



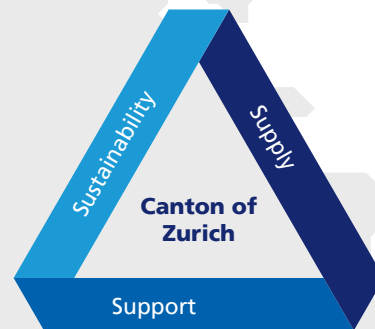
**Sustainably committed –  
for present and future  
generations**

# Services on behalf of everyone.

Zürcher Kantonalbank was founded in 1870 as the “bank of the people of Zurich”. We are the bank that’s close to you. We have a special connection with the people and economy of Zurich as well as its environment. Since we were founded over 150 years ago, we have been committed to our public service mandate, which comprises service, support and sustainability components. It is our unique selling proposition – and we are proud of it. This report shows how we make a sustainable contribution to our clients through our products and services.

Our annual expenses primarily include elements of the public service mandate that are not profit-oriented. The bank has set a target of spending CHF 100 to 120 million per year on these elements. This was significantly exceeded in 2021.

**CHF 141 million**  
Total for the public service mandate in 2021



## Service mandate

We provide the people and the economy with the financial services of a universal bank. These include payment transactions, saving, investing, financing, retirement planning, financial planning, taxes and estate planning. In doing so, we pay particular attention to the concerns of small and medium-sized enterprises, employees, agriculture and public authorities. We also promote home ownership and affordable housing. We provide our clients with an excellent client experience across all channels, regardless of whether communication takes place in the physical or digital world.

## Support mandate

We help the canton resolve economic, social and environmental issues. Through more than 400 partnerships, memberships and sponsorship measures, we actively support a wide range of activities in the areas of nature, youth, culture, sport, social activities and entrepreneurship. In addition, we have one of the largest apprenticeship programmes with nearly 400 apprentices and are also a major employer in the canton with over 5,600 employees.

## Sustainability mandate

We pursue a business policy focused on sustainability and continuity. Our products and services offer us the most effective source of leverage. The ZKB environmental loan, for example, promotes sustainable building and renovation. Our investment solutions systematically take sustainable criteria (“ESG criteria”) into account, thereby helping our clients invest responsibly. We set ourselves high standards and goals for our conduct. Here, we are guided by the 17 Sustainable Development Goals of the United Nations and the goal of greenhouse gas neutrality by 2050.

# Our products and services.

**As the bank of the people of Zurich, we create economic, social and environmental benefits. When designing our products and services, we also take sustainability criteria into account. The business policy of Zürcher Kantonalbank is impressive in terms of its continuity and stability. We foster a risk culture geared towards responsible behaviour. The lending business is based on a consistent and continuous credit policy that looks beyond the economic cycle.**

## Sustainable investments

In our investment business, we are guided by the United Nations' Principles for Responsible Investment (UN PRI<sup>1</sup>) and report on them annually. We systematically integrate ESG<sup>2</sup> risks and opportunities into all investment solutions. For direct investments, we focus on dialogue with the companies in which we are invested with a view to achieving the United Nations Sustainable Development Goals (SDGs) and greenhouse gas neutrality by 2050.

Our Asset Management team engages in direct dialogue with the companies in which we are invested and is actively involved through the UN PRI Collaboration

Platform and investor initiatives. We exercise our voting rights based on Swiss and international corporate governance rules and the United Nations Principles for Responsible Investment and in the interests of the company's long-term, sustainability-oriented success. We publish our voting policy and voting behaviour transparently.

In Wealth Management, dialogue with the companies in which we are invested, participation in investor initiatives and the exercise of voting rights take place indirectly through the choice of external asset managers.

We systematically ask our clients about their sustainability preferences in both wealth management and when providing investment advice. We provide our clients comprehensive, transparent information about the ESG impacts of investment solutions.

## Sustainable financing

### ZKB environmental loan

Since Switzerland's buildings offer the greatest potential for saving energy and reducing CO<sub>2</sub> emissions, we have striven to raise awareness and guide our mortgage clients into a more sustainable future for

the past 30 years with our ZKB environmental loan. We reward private individuals and companies that build or renovate in an environmentally friendly way by granting them an attractive interest rate reduction on their fixed-rate mortgage of up to 0.8% for five years. The lending criteria require the existence of a Minergie or 2000 Watt Site certificate or a GEAK or GEAK-Plus; Zürcher Kantonalbank reimburses the certification fees.

We also offer our clients free and independent heating replacement advice as additional support for the canton's climate targets. We render this service in collaboration with EKZ (the Canton of Zurich's electricity provider), the City of Zurich Office for Environmental and Health Protection (Umwelt- und Gesundheitsschutz Stadt Zürich) and the Energy Office of the City of Winterthur (Energiefachstelle der Stadt Winterthur). Our client advisors

use the renovation consultation to raise clients' awareness about the topic of renovation and provide transparency regarding anticipated investment dates and amounts.

## Financing business

In the capital market, we support our corporate clients when they issue green, social, sustainability and sustainability-linked bonds. In fact, we will be this segment's leading provider of such services for domestic issuers in 2021. We now offer loans linked to sustainability criteria – sustainability-linked loans – to our major corporate clients.

In 2018 we became the first Swiss bank to start issuing our own green bonds to refinance environmental loans and have been issuing them to refinance projects with energy objectives in the office buildings used by Zürcher Kantonalbank itself since 2021.

## Energy-efficient renovation approach



Together with EKZ and the Building Department of the Canton of Zurich, we offer a free event entitled "Start!" in the municipalities to provide information on the right way to tackle modernisation projects.

The GEAK expert conducts a personal home inspection to identify the building's weaknesses and prepares a **GEAK Plus report** that shows the recommended energy-efficiency measures as well as the associated investment costs, energy savings and subsidies.

An overview of the federal and cantonal subsidies can be found on "[energiefranken.ch](http://energiefranken.ch)" The application must be submitted prior to the start of construction.

Among other things, the "**ZKB environmental loan**" promotes energy-efficient modernisation with an interest rate reduction of up to 0.8%. In addition, we pay the certification fees for GEAK Plus.

<sup>1</sup> UN Principles for Responsible Investment

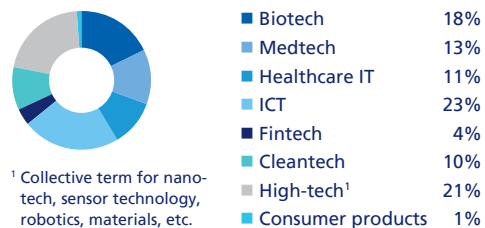
<sup>2</sup> ESG: environmental, social and governance issues

# Start-up funding.

**We were one of the largest and most active start-up investors in Switzerland in 2021 and provided young companies with over CHF 20 million in equity capital.**

We have been financing innovative start-ups since 2005. The lion's share of this financing takes place during the early phase of the business cycle. But even after a company's successful launch on the market, adequate financing options that help start-ups become independent or make investments for further growth are often scarce. That poses a major problem for innovative young Swiss companies. To bridge that gap, the bank is expanding its offering and has offered further investments during the scaling-up phase since 2021. Those investments then lay the foundation for the start-up's future growth.

## Composition of the "Pioneer" start-up portfolio



Together with the private equity fund launched by Swisscanto Invest in 2018, which invests in promising young companies during the subsequent growth phase, the bank now offers a solution with equity capital that supports every stage from start-up and development to scaling-up and growth.

This approach enables Zürcher Kantonalbank to use its expertise as a universal bank to give start-ups access to end-to-end financing and services along the entire life-cycle, ideally up to the time of exit, which could take the form of an IPO, for example.

We have successfully supported the following three start-ups by providing them with risk capital and we continue to monitor their progress closely.

### SCEWO

Scewo was founded as a start-up within the ETH community and is committed to assisting people with limited mobility. Its goal is to help people access any location, independently and flexibly. They developed the Scewo BRO power wheelchair to do just that. This is the only electric wheelchair in the world that combines two-wheel driving with the ability to climb stairs. This electric wheelchair can easily overcome obstacles like kerbs, single steps and even stairs. The stair-climbing mode can be activated with



the simple push of a button. BRO's tracks carry people comfortably and safely up and down straight stairs. Various sensors and a rear-view camera constantly measure its surroundings. The technology is capable of automatically detecting the beginning and end of a staircase, for example. In addition, the height-adjustment mode allows the user to adjust their sitting position seamlessly to fetch things from either a very high or low shelf, for example, or to sit and talk to another person face to face.

### FenX

When choosing insulation materials, the construction industry is forced to compromise on either price, flammability or environmental impact. The ETH-spinoff FenX has found a way of transforming industrial waste into easy-to-handle, high-per-

formance insulation boards that are safe and non-combustible and have a minimal environmental footprint. This solution gives clients excellent insulation that meets all market requirements in terms of safety and eco-labelling and even does so at a competitive price.

### Climeworks

Climeworks permanently removes CO<sub>2</sub> from the air and can be used in two ways: Either the CO<sub>2</sub> is stored safely and permanently underground for millions of years, or it is further processed into climate-friendly products, such as CO<sub>2</sub>-neutral fuels and materials.



Climeworks Direct Air Capture technology uses only renewable energy and the modular CO<sub>2</sub> collectors can be combined to create machines of any size.

# Fairtrade Gold and Traceable Gold.

## Fairtrade Gold

We are the first bank in the world to offer Fairtrade Gold bars, with weights ranging from one to twenty grammes, in cooperation with the Max Havelaar Foundation (Switzerland). Fairtrade Gold represents our active commitment to protecting people and the environment in small-scale mining and promoting support for both miners and their families and communities so that they can make lasting improvements to their situation through their own efforts.

## Traceable Gold

In addition to Fairtrade Gold bars, Zürcher Kantonalbank became the first supplier worldwide to offer its clients gold bars with counterfeit-proof traceability (starting at 250 grammes) in April 2021. The entire range was expanded in January 2022 so that all bar sizes are available as either Fairtrade Gold or Traceable Gold.

The new technology allows the bank to close the gold tracking cycle completely. That improves transparency for producers, traders and clients along the entire supply chain. In keeping with our Sustainability Policy, this helps us guarantee the integrity of the value chain.

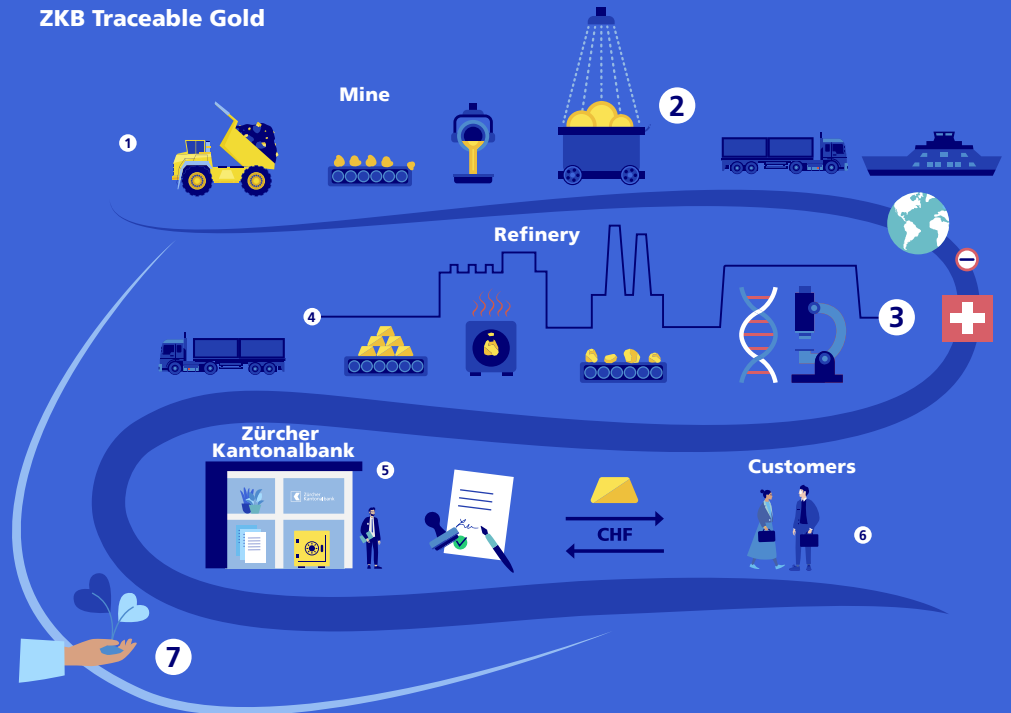
## What are traceable gold bars?

We can show exactly where the gold in each traceable gold bar comes from. The unrefined bars are treated in the mine using a new marking technology from Haelixa, an ETH spinoff. When the shipment arrives at the refinery, a PCR test confirms the source of the precious metal beyond any doubt. Haelixa, a long-standing partner of Zürcher Kantonalbank through the bank's start-up support programmes, has already successfully implemented this marking technique with other materials.

The gold is mined and manufactured in accordance with widely recognised international standards. These standards ensure that human rights are respected, while combating money laundering, corruption and funding for terrorist activities. This also promotes a sustainable approach to the environment.

Zürcher Kantonalbank is involved in the decision-making process during the mine-selection phase. It sets itself very high standards, which limits the choice of countries and mines compared with the rest of the industry.

## Supply chain of ZKB Traceable Gold



- 1 Gold in certified mine
- 2 DNA marker is sprayed onto raw gold
- 3 A PCR test is used to check raw gold for markers at the refinery, after which it is processed in a separate line
- 4 Traceable gold bars are marked with a unique serial number and stamped as necessary
- 5 Zürcher Kantonalbank documents information about its origin
- 6 The client has full transparency and traceability
- 7 The premium collected by the refinery is used to support environmental and social projects in the mines

# Family.

**Zürcher Kantonalbank has long been committed to families and children. Its wide range of services and offerings for families focus on three main themes:**

## **Financial tips for parents**

When you start a family, you enter a new phase of your life. As the bank that's "close to you" in the Canton of Zurich, we assist parents and children during this phase as well. By pointing out which financial issues parents should take into consideration, we show them the costs their family will incur and provide them with clever tips on how to save money.

## **Teaching money management**

Zürcher Kantonalbank also provides help on key issues related to financial education: How much pocket money is appropriate at which age? And how often? Could a youth wage (Jugendlohn®) like the one recommended by Pro Juventute and other specialised agencies be the right approach? And should young people be allowed to dispose of their savings freely?

## **FinanceMission**

FinanceMission is a campaign by cantonal banks to improve financial literacy among young people. FinanceMission Heroes is a free educational game that helps young people learn how to manage money. Greater financial literacy means less youth debt. Our common goal is for FinanceMission to raise awareness about responsible money management among young people and to promote their financial literacy.

## **On the road with children**

Zürcher Kantonalbank is involved in a variety of environmental, social and economic activities. They also benefit families, As clients can go on exciting outings at a discounted price.

Families will find a compilation of relevant, easy-to-access information on the bank's website on everything from starting a family to gradually letting go as the children reach adulthood.

In addition, the bank offers expert support to the people and families in the canton in all life stages: from issues that arise even before the birth of a child to the question of whether property can still remain in the family when a partner dies. The bank has a wide range of services and expertise at the ready to provide answers to all these questions.

For more information on the topics of pocket money, family budgets, and family experiences, go to [zkb.ch/familien](https://zkb.ch/familien)



## What does retirement planning mean?

**Retirement planning means taking financial precautions to prepare for a future change in your living situation. These precautions relate to both income and assets. With respect to income, the focus is on replacing earned income in the event of retirement, disability or death. In the case of assets, precautions serve two purposes. One relates to succession planning. Here, a decision is made as to how and where these assets will have an impact. The other is about the targeted accumulation of retirement assets in the pillar 2 and pillar 3 pensions.**

### Why we provide retirement planning advisory services

The topic of retirement planning is relevant for the entire population. Our social security systems are faced with the challenge of securing the benefits to be provided in the future despite rising life expectancies, a demographic trend toward an ageing society, and persistently low interest rates. People are already feeling this through the countermeasures that pension funds are being forced to take: a longer contribution obligation and increase in the retirement age, lower pension levels due to lower interest rates and declining con-

version rates. These developments show just how important it is for each individual to assume more personal responsibility for their own retirement planning. We provide retirement planning advisory services to educate our clients and help them find solutions for their own personal situation.

### Goals of our retirement planning advisory services

Our goal is to make as many clients as possible aware of the need to take responsibility for their own retirement planning. Zürcher Kantonalbank aims to be perceived as a competent partner for retirement planning.

