfach" to the address when
sending mail to the branches. Thank you.