

Group Sustainability Policy

Informationen

General Information

Sustainability is embedded in Zürcher Kantonalbank's relevant normative, strategic and operating guidelines as an integrated business principle (see Appendix for details).

Definition

Zürcher Kantonalbank's understanding of sustainability involves harmonising successful business activity and responsibility for the environment and society on a long-term basis. The Bank endeavours to implement this business principle in its dealings with its stakeholders.

Main stakeholder groups in the three dimensions of sustainability as they are economy, environment and society.



Activities & Role of Zürcher Kantonalbank

The Sustainability Policy sets out the guidelines for implementation in the various business segments. Zürcher Kantonalbank focuses on activities in which there is significant potential for its actions to have an effect. It aims to improve gradually the sustainability impact of its business activities. We define measurable targets and transparently report – applying the guidelines of the Global Reporting Initiative – on the measures taken and the essential achievements. In this context, transparency is a central and overriding basic principle.

The Bank's understanding of its role is as follows:

Economy

Value Added

We promote the long-term success, the competitiveness and the capacity for innovation of companies and public bodies (municipalities, cantons) along the entire business cycle.

- As our business policy is geared towards continuity, we are a reliable financial partner for companies with sound future prospects, even in challenging times.

- We deploy venture capital for start-up, development, expansion and acquisition financing, and for projects involving sustainable technologies.
- By running our banking operations efficiently, we increase Zürcher Kantonalbank's profitability.

Governance

In relation to the management and monitoring of private companies and public entities, we rely on recognised governance standards.

- We use information regarding corporate governance as a criterion for decision-making in the investment and financing process.
- For Swiss companies, we exercise our own voting rights and those of our clients in the interest of long-term business success with a focus on sustainability.
- In running Zürcher Kantonalbank, we apply the corresponding governance standards.

Taxation

When accepting and investing funds from international private clients, we require these funds to be tax-compliant, and we respect the relevant legislation of the clients' countries of origin. We also endeavour to regularise the assets of our international private clients held at Zürcher Kantonalbank gradually and in accordance with any treaties that may have been concluded with Switzerland.

Corruption & Money Laundering

We take active steps to combat bribery as the core element of corruption. We also counteract the granting and acceptance of undue advantages as well as money laundering in the banking business.

- To combat money laundering and the financing of terrorism, we apply stringent procedures that are established internally and aligned with the relevant international provisions.
- We reserve the right to dissolve business relationships with and investments in companies which make systematic use of corruption and/or money laundering.
- Any bribery and/or corruption on the part of our employees is thoroughly investigated and severely punished.

Environment

Environmental Management

Zürcher Kantonalbank commits itself to improve its environmental performance continuously and – as far as possible and appropriate – even beyond the legal requirements.

Our environmental management also focuses on the ecological impact of our bank operations, products, services and other activities.

Furthermore, we expect our external service providers and suppliers to meet our high environmental standards.

Zürcher Kantonalbank has established an environmental management system based on the international ISO 14001 standard.

Commodities (Industrial metals, precious metals, agricultural commodities, energy commodities, water)

We are committed to transparent environmental and social standards in the commodities life cycle and to the gradual closing of raw material cycles

- In conversations with our clients in the commodities segment, we bring up environmental and human rights issues based on the corresponding internationally recognised industry standards.
- With regard to our commodity products (including precious metals), we are also guided by the existing relevant environmental and social standards.
- In our procurement, we aim to ensure that products are as efficient as possible in their use of resources and environmentally and socially responsible in production, use and disposal.

Energy & Climate

By promoting energy efficiency and the substitution of fossil, non-renewable energy sources by renewable energies, we contribute to the mitigation of climate change.

- We create incentives for our clients to build, modernise and run their buildings and infrastructure in a way which is as environmentally friendly and energy-efficient as possible.
- When investing in utilities, we demonstrate a commitment to further increasing the efficiency of facilities and the gradual shift to renewable energy sources.
- Biofuels are only supported if they are produced from agricultural and forestry by-products and from organic waste, and provided that they do not compete with food production.
- We run our office buildings and infrastructure on a CO₂-neutral basis.

Land

We are committed to environmentally responsible land use and a transparent way of dealing with contaminated real estate.

- We promote the redevelopment and modernisation of existing properties and the recycling of land.
- As part of the credit analysis process, we also take account of factors such as land, subsoil and building fabric and clarify the situation if there are indications of contaminated sites (polluted land).
- We support our clients in the implementation of relevant environmental regulations.

