

Remuneration policy in relation to the integration of sustainability risks

Pursuant to Art. 5 SFDR¹, version: November 2023

Zürcher Kantonalbank's remuneration policy is aligned with the business strategy and is based on the bank's objectives and values. It takes into account the long-term economic interests of the bank and supports sound and effective risk management. Zürcher Kantonalbank's remuneration system does not create any incentives to take inappropriate risks that could jeopardise the stability of Zürcher Kantonalbank or its good reputation.

Zürcher Kantonalbank's remuneration principles are based on the following objectives:

- Promoting close co-operation within the management and ensuring that action is taken in the interests of the entire company and its integrated business and risk model;
- Motivating employees to create sustainable added value while taking risks into account;
- Promoting a performance-orientated environment for the benefit of the entire company;
- Ensuring that variable remuneration is risk-adjusted and that only long-term sustainable earnings are taken into account;
- Market-driven and balanced remuneration for comparable tasks.

In accordance with FINMA guidance, one of the compensation groups is defined as Key Risk Takers, which is subject to the rules for deferred variable compensation. Key Risk Takers are the Executive Board, members of senior management with a substantial influence on the resources of the business and/or risk profile and selected employees in the Trading, Sales & Capital Markets organizational unit who exceed a defined threshold in relation to variable compensation. A total of 100 employees are currently defined as Key Risk Takers, of whom nine were members of the Executive Board.

¹ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector