



GKB Sustainability Report 2021

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**Graubündner
Kantonalbank**

New sustainability report in accordance with the GRI standard

The glaciers are disappearing, the permafrost is thawing, the winters are unpredictable. We are experiencing this transformation first hand here in Graubünden. But the extremes are also increasing in summer, as droughts and floods clearly showed us last year. We are playing our part in the fight against global warming – both as an investor through our investment business and as a local financial services provider in Graubünden. But it does not end there, we also take our social responsibility seriously, for example as an employer. In addition, and this is the basis of our commitment, we want to ensure our economic success in the long term.

The sustainable development of GKB must be tangible to the public. That's why transparency is so important. We are the first cantonal bank to already report in accordance with the current GRI standards published in 2021. We also support the ten principles of the United Nations Global Compact on human rights, labour standards, environmental protection and anti-corruption. In this annual progress report, we describe our measures to continuously improve the integration of the Global Compact and its principles into our business strategy, corporate culture and day-to-day operations. We also undertake to share this information with our stakeholders, using our primary communication channels.

We sum up our commitment as follows: "The future is now". This shows us every day that it is better to act today rather than tomorrow. But it also shows that all of us are needed when it comes to shaping a sustainable and vibrant future.



Daniel Fust
CEO

Sustainability strategy

Thinking and acting sustainably are part of the consistent implementation of the GKB vision and strategy. We promote the quality of life in the region and the economic area of Graubünden with clear guidelines on the priority issues of the economy, ecology and social affairs. In doing so, we take account of the concerns of all our stakeholder groups.

In addition to the long-term continuity of financial strength, which is reflected in our robust equity base and constant dividend distributions over the years, the environmental and social dimensions are also key. Ten years ago, the meta targets for 2025 were set for the bank's own operations, the majority of which have already been met. Through the GKB Beitragsfonds (contributory fund), GKB has also been assuming its social responsibility for promoting the quality of life in Graubünden for decades.

Graubündner Kantonalbank reviewed its overall bank strategy in 2020. Sustainability was defined as one of ten strategic fields of action and is thus firmly anchored in the overall bank strategy. In 2021, the strategy was further refined, with the topic of sustainability being given the top priority for action.

In line with the strategy, the main focus in the coming years will be on further developing our sustainability approach in the financing and investment business. This includes reviewing and expanding the guidelines and criteria, making the necessary adjustments to the processes, and training and disseminating knowledge to employees. Transparency in reporting will also be further increased and communication will be further expanded.

Responsibility for sustainability lies with the Executive Board. The role of Head of Sustainability was created in 2020. This person is responsible for actively shaping and implementing the sustainability strategy. They also head a sustainability specialist committee, on which all areas of the bank are represented. Via the Sustainability Committee, the Head of Sustainability coordinates the implementation of measures and monitors the annual progress. The Executive Board is informed in an annual report and, based on this, initiates any corrective and follow-up measures.

Sustainable Development Goals (SDG) relevant to GKB

Graubündner Kantonalbank has undertaken to make an active contribution to the achievement of the Sustainable Development Goals (SDGs) adopted by the United Nations in autumn 2015. The SDGs define the social, economic and environmental milestones to be collectively achieved worldwide by 2030. GKB is embracing its responsibility and has laid the foundation for aligning its sustainability management and core business more closely with the SDGs.

GKB is committed to all 17 SDGs. They are essential for promoting sustainable development. To ensure focused action, the Sustainability Committee has prioritised the SDGs. The SDGs relevant to GKB were derived on the basis of the revised Strategy 2021-2025 and the ten strategic fields of action. We also made sure that the selected objectives reflect our holistic approach (economic, environmental and social dimensions) and that we involved all of our stakeholders (clients, employees, the general public, investors) in our considerations.

Furthermore, based on these key topic categories at GKB, the SDGs on which the bank's activities have the greatest influence were examined. The SDGs relevant to GKB are shown below:



GKB has less influence on the other nine objectives, although its lending and investment business also makes a contribution there. In the following, GKB shows how it contributes to the relevant SDGs.

Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

- Together with the Graubünden University of Applied Sciences, Graubündner Kantonalbank has developed and launched a two-stage certificate course. In this way, GKB helps its employees to prepare for the digital transformation and be ready to cope with changing demands with new knowledge and skills.
- With its training and internship positions, GKB offers 60 young people every year a chance to enter the world of work, thus making a significant contribution to providing high-quality educational opportunities.

Goal 5: Achieve gender equality and empower all women and girls to self-determination.

- Graubündner Kantonalbank offers attractive, family-friendly working conditions, promotes diversity and has a balanced salary policy.
- GKB is specifically promoting broader diversity through measures such as increasing the proportion of women elected to the Futura Talent Board and consciously monitoring individual career paths.
- The audit carried out by the Research Centre for International Management at the University of St. Gallen has confirmed to Graubündner Kantonalbank in 2021 for the third year that the bank's salaries comply with the principle of "equal pay for equal work" enshrined in the Federal Constitution.

Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all.

- With the launch of the first green bond in 2021, Graubündner Kantonalbank is further demonstrating its commitment to sustainability in the area of financing. The net proceeds from the green bond will be used for renewable energies and green buildings.
- GKB has been using electricity exclusively from renewable sources for its own operations since 2013.

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

- At least half of the annual profit is distributed to the investors in the form of dividends. The contributions paid to our main shareholder, the canton of Graubünden, amounted to CHF 92.6 million in the 2021 reporting year, corresponding to CHF 463.00 per resident.
- GKB offers comprehensive financial and advisory services for local businesses, focuses on sustainable value creation and creates added value for the regional economy. Around two-thirds of all loans in the canton are provided by GKB.

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

- Through the Innozet Foundation, which was established by GKB, the bank supports start-ups in the canton of Graubünden and thus makes a significant contribution to promoting innovative products and technologies. More information can be found in the section «[Sustainable lending business](#)».

Goal 10: Reduce inequality within and among countries.

- Through its active membership, Graubündner Kantonalbank supports networks and associations that improve the regulation and supervision of global financial markets and institutions and strengthen the application of the relevant regulations. More on this later in this section.
- Graubündner Kantonalbank is committed to inclusion. It offers ten social service positions for people who do not meet the criteria of the primary labour market.

Goal 12: Ensure sustainable consumption and production patterns.

- GKB encourages employees to act sustainably and raises awareness among staff regarding sustainability. A direct contribution is the steadily decreasing volume of waste, declining water consumption and reduced paper consumption. More information can be found in the section «[Operational sustainability management](#)».
- Another focus is the promotion of sustainability criteria in public procurement.
- Graubündner Kantonalbank takes its responsibility seriously and encourages companies to adopt sustainable corporate governance.
- GKB promotes the sale of sustainable products and services, particularly in the area of investments, and is further expanding its range of sustainable products. Sustainable investment products are generally the recommended standard at Graubündner Kantonalbank.

Goal 13: Take urgent action to combat climate change and its impacts.

- GKB's investment business is entirely geared towards sustainability. More information can be found in the section «[Sustainable investment business](#)». In the reporting year, a reduction path was defined for the investment business that is geared toward the Paris Alignment. For more information, please refer to the «[Financial and sustainability goals](#)» overview table.

- Graubündner Kantonalbank has significantly reduced its environmental impact in recent years and continues to do so. Since 2011, the bank has been offsetting the remaining emissions. In the reporting year, this was done via the project "Climate-optimised forest management in the canton of Graubünden".

Memberships and sustainability rating

GKB demonstrates through its memberships that it is committed to sustainability and interested in being at the forefront of the issue. Memberships are ideal for positioning the bank both in the industry and in the wider public. Memberships also allow GKB to benefit from knowledge transfer and to exchange important experiences via networks.

In the 2021 reporting year, Graubündner Kantonalbank took up additional new memberships and became a signatory of important global initiatives. GKB is the first cantonal bank to become a signatory of the UN Global Compact, the world's largest initiative for responsible corporate governance. In doing so, the bank reaffirms its commitment to aligning its policies and activities with the universal principles of human rights, labour standards, environmental protection and anti-corruption, and to take measures that promote social objectives.

Following the conversion of the entire investment business of GKB to promote sustainability in 2020, the bank signed the UN PRI (Principles for Responsible Investments) in 2021. The aim of the UN PRIs is to understand the impact of sustainability on investors and to help signatories incorporate these issues into their investment decision-making processes. Graubündner Kantonalbank has also become a member of Asset Management Association Switzerland (AMAS). AMAS is the representative industry organisation of the Swiss asset management sector and has set itself the goal of establishing Switzerland as the leading centre for sustainable financial services.

In addition to its new memberships, GKB is also a member of Swiss Sustainable Finance (SSF), the Swiss association for sustainable investing, of öbu, a cross-sector association that works with its member companies to create a sustainable economy while complying with ecological and social principles, and of myclimate, a non-profit organisation committed to effective climate protection.

In addition to its memberships with a focus on sustainability, Graubündner Kantonalbank is a member of the Association of Swiss Cantonal Banks (VSKB) and the Swiss Bankers Association (SBA).

Sustainability rating

The sustainability of Graubündner Kantonalbank is assessed by a number of leading rating agencies. Inrate, the independent Swiss sustainability rating agency, has awarded GKB a B (on a scale from A+ to D-). In the ISS-ESG sustainability assessment, GKB received an overall rating of D+ (on a scale from A+ to D-). MSCI, the world's largest ESG rating agency, has awarded Graubündner Kantonalbank a BBB rating (on a scale from AAA to CCC).

Financial and sustainability goals

	2021	2025 target
Income ratio of fee business [Group]	42.90 %	45 %
Productivity (cost/income ratio II)	48.10 %	≤ 52.5 %
Equity (CET 1 ratio)	20.30 %	17.5–22.5 %
Outperformance (compared to ten-year government bonds)	8.00 %	> 3 %
Payout of parent house (pay-out ratio) to the owners (residents of the canton)	51.60 %	50–70 %
Share of mortgages granted in other cantons (real estate market diversification)	24.90 %	>15 % and <50 %
Increase in overall rating as a sustainable bank	D+ ISS ESG	C (Prime) ISS ESG
Growth in investment business: Cumulative net new money [Group]	CHF 1.2 billion	CHF 3 billion
Paris-aligned 2040 in investment business with a reduction in CO ₂ emissions of at least 35 % by 2030 for GKB funds and asset management mandates (premium mandates)	0 % ¹⁾	33 % ¹⁾
Reduction of CO ₂ -emissions on existing residential mortgage portfolio	31 kg/m ² p.a. (Basiswert ²⁾)	-12.5 % ggü. Basiswert
Total energy consumption of the bank (direct)	82 % of 2010	< 75 % of 2010
Kununu employer rating	4.5	≥ 4.5

1) of assets (on defined reduction path)

2) Base value: estimate June 2021

Material topics

Sustainability impact and key reporting topics

Graubündner Kantonalbank's reporting is designed to focus on the relevant sustainability topics, i.e. the topics where the bank has the greatest impact on society, the environment and the economy.

As a starting point, Graubündner Kantonalbank compiled possible sector, bank and canton-specific topics from industry analyses, sustainability ratings, stakeholder inputs and media reports, and then carried out an initial assessment and analysis of the impact by internal experts. Graubündner Kantonalbank then asked experts from the Swiss sustainability rating agency Inrate to review and evaluate the twelve possible topics identified. In evaluating and identifying the relevant sustainability impacts of companies, Inrate conceptually bases its assessment on the identification of market failures, in particular through negative external effects. Inrate also focuses on a company's products and services and their impact along the entire value chain. Inrate then takes into account the social benefits of a company as a reference value, thus looking at companies from a holistic, systemic perspective, and normalises and aggregates the various identified effects.

The impact analysis by Inrate resulted in the identification of the following ten material sustainability topics for Graubündner Kantonalbank (in order of decreasing impact intensity):

- 1) Sustainable lending business
- 2) Sustainable investment business
- 3) Corruption (including money laundering), competitive behaviour and insider trading
- 4) Tax evasion and aggressive tax avoidance
- 5) Operational sustainability management: Ecological and climate-neutral operation and sustainable procurement
- 6) Fair and attractive local working conditions for employees
- 7) Data protection and data security
- 8) Regional supply of financial services
- 9) Local commitment and partnerships related to culture, sport, social issues and the local economy
- 10) Transparency vis-à-vis stakeholders

For each of the five most important sustainability topics, the following pages provide a comprehensive explanation of their relevance on the basis of their impact on society, the environment and the economy, the ambition of the canton of Graubünden with regard to each topic, the management approach with which the bank is currently addressing the issue, and the planned next steps to further develop the management approach. This is followed by a shorter report on the other five less material sustainability topics.

Sustainable lending business

Relevance of the material topic for GKB

The lending business is Graubündner Kantonalbank's largest business area in terms of financial volume and net interest income. By granting or rejecting loans, Graubündner Kantonalbank has a direct positive or negative impact on the environment and society. The same applies to the pricing of its financing offering, taking sustainability opportunities and risks into account. GKB also supports its clients in the transformation towards a sustainable business model, with corresponding advice and incentives in its range of services.

For example, the bank's mortgage lending and pricing policies can encourage owners to improve their energy efficiency and thus the climate impact of buildings when building or renovating properties. Likewise, in the case of corporate financing, environmental or social economic activities can be promoted via lending and the pricing policy of corporate loans. These include, for example, the production of renewable energies or the health and education system or more ecological or social production methods such as the switch to organic farming or the improvement of occupational health and safety. Conversely, when granting loans, there is a risk that the funds will enable unsustainable economic activities. Examples include companies that are directly or indirectly involved in human rights abuses such as child labour through their suppliers or that contribute to environmental pollution.

Its sustainable lending policy gives Graubündner Kantonalbank the following leverage: It determines and evaluates the environmental and social impact of the client activities or investments to be financed. It takes these into account in its lending and pricing policy as well as its risk management. It also informs its clients proactively and transparently as part of the process about the benefits of its sustainable financing products as well as its sustainability criteria as part of its lending and pricing policy. In doing so, it sends signals to the financial markets and takes the incentive effect into account.

GKB's ambition

Firstly, Graubündner Kantonalbank promotes sustainability in its lending business with specific offers for clients. Particular priority is given to the mortgage business due to its large scale, the existing calculations of its CO₂ footprint and the high priority given to the real estate sector by the canton of Graubünden in its "Green Deal for Graubünden" action plan presented in August 2021. Graubündner Kantonalbank also promotes the production of hydropower as a renewable, emission-free energy source and Switzerland's most important domestic source of raw energy.

Secondly, when granting corporate and syndicated loans, Graubündner Kantonalbank ensures that the activities or projects financed meet its sustainability standards and objectives. Graubündner Kantonalbank intends to reduce its CO₂ emissions in line with the climate protection guidelines of the 2015 UN Climate Change Conference, i.e. to limit man-made global warming to well below 2° C by 2040 compared to pre-industrial levels, as well as indirect emissions in the lending business.

The key performance indicator for sustainable lending can be found in the table «[Financial and sustainability goals](#)».

Current approach at GKB

Financing green buildings

Graubündner Kantonalbank promotes the financing of green buildings in order to improve the energy efficiency of the financed buildings with a specific offer for its clients: for example, Graubündner Kantonalbank used the Minergie® mortgage to finance construction projects certified in accordance with that standard or as a Passive House at special rates. In 2020, Graubündner Kantonalbank expanded its offering and replaced it with an eco mortgage (volume as at 31 December 2021: CHF 20.6 million). In addition to certified Minergie and Passive House properties, energy-saving renovations have since also enjoyed special conditions. This is subject to energy-related refurbishment (building shell, wood heating systems, heat pump systems, thermal solar energy systems, comfort ventilation systems and/or connections to district heating networks) that is subsidised by the canton. In this way, Graubündner Kantonalbank is ensuring that the right energy-related measures are implemented and properties are sustainably renovated. Graubündner Kantonalbank now also assumes the Minergie certification costs of up to CHF 1,000 for Minergie properties.

Financing renewable energy sources

When it comes to financing the production of renewable energies, Graubündner Kantonalbank focuses on loans to larger Graubünden power plant companies, namely hydropower projects. GKB also finances smaller hydropower plants as well as solar, wind and district heating.

Hydropower

Graubündner Kantonalbank grants loans for the construction, refurbishment or refinancing of small-scale hydropower plants (maximum generation capacity of 10 megawatts (MW) or for the refurbishment or refinancing of existing medium-sized or large-scale hydropower plants generating more than 10 MW). This is done without substantially increasing the size of their collection facility. Local environmental influences and possible controversies are taken into account when evaluating all hydropower projects. Compliance with national and cantonal regulations with regard to local environmental factors is also a requirement. Graubündner Kantonalbank ensures that borrowers operate and licence a recognised quality and environmental management system. Loans granted are limited to projects in Switzerland and comply with IFC Performance Standards.

Solar energy

Graubündner Kantonalbank grants loans for the construction, refurbishment and refinancing of onshore wind turbines and other emerging technologies. The granting of loans is limited to projects in Switzerland.

District heating systems

Graubündner Kantonalbank grants loans for the construction, refurbishment and refinancing of plants for the production and distribution of district heating. District heating mainly depends on waste heat from waste disposal or wastewater treatment plants as well as from industrial processes and renewable energy sources such as lake water, groundwater, biomass and wood. Using local wood for heating has little impact on the climate as the CO₂ produced during combustion is recaptured. This is because Swiss forest legislation stipulates that only as much wood as is grown at the same time may be used.

Graubündner Kantonalbank is therefore committed to ensuring that borrowers mainly use local wood. Fossil fuels such as natural gas and oil can be used to compensate for power peaks on very cold winter days or when setting up a new central heating system or for repair and renovation work. The granting of loans is limited to projects in Switzerland.

Financing the lending business by issuing green bonds

With the launch of green bonds, Graubündner Kantonalbank is pursuing the goal of maintaining the attractiveness of Graubünden as a business location and contributing to the indirect reduction of CO₂ emissions as well as promoting the environmentally compatible modernisation of existing renewable electricity production facilities in Graubünden. Graubündner Kantonalbank intends to use the proceeds to finance and/or refinance green projects in whole or in part in the areas of "Renewable energy sources" (see section 2 above) and "Green buildings" (see section 1 above).

Graubündner Kantonalbank will provide regular, aggregated reports at least once a year on the allocation and environmental impact of the green bonds. An independent external auditor is tasked with reviewing the allocation of green loans from Graubündner Kantonalbank and preparing an annual report on compliance with the criteria for all green bonds issued by Graubündner Kantonalbank. Reporting is available on the GKB website at www.gkb.ch/GreenBond.

Financing start-ups offering sustainable, innovative product solutions

Graubündner Kantonalbank is involved in financing start-ups offering sustainable, innovative product solutions through the INNOZET Foundation, which it founded in 1999. Since 2000, INNOZET has also been supported by the Berthold Leibinger Foundation and TRUMPF Switzerland. In addition to the accrual of the Foundation's capital, Graubündner Kantonalbank also provides the management office and TRUMPF Schweiz AG provides the secretariat of INNOZET.

Today, INNOZET supports plausible business ideas with a focus on technology and tourism for companies in Graubünden in the development and start-up phases. INNOZET supports companies in an advisory capacity and provides financial support, for example in the form of shareholdings or loans at current market conditions.

Consideration of social and environmental risks in the corporate client business

Graubündner Kantonalbank's corporate lending business is generally geared towards local clients based in the canton. Thanks to its local roots, Graubündner Kantonalbank has direct insight into the business practices of its **small and medium-sized corporate clients** in the canton and is thus able to monitor compliance with the legal framework as well as the human rights enshrined in the

Swiss Federal Constitution. Accordingly, the loan agreements of Graubündner Kantonalbank do not contain any specific human rights clauses. The following table shows GKB's credit exposure by industry.

Industry overview of loans (before offsetting of value adjustments)

	in CHF '000
Agriculture, forestry and fisheries	207,036
Mining, quarrying	19,142
Manufacturing	578,417
Energy and water supply	582,216
Construction	330,795
Trade and repair of automobiles	111,129
Wholesale and retail trade	243,568
Transport and storage	307,838
Hospitality industry	822,705
Information and communication	23,280
Financial and insurance services	1,961,940
Real estate	3,255,867
Services	400,186
Public administration, education	224,490
Health and social services	336,942
Private households	12,171,666
Total loans	21,577,218

The current lending policy for small and medium-sized corporate clients does not provide for the granting of loans for which the bank does not know the purpose of the loan. Moreover, lending policy does not provide for a comprehensive review of social and environmental risks. However, with regard to contaminated sites, Graubündner Kantonalbank has subjected its portfolio to a risk review and assessment in accordance with the cantonal register. The identified risks were remedied in 2021.

Since 2021, Graubündner Kantonalbank has been conducting a direct, systematic review of social and environmental risks in the large **client and syndicated loan business** as part of its lending policy and its annual review. In the case of syndicated loans, the domicile of the borrower or their main office is usually outside the canton of Graubünden. However, it must be located in Switzerland, Liechtenstein, Germany or Austria. The following are the sustainability criteria for lending to major or syndicated clients. The SME lending business is exempt from these criteria.

1) Exclusion of controversial business areas:

Lending to companies that manufacture controversial weapons is excluded. Percentage thresholds also apply to companies that generate a share of turnover with conventional weapons (15%), tobacco (15%), coal (15%), nuclear energy (20%) and gambling that is not federally licensed (20%). If the proportion of turnover that a company generates through these activities is higher, lending is excluded.

2) Exclusion of controversial business practices:

If companies violate applicable UN conventions or norms (e.g. regarding human rights, corruption), lending is excluded until the company once again complies with such international standards and norms. The red flags of MSCI, one of the largest ESG rating agencies, serve as a criterion for the assessment. A "red flag" by MSCI indicates that the company is involved in one or more very serious controversies regarding its business practices.

3) Exclusion of companies with high ESG risks:

An additional criterion for lending is the exclusion of companies with high ESG risks, i.e. low ESG ratings. Companies that are not rated by MSCI ESG or that have an ESG rating of CCC or B are referred to as "laggards" and are excluded from lending by Graubündner Kantonalbank.

Graubündner Kantonalbank's risk policy stipulates that the volume of loans to major or syndicated clients in breach of the three sustainability criteria may not exceed 1% of total client lending limits. Financing to subsidiaries of companies that are generally excluded and that produce or promote sustainable goods (e.g. hydropower partner plants of energy companies with a higher share from nuclear energy) is not taken into account at the expense of the tolerance limit. If the tolerance limit is exceeded, actionable measures are taken to ensure that the tolerance limit is observed again as quickly as possible.

An internal review of the entire existing credit portfolio of GKB with major clients and syndicated borrowers in November 2021 showed compliance with the sustainability criteria: Not a single borrower of a syndicated loan in which Graubündner Kantonalbank has a stake had a "red flag". Three existing borrowers violated the turnover limits for controversial business areas (nuclear energy and tobacco) and one borrower was exposed to high ESG risks (ESG rating of B). The corresponding lending limits amounted to a total of CHF 56.4 million or 0.24% of total client lending limits and were therefore well below the tolerance limit.

Training and further education

All existing and new employees of Graubündner Kantonalbank involved in lending receive training in the application of the existing and new guidelines and regulations in the lending business. To ensure quality and professionalism in client advisory services, all client advisors at Graubündner Kantonalbank have been receiving systematic further education since 2018 and are certified in accordance with the national "CertKB" standard issued by the Cantonal Bank Interest Group. The training, certification and regular recertification programme also includes Graubündner Kantonalbank's lending policy.

Further development and next steps

In 2022, Graubündner Kantonalbank will further develop its sustainability approach in the lending business in the following areas:

Further development of the mortgage business with private clients

In future, environmental risks will also be taken into account more comprehensively in mortgage lending and pricing policies with private clients. In 2021 for the first time, Graubündner Kantonalbank commissioned IAZI AG to carry out an independent estimate of the indirect CO₂e emissions of the properties financed by its mortgage loans (so-called Scope 3 emissions). As at 30 June 2021, indirect CO₂e emissions from the private client mortgage portfolio of Graubündner Kantonalbank amounted to 207,000 tonnes of CO₂e. This corresponds to an average of 31 kg CO₂e per square metre per year. In the case of financed single-family homes, the CO₂e values in the GKB portfolio are on average 35 kg CO₂e per square metre per year, which is around 10% below the Swiss average. According to official energy source matrices, the proportion of properties that use wood as an energy source for heating and hot water is above average in the canton of Graubünden. The figures for apartment buildings (30 kg/m²) and freehold flats (26 kg/m²) in the GKB portfolio equal the Swiss average. This estimate and the relative importance of the mortgage business for the overall lending business of Graubündner Kantonalbank illustrate the leverage available for reducing indirect CO₂e emissions by financing certified Minergie or Passive House new buildings or energy-saving renovations of existing buildings.

As part of the implementation of the first phase of the "Green Deal for Graubünden" action plan approved by the Cantonal Parliament in summer 2021, Graubündner Kantonalbank plans to expand its existing eco-mortgage product range into a comprehensive service package in partnership with the Office for Energy and Transport. The package will include the following priorities:

- Networking of specialists from the construction industry and the canton of Graubünden
- Development of an information platform for homeowners

In future, Graubündner Kantonalbank will provide direct support for the energy-related refurbishment of oil and gas heating systems (in addition to the cantonal subsidy) with a "scrapping premium" and will also contribute financially to the costs of preparing GEAK reports as the basis for comprehensive refurbishment measures.

Expansion of the training concept and certification process for client advisors

The continuing education and certification process at Graubündner Kantonalbank will be supplemented by a module on the range of services in the field of sustainable mortgage client business in 2022.

Further development of the corporate lending business

In future, qualitative and quantitative sustainability-related factors will also be taken into account in the lending process for business with small and medium-sized corporate clients in addition to the assessment of traditional credit risks. Graubündner Kantonalbank will examine in depth the extent to which these sustainability-related risks can be included in the definition of credit conditions and the valuation of collateral (pledged assets). Finally, Graubündner Kantonalbank is examining a phased

approach over the next one to two years (in line with the Partnership for Carbon Accounting Financials, PCAF) to calculate the greenhouse gas emissions of outstanding loans to corporate clients.

Sustainable investment business

Relevance of the material topic for GKB

After the lending business, the investment business is the second-largest field of business for Graubündner Kantonalbank. As an investment advisor or asset manager for its clients, the bank indirectly through its investments has a positive or negative incentive effect on the environment and society. For example, equities, bonds or other securities can be used to provide financial resources to companies that contribute to a CO₂-neutral energy supply by producing renewable energies using hydropower. Conversely, companies in certain industries run the risk of the funds being used to enable economic activities linked to human rights violations such as child labour or forced labour.

By determining the sustainability preferences of its clients, informing them about sustainability opportunities and risks, taking sustainability criteria into account when actively selecting securities or financial products and exercising the ownership rights associated with the securities (so-called active ownership or engagement), Graubündner Kantonalbank sends signals to the financial markets and takes their incentive effect into account.

GKB's ambition

Sustainable investing is not just a genuine client need, but an inner conviction of Graubündner Kantonalbank. This conviction has made sustainability an integral part of the entire investment business of Graubündner Kantonalbank since 2020 – from the GKB investment and retirement funds to asset management and investment advice. Institutional and private clients can only waive the inclusion of sustainability criteria if they explicitly request it. Generally speaking, the sustainability approach is the recommended standard at Graubündner Kantonalbank.

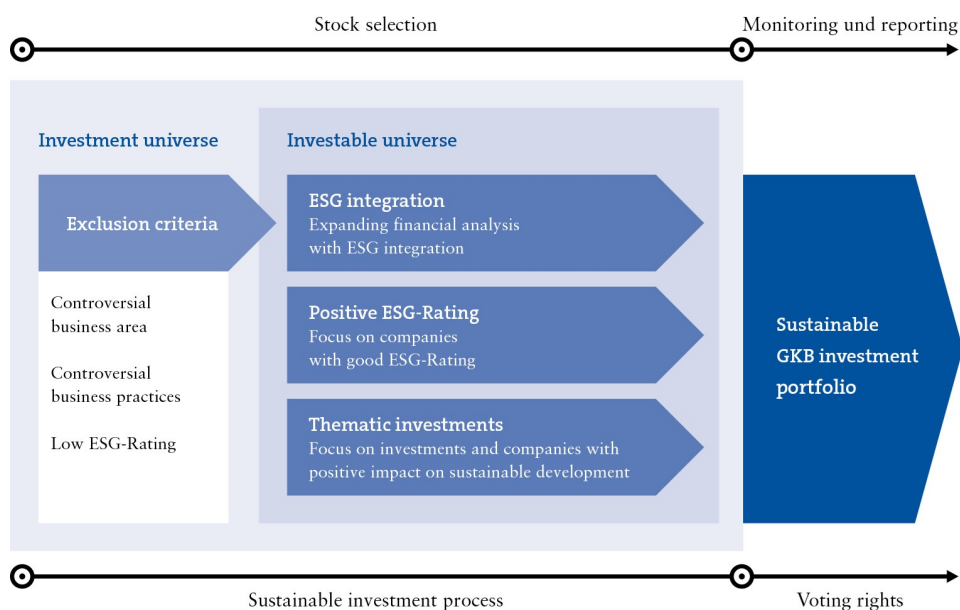
As a voluntary commitment to apply sustainability principles in investment business, Graubündner Kantonalbank signed the Principles for Responsible Investments (PRI) of the United Nations (UN) in September 2021. For more information on other memberships, see the section on «[Sustainability strategy](#)».

Graubündner Kantonalbank wants to reduce its CO₂ emissions by applying the climate protection guidelines of the 2015 UN Climate Change Conference, i.e. by limiting man-made global warming to well below 2° C by 2040 compared to pre-industrial levels, including indirect emissions in the investment business.

The key performance indicator for sustainable investment business can be found in the table [Financial and sustainability goals](#).

Current approach at GKB

GKB's sustainability approach is based on the six principles of the UN PRI for Responsible Investment and international standards, in particular the UN Global Compact Principles, the ILO core labour standards and the Universal Declaration of Human Rights. Global targets such as the Paris Agreement on Climate Change also serve as a guiding principle for prioritising the investment strategy.



Sustainability approach in asset management

GKB's approach to incorporating environmental, social and governance (ESG) criteria into its investment analysis and decision-making processes encompasses five areas:

- 1) **Exclusion of controversial business areas and practices** (exclusion criteria)
 Securities of companies that manufacture controversial weapons are excluded from the investment universe of GKB. There are also percentage thresholds for companies that generate a share of turnover with conventional arms (5%), tobacco (5%), coal (5%) and nuclear energy (20%). If the share of turnover that a company generates through these activities is higher, the company is excluded. If companies violate applicable UN conventions or norms (e.g. regarding human rights, corruption), investments are temporarily avoided until the company is again in line with international standards and norms. The aim of stock picking is to give preference to companies with better ESG ratings (**positive criteria**).
- 2) **Exclusion of companies with high ESG risks** (exclusion criteria)
 An additional criterion is the exclusion of companies with high ESG risks, i.e. low ESG ratings. Companies that are not rated by MSCI ESG or that have an ESG rating of CCC or B are referred to as "laggards" and are excluded from GKB's sustainable investment portfolio.
- 3) **Assessment and management of ESG risks and ESG opportunities**
 Events or behaviour by companies in all ESG areas may, in fact or potentially, have significant negative or positive effects on the value of their issued securities. An in-depth analysis of ESG factors improves risk management and provides a link to the long-term development of a company (opportunities and risks).
 GKB therefore tries to determine the long-term impact of sustainability issues on the key elements of every investment (financing needs, competitive positioning, default risk, etc.). In its investment policy, GKB focuses in particular on **integrating ESG criteria** through fundamental analyses and evaluations of sustainability issues to achieve the following objectives:
 1. **Promoting a better general understanding of risks** in order to better protect clients' portfolios;
 2. **Improving evaluation processes** to take advantage of new opportunities;
 3. **Avoiding investments** that may be seriously affected by the above trends.
 However, the opportunities arising from sustainability topics not only affect individual companies, but also entire industries. Megatrends such as technology or the climate and renewable energy, which represent ground-breaking innovations, actually affect the world as a whole and can form the basis for what are known as **thematic investments**. Sustainable investments in these areas offer the opportunity to drive positive change.
- 4) **Active ownership:**
 Active interaction with companies has been shown to have a major impact on corporate policy in terms of improving company-specific ESG criteria. GKB thus actively fulfils its fiduciary duty in the best interests of its clients and uses its power as an investor to trigger positive change. For its own equity and bond funds, GKB currently engages indirectly through an active dialogue with the asset managers of the third-party funds in which it invests. In these cases, GKB also works to ensure that the fund management company exercises voting rights in the interests of sustainable development.

5) **Monitoring of ESG risks and ESG client reporting:**

Part of GKB's sustainable investment approach is ongoing portfolio observation (**monitoring**) of exclusion criteria as well as ESG opportunities and ESG risks as part of its disciplined investment process.

Every year or on request, GKB uses transparent **ESG reports** to show all mandate clients how sustainably their assets have been invested, the impact of the money invested and the financial climate risks they are taking.

Specific sustainability criteria for special asset classes and third-party funds

Real estate: In an active dialogue with the real estate companies invested, GKB advocates the consideration of ESG criteria such as the energy efficiency of buildings, biodiversity, tenant dialogue and transparency in reporting.

Gold: When investing in gold, GKB observes the "Responsible Gold Guidance" sustainability standard of the London Bullion Market Association (LBMA). GKB thus limits itself to gold from Swiss gold refineries in order to further reduce the risk of unethically extracted gold.

Third-party funds: In terms of asset management, GKB mainly relies on sustainable GKB investment funds. For actively managed funds from third-party providers to be selected, ESG criteria must be integrated into the investment process and exclusion criteria must be strictly applied. However, the thresholds for exclusion may differ from those of GKB. A voting rights policy is also imperative. For passive investment funds, too, GKB only invests in funds that integrate ESG criteria into the investment process. GKB regularly reviews the ESG concepts of third-party providers itself.

Independent analysis and expertise

GKB has its own sustainability experts to implement the sustainability approach in its investment business. When assessing companies and other issuers such as institutions, governments and investment funds, GKB primarily relies on ESG data from MSCI, one of the largest rating agencies.

Disclosure and product classification

With the entry into force of the European Union's Sustainable Finance Disclosure Regulation (SFDR) on 10 March 2021, financial market participants and financial advisors in the EU are subject to specific rules for transparency regarding the inclusion of sustainability risks and adverse sustainability impacts in internal processes and the provision of information on the sustainability of financial products.

The SFDR divides financial products into three categories:

- Article 6: Funds without ESG criteria
- Article 8: Funds with ESG characteristics
- Article 9: Funds with measurable sustainable investment objectives (impact funds)

The regulation at EU level affects the three funds managed under Luxembourg law: GKB (LU) Bonds EUR ESG, GKB (LU) Convertible Bonds Global ESG and GKB (LU) Equities Europe ESG. These three sustainable funds managed by GKB are classified in accordance with Article 8.

The GKB funds under Swiss law (fund domicile Switzerland) are not subject to European legislation and therefore cannot be classified in accordance with Article 8 or Article 9 of the SFDR. However, the Swiss GKB funds are managed in accordance with exactly the same sustainability principles as the European funds.

GKB also supports the development of new industry standards in Switzerland in the areas of disclosure, product classification and measurement of sustainability performance and plays an active role in working groups of the industry associations Swiss Sustainable Finance (SSF), Asset Management Association Switzerland (AMAS) and the Swiss Bankers Association.

Sustainability approach in investment advice

Sustainability and the sustainable investment universe defined by GKB are the fundamental components of every investment advisory service provided by GKB. Non-sustainable external investment products or individual securities are only offered by GKB at the express request of the client.

GKB offers advisory clients who (want to) invest in individual securities automated sustainability support with the **GKB tool ImpaQt plus**. This tool allows clients to specify a desired average ESG rating for their portfolio and an ESG minimum rating for individual securities. The proposals

therefore take into account ESG risks according to the client's preference. The tool issues a warning message for purchase orders that do not meet the specified ESG minimum rating. Clients are informed of any changes to the MSCI ratings that result in an investment no longer meeting their preferences. The advisors of GKB discuss such warnings with their clients during the next scheduled investment meeting at the latest.

Every year, GKB provides all clients with sustainability ratings in their custody account statements for individual portfolio positions that have an MSCI ESG rating. Transparent, comprehensive **ESG reporting** for advisory clients of GKB is under development (see next section).

Further development and next steps

In 2022, GKB will further develop its approach to sustainability in the following areas:

Expansion of investment approach through a dedicated climate strategy

GKB sees an investment strategy for reducing CO2 emissions as a key element that should complement the bank's sustainability approach. Among other things, it is pursuing the goal of reducing its indirect CO2 emissions from its investment business by 2040 by applying the climate protection guidelines of the UN Climate Change Conference 2015. In 2021, GKB invested heavily in measuring greenhouse gas emissions and measuring procedures (TCFD, PCAF, etc.) and in evaluating climate models (e.g. MSCI ESG, S&P Trucost, ISS ESG). GKB will base its future climate strategy on metrics from MSCI ESG (e.g. Implied Temperature, Carbon VaR and Low Carbon Transition Score). As part of the strategy, GKB will define a specific decarbonisation path for its investment funds and asset management mandates.

Further development of the active ownership approach

GKB will further develop its principles of active engagement and voting rights with a view to its future dedicated climate strategy, define these in an Active Ownership Policy and publish this policy. In 2021, GKB exchanged views with potential partners on the topic of engagement (e.g. ISS ESG, Sustainalytics, Ethos).

Expansion of ESG reporting

ESG reporting for GKB asset management clients will be gradually expanded to provide deeper insights into the following topics at portfolio level:

- Values and standards
- Controversial and/or critical business areas
- ESG rating (portfolio rating and rating distribution)
- Climate (CO2 emissions and portfolio temperature)

Future ESG reporting for private clients will be less detailed, and for institutional clients more comprehensive. In the first phase, the expanded ESG reporting will be made available upon client request, and in a second phase, after the corresponding interfaces have been automated, it will be made available to all asset management clients automatically.

In future, GKB will also use transparent, regular ESG reporting to inform its advisory clients about the sustainability of their portfolios, the impact of the funds invested and whether any climate risks have been unconsciously taken on.

Consistent alignment of investment advice with client ESG preferences

The self-regulation process in Switzerland for classifying ESG preferences in investment advisory services is still in development. GKB plans to integrate the outcome immediately and consistently into its existing advisory process.

Expansion of the training concept and certification process for client advisors

To ensure quality and professionalism in client advisory services, all client advisors at GKB have been undergoing systematic further education since 2018 and are certified in accordance with the national "CertKB" standard of the Interest Group of Cantonal Banks. The training and certification process at GKB will be expanded in 2022 with corresponding modules on the sustainability approach of the bank, the capture of ESG client needs and further basic knowledge in the area of ESG.

Corruption, competitive behaviour and insider trading

Relevance of the material topic for GKB

Legal and fair business practices form the basis of all responsible and environmentally, socially and economically sustainable business practices. Due to their great economic importance for capital procurement, i.e. the receipt of client funds and the granting of loans to private individuals and companies, banks in Switzerland have to be licensed and are subject to extensive statutory and supervisory regulations. The aim of these regulations is to protect bank clients and ensure the stability of the entire banking and financial system.

The lawful basis for Graubündner Kantonalbank's activities is provided by the Federal Act on Banks and Savings Banks and the [Cantonal Act](#) on Graubündner Kantonalbank. In addition, the business practices of every bank in Switzerland in general and, in particular, the requirements relating to corruption (including money laundering), competitive behaviour and insider trading are governed by a large number of laws, the regulations of the Swiss Financial Market Supervisory Authority FINMA and the self-regulation of the Swiss Bankers Association.

Legal and fair business practices are material to Graubündner Kantonalbank because non-compliance would have a detrimental effect on its reputation and indirectly on its market position. In addition, non-compliance would have legal and economic consequences such as fines, claims for damages or liability claims. Given the important market position of GKB and its cantonal government guarantee, this could also lead to economic damage for the canton of Graubünden. In extreme cases, FINMA could withdraw its banking licence or impose conditions on it. The unlikely but high risk potential associated with non-compliance with legal and fair business practices is the reason why this material topic of sustainability is so important and is given such a high priority at Graubündner Kantonalbank.

GKB's ambition

Graubündner Kantonalbank complies with statutory, professional and internal regulations and only conducts transactions that comply with recognised ethical principles and are deemed responsible from a business perspective. Graubündner Kantonalbank aims to ensure that legal and fair business practices are the norm and that non-compliance remains the absolute exception. Misguided incentives or behaviour should be detected and corrected as early as possible by the bank itself so that there are no incidents, fines and/or legal proceedings involving the bank and/or its employees in the areas of corruption (including money laundering), competitive behaviour and insider trading.

Current approach at GKB

To ensure that legal and fair business practices are the norm at Graubündner Kantonalbank and non-compliance remains the absolute exception, the bank maintains a system of internal directives and processes, as well as compliance and risk management, monitoring and complaint mechanisms that is as effective and efficient as possible. In addition, the bank's employees at all levels are regularly made aware of these topics and receive training and further education in dealing with directives, processes and systems.

Conduct guidelines: Code of conduct, employment conditions and internal directives

Comprehensive internal guidelines serve the employees of Graubündner Kantonalbank as guidelines and instructions for their conduct and as the basis for the defined banking processes. The principles are summarised in the [Code of conduct](#).

In addition to the general duties of loyalty, the **general employment conditions** of Graubündner Kantonalbank, which are mandatory for all employees, include the following obligations: a ban on insider trading and speculative transactions, compliance with the duties of care in accordance with the agreement on the Swiss banks' code of conduct with regard to the exercise of due diligence (CDB) and the Anti-Money Laundering Act, a ban on the receipt or granting of non-cash benefits, the requirements for accepting business invitations and gifts that can be consumed within one day, and the requirement to obtain approval for all public offices, mandates and part-time employment.

At Graubündner Kantonalbank, potential **conflicts of interest** have to be identified as early as possible using defined internal rules. In order to avoid conflicts of interest as much as possible, GKB has drawn up suitable internal directives, measures and processes and has introduced control mechanisms. GKB discloses any unavoidable conflicts of interest to the clients concerned. Further information on the individual measures for dealing with conflicts of interest can be found [here](#).

Graubündner Kantonalbank has complied with its supervisory duties and its obligations under the CDB in the fight against **money laundering** and terrorist financing by issuing detailed directives and processes. The regulations govern the establishment of business relationships (including identification obligations), the ongoing monitoring of transactions for indications and the procedure to be followed in the event of suspicion or doubtful business relationships.

The following regulations apply at Graubündner Kantonalbank to prevent gifts, donations and sponsorships from being used to conceal **corruption**: Donations have the character of a one-off payment and are event-related. The bank only makes substantial donations to supervised Swiss institutions such as Swiss Solidarity. The bank maintains a contributory fund to support and promote culture, sport, social issues (social and non-profit projects), business/tourism and the environment in the canton of Graubünden. A committee consisting of the CEO and three other members decides on the awarding of grants using defined criteria and based on the applications for grants. One-off contributions in excess of CHF 100,000 or multi-year contributions in excess of CHF 300,000 must be approved by the Supervisory Board. Political or religious projects of all kinds, construction projects, refurbishments and renovations, participation in sponsorships, dissertations and theses, training clothing or sponsorship of individual athletes and team athletes are not supported. Graubündner Kantonalbank upholds direct sponsorships and long-standing partnerships with the Hockey Club Davos, Open Air Lumnezia, GKB Football Cup, GKB Sportkids and GKB Hockeyschule.

Graubündner Kantonalbank has defined guidelines for all employees in the form of directives and processes to ensure fair **competitive conduct** in business contact with competitors and to prevent illegal competition agreements in accordance with the Federal Act on Cartels and Other Restraints of Competition. Clear rules are set out for conduct in contact with and in meetings with competitors.

Graubündner Kantonalbank has also defined detailed directives and processes relating to the **market conduct rules** for banks set out in the Financial Market Infrastructure Act, which include insider trading, market manipulation and prohibited trading practices. The regulations apply to all employees, regardless of whether they conduct business as account holder, co-account holders, authorised representatives or beneficial owners. Additional rules apply to employees in particularly exposed roles (portfolio managers, financial analysts, members of the Executive Board, etc.). Among other things, restrictions or bans on proprietary transactions, holding or blocking periods and organisational measures such as physical and organisational separation are regulated.

Corresponding requirements in all of the above-mentioned areas are also specifically regulated for **cooperation with external asset managers**. For example, there is an obligation to obtain evidence of the external asset manager's training in the area of money laundering prior to the start of a partnership. The same requirements apply in this area to clients of an external asset manager as to those of GKB.

Compliance in practice as the first line of defence

The practised culture of compliance and integrity of the Executive Board and managers form the basis of an overall responsible corporate culture at Graubündner Kantonalbank. The rules of conduct for all employees are governed by comprehensive directives and processes (see above). Compliance with these standards is promoted and ensured on a day-to-day basis through management checks and the internal control system (ICS).

Risk control as a second line of defence

As a second line of defence, Graubündner Kantonalbank has a compliance function that is independent of its earnings-oriented business activities. Its responsibilities, organisational position and internal reporting in general are described in [Note 3.1 «Risk management»](#) to the consolidated financial statements and in the Corporate Governance Report in [section 3.4 «Internal organisational structure»](#).

The second line of defence at Graubündner Kantonalbank is strengthened by risk control independent of the business processes. Its responsibilities, organisational position and internal reporting in general are described in [Note 3.1 «Risk management»](#) to the consolidated financial statements and in the [Corporate Governance Report in section 3.4.2 «Committees»](#).

In accordance with FINMA Circular 13/8 "Market conduct rules", Graubündner Kantonalbank carries out a **risk analysis** of market conduct whenever necessary or at least once a year and uses this analysis to define the organisational measures that may be required. However, the corresponding analysis in the reporting year revealed no need for measures. With regard to money laundering, a risk check is carried out every six months and submitted to the Executive Board. The results and any measures are summarised and brought to the attention of the Supervisory Board each year. As in previous years, Graubündner Kantonalbank considers the risk of being involved in money laundering to be low.

Internal Audit as the third line of defence

As the third line of defence, Internal Audit operates independently of day-to-day business and reports, in organisational terms, directly to the Bank Chairman. Its independence, duties and right to audit are enshrined in [Article 20](#) of the Cantonal Act on Graubündner Kantonalbank. Its responsibilities, organisational position and internal reporting in general are described in the Corporate Governance Report in [section 3.6 «Information and control tools vis-à-vis the Executive Board»](#) and [section 8.5 «Internal Audit»](#).

External auditors for monitoring

At the request of the Supervisory Board, the cantonal government appoints an external audit firm as the external controlling body. Its mandate and information tools are described in [section 8 «Auditors»](#) of the Corporate Governance Report. Its duties are governed by the provisions of the Federal Act on Banks and Savings Banks and the legislation on financial market supervision.

Reporting systems for suspected cases or complaints (internal and external)

Client advisors are the first point of contact for clients of GKB in the event of concerns or complaints of any kind. In individual cases, clients can also contact the Executive Board directly. If no amicable solution can be found, the Swiss Banking Ombudsman is available to clients free of charge as an independent arbitration board. [Link to the GKB website.](#)

In the event of unlawful acts or illegal or immoral practices in the working environment, employees can contact a central unit in the Human Resources department.

Furthermore, clients, employees or third parties may contact the supervisory authority, the [Swiss Financial Market Supervisory Authority FINMA](#), if they have concerns about the bank's business practices or the conduct of individual bank employees or suspected cases.

Ongoing awareness-raising as well as practical training and further education

All employees with a due diligence role, i.e. in particular those with client contact, must at all times have up-to-date specialist knowledge in relation to the CDB and **money laundering** prevention. Initial training primarily takes the form of self-study (e-learning). The line managers of all employees with due diligence roles must ensure that they complete the computer-aided learning programme including the test within three months of starting work (or internal change of position). In addition, the training is supplemented by other suitable measures, e.g. periodic further education events. All certified client advisors at Graubündner Kantonalbank attend at least three mandatory specialist days each year to discuss current developments in the areas of money laundering, market conduct and tax compliance, among other things. The contents of these specialist days are certified. Four specialist days were held as face-to-face courses in the reporting year, with a focus on market conduct in securities trading in 2021. The direct line manager is responsible for the necessary training.

Graubündner Kantonalbank ensures that all **external asset managers** it works with receive the necessary training in money laundering prevention, particularly in the event of new developments, regardless of any training provided by third parties.

All employees who are likely to come into contact with insider knowledge attend an annual training course on **market conduct in securities trading** (as in the reporting year, see specialist days above). In particular, the Executive Board and employees of the Corporate Centre, Markets and Market Services business units are considered to be affected. New employees in these areas receive an e-learning course on the guidelines for market conduct and on recognising conflicts of interest.

There are at least three specialist days per year during which regular updates are provided on money laundering, cross-border business, FinSA, tax compliance, market conduct and data protection. Attendance of these specialist days is compulsory. In the reporting year, there were four specialist days held as face-to-face courses. The participants included employees of SGF Private Banking (all up to the level of the Executive Board). An e-learning module is also available on the topics mentioned. New entrants must complete these e-learning modules within three months.

New developments in these thematic areas are introduced at the specialist days, the contents of which are certified. In the reporting year, the focus was on FinSA training.

Regular reviews of management systems

The regulations governing **conflicts of interest** were audited by Internal Audit in 2018. No risks were identified and no corrective measures were necessary. The next audit will take place in 2022.

The last internal audit of the **money laundering** prevention regulations took place in 2020. No risks were identified and no corrective measures were necessary.

The Swiss Financial Market Supervisory Authority FINMA conducted an audit on the subject of **market conduct** at GKB in 2020. The audit yielded nine findings and recommendations from FINMA. GKB subsequently introduced corrective measures for six points.

No incidents, legal or suspected cases in the reporting year

No incidents (bullying, discrimination, abuse of power or other illegal or immoral practices in the working environment) were reported to the internal, central point of contact for Human Resources in 2021 (previous year: none). There were also no critical concerns in the reporting year or the previous year that were reported to the Executive Board and the Supervisory Board as part of the monthly internal reporting.

In the year under review (and in the previous year), there were no significant breaches of laws and regulations at GKB, including no breaches or pending criminal or public law proceedings in the areas of corruption (including money laundering), competitive behaviour and insider trading against GKB and/or employees of GKB. Neither have any complaints been reported for non-compliance with data protection regulations by GKB. In the year under review (as in the previous year), GKB was not ordered to pay any significant fines or non-monetary penalties.

As no incidents were identified in the reporting year (as in the previous year), no measures were taken in the reporting year.

Next steps/planned further development

With the exception of ongoing minor improvement measures, no substantial changes are currently planned to the directives, banking processes and control mechanisms in the areas of corruption, competitive behaviour and insider trading.

Tax evasion and aggressive tax avoidance

Relevance of the material topic for GKB

Legal and fair business practices include rules that banks in Switzerland must use suitable means to ensure that its clients domiciled in Switzerland or abroad tax their assets, and that the bank does not aid tax evasion or similar actions such as aggressive tax avoidance. Failure to comply with such business practices would have a detrimental effect on Graubündner Kantonalbank's reputation and indirectly on its market position. In addition, non-compliance with due diligence obligations would have legal and economic consequences such as fines. The important market position of GKB and its cantonal government guarantee could also lead to economic damage for the canton of Graubünden. This unlikely but significant reputational risk associated with non-compliance with legal and fair business practices is the reason why this material sustainability topic is so important and is given such a high priority at Graubündner Kantonalbank.

GKB's ambition

Graubündner Kantonalbank complies with the statutory, professional and internal regulations and only conducts transactions that comply with recognised ethical principles and are deemed responsible from a business perspective. Graubündner Kantonalbank aims to ensure the tax compliance of all its clients domiciled in Switzerland and abroad and to strictly comply with the legal requirements when providing tax services, so as to avoid damage to its reputation and avoid as much as possible any incidents, fines and/or legal proceedings involving the bank and/or its employees.

Current approach at GKB

To ensure that the tax compliance of new and existing client funds is the norm at Graubündner Kantonalbank, the bank has a system of internal directives and processes, as well as compliance and risk management, monitoring and complaint mechanisms that is as effective and efficient as possible. The tax requirements, duties and rules of data exchange for clients are set out transparently in the [General Terms and Conditions](#) of Graubündner Kantonalbank. In addition, employees of the bank who come into contact with tax-relevant topics are regularly made aware of the issue of tax compliance at all levels and receive training and further education in the application of directives, processes and systems.

Conduct guidelines: Code of conduct, employment conditions and internal directives

Comprehensive internal requirements serve the employees of Graubündner Kantonalbank as guidelines and instructions for their conduct and as the basis for the defined banking processes. The principles are summarised in the [Code of conduct](#).

Graubündner Kantonalbank has drawn up **detailed directives and corresponding processes** to ensure tax compliance and its obligations under the agreement on the Swiss banks' code of conduct with regard to the exercise of due diligence (CDB). As a basic principle, the bank may refuse to open new client relationships for or accept new money from existing clients if it knows or has justified suspicion of untaxed assets. If it knows or if there are indications that the assets of existing clients are not tax-compliant, they are advised to actively disclose them in a documented manner. The directive contains regulations to ensure that the bank and its employees do not aid tax evasion or similar actions.