Biodiversity

We contribute to preserving the diversity of habitats, species and genera.

- We steer clear of credit and capital market transactions with companies whose business activities harm protected ecosystems (e.g. primeval forests).
- We are committed to protecting nature in the canton of Zurich and enable the population to benefit from wide-ranging nature-related experiences in natural preserves, when hiking and on nature trails.
- We support regional nature and environmental education programmes.

Society

Human Rights & Equality of Opportunity

Within our sphere of influence, we respect and support measures to uphold internationally applicable human rights as set out by the United Nations, including the rights to life, liberty, security, fair working conditions, equality of opportunity and the rights of children.

- Within the scope of financing and investment decisions, human rights issues are a component of our reputational risk assessment for companies operating globally.
- We do not fund nor actively invest in arms companies that produce weapons prohibited under international treaties (such as land mines, cluster bombs, chemical, biological and nuclear weapons) and/or which violate Swiss sanction provisions.
- In dealings with our clients and staff as well as at public functions, we are committed to equal human rights irrespective of origin, race, gender, age, language, social status, income, religion, political conviction and physical or mental disability.
- On the basis of our purchasing conditions, all our suppliers undertake to respect human rights. Additional requirements are in place with regard to the purchasing of particularly sensitive products.
- We offer our staff attractive and fair employment conditions, thus enhancing their personal security.

Education

We contribute to the enhancement of education and the availability of knowledge and information, especially with regard to specialist banking topics.

- We support both Zurich as an educational centre and persons in training through specific activities and banking services.
- We help give the population of Zurich access to diverse cultural and educational activities.
- By means of our advisory function in daily business as well as our educational and expert activities, we pass on the banking expertise of our staff to the general public.
- We invest in the training and continuing professional development of our staff and offer attractive apprenticeships with promising professional prospects.

Health

We contribute to the health of the people in our environment and therefore to enhancing their quality of life.

- We are committed to health, sport and exercise across all age groups and for the general public.
- Thanks to a wide range of offerings, we support preventive health care for our staff.

Financial Security

We are committed to helping our clients deal responsibly with their financial resources.

- With our savings, investment and retirement product range, we contribute to the long-term financial security and independence of our clients.
- We tackle growing personal overindebtedness – especially among young people – by enhancing awareness of the problem and implementing effective technical precautions.

Appendix – Overview of the Underlying Framework

a. Cantonal Bank Act

The Act governing Zürcher Kantonalbank stipulates that Zürcher Kantonalbank shall conduct the business activities of a universal bank (Art. 7, Business activities) and shall fulfil a public service mandate comprising a provision, support and sustainability mandate (Art. 2, Purpose). The business area of Zürcher Kantonalbank primarily encompasses the Zurich economic area. Dealings in other parts of Switzerland and abroad are permissible provided that the Bank is not exposed to any excessive risks as a result (Art. 8, Business area).

b. Guidelines in respect of the Public Service Mandate

Sustainability is also explicitly established in the guidelines for the fulfilment of Zürcher Kantonalbank's public service mandate: Zürcher Kantonalbank shall fulfil its public service mandate on the basis of a business policy focused on longevity and continuity, which is geared to the market economy and with which an appropriate profit should be generated (Art. 2, Definition). In fulfilling the public service mandate, Zürcher Kantonalbank, as a universal bank, shall observe the principles of sustainability and the recognised rules of risk management (Art. 4, Framework conditions).

c. Mission Statement

The Group mission statement describes the identity of Zürcher Kantonalbank. It encompasses the vision, roots, overriding objectives, central values and the fundamental standards of conduct. The following element forms the basis for the Sustainability Policy: «In our business activities in Switzerland and abroad, we observe the principles of sustainability.»

d. Organisational Regulations

Sustainability is established as an integral business principle in the organisational regulations of the Zürcher Kantonalbank Group (§ 26/27).

e. Code of Conduct

Zürcher Kantonalbank is committed to running its operations in an ethically sound manner, as set out in the Code of Conduct. This incorporates the relevant rules of conduct in relation to issues such as tax evasion, corruption and money laundering for employees' day-to-day actions.

f. Strategic Framework

As set out below, the public service mandate has been established within the Group strategy in the form of a strategic objective and specified further in the strategies derived from it: «Zürcher Kantonalbank has set itself the target of meeting its provision mandate, of demonstrating a strong commitment to the region and of being the leading bank in Switzerland in the field of sustainability.»