



## 2023 Sustainability Report





This year's sustainability report features images of the scenery to be found in the Jura Vaudois Nature Park, an area of outstanding natural beauty that extends along the Swiss-French border from La Dôle, a peak in the southwestern-most corner of the Canton, to the village of Romainmôtier to the northeast. The park authority kindly provided the photo captions and a number of the photographs in the report.

The Jura Vaudois Nature Park, which spans an area of 568 square kilometers, is one of Switzerland's 16 official nature parks. The 34 municipalities within its borders carry out local sustainability initiatives. Since 2013, the park authority has run various biodiversity projects with the backing of its member communities and outside partners, including BCV.

#### Cover image

The Combe des Amburnex is a valley located a short distance from the Col du Marchairuz, a high mountain pass. People and nature coexist peacefully in this vast, unspoiled landscape. The grasslands provide grazing forage for cattle, giving the local cheeses their distinctive flavor, while marshes, spruce forests, and drystone walls serve as precious habitats for yellow marsh saxifrage, the short-tailed weasel, and many other plant and animal species.

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# Letter from the Chair and the CEO



In our complex world, corporate social responsibility (CSR) is becoming increasingly salient. For CSR to gain further credibility, businesses like BCV need to report effectively on the commitments we've made, the actions we've taken, and the results we've achieved.

Mindful of the role BCV plays in our community, we apply sustainable development principles as we execute on our mission of serving the people and businesses of Vaud. We strive to communicate clearly and completely on our ambitions and on our economic, environmental, and social impacts. That effort traces back to 2007, when we released our first sustainability report. Over the years this

has expanded, and since 2019 we've prepared the report in accordance with the globally recognized GRI Standards. This year, for the first time, we'll submit the report to a vote at our Annual Shareholders' Meeting.

In 2023, we drew up a single policy document setting out all of our principles and commitments on sustainability. We also published our socially responsible investing (SRI) policy, which shows how we build environmental, social, and governance (ESG) criteria into our asset management practices. Available online, the



two policies speak to our commitment to transparency on the issue of sustainability.

Our approach to CSR is guided by five ambitions.

First, we aim to offer our clients a wide range of responsible investment solutions, guiding investors toward ESG investments and progressively gearing their portfolios toward the goals of the Paris Agreement, the Swiss govern-

ment's commitments, and Vaud's own climate plan. To achieve this ambition, we're enhancing ESG integration across our product ranges, with input from our partner Ethos, a Swiss SRI specialist. We have signed on to the investor-led Climate Action 100+ initiative. And, in personal banking, we ask our clients about their ESG expectations up front so we can recommend the right products for their goals.

Second, we intend to play a major role in financing Vaud's energy transition. In line with Swiss Bankers' Association guidelines, we address the question of energy efficiency when discussing home financing with customers. And to encourage homeowners to opt for energy-efficiency renovations, we offer preferential terms on mortgage loans along with a growing range of incentives to join the energy transition.

Third, we're committed to preserving the environment and further shrinking the environmental footprint of our operations. We plan to cut our emissions in line with Switzerland's target of reaching net-zero by 2050, with an interim target of reducing our carbon footprint by 35% from 2019 levels between 2021 and 2030. At end-2023, our emissions were already down 27%.

To bring a more holistic approach to environmental issues, we are currently developing a climate strategy. We've set out governance principles, mapped out an action plan, and joined the Partnership for Carbon Accounting Financials (PCAF), which is working to define common reporting standards that financial institutions can use to measure and disclose the greenhouse

gas emissions associated with their lending and investments.

Fourth, we intend to remain deeply involved in the Vaud community, continuing our longstanding tradition of playing an active role in all aspects of local life. In 2023, we backed over 850 associations and events promoting culture, sports, business and the economy, the arts, and the environment. Going forward, we plan to sharpen our focus on projects that help protect biodiversity.

Fifth, all our people should have the same opportunities. So, as a benchmark employer in our Canton, we strive to promote equality and diversity in the workplace. For example, we aim to have 25% of senior leadership positions held by women by 2030; by year-end 2023, we had reached 17%. We also took steps last year to improve our employees' work-life balance.

These ambitions – and these achievements – show how we are actively contributing to building a sustainable society, and our strategy has received high marks from the main ESG rating agencies.

Backed by the strength of our business model, the hard work of our employees, and the trust of our customers and shareholders, we will continue to execute with conviction on our commitment to corporate social responsibility.



Eftychia Fischer  
Chair of the Board  
of Directors



Pascal Kiener  
CEO

# The BCV Group

BCV Group is headed by BCV, the regional bank of Vaud Canton in Switzerland.<sup>1</sup> Founded in 1845, BCV has grown into the Canton's leading bank – today, half of the people and businesses in Vaud bank with us. The Bank offers a comprehensive range of financial products and services through its retail banking, private banking, corporate banking, and asset management and trading businesses.

As a Swiss cantonal bank, BCV's focus is on the Canton of Vaud. We are headquartered in Lausanne and have a dense network of nearly 60 branches throughout the Canton, using our unrivaled local presence and deep knowledge of our home region to best meet the needs and expectations of the Vaudois. BCV is majority-owned by the Canton of Vaud, so our consistently strong financial results serve to bolster our Canton's public finances.

Our vision is long-term and holistic. In line with our corporate mandate, we integrate the principles of sustainability into the way we run our business. Our holistic vision also means that our connection with Vaud is about more than just banking. For example, we sponsor over 850 events and associations throughout the Canton every year.

In addition to BCV, the BCV Group includes the following subsidiaries:

- Piguet Galland & Cie SA, a private bank that provides comprehensive wealth advisory services and personalized investment solutions to private and institutional clients based primarily in Switzerland. It has its head office in Yverdon-les-Bains and five other branch offices across French-speaking Switzerland, in Geneva, Lausanne, Nyon, Neuchâtel, and La Chaux-de-Fonds.
- Gérifonds SA, which is the investment fund administrator for BCV and 11 other fund managers and has a subsidiary in Luxembourg. At 31 December 2023, Gérifonds managed 135 funds, 90 of which were registered in Switzerland and 45 in Luxembourg, with combined assets under management of CHF 18.7bn.

- Société pour la Gestion de Placements Collectifs GEP SA, which manages and administers Fonds Immobilier Romand (FIR), a listed, Swiss-registered real-estate fund launched in 1953 and open to private investors. According to FIR's most recent annual report, the fund had a portfolio of 4,166 residences in 151 buildings, most in the Lake Geneva region.

In 2023, BCV Group reported revenues of CHF 1.16bn and net profit of CHF 469m. With total assets of CHF 58.9bn, we're Switzerland's sixth-largest banking group, and our parent company, BCV, is the country's fourth-largest universal bank. BCV Group had 2,179 employees (1,982 full-time equivalents) at 31 December 2023.

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<sup>1</sup>In this report, "BCV" and "the Bank" refer to the parent company, while "BCV Group" refers to the Group as a whole. Unless otherwise specified, "Executive Board" and "Board of Directors" refer to those governing bodies at the parent company.

# About this report

Our sustainability report details how we have embedded corporate social responsibility (CSR) into the Group's activities. It offers a broad, transparent view of our efforts and achievements in economically, socially, and environmentally sustainable development, as well as in ethics and corporate governance. The report is intended for people and institutions interested in learning more about how BCV Group addresses these issues.

We published a sustainability report in French for BCV every two years from 2007 until 2019; in 2019 we started publishing that report (in both French and English) every year in accordance with the Global Reporting Initiative (GRI) Standards.<sup>1</sup> The GRI Standards are the worldwide reference for reporting on sustainable development issues.

As of this year, the report applies to all BCV Group entities; BCV Group has reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.<sup>2</sup>

This report has been reviewed and approved by BCV's Executive Board and Board of Directors. It was prepared in compliance with Articles 964a, b, and c of the Swiss Code of Obligations;<sup>3</sup> as such, it will be submitted for shareholder approval at BCV's Annual Shareholders' Meeting as the Group's "report on non-financial matters."

Information in this report was the subject of a limited assurance engagement by PricewaterhouseCoopers SA. The limited assurance report, prepared under the International Standard on Assurance Engagements ISAE 3000,<sup>4</sup> can be found starting on p. 126.

Detailed information on the basis of preparation for this report can be found starting on p. 112.

Additional information on BCV can be found in our annual report, which contains an overview of the Bank, including its mission, business sectors, risk management, corporate governance, and financial statements. Further information on how BCV Group manages its risks can be found in BCV's Basel III Pillar 3 report. Our annual report, sustainability report, and Basel III Pillar 3 report are available on our website at [www.bcv.ch/en](http://www.bcv.ch/en).

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## For more information about CSR at BCV:

Corporate Social Responsibility    [info.rse@bcv.ch](mailto:info.rse@bcv.ch)  
021 212 27 43



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<sup>1</sup> GRI, *GRI Standards*

<sup>2</sup> The reporting period for Fonds Immobilier Romand ran from 1 July 2022 to 30 June 2023.

<sup>3</sup> The content index on pages 120 and 121 maps the information in this report to the corresponding reporting requirements in Article 964b.

<sup>4</sup> International Auditing and Assurance Standards Board, *ISAE 3000 (Revised): Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, 2013

# Our main contributions to the Sustainable Development Goals in 2023<sup>1</sup>



## Prioritizing the work-life balance and well-being of our employees of all ages

- Employees can change their work percentage at any point during their career
- Employees have the option of working annualized hours and purchasing extra vacation days
- Pension fund that is fully funded and gives employees the flexibility to choose when they retire
- Two independent support services to help in the event of harassment, bullying, or personal issues

## Making it about more than just banking: BCV in the Vaud community

- Support for over 850 associations and events across the Canton in areas including business and the economy, sports, the arts, community-building, and the environment
- BCV Generosity Program, under which nearly 60 employees volunteered in 2023 to help vulnerable people and promote biodiversity
- Funding for projects led by Jura Vaudois Nature Park and Maison de la Rivière to support biodiversity in Vaud Canton



## Promoting employee skills development

- More than 5,800 days' worth of training delivered by our training center
- Job training for 96 trainees, including apprentices and high school graduates
- Partnership with 42 Lausanne, an entirely tuition-free school of computer programming



## Fostering equal opportunity

- Compliance with Swiss equal pay legal requirements, and Fair-ON-Pay+ certification in recognition of our equal pay practices over the long term
- 41% women in our workforce, with a target of 25% for senior leadership positions held by women by 2030 (17% in 2023)
- 20 days of fully paid paternity leave, two times the statutory minimum

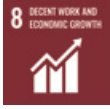


## Committing to the energy transition

- Green Bonus offer to support Vaud SMEs in their energy transition, with zero interest for six months on capital expenditure loans, as well as a partnership with SuisseEnergie's PEIK energy audit program
- Green Bonus offer for our personal banking customers: zero interest for the first 12 months on mortgage loans used to finance the purchase or renovation of properties that meet strict energy standards
- Discussion of energy-saving renovations with customers who wish to take out mortgage loans
- Goal of shifting to low-carbon heating in 100% of Fonds Immobilier Romand's real-estate portfolio by 2050 (27% in 2023)
- 4,710 metric tons of CO<sub>2</sub> emissions – the equivalent of BCV's carbon footprint – avoided through the funding of three projects

<sup>1</sup> Except where noted, the information in this section applies to BCV, the parent company.





### Serving the people and businesses of Vaud

- Leading bank in Vaud, with half of the Canton's people and SMEs among our customers
- Most widely accessible bank in Vaud thanks to our dense retail network

### Maintaining our financial solidity over the long term

- Moderate risk profile in line with our mission as Vaud's cantonal bank
- Ten-year total shareholder return of 258% – considerably higher than the Swiss banking sector index
- Rated AA (stable) by Standard & Poor's and Aa2 (stable) by Moody's
- Rated AA by MSCI ESG and A– by Ethos



### Lending responsibly

- Zero financing for projects relating to coal mines or coal-fired power plants, and decreased exposure to coal in our trade finance business in line with the Paris Agreement
- Zero financing of transactions involving crude oil, residual fuel oil, shale gas, or unsustainable logging or fishing activities
- Funding for an Enterprise for Society Center (E4S) project to quantify the "green value" of Swiss real estate, factoring in both risks and opportunities such as the long-term gains from energy-saving renovations
- Climate-risk management and monitoring



### Backing local businesses

- CHF 13bn in loans granted to Vaud businesses
- Over 120 new businesses financed
- Over 60 business successions financed
- CHF 500,000 in annual funding for the Foundation for Technological Innovation (FIT)



### Reducing the carbon footprint of our operations

- Target of cutting our CO<sub>2</sub> emissions by 35% by 2030 relative to 2019 levels (27% reduction achieved as of 2023)
- Investments to improve our buildings' energy efficiency (CHF 1.2m in 2023)
- Solar panels installed at five of our sites, with work at another site underway
- Contribution toward the commuting costs of employees who don't use parking spaces, and plan under way to lessen the environmental impact of employees' commutes



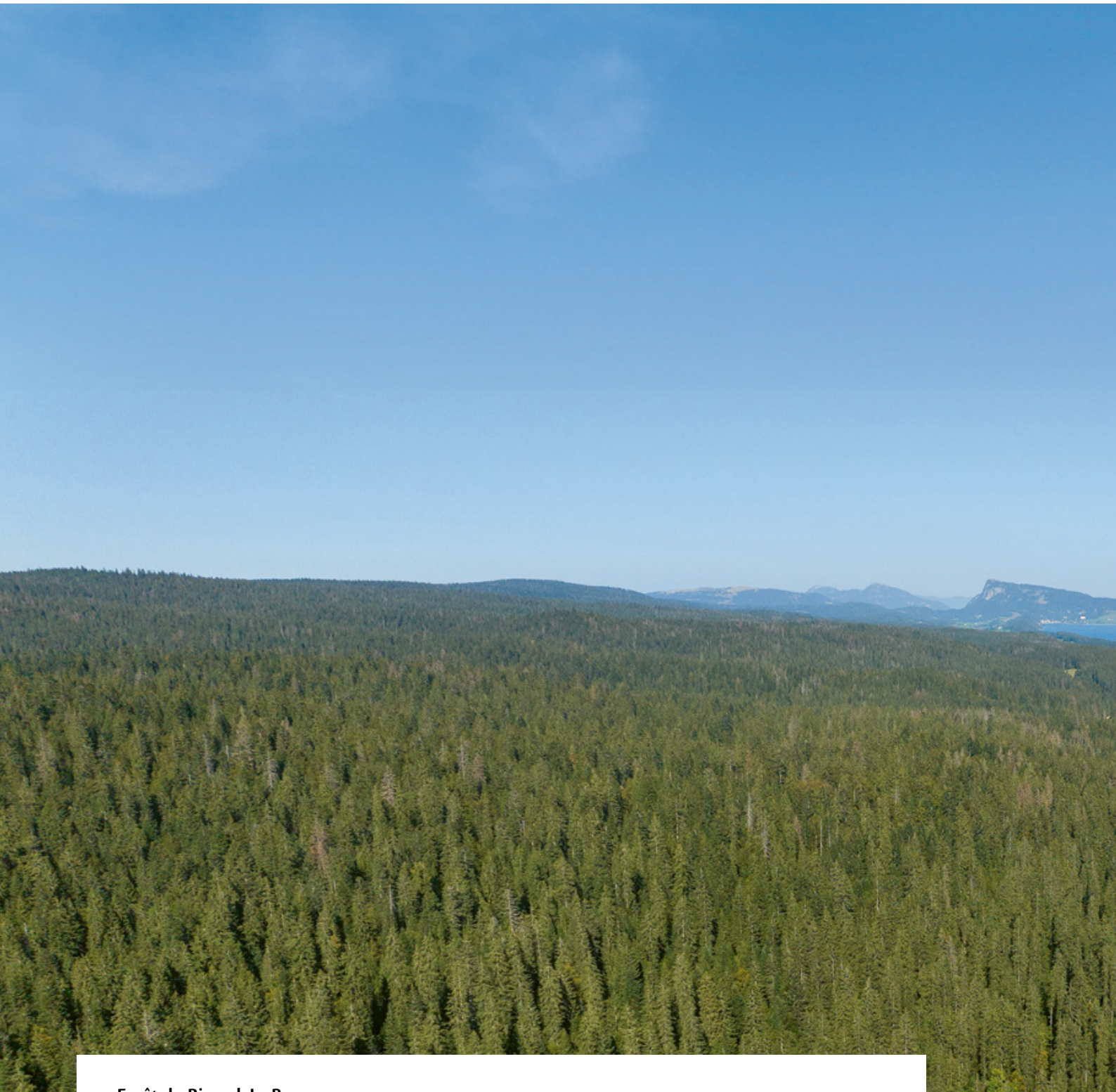
### Advancing socially responsible investing (SRI)

- Thematic products geared toward the Sustainable Development Goals available to all customers through our ESG Ambition product range (AuM of CHF 280m)
- Participation in Climate Action 100+, an investor-led initiative to ensure companies cut their greenhouse gas emissions
- Integration of clients' ESG expectations into the advisory process
- Transition to certified and traceable gold in our physical gold product line



### Forging partnerships in support of a sustainable economy

- Piguet Galland & Cie SA, a BCV Group private bank and certified B Corp, is a signatory to the Swiss Triple Impact program
- Partnership with Swiss SRI specialist Ethos Foundation
- Member of Swiss Sustainable Finance and signatory to the United Nations Principles for Responsible Investment (UNPRI)
- Member of the Partnership for Carbon Accounting Financials, a global organization of financial institutions working to implement a harmonized approach to greenhouse gas accounting
- Member of swisscleantech, an organization that defends the interests of the green economy



### **Forêt du Risoud, Le Brassus**

The Forêt de Risoud, situated in the Vallée de Joux, is the largest contiguous area of woodland in Switzerland. The northern winds that blow through this dense, shady forest give the place a decidedly Siberian feel. The area is prized for its resonance spruce, a type of wood that's highly sought-after by stringed instrument makers the world over. The park authority runs a number of activities for tourists.

# CSR at BCV





BCV Group has adopted a double materiality approach to assess our impact and define our stance on sustainability issues. This approach considers our impacts on society, the environment, and the economy, as well as the risks that could arise in these areas.

## The dimensions of CSR

Corporate social responsibility (CSR) refers to how companies carry over the notion of sustainable development into their operations. The concept of sustainable development was first defined in the 1987 United Nations (UN) Report of the World Commission on Environment and Development, also known as the Brundtland Report, as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” This is the definition that is still used today.

According to the UN, one element of sustainable development is ending poverty in all its forms. This entails promoting sustained and equitable economic growth, raising basic standards of living, fostering equitable social development and inclusion, and promoting the integrated and sustainable management of natural resources.<sup>1</sup>

With the Paris Climate Agreement and United Nations Member States’ commitment to achieving the 17 UN Sustainable Development Goals (SDGs) by 2030, the issue of climate change

has continued to gain importance over the last several years. While not legally binding, the 2030 Agenda serves as a call to action and roadmap for all stakeholders to address the global challenges we face. The SDGs are interconnected, together forming a holistic approach to creating a sustainable future, and must therefore be worked on as a group rather than individually.

At BCV, we believe it’s essential to uphold internationally recognized human rights,<sup>2</sup> in line with the UN Guiding Principles on Business and Human Rights.<sup>3</sup> The Principles call on companies to:

- avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur
- seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations,

products, or services by their business relationships, even if they have not contributed to those impacts.

Corporate social responsibility entails considering the impact companies have on their community, the environment, and the economy, while taking into account stakeholder expectations.

For banks, there are two broad types of CSR-related impacts:

- impacts relating to their day-to-day operations (such as the amount of energy they use), their supply chains, and their employees’ work conditions
- impacts resulting from the companies and activities they finance or invest in through their banking products and services.

### The Paris Agreement (adopted in 2015)

The Paris Agreement has been ratified by UN Member States, including Switzerland, which have committed to:

- holding the increase in the global average temperature to well below 2°C above pre-industrial levels
- increasing the ability to adapt to the adverse impacts of climate change
- making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

<sup>1</sup> UN Development Programme, *Sustainable Development Goals*

<sup>2</sup> UN, *Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework*, 2011

<sup>3</sup> *International Bill of Human Rights*, 1966; *International Labour Organization Declaration on Fundamental Principles and Rights at Work*, 1998

# SUSTAINABLE DEVELOPMENT GOALS



[www.un.org/sustainabledevelopment/sustainable-development-goals](http://www.un.org/sustainabledevelopment/sustainable-development-goals)

## Our mission

As part of BCV’s mission as a cantonal bank, we aim to maintain our position as the bank of choice for the people and businesses of Vaud Canton and as a key player in the Swiss banking sector. As such, we are committed to working for the sustainable development of society.

Corporate social responsibility at BCV goes all the way back to our founding, in 1845, when the people of Vaud petitioned the Cantonal Parliament to create a cantonal bank to serve the local economy and contribute to its development.

The Cantonal Act Governing BCV (LBCV) states that our corporate mandate is to offer a comprehensive range of banking services to the local community, to contribute to the development of all sectors of the Vaud economy and to the financing of the Canton’s public-sector institutions and entities, and to provide mortgage financing in Vaud.<sup>1</sup>

Since 2007, the LBCV has also specified that our Bank is to be guided by the principles of economically, environmentally, and socially sustainable development.

Half of Vaud’s residents and businesses bank with BCV, meaning we have

“ As a responsible bank, we are committed to working for the sustainable development of society. ”

an important responsibility when it comes to our Canton’s economy. Sustainability is embedded in our business model, which focuses on the local economy, prudent risk management, and long-term growth in order to deliver steady profitability. The social and environmental dimensions of sustainable development are also a major focus for us. The numerous measures and initiatives we have implemented in these areas are outlined in our sustainability reports, which we first started publishing in 2007.

<sup>1</sup> The Cantonal Act Governing BCV (LBCV)

# Stakeholder expectations and material topics

Our Group's actions impact all our stakeholders, whether directly or indirectly. In order to adapt our CSR approach accordingly, we must first identify what

these impacts are and discern our stakeholders' expectations. That lets us pinpoint trends early on so that we can mitigate the attendant risks and spot potential opportunities. As part of our CSR strategy, we continually update our practices and measures.

In accordance with the Global Reporting Initiative (GRI) Standards, this

chapter lists the stakeholders that have a significant influence on BCV's activities. In light of the parent company's predominance in our Group, the following discussion of BCV stakeholders and material topics applies to both the parent company and the Group.

## Our stakeholders and how we engage with them

### Vaud Cantonal Government and Parliament

- Regular contact with the Vaud Cantonal Government and the Vaud Ministry of the Economy, Innovation, Employment, and Patrimony as part of our information-exchange agreement<sup>1</sup>
- Responding to BCV-related questions that Vaud's Cantonal Parliament submits to the Cantonal Government (e.g., motions that ask or require the government to legislate)
- Annual meetings with the Vaud Cantonal Parliament's business delegation

### Shareholders (apart from the Canton of Vaud)

- Annual Shareholders' Meeting
- Regular meetings with professional investors and financial analysts

### Supervisory and federal authorities

- Regular meetings with the Swiss Financial Market Supervisory Authority (FINMA) and the Swiss National Bank (SNB)

### Employees

- Employee engagement surveys
- Twice-yearly performance reviews
- Information sessions at various management levels

### Customers

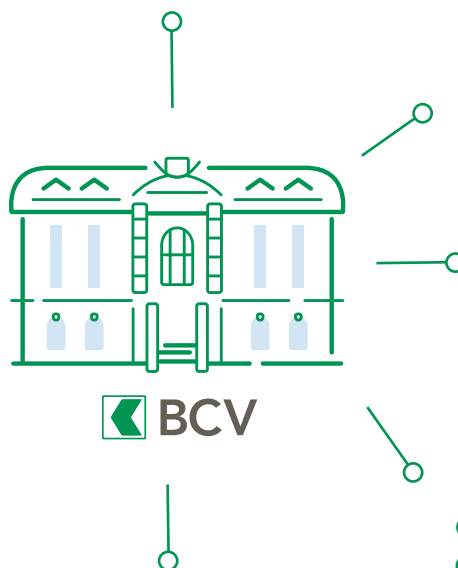
- Market research and satisfaction surveys
- Systematic analysis of customer complaints

### Sustainable development interest groups

- Regular contact with the main interest groups, such as by taking part in surveys and filling out assessment forms

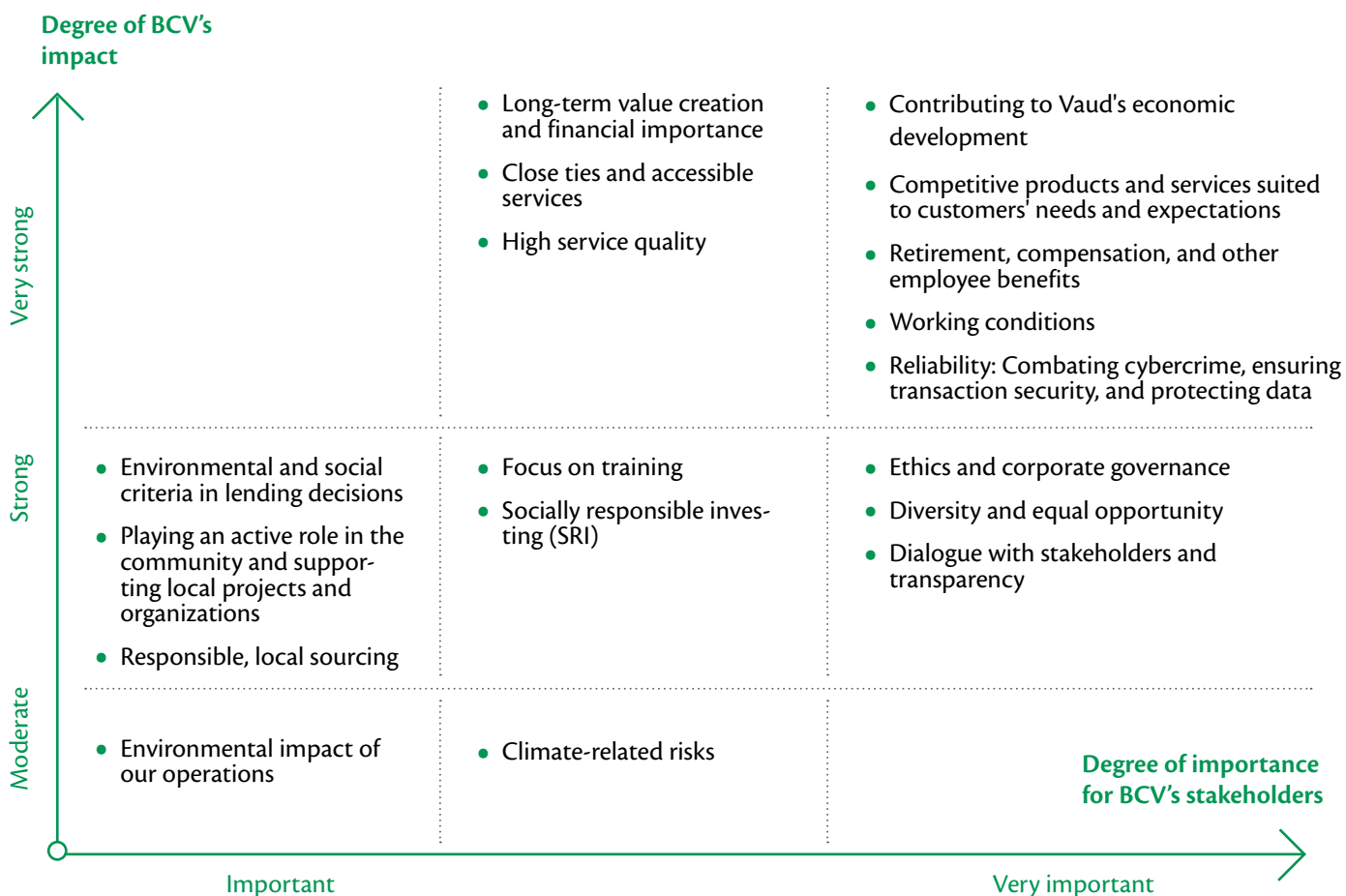
### Cultural, sports, social, and environmental associations

- Numerous exchanges about sponsoring and donations



<sup>1</sup> Vaud Cantonal Government website (in French only): [www.vd.ch/toutes-les-autorites/departements/cheffe-de-departement](http://www.vd.ch/toutes-les-autorites/departements/cheffe-de-departement)

### BCV's materiality matrix in 2023



In the matrix above, we have mapped out BCV's material topics – identified using the GRI approach – based on how important they are to our stakeholders and how big of an impact we can have on each topic.

The matrix is in line with the GRI Standards, which call for weighting material topics based on the following two dimensions:

- the topic's importance to stakeholders, or the extent to which it will influence their decisions

- the significance, or scope, of the Bank's economic, environmental, and social impacts in that area.

In 2019, we put together a working group, led by BCV's head of Corporate Social Responsibility, to identify and prioritize the issues that matter most to our stakeholders. The group's members include employees who have daily contact with various stakeholders, in the ways described previously, and who are therefore most aware of what our stakeholders need from us. The findings are then reviewed every year by the

Bank's Executive Board and Compensation, Promotions and Appointments Committee, and the material topics are updated if needed. This corresponds to Steps A and B in the following diagram, which entail assessing our operating environment and our stakeholders' expectations.

In 2022, we expanded this process in order to include impact assessments of our material topics with regard to the economy, environment, and society, as set forth in the GRI Standards. This corresponds to Steps C

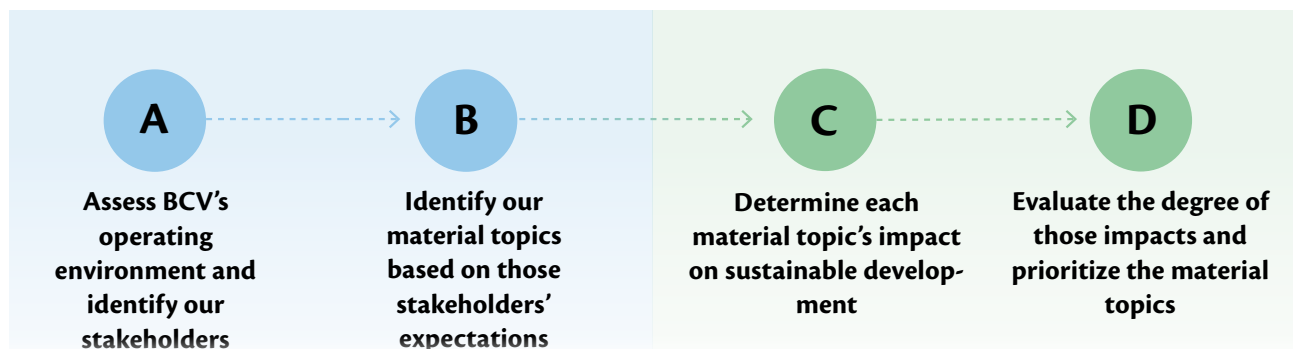
and D in the diagram below. The 2021 GRI Standards require organizations to identify the main economic, social, and environmental impacts associated with each material topic they identify. In Step C, we assess the positive and negative impacts – both actual and potential – of each material topic along our entire value chain. Then in Step D, we determine the degree of each impact based on its scope, severity, irremediable character,

likelihood, and whether it is direct or indirect. The material topics are positioned in the materiality matrix above based on their degree of impact.

The Executive Board and the Compensation, Promotions and Appointments Committee review the materiality matrix every year. The full sustainability report is then sent to the Executive Board and the Board of Directors for review and approval.

Regardless of their weighting, all of these topics are important to us, and we will continue to re-evaluate them annually. Each material topic is discussed in this report, where we present the topic, explain the principles that we apply, and describe the actions we are taking in that area. These topics are also listed in the GRI content index beginning on page 122.

### Our process for determining our economic, social, and environmental impacts





## Dialogue with stakeholders and transparency

As part of our dialogue with the local community, we survey Vaud residents on their main expectations of our Bank in the area of sustainable development. The survey was carried out for the first time in 2020 and has since been repeated every year. The 2023 survey revealed that:

- respondents were just as concerned as in prior years about banks' efforts to promote sustainable development
- respondents especially expect BCV to expand our range of products and services designed to help finance the energy transition, contribute to Vaud's economy by working with local businesses, reduce our own carbon footprint, and put in place other environmentally responsible practices

### Information on two additional material topics

#### *Access to financial services*

Contributing to the economic development of our Canton is at the heart of our corporate mandate. 97% of our total lending is to customers in Vaud or elsewhere in Switzerland. We provide financial services in a region where such services are widely available and used, and we do our part by offering a full range of products and services to individuals and businesses – especially in day-to-day banking and loans. With around 60 BCV branches across Vaud, we have the densest branch network in the Canton. More information about the products and services we provide to the people and businesses of Vaud Canton is given in the chapter "Meeting our customers' needs," starting on page 49.

#### *Biodiversity*

In our lending activities, we primarily provide financing for companies and projects in Vaud, which must comply with Switzerland's stringent standards for protecting the environment, for example with respect to pollution. For our trade finance business, we apply the approach described in the "Commodities policy" section on pages 80 and 81 of this report.

Generally speaking, efforts by the finance industry to develop methods and criteria for addressing biodiversity are still in the early stages. At BCV, we're currently focused on developing our metrics, analyses, and goals with regard to climate-related issues, which we will report on starting with the 2024 financial year. Nevertheless, we are paying more and more attention to biodiversity, as it will become an increasingly important topic for financial institutions.

- as in previous years, respondents believe BCV should help support local projects that have a positive social or environmental impact, for example via our sponsorship and philanthropy activities.

BCV also carries out employee satisfaction surveys every two years, which we commission from an independent polling firm. The firm conducts an anonymous survey of all staff members in order to obtain their opinions on working conditions, workplace relations, and satisfaction with supervisors and, more generally, to determine employee buy-in and commitment. 83% of employees took part in the 2022 survey. The overall satisfaction score was 7 out of 10, indicating a high level of employee buy-in that is comparable with that at other companies. The next survey will be carried out in 2024. Employee satisfaction is also tracked through annual performance reviews, where all staff members are given an opportunity to discuss their perceptions of the year just ended.

Questions from our customers concerning sustainability are collected by the Corporate Communications Department, which drafts responses with the input of subject-matter experts at the Bank. Depending on the issue, responses may be submitted to our CEO for approval.

We are particularly attentive to criticism of the banking industry, especially with regard to greenwashing. To help manage risks in this area, we stay up to date with industry best practices and with any recommendations or self-regulations issued by Swiss Sustainable Finance (SSF), the Swiss Bankers Association (SBA), Asset Management Association Switzerland (AMAS), and Swiss advertising watchdog Commission Suisse pour la Loyauté.<sup>1</sup> We also stay attuned to the expectations of NGOs and follow International Energy Agency (IEA) publications. Recent developments in these areas are communicated to our CSR Committee, which determines whether we need to change any processes or take other measures. BCV maintains open dialogue with stakeholders in order to explain our policies and measures.

In addition, BCV Group closely monitors FINMA publications and the expectations of the Federal Council in the area of sustainable finance, and Group entities take care to implement the applicable recommendations of industry organizations.

We take every opportunity to communicate with ESG rating agencies in order to answer their questions, determine which issues they consider most important, and take the appropriate measures in our business lines.

And these agencies have recognized our ongoing efforts in incorporating ESG criteria and providing greater transparency.

BCV also takes part in the annual CDP survey and received a B rating on climate issues in 2023, the organization's third-highest score.<sup>2</sup>

As part of our efforts to continually improve our transparency, our annual report and sustainability report contain sections on how we address climate-related risks. Starting with the 2024 financial year, we will publish a climate report that incorporates the concept of double materiality and follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). Among other things, the report will include a discussion of the emissions generated in relation to BCV's lending and asset management activities.

## Ratings

**AA**  
MSCI ESG

**Medium**  
Sustainalytics

**A-**  
Ethos

**B+**  
Inrate

**B**  
CDP,  
climate issues

<sup>1</sup> [www.faire-werbung.ch/fr](http://www.faire-werbung.ch/fr) (in French)

<sup>2</sup> CDP is an international not-for-profit organization that runs the main environmental-reporting scheme for companies, cities, states, and regions. For more, see: [www.cdp.net/en](http://www.cdp.net/en).

## Our main sustainability risks

Article 964b of the Swiss Code of Obligations requires organizations to report on their main risks regarding environmental matters, including their goals in the area of CO<sub>2</sub> emissions, social issues, employee-related

issues, respect for human rights, and combating corruption.<sup>1</sup>

The head of Corporate Social Responsibility prepares a list of these risks in association with the Risk Management Department. This list is reviewed by the Executive Board and its Risk Management Committee and by the Board of Directors' Compensation, Promotions and Appointments Committee.

The principles and mitigation measures adopted by the Bank are designed to reduce our exposure to these risks, in line with our moderate risk profile.

These principles and measures are described in this report in the sections covering the corresponding risks. The table below gives the names of the sections where each risk is discussed.

Main sustainability risks	Sections of this report <sup>2</sup>
Risk of controversy about the Group's CSR strategy (for example, if stakeholders aren't aligned with the Group's strategic objective)	<ul style="list-style-type: none"> <li>• Dialogue with stakeholders</li> <li>• Our CSR ambitions and strategy</li> <li>• Socially responsible investing</li> <li>• Responsible lending</li> <li>• Corporate citizenship</li> </ul>
Risk of controversy about how the Group's CSR strategy is implemented (i.e., if stakeholders accuse the Group of not acting in a manner that is consistent with its stated goals, such as accusations of greenwashing)	<ul style="list-style-type: none"> <li>• Sustainability governance and organizational structures at BCV</li> <li>• Socially responsible investing</li> <li>• Responsible lending</li> <li>• Responsible selling</li> <li>• Principles and standards for publication</li> </ul>
Risk of violations of the Group's professional ethics or code of conduct (for example, in the event of insider trading or employee fraud leading to the misappropriation of funds)	<ul style="list-style-type: none"> <li>• Our values and code of conduct</li> <li>• Anti-corruption measures and managing conflicts of interest</li> <li>• Compliance with laws and regulations</li> </ul>
Risk of an accidental violation of the Group's rules against money laundering	<ul style="list-style-type: none"> <li>• Due diligence and tax compliance</li> </ul>
Risk of a cyberattack (i.e., system hacking or malware) that results in a data leak	<ul style="list-style-type: none"> <li>• Cybersecurity</li> <li>• Data protection</li> </ul>
Criticism following an incident of banking identity theft (that doesn't result from a failure of the Bank's IT security systems) with a significant financial impact for Group customers	<ul style="list-style-type: none"> <li>• Cybersecurity</li> </ul>
High staff turnover and difficulty hiring	<ul style="list-style-type: none"> <li>• Being a benchmark employer</li> </ul>
Risk of credit loss on a counterparty that is highly exposed to risks associated with the energy transition	<ul style="list-style-type: none"> <li>• Climate-related risk</li> <li>• Responsible lending</li> </ul>

<sup>1</sup> In this report, these risks are also referred to as "sustainability risks."

<sup>2</sup> These sections describe the concepts we use, the measures we have taken, and the key performance indicators we track.

The governance and organizational structures we use to manage these risks are described on pages 20 to 22, and on pages 43 to 44 for climate-related risks.

## Our CSR ambitions and strategy

Our ambitions and strategy when it comes to CSR are a direct product of the Bank's mission to contribute to the sustainable development of Vaud Canton.