### Comprehensive advisory approach

The range of retirement planning advisory services offered in the areas of retirement and risk planning, succession and taxes is being developed on an ongoing basis. By providing comprehensive advice, we create transparency about a client's personal situation and work together with them to devise solutions. Since our clients' backgrounds vary in complexity, the consultations are individually tailored to each client's needs. Yet the client experience does not begin with a consultation. The journey actually starts much earlier with the edu-



cational information offered on [zkb.ch/en/home/asset-management/pensions.html](https://zkb.ch/en/home/asset-management/pensions.html). This information covers a diverse range of self-service offerings (including retirement, inheritance and tax calculators) up to and including personal consultations with a digital retirement planning tool followed by digital and personal support to implement the recommended measures.

The scope of the advisory services provided is based on the client's needs. We offer every client a one-hour retirement consultation called "ZKB Retirement Compact" free of charge as an initial analysis and to

take stock of where they currently stand. It includes the submission of an action plan containing specific solutions for optimising their retirement benefits. Advisory sessions conducted by experts from the areas of retirement planning, succession and taxes meet clients' needs for in-depth advisory services. The solutions developed during those sessions are made available to clients both digitally in eBanking and physically in the form of detailed documentation. The digital tools ensure long-term monitoring of the measures, which clients can access at any time.

## Our commitments.

**What we do as a bank, we do on behalf of the canton for the benefit of the people of Zurich. The people of Zurich benefit from the financial success of Zürcher Kantonalbank in several different ways: through the distribution of profits to the canton and the municipalities as well as through our involvement in partnerships and memberships and more than 400 sponsorship commitments.**

### CHF 431 million

Zürcher Kantonalbank's distribution for financial year 2021 to the canton and municipalities

### A challenging year

We decided once again to fully meet our financial obligations to our more than 400 sponsorship partners in 2021, even if they were partially or entirely unable to fulfil their own obligations under the sponsorship agreement due to the pandemic.

### Check Your Chance

Compared to previous years, youth unemployment in the Canton of Zurich has risen significantly in the wake of the pandemic. In order to provide quick

help to affected young people, Zürcher Kantonalbank donated CHF 450,000 to the umbrella organisation Check Your Chance in 2021. This organisation is committed to preventing unemployment among young people in Switzerland. The donation was prompted by the initiative of one of the bank's employees, who launched an online fundraising campaign in October. Once the campaign was over, the bank made a substantial addition to the amount collected by the employees.

The donation will be used to fund measures that directly benefit affected young people in the Canton of Zurich who, through no fault of their own, have become unemployed or are threatened with unemployment because of the pandemic. Check Your Chance relies on several different organisations, including Pro Juventute and the Chance Foundation, which do preventive work, provide direct assistance and offer services and search assistance so that young people can find transitional and follow-up solutions. Zürcher Kantonalbank's donation will help nearly 1,300 young people from the canton. It constitutes an effective contribution towards efforts to combat youth unemployment in the Canton of Zurich.

### Kilchberger Schwinget

Zürcher Kantonalbank has actively supported Swiss wrestling in the Canton of Zurich for many years. The traditional Kilchberger Schwinget, where participation by Switzerland's 60 best wrestlers and spectator attendance is by invitation only, is considered to be the "Olympics" of the Swiss wrestling scene. The event had previously been financed through a foundation but was opened up to sponsors for the first time in 2021, when Zürcher Kantonalbank became one of its two main partners. The Kilchberger Schwinget takes place every six years on the grounds of the "Uf Stocken" estate in Kilchberg.

### Zauberpark

The Zauberpark (Magic Park) combines a superb music line-up for children and adults with light installations and lets visitors experience magical moments in the airport's park. As a presenting partner, we make it possible for visitors to enjoy unforgettable Magic Park experiences against the unique backdrop of Zurich Airport. Our commitment helps promote the airport region and contributes to a diverse cultural offering in the Canton of Zurich.

### Start!

Zürcher Kantonalbank's "Start!" programme is a campaign aimed at promoting smart, energy-efficient building modernisation. This programme revolves around a public information event that has been held in around 90 communities since 2009, attended by a total of more than 10,000 people. The event helps communities raise homeowners' awareness of the options for sustainable, energy-efficient renovations.

### Minergie

Zürcher Kantonalbank has been a MINERGIE® member since the association was founded in 1998 and has also been an industry-exclusive Leading Partner since 2006. This is a key pillar of our sustainability focus on "sustainable building". As the leading bank when it comes to financing real estate in the Zurich economic area, Zürcher Kantonalbank promotes environmentally friendly construction projects by offering an interest rate reduction with the ZKB environmental loan, which is based on Minergie certification, among other things.



# Attractive employer.

**We treat our employees responsibly. Our culture is characterised by respect and fairness. We support our employees regardless of their age, gender, sexual orientation, nationality, religion and physical condition. A total of 5,662 people were working at Zürcher Kantonalbank (parent company) at the end of 2021 (4,944 FTEs). With 389 apprenticeships, we are one of the largest providers of vocational training in the Canton of Zurich.**

## Leadership and development

Our view of leadership is centred around ongoing dialogue with employees. We promote their personal development opportunities and give them the creative freedom they need to respond flexibly to challenges. Instead of assessing our employees based on rigid annual targets, we look at their personal contribution to the corporate strategy. This promotes critical thinking and continuous development. Each employee received an average of 16 hours of continuing education in 2021.

## Work-life balance

We want our employees to be able to strike a healthy balance between their professional commitments and their personal lives. To help them do that, we offer flexible working models and financial support for crèche care. 80 percent of women continue to be employed by us two years after a pregnancy. 125 employees hold political offices and the bank supports their non-profit activities by offering up to one month's worth of paid days off without any reduction in annual leave, for example. We have also seen a slight increase in the number of part-time employees working in middle and senior management. Likewise, the percentage of women working in senior management has also increased.

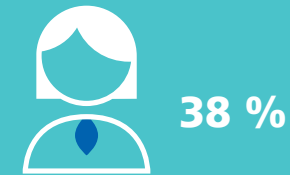
## Gender-independent compensation policy

Our salaries are based on gender-independent job descriptions. Every two years, we have equal pay audits performed by an external partner and we make adjustments

## Part-time working models



## Women in management positions



Women make up 16 percent of senior management.

## Apprenticeships



where needed. Our audit result for 2021 is below the tolerance threshold specified by the Federal Office for Gender Equality.

## Job satisfaction and occupational health

Our 2021 employee satisfaction survey revealed a multi-year peak of 89 points (target: at least 70 points), which confirms our attractiveness as an employer. Zürcher Kantonalbank has also been awarded the

Friendly Workspace® label since 2014, a seal of approval for companies with a systematic approach to occupational health management.



# Sustainable banking operations.

**We promote sustainability in our operations and embrace sustainability as part of our corporate culture. We take targeted action to promote sustainability in the social and environmental realms.**

## Environmental management system

We are committed to protecting the environment, complying with environmentally relevant requirements, and continuously improving our environmental performance. The purpose of our environmental management system is to ensure sustainability – when operating the bank and our properties, in upstream procurement from suppliers, and with respect to the downstream impact of our products and services. We conduct annual audits, and our environmental management system has been certified according to ISO14001 since 2002.

## Focus on regional procurement

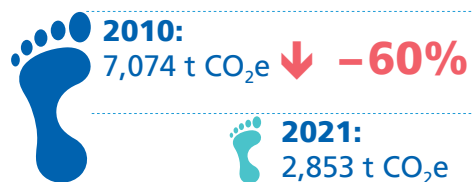
As a bank, Zürcher Kantonalbank procures a variety of products and services for its own operations. When doing so, we are mindful of sustainability criteria as well as environmental and social standards – and expect the same from our suppliers. To that end, we rely on a regional value chain. In fact, more than 50 percent of our suppliers are local businesses from the Canton of Zurich.

## Biodiversity on site

We have been designing our locations' surroundings to be close to nature since 2020. Working together with local partners and using home-grown materials, we create pesticide-free meadows of flowers for wild bees to help preserve and increase biodiversity.

## Operational environmental programme

Our operational environmental programme defines the environmental goals for our operational ecology. The environmental programme aims to ensure a continuous reduction of CO<sub>2</sub>e emissions and improve the bank's environmental performance. This programme has enabled us to shrink our CO<sub>2</sub>e footprint by 60 percent since 2010 to 2,853 CO<sub>2</sub>e tonnes. We offset 100 percent of unavoidable CO<sub>2</sub>e emissions and are increasingly using negative emission technologies (NET).



**For over 150 years, Zürcher Kantonalbank has been a reliable partner to the canton, the people of Zurich and Zurich's economy. Going forward, actions and activities that are geared toward sustainability will continue to be among the bank's inviolable core values.**

## Further information

[zkb.ch](http://zkb.ch)

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## Legal information

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