They are set by our Executive Board, approved by the Board of Directors, and together form BCV's sustainability roadmap.

Between now and 2025, we aim to help achieve the UN Sustainable Development Goals by:

- guiding our customers towards investments that incorporate environmental, social, and governance (ESG) criteria and progressively gearing portfolios toward the goals of the Paris Agreement, the Swiss government's commitments, and the Vaud climate plan
- playing a major role in financing the energy transition in Vaud Canton
- committing to preserve the environment and continuing to reduce the environmental footprint of our operations

- fulfilling our social responsibility by playing an active role in the community
- as a benchmark employer, working to achieve equity in the workplace and fostering diversity and equal opportunity.

To that end, we have built our stakeholders' expectations into our CSR strategy. We are continuing to implement concrete processes and measures to manage the direct impacts of our operations. We are also working to incorporate more ESG criteria across our range of investment products and financing solutions. Also, we publish our sustainability report annually in both French and English, with a format and content that meet GRI reporting standards. This gives stakeholders a structured view of the measures we've been taking, with metrics that can be compared from one year to the next.

BCV Group subsidiaries have adopted an approach to sustainability that is aligned with the parent company's objectives. For instance, GEP SA, which manages the Swiss real-estate investment company Fonds Immobilier Romand (FIR), is focused on environmental concerns and aims to actively help achieve the Swiss government's target of net-zero emissions by 2050.

Piguet Galland & Cie SA, a private bank, became a certified B Corp in 2023, making it the fifth Swiss bank to receive this demanding certification.<sup>1</sup>

It is also involved in Swiss Triple Impact – an initiative bringing together nearly 80 Swiss organizations committed to taking concrete action toward a sustainable future. As part of this initiative, Piguet Galland has set four broad objectives in the areas of socially responsible investing, cutting CO<sub>2</sub> emissions, and training staff.<sup>2</sup>

Gérifonds SA administers funds that incorporate ESG criteria, which requires subject-matter expertise and entails making sure that fund contracts contain the appropriate information. Gérifonds furthermore addresses sustainability in the areas of gender equality, waste reduction, and increasing the share of renewable energy.

<sup>1</sup> B Corp Certification is awarded by the not-for-profit B Lab based on an impact assessment in five areas: governance, workers, community, environment, and customers. More information on Piguet Galland's B Corp Certification is available here: [www.bcorporation.net/en-us/find-a-b-corp/company/piguet-galland-cie-sa](http://www.bcorporation.net/en-us/find-a-b-corp/company/piguet-galland-cie-sa).

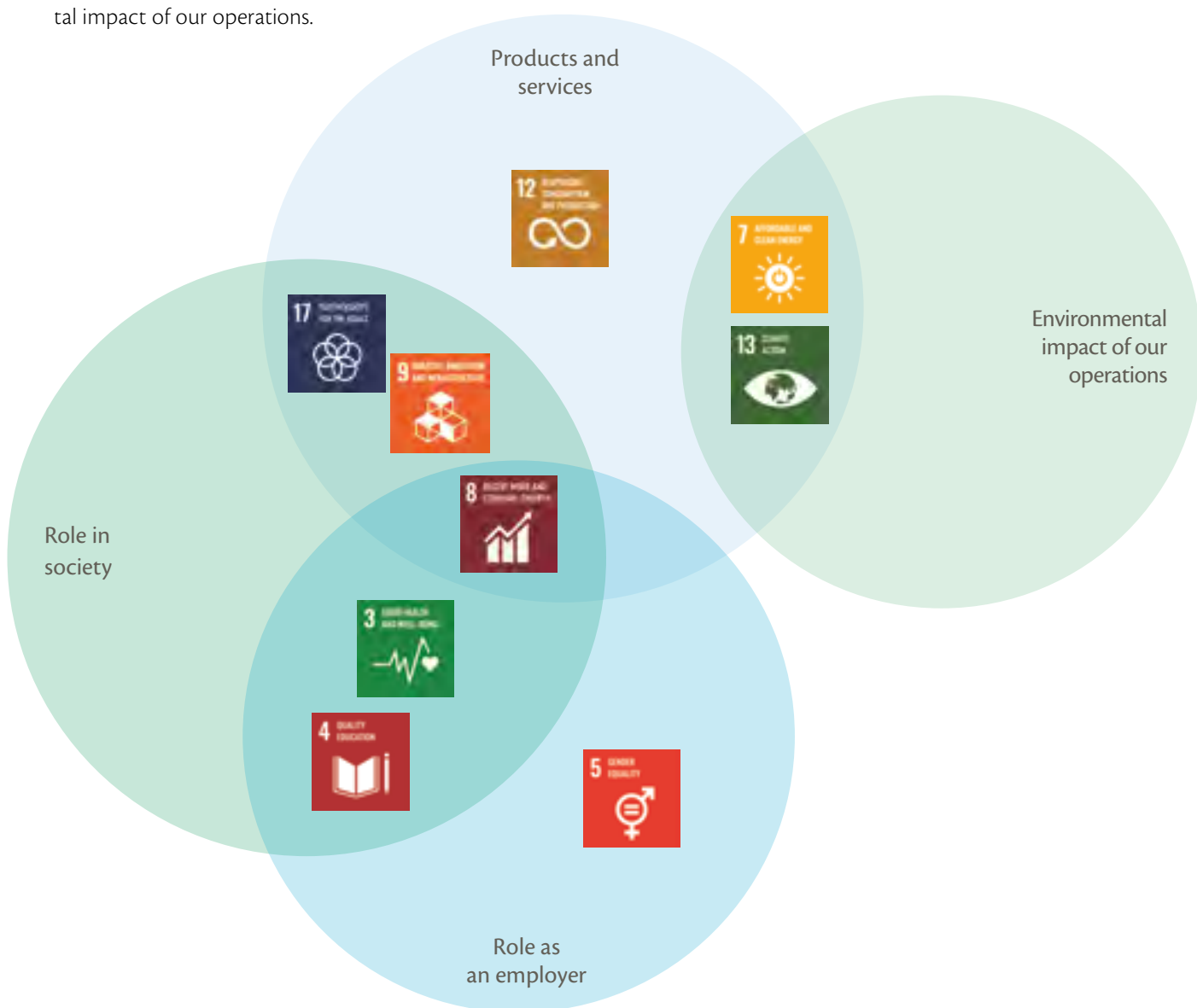
<sup>2</sup> Swiss Triple Impact, *Piguet Galland & Cie SA*

### Sustainable Development Goals

Our approach to sustainability is aligned with the UN Sustainable Development Goals (SDGs; see pages 10 and 11). We strive to work toward them across all our activities, whether through our products and services, our role as an employer, our role in the community, or the environmental impact of our operations.

Given our corporate mission as Vaud's cantonal bank and our business model, we can contribute particularly to the SDGs shown in the following diagram.

Our main steps toward the SDGs are discussed on pages 6 and 7, and SDG icons are shown throughout this report to designate sections that relate to one or more SDGs.



## Sustainability governance and organizational structures at BCV

The parent company's Board of Directors exercises Group supervision over the subsidiaries, subject to the non-transferable and inalienable powers of the subsidiaries' boards of directors.

The following measures have been put in place to ensure that the Group's stance on environmental, social, and governance issues is implemented consistently across the organization:

- Members of the parent company's Executive Board sit on the boards of directors of the subsidiaries.
- The subsidiaries submit an annual report to the parent company's Board of Directors describing their key issues and the measures they are taking.
- The heads of various functions at the parent company coordinate efforts and hold regular discussions with subsidiary representatives.

BCV's sustainability policy, available on our website, describes the guidelines and principles we have adopted in our business lines and operations.<sup>1</sup> The policy covers our material topics with regard to sustainability, which are determined by taking into account stakeholder expectations and our main ESG impacts and risks.

The policy was put forward by our CSR Committee for review by the Executive Board, and presented to the Compensation, Promotions and Appointments Committee for its input. The policy was then submitted to the Board of Directors for approval. The CSR Committee reviews the policy every year and submits any changes to the aforementioned bodies for approval.

BCV has set up a CSR organizational structure consisting of:

- a CSR Committee, which submits recommendations to the Executive Board on the objectives and approaches the Bank should adopt on all CSR-related topics. The Committee is chaired by the CEO and includes the heads of our Credit Management, Asset Management & Trading, and Private Banking divisions, as well as the head of Corporate Social Responsibility along with representatives from our business lines.
- a head of Corporate Social Responsibility, who reports directly to the CEO and oversees implementation of the CSR strategy across the Bank.
- designated CSR representatives at each of the Bank's business lines, who are in charge of further embedding sustainability into their operations and helping coordinate efforts across the Bank. They report on their progress to the CSR Committee.

Every year, the CSR representatives provide the CSR Committee with a description of the projects and ini-

tiatives they have planned for the following year, in order to implement the CSR strategy, ambitions, and objectives submitted by the CSR Committee to the Executive Board and approved by the Board of Directors. The CSR Committee comments on the plans, approves the roadmaps, and reviews progress on the roadmaps either once or twice a year, depending on the specific issues being addressed. The CSR Committee meets ten times a year for three to four hours at a time. The CSR representatives and the head of Corporate Social Responsibility also keep an eye on market trends and regulatory developments and make suggestions to the CSR Committee about any additional reviews to carry out or new measures to adopt.

The Compensation, Promotions and Appointments Committee conducts reviews of the Bank's progress on CSR projects during the year. This Committee also reviews the Bank's material topics and the main economic, social, and environmental impacts as part of the process of preparing the sustainability report, in accordance with GRI Standards (more information on how we identify material topics is given on pages 13 and 14). The list of Committee members appears on page 89 of our annual report.

In addition, the Executive Board and the Board of Directors submit a report every year to the Vaud Cantonal Government on how we executed on our mission as a cantonal bank. The report describes our main

<sup>1</sup> BCV, Sustainability Policy, March 2024

accomplishments during the year, especially in the area of CSR, and is intended to show how we fulfilled our mission as Vaud's cantonal bank. More information on that mission and on the Cantonal Act Governing BCV is given on page 11.

The CSR Committee is responsible for identifying and assessing sustainability-related opportunities and working with BCV's different divisions to determine the measures we will adopt in each business line. It helps identify sustainability risks, particularly those that may affect our reputation or that arise from our customers' evolving needs and expectations, and ensures that appropriate measures in this regard are taken. Additionally, the Committee monitors regulatory and market developments in the area of sustainability.

The CSR Committee also monitors any changes in our stakeholders' expectations. More information about how we engage with our stakeholders can be found starting on page 15.

In line with the recommendations of financial supervisory authorities (such as the Basel Committee on Banking Supervision and FINMA), we consider sustainability risks, particularly those related to the climate, as factors that can be captured in traditional financial risk categories: strategic and business risk, credit risk, market risk, and operational risk. All risks in all areas of the Bank are managed according to the same fundamental principles, using methods adapted to each risk category.

Governance and the main responsibilities in the area of risk management may be summarized as follows:

- The Board of Directors establishes BCV's fundamental risk-management principles and decides the strategy it will pursue in taking on risk. It is also responsible for high-level oversight of the Bank's risk profile. As part of this, the Board of Directors monitors the Bank's main risk factors and exposures, including those related to the climate.
- The Audit and Risk Committee ensures that risk management at BCV is implemented and operational, as decided by the Board of Directors. This Committee also oversees the limited assurance procedures carried out by PricewaterhouseCoopers SA.
- The Executive Board is responsible for ensuring that risk-management procedures are implemented and operational, and for monitoring the

### Ways our governing bodies were involved in 2023

- Our Executive Board and Board of Directors each convened twice to discuss how Articles 964a, b, and c of the Swiss Code of Obligations will affect our Group. These articles require us to, among other things, publish a report on ESG matters and submit the report to shareholders for approval at the Annual Shareholders' Meeting.
- As they do every year, our Executive Board and Compensation, Promotions and Appointments Committee reviewed BCV's material topics (listed on page 13) with regard to sustainability and discussed the main risks concerning environmental matters, social issues, employee-related issues, respect for human rights, and combating corruption.
- Our Executive Board and Compensation, Promotions and Appointments Committee met to discuss progress and achievements under the 2023 CSR roadmap.
- Our Executive Board, Compensation, Promotions and Appointments Committee, and Board of Directors each convened several times to discuss the Bank's attractiveness as an employer and approved a new strategy in this area.
- Members of our Compensation, Promotions and Appointments Committee completed a half-day training course on the main trends and challenges in sustainability governance.

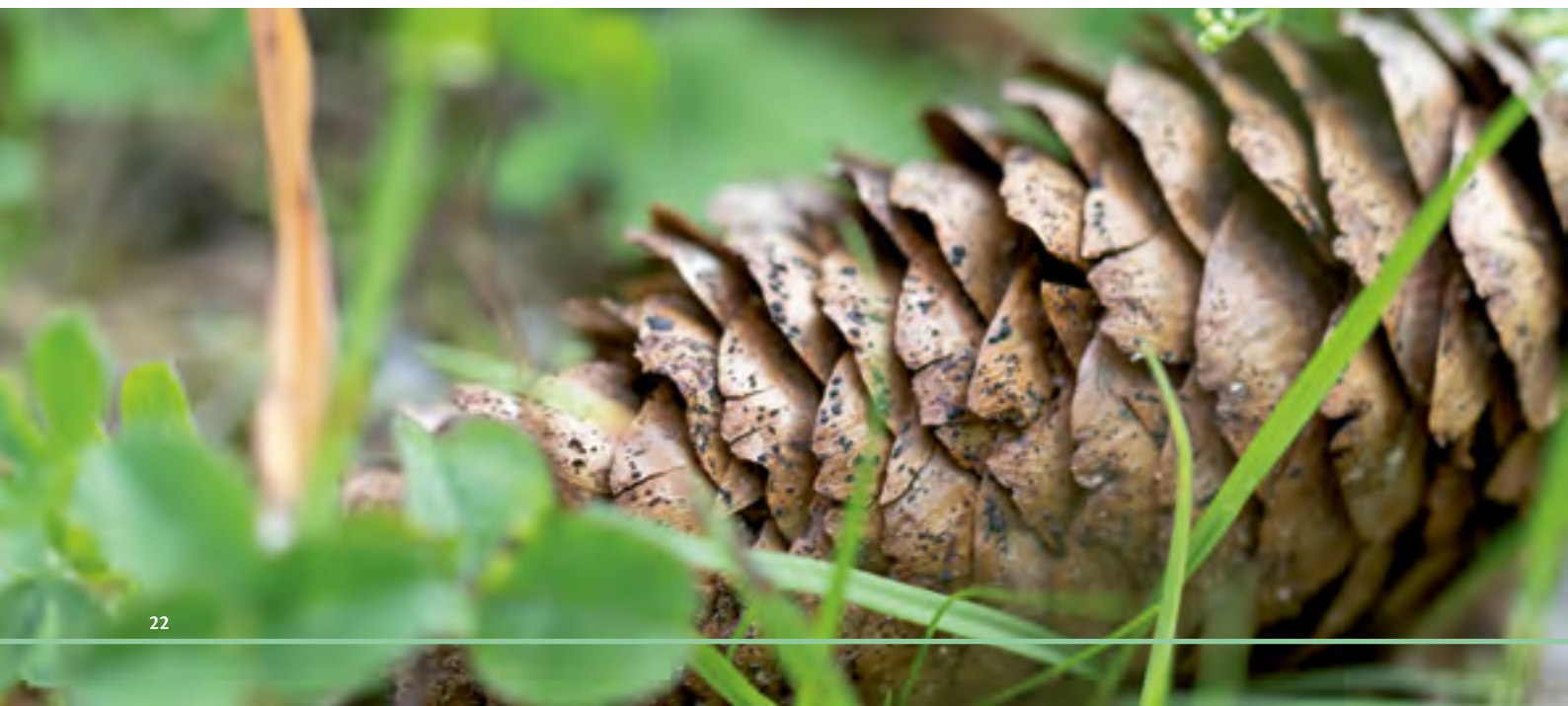
Bank's risk profile. It monitors and assesses the Bank's main risk factors and exposures, including those related to the climate. As part of this, it monitors strategic and business risk and supervises the Executive Board Risk Management Committee in monitoring and reporting these risks. The Committee includes the CEO, the CFO, other division heads, and the head of the Risk Management Department.

- Division heads are responsible for conducting and monitoring the activities of their divisions, regardless of whether the division has a front-line, steering, or business-support role. They have initial responsibility for overseeing, identifying, and managing the strategic, business, credit, market, and operational risks arising from the activities of their divisions.
- The Risk Management Department is responsible for setting up, implementing, monitoring, and adapting the Bank's oversight principles and methods for credit, market, and op-

erational risk; monitoring the Bank's risk profile; and overseeing and executing risk reporting. It ensures that the Bank's main risk factors and exposures, including those related to the climate, are taken into consideration in these processes.

We continuously monitor ESG risks as they evolve, in line with the responsibilities mentioned above. The main risks the Bank is exposed to regarding environmental matters, social issues, employee-related issues, respect for human rights, and combating corruption are described on page 17.

This report includes an overview of the assessments performed and measures taken by the Bank to address climate-related risks (see pages 43 and 44). More information is also available in our annual report, beginning on page 71.





## Our involvement in sustainability initiatives and organizations



BCV is a member of Swiss Sustainable Finance, which aims to strengthen Switzerland's position as a hub for sustainable finance by raising awareness, further developing skills, and supporting concrete action.



BCV is a member of swisscleantech, an organization that promotes a climate-compatible economy by rallying the efforts of policymakers, businesses, and society.



BCV participates in the annual survey by CDP, an international non-profit organization that runs the primary global carbon-disclosure system for companies, cities, states, and regions. It encourages companies to report on their environmental impacts, reduce their greenhouse gas emissions, preserve water resources, and protect forests.

Signatory of:



BCV is a signatory to the UN Principles for Responsible Investment (UNPRI), which seek to promote a sustainable financial system. The UNPRI are the most comprehensive and widely recognized standards for responsible investment.



BCV is a signatory to the Partnership for Carbon Accounting Financials (PCAF). This global partnership, founded in the Netherlands in 2018, brings together businesses (mainly financial institutions) to implement a harmonized approach for accounting for the greenhouse gas (GHG) emissions associated with their operations. This approach to accounting and reporting is designed to help financial institutions measure and assess the GHG emissions associated with their lending and investments.



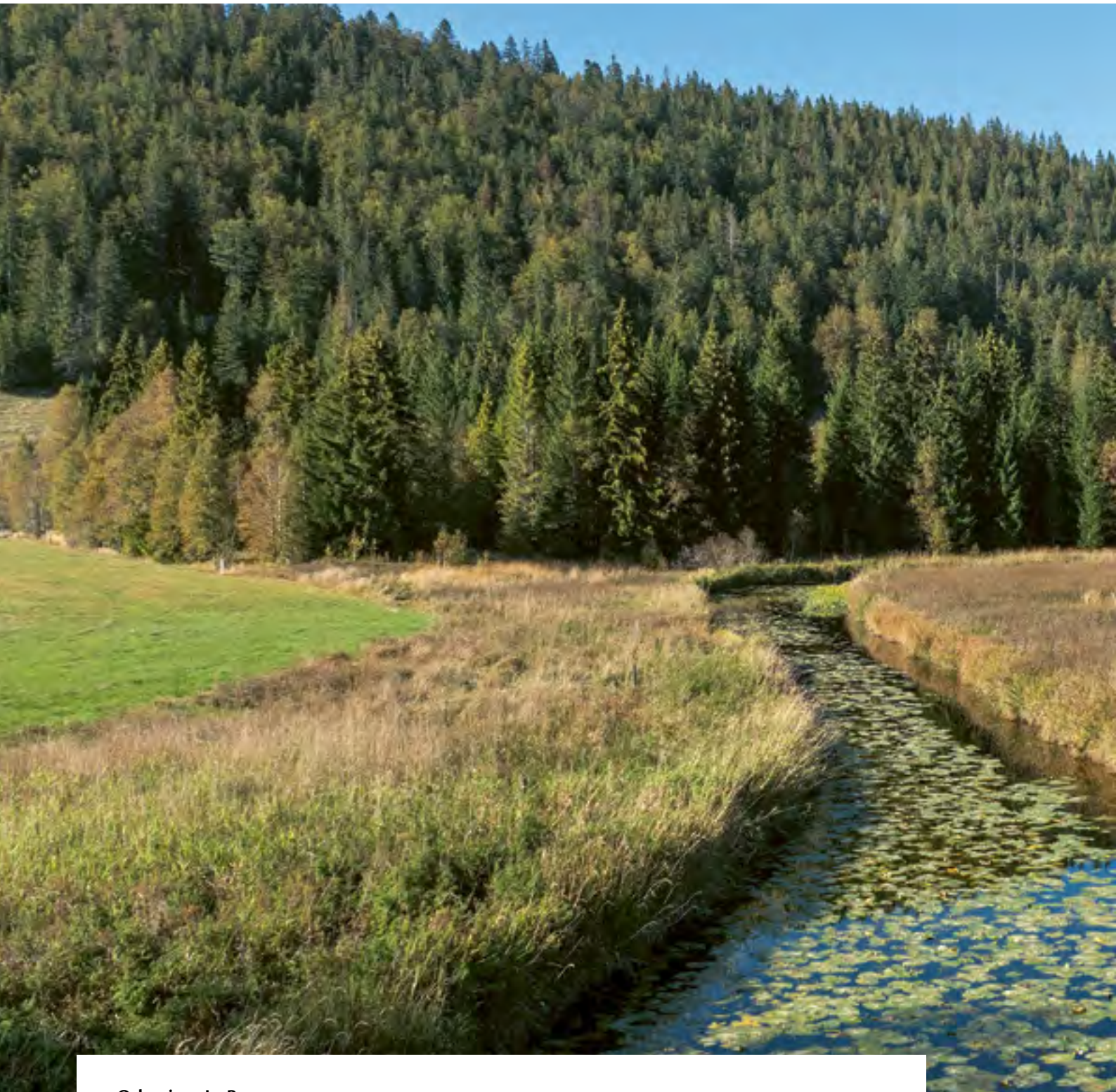
BCV is a signatory to Climate Action 100+, an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.



BCV is sponsoring a project under UCreate, an acceleration program for University of Lausanne students run by the university's HUB Entrepreneurship & Innovation. UCreate is designed to foster students' entrepreneurial spirit and help them conduct cross-disciplinary projects with a significant social or environmental impact.



BCV has served as a coalition leader for Enterprise for Society (E4S) since the organization's founding. E4S is a joint venture of the University of Lausanne – through the university's Faculty of Business and Economics (HEC) – the Institute for Management Development (IMD), and the Swiss Federal Institute of Technology in Lausanne (EPFL), and operates under the stewardship of EPFL's College of Management of Technology. It was set up three years ago to help develop solutions to pressing societal challenges, such as climate change, and spearhead the transition towards a resilient, sustainable, and inclusive economy.



### **Orbe river, Le Brassus**

The Orbe winds gently through forests, pastures, and marshlands in the Vallée de Joux before emptying into the Lac de Joux. The surrounding peat bogs and marshy plains are home to rare plant and animal species such as the dusky large blue butterfly. The park authority actively monitors butterfly populations at sites rewilded under its Toile Verte project.

# A positive, long-term economic impact





## Long-term value creation, solidity, and financial performance

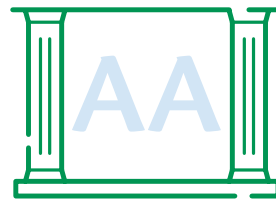
Our business strategy is guided by our ultimate goal of creating value for shareholders, customers, and employees. Our business model is that of a universal bank with solid local roots.

To fulfill our mission of contributing to the economic development of our Canton, we must ensure that our foundations are solid and that our vision for BCV leads to robust, steady profitability going forward. Our strategy therefore targets sustainable growth coupled with a moderate risk profile that is aligned with our mission. That means we do most of our business within the Canton of Vaud and take a selective approach to volume growth.

Our operations focus on our four core businesses: Retail Banking, Private Banking, Corporate Banking, and Asset Management & Trading. At the same time, we are active in selected areas where we have proven expertise – spe-

cific markets that offer strong potential in terms of both growth and profitability. The Bank does not have a proprietary trading business.

Our solid financial position, which has been recognized by Standard & Poor's and Moody's – the two leading credit rating agencies – means we can take a long-term approach, running the Bank with a calm sense of purpose.

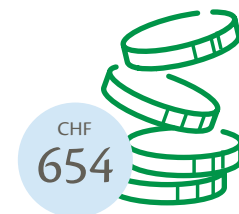


Standard & Poor's rating

One of the many ways we create value is through the long-term strength of our share, which is well above average for the Swiss banking industry. Over the past ten years, the BCV share generated a 258% total return for our shareholders, as against the 9% loss posted by the SWX SP Banks Total Return index for Swiss banks.<sup>1</sup>

The bulk of this value flows to the Canton of Vaud, our majority shareholder, with 66.95% of our share capital.

In 2023, we distributed CHF 327m to shareholders (versus CHF 318.4m in 2022), and the amount we paid out in taxes and dividends to the Canton of Vaud and Vaud municipalities works out to CHF 654 for every household in our home region (versus CHF 649 in 2022). These payouts boost our Canton's public finances, helping fund policies and initiatives that make a positive difference in our community. Our risk management practices comply with the very highest standards, and our Common Equity Tier 1 (CET1) capital ratio of 17.9% is well above the regulatory requirement.



The equivalent amount per household that BCV paid out to Vaud Canton and municipalities

### 201-1

#### Direct economic value generated and distributed (parent company) (in CHF millions)

	2020	2021	2022	2023
Direct economic value generated (operating profit, personnel costs, and extraordinary income and expenses)	678.2	741.3	752.4	<b>844.9</b>
Direct economic value distributed (personnel costs, taxes, and dividends)	652.9	684.8	692.5	<b>757.1</b>
Economic value retained	25.4	56.5	59.9	<b>87.8</b>

#### Amount paid out to Vaud Canton and municipalities in taxes and dividends (in CHF)

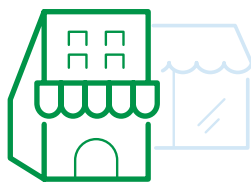
	2020	2021	2022	2023
Equivalent amount per household	645	626	649	<b>654</b>

<sup>1</sup> The SWX SP Banks Total Return index tracks the performance of Swiss banks included in the Swiss Performance Index, with dividends reinvested. Returns are calculated using data from LSEG Datastream.

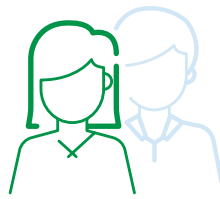
## Contributing to Vaud's economic development

We are the leading bank in Vaud. We contribute to the economic development of our Canton by providing loans and financial services to local residents, public-sector entities, and businesses, especially SMEs. Half of the Canton's people and SMEs bank with us.

As part of our role in meeting demand for mortgage lending, our loan book covers all areas of the Canton. We are the lender of choice for real-estate professionals and help ensure that the supply of housing in Vaud is aligned with demand over the long term. We take a responsible approach, seeking to reduce the risk of overheating in this naturally cyclical market.



**1 in 2**  
Vaud small businesses  
bank with BCV



**1 in 2**  
people in Vaud  
bank with BCV

Over 28,000 companies in Vaud turn to BCV for their banking needs, and we welcomed nearly 2,500 new corporate clients in 2023, around half of which had been operating for less than 18 months.

More local businesses come to us for financial services – current accounts, loans, trading, and investment products – than to any other bank. And our corporate loan book stands at CHF 13bn, which equates to a market share of around 40%.



We provide **1 in 3**  
mortgage loans in Vaud

We provide financing to every sector of the Vaud economy, with a loan book that reflects the economic structure of the Canton and the financing needs

of the various sectors of its economy. Real-estate professionals and construction firms account for 44% of our lending. For every loan we grant, we assess the application on its merits and do not apply sector-specific pricing or lending policies.

BCV offers loans starting as low as CHF 20,000 to small businesses that would otherwise struggle to access financing because the amounts involved are likely too small to interest other banks. Nearly 250 local SMEs had a credit facility of this sort last year for a total of CHF 11m (versus nearly 260 SMEs for a total of CHF 12m in 2022). We also granted 150 loans guaranteed by French-speaking Switzerland's regional cooperative in 2023 (excluding Covid-19 bridge loans). These totaled CHF 23m (versus 185 loans totaling CHF 25m in 2022). More information on our products and services for corporate clients can be found on pages 51 and 52.

### 203-2 Significant indirect economic impacts (in CHF millions)

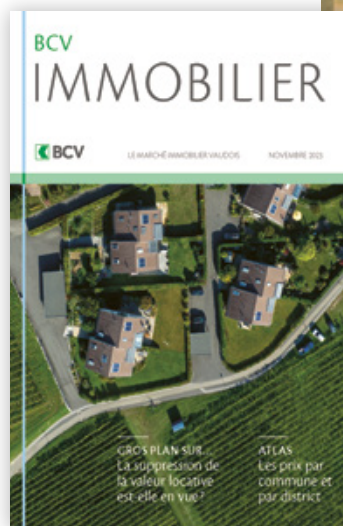
	2020	2021	2022	2023
Total lending to companies in Vaud	11,700	11,824	12,475	<b>13,037</b>
Guaranteed lending	13	28	25	<b>23</b>
Annual funding for the Foundation for Technological Innovation (FIT) and Innovaud	0.55	0.55	0.55	<b>0.55</b>

## Helping stakeholders better understand the Canton's economy

We regularly publish reports, share insights in the media, and hold events to help our clients and the wider public make sense of the local economy and business conditions in the Canton.

### Economic trends and analysis

- Twice a year we release *BCV Immobilier*, an overview of the real-estate sector in Vaud.<sup>2</sup> The topics covered in last year's publications include the proposed abolition of tax on the notional rental value of real estate, the real-estate market in the Broye-Vully region, and the rise in interest rates.
- We contribute to an annual report on the GDP of French-speaking Switzerland published jointly by the region's cantonal banks in conjunction with the *Forum des 100*, an annual conference organized by Swiss newspaper *Le Temps*. Last year's issue looked at the hiring challenges faced by businesses, with more than 120,000 unfilled vacancies nationwide in the fall of 2023, including nearly 25,000 in western Switzerland alone.
- Last summer, BCV and AVENA published a guide in collaboration with *PME* magazine to help small businesses attract and retain the right people in a tight labor market. Entitled *Comment Fidéliser ou Recruter des Talents?*, it features a close-up look at recruiting and retention at six SMEs, along with expert advice on how businesses



also pointed to a shift in businesses' main concerns: whereas geopolitical factors and supply-chain issues came out ahead of rising prices in 2022, inflation had risen to the top of the list by the 2023 survey, followed by hiring difficulties and higher interest rates.

can use their occupational pension plans to broaden their appeal to prospective employees.

- We also contribute to a quarterly report on Vaud's GDP, as well as a publication on business indicators from the Commission Conjoncture Vaudoise. Throughout last year, these publications kept readers abreast of the state of the Canton's economy, including the impact of geopolitical tensions on local business conditions.
- In late spring 2023, BCV conducted a survey of SMEs in the Canton to gauge sentiment amid deteriorating economic conditions. While the majority still assessed their situation as good or very good (54%), respondents were less optimistic overall than in an equivalent survey conducted in 2022 (69%). The findings

### Events

- We hold various in-person and online events for our customers covering key economic and financial trends. Last year, these events – including *Conjoncture & Perspectives*, *Rendez-vous de la Finance*, *5 à 7 de la Finance*, *Les Pros de l'Immobilier*, *Les Rendez-vous des Entrepreneurs*, and *Rendez-vous des CFO* – drew around 3,600 attendees (versus 3,500 in 2022).

<sup>1</sup> [www.bcv.ch/fr/home/la-bcv/actualite-et-medias/bcv-immobilier.html](http://www.bcv.ch/fr/home/la-bcv/actualite-et-medias/bcv-immobilier.html) (in French)



“ Our specialists make regular guest appearances on *La Télé Vaud Fribourg*. ”

#### Other appearances and publications

We also share information, analysis, and advice with the people and businesses of Vaud on the economy, financial markets, and cybersecurity through other channels:

- We send out newsletters to our clients and local businesses, covering financial markets and the latest economic developments.
- Three times a month, our experts write articles for the newspaper *24 Heures*, sharing information and practical advice for people looking to make sense of the business environment and manage their finances. Our specialists also make regular guest appearances on the “Votre argent” segments broadcast on *La Télé Vaud Fribourg*.
- We publish all of this information at [pointforts.ch](https://pointforts.ch), our dedicated platform for economic news and insights, including 98 articles and videos last year alone (versus 127 in 2022). Topics in 2023 included the mounting uncertainty about the trajectory of economic growth and the Swiss National Bank’s decision not to raise its policy rate.

#### Energy transition

We actively share information to help individuals and businesses reduce their energy consumption and cut their greenhouse gas emissions. Throughout last year, our in-house experts and invited guests shared insights for entrepreneurs on the energy transition, energy supply, energy-efficiency renovations, and the business case for green buildings through appearances at *Les Pros de l'Immobilier*, *Rendez-vous des CFO*, and other BCV events, as well as in videos and articles, many of which appear on [pointforts.ch](https://pointforts.ch).

## Promoting innovation and sustainability in Vaud

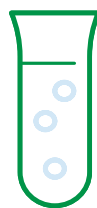
BCV is a member of Innovaud, the Vaud Cantonal Government's agency for promoting innovation and investment, which provides support to pioneering businesses of all sizes – startups, scaleups, SMEs, and large corporates – based in the Canton or looking to set up here. We make an annual contribution of CHF 50,000 to the agency to support its work.

The Foundation for Technological Innovation (FIT) is also part of the Innovaud network. This non-profit provides grants and loans to startups in Vaud and the rest of French-speaking Switzerland in order to stimulate the local economy and encourage innovation. Because the program is only open to companies less than three years old, FIT is often one of the first sources of external capital for early-stage ventures. Its experience and expertise also lend credibility to fledgling businesses, opening the door to a larger pool of investment sources.

The Bank has supported FIT since its inception in 1994, most notably through a commitment of CHF 500,000 per year. We also have a representative serving as vice chair of the FIT board, and several BCV representatives sit on the FIT selection committees.

FIT has helped create over 5,500 jobs by providing financing to hundreds of startups across a wide range of industries – from life sciences, digital health, food and nutrition, and clean technology to ICT, manufacturing, aerospace, and cybersecurity. It also supports startups that aim to provide solutions to environmental, energy, healthcare, and social challenges. More than 300 of these businesses are still active.

In early 2023, FIT launched FIT Impact, a new initiative backed by BCV that supports low-tech startups with a positive social impact emerging from universities and other higher-education institutions in Vaud. The first six ventures have each received grants worth CHF 10,000.



CHF **500,000**  
in funding committed to the  
Foundation for Technological  
Innovation (FIT) every year to  
support Vaud startups

In total, FIT disbursed CHF 4.85m in grants and loans to 44 businesses in 2023 (versus CHF 6.28m to 44 businesses in 2022). Recipients of FIT support in 2023 include the following startups:

- Neology, whose stationary and on-vehicle ammonia-cracking technology addresses the cost, transportation, and storage challenges associated with conventional methods for producing and distributing hydrogen gas
- Atipikey, a neurodiversity-focused startup that emerged from the UCreate program at the University of Lausanne's Entrepreneurship and Innovation HUB; this firm has developed a participatory process that helps businesses adapt their services and working environment to the needs of autistic and other neuroatypical people as part of a broader diversity and inclusion strategy
- HoliYou, a self-care app developed in partnership with European fertility clinics that offers personalized follow-up and wellness programs with the aim of reducing stress and boosting success rates for couples looking to conceive with the help of fertility treatments.



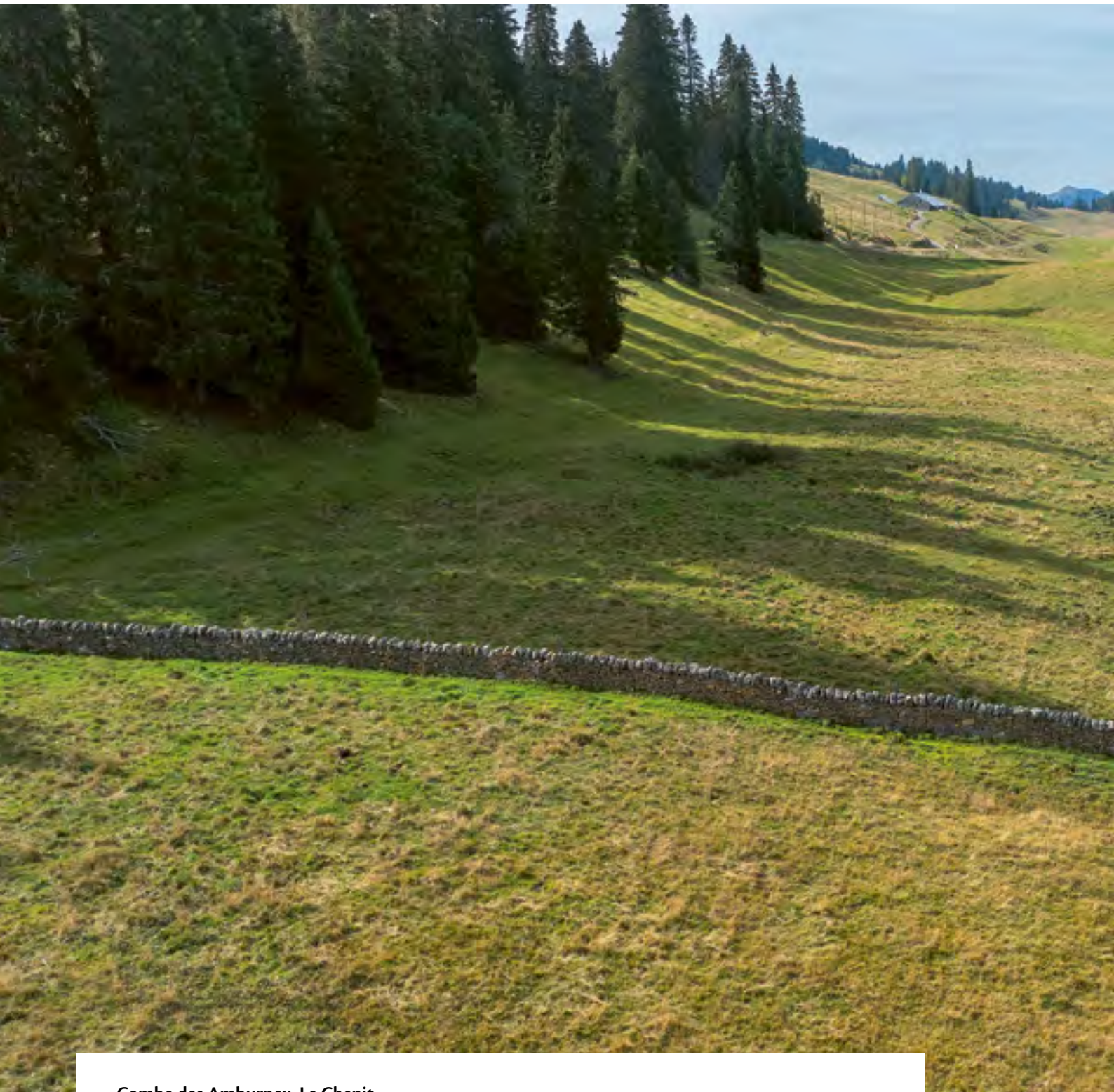
Through our financial contribution to FIT, we are playing our part in bringing fresh faces and new ideas onto the local business scene, as well as helping sustainability-focused ventures get off the ground.

In 2023, BCV provided a third straight year of financial backing to the Enterprise for Society Center (E4S), an initiative jointly led by the University of Lausanne's Faculty of Business and Economics (HEC), the Institute for Management Development (IMD), and the College of Management of Technology at EPFL. E4S was founded in 2019 with the mission of helping society overcome its challenges – especially climate change – and spearheading the transition toward a more resilient, sustainable, and inclusive economy. At BCV we aim to support these efforts and have served as a coalition leader for E4S since its founding. As part of this, we are supporting the E4S-led Master of Science in Sustainable Management and Technology program, which is geared toward training up the next generation of leaders in sustainability and responsible management. The first cohort of students graduated from this program in 2023.

The partnership is giving rise to collaborative initiatives as well. For instance, the Bank is backing an E4S-led research project that aims to calculate the “green value” of Swiss real estate, incorporating energy transition-related benefits, requirements, and uncertainties. The end goal is to provide a new method for financial assessment that factors in both risks and opportunities, including long-term gains from investments in energy-efficiency renovations. Also, in August last year, E4S directors were invited to speak to around 350 BCV managers, where they outlined their organization's work and explained the economic implications of living within our planetary boundaries.

In 2023, BCV also sponsored the UCreate acceleration program for innovative projects, which is run by the University of Lausanne's Entrepreneurship and Innovation HUB. The program aims to stimulate entrepreneurial thinking among students and provide them with support as they work on interdisciplinary, high-impact projects.



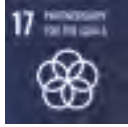


### **Combe des Amburnex, Le Chenit**

The Combe des Amburnex is a vast, unspoiled landscape typical of the Jura Mountains. Cattle are put out to pasture here in the summer. Although the drystone walls were originally built to mark off fields, they also help support local biodiversity: species such as short-tailed weasels and wall lizards feed on the insects living in the gaps between the stones, and use the walls as shelter during the mating and breeding season.

# Ethics and corporate governance





## Our values and code of conduct

We believe that one of the keys to our long-term success is having a common culture built around four core values – close ties, professionalism, performance, and responsibility. At BCV Group, we live these values every day. They’re what set us apart from our peers. And they underpin everything we do, including how our employees interact with customers and colleagues.

All new hires are made aware of our Code of Professional Conduct, which is available on our website.<sup>1</sup> It sets out behavior that is expected of our Group’s entities, their governing bodies, and each and every staff member.

The principles contained in the Code are applicable to any action or decision taken by BCV Group employees in a professional context. As well as setting out our core values, the Code details the principles of professional ethics to which we adhere. It includes sections on good corporate gover-

nance, compliance with laws and regulations, identifying and managing conflicts of interest, anti-corruption measures, transparency toward customers, health and safety, and privacy and personal data protection.

“ Our Code of Professional Conduct sets out the behavior that is expected of our Group’s entities, their governing bodies, and each and every staff member. ”

### —○ Close ties

Our employees use their on-the-ground presence and their knowledge of the local community to fully appreciate and understand the needs and expectations of our customers.

### —○ Professionalism

Every employee is committed to delivering the best possible service to customers. To achieve this, they draw on the best practices in their respective fields of expertise and constantly seek to expand their skills and knowledge.

### —○ Performance

At BCV Group, we set ourselves ambitious goals across the board. Our people are results-oriented. They systematically seek pragmatic and effective solutions to the challenges that arise every day.

### —○ Responsibility

Our employees demonstrate responsible professional behavior. This includes taking responsibility for their actions, being conscientious in their work, and being loyal to the Group.

The Code also states that sustainable economic development is at the heart of our corporate mission and reaffirms our commitment to incorporating environmental, social, and governance (ESG) criteria into all our business activities – including wealth management, asset management, and lending – and our operations.

Given how important these values are to us, the parent company has set up a long-term training program designed specifically to reinforce them across the organization. BCV’s values are also an integral part of employee performance reviews.

<sup>1</sup> [www.bcv.ch/en/home/la-bcv/investor-relations/overview](http://www.bcv.ch/en/home/la-bcv/investor-relations/overview)

## Corporate governance

In addition to BCV (the parent company), BCV Group comprises the following wholly or almost wholly owned subsidiaries: Piguet Galland & Cie SA, G rifonds SA, and Soci t  pour la Gestion de Placements Collectifs GEP SA.

The parent company's Board of Directors and Executive Board also serve as the Board of Directors and Executive Board of the Group, which is not a holding company. At the operational level, each of the subsidiaries reports to a BCV division according to the type of business in which it engages. Upon the recommendation of the parent company's Executive Board, the parent company's Board of Directors submits proposals to the subsidiaries' boards of directors concerning the appointment of, as a general rule, the majority of the members of those boards (including the chair), and the appointment of their CEOs.

The parent company's Board of Directors determines the strategic role of the subsidiaries within the Group and the general principles that apply to the Group as a whole. Subsidiaries have control systems in place and report periodically to the parent company.

BCV Group applies corporate governance standards and best practices. The parent company follows the recommendations contained in the Swiss Code of Best Practice for Corporate

Governance whenever they are compatible with its status as a corporation organized under public law.

BCV Group entities adhere to a strict separation of functions policy, and the powers and duties of their various committees are formally documented. The legal, regulatory, and internal-policy requirements that apply to our activities are set out in in-house directives and procedures. Each entity's internal control system, which falls under the responsibility of the entity's Executive Board and Board of Directors, ensures that these requirements are properly implemented. A detailed description of the parent company's governance arrangements

and internal control system can be found on page 75 of our 2023 Annual Report

### No political contributions

BCV Group has a policy not to provide any type of formal support to any political party or organization. We do not take positions on political issues, except for matters that concern the Group's business activities or that could have a material impact on our business environment. We do, however, encourage our employees to get involved in the community, including in organizations of a political nature, and we make work-time arrangements for the roughly 100 staff members who hold public office.

### Members of the Board of Directors

BCV's Board of Directors comprises seven non-executive members. None of the members performs any other functions within BCV Group, and all are independent members within the meaning of FINMA Circular 2017/1 "Corporate governance – banks."

Three members are elected by shareholders.

Four members are appointed by the Vaud Cantonal Government (VCG).

Although they are given appointment letters, they are deemed independent, as they receive compensation for BCV board-related activities from the Bank alone and do not receive any specific instructions from the VCG.

All candidates for the Board of Directors, including those appointed by the VCG, are proposed by the Board (on the recommendation of the Compensation, Promotions and Appointments Committee) on the basis of their skills, knowledge, and professional experience. Other selection criteria include areas of expertise and a deep understanding of the business environment and overall context in Vaud, as well as consideration of the Board's gender balance.

## Membership in industry organizations

BCV is a member of the Swiss Bankers Association (SBA) and the Association of Swiss Cantonal Banks (ASCB), two umbrella organizations that represent the interests of the Swiss banking industry and Swiss cantonal banks, respectively.

In its June 2020 position paper entitled *Sustainable Finance in Switzerland: From Pioneer to a Premier International Hub*, the SBA declared its support for the transition to a sustainable economy and argued that sustainable finance represents an opportunity for the Swiss banking industry.<sup>1</sup>

The industry body also supports international net-zero initiatives and recommends that its members join those such as the Net-Zero Banking Alliance (NZBA) and the Net Zero Asset Managers (NZAM) initiative.<sup>2</sup> In June 2022, it published guidelines for its members on promoting energy-efficient renovations when providing in-person and online advice to people seeking financing for single-family and vacation homes. Furthermore, the SBA has drawn up formal guidelines on providing clients with ESG information on their investments and integrating their preferences in this area into the advisory process.

The ASCB, in a sustainability position statement, writes that Swiss cantonal banks view economic, social, and environmental sustainability as an overarching guiding principle and support the United Nations Sustainable Development Goals, to which Switzerland is a signatory, as well as the climate targets set in the Paris Agreement. The ASCB further states that the cantonal banks engage actively in discussions on the implementation of these goals and targets in the Swiss financial industry, and contribute to the development of relevant standards and classification systems.<sup>3</sup>

BCV's CEO sits on the boards of directors of both the SBA and the ASCB, and the Bank's position on climate, energy, and other sustainability matters is in alignment with the approach taken by these two industry organizations. The Bank paid a combined CHF 745,000 in annual membership fees to the SBA and the ASCB in 2023 (versus CHF 763,000 in 2022).

BCV is a member of swisscleantech, an organization that engages in advocacy within both the political sphere and the private sector for Switzerland's target of reaching net-zero by 2050. We are also a member of Swiss Sustainable Finance, which aims to strengthen Switzerland's position as a hub for sustainable finance by providing information and training and by catalyzing growth.

## No profit shifting

In addition to BCV (the parent company), BCV Group comprises the following wholly or almost wholly owned subsidiaries: Piquet Galland & Cie SA, Gérifonds SA, and Société pour la Gestion de Placements Collectifs GEP SA. The Group's presence outside Switzerland is limited to the Luxembourg subsidiary of Gérifonds, which creates, structures, and manages funds registered in Luxembourg. The former parent company branch in Guernsey was wound up at the end of 2023.

In 2023, the Group paid CHF 74.2m in taxes, for an average tax rate of 14% relative to operating profit. Of this, 99.7% was paid in Switzerland in the form of direct federal tax and cantonal and municipal taxes. The remaining 0.3% was paid in Luxembourg.

BCV Group does not shift profits offshore or to other Swiss cantons for tax optimization purposes.

## Compliance with laws and regulations

At BCV Group, we constantly analyze our strategic decisions, internal operating framework, and day-to-day business activities to ensure that they comply with the law, external and internal regulations, and the ethical standards set out in our Code of Professional Conduct. In 2021, we published a revised version of the Code that placed greater emphasis on CSR.

As explained on page 34 of this report, the Code of Professional Conduct sets out the principles that govern the

<sup>1</sup> SBA, *Sustainable Finance in Switzerland: From Pioneer to a Premier International Hub*, June 2020

<sup>2</sup> A full list of SBA sustainable finance publications can be found here: [www.swissbanking.ch/en/topics/sustainable-finance/principles-and-recommendations](http://www.swissbanking.ch/en/topics/sustainable-finance/principles-and-recommendations).

<sup>3</sup> Paraphrase of the position statement (in French) available at: [www.kantonalbank.ch/fr-CH/Themen-Positionen/Standpunkte/Nachhaltigkeit](http://www.kantonalbank.ch/fr-CH/Themen-Positionen/Standpunkte/Nachhaltigkeit)

Group's relationship with the authorities and the wider community, as well as with its employees. In particular, it emphasizes the importance of:

- complying with the law and external and internal regulations, and of the procedure employees should follow if they have any doubts
- identifying and preventing conflicts of interest and correctly managing any such situations
- protecting confidential data relating to our customers, BCV Group, and employees
- reporting any behaviors, events, or incidents that violate the law, regulations, or the Code of Professional Conduct (i.e., whistleblowing); the Code specifies that the Group has a procedure in place to keep such reports fully confidential and protect any employee who makes a report in good faith.

BCV Group entities have systems in place for monitoring changes in the regulatory environment, while their business lines and support functions are responsible for identifying and analyzing regulatory developments that could affect their specific activities. This information is compiled into periodic reports for the parent company's Board of Directors, Audit and Risk Committee, and Executive Board.

In addition, Group employees are required to regularly complete training courses on applicable laws and regulations.

## Due diligence and tax compliance

BCV Group has invested considerable resources in the areas of:

- compliance with the various sanction regimes that it is required to follow
- monitoring of market abuse
- the fight against money laundering and the financing of terrorism
- tax compliance.

In all our business activities, we prioritize high-quality client relationships, and we do not enter into client relationships if the inherent risk is not aligned with the Group's risk appetite in terms of money laundering, the financing of terrorism, market abuse, economic sanctions, or tax compliance.

### Economic sanctions

To the best of its knowledge, BCV Group complies with the various sanction regimes that it is required to follow as a result of its business activities. In this, we give priority to the sanctions imposed by the Swiss State Secretariat for Economic Affairs (SECO), the US Office of Foreign Assets Control (OFAC), and the European Union.

### Market abuse

BCV Group's systems for monitoring market abuse are designed to identify instances of insider trading and market manipulation.

### Money laundering and terrorist financing

By accepting funds and executing payment and financing transactions, banks are exposed to the inherent risk that one or several of their clients may be directly or indirectly involved in money laundering or the financing of terrorism. Banking supervision rules therefore require banks to have systems in place to detect signs of these activities. Determining the economic background of client funds and the purpose of transactions is a central component of the due diligence process, which consists of monitoring client relationships and transactions made through the Bank.

BCV's front-line businesses take initial responsibility for identifying money-laundering and terrorist-financing risks relating to both client relationships and transactions. The Compliance Department sets out the framework to be followed within the Bank, provides tools for implementing that framework, and supports and monitors the work of the front-line businesses.

The Group systematically identifies all parties involved in each client relationship, which we then categorize based on money-laundering and terrorist-financing risk factors, in alignment with the regulatory requirements set out in the Swiss Anti-Money Laundering

Act (AML). These categories are then used to determine the extent of monitoring and the appropriate escalation process for each relationship. Client relationships showing signs of an increased risk of money laundering or terrorist financing must go through an approval process. This involves various levels of management, such as the Compliance Department.

We likewise categorize client transactions based on their size and in accordance with regulatory requirements. Dedicated software, configured for each of the Bank's business lines, is used to detect transactions that are at a high risk of money laundering or terrorist financing. High-risk client relationships and transactions go through an internal review process, which includes strict rules on supporting documentation, while transactions representing the highest level of risk must be approved by the Compliance Department.

In July 2022, BCV further tightened its process for managing money-laundering and terrorist-financing risks with a new categorization method for client relationships featuring even more detailed and rigorous detection criteria.

“ The Group systematically identifies all parties involved in each client relationship. ”

More details about our policies and processes for managing compliance risk can be found on pages 67 to 69 of our 2023 Annual Report.

### Tax compliance

Our policy is designed to prevent undeclared funds from entering BCV Group. It operates on the premise that customers are responsible for completing their tax returns, paying their taxes, and complying with all other legal and regulatory requirements that apply to them. We require non-residents to supply a self-certification form confirming that they comply with their tax obligations in their tax jurisdiction(s) and, in some cases, we may ask clients resident in Switzerland to supply a document of this type.

The Group complies with the requirements of the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters. We also comply with the Foreign Account Tax Compliance Act (FATCA) agree-

ment between Switzerland and the United States. We constantly monitor the regulatory landscape and update our tax compliance directives, processes, and documents as needed.

Customers can request a tax statement to complete their tax returns. In 2019, we updated these documents to help customers fill out their Swiss tax returns, and we've made further improvements since then to make it easier to obtain documents digitally.

Since 2021, BCV has made e-tax statements available to personal banking customers via the BCV-net online banking system. This feature, which we implemented in coordination with the Vaud cantonal tax authorities, allows customers to import the data from the statements directly into their online cantonal tax returns.





## Anti-corruption measures and managing conflicts of interest

### Managing conflicts of interest

Professional conduct and respect for the values of BCV Group are an integral part of our corporate culture. BCV Group's governing bodies and employees follow the principles and rules set out in our Code of Conduct.

As a financial institution, BCV Group may encounter potential or actual conflicts of interest in the course of doing business. As such conflicts cannot be fully avoided, all appropriate measures are taken to manage them effectively and with the necessary transparency. Any potential conflict of interest will be handled by refusing to provide the corresponding service or by informing the client or third party concerned, in an appropriate manner, of the

existence and nature of the conflict of interest and of the resulting risks. This information will be provided in writing and with the details needed for the client to make an informed decision about the service associated with the conflict of interest.

BCV Group has drawn up an internal framework to help identify and manage potential and actual conflicts of interest. The framework sets out the basic principles on managing conflicts of interest, as well as the organizational measures and monitoring processes we employ to limit and control the associated risks.

An employee's use of confidential information obtained in a professional capacity about BCV Group, our customers, or third parties for the employee's own benefit or that of a third party is prohibited and may constitute a criminal offense.

Customers can also find detailed information on our website about our policy for managing conflicts of interest.<sup>1</sup>

### Anti-corruption measures

BCV Group annually evaluates and monitors corruption risks, which can be closely related to the risk of money laundering and sanctions. Our strict control framework enables us to take appropriate measures, up to and including termination of a banking relationship.

BCV Group takes a zero-tolerance approach to all acts of active and passive corruption (bribing someone else or accepting a bribe) in the course of professional activity. Employees may not offer, promise, or grant any advantage in any form that would lead to behavior contrary to the law or their professional obligations. And employees may not – for their own benefit or that of a third party – solicit, be promised, or accept from any party internal or external to BCV Group any direct or indirect advantage that has any bearing on their function.

For example, BCV Group employees are prohibited from offering and accepting gifts with a value of more than CHF 200 per person, or invita-

<sup>1</sup> BCV, *Information on BCV's Policy for Managing Conflicts of Interest*, September 2021



tions to cultural or sports events or seminars where the price of admission is worth more than CHF 500 per person.

Our anti-corruption rules are set out in BCV Group's Code of Conduct and in the directives and employee regulations of each BCV Group entity. Any violation may result in disciplinary measures, up to termination. The most serious cases may be reported to the authorities. Furthermore, an anti-corruption clause must be included in any contract subject to foreign law; the clause aligns with the anti-corruption provisions applicable to all contracts concluded under Swiss law.

The Group has also put in place training and awareness-raising measures in this respect. For example, new parent-company hires at all levels, from apprentices to managers, must take part in an onboarding program that covers corruption and conflicts of interest. And while employed at BCV, employees are kept up to date through ongoing training that is continually being updated to meet current needs and requirements. Members of the Executive Board also undergo such training.

As in 2022, there were no confirmed cases of corruption among BCV Group's employees or governing bodies in 2023.

## Data protection

At BCV Group, we take every precaution to protect the personal data of our customers and employees. And we know our customers' trust depends on our ability to keep their personal data secure and use it appropriately. A failure on this front could cause both financial losses and reputational harm to our customers and to the Group itself.

Switzerland's new Federal Act on Data Protection (nFADP) came into effect on 1 September 2023. The new legislation represents a major overhaul of the first Federal Data Protection Act, which dated back to 1992, and brings Swiss law into line with European Union law. The nFADP introduces stricter rules on the processing of personal data.

For instance, companies are now required to:

- apply two new principles: "privacy by design," which requires privacy and data protection to be hard-wired into products and services starting from the design phase, and "privacy by default," which requires products and services to be designed with the highest possible level of data protection enabled when they are released (i.e., without any intervention from users)
- carry out a data protection impact assessment before starting a processing activity that presents a high risk to data subjects' personality rights or fundamental rights
- inform data subjects before collecting any of their personal data (not just their sensitive personal data, as was the case previously)
- keep a register of personal data processing activities, including information about how the companies process personal data, so they can handle information requests more promptly
- notify the Federal Data Protection and Information Commissioner of any personal data security breach that presents a high risk to the data subject's personality rights or fundamental rights.

“ The Group has a range of organizational and technical measures in place to prevent personal data from being viewed, used, modified, or destroyed by unauthorized persons. ”

We have drawn up a series of documents outlining our data protection policy, which is based on this new legal framework.

Our Code of Professional Conduct sets out the principles and rules applicable to all BCV Group staff with regard to privacy and data protection.<sup>1</sup> If we are required to collect personal data about our customers or employees, whether by law or by circumstances, we handle such data in compliance with the nFADP. And whenever we share data with authorized third parties, we adhere to the law and our General Conditions.

The Group has a range of organizational and technical measures in place to prevent personal data from being viewed, used, modified, or destroyed by unauthorized persons. We centrally manage access to client data and apply the need-to-know principle when deciding who can view the data.

Further details can be found in our Data Privacy Notice, which is available on the BCV website and applies to all BCV Group companies.<sup>2</sup> The notice describes customers' data-protection rights and informs data subjects of the types of personal data we process and how we use them. It states that data subjects have the right to:

- access their personal data

- have their personal data corrected if inaccurate or incomplete
- oppose or request to limit the processing of their personal data
- request the deletion of their personal data (if there are no overriding interests that require the ongoing collection of personal data).

## Cybersecurity

Cybercrime is continuing to increase and represents a major risk for companies. It has proven to be an especially pressing concern for BCV Group. We have assessed potential threats to the Group's businesses – including cyberattacks, fraud, and other security risks – and taken appropriate measures to protect our IT systems, data, and operations. We monitor these threats around the clock, working closely with specialized partner firms and with Swiss government agencies in charge of combating cybercrime, such as the National Cyber Security Center (NCSC).

BCV fully complies with ISO/IEC 27001, the international standard on information security management,



“ We have assessed potential threats to the Group's businesses – including cyberattacks, fraud, and other security risks – and taken appropriate measures to protect our IT systems, data, and operations. ”

for which we obtained certification in October 2022. In addition to setting out technical and management objectives, the standard lays down requirements on how organizations are to implement, maintain, and continually improve their information security management system.

Because the methods used by cybercriminals are changing constantly, we regularly review and upgrade our practices, and we use penetration testing and other measures to test our capacity to withstand cyberattacks.

In December 2023, the Bank became certified to ISO 22301, the international standard on security and resilience for business continuity management systems. The technical and organizational measures we have put in place are designed to reduce the likelihood that a disruptive event will occur, to bolster

<sup>1</sup> The Code of Professional Conduct can be downloaded from BCV's website: [www.bcv.ch/en/home/la-bcv/investor-relations/overview](http://www.bcv.ch/en/home/la-bcv/investor-relations/overview).

<sup>2</sup> [www.bcv.ch/en/home/legal-information/data-privacy](http://www.bcv.ch/en/home/legal-information/data-privacy)

our readiness and response, and to keep the Bank's essential services running should such an incident happen.

The Bank also runs regular, full-scale exercises to make sure its systems and processes are robust. As well as testing our business continuity plans once a year, we hold crisis-management simulation exercises at least once every two years as a way to train staff and improve our procedures.

We post regular messages and run campaigns to keep employees alert to cyber threats, covering subjects such as data leak prevention, security when working remotely, and phishing attacks, whereby cybercriminals target employees with fake emails. Phishing poses a particular threat at BCV, and we have responded with an ongoing employee awareness campaign. Measures include:

- social engineering tests, where we check how alert employees are to phishing attacks by sending them fake emails
- additional training for staff who fall victim to these simulated attacks.

Major banks in Switzerland and worldwide are experiencing a rising tide of fraud attempts against their customers. In response, we now display alerts on this topic on the landing pages for BCV's online banking services. A dedicated page on our website features tips and advice explaining how customers can stay safe online and what to do if they think they may have fallen victim to a scam.<sup>1</sup> We have also rolled out new account security features that customers can switch on and off themselves in the BCV-Mobile app. For instance, customers can allow web-browser access

from within Switzerland only or block it completely.

We regularly share information and advice with the general public and our customers – especially our business clients, who are highly vulnerable to cyberattacks. Last year, our experts wrote further articles on cybersecurity for the Swiss daily newspaper *24 Heures*. We will continue these efforts in 2024.

### Priority cybersecurity threats for BCV Group

We have identified a number of priority threats, grouped into three categories:

- hacking and other attempts to gain unauthorized access to IT systems, which can take two forms: malware and similar intrusions, which use malicious software to try to infect our systems, and denial-of-service or mass-mailing attacks, which seek to prevent authorized users from accessing these systems
- customer data theft and breaches of confidentiality, which can originate from within or outside the Group
- identity theft, whereby a fraudster steals a customer's identification details or misappropriates tools used by the customer, such as payment software.

To protect against cyber and other threats, Group entities regularly test and update their security systems to make sure their safeguards and measures remain effective and adequate over time.

<sup>1</sup> [www.bcv.ch/fr/home/particuliers/produits/e-banking/cybersecurite](http://www.bcv.ch/fr/home/particuliers/produits/e-banking/cybersecurite) (in French)

## Climate-related risk

The socioeconomic impacts of the physical hazards caused by climate change and of the transition to a low-carbon economy are increasing and can affect all economic agents, including the financial sector and banks.

At BCV Group, we integrate climate-related risk into our risk management framework in order to protect its interests and those of our customers. In keeping with the recommendations of supervisory authorities (i.e., FINMA and the Basel Committee), we consider the physical hazards caused by acute and chronic climate events and the transition to a low-carbon economy to be risk factors that could impact all categories of risk to which the Group is exposed – strategic and

business risk, credit risk, market risk, and operational risk.

The key aspects of the parent company's approach to managing climate-related risks are described below. More details can be found in our 2023 Annual Report (starting on page 71).

### Governance

The Bank manages climate-related risks according to the same basic principles of governance and organization as all other risks. Under these principles, risk-monitoring authority is assigned to the Board of Directors, while the Executive Board is given responsibility for managing and assessing risks, and the Risk Management Department for developing risk-assessment methods. This explicitly includes climate-related risk factors.

More information about CSR governance at BCV can be found on pages 20 and 21 of this report.

### Risk management

Our approach to managing climate-related risks is fully aligned with our overall risk-assessment principles. The physical impacts of climate change and the transition to a low-carbon economy are among the main risk factors capable of affecting the Bank's exposure to risk. Climate-related risk can therefore be defined as the possibility that a risk event will occur as a result of changes in one or several climate-related risk factors that, in turn, will have a negative impact on the Bank. Climate-related risks may involve strategic, credit, market, or operational risk.

As a full-service bank with solid local roots, BCV is exposed to climate-related risk factors in various ways: through its strategic positioning, daily business decisions, lending activities, trading and investment activities, and operational procedures. In all of the Bank's business



activities, climate-related risk factors are an integral part of managing risks. Detected sources of exposure are analyzed and monitored at all levels of the Bank, from the Board of Directors on down.

### Strategy

BCV operates primarily in Vaud Canton, which has a diverse, strongly services-oriented economy; services have been less affected than manufacturing by the transition to a low-carbon economy. We make sure our strategy and objectives are consistent with the commitments made by the Swiss government and the Vaud Cantonal Government to combat global warming (i.e., both current commitments and the roadmap to 2030 and 2050 targets).

We assess climate-related risk factors for our main sources of exposure: lending activities, trading and investment activities, and operational procedures.

More information can be found on page 81 of this report, in our 2023 Annual Report (starting on page 71), and in our Basel III Pillar 3 report.

### Metrics and targets

We actively monitor climate-related risk metrics and use standard methodologies as the basis for our approach, particularly in our lending and client-driven investment activities. For these activities, we also examine other ways to add to our climate data in order to strengthen our measurement of climate-related risks.

In the coming years, we will continue to develop our methods for assessing climate-related risks by seeking to adopt best practices and improving the data needed for our assessments. And starting in the 2024 financial year, when the new ordinance on climate disclosures comes into effect,<sup>1</sup> we will publish our own standalone report that will follow the recommendations of the TCFD.

We are aiming to cut our emissions at a pace consistent with the Swiss federal government's goal of reaching net-zero by 2050, with an interim target of shrinking the carbon footprint of our operations by 35% from 2019 levels between 2021 and 2030. The Bank's emissions are published on page 101 of this report.

In our trade finance business, we aim to reduce our transaction-based exposure to coal at a slightly faster pace than in the Paris Agreement-compatible scenario (i.e., the rate at which global coal use needs to be phased down in the energy mix in order to meet the emissions target set out in the Paris Agreement, as defined by the International Energy Agency). More details can be found on pages 79 to 81 of this report.

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<sup>1</sup> The Ordinance on Climate Disclosures took effect on 1 January 2024: [www.news.admin.ch/news/message/attachments/74006.pdf](http://www.news.admin.ch/news/message/attachments/74006.pdf).

## Responsible selling

At BCV Group, we recognize that our customers come to us for products and services tailored to their needs. We also know that they rely on us to provide reliable financial advice and to be open and transparent with them. As part of our approach in this area, we are especially mindful of the risk of greenwashing. Some of the steps BCV is taking on this front are detailed below:

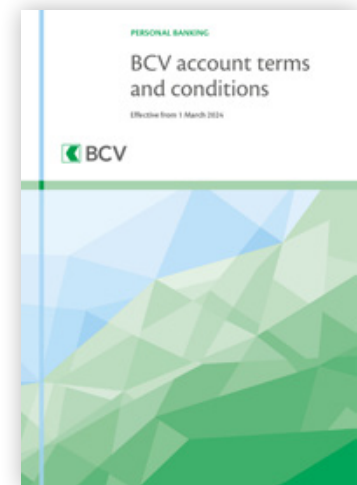
- Our advisors are trained to speak to customers about the financial risks associated with our various products and services – including in day-to-day banking, wealth management, lending, and financial planning.
- We have clearly defined governance structures and processes in place to make sure that we advertise responsibly, transparently, and factually. Our advertising is checked by our Marketing and Communications Committee, which includes a division head, the communications director, and various business-line representatives. The head of Corporate Social Responsibility is also consulted. Advertising is then approved by the relevant division head and the Bank's CEO before release.
- On our website, we clearly explain how customers can submit a com-

plaint or comment over the phone, by email, or using the online contact form.<sup>1</sup> On this same page, we inform customers of their right to refer their case to the Swiss Banking Ombudsman – a free, independent information and mediation service dealing with complaints brought by customers against banks headquartered in Switzerland – and we provide the relevant contact details. More information about our customer-feedback process can be found in the section of this report entitled “Our culture of service quality” (starting on page 53).

The following sections describe some of the ways we strive to offer top-quality, customer-centric products and services.

### Competitively priced day-to-day banking with no hidden extras

For several years now, we've published a brochure summarizing the fees that apply to our current accounts, credit and debit cards, and other personal and business banking products and services. And we always give customers at least 30 days' notice of any changes to our fees and conditions. To take one example of our transparency in this area, customers with a conventional savings account now receive a notification when they reach the limit of six free withdrawals per year, to avoid incurring fees.



Meanwhile, our all-in-one banking packs give small businesses everything they need to manage their day-to-day finances for a competitive monthly fee – that's waived for the first year – without compromising on service quality.

### Investment advice and wealth management: putting our clients' interests first

Clients opening securities accounts with BCV are made aware of the financial risks associated with investing and receive a free paper or digital copy of “Risks involved in trading financial instruments,” a guide published by the Swiss Bankers Association.<sup>2</sup>

The Bank complies with the requirements of the Swiss Federal Act on Financial Services (FinSA) and with the Swiss Bankers Association's guidelines on integrating ESG preferences and risks into investment advice and portfolio management.<sup>3</sup>

<sup>1</sup> [www.bcv.ch/en/home/aide/reclamation/making-a-complaint](http://www.bcv.ch/en/home/aide/reclamation/making-a-complaint)

<sup>2</sup> Swiss Bankers Association, *Risks Involved in Trading Financial Instruments*, November 2019

<sup>3</sup> Swiss Bankers Association, *Guidelines for the Financial Service Providers on the Integration of ESG Preferences and ESG Risks into Investment Advice and Portfolio Management*, October 2023:

We always check that our investment recommendations are in line with the client's investment profile, taking into account their financial circumstances, knowledge and experience, investment horizon, risk appetite, and ESG preferences. We have published a brochure for clients explaining how we comply with our FinSA obligations.<sup>1</sup> And because our advisors have no financial incentive to sell one product over another, their advice is always guided by the client's best interests.

We are up-front about costs, including fees and retrocessions, which are set out in the contract between us and the client. For the BCV Conseil Classique service, we updated our approach to billing for advisory services with a new advisory fee, which led to a 20% reduction in per-transaction fees charged to our clients, and our pricing for the BCV Conseil Premi-

um and BCV Conseil Plus services is based on a fixed fee per transaction rather than on transaction volumes.

Overall, this approach to pricing means our revenue streams are less correlated with the number and volume of client transactions and helps to further hardwire truly independent advice for our clients into our business processes.

Through our asset allocation funds and discretionary management agreements, we research and select investment solutions that represent the best fit for each client. And for the investment funds in our discretionary portfolios, we always select the share classes that are the most advantageous for our clients.

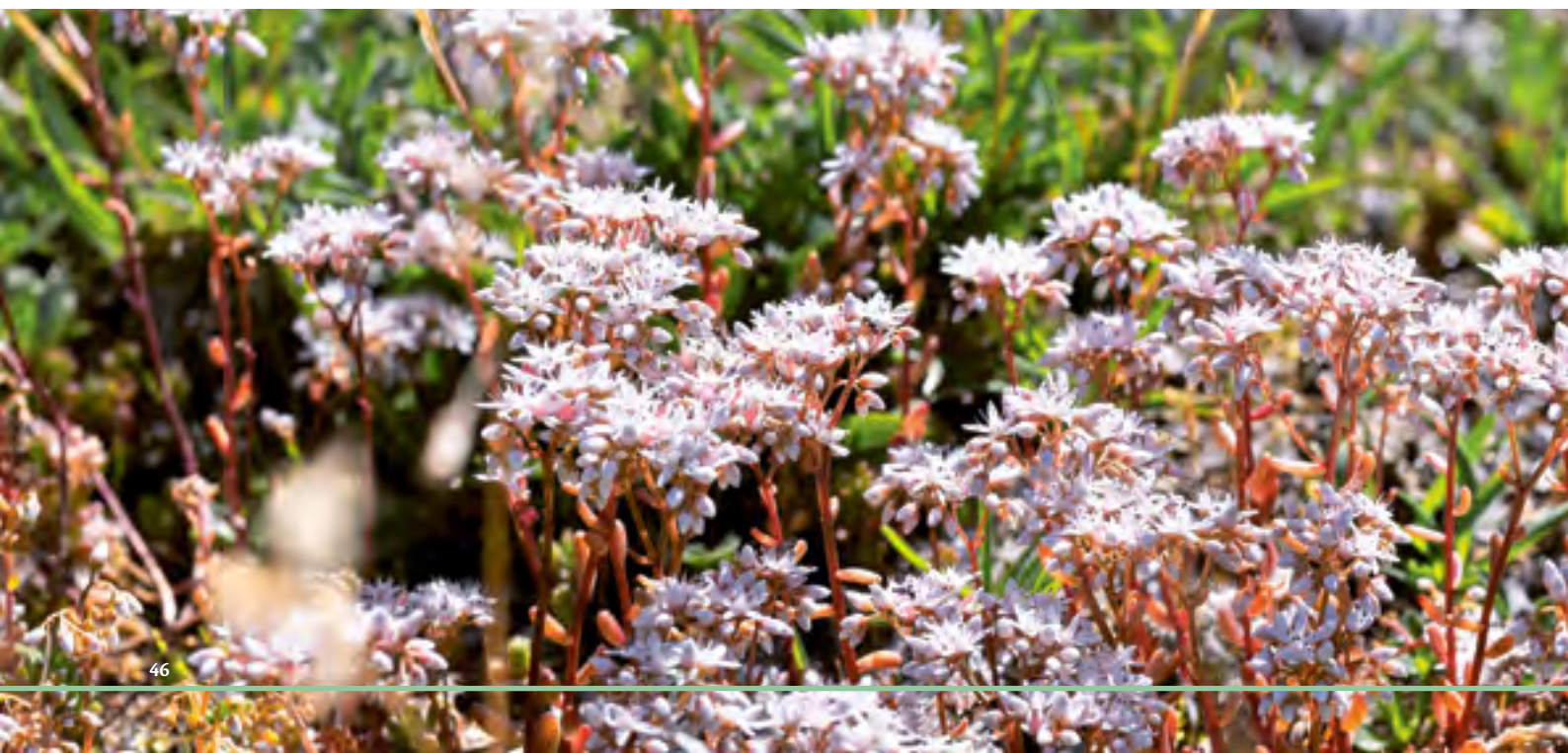
We offer investment solutions where a portion of the assets are invested in companies whose products and ser-

vices address specific environmental and social issues – and they carry the same fees as our traditional solutions. More details of our socially responsible investing (SRI) processes and products can be found in the “Socially responsible investing” section of this report (starting on page 57).

In line with our focus on investor protection, we do not advise our clients to invest in cryptocurrencies, nor do we offer crypto-linked investment vehicles. This policy reflects the Bank's view that cryptocurrencies are inherently very high-risk assets, owing in part to the weak global regulatory framework for the asset class. We continue to pay close attention to market developments and changes in the regulatory landscape. We sent our advisors a memo summarizing our position to help them answer any questions our customers might have on the topic.

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<sup>1</sup> The brochure can be downloaded from BCV's website: [www.bcv.ch/en/home/legal-information/finsa](http://www.bcv.ch/en/home/legal-information/finsa).





### Risk-management support for corporate clients

Our business lines work together to help businesses and institutional clients – SMEs, large corporates, real-estate professionals, and public-sector entities – understand and manage interest-rate and exchange-rate risks.

designed to help corporate clients assess their risk exposures and talked through their options for mitigating these risks.

Last year, as in 2022, our trading-floor specialists and corporate banking advisors held around 370 client meetings on these topics. Our trading-floor team also ran seven workshops on exchange-rate risk management, which were attended by around 60 clients, most of them representing SMEs. And in September, roughly 100 senior finance executives attended sessions on this issue at our *Rendez-vous des CFO* event. All these events were

“ Because our advisors have no financial incentive to sell one product over another, their advice is always guided by the client’s best interests. ”





### **Sapin à Siméon nature trail, Gimel**

This mixed landscape – a blend of open fields, wooded pastures, and dense forest – has been shaped by human activities over the course of many centuries. It offers some of the most iconic scenery in the Jura Vaudois Nature Park, including majestic and ancient silver firs and spruces. The area is used for forestry and provides summer grazing grounds for cattle.

# Meeting our customers' needs





## Close ties with our customers

At BCV, we aim to maintain our position as the bank of choice for the people and businesses of Vaud. Building and sustaining close ties is at the heart of our business model. Those close ties underpin how we help customers make sense of key financial issues and how we keep pace with their evolving expectations. We're also physically close, with a branch network across Vaud that aligns closely with the needs of the community and economy that we serve.



Nearly  
**60**  
branch offices  
throughout Vaud

Being close to our customers also means being increasingly accessible and in step with changing lifestyles. Customers can come into a branch to do their day-to-day banking and receive financial advice, as well as access a wide range of services remotely. For instance, they can speak with an advisor from the comfort of their own home or take advantage of our ever-growing digital offering.

### An extensive branch footprint

We are the most widely accessible bank in Vaud thanks to our dense retail network, which includes nine decision-making centers, nearly 60 branch offices, and around 180 ATMs in more than 100 locations. Last year, as in 2022, all but two of our branches met accessibility standards for people with reduced mobility, and we are working with the relevant municipalities to bring the remaining two up to standard.

### A multichannel customer experience

At BCV, we believe that customers should be able to choose how they interact with us – whether they want to work with an advisor in person or remotely, or manage their affairs by themselves online. We are putting that choice in our customers' hands by:

- maintaining our physical presence throughout the Canton, while keeping pace with advancements in technology and ever-changing customer needs
- making banking with us a seamless, effortless experience across all our channels
- rolling out new digital banking services and features.

We have made it easy and convenient for customers to speak with an advisor remotely. In addition to getting day-to-day banking advice by telephone, personal banking customers can make a videoconference appointment to discuss their loan or investment.

Our Customer Service Center, which is open every weekday from 7:30am to 7:30pm, handled 640,000 customer contacts in 2023 – a decrease compared to 2022, as more and more customers took advantage of our FAQ and related resources to find answers to their questions in just a few clicks.

We also have a small business hotline offering remote advisory and day-to-day banking services to business customers, which is open weekdays between 8:00am and 6:00pm by phone or by email, at [entreprises@bcv.ch](mailto:entreprises@bcv.ch). The hotline handled around 100,000 inquiries in 2023 (a similar number as in 2022).

Our customers are increasingly taking advantage of our online banking platform, which is accessible 24/7 via BCV-net on a computer and BCV Mobile on a smartphone or tablet. Over 315,000 customers made regular use of our digital services in 2023 – 8% more than in 2022.



## Competitive products and services

Our competitive products and services are designed to meet the banking and financial needs of Vaud residents and businesses.

### A full range of personal banking products

We offer a full range of personal banking products – including current, savings, and retirement accounts, mortgage loans, and wealth-management services – that are designed with competitive, attractive features tailored to the needs of our customer base.

Last year, we added a number of features to our online banking platform BCV-net, our BCV Mobile app, and our website, [bcv.ch](https://bcv.ch), which received 7.5 million visits in 2023 (versus 6.3 million in 2022). For instance, the new BCV Mobile security center provides tips and options for setting up account security features, such as blocking access to BCV-net from outside Switzerland. Customers can also open new accounts directly from the app, as well as search for payments by recipient. Short video tutorials are also available in BCV Mobile to help customers get the most out of the in-app experience.

In addition, BCV Mobile provides our wealth-management clients with the full range of features available

on BCV-net – such as the ability to consult financial news articles, review investment opportunities and proposals, and place buy/sell orders – in a modern, streamlined interface.

We make investment services available to a broad demographic. One way we do this is through our BCV Start Invest savings plan, which lets our personal banking customers invest in funds starting from CHF 50 a month.

In mortgage lending, we have partnered with local utility company and energy transition driver Romande Energie to offer an online tool for calculating the potential savings from installing a new heating system or solar panels. Through this partnership, we also provide our customers with a CECB Plus energy audit of their properties at a reduced price.<sup>1</sup> And we offer preferential rates on mortgage loans for energy-efficient properties and renovations. More details can be found in the “Responsible lending” section of this report (starting on page 73).

We offer insurance products through our partner *Retraites Populaires*. We do not provide leasing services, consumer loans, or other unsecured loans directly to individuals. Instead, we refer customers to our partner *cashgate*, which specializes in those types of loans.

### Backing local businesses

Our products and services cater to the needs of companies at every stage of their development. For budding entrepreneurs and new business owners, for instance, we run a regular series of seminars and offer discounted hour-long advice sessions in collaboration with the Vaud Chamber of Commerce and Industry (CVCI), GENILEM, and Star'Terre. We also hold events for Vaud-based companies such as a webinar on business finance, which drew over 300 attendees last year.

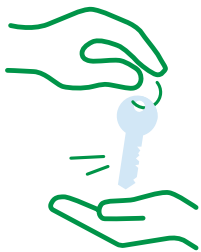


Over **300** people attended BCV's business startup seminar

In 2023, we provided over CHF 70m in financing to get over 120 businesses off the ground in Vaud Canton (versus over CHF 95m in 2022),<sup>2</sup> helping create almost 550 new jobs. Also last year, as in 2022, more than 800 businesses took advantage of our free services for companies less than two years old. And through partnerships with select organizations, we help back innovative businesses and high-impact initiatives. More information about our work in this area can be found on pages 30 to 31 of this report.

<sup>1</sup> The CECB Plus audit report recommends energy-efficient upgrades and outlines the potential cost and savings associated with the different options.

<sup>2</sup> The previously reported figure for total financing provided to new business in 2022 (around CHF 40m) was miscalculated. The correct figure for 2022 is over CHF 95m.



Over **60**  
business  
successions  
financed

“ By providing financing to help make business successions happen, BCV helps ensure that companies remain in Vaud. ”

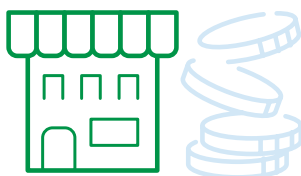
BCV provided more than CHF 50m in financing to help make over 60 business successions happen in 2023 (versus a similar volume in financing for 50 business successions in 2022), thereby helping to ensure that companies, expertise, and jobs remain in the Canton. Our business succession team is backed by in-house specialists in financing, asset management, and pensions. And our deep connection with the local community means that for every succession that we're involved in, we can bring to bear unique insights into the businesses of our home region and the people who run them.

We also partner with the main Vaud business associations and local companies to offer BCV clients special deals to help them manage their businesses. For example, they can get discounts on PayEye QR bill readers from Crealogix, on Worldline payment terminals, and on the bexio online accounting software. In 2023, 194 companies took advantage of these offers.

Last year, we continued our partnership with the PEIK energy audit program offered by SuisseEnergie (an energy-efficiency and renewable-energy initiative backed by the Swiss federal government) to support our corporate clients in their energy transition, contributing to the cost of these audits for 30 companies in Vaud Canton. Under the arrangement, corporate clients that carry out a PEIK energy audit can also take advantage of our Green Bonus

capital expenditure loans to finance the recommended energy-saving measures, with zero interest for the first six months (more details can be found on page 75 of this report).

Our digital services are designed with the needs of our business clients in mind. Last year, the Bank's digital-banking offering for business customers was highly rated in a study conducted by think tank e foresight and the Institute for Financial Services Zug, part of Lucerne University of Applied Sciences and Arts.



Over **120**  
new businesses  
financed



### Serving the region's pension funds

We are the partner of choice for our region's pension funds. Nearly three-quarters of all pension funds in Vaud are clients of our Asset Management Department. The collective occupational pension fund AVENA Fondation BCV Deuxième Pilier manages pension assets for over 17,000 members covered under more than 1,000 pension plans. And we handle all administrative, accounting, and technical tasks for 17 other independent occupational pension funds, representing over 18,000 members.

Our Asset Management Department provides valuable advice and support – including on socially responsible investing (SRI) strategies – for our pension fund clients. Since 2018, we have integrated environmental, social, and governance (ESG) criteria into portfolios without this negatively impacting expected risks or returns – as our institutional clients expect.

We are constantly refining our range of investment solutions for institutional clients in this increasingly important area. In 2024, as part of our commitment to transparency on ESG integration, we will provide non-financial reports for our funds and the portfolios of our institutional clients. These reports will include Swiss Climate Scores and other climate-related metrics. More details of our SRI approach can be found in the “Socially responsible investing” section of this report (starting on page 57).

In 2023, we held a series of events in conjunction with Ethos, where our private and institutional clients learned more about sustainability, SRI, and corporate social responsibility.

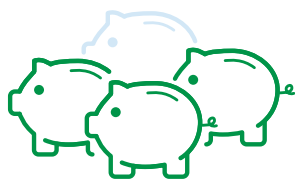
The Bank offers training courses for pension board members, including a module on the ESG reporting standard recommended by the Association of Swiss Pension Funds (ASIP).<sup>1</sup> In 2023, 79 people attended these sessions (versus 62 people in 2022).

## Our culture of service quality

Service quality is one of the first things customers look for in a bank. This has been confirmed by market research, and it's something we know from our own experience. Service quality is also a key factor in whether customers recommend their bank to friends or family.

### Putting customers first

Continually improving customer satisfaction has been a strategic priority at BCV since 2015, when we launched our “Smile” program, with the goal of differentiating ourselves from the competition through operational excellence and impeccable customer service. These efforts have been recognized by the people of Vaud: in 2023, BCV was the most recommended bank in the Canton for the sixth consecutive year, according to annual surveys of representative samples of Vaud residents.<sup>2</sup> Our ambition is to retain this number-one position going forward.



**3 in 4**  
Vaud pension funds  
count on BCV

<sup>1</sup> Association of Swiss Pension Funds, *Reporting ESG: Norme pour les Caisses de Pension*, 2022 (available in French and German)

<sup>2</sup> Sources: LINK, survey on the Swiss banking landscape, 2023; AmPuls Market Research, survey on the public image of Swiss banks, 2022; LINK, survey on the Swiss banking landscape, 2021; LINK, survey on the public image of Swiss banks, 2020; LINK, survey on the Swiss banking landscape, 2019; LINK, survey on the public image of Swiss banks, 2018



### Steps we've taken

We have set up a cross-functional service quality team with responsibility for implementing the many measures introduced under our "Smile" program. All BCV employees complete training at the EHL Hospitality Business School, the world's top-rated hospitality management school. The one-day course focuses on the importance of service quality at BCV and spotlights best practices in customer care and communication. In addition, we regularly provide refresher training for staff members across all BCV divisions. In 2023, we asked employees to complete three online quizzes geared toward maintaining a consistent standard of expertise across our workforce.

Our far-reaching service-quality management system – which covers both customer-facing and non-customer-facing teams and includes over 100 metrics – draws on customer surveys, operational indicators, and mystery-shopping results.

In 2023, as in previous years, customers increasingly chose to bank online, especially on their smartphone. Despite this trend, branch footfall remained unaffected, and we maintained our high standard of service: for example, on average, customers waited just 6.0 minutes to speak to an advisor (versus 6.1 minutes in 2022) and 4.3 minutes to see a teller (no change versus 2022). These efforts are reflected in our customer satisfaction score, which stands at 3.6 out of 4 (the same as in 2022).

Our customers need to be able to reach us by phone. We have put a strong focus on boosting our answer rate despite the volume of calls. Our long-term target is to achieve a call answer rate in excess of 90% across the Bank, including at our call centers. In 2023, we hit that target for an entire 12-month period for the first time, with an answer rate of 91% over the year (the 90% target rate was reached for three months in 2022).

Our online and mobile banking platform continues to grow in popularity, with nearly 56.5 million logins last year alone (15% more than in 2022). Our customers particularly appreciate BCV Mobile, which is the third highest-rated banking app in Switzerland, with a score of 4.6 out of 5 in the App Store. Customers also made over five million withdrawals from BCV ATMs in 2023. Service uptime across our digital services and ATMs exceeded 99%, which was in line with the 2022 figure.

At BCV, we see customer feedback as a key element to improving our products, services, and processes. To make it easier for customers to share their experience with us, we created a customer feedback center that can be accessed across all our channels via a dedicated email address ([feedback@bcv.ch](mailto:feedback@bcv.ch)). We also carry out customer satisfaction surveys and systematically follow up on complaints. In 2023, we received 595 customer complaints that couldn't be handled on the spot (versus 641 in 2022). As in the previous year, 92% of these



complaints were processed within the target deadlines. All this enables us to continually refine our customer interactions and processes. For instance, we've improved how our advisors deal with complaints and address the root cause of the issues when talking to customers, and we've added a new feature to BCV Mobile that lets customers see how busy our branches are so they can plan their visit accordingly.

“ At BCV, we see customer feedback as a key element to improving our products, services, and processes. ”

### Net Promoter Score

At BCV, we regularly check in with customers to gauge their satisfaction. One metric we track is our Net Promoter Score (NPS), which tells us how likely our customers are to recommend our Bank. In 2023, our NPS was +38 on a scale that ranges from -100 to +100. This five-point increase on our 2022 score shows that our longstanding efforts to raise the bar for service quality are paying off.

### Service quality

	2020	2021	2022	2023
Net Promoter Score (NPS)	+29	+32	+33	<b>+38</b>





### **Les Marais Trepet, Longirod**

Wetlands are becoming increasingly scarce. Yet they serve as precious havens for biodiversity, especially in farmland areas, where they provide a home for amphibians, dragonflies, and other plant and animal species. The park authority is rewilding several wetland habitats as part of its Toile Verte project.

# Socially responsible investing (SRI)





## Proprietary investments

We do not have a proprietary trading business, have a portfolio of shareholdings, or acquire stakes in companies that are unrelated to our activities. The only proprietary assets we hold are those needed to meet our regulatory requirements as a bank, as well as a small number of assets in connection with our historical role in Vaud Canton's economy. These investments include:

- financial investments held primarily to build up our liquidity reserves, which are made up of investment-grade bonds authorized by the Swiss National Bank (e.g., bonds issued by the Central Mortgage-Bond Institution of Swiss Cantonal Banks, the Swiss federal and cantonal governments, foreign governmental institutions, or supra-national authorities)
- financial investments in companies directly related to our activities, such as SIX and TWINT

- small financial investments in companies with a historical link to Vaud Canton or the Bank.

## Managing our clients' assets

We aim to offer our clients a wide range of responsible investment solutions in line with best market practice while generating competitive returns over the long term.

Our ambition is to be a leading provider of socially responsible investments not only in Vaud Canton but across Switzerland as a whole. That goal has translated into concrete efforts, including our research collaboration with the University of Lausanne and our partnership with the Ethos Foundation. We have also been a signatory to the United Nations Principles for Responsible Investment (UNPRI) since 2019 and are a member of Swiss Sustainable Finance (SSF).

To best serve the interests of our clients in line with our fiduciary

duty, we incorporate environmental, social, and governance (ESG) approaches into our investment policy. By doing this, we can decrease our clients' exposure to ESG risks and improve their portfolios' risk-return profiles over the long term.

We steer our clients toward investments that incorporate ESG criteria and endeavor to bring portfolios into line with the targets set out in the Paris Agreement, the Swiss federal government's commitments, and the Canton of Vaud's climate plan.

To avoid the risk of greenwashing, we place a premium on transparency, access to information, and training. We also systematically ask our personal banking clients about their expectations in the area of SRI.

More information can be found in our SRI Policy.<sup>1</sup>

<sup>1</sup> BCV, *Socially Responsible Investment (SRI) Policy*, January 2023

### Examples of ESG criteria

#### Environment

- climate change
- pollution and waste management
- environmental impact of products and services (energy transition, circular economy, etc.)

#### Social

- human rights
- labor practices (health and safety of employees, discrimination, etc.)
- policy on charity, donations, and sponsoring

#### Governance

- board independence, compensation, and diversity
- compliance
- business ethics (anti-corruption measures and business practices)

**Our core SRI approaches**

We use several core SRI approaches to incorporate sustainability factors into our investment selection and management processes: negative screening, ESG integration, positive screening and best-in-class selection, and active ownership. We also offer thematic investment solutions focused on companies that address environmental and social challenges.

**Our SRI product ranges**

In 2023, we continued to develop our SRI approach within our product offering. We have three product ranges, each of which uses different investment approaches and objectives to meet our investors’ varied expectations.

**Our standard range**

Investment decisions are made based primarily on financial objectives, and SRI constraints are not systematically taken into account. However, ESG criteria may be factored in if it is in the investor’s interest to do so.

**Our ESG range**

We consider a company’s exposure to ESG risks and how those risks are managed. This helps reduce exposure to controversial activities and make portfolios more resilient to ESG risks over the long term.

**Our ESG Ambition range**

With these products, we apply the same approach as for the ESG range but go one step further – we allocate part of the assets to investments that will help drive positive change.

We do this in two main ways:

- by making thematic investments in companies that offer solutions to social or environmental challenges. These themes are geared toward one or more of the 17 United Nations Sustainable Development Goals. Products in this range can include certificates and multi-asset funds or management agreements for which part of the portfolio is allocated to sustainable investments.
- financial products that tend to generate positive change, such as those that actively promote good-faith shareholder dialogue.

**SRI approaches**

**Negative screening**

Screening out companies whose operations are deemed incompatible with our responsible investment practices

**ESG integration**

Integrating ESG risks and opportunities to make portfolios more resilient.

**Positive screening and best-in-class selection**

Selecting companies that score highly in ESG relative to a given market or sector

**Active ownership (stewardship)**

Positively influencing business practices through our voting strategy and shareholder engagement

**Thematic investments**

Investing in companies that offer solutions to social or environmental challenges

## BCV's approach to responsible investing

We take a responsible approach to managing our clients' assets, seeking to ensure that:

- we do not materially increase active risk – i.e., the risk that we take when we deviate from the benchmark – so that risk levels are in line with the expectations of our clients
- we deliver competitive returns over the long term
- we reduce portfolio exposure to ESG risks, including climate-related risks
- we incentivize companies to adopt more sustainable practices
- we offer specific investment solutions that target companies that tackle the challenges of sustainable development.

In 2023, we tightened our policy on direct investments, i.e., equity or debt securities issued by companies and held by our investment funds. Specifically, we excluded additional controversial sectors, such as the tobacco industry, and set stricter negative screening thresholds for other sectors already covered by exclusions. We screen out companies that are involved in controversial weapons, thermal coal mining and coal-fired power generation, unconventional fossil fuels, adult entertainment and tobacco-related businesses. We also

exclude companies that have violated the UN Global Compact by not complying with a set of fundamental values that covers human rights, labor and environmental standards, and the fight against corruption. Exclusion thresholds are set in our negative screening policy. Companies are screened out based on the criteria and data supplied by ESG research providers.

For portfolios with investments in third-party funds and index funds, we apply comparable exclusion principles but may implement them differently depending on the indicators available; we are continually improving our processes in this area.

Also last year, we formalized the incorporation of ESG criteria into our investment process for Swiss equity funds and a selection of bond funds by adding best-in-class and positive screening approaches (see box on page 59).

With regard to active ownership, we apply guidelines on how to vote at the AGMs of Swiss companies whose stocks are held by our investment funds. These guidelines, which are based on ESG best practices, set out a systematic voting process and draw on the recommendations of Ethos Services, a Swiss-based company created by the Ethos Foundation, which promotes socially responsible investing. In 2023, we introduced similar voting guidelines for the AGMs of

non-Swiss companies. We also publish an annual summary of how we've exercised our voting rights.<sup>1</sup>

In 2023, we voted on a total of 11,539 resolutions at the AGMs of 637 companies whose stock was held through our investment funds. In all, we voted against board recommendations on approximately 30% of resolutions.

Regarding shareholder engagement, we joined Climate Action 100+ last year, working with other investors to encourage the world's biggest greenhouse gas emitters to do more to tackle climate change.



Since 2021, we have been asking our personal banking clients about their ESG expectations as part of the investment process. Client portfolios are checked for alignment with ESG criteria, in addition to traditional financial metrics, to make certain that client expectations are met and the ESG features stated in the product literature are adhered to. In order to ensure transparency, our investment analyses and reports for clients include information on how ESG criteria have been integrated into their portfolios. This process will be

<sup>1</sup> Our negative screening policy, voting guidelines, and voting summary can be downloaded from our website: [www.bcv.ch/en/home/la-bcv/corporate-social-responsibility/socially-responsible-investing.html](http://www.bcv.ch/en/home/la-bcv/corporate-social-responsibility/socially-responsible-investing.html).

extended to institutional investors in 2024. In addition, BCV's internal control system now covers ESG issues, to ensure our SRI policy is implemented across all our business lines. These internal control processes, including the monitoring of ESG thresholds in investment products, were rolled out last year. One important addition in the coming years will be climate factors.

### Partnership with Ethos

In 2020, we entered into a partnership with the Ethos Foundation under which BCV Asset Management manages six Ethos funds, with Ethos serving in an advisory role. Ethos Services, the Foundation's operational arm, is responsible for carrying out ESG analyses, exercising voting rights at shareholders' meetings, and actively engaging in dialogue with investee companies. BCV's Asset Management teams contribute their expertise in financial analysis and portfolio management to the partnership.

The Ethos funds have been incorporated into BCV's fund offerings. We actively promote Ethos's funds and include them in the discretionary management agreements and portfolios that we manage for our clients. For example, the Ethos – Equities CH Indexed Corporate Governance fund has proved popular, with assets under management rising by around CHF 100m year on year, for a total of CHF 298m at end-2023.

These funds exclude securities in specific sectors and those linked to major controversies.<sup>1</sup> They also take a best-in-class approach that draws on Ethos's ESG and carbon ratings.<sup>2</sup> For example, these criteria reduce the investment universe of the Ethos Equities Sustainable World ex CH fund by over 40% relative to the benchmark index.

Applying Ethos's non-financial criteria also lowers these funds' carbon footprint relative to their benchmark index.<sup>3</sup> Using the weighted average carbon intensity (WACI) calculation method, the Ethos Swiss Sustainable Equities and the Ethos Equities Sustainable World ex CH funds have a carbon footprint that is around 70% lower than their respective benchmark.

The Ethos equity funds are also backed by a shareholder voting and engagement policy that Ethos actively implements throughout the year. Ethos has continued to prioritize climate change in its dialogue with companies, focusing on their climate strategies, transparency, and CO<sub>2</sub>-equivalent (CO<sub>2</sub>e) emissions disclosure, and climate-related risk management. In 2023, Ethos continued to encourage Swiss and non-Swiss companies alike to set evidence-based reduction targets that are compatible with the Paris Agreement. The number of Swiss-listed companies with climate targets approved by the Science-Based Targets initiative

increased from nine in 2020 to 22 in 2023. Ethos's shareholder voting and engagement policy also focuses on human rights, with a view to encouraging companies to respect those rights throughout their supply chains.

In June 2022, Ethos published its own climate strategy to support the global target of achieving net-zero emissions by 2050. The strategy is applied to all Ethos equity funds, including those managed by BCV. Ethos's aim is to reduce the funds' carbon intensity and align them with the target of limiting global warming to 1.5°C. Our partnership with Ethos is already seeing results. In 2023, as in 2022, the BCV-managed funds Ethos II – Ethos Swiss Sustainable Equities and Ethos – Equities Sustainable World ex CH were awarded the FNG's top three-star label.<sup>4</sup>

The proportion of the Bank's total assets under management invested in these products and in products that incorporate ESG criteria more broadly is reported under GRI Standard G4-FS11 in the table on page 66.

<sup>1</sup> Ethos, *Exclusion Criteria*, September 2021

<sup>2</sup> Ethos's carbon ratings are used only for the equity funds.

<sup>3</sup> Metric tons of CO<sub>2</sub>e per CHF million in revenues; based on scope 1 and 2 emissions under the Greenhouse Gas Protocol

<sup>4</sup> The independent FNG label was created by the Forum Nachhaltige Geldanlagen, an association specializing in SRI in Germany, Austria, and Switzerland. It is awarded to funds that meet quality standards for sustainable investments and pass an independent audit conducted by the University of Hamburg.

### Partnership with the University of Lausanne

In 2019, we entered into a two-year partnership with the University of Lausanne (UNIL) to fund a research project on ESG investing. The partnership was then renewed twice, each time for a further two years, and currently runs until 2025. In spring 2023, researchers from the Center for Risk Management at UNIL's Faculty of Business and Economics (HEC) published the second edition of their study on the integration of ESG criteria into indirect real-estate investments in Switzerland, highlighting the growing awareness of sustainability issues in the sector. At end-2023, the same research team published a new ESG rating system for Swiss real estate funds, called PRESS scores.<sup>1</sup> These scores, derived exclusively from publicly available data, ensure that progress in sustainability and transparency among the funds can be measured independently and on a level playing field. All these efforts support the systematic use of indicators to measure sustainability improvements in indirect real estate, a sector that is key to speeding up the energy transition. Real estate is a major component of institutional investors' portfolios, and the study will make it possible for investors to conduct an ESG portfolio analysis for all asset classes, including real estate.

At the same time, researchers involved in the project are delving further into SRI themes affecting

other asset classes, including equities and bonds. Here, they're focusing specifically on the issue of portfolio carbon neutrality.

### UN Principles for Responsible Investment

We are a signatory to the United Nations Principles for Responsible Investment (UNPRI), as discussed on page 58.

The UNPRI have over 5,000 signatories from nearly 100 countries with very different regulatory systems, markets, and cultures. There were 755 new signatories in 2022 and 2023, and it is estimated that UNPRI signatories represent total assets under management of USD 141.78tn.

Being part of this knowledge community has enabled us to strengthen our SRI approach. Our 2023 UNPRI transparency report sets out our SRI ambitions and provides an overview of our SRI governance, our SRI approach, and the concrete measures we have taken to make our investment solutions more socially responsible (e.g., shareholder voting practices and ESG integration).<sup>2</sup>



**100%**  
of Swiss strategic funds integrate  
ESG criteria

### Responsible investing for our personal banking clients

We integrate ESG preferences and risks into all of our discretionary management agreements and advisory services for personal banking clients, applying specific SRI approaches.

The investment solutions available to our personal banking clients are managed through an open-architecture approach. This ensures that our clients can invest in a broad range of both in-house and third-party SRI products, as well as thematic products designed to address environmental and social issues. We have been systematically evaluating the SRI approaches used in our investment management since 2019, and as the chart below shows, ESG criteria are now a key component of our product-selection process. To facilitate that process, we developed a standardized ESG questionnaire for fund promoters so that we can classify their products based on the degree to which they factor in ESG considerations. The qualitative

<sup>1</sup> See: [crml.ch/pressscores](https://crml.ch/pressscores).

<sup>2</sup> The public report is available at: [ctp.unpri.org/dataportalv2/transparency](https://ctp.unpri.org/dataportalv2/transparency).



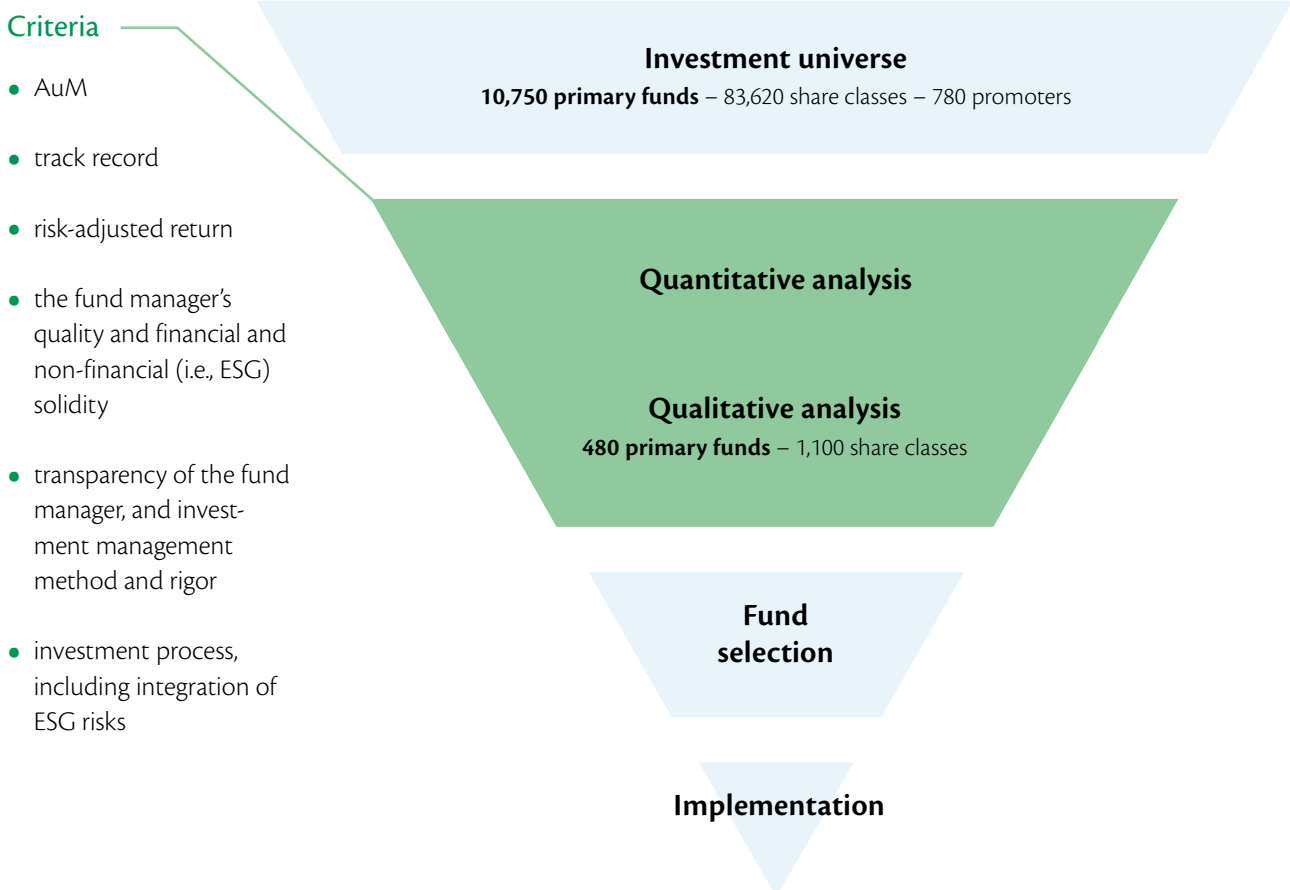
data we collect from fund managers and fund management companies through these questionnaires are substantiated by quantitative ESG checks based on data from independent providers. Our asset managers then select products from the resulting investment universe for our discretionary management agreements and asset allocation funds, which include strategic funds and BCV Pension funds. We also use that investment universe

when building portfolios for clients with an advisory agreement.

This product-selection process enables us to offer our personal banking clients a wide array of investment solutions. Our aim is to be transparent about the funds we select and, when choosing from among funds with similar financial analysis results, to favor those that best integrate ESG criteria. Since 2021, all of the assets

managed through our strategic funds for personal banking clients have included ESG criteria.

Our ESG Ambition range provides all BCV clients with thematic investment solutions that are geared toward sustainable development. The strategic funds in this range enable personal banking clients to invest in products that use one or more SRI approaches and that allocate at least 25% of



their assets to thematic products. The thematic component includes equity and bond investments – such as green bonds and social bonds – in companies that provide solutions to the challenges of sustainable development. The strategic funds in this range apply the same fee schedule as the equivalent ESG fund. In June 2023, we launched the BCV Stratégie Revenu ESG Ambition fund to address our clients' social and environmental concerns, in addition to meeting their investment return expectations.

Our ESG Ambition range meets the needs of clients who are highly attuned to environmental and social issues. For instance, our Climate ESG Ambition certificate invests in companies involved in green transport,

electricity storage, the smart grid, and improving energy efficiency in the construction, manufacturing, and IT sectors. This certificate is currently being converted into a Luxembourg-registered investment fund.

The assets under management of the ESG Ambition range increased by nearly 10% in 2023, from CHF 258m at end-2022 to CHF 280m at end-2023 (see table below).

Since 2021 we have been integrating ESG considerations into the advisory process for personal banking clients, in line with the Swiss Bankers Association (SBA) guidelines.<sup>1</sup> As part of this, we now incorporate our clients' SRI expectations into their investor profiles, in addition to more conven-

tional financial objectives (for more details, see the “Responsible selling” section on pages 45 and 46). We also tailor our investment advisory services to clients' specific ESG requirements, for example by enabling them to exclude certain business activities or focus on sustainable development themes.



CHF **280m**  
invested in the ESG Ambition  
range at end-2023

“ Assets under management in the ESG Ambition range increased by nearly 10% in 2023. ”

<sup>1</sup> Swiss Bankers Association, *Guidelines for the Financial Service Providers on the Integration of ESG-Preferences and ESG-Risks into Investment Advice and Portfolio Management*, June 2022

#### G4-FS11

##### Monetary value of BCV ESG Ambition products (in CHF thousands)

At 31 December	2020	2021	2022	2023
Strategic funds	67,780	184,718	173,301	<b>183,848</b>
Discretionary agreements	n/a	20,207	44,637	<b>57,477</b>
Certificates	32,849	49,709	39,807	<b>39,365</b>
<b>Total</b>	<b>100,629</b>	<b>254,634</b>	<b>257,745</b>	<b>280,690</b>

As of end-2023, we had surveyed the ESG expectations of 75% of our personal banking clients using questionnaires completed during consultation meetings. Almost half of them wanted to see ESG criteria integrated in some way into their investments. Of this group, a small number expressed a strong interest in ESG issues and are seeking investments that make a positive difference in the economy and society.

We now check that portfolios are aligned with clients' expectations in terms of ESG criteria, as well as with traditional financial criteria, by monitoring the SRI measures applied to their portfolios, including sustainable investment themes to focus on and business activities to rule out. To ensure transparency, our investment analyses and reports for clients now include information on how clients' SRI expectations have been integrated into their portfolios.

Available investment products are listed with their level of ESG integration, making it easier to distinguish

between our ESG and ESG Ambition product lines. And we take a clear, facts-first approach to communication by providing advisors and clients with easy access to product fact-sheets and brochures on the Bank's ESG approach.



100%

of our advisors have received SRI training

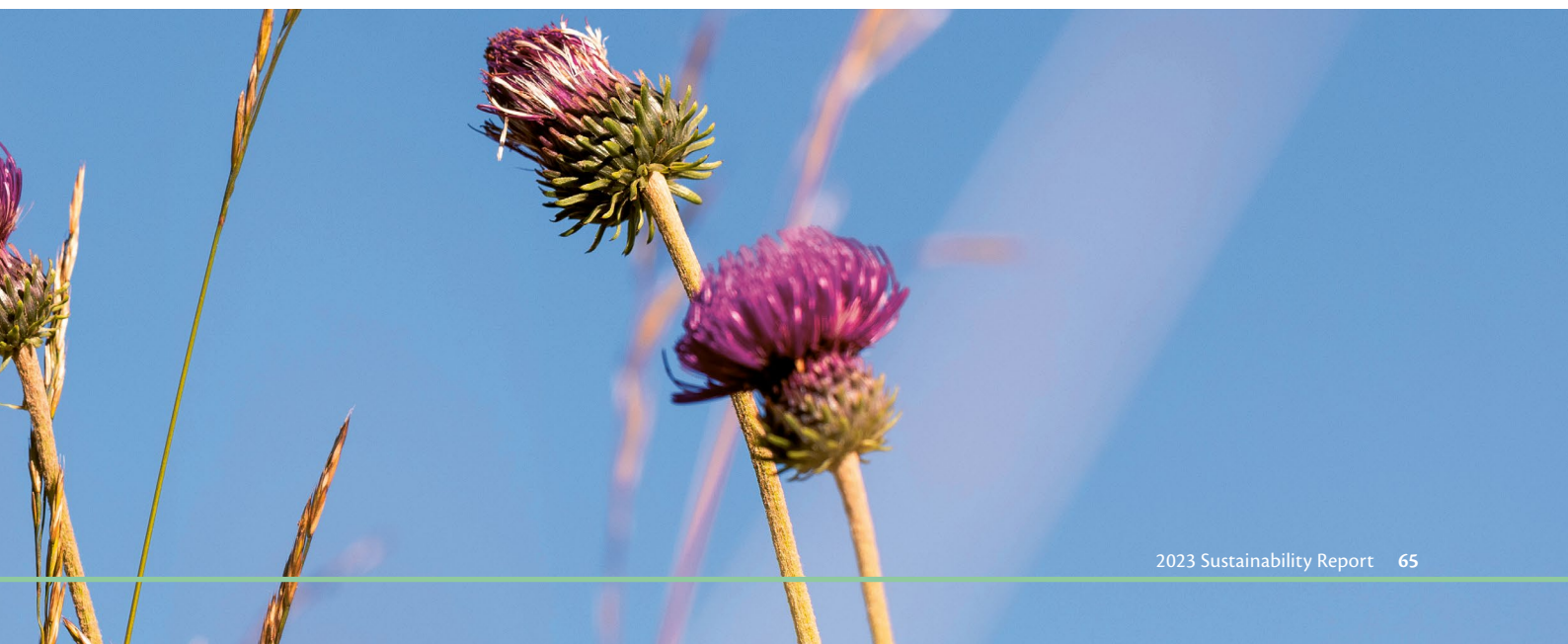
Our advisors are equipped with the full range of information and skills they need to inform their clients about our investment solutions and guide them toward the option best suited to their ESG expectations. To this end, they are all taking part in an ongoing training program on integrating ESG criteria into the investment process. In 2022,

all of our advisors completed training on the fundamentals of SRI, the regulatory environment, and preventing greenwashing, and in 2023 our advisors leveraged this training with the help of various documentary aids for use during client meetings.

### Outlook for 2024

We have strengthened our SRI teams and will continue to build out our approach. Our main projects are to:

- measure and publish our portfolios' carbon footprints
- develop a climate strategy for the assets we manage that incorporates Switzerland's climate commitments
- make available reports on our investment products and institutional clients that provide climate and other ESG data; by measuring and reporting on the non-financial features of our products, our portfolios, and our asset management business as a whole, using the most appropriate metrics on the market, we can be more transparent about how we



integrate ESG factors into our products and services

- develop and formalize our approach to active ownership by establishing an ESG engagement policy that includes direct and indirect dialogue, as well as sector-specific initiatives on certain themes
- survey ESG expectations as part of our advisory services and portfolio management process for professional clients and institutional investors
- expand our ESG range by integrating additional environmental factors, with a focus on thematic investment products
- implement a framework for the ESG classification of BCV-issued structured products.

### Figures and comments

In 2023, 48% of the assets under discretionary management for both institutional and personal banking clients integrated ESG criteria. The table below provides more detail on that figure; for information on the method used retroactively to categorize 2022 assets, see “Principles and standards for publication,” on page 112. This change in method is consistent with self-regulatory arrangements in Switzerland.<sup>1</sup>

Based on the method used for the 2022 Sustainability Report,<sup>2</sup> the proportion of products incorporating at least one SRI approach was broadly unchanged in 2023, at 81%.

Since 2021, 100% of the assets managed through our strategic funds for personal banking clients have included ESG criteria.

“ 48% of assets integrate ESG criteria. ”

We apply product-selection criteria to the discretionary agreements and strategic funds for personal banking clients (products shown in the table below). These criteria are described starting on page 62.

## G4-FS11

### Breakdown of ESG products in BCV’s discretionary investment solutions<sup>3</sup>

Figures at 31 December					
		2022		2023	
		Total assets (in CHF millions)	Proportion of ESG products	Total assets (in CHF millions)	Proportion of ESG products
Funds	Strategic funds	2,373	100%	<b>2,392</b>	<b>100%</b>
	BCV Pension funds	1,207	0%	<b>1,285</b>	<b>1.5%</b>
	Targeted funds	8,240	51%	<b>8,899</b>	<b>67%</b>
Discretionary agreements	Discretionary agreements for institutional clients	11,607	14%	<b>12,871</b>	<b>18%</b>
	Discretionary agreements for personal banking clients	2,626	N/A*	<b>2,947</b>	<b>92%</b>

\* The 2022 figure could not be recalculated using the new method.

<sup>1</sup> Asset Management Association, *Sustainable Finance Self-Regulation*

<sup>2</sup> The proportion of products incorporating at least one SRI approach was published in the 2022 report, and a second table provided more granularity on this inclusion.

<sup>3</sup> Includes all discretionary investment solutions (i.e., assets invested through advisory and execution-only agreements are excluded); the investment certificates included in the table on page 64 are not included.

### Physical gold

In line with Switzerland's Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour, the Group's banks consider environmental and social issues in physical gold sourcing, including human rights and miners' working conditions.

When sourcing physical gold, the Group's banks use only suppliers that have their registered office in Switzerland and participate in the London Bullion Market Association's Responsible Sourcing Programme. In line with the OECD due diligence framework, participants must demonstrate their efforts to safeguard the environment and combat money laundering, the financing of terrorism, and human rights abuses.<sup>1</sup>

Since 2022, the physical gold products available at BCV's counters and through the BCV Physical Gold ESG fund have been labeled and traceable. Using traceable gold also makes it possible for us to know where the gold has come from and avoid conflict areas.

For the BCV Physical Gold ESG fund, we apply ESG criteria in the investment process and carefully select the suppliers we work with along the entire value chain, ensuring transparency in how our gold is sourced. Concretely, the fund features two types of gold: traceable industrial gold (BCV

traceable gold) and certified artisanal gold (PX Impact gold).

As for the physical gold available at our counters, our 1-, 5-, 10-, and 20-gram bars have been certified Fairtrade, a widely recognized, high-quality certification.

Our 50-, 100-, 250-, and 500-gram and 1-kilogram bars are offered in the form of BCV traceable gold, which comes from the large-scale mines selected using the same process as for the BCV Physical Gold ESG fund.

All of our gold offering is refined in Switzerland on separate production lines to ensure full transparency along the entire value chain, from the mine to the end customer.



#### BCV traceable gold

This gold comes from a selection of mining companies handpicked by BCV on the basis of negative screening criteria and Ethos's ESG ratings. If no Ethos rating is available, the company is assessed based on MSCI data.

#### PX Impact gold

This certification was created by PX PRECINOX, a gold refiner based in La Chaux-de-Fonds. Strict criteria are applied at each step of the supply chain. The company has also set up a program to fund projects that support artisanal mining communities.

#### Fairtrade gold

This certification was created by the Max Havelaar Foundation (Switzerland). It guarantees that gold from small-scale artisanal mines is mined and traded fairly and that the gold can be traced throughout the production process.

<sup>1</sup> OECD, *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, April 2016

## SRI at Piguet Galland

Piguet Galland's approach to socially responsible investing is based on transparency, measurability, and materiality. In addition to applying a negative screening policy to all of the investment solutions proposed to clients,<sup>1</sup> the bank offers its own range of sustainability-themed investment products. Its Helv-Ethic certificate was named Best ESG Product at the 2023 Swiss Derivative Awards.<sup>2</sup> Launched in 2017, the certificate focuses on Swiss companies with socially responsible governance practices.

With regard to active ownership, Piguet Galland systematically considers ESG best practices when casting

votes at the AGMs of Swiss companies whose stocks are held by its investment funds; voting decisions are made using the recommendations of Ethos Services. In 2023, Piguet Galland voted at 39 AGMs (38 in 2022).

In order to better integrate sustainability issues into its investment management and decision-making processes, all 15 members of the investment team took the responsible investing courses offered by the PRI Academy (PRI: Principles for Responsible Investment). This is in line with the importance Piguet Galland places on building its employees' skills in sustainability issues.

Finally, as a participant in the Swiss Triple Impact program,<sup>3</sup> Piguet Galland has committed to publishing a

report on sustainability issues starting in 2025 using a transparent methodology, to raise its clients' awareness of the role the financial sector plays in sustainable development. It has also committed to applying ESG criteria when selecting financial instruments for all of its investment solutions.



<sup>1</sup> [www.piguetgalland.ch/academy/investissement-responsable-lapproche-dexclusion](http://www.piguetgalland.ch/academy/investissement-responsable-lapproche-dexclusion) (in French)

<sup>2</sup> [www.swiss-derivative-awards.ch/awards](http://www.swiss-derivative-awards.ch/awards)

<sup>3</sup> [en.swisstripleimpact.ch/companies/piguet-galland-%26-cie-sa](http://en.swisstripleimpact.ch/companies/piguet-galland-%26-cie-sa)

### G4-FS11

#### Sustainability-themed certificates managed by Piguet Galland (in CHF thousands)

At 31 December	2022	2023
Volume of sustainability-themed investment products <sup>4</sup>	57,754	55,119

<sup>4</sup> Piguet Galland's sustainability-themed product range includes the Helv-Ethic, Women Empowerment, and Climate Action certificates.

## SRI at Fonds Immobilier Romand

The sustainability strategy defined by Fonds Immobilier Romand (FIR), which is managed by GEP SA, is based on a transparent, responsible approach that involves measuring the energy consumption of the buildings in its portfolio. Having this data available for all of its properties enables FIR to report reliably and factually on its environmental impact. To help Switzerland achieve its target of net-zero emissions by 2050, FIR's sustainability strategy focuses on environmental sustainability, which today is one of real-estate owners' greatest responsibilities.

FIR is transparent about its efforts and aims to cut CO<sub>2</sub> emissions from its properties in line with the targets specified for the building sector in Article 4 of Switzerland's Climate and Innovation Act (i.e., an 82% reduction by 2040 and a 100% reduction by 2050).<sup>1</sup> This includes phasing out fossil fuels by moving completely to low-carbon sources for heating the buildings in its portfolio. By 2050, direct emissions from heating should be zero, owing to the gradual replacement of oil and natural gas heating systems.

In order to measure its progress toward these objectives, FIR tracks several indicators from year to year and reports on them in line with the transparency guidelines on environmental indicators for real-estate funds



FIR to completely decarbonize its heating systems by

# 2050

published by Asset Management Association Switzerland (AMAS).<sup>2</sup> Among the indicators tracked are the energy mix of the buildings in FIR's portfolio as well as the funds invested to the end of addressing environmental, social, and governance issues.

<sup>1</sup> [www.fedlex.admin.ch/eli/fga/2022/2403/fr](http://www.fedlex.admin.ch/eli/fga/2022/2403/fr) (in French)

<sup>2</sup> [www.am-switzerland.ch/en/regulation/self-regulation/real-estate-funds](http://www.am-switzerland.ch/en/regulation/self-regulation/real-estate-funds)

G4-FS8 FIR's energy mix	30 June 2021 <sup>3</sup>	30 June 2022 <sup>3</sup>	30 June 2023 <sup>3</sup>	By 2030 <sup>4</sup>	By 2050 <sup>5</sup>
Fossil fuels (oil, gas)	79%	79%	73%	54%	0%
Low-carbon energy sources (district heating, heat pumps, wood pellets, electric heat)	21%	21%	27%	46%	100%

<sup>3</sup> Actual values

<sup>4</sup> Projected figures from GEP SA

<sup>5</sup> Target

### Energy mix

FIR categorizes the energy surface area of its buildings by heating source, based on the consolidated portfolio data provided by the firm contracted to monitor energy use in FIR properties. The heating sources fall into two main categories – fossil fuels and low-carbon energy sources (see table on the previous page). In 2023, 27% of the total energy surface area of FIR's portfolio was heated with low-carbon energy sources.

### ESG investments

To achieve its 2040 energy-mix target – 100% of surfaces heated using low-carbon energy sources – FIR has drawn up an investment plan and is continuing to invest in energy-efficiency improvements and renewable energy.

In 2023, FIR invested CHF 8.4m in energy-efficiency improvements, including renovations that also make the property safer and more comfortable for occupants; this figure amounts to 11% of rental income (versus CHF 3.6m in 2022, or 5% of rental income).



CHF **8.4m**  
invested by FIR

in renovations with positive  
environmental and social impacts



## SRI at BCV Group's pension fund

SRI efforts undertaken by the BCV pension fund are overseen by the fund's ten-member board, which consists of five employer representatives and five employee representatives. Pension board elections are held every four years.

The fund has a responsible investment charter that sets out its SRI policy. The charter states that the fund aims to fulfill its fiduciary and social responsibility by working toward a more just and sustainable society.

The fund's non-real-estate assets are managed by BCV Asset Management,

with the exception of private equity assets. The fund's discretionary agreement with BCV Asset Management includes the following SRI approaches: negative screening, ESG integration, best-in-class selection, shareholder voting for positions held through funds, and shareholder dialogue. For its direct holdings in companies, the fund has set up a voting policy based on the recommendations of proxy-voting specialist ISS. The fund also aims to screen out all companies that generate a significant portion of their income from coal mining or coal-fired power generation.

These SRI approaches are being implemented gradually across the fund's portfolio. The fund also regularly assesses its portfolio's sustainability and climate compatibility. The fund's holdings in stocks and bonds received

an aggregate ESG rating of AA from MSCI ESG. Applying ESG criteria also helps lower the portfolio's carbon footprint, with a reduction of around 32% according to the weighted average carbon intensity (WACI) calculation method.<sup>1</sup>

<sup>1</sup> Metric tons of CO<sub>2</sub>e per CHF million in revenues; based on scope 1 and 2 emissions under the Greenhouse Gas Protocol





**Ferme Kursner, Gimel**

Local farmer Serge Kursner has worked closely with the Jura Vaudois Nature Park authority for many years. His orchard of standard-trained fruit trees provides food and shelter for a varied population of birds and insects. By growing strains such as Rose de Berne tomatoes, Berudge plums, and Noir de Chavannes cherries, the farm is helping to preserve local heirloom varieties for future generations.

# Responsible lending





## Our lending philosophy

Contributing to the economic development of our Canton while being guided by the principles of economically, socially, and environmentally sustainable development is at the heart of our corporate mandate. Vaud-based customers, businesses, and public-sector entities (e.g., municipalities, nursing homes, and schools) account for 79% of our total lending volumes. And by keeping our lending locally focused, we help maintain a wide array of jobs, skills, and services in our home region that are aligned with the needs and expectations of the community.

Managing credit risk is a strategically essential core competency at BCV. In this, we adhere to the highest standards of good governance in processing lending transactions:

- We separate our customer-facing divisions, which are responsible for advising, selling, selecting, and pre-analyzing, from our credit management division, which is in charge of the other phases of the lending process, such as analysis, granting loans, arranging the financing, and monitoring credit limits.
- Our lending activities are underpinned by a clear internal policy, which is approved by the Board

of Directors, as well as by internal directives and credit-risk monitoring systems and processes.

- Our lending and loan-renewal procedures are based on a detailed analysis of credit risk.
- We carry out strict affordability checks to ensure our customers can keep up with loan payments in the medium to long term.
- We set credit card limits according to the applicant's financial circumstances.
- We do not provide consumer loans or other unsecured loans directly to private individuals.
- We continuously monitor outstanding loans, not just on an individual basis but also at the level of the loan portfolio as a whole. This approach allows us to monitor the credit-risk profile to ensure that it remains consistent with strategic objectives, and enables early detection of increases in risk.
- We manage impaired loans separately from other loans, following clearly defined procedures that are designed to assist the debtor in distress as much as possible and thereby protect the interests of the Bank, as well as those of our depositors, creditors, and shareholders.

- Our approach to managing climate-related risks is fully aligned with our overall risk-assessment principles (more details can be found on page 81 of this report).
- Our strategy is consistent with the commitments made by the Swiss government and the Vaud Cantonal Government to combat global warming.
- We seek to do business with clients who demonstrate financial transparency and good environmental, social, and governance (ESG) practices. And our lending criteria take into account internationally recognized human rights standards<sup>1</sup> and Swiss employment law,<sup>2</sup> which sets out the core protections extended to workers in Switzerland.

<sup>1</sup> *International Bill of Human Rights, 1966; International Labour Organization Declaration on Fundamental Principles and Rights at Work, 1998*

<sup>2</sup> *Swiss Federal Employment Act (EmpA) and its ordinances; Swiss Code of Obligations (CO)*

## Mortgage loans

In line with our mission as Vaud's cantonal bank, we provide mortgage loans to property owners across our region.<sup>1</sup> In fact, we provide one in three mortgage loans in the Canton.

When assessing an application, we consider a range of qualitative and quantitative environmental criteria.

The majority of our mortgage lending is focused in Vaud, which has:

- a comprehensive legal framework with rules and requirements on energy efficiency, construction standards, land-use planning, and built-heritage conservation
- climate<sup>2</sup> and biodiversity<sup>3</sup> action plans
- a building permit system that gives interested parties the opportunity to express their views on any proposed new build or remodel, as well as on the associated social, environmental, and other impacts.

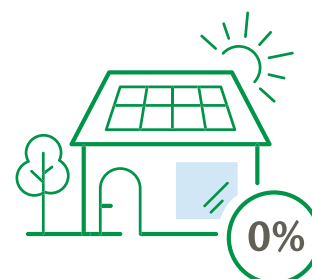
For every new mortgage-loan application we receive, we check that the owner has obtained a building permit, which signifies that the proposal meets requirements including cantonal and municipal requirements on climate and environmental protection. We also look at the proper-

ty's condition, how it is heated, and whether or not it has solar panels, and we give a lower valuation to properties that are energy-inefficient.

We work to align our mortgage lending strategy with the commitments made by the Swiss government and the Vaud Cantonal Government to combat global warming. In 2008, we introduced a Green Bonus offer that gives customers a reduced interest rate if their mortgage loan is used to purchase environmentally friendly real estate or to renovate their property to exacting energy-efficiency standards.<sup>4</sup> The features of the Green Bonus, updated in 2021 in line with our objectives, are as follows:

- For new purchases, the property must have a CECB eco-rating of A.<sup>5</sup>
- For renovations, at least 25% of the total investment (no less than CHF 20,000) must be used to make energy-saving improvements that qualify for subsidies, such as updating the property's heating system, windows, doors, or skylights, or renovating and insulating the roof.
- Customers pay zero interest for the first 12 months of the loan.

All types of real estate are eligible for Green Bonus loans, including income-generating and commercial properties.



interest for 12 months  
on loans for energy-efficiency  
renovations

We are also encouraging green renovations by making it easier for owners to obtain a CECB Plus energy audit (Vaud's cantonal energy certificate for buildings).

Through our partnership with Romande Energie, our customers pay a reduced price for the audit, which includes an energy-efficiency analysis of the building as well as a list of recommended improvements and their estimated costs. The discount applies on top of any cantonal or municipal subsidies. We subsidized ten audits under this partnership last year, bringing the total to 80 since 2021.

We actively encourage customers to take up this offer. In 2021 and 2022, we carried out a large-scale promotional campaign among property owners drawing attention to the Green Bonus program. Last year, we narrowed our focus to owners of properties that had not been reno-

<sup>1</sup> Cantonal Act of 20 June 1995 Governing the Organization of Banque Cantonale Vaudoise (LBCV)

<sup>2</sup> [www.vd.ch/themes/environnement/climat/plans-climat-vaudois](http://www.vd.ch/themes/environnement/climat/plans-climat-vaudois) (in French)

<sup>3</sup> [www.vd.ch/themes/environnement/biodiversite-et-paysage/plan-daction-biodiversite](http://www.vd.ch/themes/environnement/biodiversite-et-paysage/plan-daction-biodiversite) (in French)

<sup>4</sup> [www.bcv.ch/en/home/corporate-banking/for-your-core-banking-needs/property-financing/green-bonus](http://www.bcv.ch/en/home/corporate-banking/for-your-core-banking-needs/property-financing/green-bonus)

<sup>5</sup> The Cantonal Building Energy Certificate is an eco-rating program recognized by all Swiss cantons.

vated in at least 20 years, sending out messages and newsletters to nearly 7,000 people.



We have also taken further steps to help our customers make their homes more energy-efficient. Our website features a simulation tool showing owners what it would cost to upgrade their heating system or install solar panels on their property, how these measures could reduce their energy

use and carbon emissions, and how much they could save in the long run.<sup>1</sup>

Our advisors routinely address the question of energy efficiency in the mortgage advisory process for clients whose properties meet certain criteria. In 2023, all our banking advisors and credit analysts completed training on the benefits of energy-efficiency renovations and on how the subject should form part of discussions with clients looking to take out a mortgage on a single-family property for use as a primary or secondary residence.

In 2024, in keeping with our commitment to maintaining high standards

of expertise across our workforce, we will introduce a training course on energy-efficient properties and how they tend to retain their value in the long term. The training is aligned with the June 2022 guidelines issued by the Swiss Bankers Association (SBA), which require members to discuss energy-efficiency renovations during the mortgage advisory process and to address the topic in greater depth when training advisors.<sup>2</sup>

Our mortgage lending for energy-efficient properties and projects is summarized in the tables below. The first relates to loans granted under the Green Bonus offer, while the second

#### G4-FS8

##### Mortgage lending under the Green Bonus program (in CHF millions)

	2021	2022	2023
Total	65.70	80.98	<b>103.90</b>

#### G4-FS8

##### Mortgage lending for energy-efficient properties

	2021	2022	2023
Mortgage lending for energy-efficient properties (i.e., built after 2014) (in CHF millions) <sup>3</sup>	2,810	3,362	<b>3,840</b>
Percentage of mortgage lending for energy-efficient properties (i.e., built after 2014)	9.8%	11.3%	<b>12.3%</b>

<sup>1</sup> [www.bcv.ch/en/home/personal-banking/happiness-starts-at-home/renover](http://www.bcv.ch/en/home/personal-banking/happiness-starts-at-home/renover)

<sup>2</sup> Swiss Bankers Association, *Guidelines for Mortgage Providers on the Promotion of Energy Efficiency*, June 2022

<sup>3</sup> Conservative assumption: this figure does not include older properties that may meet exacting green-building standards, so the real volume may be higher.

concerns general lending on properties that are necessarily energy-efficient in light of Vaud's exacting building standards.

In 2024, we will press ahead with our efforts to measure the CO<sub>2</sub> footprint of our mortgage portfolio and, as part of our forthcoming climate strategy, we intend to set an emissions-reduction target for the properties we finance. As well as tracking our progress, we will continue to build out incentives and support measures for our mortgage clients.

In 2023, as part of our work to raise awareness about energy-efficiency renovations, we published press articles and expert insights on this subject (see page 29 for more details). The topic also featured prominently at *Les Pros de l'Immobilier*, our dedicated event for real-estate professionals, and we shared information about the benefits of Green Bonus-qualifying renovations across our social media channels.

## Lending to local businesses

We provide financing to every sector of Vaud's economy, in keeping with our mission as a cantonal bank.<sup>1</sup> The Bank's corporate loan book reflects the economic structure of the Canton.

The breakdown of the Bank's customer loans by geographical zone is as follows:

- Vaud Canton: 79% (80% in 2022)
- Rest of Switzerland: 19% (17% in 2022)
- European Union and North America: 1% (same as in 2022)
- Other: 2% (3% in 2022).

As a matter of policy, BCV does not lend to organizations whose practices could harm its image or reputation. We are equally mindful of the social and environmental risks and impacts of the projects we finance. Our approach is inspired by the United Nations Guiding Principles on Business and Human Rights, by International Labour Organization Conventions Nos. 138 and 182 on child labor, by the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour,

and by applicable legislation in the Canton of Vaud.

To ensure our internal regulations are in step with the latest developments, we regularly revise our sector exclusion list to make sure we only finance projects that are consistent with our ethical principles and our CSR strategy, in light of identified risks. Any additions to this list require the explicit approval of BCV's Board of Directors.

We also consider sustainability with regard to our counterparties. When considering a potential financing arrangement, we look at the structure, purpose, and size of the loan and review it against ESG metrics.

Environmental and social criteria, including respect for human rights, are fully embedded and documented in our credit analysis process, which includes a questionnaire on this topic tailored to the type of loan applicant, their sector or industry, and the purpose of the credit facility. All relevant information is made available to the individual or committee responsible for making the lending decision.

In 2022, we added a new module to our in-house lending training program explaining how we factor environmental and social criteria into our qualitative analysis process for corporate loans. This module is updated on a regular basis.

<sup>1</sup> LBCV

## Environment

In line with our sector exclusion policy, we do not finance projects relating to:

- nuclear power plants
- unsustainable fishing and logging activities
- coal mines and coal-fired power plants
- oil and gas extraction.

We offer discounted-rate loans and a range of support services to encourage businesses to lower their carbon footprint and use less energy, as part of our efforts to support the energy transition.

In addition, we have entered into a partnership with the PEIK energy-audit program run by SuisseEnergie, the Swiss federal government's energy-efficiency and renewable energy initiative. The goal is to support SMEs in their energy transition: corporate clients that carry out a PEIK audit receive a report setting out practical, targeted steps to reduce their energy use. On top of this, clients can take advantage of our Green Bonus capital expenditure loans, with zero interest for the first six months if certain conditions are met.

To help us actively promote this offer, all our corporate client-facing teams have completed a joint BCV-PEIK training program.

“ We offer discounted-rate loans and a range of support services to encourage businesses to lower their carbon footprint, as part of our efforts to support the energy transition. ”

## Society

Companies headquartered in Switzerland – which make up the vast majority of the companies we lend to – must comply with strict employment rules. Laws such as the Swiss Federal Employment Act and its ordinances, the Swiss Code of Obligations, and the Swiss Federal Act on Gender Equality require employers to:

- foster a workplace environment that promotes workers' physical health and mental well-being
- treat men and women equally and ensure that women have the opportunity to progress to senior roles
- avoid all forms of discrimination
- maintain workers' work-life balance by adhering to rules on working time and rest time
- respect employees' workplace entitlements.

As part of our negative screening policy, we decline in particular to lend to:

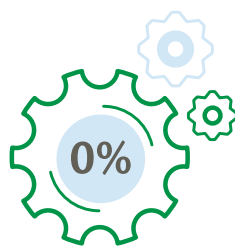
- firms that manufacture or deal in controversial weapons and munitions
- companies in the pornography industry
- organizations associated with violations of internationally recognized human rights standards<sup>1</sup>
- entities that breach Swiss employment law
- gambling companies in other countries and unlicensed gambling operators in Switzerland.

## Governance

We systematically examine each counterparty's governance arrangements as part of our credit analysis process. This review is based on the general principles of the Bank's lending policy and on applicable directives for each client segment. BCV does not lend to organizations found to have engaged in active or passive corruption.

<sup>1</sup> *International Bill of Human Rights, 1966; International Labour Organization Declaration on Fundamental Principles and Rights at Work, 1998*





interest for 6 months on capital expenditure loans for energy-efficiency purposes

## Trade finance

The Lake Geneva region is a global center for commodities trading and home to a large number of trading firms. In our trade finance business, we focus on certain key markets and monitor all of our trade finance transactions.

We also have a policy that takes account of environmental and social factors. It is based on the United Nations Guiding Principles on Business and Human Rights,<sup>1</sup> International Labour Organization standards (i.e., Conventions Nos. 138 and 182 on child labor), and SECO requirements (i.e., the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour, or the DDTro).

Our policy is to only finance transactions in commodities for which we are thoroughly familiar with the processes, context, and stakeholders involved. Financed commodities are subject to a set of rules that take the associated materials' environmental and social impacts into account. The rules are reviewed and approved annually by the Executive Board's Credit Committee and provided to all trade finance employees.

Our current process for assessing environmental and social impacts aims to identify, evaluate, and manage the related risks. It covers the four

key aspects of trade finance (client, commodity, country, and transaction type) and is designed to provide a comprehensive overview of the client and the transaction. Our relationship managers and credit analysts are responsible for rigorously following this process; they document their ESG risk assessments in annual credit files, based on their knowledge and the information available to them. All lending decisions are made by the respective decision-making authority. Outstanding loans are continuously monitored, and we review our credit files at least once a year.

Our environmental risk-mitigation measures include the following requirements for the shipping of petroleum derivatives: ships must be double-hulled, no more than 20 years old, subject to regular maintenance, and, if owned or chartered by our client, covered by civil liability insurance. These points are clearly set out in our lending policy.

BCV does not finance transactions in crude oil, oil residues or shale gas in its trade finance business.

### Reducing our exposure to coal at a faster pace than the Paris Agreement-compatible scenario

Under the Sustainable Development Scenario, global coal use needs to be reduced in order to meet the emissions target set out in the Paris Agreement. Since 2020, we have pursued a slightly more ambitious phase-down rate based on International Energy Agency (IEA) publications.<sup>2</sup>

We focus on transactions supplying coal to countries in the developing world because, in those countries, coal is affordable and accounts for much of the energy mix, so it will be particularly difficult to phase out quickly.

In 2020 and 2021, our target was to reduce exposure to coal by 4.5% per year, and since 2022 our aim has been to reduce it by 6.5% per year compared to 2021 levels, including steam coal and metallurgical coal.

We experienced a sharp decrease in our coal exposure in 2022 and 2023 owing to the war in Ukraine and BCV's stance in that regard.

<sup>1</sup> United Nations, *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*, 2011

<sup>2</sup> IEA, *Net Zero Roadmap: A Global Pathway to Keep the 1.5°C Goal in Reach*, September 2023

## Commodities policy

Since 2020, we have been carrying out annual reviews of the social and environmental risks and impacts – actual and potential – of all commodities involved in the transactions we finance. We review the criteria for dealing in these commodities every year in light of market best practice.

For transactions involving certain commodities deemed sensitive in terms of their environmental or social risks or impacts, we require evidence that the commodities have been sustainably sourced or that nationally or internationally recognized due diligence policies and practices have been implemented.

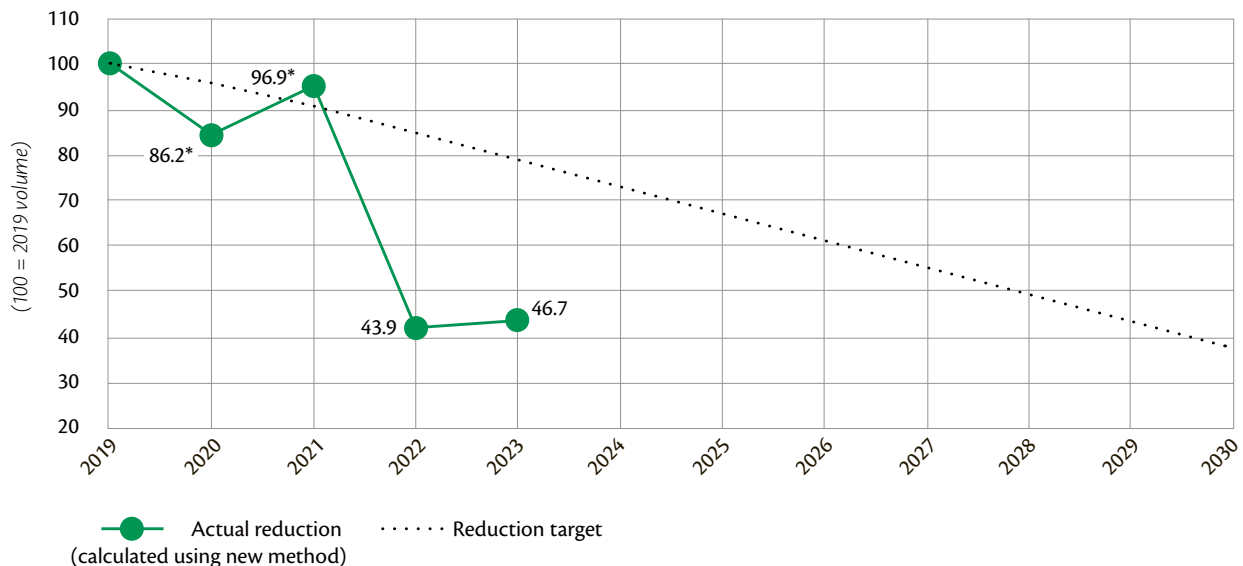
These conditions relate to the following commodities:

- soy (e.g., Roundtable on Responsible Soy certification)
- palm oil (e.g., International Sustainability & Carbon certification)
- cobalt and tin (e.g., the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas)
- wood chips (e.g., Forest Stewardship Council certification)

- bauxite (e.g., the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas, along with evidence that the mine complies with International Finance Corporation standards or has Aluminium Stewardship Initiative certification).

Since 2020, we have continually improved our monitoring of social and environmental risks and impacts across our entire trade finance business, both when each client's credit limits come up for annual review and with respect to day-to-day transactions.

**Coal exposure of BCV's trade finance business since 2019**



\* Following the adoption of a new method for calculating coal exposure, values for 2020 and 2021 have been recalculated and adjusted relative to those published in 2022.

To ensure that our policy is properly implemented, BCV employees involved with trade finance have completed a training course to increase their awareness of sustainability issues, particularly in relation to risk monitoring, documentation, and decision-making processes.

### Training on environmental and social risks and impacts

All trade finance relationship managers and credit analysts have completed an online training session created by BCV, entitled "CSR and responsible lending." The session aims to give them an overview of what CSR entails for a bank like BCV, particularly issues in lending and trade finance more specifically, and to explain BCV's sustainability policies and processes for these activities.

To supplement this online training session, we have developed a workshop on assessing environmental and social risks and impacts in trade finance. It features case studies on CSR issues and how they affect day-to-day activities for our trade-finance employees, and the take-up rate has been 94% so far.

### Climate-related risks in our lending activities

As BCV operates primarily in Vaud Canton, it has little exposure to climate-related physical hazards. The Bank therefore prioritizes analyzing risk factors related to the energy transition.

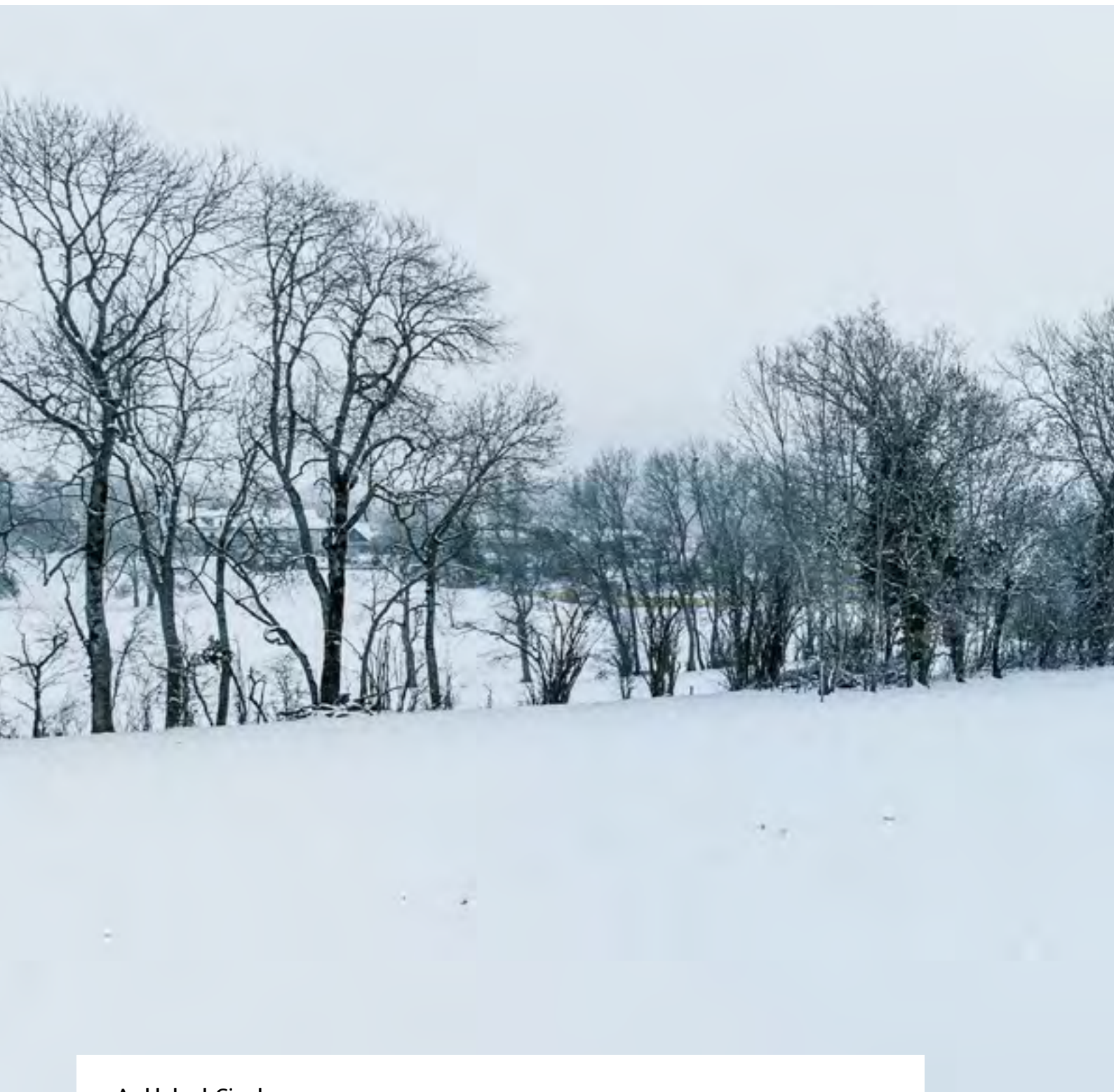
When assessing credit risk, we systematically identify and monitor our mortgage and corporate exposures where transition-related factors could lead to an increased possibility of default. This assessment has shown the following:

- **Mortgage exposures:** The proportion of home financing with a heightened exposure to transition-related risk factors is deemed to be very low (less than 5% of total exposures) and is trending downward. The impact of these factors on the Bank's risk of credit loss is considered marginal.
- **Corporate exposures (excluding trade finance):** The proportion of corporate loans granted to companies in sectors most affected by the energy transition is moderate (around 20%); these loans are not concentrated in any one sector, and no loans are granted to companies involved in fossil-fuel production. Most of the companies concerned are Swiss firms active

in air, sea, or road transportation, construction, manufacturing, chemicals and pharmaceuticals. The impact of transition-related risk factors on the Bank's risk of credit loss is deemed to be low and is factored into each credit-risk analysis.

- **Trade-finance exposures:** Our trade financing is transaction-based and granted for terms of under a year. Transition-related risk factors have no material impact on the Bank's risk of credit loss. BCV also has a commodities policy aimed at reducing risks and impacts in the area of climate change (more details can be found starting on page 79 of this report).

More information about our governance, risk management, and strategy for climate-related risks, as well as the steps we are taking to assess our greenhouse gas emissions, can be found in our 2023 Annual Report (starting on page 71) and in our Basel III Pillar 3 report.

**Arable land, Gimel**

Hedges of trees and shrubs promote farmland biodiversity: insects are drawn to the nectar-rich flowers of the wayfaring tree, while birds feed on elderberries and nest among the thorns of the sweet briar rose. The park authority aims to ensure that varied, indigenous species are used in the new hedge-planting projects it oversees.

# Being a benchmark employer





## Our employer philosophy

BCV is one of Vaud's leading employers. With one in every three people in the Canton's banking sector working for us, we're the number one provider of jobs in the industry, and no other bank in Vaud can match our staff's collective breadth and depth of skills. Our dynamic human resources policy is crucial to both our mission and our strategy, and we encourage training both to help our employees grow their skill sets and to help prepare our future managers. We're dedicated to creating workplace equality and pro-

moting diversity, and we make the health and well-being of our people a priority.

Last year, we took further steps to broaden our appeal to prospective employees. More details can be found in the "Work-life balance" section of this report, starting on page 89.

At the heart of our human resources policy are BCV's four core values: responsibility, performance, professionalism, and close ties with our customers and the broader community. These same values, which are outlined on page 34 of this report, are also integral to the ethical princi-

ples underlying our Code of Professional Conduct. All new hires receive a copy of the Code, which is available on our website.<sup>1</sup> It sets out the behavior that is expected of our company as a whole, its governing bodies, and each and every staff member. The principles contained in the Code are applicable to any action or decision taken by BCV Group employees in a professional context (more details can be found on page 34 of this report).

### 401-1

#### New employee hires, by gender and age group

	Total				Under 30 years old	30–50 years old	Over 50 years old	Total
	2019	2020	2021	2022	2023			
Women	63	56	61	101	39	48	11	<b>98</b>
Men	101	92	120	135	63	58	29	<b>150</b>
<b>Total</b>	<b>164</b>	<b>148</b>	<b>181</b>	<b>236</b>	<b>102</b>	<b>106</b>	<b>40</b>	<b>248</b>

### 401-1

#### Employee turnover, by gender and age group

	Total				Under 30 years old	30–50 years old	Over 50 years old	Total
	2019	2020	2021	2022	2023			
Women	7.9%	6.4%	8.5%	12.9%	13.7%	11.5%	4.0%	<b>9.3%</b>
Men	5.7%	7.2%	7.6%	7.2%	15.4%	10.6%	2.6%	<b>8.1%</b>
<b>Total</b>	<b>6.6%</b>	<b>6.9%</b>	<b>8.0%</b>	<b>9.5%</b>	<b>14.6%</b>	<b>10.9%</b>	<b>3.1%</b>	<b>8.6%</b>

<sup>1</sup> [www.bcv.ch/en/home/la-bcv/investor-relations/overview](http://www.bcv.ch/en/home/la-bcv/investor-relations/overview)

## Diversity and equal opportunity

The Compensation, Promotions and Appointments Committee guides the Bank's approach to diversity and equal opportunity. The Committee meets several times a year to make recommendations to the Board of Directors. The list of Committee members appears on page 89 of our 2023 Annual Report.

As set out in our Code of Professional Conduct, we aim to foster a working environment in which differences are respected and qualifications, skills, and achievements are valued. We are dedicated to creating a fair and diverse workplace equality with equal opportunities for all staff.

Maintaining gender balance is a key component of our hiring policy, including how we manage our talent pipeline. In 2023, women accounted for 8 of the 19 university interns, 17 of the 35 high school graduate train-

ees, and 23 of the 37 apprentices who trained with us. We also use indicators to track female representation in our various business lines, as well as at the various levels of responsibility. These indicators are monitored by the Bank's Executive Board and Board of Directors.

Our "Rejoignez-nous" hiring campaign is aimed at people who are looking to return to work after a career break or who want to change direction and pursue a career in banking. The campaign once again attracted a high number of female applicants, with five women joining the program last year (versus seven in 2022).

Our corporate culture is enriched by our staff's diverse range of experiences and educational backgrounds: 36% of our workforce completed an apprenticeship or high school, 43% graduated from university, and 17% have a vocational background. We also maintain a balanced age structure, with under-30s and

over-50s accounting for 19% and 36% of our employees, respectively (see page 86).

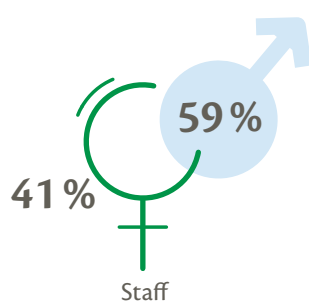
In terms of BCV's gender balance, the Bank had 799 female employees (around 41% of the workforce) at the end of last year.

The PLURI'elles network, an initiative led by some of the Bank's female employees, was created in 2020. Its purpose is to promote women's personal and professional development at BCV and to provide a platform for sharing success stories.

## PLURI'elles

Le réseau féminin de la BCV

In 2023, the network once again ran a series of talks, panel discussions, workshops and other sessions on topics such as leadership, networking, and stepping out of your comfort zone. Around 400 staff members – women and men alike – attended these sessions across



### 405-1

#### Diversity of governance bodies and employees, percentage of women per governance body and employee category

					%	Number
	2019	2020	2021	2022	2023	
Board of Directors	29%	43%	43%	43%	43%	3
Executive Board	0%	0%	0%	0%	0%	0
Managers (excluding Executive Board)	31%	31%	31%	31%	32%	421
Other employees	64%	66%	66%	64%	61%	375
<b>Total workforce</b>	<b>42%</b>	<b>42%</b>	<b>42%</b>	<b>41%</b>	<b>41%</b>	<b>799</b>

405-1

Diversity of governance bodies and employees, by age group

	2022			2023		
	Under 30 years old	30–50 years old	Over 50 years old	Under 30 years old	30–50 years old	Over 50 years old
Board of Directors	–	–	100%	–	–	100%
Executive Board	–	–	100%	–	–	100%
Managers (excluding Executive Board)	4%	55%	41%	4%	54%	42%
Other employees	48%	29%	23%	52%	27%	21%
<b>Total workforce</b>	<b>18%</b>	<b>47%</b>	<b>36%</b>	<b>19%</b>	<b>45%</b>	<b>36%</b>

the year, hearing from a diverse panel of speakers including elite athletes, life coaches, and managers working in different areas of the Bank.

In 2023, women accounted for over 40% of all BCV job applicants, and the number of women working at BCV, including in leadership and management positions, has increased over time. We aim to have 25% of senior leadership positions held by women by 2030. In 2023, women held 17% of these positions, which include members of the Executive Board, senior managers,



Target of **25%**  
for senior leadership positions held by women by 2030

experts, and managers in charge of large teams (versus 16% in 2022).

BCV has nine employees (four women and five men) on hourly contracts (versus eight – four women and four men – in 2022), plus 321 subcontractor personnel – mostly IT specialists – who work alongside our staff day to day but aren't employed by the Bank directly (versus 188 in 2022).<sup>1</sup>

### Focus on training

BCV is one of the Canton's main providers of professional training. We have our own training center, which offers courses to BCV employees and to employees of other cantonal banks in French- and Italian-speaking Switzerland.<sup>2</sup>

Our center focuses on skills development for all of the Bank's staff.



**1 in 3**  
local apprentices and high school graduates who train in banking Staff

Customer advisors receive regular training, in particular to help them keep pace with constant changes in customer needs and the regulatory environment. Last year, our training center delivered more than 5,800 days' worth of training, including over 1,100 days of distance learning. On average in 2023, employees completed three days of training. That's lower than the average figure for 2022 (four days), in part because of changes to the year's course calendar.

<sup>1</sup> The number of subcontractor personnel who aren't employed by the Bank is higher than previously reported, owing largely to changes in how we track and categorize our subcontractors.

<sup>2</sup> The term "cantonal banks in French- and Italian-speaking Switzerland" covers the cantonal banks of Fribourg, Geneva, Jura, Neuchâtel, Ticino, Valais, and Vaud.



We place a high priority on our employees' ongoing professional development, whether through internal job training, certification from the Swiss Association for Quality (SAQ), or post-secondary qualifications from outside institutions.

We have adopted an advisor certification system used by several other banks that is in line with the ISO 17024 standard and recognized by SAQ (see box below for more details). A total of 30 client advisors received their certification last year (versus 33 in 2022). As a result, all our advisors are now SAQ-certified. We will continue supporting new advisors who join our team as they work toward this certification.

The ninth edition of BCV's Micro MBA program – developed in conjunction with the director of the Entrepreneurial Leadership specialization within the University of Geneva's Executive MBA program – kicked off in March 2023 and will run through October 2024. The 17 people who are taking part (6 women and 11 men – see chart on page 88) are developing interdisciplinary and project-management skills.

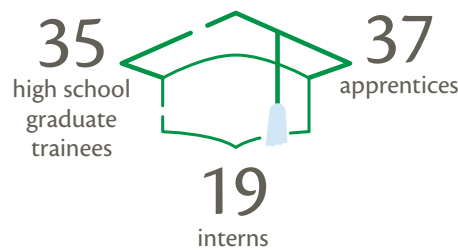
In addition, 19 BCV employees received post-secondary qualifications from outside institutions in 2023 with the Bank's support.

Last year, we provided job training for 96 trainees (around 5% of our total workforce, unchanged from 2022): 37 apprentices, 35 high school grad-

uates, 19 university interns, and 5 participants in our "Rejoignez-nous" training program (see page 85 for more details).

Apprentices, high school graduates, and university interns completed more than eight days of in-house training on average.

Over a third of all young people in Vaud who choose to get training in a bank as apprentices or high school graduates do so at BCV.



### SAQ certification

The Swiss Association for Quality (SAQ) certificate attests that the holder has the expertise and knows the rules of conduct defined by the industry for the advisory profession.

Only professionals who are employed by a financial institution (bank or independent asset manager) and who have a client portfolio can take the SAQ examination.

In general, certifications make theoretical knowledge and practical skills visible, transparent, and internationally comparable. The SAQ Client Advisor Bank certification system was developed in close cooperation with the Swiss banking industry and is recommended by the Swiss Bankers Association to its members.

The certificate is valid indefinitely as long as holders continue to fulfill certain criteria. For instance, advisors must complete a set number of days of training each year and must be employed by a financial institution at the time of recertification.

404-1

Average days of in-house training per employee per year

	2019	2020	2021	2022	2023
All employees	4.3	3.7	4.2	4.0	<b>3.0</b>

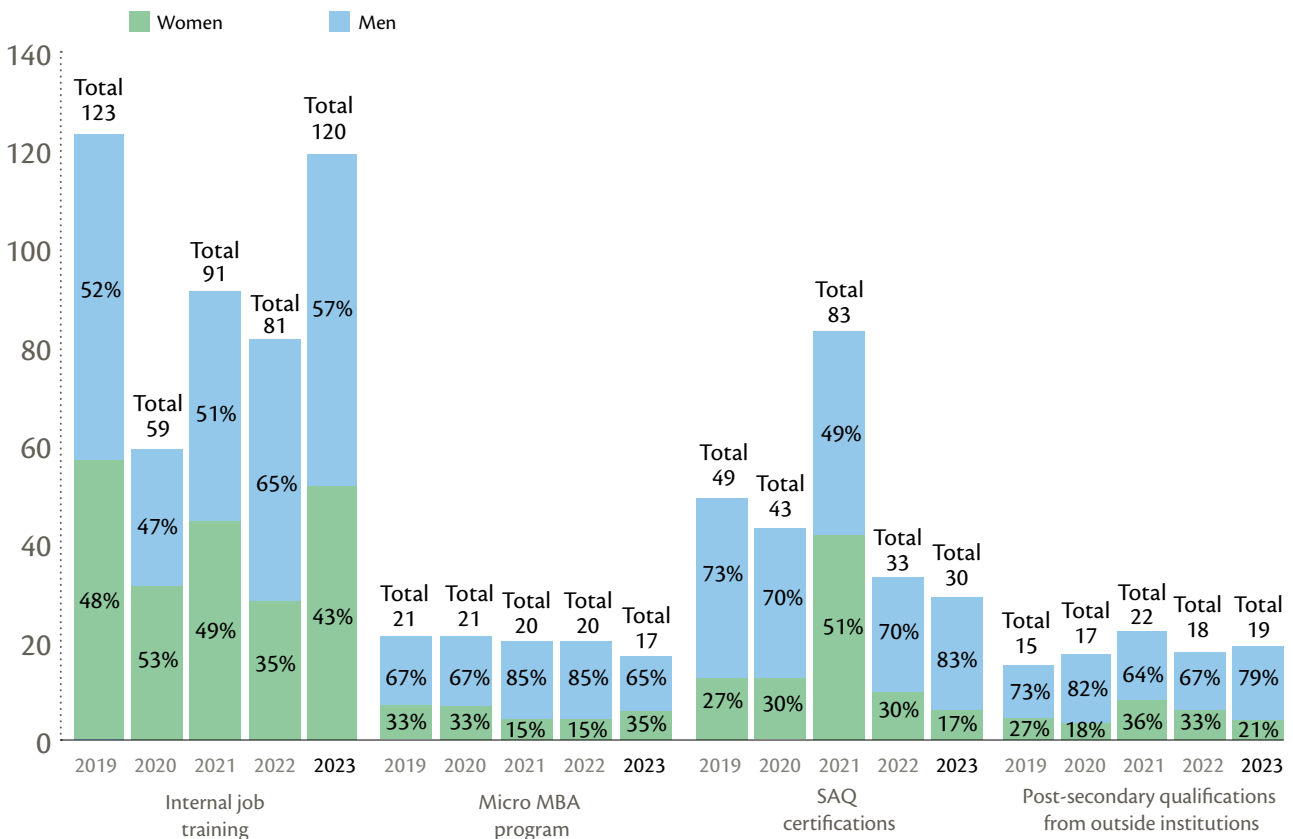
404-1

Average days of in-house training per year per employee, by gender and employee category

	Other employees					Managers				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
Women	4.9	3.0	8.5	6.3	<b>4.6</b>	4.3	2.0	1.6	2.6	<b>2.3</b>
Men	5.7	3.4	12.8	7.4	<b>5.2</b>	5.7	2.3	1.9	2.5	<b>2.1</b>

404-2

Programs for upgrading employee skills



## Objectives and performance reviews

At BCV, our objective-setting and performance-review process is designed to give employees a clear picture of the Bank's expectations. At the beginning of the year, employees sit down with their line manager to discuss their individual performance and skills-development targets for the coming year, and to talk through how they will achieve them.

Managers review staff performance twice yearly: once at the halfway point, and again at the end of the year. Ahead of each review, the manager gathers the necessary information and employees complete a self-assessment. The manager then meets with each employee to factually discuss the progress made toward performance objectives. Any points of disagreement can be escalated for a second opinion to the manager's line manager and the human resources team.

As part of the performance-review process, managers ask employees where they see themselves in two to five years' time, and their responses are formally documented. This new step, which we introduced in 2023,

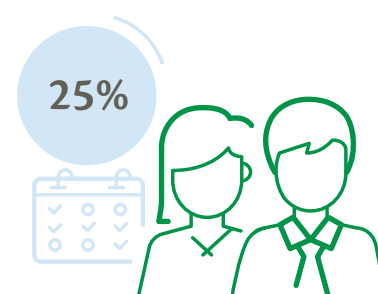
is designed to encourage internal job mobility and support the Bank's future workforce planning.

## Work-life balance

As one of the Canton's leading employers, we know how important it is for our nearly 2,000 employees to be able to juggle the demands of work and family life. Encouraging work-life balance also makes good business sense, because it helps us attract and retain the talent we need going forward.

We have put in place a flexible policy so that BCV employees, including senior managers, may increase or reduce their hours as they progress through their career at the Bank. In 2023, 24% of managers and 28% of other employees worked part-time, a similar level as in 2022.

Last year, we took further steps to broaden our appeal to prospective employees. Employees can now purchase additional days of leave, and we introduced two new options for part-time members of our workforce:



of BCV employees work part-time

compensatory time off, where staff can take extra days off to compensate for overtime hours worked, and an annualized hours arrangement, where employees can spread their contractually agreed-upon working hours unevenly across the year.

We also help our employees fit work around their busy lives in other ways. For instance, employees aged 45 and over gain additional leave, and staff have the option to take their long-service bonus – awarded for 10, 20, 30, and 40 years' service at BCV – as an extra month's vacation time. And when they reach 58 years of age, employees can choose to take early retirement or, if they work full-time and if their line manager agrees, take partial retirement with a reduction of 20% or more in their working hours.

2-7 Employees	2019	2020	2021	2022	2023
<b>Total workforce (including trainees)</b>	<b>1,915</b>	<b>1,901</b>	<b>1,911</b>	<b>1,923</b>	<b>1,956</b>
– Employees on permanent contracts (number)	1,806	1,799	1,795	1,804	<b>1,835</b>
– Women (%)	42%	42%	42%	41%	<b>41%</b>
– Men (%)	58%	58%	58%	59%	<b>59%</b>
<b>Employees working part-time</b>	<b>27%</b>	<b>27%</b>	<b>26%</b>	<b>25%</b>	<b>25%</b>
– Women (%)	50%	49%	49%	46%	<b>47%</b>
– Men (%)	10%	10%	10%	10%	<b>11%</b>

### 401-3

#### Parental leave

	2019	2020	2021	2022	2023
Female employees who took maternity leave in the year (excluding those on fixed-term contracts)	39	40	39	33	<b>31</b>
Female employees who returned to work after maternity leave ended in the year	100%	97%	92%	96%	<b>100%</b>
Female employees who returned to work the previous year after maternity leave and were still employed 12 months after their return to work	89%	75%	80%	76%	<b>87%</b>
Male employees who took parental leave in the year (5 days in 2019–2020; 10 days in 2021–2022; 20 days in 2023)	47	53	46	41	<b>51</b>

#### Sabbatical leave

	2019	2020	2021	2022	2023
Women	3	1	1	0	<b>1</b>
Men	5	0	0	5	<b>5</b>
<b>Total</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>5</b>	<b>6</b>

### Supporting working parents

In 2023, we significantly increased the amount of leave available to staff welcoming a new child into their family. Previously, female employees could take a maximum of 20 weeks off work on full pay after giving birth. Under the new arrangement, this entitlement has been extended to:

- 22 weeks for women with fewer than five years of service
- 28 weeks beyond five years of service
- 30 weeks beyond 10 years of service.

Beyond the 14 weeks of legally mandated leave, female employees working 80% or more full-time equivalent can return to work part-time while continuing to receive maternity pay.

The Bank offers four weeks of fully paid parental leave to the newborn's father or to the birth mother's same-sex spouse (under the previous arrangement, we offered two weeks of paternity leave).

BCV also offers leave for adoptive parents: the child's primary caregiver receives the same entitlement as female employees taking maternity

leave (without the option of extending the leave period by returning to work part-time), while the other parent is entitled to the same parental leave as fathers and same-sex spouses. We also offer our employees daycare services and have a total capacity of up to 36 children.



**36**  
children looked after  
in the daycare center

## Working conditions

As an organization headquartered in Switzerland, BCV must comply with strict employment rules laid down in laws such as the Swiss Federal Employment Act (EmpA) and its ordinances, the Swiss Code of Obligations (CO), and the Swiss Federal Act on Gender Equality (GEA). We take our responsibilities as an employer seriously, aiming to:

- foster a workplace environment that promotes employees' physical health and mental well-being
- treat men and women equally, and ensure women have the opportunity to progress to senior roles
- avoid all forms of discrimination
- maintain employees' work-life balance by adhering to rules on working time and rest time
- respect employees' workplace entitlements.

At any point, the Bank could be inspected by the cantonal authorities to make sure its practices are compliant with Swiss employment law.

The protections to which staff are entitled are set out in detail in the Bank's employee regulations. Under the regulations, every BCV employee receives a benefits package that equals, and in many cases exceeds, the minimum standard set by law and industry practice, including the

requirements of the Agreement on Conditions of Employment for Bank Employees (CPB).

The standard working week for a full-time employee is 42 hours, and the maximum is 45 hours. Staff should not normally exceed this limit. In exceptional cases, line managers can ask employees to work up to 55 hours a week if the additional hours are essential for business continuity. In such cases, the employee in question must consent to the request.

The Bank has signed the Agreement on the Recording of Working Time (CSTT), a joint initiative of the Employers Association of Banks in Switzerland (Employers in Banking), the Swiss Bank Employees' Association (ASEB), and the Swiss Association of Commercial Employees. This agreement offers three options for recording employees' working hours:

- a standard arrangement that uses an electronic time clock to record working time.
- a simplified arrangement, under which staff need only record their total daily working hours, have greater freedom to plan their work, and are personally responsible for complying with the rules on working time and rest time.
- a waiver arrangement, which only applies to employees earning a basic annual salary (excluding variable components) of CHF 120,000 or more, who are free to plan their work as they see fit. The decision to waive working-time recording

must be set down in an individual agreement with the employer, and the employee's workload must be discussed at annual performance review meetings. Staff in this category are also personally responsible for complying with working-time and rest-time rules.

The Bank has an arrangement in place that lets employees work from home for one day a week. The option is open to staff employed at least 60% of full time and whose duties are compatible with remote working.

Every two years, BCV commissions a third-party polling service to conduct an anonymous survey of all staff members in order to obtain their opinions on working conditions and workplace relations, to gauge their satisfaction with supervisors, and, more generally, to determine their buy-in and commitment. In 2022, 83% of employees took part in this survey. The overall score of 7.0 out of 10 showed that employee buy-in remains high and on a par with levels seen in other companies. The next survey will take place in 2024.

### Compensation

BCV's compensation system is designed to promote individual and team performance, skills development, and professionalism, and to attract and train the talent that is integral to our long-term success. The Bank's compensation policy is managed by the Compensation, Promotions and Appointments Committee.

The components of the compensation system are base salary, annual

performance-based compensation, and the employee share-ownership plan. In addition, the Executive Board and department heads are eligible for long-term performance-based compensation. No stock-option plans are offered as part of compensation.

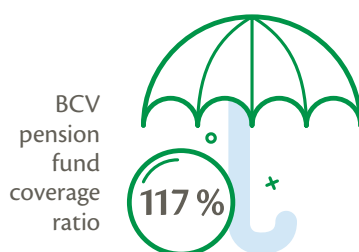
More details of our compensation system can be found in our 2023 Annual Report (starting on page 100).

Annual performance-based compensation for the members of the Executive Board is determined based on their year-end evaluations, which include objectives relating to the Bank's CSR strategy. The same applies to long-term performance-based compensation. No such financial incentives are offered to members of the Board of Directors.



Last year, the highest salary at BCV was 14.7 times more than the median salary – broadly unchanged relative to the 2022 ratio (14.3 to 1).

The calculation basis for this ratio is gross compensation. However, if tax payments and social security contributions are taken into account, the result is a pay ratio of less than 10 to 1.<sup>1</sup> This latter estimate represents relative purchasing power across the Bank's workforce.



Under the amended Swiss Federal Gender Equality Act (GEA), companies with 100 or more employees had until 1 July 2021 to complete an equal pay analysis of all employees. In April that year, we hired an external consulting firm to conduct this analysis for our workforce. The results showed that BCV's compensation meets Swiss

federal requirements on gender-equal pay. Also in 2021, we were awarded the Fair-ON-Pay+ certification in recognition of our equal pay practices over the long term. This certification, which is valid for four years, included an interim assessment in 2023.

### Pension fund

BCV Group provides its employees with pension coverage well in excess of the minimum legal requirements. The staff pension fund is run as a defined-contribution plan for retirement benefits and as a defined-benefit plan for death and disability benefits.

All BCV Group employees are members of the staff pension fund, the Caisse de Pensions de la Banque Cantonale Vaudoise (CP BCV). The Bank's senior executives are also members of a supplementary pension fund (Fondation de Prévoyance Complémentaire de la Banque Cantonale Vaudoise).

The CP BCV is built to provide long-term security for past, present, and future members and to be resilient to the challenges of an aging society. It is fully funded and gives employees the flexibility to choose when to retire:

## 2-21

### Percentage change in annual total compensation

	2019	2020	2021	2022	2023
Percentage change in the median annual total compensation	+2.6%	-0.3%	+1.3%	+1.3%	<b>+4.0%</b>
Percentage change in the highest-paid individual's compensation	-0.4%	-3.5%	+2.4%	+1.7%	<b>+7.3%</b>

<sup>1</sup> The simulation applied an average tax rate of around 15%, which is the estimated rate for a person who is married, has two children, and earns the median annual salary. Other income, wealth, and deductions were excluded from the calculation. A rate of 41.5% was applied for the highest salary.

CP BCV pension fund members	2022	2023
Active members	2,099	<b>2,109</b>
– Working at the parent company	1,883	<b>1,891</b>
Pension recipients	1,373	<b>1,507</b>
– Retirees	1,057	<b>1,077</b>

the Bank's employee regulations set a standard retirement age of 65 years for both men and women, but staff can choose to take retirement between their 58th and 68th birthdays.

Our pension fund also gives members financial peace of mind in retirement. Contributions amount to nearly one-quarter of gross salary, shared one-third to two-thirds between the



**16** different activities offered by our sports association

employee and the Bank. As a result, members build up pension benefits almost four times larger than the minimum requirement under the Swiss Federal Occupational Pensions Act (LPP).

### Health and safety in the workplace

At BCV, we promote workplace health and safety with a focus on:

- preventing issues before they arise
- identifying employees at risk
- providing support to those who need it.

### Prevention

We've put in place a range of measures in the interest of our employees' health:

- A medical officer works with our Human Resources Department to assist employees with complex health issues requiring individual attention.
- Each year, we contribute CHF 45,000 to our in-house sports association, which lets employees choose between 16 different activities as a way to keep fit and build friendships with colleagues outside of work.
- The Bank has a joint team of volunteer firefighters and first responders trained to attend emergencies.
- Staff at our administrative center in Prilly have access to an on-site fitness room, and we provide locker rooms and showers at our head office at Place Saint-François in Lausanne so employees can exercise during their breaks.
- We advise our staff, especially the members of our workforce who experience pain and other health conditions, on ways they can make their workstations more ergonomic. We also run a safety course, developed in conjunction with the Police Academy in Savatan, to teach customer-facing employees how to deal with abusive language and physical violence. And we have installed airlock doors, reinforced windows, and biometric access systems at our branch offices to keep our people safe.

## 201-3

### Pension plan obligations

	2022	2023
CP BCV coverage ratio	117%	<b>117%</b>
Ratio of pension benefits to LPP minimum requirement	3.8:1	<b>3.9:1</b>
Total contributions (as a % of gross salary)	24%	<b>23%</b>
Employer's share of contributions	67%	<b>66%</b>

### Identifying at-risk employees and providing support

The Bank has systems and processes in place to identify at-risk employees and to provide support to those who need it.

If employees have any concerns, they can discuss the matter openly with their line manager at their mid-year and year-end performance review meetings, while more sensitive issues can also be raised with the Bank's human resources business partners.

As part of our health-risk mitigation strategy, we aim to identify risks early and to support employees who are ill, on long-term leave for an injury, acting as a caregiver, living with a disability, dealing with the death of a family member, or facing other challenging circumstances.

Here is an overview of our approach:

- All line managers have access to a dashboard showing how often their team members are off work

and the categories of absence involved. Managers can compare team absences against a Bank-wide benchmark and check whether employees are taking their legally mandated leave. The system also issues alerts in certain circumstances.

- The same dashboard allows managers to track other indicators, such as working-hour limits, giving them a real time picture of employees' workload and other potential problems.
- The Bank has a special monitoring procedure for employees on long-term leave, with a defined process for dealing with administrative formalities and supporting staff members as they return to work.
- In keeping with our duty of care to our people, we have set up an external support service for staff members who face bullying, discrimination, or violence in the workplace. We likewise offer an external

counseling service for employees dealing with bereavement, financial worries, family problems, addiction, or other personal issues. Both of these services are independent and run by leading outside providers, and employees can approach them at any time for confidential advice and support.

## Human resources at Piguet Galland

Piguet Galland's human resources strategy and corporate culture are built around fostering a diverse and inclusive workplace. The bank is committed to promoting a work environment where every employee can share their knowledge, experience, and ideas.

Piguet Galland offers a variety of working arrangements, enabling employees to organize their daily activities in a way that promotes a

### Work-related injuries and sick leave

	2019	2020	2021	2022	2023
No. of work-related injuries requiring time off work	5	2	1	1	<b>3</b>
No. of work-related injuries not requiring time off work	14	11	9	6	<b>13</b>
Days of sick leave per person (Bank-wide average)	6.3	6.0	6.7	8.0	<b>6.8</b>



## 2-7

## Piguet Galland employee information

	2022	2023
<b>Total</b>	<b>169</b>	<b>177</b>
– of which permanent employees	160	<b>167</b>
– proportion of women	43%	<b>42%</b>
– proportion of men	57%	<b>58%</b>
<b>Proportion of part-time employees</b>	<b>21%</b>	<b>21%</b>
– for women	38%	<b>38%</b>
– for men	9%	<b>10%</b>
<b>Hourly workers</b>	<b>3</b>	<b>3</b>
– women	1	<b>1</b>
– men	2	<b>2</b>

## 401-1

## New employee hires at Piguet Galland, by gender and age group

	2022				2023			
	Under 30 years old	30–50 years old	Over 50 years old	All ages	Under 30 years old	30–50 years old	Over 50 years old	All ages
Women	1	7	1	9	3	4	0	<b>7</b>
Men	13	5	1	19	4	10	4	<b>18</b>
<b>Total</b>	<b>14</b>	<b>12</b>	<b>2</b>	<b>28</b>	<b>7</b>	<b>14</b>	<b>4</b>	<b>25</b>

## 401-1

## Employee turnover at Piguet Galland, by gender and age group

	2022				2023			
	Under 30 years old	30–50 years old	Over 50 years old	All ages	Under 30 years old	30–50 years old	Over 50 years old	All ages
Women	14.3%	14.8%	2.6%	8.3%	18.5%	11.0%	0.0%	<b>5.7%</b>
Men	0.0%	10.4%	2.9%	6.4%	0.0%	11.0%	2.6%	<b>6.4%</b>
<b>Total</b>	<b>5.3%</b>	<b>12.0%</b>	<b>2.8%</b>	<b>7.2%</b>	<b>6.6%</b>	<b>11.0%</b>	<b>1.3%</b>	<b>6.1%</b>

healthy work-life balance. Wherever possible, the bank offers job-sharing, part-time work, remote work, and hot-desking between sites, without regard to the employees' job level or gender.

Piguet Galland has also put in place the following entitlements:

- 16 weeks of fully paid maternity leave in all three cantons where the company operates
- 15 days of fully paid paternity leave
- for parents, an annual benefit not subject to Swiss social security contributions, in addition to statutory family allowances

- fully paid care leave in the case of illness in the immediate family (three days per incident, up to ten days each year)
- five to six weeks of annual paid vacation
- one day a year of paid leave for employees' birthdays
- one day a year of paid leave for volunteer work, to promote employees' civic engagement.

Swiss banking has traditionally employed more men than women. Here, Piguet Galland has been a pioneer, with a track record of hiring a

high number of female employees, particularly in management.

In June 2023, Piguet Galland once again received the Fair-ON-Pay Advanced certification, which recognizes its pay practices as being in line with Swiss federal regulations on gender pay equity. The company first received this certification in 2019 and was recertified in 2021.

In addition, in a post-pandemic environment that has obliged teams to reconfigure their working arrangements, Piguet Galland received the 2023 Great Place to Work certification. The certification is based on the Great Place to Work survey, an anonymous

#### 405-1

#### Diversity of governance bodies and employees at Piguet Galland, by proportion of women

	2022	2023	
		Proportion	Number
Board of Directors	20%	20%	1
Executive Board	40%	40%	2
Managers (excluding Executive Board)	43%	40%	48
Other employees	42%	46%	24
<b>Total</b>	<b>43%</b>	<b>42%</b>	<b>74</b>

survey of all employees concerning various aspects of the work environment; it uses a methodology that is credible, fair, transparent, and totally independent. The resulting score reflects employees' needs, their opinion of the company, and how they think it compares to other organizations. In the survey, 93% of respondents said that Piguet Galland was a pleasant place to work.



405-1

Diversity of governance bodies and employees at Piguet Galland, by age group

	2022			2023		
	Under 30 years old	30–50 years old	Over 50 years old	Under 30 years old	30–50 years old	Over 50 years old
Board of Directors	0%	0%	100%	0%	0%	100%
Executive Board	0%	60%	40%	0%	60%	40%
Managers (excluding Executive Board)	0%	53%	47%	1%	49%	50%
Other employees	40%	28%	32%	40%	31%	29%
<b>Total</b>	<b>12%</b>	<b>46%</b>	<b>42%</b>	<b>12%</b>	<b>44%</b>	<b>44%</b>

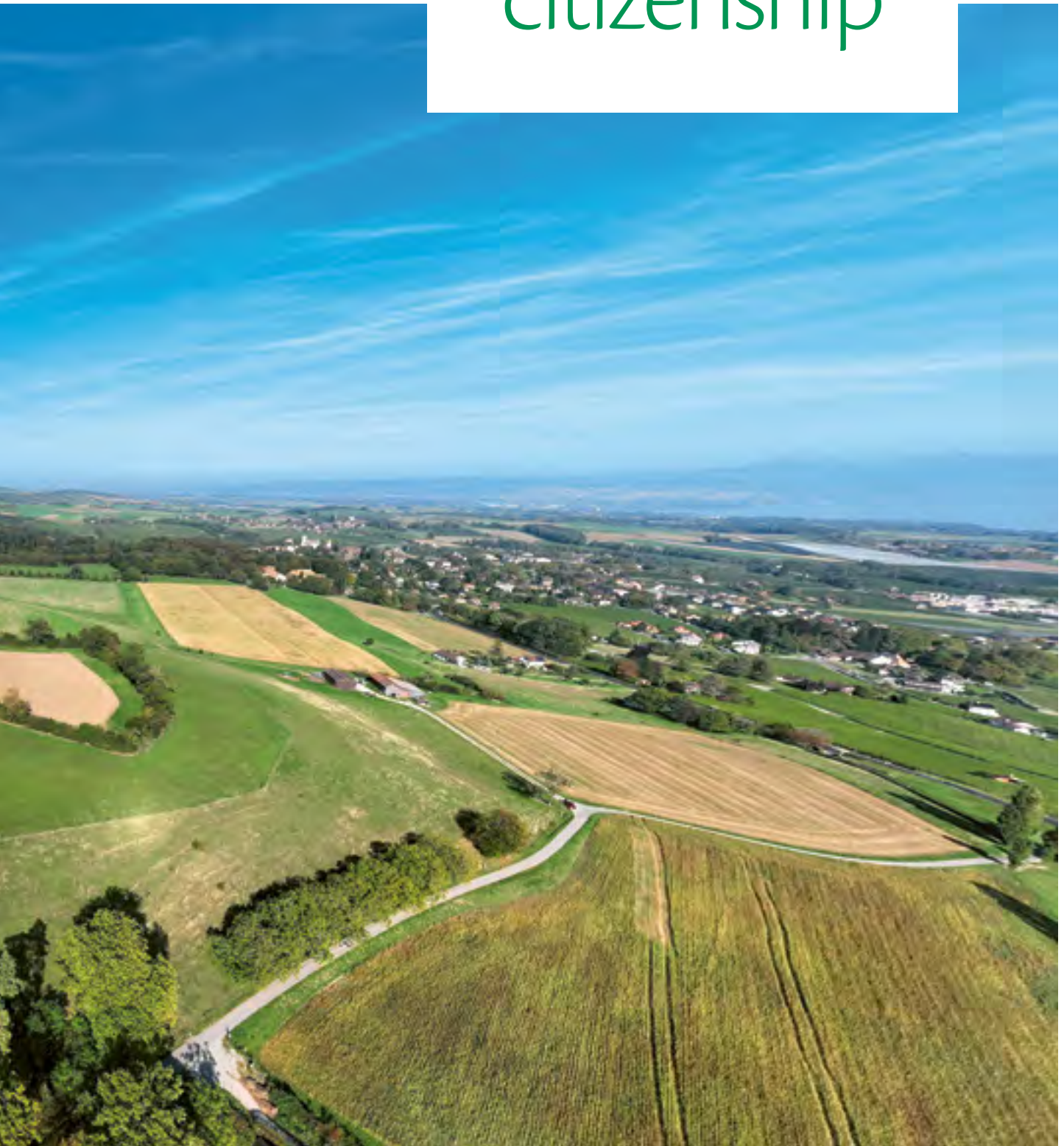




### **Hedges, Aubonne**

Hedges give shape and texture to the landscape in the foothills of the Jura Mountains. Rows of trees and shrubs crisscross the fields between woodlands and towns, providing shelter and cover for birds and mammals. The park authority is installing more of these wildlife corridors as part of its Toile Verte project.

# Corporate citizenship

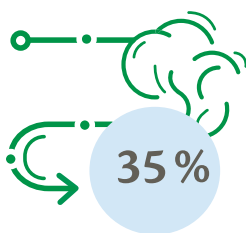




## Reducing the environmental impact of BCV's operations

At BCV, we've long recognized that being a sustainable business means being a greener business. That's why, as part of our approach to corporate social responsibility (CSR), we are working hard to shrink the carbon footprint of our operations and of the resources we use. Since 2019, we've worked with Swiss Climate, a sustainability consultancy responsible for calculating BCV's annual CO<sub>2</sub> emissions, to support climate-protection projects that take a holistic, long-term view of sustainability.

We are aiming to cut our emissions at a pace consistent with the Swiss federal government's goal of reaching net-zero by 2050, with an interim target of shrinking our carbon footprint by 35% from 2019 levels between 2021 and 2030. We arrived at this figure after reviewing all our emissions sources to see where we could reduce our footprint and by how much, taking federal and cantonal government targets into account.



Emissions reduction target by 2030

### Certified CO<sub>2</sub> Neutral by Swiss Climate

In 2023, BCV received the Swiss Climate Certified CO<sub>2</sub> Neutral label for the fourth consecutive year. Swiss Climate has modified its certification requirements to reflect market developments and the very latest practices in the field. The new standards will apply starting in 2024.

This certification is only awarded to businesses with a holistic climate strategy that includes assessing their CO<sub>2</sub> emissions and taking measures to reduce them.

The Swiss Foundation for Practical Environmental Protection (PUSCH) has recognized the Swiss Climate Certified CO<sub>2</sub> Neutral label as the best of its kind in Switzerland.

To obtain the label, companies are required to commission an audit of their greenhouse gas inventory. In 2023, we entrusted this task to Neosys SA, an independent sustainability auditing firm that works to the AccountAbility AA1000 Assurance Standard, which is recognized by CDP.

### Measuring our carbon footprint

Our 2023 carbon-footprint assessment showed that we emitted 4,710 metric tons of CO<sub>2</sub> equivalent. The assessment looks at emissions generated by the Bank's day-to-day operations, specifically from transportation, buildings, and consumables. Emissions linked to BCV's lending and investment activities will be reported starting with the 2024 financial year. The majority of our total greenhouse gas (GHG) emissions come from employee commuting (42%) and

### Qualifying criteria

To be awarded the Swiss Climate Certified CO<sub>2</sub> Neutral label, businesses must:

- have a climate strategy
- calculate their CO<sub>2</sub> footprint in accordance with ISO 14064-1 and the Greenhouse Gas Protocol
- develop and implement measures to reduce their emissions, both internally and across the entire value chain
- inform and educate employees and external stakeholders
- identify climate change-related opportunities and risks for their organization
- understand their main sources of emissions and what action they can take
- set an emissions-reduction target
- finance traceable, high-quality climate-protection projects through CO<sub>2</sub> certificates (see page 104 for details).



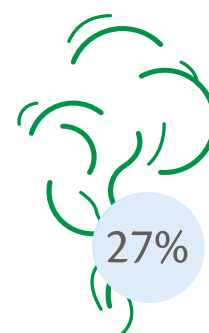
heating (32%). Overall, our emissions were 3.6% higher last year than in 2022 (an additional 167 metric tons of CO<sub>2</sub>), owing largely to notable increases in the following areas:

- Heating: emissions in this category rose by 10.5% (an additional 147 metric tons of CO<sub>2</sub>) year on year as we switched to fuel oil in response to calls by the federal government to cut gas and electricity consumption given the energy situation in Europe during the period.
- Employee commuting: total emissions for the year stood at 1,986 metric tons of CO<sub>2</sub>, which was 46 metric tons (2.4%) more than in 2022, chiefly as a result of the Bank's higher headcount.

In intensity terms, the Bank's emissions per full-time equivalent (FTE) employee increased from 2.6 metric tons of CO<sub>2</sub> in 2022 to 2.7 metric tons in 2023.

We have nevertheless cut our emissions by almost 27% since 2019, and we are on course to meet our goal of shrinking our carbon footprint by 35% from 2019 levels between 2021 and 2030.

Most of the steps we took in 2023 focused on making our buildings more energy-efficient. At our three biggest sites, we continued fitting triple-glazed windows and installed more LED lighting, at a total cost of CHF 1.2m (versus CHF 1.7m in 2022). Also last year, we kept in place some of the voluntary energy-saving meas-



reduction in CO<sub>2</sub> emissions since 2019

ures we had introduced in the previous year under the plan created by OSTRAL (triggered in response to a potential power shortage in Switzerland in the fall of 2022).<sup>1</sup> This includes using dimmer lighting in some areas and raising the temperature setting in our data centers.

### CO<sub>2</sub> emissions by source

Emissions (metric tons of CO <sub>2</sub> )	2019	2020	2021	2022	2023	Change (vs. 2022)
Employee commuting	2,718	2,515	2,007	1,940	<b>1,986</b>	<b>+2.4%</b>
Heating	2,218	1,832	1,629	1,396	<b>1,543</b>	<b>+10.5%</b>
Computer hardware	322	322	363	366	<b>386</b>	<b>+5.5%</b>
Business travel	386	137	110	332*	<b>307</b>	<b>-7.6%</b>
Electricity	409	382	267	258	<b>228</b>	<b>-11.6%</b>
Paper and printed materials	349	326	321	254	<b>225</b>	<b>-11.3%</b>
Waste	40	34	25	37	<b>34</b>	<b>-8.1%</b>
Refrigerants	0	0	0	0	<b>0</b>	<b>0%</b>
Total	6,442	5,549	4,721	4,583	<b>4,710</b>	<b>+2.8%</b>
– of which scope 1	1,716	1,471	1,301	1,089	<b>1,157</b>	<b>+6.2%</b>
– of which scope 2	284	267	166	165	<b>139</b>	<b>-15.2%</b>
– of which scope 3	4,441	3,811	3,254	3,328	<b>3,413</b>	<b>+2.6%</b>

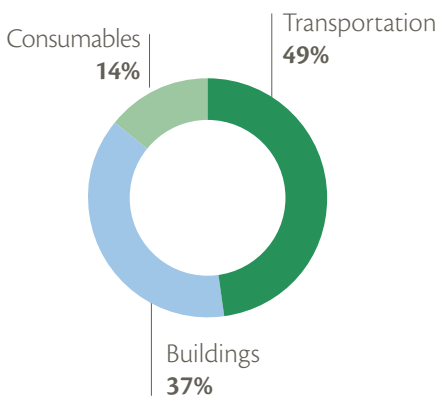
\* Following a review to ensure the accuracy and credibility of our data, the reported figure for emissions from business travel in 2022 was revised.

<sup>1</sup> OSTRAL is the crisis-management organization for the Swiss electricity industry. The OSTRAL plan is triggered by the federal government in the event of a potential power shortage.

### Breakdown of emissions by source

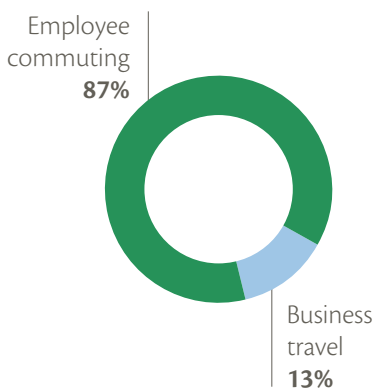
Transportation (employee commuting and business travel) accounts for around 49% of our GHG emissions. Two other sources – buildings (heating and electricity) and consumables (paper, printed materials, computer hardware, and waste) – make up 37% and 14%, respectively.

### Main sources of CO<sub>2</sub> emissions



Here are the results of our GHG inventory as measured by Swiss Climate, along with details of the steps we took to reduce our footprint in 2023.

### Transportation



The majority (87%) of our transportation-related emissions come from employee commuting, which is the largest single contributor (42%) to our total carbon footprint.

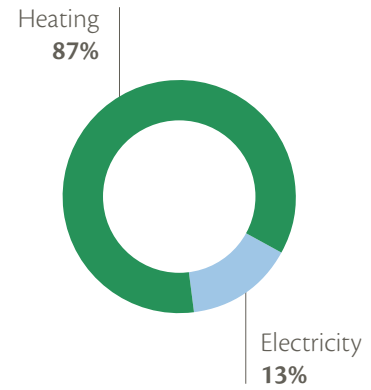
Commuting emissions were 2.4% higher last year than in 2022, mainly reflecting the Bank's higher headcount.

In keeping with our policy of encouraging our employees to travel more sustainably, we give all employees who don't have a parking space provided by BCV CHF 30 a month toward transportation costs. A total of 1,390 staff members received this allowance in 2023 (versus 1,370 in 2022).

We are developing an employee commuting and business travel plan in order to further promote greener commuting practices. We want to make it easier for BCV staff to use low-carbon transport (e.g., walking, biking, and public transportation) while respecting employees' freedom of choice. We are evaluating the various green mobility measures in this plan and gradually rolling them out. In 2023, we installed more than 100 new parking spaces for bikes at our three main sites.

Business travel – journeys specifically taken for work purposes, such as meeting customers or traveling between two places of work – accounts for 13% of transportation-related CO<sub>2</sub> emissions. The rollback of travel restrictions post-pandemic pushed emissions in this subcategory up sharply in 2022. The figure fell back again in 2023 as we reduced the amount we're flying for business travel and employees increasingly opted to leave their car at home and take the train instead for business trips.

### Buildings



This category covers emissions from the energy used to heat and power the Bank's buildings.

Heating represents 87% of our building-related emissions. Despite the savings we achieved between January and April by lowering the temperature in our offices to 20°C, heating-related emissions were 10.5% higher last year than in 2022. This increase reflected the fact that we switched to fuel oil in response to government calls to cut gas consumption in light of the energy situation in Europe. We also continued fitting triple-glazed windows, which will help us reduce heating-related emissions in the coming years.



Over  
CHF **1.2m**  
invested in making our  
buildings more energy-efficient



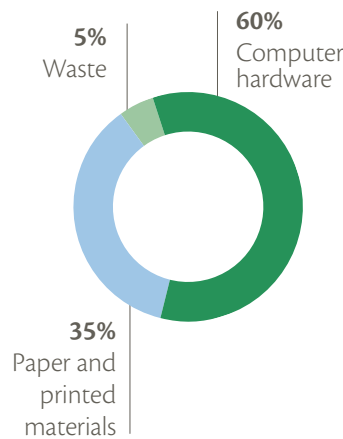
Electricity consumption represents 13% of carbon emissions from our buildings. Our two biggest sites are powered exclusively by renewable energy from Swiss hydroelectric plants, and we've reduced energy consumption across our business by 29% in four years – from 10,941 megawatt-hours (MWh) in 2019 to 7,778 MWh in 2023.

Under the terms of the energy-efficiency agreement we signed with the Canton of Vaud and the federal government, we are taking steps to meet energy-saving targets for our two flagship sites: by 2027, we are aiming to increase energy efficiency by 9% from 2017 levels at our head office and by 20% at our administrative center. In 2023, we further upgraded our systems, installed more LED lighting, and kept in place voluntary energy-saving measures we had introduced under the OSTRAL plan, including using dimmer lighting in some areas and raising the temperature setting in our data centers.



62% of waste sorted and recycled

### Consumables



Consumables (computer hardware, printed materials, paper, and waste) represent 14% of BCV's total GHG emissions.

The periodic replacement of IT equipment (computers and monitors) accounts for about 60% of the Bank's emissions in this category – mostly from the manufacture and end-of-life disposal phases. The 5.5% increase in hardware-related emissions recorded last year stems mainly from the fact that we had to purchase more monitors. In 2024, we will evaluate meas-

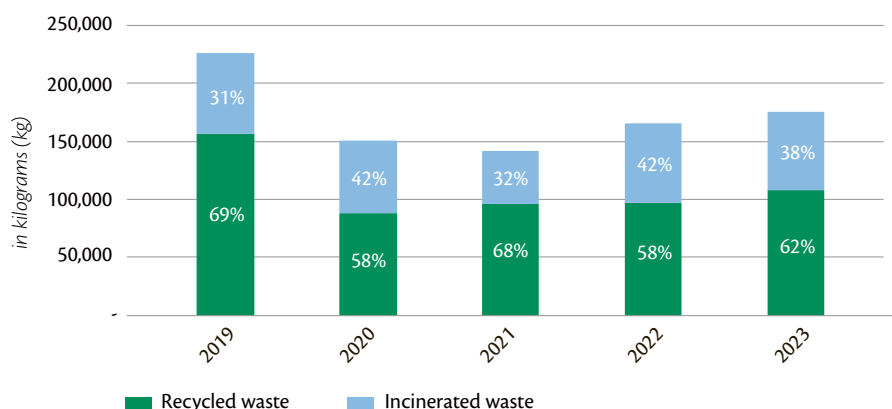
ures to address these emissions, such as by extending the lifespan of specific hardware and introducing more virtual workstations.

Paper accounts for 35% of BCV's emissions from consumables. Last year, we achieved an 11.3% year-on-year reduction in paper-related GHG emissions by decreasing the amount of paper we use as more customers switch to online banking and as we shift to electronic versions of documents for use inside the Bank. On top of this, we raise employee awareness about paper consumption via regular, personalized reports showing how much paper each employee uses for printing, and we have drawn up a short guide on responsible printing practices.

In 2021, we decided to switch exclusively to Blue Angel-certified recycled paper.<sup>1</sup> This represented 87% of our paper consumption in 2023 – 42 percentage points higher than in 2022.

Waste accounts for 5% of the Bank's GHG emissions in this category. We

### Waste by disposal method<sup>2</sup>



<sup>1</sup> <https://www.blauer-engel.de/en>

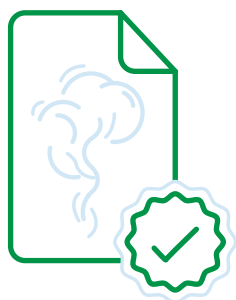
<sup>2</sup> The 2019 to 2022 figures for the amount of waste by disposal method were recalculated after the classification method was refined in 2023.

sort and recycle the majority (62%) of the waste we produce.

Although the amount of waste we generated increased in 2022 and again in 2023 owing to the refurbishment of some of our facilities, related emissions fell back to 2020 levels.

### Climate-protection projects

We finance projects in Vaud and outside Switzerland that offset the equivalent amount of CO<sub>2</sub> emissions associated with our operations. Below are examples of the projects we supported last year.



**4,710** metric tons of CO<sub>2</sub> avoided through climate-change mitigation projects

#### On-farm biogas plant, Vaud

Farms generate vast quantities of manure, which, as it ferments, releases methane – a greenhouse gas 25 times more potent than carbon dioxide. With an on-farm biogas plant of the type installed in this project, the fermentation process is carefully controlled. The resulting methane is collected and piped to a cogeneration plant to produce both heat and electricity.

The 1.1 million kilowatt-hours (kWh) of electricity generated annually by this Vaud-based project – enough to power 280 households for a year – is fed into the grid. Around 360,000 kWh of residual heat per year is used on the farm and in apartments. This project, which is ISO 14064-2 certified, saves around 800 metric tons of CO<sub>2</sub> emissions per year. Because on-farm biogas plants provide a year-round source of renewable energy, they help reduce the dependency of Swiss farmers on imported fossil fuels while actively supporting sustainable development in the region.

#### Wind farms, India

This project, based in the southwestern Indian state of Karnataka, promotes the use of wind turbines as a way to generate renewable electricity and partially replace fossil fuels in the local energy mix, thereby helping reduce carbon emissions while at the same time supporting sustainable economic growth in the region. The project is Gold Standard-certified and has already delivered tangible social and environmental benefits by creating many new jobs, improving people's livelihoods, and saving 128,410 metric tons of CO<sub>2</sub> emissions each year.

#### Energy-efficient stoves, Mozambique

Providing low-income families in Mozambique with energy-efficient stoves dramatically reduces the amount of wood people burn, helping to slow the pace of deforestation and prevent various respiratory diseases.

Unlike traditional models, these improved stoves feature a ceramic-insulated combustion chamber that cooks food faster and reduces fuel consumption by 60%. What's more, the combustion process produces less smoke, reducing families' exposure to toxic fumes.

As well as supporting sustainable development in the region, this project, which is Gold Standard-certified, also saves 24,000 metric tons of CO<sub>2</sub> emissions each year.

## Compliance with social and environmental procurement standards

The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work expresses a commitment by governments and employers' and workers' organizations to uphold basic human values. It affirms the obligations and commitments set out in the various ILO Conventions, namely:

- freedom of association and the effective recognition of the right to collective bargaining
- the elimination of all forms of forced or compulsory labor
- the effective abolition of child labor

- the elimination of discrimination in respect of employment and occupation
- a safe and healthy working environment.

In keeping with these principles, BCV is especially mindful of internationally recognized human rights standards<sup>1</sup> and of employment law. We also pay close attention to the environmental impact of the goods and services we source.

Our approach to sourcing is guided by the following three principles:

- In principle, we source from suppliers in Vaud. Swiss employment and environmental law sets out

standards that are aligned with international law, and compliance with these standards can be monitored via inspections by the supervisory and judicial authorities. Our locally focused procurement approach significantly reduces the risk that BCV could source from suppliers whose practices violate the ILO's fundamental labor standards, which cover issues such as discrimination, forced and child labor, workplace health and safety, and the right to free association and collective bargaining.

- Every supplier we work with – in areas such as IT, construction, and training – signs a statement attesting that they fully comply with

their obligations to pay social security contributions and to hold accident and civil liability insurance. We also have formal requirements regarding occupational health and safety and waste management.

- Our sourcing policy is based on recommendations issued by recognized bodies including the *Guide to Responsible Professional Purchasing*, which provides practical advice for companies looking to incorporate sustainable principles into their procurement practices and reduce the social and environmental impacts of their operations.<sup>2</sup>

### Due diligence and transparency in relation to minerals and metals from conflict-affected areas and child labor

The overwhelming majority of the Bank's procurement spend goes to service providers in Switzerland, reflecting our position as a Swiss company active in the tertiary sector.<sup>3</sup> We likewise provide our own services within the same geographical area.

Given Switzerland's legal and regulatory framework concerning the workplace, there is low risk for child labor linked to our procurement spend.<sup>4</sup> Last year, 89% of the Bank's total procurement spend related to either services purchased in Switzerland or goods sourced from countries considered low risk for child labor (versus 88% in 2022).<sup>5</sup>

BCV is thus exempt from enhanced due-diligence and disclosure requirements under Article 7 of the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO). We review and document our eligibility for this exemption annually.

All the physical gold we offer is sourced from suppliers based in Switzerland, which are subject to the due-diligence and other requirements of the DDTrO. Details of our other gold traceability measures can be found in the "Socially responsible investing" section of this report (starting on page 57).

<sup>1</sup> International Bill of Human Rights, 1966; International Labour Organization Declaration on Fundamental Principles and Rights at Work, 1998

<sup>2</sup> Geneva Cantonal Office of Sustainable Development, *Guide des Achats Professionnels Responsables* (short version), 2015

<sup>3</sup> Only the parent company is discussed here in light of its predominance in our Group. (BCV accounts for 90% of the Group's spending on services.)

<sup>4</sup> A country is considered "low risk" if it is rated as "basic" in UNICEF's Children's Rights in the Workplace Index ([www.childrensrighsatlas.org](http://www.childrensrighsatlas.org)). Switzerland falls into this category.

<sup>5</sup> The reported figure for 2022 was updated following a change of methodology that, among other aims, sought to better reflect the "made in" concept when determining the origin of goods.

## Responsible, local sourcing



We source locally as a matter of policy. We choose whenever possible to work with companies in our Canton or, if necessary, elsewhere in Switzerland. That's both good for the local economy and limits our impact on the environment. In 2023, Swiss companies accounted for 92% of our procurement spend.



We work with **600** suppliers based in Vaud Canton

Our commitment to local sourcing is reflected in our procurement policy. The Bank works with a large pool of facilities management contractors, and we regularly switch between suppliers. Each year, we source supplies and services from over 600 businesses based in our Canton. And the catering

suppliers for our two biggest sites both have responsible sourcing policies.

Novae Restauration, which runs the cafeteria at our head office at Place Saint-François in Lausanne, has a policy of working with trusted local suppliers and producers. Rather than operating a central procurement system, it sources directly from a network of over 140 artisans, growers, and farmers, all of whom are based in Switzerland or are part of carefully selected supply chains. The company prioritizes partnerships with small-scale producers within 50 kilometers of each of its restaurants.

Novae is also working to remove potentially harmful additives and products containing palm oil from its menus, and over 55% of the ingredients and produce (by weight) used are of Swiss origin (versus 51% in 2022). Novae has cut procurement-related emissions by 16% since 2020 by sourcing seasonal produce whenever it can, by eliminating air-freighted food from its supply chain, and by adding more vegetarian options to its menus. For

coffee and similar products that are not available locally, Novae buys Fairtrade or organic produce wherever possible. For instance, 100% of the bananas served in its restaurants are certified Fairtrade, organic, or both.

In 2021, the company received a gold medal from EcoVadis, which assesses the sustainability performance of suppliers. When this distinction was renewed in December last year, Novae's total score increased by five points, largely as a result of its performance under the "sustainable procurement" theme. Novae's triple ISO certification (ISO 9001, 14001, and 45001) was also renewed in summer 2023.

SV Group, the catering supplier for our administrative center in Prilly, has a policy covering all material aspects of sustainability. The company uses short supply chains: air-freight imports represent just 0.4% of its sourcing. SV Group follows the "planetary health diet," which draws on the principles of balanced nutrition, natural-resource preservation, and eth-

### 204-1 Proportion of spending on local suppliers

	2020	2021	2022	2023
Swiss companies as a share of the Bank's procurement spend (supplies and services)	91%	91%	90%	<b>92%</b>



ical food production. Seasonal fruits and vegetables – and plant-based foods more generally – account for a large share of the meals it serves, although the company continues to include animal proteins on its menus. SV Group is also committed to using water and energy efficiently and to wasting as little food as possible.



We are working with our catering suppliers to identify ways to reduce waste from takeout food and beverages. Together, we agreed to introduce the reCIRCLE system of

washable, sealable, and recyclable containers in our cafeterias.

We teamed up with BE WTR to replace the bottled water served in our customer areas and at BCV events with chilled, ultra-filtered, still and sparkling tap water. Through its business practices and products, the Lausanne-based company is helping to preserve precious natural resources while sharply reducing carbon emissions, plastics, and waste. BE WTR is in the final stages of becoming a certified B Corp, reflecting its commitment to upholding the highest environmental standards and adhering to transparent, responsible practices.

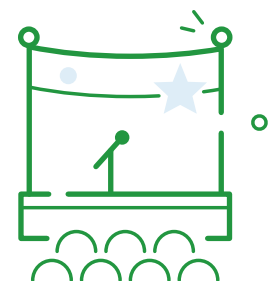
**BE WTR™**

## Playing an active role in the community

Our local community is important to us, and we take our responsibilities as a corporate citizen in Vaud Canton seriously. We pursue an active sponsorship policy and we encourage employees to get involved in community projects.

### Partnerships and sponsorships

In 2023, we backed over 850 associations and events in areas such as the economy, sports, the arts, community-building, and the environment (versus nearly 800 in 2022). That represented an allocation of 1.2% of the Bank's net profit (versus 1.5% in 2022) and included some of the biggest events taking place across the Canton. In keeping with our core values, we also support various innovative training and skills development initiatives. And we're stepping up our contribution to emissions-reduction and biodiversity conservation projects by setting aside part of our sponsorship and donations budget for local organizations active in these areas.



**850**

associations and events sponsored

### Contributing to all aspects of community life

With regard to sponsorships, we provide significant financial support for organizations and events such as the Théâtre de Beausobre, the Théâtre du Jorat, the Cully Jazz Festival, the Lausanne 20K race, the local soccer club FC Lausanne-Sport, the Lausanne Hockey Club (LHC), the Paléo Music Festival in Nyon, the BCV Concert Hall, the Forum des 100, and the Musée Cantonal des Beaux-Arts. We see these partnerships as long-term commitments: for example, BCV has



backed the Lausanne 20K race since its inception in 1982, and we've stood by LHC and FC Lausanne-Sport since 1987 and 2011, respectively.

Last year, we once again lent our support to a number of exciting new initiatives launched across the Canton. These included a special concert and light show to celebrate the 20th anniversary of the great pipe organ at Lausanne Cathedral, La Bouëlée Festival in Montpreveyres, and Casanova, an outdoor drama production at the Château de Coppet.

As the examples below show, we contribute to our region – economically, socially, and environmentally – in a variety of ways.

#### 42 Lausanne

In 2023, we maintained our financial backing for 42 Lausanne, a school of computer programming that opened in 2021. The school is entirely free, does not have any educational prerequisites for admission, and is open to anyone aged 18 or over. It represents a training opportunity for people who may not feel suited to or are ineligible for a more traditional academic track, offering new career paths for IT enthusiasts while



406

programmers in training at 42 Lausanne thanks in part to our backing

helping meet the growing demand for skilled professionals in Switzerland. Last year, members of our IT teams met with students to discuss their work. We also ran a hands-on workshop and welcomed several students from 42 Lausanne on internships.

#### Vaud Générations Champions

Last year, the Bank continued its partnership with Vaud Générations Champions, an initiative we have backed since its inception in 2022. It was founded by former elite athletes from Vaud to support promising young athletes in the Canton and to use their inspiring stories as a platform to build enthusiasm for sports in the local community. Participants receive financial assistance, gain access to a mentoring program, and get advice on career management and support for the transition to life after competitive sports. The organization also arranges for former Olympic and other elite athletes to run activities for schoolchildren in Vaud.

#### Supporting good causes

In 2023, as in previous years, we supported the yearly orange-sale fundraiser by the NGO Terre des Hommes. Another cause close to our heart is Étoile Filante, a foundation that makes dreams come true for sick and disabled children and teens. Every year since 2010, we have donated CHF 10 to the foundation each time someone opens a Custodial Savings account. Last year, our donations totaled CHF 13,000, the same amount as in 2022.

### Terre Vaud Eau

In 2023, we stepped up our commitment to nature and biodiversity conservation with Terre Vaud Eau, a new BCV initiative that backs projects led by environmental organizations in our Canton. Each time someone opens one of our Epargne 3 Youth accounts, we donate CHF 10 to the selected projects – and we keep doing so until the funding goals are met.

For 2023 to 2024, we're backing the following three projects, all of which support biodiversity in local land and water ecosystems:

#### Converting a reservoir into a natural habitat (La Coudre)

This project in the Jura Vaudois Nature Park involves rewilding a lake and converting a disused reservoir. The site, which is a haven for biodiversity, has already been colonized by amphibians and will serve as a roosting spot for bats.

#### Protecting the common midwife toad (Vallée de Joux)

Efforts are ongoing to stabilize or even increase the population of common midwife toads in the sub-alpine pastures of the Jura Vaudois Nature Park.

#### Creating a biodiversity-rich wet meadow (Yens)

Local association Maison de la Rivière is transforming an area of drained wetland into a wet meadow that can be temporarily flooded from a nearby groundwater source, helping to support biodiversity and provide a habitat for amphibians.

### Printemps d'abeilles

In the area of biodiversity, BCV lends its support to Printemps d'abeilles, a local association working to raise awareness about the importance of bees and to restore wild pollinator habitats. By sponsoring three beehives at La Ferme des Huttins in Écublens, we help this organization carry out its vital work.

### CHF 1 for the climate

BCV backs the Webeelong Association's "CHF 1 for the climate" initiative, which lets restaurant owners and their customers support both the environment and the local economy. Participating restaurants offer diners the option of making a small donation, part of which goes toward planting trees. Some of the money is also returned to restaurant owners in the form of vouchers, which they can spend with local suppliers.

### Organic vineyard

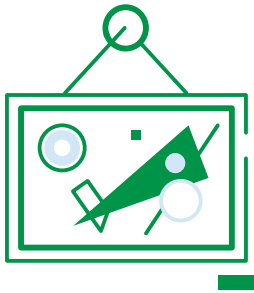
The Château de Montagny is a BCV-owned property nestled among more than 3.4 hectares of vineyards above the village of Lutry. The estate is operated by Maison J&M Dizerens and has joined a growing number of winegrowers in opting to forgo synthetic chemicals. In early 2023, the vineyard received the Bourgeon Bio Suisse label, which is awarded to products containing organic, locally grown ingredients. This achievement, which caps a three-year transition, reflects Maison J&M Dizerens's commitment to adopting more sustainable winegrowing practices.



### The BCV art collection

The BCV art collection is made up of more than 2,400 works by artists with strong ties to Vaud. We acquire around a dozen new pieces by emerging artists every year, and around 700 works from the collection are currently on long-term loan to more than 50 foundations and nursing homes across the Canton.

Last year, works from the collection appeared in the *Mirage* exhibition, which was held in the Espace Projet exhibition space at the Musée Cantonal des Beaux-Arts in Lausanne from 29 September 2023 to 7 January 2024. The Bank also commissioned new pieces especially for the show from four artists. The resulting works and installations explored the interplay between the artists' practices and approaches.



Over  
**2,400**  
works in BCV's art  
collection



### Helping young people manage their money

BCV and other cantonal banks back FinanceMission, a Swiss-wide initiative to promote financial literacy and teach adolescents how to manage their money. The program is supported by educators and includes FinanceMission World, a free digital tool with three graded levels that schools in French-speaking Switzerland can use to teach money-management skills to pupils aged 12 to 15 years.

Another platform to emerge from the initiative is [jeunesetbudget.ch](https://jeunesetbudget.ch), an online resource to help parents talk about money matters with their children. The website recognizes the key role parents play in teaching their children about money and features articles on topics ranging from allowances to how the economy works, all explained in easy-to-understand language.

### The BCV Foundation

The BCV Foundation was created in 1995 to commemorate BCV's 150th anniversary. Operating as a separate legal entity from the Bank, it supports ambitious initiatives launched by local residents or entities.

**FONDATION BCV**  
*créée à Lausanne en 1995*

The Foundation board makes donations to charity programs, cultural projects, and academic research programs. Since its creation, the BCV Foundation has awarded over CHF 10.5m to 104 projects and organizations. The Foundation made no donations in 2023 in order to preserve its philanthropic assets (having awarded CHF 360,000 in funding to five recipients in 2022).



### BCV employees making a difference

The following section describes a number of Bank initiatives that give employees the opportunity to make a positive contribution to society and the environment.

#### Bike to work

In June, we took part in the “bike to work” challenge, which encourages people to adopt healthier lifestyles and shift to low-carbon modes of transport. In our third year participating in this event, 76 BCV employees formed 21 teams and covered a combined total of 20,350 km by bike (81 employees covered nearly 15,000 km in 2022).



Bike to work  
**20,350 km**  
covered by bike or foot

#### BCV Generosity

As part of our BCV Generosity program, we give employees one day's leave each year – prorated for employees working less than full time – to spend time volunteering for their favorite NGO or charity. Last year, nearly 60 staff members took part in group initiatives with various charities and organizations (versus nearly 80 staff members in 2022).

#### Protecting biodiversity

In June last year, a group of employees volunteering under our BCV Generosity program joined a team from the Jura Vaudois Nature Park to remove invasive goldenrod in Berolle. Staff later volunteered with Maison de la Rivière to clear laurel, bamboo, knotweed, and other invasive species in Tolochenaz. And in November, a group from BCV helped plant 250 trees in woodland near Froideville as part of the Webeelong Association's “CHF 1 for the climate” initiative.

#### Food drive for vulnerable people

At the end of last year, a team of 17 employees spent a morning working with Samedi du Partage Vaud as part of our BCV Generosity program. The volunteers collected non-perishable food items at four shopping centers in Vaud. The association supplies the Centrale Alimentaire Région Lausannoise – an umbrella organization representing around 40 local charities and other social-service institutions – by collecting non-perishable food and hygiene products for vulnerable people in Vaud.

#### Donating life-saving blood

In 2023, the Bank once again supported the blood-donation program run by the Vaud Red Cross, an initiative we've been backing for more than 15 years. We ran two blood drives for our employees last year – one at our head office and the other at our administrative center – and collected 25.7 liters of blood in total (versus 25.2 liters in 2022).

#### Getting a humanitarian project off the ground

Through our BCV Solidarity initiative, set up in 2012, we make an annual donation of CHF 150,000 to a humanitarian project organized by an association based in French-speaking Switzerland and chosen by employees selected from a pool of volunteers. In 2023, BCV Solidarity supported a capacity-building project for young women leaders in Guinea. This initiative, run by SURGIR Foundation, aims to equip participants with the knowledge and skills to combat gender-based violence in their communities and to protect young women survivors.



BCV Solidarity  
**CHF 150,000**  
donated to a humanitarian project

# Principles and standards for publication

## Scope of the report

In addition to BCV (the parent company), BCV Group comprises the following wholly or almost wholly owned subsidiaries: Piguet Galland & Cie SA, Gérifonds SA, and Société pour la Gestion de Placements Collectifs GEP SA. As stated in “About this report,” as of 2023 the sustainability report covers all BCV Group companies (see also GRI disclosure 2-2, regarding the entities described on pages 4 and 5).

The principles that are applicable across BCV Group as a whole are described in the “Ethics and corporate governance” chapter, which also covers the following material topics (see the materiality matrix on page 13): “Reliability: Combating cybercrime, ensuring transaction security, and protecting data”; and “Climate-related risks.”

For other material topics, subsidiaries have been included in this report only where significant and relevant, taking into account their impact (based on, for example, staff numbers or assets under management relative to the Group), the means at their disposal for reducing that impact, and the importance of the topic for the Group:

- Piguet Galland, a private bank specialized in wealth management with nearly 200 employees and assets under management of CHF 6.8bn, is included in the “Socially responsible investing” chapter as well as in the “Being a benchmark employer” chapter, in particular with respect to diversity and equal opportunity in the workplace.
- Gérifonds and its Luxembourg-based subsidiary are the fund administrators for BCV and 11 other fund providers. It does not manage or sell any of the funds it administers, instead delegating these activities to fund managers. In light of this, and its small size (fewer than 40 employees), only the topics related to ethics and corporate governance, as mentioned above, apply to Gérifonds as a Group entity.
- GEP manages and administers the Fonds Immobilier Romand (FIR), a listed, Swiss-registered real-estate fund. While GEP’s staff and assets are relatively small, it has leverage on climate issues through its real-estate portfolio and has been included in the chapter on SRI.

The scope of the quantitative GRI indicators used in this report is set out in “Calculating quantitative GRI indicators” (pages 114–119).

## Reporting principles

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and Article 964b of the Swiss Code of Obligations for the period from 1 January 2023 to 31 December 2023, with the exception of indicators relating to FIR, which cover the period from 1 July 2022 to 30 June 2023 (FIR’s reporting year). The GRI content index can be found starting on page 122, and the content index for Article 964b of the Swiss Code of Obligations can be found starting on page 120.

All financial data in this report align with the data in BCV's annual report.

For carbon-footprint data, BCV uses the methodologies set out in ISO 14064-1 and in the GHG Protocol Corporate Standard.

Where the GRI Standards do not provide a method for calculating GRI indicators, or where the GRI method does not apply to the circumstances of BCV Group companies, the method used has been set out in the "Calculating quantitative GRI indicators" section below (pages 114–119).

This report and the information it contains have been prepared according to the following principles, which are guided by the GRI Standards:

- **Reliability, accuracy, and verifiability:** BCV Group is committed to publishing data that enable consistent measurement and evaluation of performance and to limiting the use of estimates as much as possible. The information we publish is consistent with available evidence, and our internal control system is updated regularly.
- **Balance:** We strive to avoid any bias by presenting a balanced view of our positive and negative impacts as well as ESG risks and opportunities, so that stakeholders may fully understand the Group's contribution to sustainable development.
- **Clarity:** The report uses simple, unambiguous language so that readers, regardless of their expertise, may easily understand our initiatives, results, and objectives related to sustainable development. The sustainability report is available in English and in French.
- **Comparability:** Data is presented in such a way as to allow meaningful comparisons between reporting periods and an analysis of changes over time.
- **Completeness:** In the process of analyzing the Group's material topics (see pages 12 to 14), we have identified and included all information needed to get a full picture of our performance, taking into account significant and relevant economic, social, and environmental issues.
- **Sustainability context:** To provide a clear vision of BCV Group's performance, we have defined our strategy and prepared this report in line with the broader context of sustainability. In particular, we have taken into account external trends, market developments, regulatory changes, and other factors that affect our overall impact on sustainable development.
- **Timeliness:** We publish our sustainability report each year alongside our annual report.

## Data collection

Our process for collecting data is built on a well-defined structure within BCV Group. The head of Corporate Social Responsibility, who reports to the CEO, oversees the entire process. Points of contact specific to each of the Group's business lines and functions are clearly identified. They play an essential role, providing the necessary information and data and documenting how indicators are calculated. Indicators are also reviewed to ensure they are reliable.

## Internal control and approval

The quantitative indicators in this report relating to GRI Standards are the result of a comprehensive internal process of preparation, verification, and approval in line with BCV's internal control system.

The report is reviewed and approved by the Executive Board before approval by the Board of Directors.

## External assurance

This year, for the first time, the Board of Directors has selected PricewaterhouseCoopers SA to carry out a limited assurance engagement for this report. The limited assurance report from PricewaterhouseCoopers, drawn up in accordance with International Standard on Assurance Engagement ISAE 3000, can be found starting on page 126.

Our carbon footprint, used to obtain the Swiss Climate label Certified CO<sub>2</sub> Neutral, is evaluated separately by Neosys SA in accordance with the AccountAbility AA1000 Assurance Standard.

## Calculating quantitative GRI indicators

Where the GRI Standards do not provide a specific method for calculating the indicators used in this report, or where the method provided does not apply to the specific circumstances of BCV Group companies, the method used has been set out below.

In this report, "BCV" and "the Bank" refer to the parent company, while "BCV Group" refers to the Group as a whole.

GRI disclosure	Indicator(s)	Page	Methodology, assumptions, scope, and exclusions
2-7 Employees	<ul style="list-style-type: none"> <li>• Total</li> <li>• Permanent employees</li> <li>• Temporary employees</li> <li>• Non-guaranteed hours employees</li> <li>• Full-time employees</li> <li>• Part-time employees</li> </ul>	pp. 86, 89, and 95	Unless otherwise specified, employee figures represent the number of people (rather than full-time equivalents) employed at 31 December. Because BCV Group operates mainly in Switzerland, employee figures are not broken down by region. Figures for BCV and Piguët Galland are reported separately.
2-8 Workers who are not employees	<ul style="list-style-type: none"> <li>• Number of contractors</li> </ul>	p. 86	Contractors are individuals who work alongside BCV staff day to day under a contract other than an employment contract.
2-21 Annual total compensation ratio	<ul style="list-style-type: none"> <li>• Ratio of the highest-paid individual's annual total compensation to the median annual total compensation</li> <li>• Percentage change in the median annual total compensation</li> <li>• Percentage change in the highest-paid individual's compensation</li> </ul>	p. 92	<p>The reported figures are calculated using the following compensation-related data:</p> <ul style="list-style-type: none"> <li>• base salary</li> <li>• annual performance-based compensation, paid out the following year</li> <li>• long-term performance-based compensation, paid out the following year</li> <li>• taxable incidental expenses</li> <li>• employee share ownership program.</li> </ul> <p>Median annual total compensation is calculated for all permanent BCV employees, excluding trainees.</p>
2-27 Compliance with laws and regulations	Significant instances of non-compliance	p. 123	Significant instances of non-compliance are cases liable to justify the intervention of a supervisory authority or create a crisis for the Bank's primary stakeholders and that result in a fine or a non-monetary sanction (including a warning) from a judicial, administrative, or self-regulatory authority.
201-1 Direct economic value generated and distributed	<ul style="list-style-type: none"> <li>• Direct economic value generated</li> <li>• Direct economic value distributed</li> <li>• Economic value retained</li> </ul>	p. 26	<p>Method of calculation:</p> <ul style="list-style-type: none"> <li>• Direct economic value generated is the sum of: <ul style="list-style-type: none"> <li>• operating profit</li> <li>• personnel costs</li> <li>• extraordinary income and expenses.</li> </ul> </li> <li>• Direct economic value distributed is the sum of: <ul style="list-style-type: none"> <li>• personnel costs</li> <li>• taxes</li> <li>• dividends paid out to BCV shareholders.</li> </ul> </li> <li>• Economic value retained is the difference between direct economic value generated and direct economic value distributed.</li> </ul> <p>Because its activities take place mostly in Vaud Canton, BCV does not break down direct economic value generated and direct economic value distributed by country, region, or market.</p>
201-3 Defined benefit plan obligations and other retirement plans	<ul style="list-style-type: none"> <li>• Coverage ratio</li> <li>• Contribution rate, as a percent of salary, and the employer's portion</li> <li>• Insured retirement savings capital compared with the statutory minimum</li> </ul>	p. 93	<p>All BCV Group employees are members of the Caisse de Pensions de la Banque Cantonale Vaudoise (the Fund). BCV senior executives are also members of the Fondation de Prévoyance Complémentaire de la Banque Cantonale Vaudoise (the Supplementary Fund). Given the small number of individuals enrolled in the Supplementary Fund, the figures published in this report pertain only to the Fund.</p> <p>Reported numbers are based on the Fund's interim financial statements at 30 September. In accordance with Art. 44 of the Federal Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans, actuarial assumptions are defined in the guidelines for managing the Fund's actuarial liabilities.</p>
203-1 Infrastructure investments and services supported	Portion of net profit allocated to sponsorships and donations, and the number of beneficiaries	p. 107	This indicator is based on BCV's commitments and financial support for sponsorships and donations related to the economy, sports, cultural activities, society, and the environment. It does not include paid advertising or paid media coverage.

GRI disclosure	Indicator(s)	Page	Methodology, assumptions, scope, and exclusions
203-2 Significant indirect economic impacts	• Total lending to Vaud companies	p. 27	BCV contributes to Vaud Canton's economic development by making loans to companies domiciled in Vaud. The published figures show the total volume of loans granted to companies domiciled in Vaud.
	• Guaranteed loans (excluding Covid-19 bridge loans)	p. 27	BCV helps finance the activities of its SME clients through loans guaranteed by Cautionnement Romand, western Switzerland's loan-guarantee cooperative. We publish the number and total value of loans we grant that are guaranteed by Cautionnement Romand.
	• Funds allocated for supporting innovation	pp. 27 and 30	To further contribute to Vaud Canton's economic development, we promote innovation in the Canton through the Foundation for Technological Innovation (FIT) and Innovaud.
204-1 Proportion of spending on local suppliers	Swiss companies as a share of the Bank's procurement spend (supplies and services)	p. 106	Our procurement spend covers funds disbursed for supplies and services relating to investments and operating expenses. Expenses related to ordinary banking activity (interest expense, commissions and fees, trading expenses, other ordinary expenses, provisions, and losses) are not included. Given that BCV's activities take place mostly in the Swiss market, "local suppliers" are considered to be suppliers domiciled in Switzerland. The indicator represents the total spend across the organization.
205-3 Confirmed incidents of corruption and actions taken	Confirmed incidents of corruption	p. 40	For BCV Group, "confirmed incidents of corruption" are incidents that have incurred a fine or non-monetary penalty (including a warning) from a judicial authority or have resulted in the termination of one or more employees' contracts or in other disciplinary measures for corruption. Incidents of corruption include bribery, facilitating payments, fraud, extortion, collusion, and money laundering. Also included is the act of offering or receiving any kind of gift, loan, monetary sum, reward, or other advantage aimed at encouraging an act that is dishonest or illegal. Incidents of corruption furthermore include the misappropriation of funds, influence peddling, abuses of power, unjust enrichment, concealment, and obstruction of justice.
302-1 Energy consumption within the organization	Electricity and heating consumption	p. 125	In line with the GHG Protocol Corporate Standard, Swiss Climate carries out an exhaustive evaluation of BCV's greenhouse gas emissions using data collected by BCV.
302-3 Energy intensity	Energy consumption per full-time equivalent	p. 125	Scope 1 emissions are linked to heating, use of vehicles controlled or owned by BCV, and coolants. Scope 2 emissions are linked to electricity use and district heating. They are reported using a market-based method.
305-1 Direct (scope 1) GHG emissions	Scope 1 emissions	p. 101	Scope 3 emissions are reported for the following GHG Protocol categories:
305-2 Energy indirect (scope 2) GHG emissions	Scope 2 emissions	p. 101	• Category 1 – Purchased goods and services: emissions linked to paper consumption and printing
305-3 Other indirect (scope 3) GHG emissions	Scope 3 emissions	p. 101	• Category 2 – Capital goods: emissions linked to IT equipment (i.e., computers and monitors)
305-4 GHG emissions intensity	Total GHG emissions per full-time equivalent	p. 101	• Category 3 – Fuel- and energy-related activities not included in scope 1 and scope 2
305-5 Reduction of GHG emissions	Reduction of emissions	p. 101	• Category 5 – Waste generated in operations
			• Category 6 – Business travel
			• Category 7 – Employee commuting.
			BCV collects the raw data (such as the number of kilometers employees travel, electricity consumption, and paper use) yearly. When real data is not available, we use estimates based on the previous-year figure. Swiss Climate then converts the data into greenhouse gas emission figures by using specific emission factors, which are reviewed by Neosys SA, an organization that provides independent assessments.

GRI disclosure	Indicator(s)	Page	Methodology, assumptions, scope, and exclusions
401-1 New employee hires and employee turnover	<ul style="list-style-type: none"> <li>New employee hires</li> <li>Employee turnover</li> </ul>	pp. 84 and 95	<p>Figures for BCV and Piguët Galland are reported separately. New employees include:</p> <ul style="list-style-type: none"> <li>all new hires to a BCV Group company on fixed-term or permanent contracts (excluding new trainee hires)</li> <li>all former trainees joining a BCV Group company on fixed-term or permanent contracts with that company.</li> </ul> <p>Employees on fixed-term contracts (including trainees) and employees taking retirement are not included in the calculation of employee turnover. Because BCV Group operates primarily in Switzerland, employee figures are not broken down by region.</p>
404-3 Parental leave	<ul style="list-style-type: none"> <li>Number of employees entitled to parental leave</li> </ul>	p. 90	This figure comprises BCV employees who have taken parental leave (for mothers, fathers, same-sex spouses, and adoptive parents).
404-1 Average hours of training per year per employee	<ul style="list-style-type: none"> <li>Average for all employees</li> <li>Average by position type and category</li> </ul>	p. 88	<p>Figures are published in number of days and are based on the internal training that BCV provides its staff. BCV classifies employees into six categories depending on the level of responsibility inherent in their position. For the purposes of this indicator, the categories are presented in two groups:</p> <ul style="list-style-type: none"> <li>managers: staff in categories B, C, D, and E</li> <li>other employees: staff in category A and trainees.</li> </ul>
404-2 Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none"> <li>Number of continuing education programs completed</li> </ul>	p. 88	<p>This indicator gives the number of BCV employees who complete the following types of continuing education programs:</p> <ul style="list-style-type: none"> <li>internal job training</li> <li>BCV's Micro MBA program</li> <li>certification from the Swiss Association for Quality (SAQ)</li> <li>post-secondary qualifications from outside institutions.</li> </ul>
404-3 Employees receiving regular performance and career development reviews	<ul style="list-style-type: none"> <li>Percentage of employees receiving regular performance and career development reviews</li> </ul>	p. 124	This indicator gives the percentage of BCV employees who received a performance review during the reporting period.
405-1 Diversity of governance bodies and employees	<ul style="list-style-type: none"> <li>Gender diversity</li> <li>Diversity by age group</li> </ul>	pp. 85, 86, 96, and 97	<p>Figures for BCV and Piguët Galland are reported separately. The figures are calculated using the actual number of people (not full-time equivalents) employed at 31 December.</p> <p>For the purposes of this indicator, the categories are presented in four groups:</p> <ul style="list-style-type: none"> <li>Board of Directors</li> <li>Executive Board</li> <li>managers</li> <li>other employees.</li> </ul> <p>BCV classifies employees into six categories depending on the level of responsibility inherent in their position. Managers are employees in categories B, C, D, or E, while other employees are category A staff and trainees.</p> <p>For Piguët Galland, employees are categorized according to their rank. Managers are employees with the rank of assistant vice president, vice president, first vice president, or senior vice president. Other employees are signing officers, trainees, and employees without ranks.</p>
417-2 Incidents of non-compliance concerning product and service information and labeling	Significant instances of non-compliance	p. 123	Significant instances of non-compliance are lapses of a magnitude that might justify the intervention of a supervisory authority or create a crisis for the Bank's primary stakeholders. Where applicable, BCV publishes the number of significant instances of non-compliance that have resulted in fines or non-monetary sanctions (including warnings) from a judicial, administrative, or self-regulatory authority, as well as instances of non-compliance with non-binding guidelines.
417-3 Incidents of non-compliance concerning marketing communications	Significant instances of non-compliance	p. 123	Significant instances of non-compliance are lapses of a magnitude that might justify the intervention of a supervisory authority or create a crisis for the Bank's primary stakeholders. Where applicable, BCV publishes the number of significant instances of non-compliance that have resulted in fines or non-monetary sanctions (including warnings) from a judicial, administrative, or self-regulatory authority, as well as instances of non-compliance with non-binding guidelines.

GRI disclosure	Indicator(s)	Page	Methodology, assumptions, scope, and exclusions
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	• Number of substantiated complaints received concerning violations of customer confidentiality	p. 123	Substantiated complaints are ones that involve significant or repeated lapses with regard to internal or external provisions that might justify the intervention of internal entities. For a complaint to be considered substantiated, it must also trigger proceedings before a judicial, administrative, or self-regulatory authority.
	• Number of identified leaks, thefts, or losses of customer data	p. 123	Leaks, thefts, and losses of customer data entail serious incidents resulting in a significant leak of client-identifying data within the meaning of FINMA Circular 2008/21, "Operational risks – banks."
G4-FS8 Products and services designed to deliver a specific environmental benefit	• Mortgage lending under the Green Bonus program	p. 76	Under the Green Bonus program, BCV offers attractive interest rates on financing for energy-efficient properties and green renovations. Conditions for mortgages granted under the Green Bonus program: <ul style="list-style-type: none"> <li>• For real-estate purchases, the building must have a CECB eco-rating of A.</li> <li>• For renovation work, the value of the loan must be at least CHF 20,000 and at least 25% of the funds must go to energy-saving improvements that qualify for subsidies, such as: <ul style="list-style-type: none"> <li>• updating a heating system</li> <li>• renovating or insulating a roof.</li> </ul> </li> </ul>
	• Mortgage lending for energy-efficient properties	p. 76	Properties are considered energy-efficient if they were built after 1 January 2015. This date was chosen following the entry into force of the new provisions of Vaud Canton's energy law (Loi Vaudoise sur l'Énergie) on 1 July 2014, in particular the new sections setting out energy-efficiency requirements for new builds (Articles 28–30). This is a conservative estimate: the figures do not include older properties that may meet exacting green-building standards, so the real volume may be higher. The published figures represent the volume of mortgage loans granted for properties built after 1 January 2015. They are given as both absolute numbers and as a percentage of the total volume of mortgage loans. Fixed-term advances are not included.
	• Energy mix of real-estate portfolio managed by FIR	p. 69	The published figures are based on an analysis of the energy mix in the real-estate portfolio of Fonds Immobilier Romand (FIR) carried out by the organization commissioned to monitor energy use in those buildings. That analysis is further developed with an internal review that reflects any changes to the portfolio or to energy sources following the initial assessment. The figures represent the energy reference area of FIR's real-estate portfolio by energy source used for heating. Energy sources are grouped in the following categories: <ul style="list-style-type: none"> <li>• fossil fuels (oil and natural gas)</li> <li>• low-carbon power sources (district heating, heat pumps, wood pellets, electricity).</li> </ul>
	• ESG capital expenditures on real-estate portfolio assets	p. 70	ESG capex comprises one-off expenditures made to optimize buildings' energy efficiency, including renovations that also make the property safer and more comfortable for occupants. The published amount is the total of investments made in the heating, elevator, and building categories for FIR's real-estate portfolio. Data are given as absolute values and as percentages of rental income.
G4-FS10 Companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	Number of shareholders' meetings for companies in BCV Group portfolios where voting rights were exercised	pp. 60 and 68	Figures for BCV and Piguët Galland are reported separately. Based on regular analyses of BCV's means of action, the Bank intends to develop its shareholder engagement activities and formally set out the principles underpinning its approach in an in-house engagement policy. Because engagement policies for BCV and Piguët Galland are not yet in place, we have reported on the exercise of voting rights. BCV tracks how it exercises its voting rights at annual general meetings using ProxyExchange, the electronic voting platform from Institutional Shareholder Services (ISS). Piguët Galland votes by mail and counts its votes manually using copies of the voting instructions sent to independent proxies.



GRI disclosure	Indicator(s)	Page	Methodology, assumptions, scope, and exclusions
G4-FS11 Assets integrating environmental or social criteria	<ul style="list-style-type: none"> <li>ESG products used in BCV's discretionary asset management</li> </ul>	p. 66	<p>BCV's total assets under management are broken down into two categories:</p> <ul style="list-style-type: none"> <li><b>investment funds</b> (strategic funds, BCV Pension retirement funds, and targeted funds). The following funds are classified as "ESG": <ul style="list-style-type: none"> <li>Swiss-registered funds whose sub-funds have a FINMA-approved ESG label.</li> <li>Luxembourg-registered funds that, although they do not have the ESG label, apply the same management rules as Swiss-registered strategic funds whose ESG approach is described in the fund agreement approved by FINMA.</li> <li>Other Luxembourg-registered funds whose sub-funds have an ESG label approved by the Commission de Surveillance du Secteur Financier.</li> </ul> </li> <li><b>discretionary agreements</b> <ul style="list-style-type: none"> <li>For institutional clients: This indicator includes clients who have specific, established SRI constraints (e.g., as set out in an SRI charter).</li> <li>For personal banking clients: All discretionary agreements for personal banking clients apply ESG criteria, unless the client's financial constraints (e.g., for tax reasons) are such that the minimum threshold for categorizing the agreement as ESG cannot be met (70% of products must be ESG-labeled).</li> </ul> </li> </ul> <p>This definition marks a change in method relative to 2022, consistent with self-regulatory arrangements in Switzerland.<sup>1</sup> Based on the method used for the 2022 Sustainability Report, the proportion of products incorporating at least one SRI approach was broadly unchanged in 2023, at 81%. Figures are presented as percentages of total assets.</p>
	<ul style="list-style-type: none"> <li>BCV's ESG Ambition range</li> </ul>	p. 64	<p>In addition to meeting the criteria above, products in the ESG Ambition range allocate part of the assets to investments that will drive positive change in line with one or more of the United Nations Sustainable Development Goals. The figures include investment funds, discretionary agreements, and certificates in the ESG Ambition range. Figures are presented in absolute terms.</p>
	<ul style="list-style-type: none"> <li>Thematic certificates related to sustainability, managed by Piguet Galland</li> </ul>	p. 68	<p>The published figures are based on Piguet Galland's three sustainability-oriented certificates:</p> <ul style="list-style-type: none"> <li>Helv-Ethic</li> <li>Women Empowerment</li> <li>Climate Impact.</li> </ul> <p>Figures are presented in absolute terms.</p>

<sup>1</sup> Asset Management Association Switzerland, *Sustainable Finance Self-Regulation*

# Content index for Article 964b of the Swiss Code of Obligations

The table below summarizes how BCV Group meets the reporting requirements of Article 964b of the Swiss Code of Obligations.

Requirements under Article 964b	Section <sup>1</sup>	Reference
General information on environmental matters, social issues, employee-related issues, respect for human rights, and combating corruption	Letter from the Chair and the CEO	pp. 2–3
	Our main contributions to the Sustainable Development Goals in 2023	pp. 6–7
	Our mission	p. 11
	Stakeholder expectations and material topics	pp. 12–14
	Dialogue with stakeholders and transparency	pp. 15–16
	Our CSR ambitions and strategy	pp. 18–19
Business model	2023 Annual Report (AR23): Overview of BCV	AR23, pp. 10–13
	AR23: BCV in 2023	AR23, pp. 42–49
	AR23: Business sector reports	AR23, pp. 50–57
	The BCV Group	p. 4
	Long-term value creation, solidity, and financial performance	p. 26
	Contributing to Vaud's economic development	p. 27
Environmental matters	Managing our clients' assets	pp. 58–67
	SRI at Piguët Galland	p. 68
	SRI at Fonds Immobilier Romand	pp. 69–70
	SRI at BCV Group's pension fund	p. 71
	Mortgage loans	pp. 75–77
	Lending to local businesses	pp. 77–78
	Trade finance	pp. 79–81
	Reducing the environmental impact of our operations	pp. 100–104
Social issues <sup>2</sup>	Contributing to Vaud's economic development	p. 27
	Promoting innovation and sustainability in Vaud	pp. 30–31
	Data protection	pp. 40–41
	Cybersecurity	pp. 41–42
	Responsible selling	pp. 45–47
	Meeting our customers' needs	pp. 49–55
	Managing our clients' assets	pp. 58–67
	SRI at Piguët Galland	p. 68
	SRI at BCV Group's pension fund	p. 71
	Lending to local businesses	pp. 77–78
	Responsible, local sourcing	pp. 106–107
	Playing an active role in the community	pp. 107–111

<sup>1</sup> These sections describe the concepts, how we've applied them to our practices, and our key performance indicators.

<sup>2</sup> "Social issues" should be understood broadly to comprise a wide array of issues related to society.

Requirements under Article 964b	Section <sup>1</sup>	Reference
Employee-related issues	Being a benchmark employer	pp. 83–97, 124
	Our values and code of conduct	p. 34
Respect for human rights	The dimensions of CSR	p. 10
	Managing our clients' assets	pp. 58, 60–61, 67
	Lending to local businesses	pp. 77–78
	Trade finance	pp. 79–81
	Compliance with social and environmental procurement standards	pp. 104–105
Combating corruption	Anti-corruption measures	pp. 39–40
Sustainability risks	Stakeholder expectations and material topics	pp. 12–14
	Sustainability governance and organizational structures at BCV	pp. 20–22
	Our main sustainability risks	pp. 17–18
	Climate-related risk	pp. 43–44
References to national, European Union, and international regulations	About this report	p. 5
	Physical gold (DDTrO <sup>2</sup> )	p. 67
	Compliance with social and environmental procurement standards (DDTrO <sup>2</sup> )	p. 105
	Reporting principles	p. 112
Subsidiaries	Scope of the report	p. 112

<sup>1</sup> These sections describe the concepts, how we've applied them to our practices, and our key performance indicators.

<sup>2</sup> DDTrO: Switzerland's federal Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour

# GRI

## content index

**Statement of use:** BCV Group has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023

**GRI 1 used:** GRI 1: Foundation 2021

**Sector-specific disclosure guidelines:** G4 Financial services (G4-FS)

GRI Standard	Location, commentary, and explanation for omissions
<b>General disclosures (GRI 2)</b>	
<b>The organization and its reporting practices</b>	
2-1 Organizational details	SR23, p. 4 AR23, pp. 10–12
2-2 Entities included in the organization's sustainability reporting	SR23, pp. 4–5 and 112 The AR23 contains financial statements for both the parent company and the Group. The approach used for preparing the consolidated financial statements is set out in the AR23, pp. 124–130.
2-3 Reporting period, frequency, and contact point	SR23, p. 5 The annual report and sustainability report cover the same reporting period.
2-4 Restatements of information	-GRI 305-3: The 2022 figure for emissions from business travel was corrected in SR23 (error in the emission factor used). -GRI 305-4: The 2022 total emissions/employee (FTE) figure was corrected (calculation error).
2-5 External assurance	SR23, pp. 100 and 126–132
<b>Activities and employees</b>	
2-6 Activities, value chain, and other business relationships	SR23, pp. 4 and 26–27 AR23, pp. 1, 10–12, 50–57, and 79
2-7 Employees	SR23, pp. 89 and 95
2-8 Workers who are not employees	SR23, p. 86
<b>Governance</b>	
2-9 Governance structure and composition	SR23, pp. 20–22 and 35 AR23, pp. 81–93
2-10 Nomination and selection of the highest governance body	AR23, pp. 81–82 and 88
2-11 Chair of the highest governance body	SR23, p. 35
2-12 Role of the highest governance body in overseeing the management of impacts	SR23, pp. 20–22 Cantonal Act Governing BCV (LBCV), Art. 4 Sustainability Policy
2-13 Delegation of responsibility for managing impacts	SR23, pp. 20–22 and 13–14
2-14 Role of the highest governance body in sustainability reporting	SR23, p. 5
2-15 Conflicts of interest	SR23, pp. 35–37 and 39–40 AR23, pp. 81–100 Code of Professional Conduct, p. 6
2-16 Communication of critical concerns	SR23, pp. 20–21
2-17 Collective knowledge of the highest governance body	SR23, p. 21
2-18 Evaluation of the performance of the highest governance body	SR23, pp. 20–21
2-19 Remuneration policies	SR23, pp. 91–92 AR23, pp. 100–108
2-20 Process to determine remuneration	AR23, pp. 91 and 100–108 The results of votes taken at the Annual Shareholders' Meeting are published at: <a href="http://www.bcv.ch/en/home/la-bcv/investor-relations/for-shareholders.html">www.bcv.ch/en/home/la-bcv/investor-relations/for-shareholders.html</a> .
2-21 Annual total compensation ratio	SR23, p. 92

GRI Standard	Location, commentary, and explanation for omissions	
<b>Strategy, policies, and practices</b>		
2-22	Statement on sustainable development strategy	SR23, pp. 2–3
2-23	Policy commitments	Sustainability Policy
2-24	Embedding policy commitments	SR23, pp. 20–22
2-25	Processes to remediate negative impacts	SR23, pp. 15–16, 45, and 53–55
2-26	Mechanisms for seeking advice and raising concerns	SR23, p. 37
2-27	Compliance with laws and regulations	No significant cases of non-compliance were identified in 2023.
2-28	Membership associations	SR23, pp. 35–36
<b>Stakeholder engagement</b>		
2-29	Approach to stakeholder engagement	SR23, pp. 12–16
2-30	Collective bargaining agreements	SR23, p. 91
<b>Material topics (GRI 3)</b>		
3-1	Process to determine material topics	SR23, pp. 12–14
3-2	List of material topics	SR23, p. 13
<b>Dialogue with stakeholders and transparency</b>		
3-3	Management of material topics	SR23, pp. 12, 15–16, 53–55, and 91
<b>Long-term value creation, solidity, and financial performance</b>		
3-3	Management of material topics	SR23, p. 26
201-1	Direct economic value generated and distributed (parent company)	AR23, parent company financial statements, p. 176 SR23, p. 26
201-3	Defined benefit plan obligations and other retirement plans	SR23, p. 93
201-4	Financial assistance received from government	AR23, p. 10 BCV does not receive financial assistance from the government. (The Canton of Vaud holds 66.95% of BCV's share capital.)
<b>Contributing to Vaud's economic development</b>		
3-3	Management of material topics	SR23, pp. 27–29, 51–52, and 77–78
203-2	Significant indirect economic impacts	SR23, pp. 27 and 30–31
<b>Ethics and corporate governance</b>		
3-3	Management of material topics	SR23, pp. 34–36
205-2	Communication and training about anti-corruption policies and procedures	SR23, pp. 39–40
205-3	Confirmed incidents of corruption and actions taken	SR23, p. 40 No confirmed incidents of corruption involving employees or governing bodies were identified in 2023.
415-1	Political contributions	SR23, p. 35
<b>Responsible selling</b>		
3-3	Management of material topics	SR23, pp. 45–47
417-2	Incidents of non-compliance concerning product and service information and labeling	No significant cases of non-compliance were identified in 2023.
417-3	Incidents of non-compliance concerning marketing communications	No significant cases of non-compliance were identified in 2023.
<b>Climate-related risks</b>		
3-3	Management of material topics	SR23, pp. 20–22 and 43–44 We intend to begin publishing a climate report for the 2024 financial year that will align with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
201-2	Financial implications and other risks and opportunities due to climate change	SR23, pp. 20–22, 43–44, 79–80, and 81
<b>Reliability: Combating cybercrime, ensuring transaction security, and protecting data</b>		
3-3	Management of material topics	SR23, pp. 40–43
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints or incidents of customer data leaks, theft, or loss were identified in 2023.

GRI Standard		Location, commentary, and explanation for omissions
<b>Close ties and accessible services</b>		
3-3	Management of material topics	SR23, p. 50
G4-FS13	Access points in low-populated or economically disadvantaged areas by type	AR23 p. 206 SR23 p. 50 Our customers have access to a dense network of branches and ATMs, as well as remote and self-service solutions.
<b>Products and services suited to customers' needs and expectations</b>		
3-3	Management of material topics	SR23, pp. 51–53
Individual indicator	Set of indicators	SR23, pp. 51–53
<b>High service quality</b>		
3-3	Management of material topics	SR23, pp. 53–55
Individual indicator	Customer satisfaction, Net Promoter Score (NPS)	SR23, p. 55
<b>Socially responsible investing (SRI)</b>		
3-3	Management of material topics	SR23, pp. 57–71
G4-FS8	Investments with an environmental benefit	SR23, pp. 69 and 70
G4-FS10	Companies in BCV's portfolio with which it has interacted on environmental and social issues	SR23, pp. 60 and 68
G4-FS11	Assets integrating environmental and social criteria	SR23, pp. 64, 66, and 68
<b>Environmental and social criteria in lending decisions</b>		
3-3	Management of material topics	SR23, pp. 73–81
G4-FS8	Loans with an environmental benefit	SR23, p. 76
<b>Focus on training</b>		
3-3	Management of material topics	SR23, pp. 86–87
404-1	Average number of hours of training per year per employee	SR23, p. 88
404-2	Programs for upgrading employee skills and transition assistance programs	SR23, p. 88
404-3	Percentage of employees receiving regular performance and career development reviews	100%, excluding cases such as employees who join or leave the Bank during the year
<b>Diversity and equal opportunity</b>		
3-3	Management of material topics	SR23, pp. 85–86 and 94–97
401-1	New employee hires and employee turnover	SR23, pp. 84 and 95
405-1	Diversity of governance bodies and employees	SR23, pp. 85, 86, 96, and 97
405-2	Equal pay	SR23, pp. 92 and 96
<b>Retirement, compensation, and other employee benefits</b>		
3-3	Management of material topics	SR23, pp. 92–93
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR23, p. 91 Employees on a permanent contract (working at least half time) receive all standard employee benefits. Employees outside this scope receive benefits according to their status. Employees who work at an employment rate of under 60% cannot work from home.
<b>Working conditions</b>		
3-3	Management of material topics	SR23, pp. 22 and 91–94
401-3	Parental leave	SR23, p. 90
403-1	Occupational health and safety management system	SR23, pp. 93–94 BCV's occupational health and safety management system is in keeping with Switzerland's current legal requirements. In some areas, the system goes above and beyond the legal requirements.
403-2	Hazard identification, risk assessment and incident investigation	SR23, pp. 93–94
<b>Playing an active role in the community and supporting local projects and organizations</b>		
3-3	Management of material topics	SR23, pp. 107–111
203-1	Infrastructure investments and services supported	SR23, pp. 30–31 and 107
413-1	Operations with local community engagement, impact assessments, and development programs	SR23, pp. 30–31 and 107–111

GRI Standard		Location, commentary, and explanation for omissions
<b>Environmental impact of our operations</b>		
3-3	Management of material topics	SR23, pp. 103–110
305-1	Direct (scope 1) GHG emissions <sup>1</sup>	SR23, p. 101 1,157 t CO <sub>2</sub> e -1,154 t CO <sub>2</sub> e heating -4 t CO <sub>2</sub> e gas vehicles -0 t CO <sub>2</sub> e refrigerants
305-2	Energy indirect (scope 2) GHG emissions <sup>2</sup>	SR23, p. 101 139 t CO <sub>2</sub> e -137 t CO <sub>2</sub> e electricity -2 t CO <sub>2</sub> e district heating
305-3	Other indirect (scope 3) GHG emissions <sup>3</sup>	SR23, p. 101 3,413 t CO <sub>2</sub> e -480 t CO <sub>2</sub> e energy supply -302 t CO <sub>2</sub> e business travel -1,986 t CO <sub>2</sub> e employee commuting -386 t CO <sub>2</sub> e computer hardware -225 t CO <sub>2</sub> e paper and printed materials -34 t CO <sub>2</sub> e waste
305-4	GHG emissions intensity	2.7 t CO <sub>2</sub> e per employee (FTE)
305-5	Reduction of GHG emissions	SR23, pp. 101–103
305-6	Emissions of ozone-depleting substances (ODS)	N/A: BCV does not have any factories or manufacturing facilities.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A: BCV does not have any factories or manufacturing facilities.
302-1	Energy consumption within the organization: electricity (including how it was generated) and heating	13,379,007 kWh -5,518,421 kWh heating -69,004 kWh district heating -1,648,378 kWh hybrid electricity and 6,129,325 kWh hydroelectricity -13,879 kWh gas vehicles
302-3	Energy intensity	7,552 kWh per employee (FTE)
<b>Responsible, local sourcing</b>		
3-3	Management of material topics	SR23, p. 106
204-1	Proportion of spending on local suppliers	SR23, p. 106

#### List of abbreviations

AR23: 2023 Annual Report

SR23: 2023 Sustainability Report

CO<sub>2</sub>e: CO<sub>2</sub> equivalent

<sup>1</sup> Scope 1: Ecoinvent (V3.7); BAFU/BFE (2019), Faktenblatt CO<sub>2</sub>-Emissionsfaktoren des Treibhausgasinventars der Schweiz

<sup>2</sup> Scope 2: Messmer, Frischknecht, Treeze (2021), Umweltbilanz Strommix Schweiz 2018; Frischknecht, Itten, Treeze (2014), Primärenergiefaktoren von Energiesystemen

<sup>3</sup> Scope 3: mobitool (V2.0, 2016; V2.0.2, 2017); Ecoinvent (V3.7.1, V3.8); Climatop (2013); Factsheet Toilettenpapier; La Poste France (2017)

## Independent practitioner's limited assurance report

### on selected indicators and non-financial disclosures in Banque Cantonale Vaudoise's Sustainability Report 2023 to the Board of Directors of Banque Cantonale Vaudoise, Lausanne

We have been engaged by the Board of Directors of Banque Cantonale Vaudoise (the "Company") to perform assurance procedures to provide limited assurance for the period between 1 January 2023 and 31 December 2023 on selected indicators included in the Sustainability Report 2023 (hereinafter the "Sustainability Report 2023") and referenced in the 2023 GRI Content Index of the Sustainability Report 2023 and summarized in the attached Table A (hereinafter the "Selected Indicators 2023") as well as selected non-financial Disclosures 2023 included in the Sustainability Report 2023 and referenced in the 2023 GRI Content Index as well as in the Content index for Article 964b of the Swiss Code of Obligations ("CO") applying article 964b paragraph 3 CO and summarized in the attached Table B (hereinafter the "Selected Non-Financial Disclosures 2023").

We do not comment on, nor conclude on any prospective information nor did we perform any assurance procedures on the information other than those stated above for the reporting period 2023.

The Selected Indicators 2023 and the Selected Non-Financial Disclosures 2023 were prepared by the Board of Directors of the Company (hereinafter the "Board of Directors") based on the guidelines regarding the preparation of the Sustainability Report 2023, which are based on the GRI Standards published in 2021 by the Global Reporting Initiative (GRI) (hereinafter the "reporting Criteria") as well as the disclosure requirements of Article 964b of the Code of Obligations. The reporting Criteria together with assumptions and estimates are presented and made available in the section "Principles and standards for publication" of the Sustainability Report 2023 on pages 112 to 119.

#### **Inherent limitations**

The accuracy and completeness of the Selected Indicators 2023 and the Selected Non-Financial Disclosures 2023 is subject to inherent limitations given their nature and methods for determining, calculating and estimating such data and non-exhaustive related legal and scientific definitions. Our assurance report has therefore to be read in connection with the reporting Criteria, as well as the definitions and procedures disclosed therein.

#### **Board of Directors' responsibility**

The Board of Directors is responsible for the preparation and presentation of the Sustainability Report 2023 based on the reporting Criteria. This responsibility includes selecting and applying appropriate non-financial reporting methods, and making assumptions and estimates about individual items of information that are reasonable in the circumstances. In addition, the Board of Directors is responsible for organizing, establishing and maintaining adequate internal controls relating to the establishment and presentation of the Selected Indicators 2023 and the Selected Non-Financial Disclosures 2023 that are free from material misstatement whether due to fraud or error. Furthermore, the Board of Directors is responsible for the selection and application of the reporting Criteria, including making assumptions and estimates, and adequate record keeping.

#### **Independence and quality management**

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). These requirements define fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

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PricewaterhouseCoopers SA applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Practitioner's responsibility

Our responsibility is to express a conclusion with limited assurance on the Selected Indicators 2023 (Table A) as well as the Selected Non-Financial Disclosures 2023 (Table B). We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), "Assurance engagements other than audits or reviews of historical financial information" issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Selected Indicators 2023 (Table A) as well as the Selected Non-Financial Disclosures 2023 (Table B) are not prepared, in all material respects, in accordance with the reporting Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

#### Summary of the work performed

We performed the following procedures:

- Gain an understanding of the structure of the Company's sustainability organisation and stakeholder engagement.
- Assessing the suitability in the circumstances of the Company's use of the reporting Criteria, applied as explained in the section "Principles and standards for publication" applied for the preparation of the Selected Indicators 2023 (Table A) and the Selected Non-Financial Disclosures 2023 (Table B).
- Assessment of the presentation of the business model and of the description of the main risks associated with the activities, including where relevant and proportionate, of the risks associated with the business relationships, the products or the services of entities of the group, against the reporting Criteria.
- Identification of risks of material misstatement in the Selected Indicators 2023 (Table A) and the Selected Non-Financial Disclosures 2023 (Table B).
- Inspecting relevant documentation related to the preparation of the Selected Indicators 2023 (Table A) and the Selected Non-Financial Disclosures 2023 (Table B) and their application against the related reporting Criteria.
- Interviewing representatives of the Company responsible for the data collection and reporting as well as other stakeholders involved in the reporting process.
- Performing tests on a sample basis of evidence supporting the Selected Indicators 2023 (Table A) and the Selected Non-Financial Disclosures 2023 (Table B).
- Reperformance of relevant calculations.
- Analytical procedures
- Reconciliation of data sources with financial reporting data and other underlying records.
- Assessment of the presentation of the Selected Indicators 2023 (Table A) and the Selected Non-Financial Disclosures 2023 (Table B).

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Conclusion

Based on the procedures we performed, and evidence obtained, nothing has come to our attention that causes us to believe that the Selected Indicators 2023 (Table A) as well as the Selected Non-Financial Disclosures 2023 (Table B) as referenced in the Content index for Article 964b CO applying article 964b paragraph 3 CO are not prepared, in all material respects, in accordance with the reporting Criteria.



**Intended users and purpose of the report**

This report is prepared for, and only for, the Board of Directors of the Company, and solely for the purpose of reporting to them on the result of our assurance engagement and no other purpose.

We will not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion might be used, or to any other person to whom our report is shown or into whose hands it might come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only (including Table A and B) and in combination with the reporting Criteria, to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the Selected Indicators 2023 and the Selected Non-Financial Disclosures 2023, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the Board of the Company for our work or this report.

PricewaterhouseCoopers SA



Jean-Sébastien Lassonde



Erol Baruh

Lausanne, 21 March 2024

*The maintenance and integrity of Banque Cantonale Vaudoise's website and its content are the responsibility of Banque Cantonale Vaudoise; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of Banque Cantonale Vaudoise's website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported Selected Indicators 2023, the Selected Non-Financial Disclosures 2023 or the reporting Criteria since they were initially presented on the website, at the time of publication of the report.*



Banque Cantonale Vaudoise | Independent practitioner's limited assurance report

**Table A**  
**Selected Indicators 2023**

Reference to GRI information elements according to the Sustainability Report	Link to Sustainability Report	Pages
<b>GRI 2-7</b> Composition of the workforce	<ul style="list-style-type: none"> <li>Total</li> <li>Permanent employees</li> <li>Temporary employees</li> <li>Non-guaranteed hours employees</li> <li>Full-time employees</li> <li>Part-time employees</li> </ul>	pp. 86, 89, 95
<b>GRI 2-8</b> Workers who are not employees	<ul style="list-style-type: none"> <li>Numbers of contractors</li> </ul>	p. 86
<b>GRI 2-21</b> Ratio of the annual remuneration paid	<ul style="list-style-type: none"> <li>Ratio of the highest-paid individual's annual total compensation to the median annual total compensation</li> <li>Percentage change in the median annual total compensation</li> <li>Percentage change in the highest-paid individual's compensation</li> </ul>	p. 92
<b>GRI 2-27</b> Compliance with laws and regulations	Significant instances of non-compliance	p. 123
<b>GRI 201-1</b> Direct economic value generated and distributed	<ul style="list-style-type: none"> <li>Direct economic value generated</li> <li>Direct economic value distributed</li> <li>Economic value retained</li> </ul>	p. 26
<b>GRI 201-3</b> Benefit plan obligations and other retirement plan	<ul style="list-style-type: none"> <li>Coverage ratio</li> <li>Contribution rate, as a percent of salary, and employer's portion</li> <li>Insured retirement savings capital compared with the statutory minimum</li> </ul>	p. 93
<b>GRI 203-1</b> Infrastructure investments and services supported	Portion of net profit allocated to sponsorships and donations, and the number of beneficiaries	p. 107
<b>GRI 203-2</b> Significant indirect economic impacts	<ul style="list-style-type: none"> <li>Total lending to Vaud companies</li> </ul>	p. 27
	<ul style="list-style-type: none"> <li>Guaranteed loans (excluding Covid-19 bridge loans)</li> </ul>	p. 27
	<ul style="list-style-type: none"> <li>Funds allocated for supporting innovation</li> </ul>	pp. 27 and 30
<b>GRI 204-1</b> Proportion of spending on local suppliers	Swiss companies as a share of the Bank's procurement spend (supplies and services)	p. 106
<b>GRI 205-3</b> Confirmed incidents of corruption and actions taken	Confirmed incidents of corruption	p. 40
<b>GRI 401-1</b> New employee hires and employee turnover	<ul style="list-style-type: none"> <li>New employee hires</li> <li>Employee turnover</li> </ul>	pp. 84 and 95
<b>GRI 401-3</b> Parental leave	Beneficiaries of parental leave	p. 90
<b>GRI 404-1</b> Average hours of training per year per employee	<ul style="list-style-type: none"> <li>Average for all employees</li> <li>Average by position type and category</li> </ul>	p. 88
<b>GRI 404-2</b> Programs for upgrading employee skills and transition assistance programs	Continuing education - successful certifications	p. 88
<b>GRI 404-3</b> Percentage of employees receiving regular performance and career development reviews	Percentage of the total number of employees who have benefited from a performance and career development review	p. 124
<b>GRI 405-1</b> Diversity of governance bodies and employees	<ul style="list-style-type: none"> <li>Gender diversity</li> <li>Diversity by age group</li> </ul>	pp. 85, 86, 96 and 97
<b>GRI 417-2</b> Incidents of non-compliance concerning product and service information and labeling	Significant instances of non-compliance	p. 123
<b>GRI 417-3</b> Incidents of non-compliance concerning marketing communications	Significant instances of non-compliance	p. 123
<b>GRI 418-1</b> Substantiated complaints concerning breaches of customer privacy and losses of customer data	Number of substantiated complaints received regarding violations of customer confidentiality	p. 123
	Number of identified leaks, thefts, or losses of customer data	p. 123
<b>GRI G4-FS8</b>	Mortgage lending under the Green Bonus program	p. 76
	Mortgage lending for energy-efficient properties	p. 76



Reference to GRI information elements according to the Sustainability Report	Link to Sustainability Report	Pages
Products and services designed to deliver a specific environmental benefit	Energy mix of real-estate portfolio managed by FIR	p. 69
	ESG capital expenditures on real-estate portfolio assets	p. 70
<b>GRI G4-FS10</b> Companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	Number of shareholders' meetings for companies in BCV Group portfolios where voting rights were exercised	pp. 60 and 68
<b>GRI G4-FS11</b> Assets integrating environmental or social criteria	ESG products used in BCVs discretionary asset management	p. 66
	BCVs ESG Ambition range	p. 64
	Thematic certificates related to sustainability, managed by Piguet Galland	p. 68

**Table B**  
**Selected Non-Financial Disclosures 2023**

Reference to GRI information elements according to the Sustainability Report	Object	Pages
<b>General aspects</b>		
<b>General sustainability information</b>		
GRI 2-9	Governance structure and composition	p.20-22
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	p.20-22
GRI 2-13	Delegation of responsibility for managing impacts	p.13, p.20-22
GRI 2-22	Statement on sustainable development strategy	p.2-3
GRI 3-1	Process to determine material topics	p.13-15
GRI 3-2	List of material topics	p.13
<b>Description of the business model (art. 964b, al. 2, ch.1 CO)</b>		
GRI 2-1	Organizational details	p.4
GRI 2-6	Activities, value chain, and other business relationship	p.4, 26, 27 AR23, p. 10-12 AR23, p. 50-57
<b>Environmental matters</b>		
<b>Policies adopted, including the due diligence applied (art. 964b, al. 2, ch. 2 CO)</b>		
GRI 3-3 (c)	Management of material topics <ul style="list-style-type: none"> <li>• Our main sustainability risks</li> <li>• Socially responsible investing</li> <li>• Mortgage loans</li> </ul>	p.17-18 p.69-70 p.75-76
<b>Measures taken to implement these policies (art. 964b, al. 2, ch. 3 CO)</b>		
GRI 3-3 (d); (e) (i)	Management of material topics <ul style="list-style-type: none"> <li>• Our main sustainability risks</li> <li>• Socially responsible investing</li> <li>• Mortgage loans</li> </ul>	p.17-18 p.69-70 p.75-76
<b>Key performance indicators (art. 964b, al.2, ch. 5 CO)</b>		
G4-FS8 Products and services designed to provide a specific environmental benefit	Mortgage lending under the Green Bonus program	p. 76
	Mortgage lending for energy-efficient properties	p. 76
	Energy mix of real-estate portfolio managed by FIR	p. 69
	ESG capital expenditures on real-estate portfolio assets	p. 70
G4-FS11 Assets integrating environmental or social criteria	ESG products used in BCV's discretionary asset management	p. 66
	BCV's ESG Ambition range	p. 64
	Thematic certificates related to sustainability, managed by Piguet Galland	p. 68



Reference to GRI information elements according to the Sustainability Report	Object	Pages
<b>Employee-related matters</b>		
<b>Policies adopted, including the due diligence applied (art. 964b, al. 2, ch. 2 CO)</b>		
GRI 3-3 (c)	Management of material topics <ul style="list-style-type: none"> <li>• Our main sustainability risks</li> <li>• Focus on training</li> <li>• Diversity and equal opportunity</li> <li>• Pension funds</li> <li>• Working conditions</li> <li>• Human resources at Piguet Galland</li> </ul>	p.17-18 p.86-87 p.85-86 p.92-93 p.91-94 p.94-96
<b>Measures taken to implement these policies (art. 964b, al. 2, ch. 3 CO)</b>		
GRI 3-3 (d) ; (e) ; (i)	Management of material topics <ul style="list-style-type: none"> <li>• Our main sustainability risks</li> <li>• Focus on training</li> <li>• Diversity and equal opportunity</li> <li>• Pension funds</li> <li>• Working conditions</li> <li>• Human resources at Piguet Galland</li> </ul>	p.17-18 p.86-87 p.85-86 p.92-93 p.91-94 p.94-96
<b>Key performance indicators (art. 964b, al.2, ch. 5 CO)</b>		
GRI 2-7	Employees <ul style="list-style-type: none"> <li>• Total</li> <li>• Permanent employees</li> <li>• Temporary employees</li> <li>• Non-guaranteed hours employees</li> <li>• Full-time employees</li> <li>• Part-time employees</li> </ul>	pp. 86, 89, 95
GRI 2-8	Workers who are not employees	p.86
GRI 2-21	Annual total compensation ratio	p.92
GRI 201-3	Defined benefit plan obligations and other retirement plans	p.93
GRI 401-1	New employee hires and employee turnover	p.84, p.95
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p.91
GRI 401-3	Parental leave	p.90
GRI 404-1	Average hours of training per year per employee	p.88
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	p.88
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	p.124
GRI 405-1	Diversity of governance bodies and employees	p.85
GRI 405-2	Equal pay	p.92
<b>Social matters</b>		
<b>Policies adopted, including the due diligence applied (art. 964b, al. 2, ch. 2 CO)</b>		
GRI 3-3 (c)	Management of material topics <ul style="list-style-type: none"> <li>• Our main sustainability risks</li> </ul>	p.17-18
<b>Measures taken to implement these policies (art. 964b, al. 2, ch. 3 CO)</b>		
GRI 3-3 (d); (e) (i)	Management of material topics <ul style="list-style-type: none"> <li>• Our main sustainability risks</li> </ul>	p.17-18
<b>Key performance indicators (art. 964b, al.2, ch. 5 CO)</b>		
GRI 201-1	Direct economic value generated and distributed (parent company)	p.26
GRI 203-1	Infrastructure investments and services supported	p.30-31, p.107
GRI 203-2 <i>Indirect economic impacts</i>	Total lending to Vaud companies	p.27
	Guaranteed loans (excluding Covid-19 bridge loans)	p.27
	Funds allocated for supporting innovation	p.27 and 30
G4-FS11 <i>Assets integrating environmental or social criteria</i>	ESG products used in BCV's discretionary asset management	p. 66
	BCV's ESG Ambition range	p. 64
	Thematic certificates related to sustainability, managed by Piguet Galland	p. 68



Reference to GRI information elements according to the Sustainability Report	Object	Pages
<b>Combating corruption</b>		
<b>Policies adopted, including the due diligence applied (art. 964b, al. 2, ch. 2 CO)</b>		
GRI 3-3 (c)	Management of materials topics <ul style="list-style-type: none"> <li>• Our main sustainability risks</li> <li>• Ethics and corporate governance (Anti-corruption measures and management of conflicts of interest)</li> </ul>	p.17-18 p.39-40
<b>Measures taken to implement these policies (art. 964b, al. 2, ch. 3 CO)</b>		
GRI 3-3 (d); (e) (i)	Management of materials topics <ul style="list-style-type: none"> <li>• Our main sustainability risks</li> <li>• Ethics and corporate governance (Anti-corruption measures and management of conflicts of interest)</li> </ul>	p.17-18 p.39-40
<b>Key performance indicators (art. 964b, al.2, ch. 5 CO)</b>		
GRI 205-2	Communication and training on anti-corruption	p.39-40
GRI 205-3	Communication and training about anti-corruption policies and procedures	p.40





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