Since 2017, Graubündner Kantonalbank has implemented the **Automatic Exchange of Information (AEOI)** for clients domiciled abroad in accordance with the Federal Act on the International Automatic Exchange of Information in Tax Matters, i.e. client data (surname, first name, address, date of birth, tax identification number, account number, balance, interest, dividends, other income and sales proceeds) are transferred to the Federal Tax Administration or to the tax authorities in the country of domicile, provided that the country of domicile has concluded an agreement with Switzerland. The same applies to US persons on the basis of the Foreign Account Tax Compliance Act (FATCA).

Corresponding requirements in the above-mentioned areas are also specifically regulated for **cooperation with external asset managers**. For example, only tax-compliant assets of new end clients are accepted.

Risk management with three lines of defence

For more information on the three lines of defence of risk management at Graubündner Kantonalbank, see the material topic [Corruption, competitive behaviour and insider trading](#), which also applies to tax compliance. The same applies to the external audit firm as an external controlling body, the internal and external reporting systems for suspected cases or complaints, the training

and further education of employees and the ongoing awareness-raising of external asset managers. For more information on this, see the material topic [Corruption, competitive behaviour and insider trading](#).

Regular reviews of management systems

The methods, procedures and processes of the specific FATCA/QI/AEOI Governance & Compliance Programme of Graubündner Kantonalbank are reviewed at regular intervals to ensure that they meet the statutory requirements and the requirements of the Federal Tax Administration FTA.

The directive on tax compliance and tax services was audited by Internal Audit with regard to tax advice in 2019 and with regard to indirect taxes in 2020. No risks were identified and no corrective measures were necessary.

No incidents, legal or suspected cases in the reporting year

In the year under review (as in the previous year), there were no confirmed cases of untaxed client funds or suspected cases of untaxed client funds at GKB. In the year under review (as in the previous year), there were no pending legal proceedings or new legal proceedings relating to tax evasion or avoidance in which GKB or employees of GKB were involved. There were also no critical issues in the area of tax compliance in the reporting year or the previous year that were reported to the Executive Board or the Supervisory Board as part of the monthly internal reporting.

As no incidents were identified in the reporting year (as in the previous year), no measures were taken in the reporting year.

Next steps/planned further development

With the exception of continuous minor improvement measures, no substantial changes to the directives, banking processes or control mechanisms are currently planned.

Operational sustainability management

Relevance of the material topic for GKB

Like every company, Graubündner Kantonalbank uses natural resources directly as part of its own production process and indirectly along its entire value chain. This use of natural resources is associated with emissions and other negative environmental impacts. Relevant topics for a bank as a service provider include direct and indirect energy consumption during operations as well as in business and commuter traffic, the share of renewable energies in energy consumption, resource consumption of paper and water, the proportion of recycled paper and the waste produced. Converted into direct and indirect greenhouse gas emissions, these environmental impacts are summarised in the bank's greenhouse gas balance sheet. As part of its procurement activities, Graubündner Kantonalbank also has an indirect impact on the economy, the environment and society, including respect for human rights, through the selection criteria of its suppliers, the scope of its orders and the rules governing the award of contracts.

The direct use of resources and associated environmental impact of a bank as a service provider are typically substantially lower than that of an industrial enterprise. Likewise, a bank's procurement activities have a significantly lower impact on sustainability than the client business. For these reasons, the topic is considered less material than the topics described above. Nevertheless, operational sustainability management at Graubündner Kantonalbank is an important pillar in anchoring sustainability in the bank's corporate strategy and culture. In terms of its function as a role model, this pillar is ultimately important for the bank's credibility with its clients, partners and suppliers. For Graubündner Kantonalbank, this issue is particularly important because there is an urgent need for action in relation to the Paris climate targets and any reduction in environmental impacts is an important contribution.

GKB's ambition

Graubündner Kantonalbank aims to continuously reduce its ecological footprint while taking economic criteria into account through consistent operational sustainability management. Not only should the applicable laws on energy and ecology be adhered to, but the statutory key figures should also be significantly undercut. In terms of operational environmental indicators, Graubündner Kantonalbank aims to be among the ten best banks in Switzerland.

The first priority is to avoid and reduce negative environmental impacts. Graubündner Kantonalbank intends to reduce its absolute operational greenhouse gas emissions by 40% and its direct energy consumption by 25% by 2025 compared with the reference year 2010. In cooperation with the Swiss foundation myclimate, the total greenhouse gas emissions that have not yet been eliminated through our own measures will only be offset as a second priority. Graubündner Kantonalbank has been climate-neutral in the field of operational ecology since 2015.

In the medium term, Graubündner Kantonalbank aims to reduce its direct and indirect CO₂ emissions as far as possible by applying the climate protection guidelines of the 2015 UN Climate Change Conference in order to help limit man-made global warming to below 2° C compared to pre-industrial levels by 2040. Please refer to the overview table for an overview of the quantitative and qualitative targets in operational sustainability management and the status of target achievement.

Current approach at GKB

Ecological and climate-neutral operation

Graubündner Kantonalbank strives for gradual and continuous progress in the field of operational ecology with a view to achieving the defined overarching objectives. The pro-rata targets derived as annual planning values are compared with actual values in a standardised reporting process. The success of the measures introduced in previous years is reviewed and specific measures are defined for the coming years with a view to future objectives. Overall responsibility for operational ecology lies with the Head of Infrastructure, who is supported internally by specialists in procurement and energy management as well as by various environmental managers at the regional offices and branches.

General requirements and guidelines

Graubündner Kantonalbank has also issued requirements and guidelines for internal processes that have an impact on the environment (construction, operation, procurement), which are designed to help conserve environmental resources as much as possible. New buildings, for example, are constructed in accordance with the Minergie-P standard and refurbishments are brought as close as possible to the Minergie standard. Environmental improvements should be implemented consistently if amortisation is to be completed within half of the technical life span.

Broad-based awareness promotion and practical training

Graubündner Kantonalbank also strives to conserve environmental resources and reduce their consumption by raising employee awareness of environmental issues and interrelationships. This is achieved through targeted individual training and information for individual employees as well as broad-based communication of instructive information via the employee magazine "Capricorn" and the intranet.

All employees responsible for operations at Graubündner Kantonalbank have been instructed on the ecological operation of the building facilities as required. Refresher training currently focuses on new system functions, energy optimisation and comfort problems, and improvement measures are immediately implemented using a practical example (learning by doing). There is a regular exchange between the specialists at head office and the environmental managers at the regional offices and branches. On-site visits to all buildings are made by the specialists from head office at least every two years.

Key figures for operational ecology

	Unit	Base year (2010)	2020	2021	in %
Energy consumption	MJ	32,247,859	24,898,297	26,348,817	-18.0
Electricity from non-renewable sources	MJ	8,396,130	0	0	-100.0
Electricity from renewable sources	MJ	13,323,655	15,101,652	15,196,100	14.0
Natural gas	MJ	5,005,559	364,727	364,727	-93.0
Heating oil	MJ	5,522,515	3,509,924	3,119,227	-44.0
District heating (mainly from waste incineration)	MJ	0	5,759,245	7,505,219	
Biomass	MJ	0	162,749	163,544	
Share of renewable energy	%	41	73	73	78.0
Energy intensity	MJ per FTE	38,135	33,535	34,414	-12.0
Business travel	km	415,766	389,381	269,668	-35.0
Rail transport	km	59,200	66,537	34,069	-42.0
Road transport	km	356,566	322,844	235,599	-34.0
Air travel	km	0	0	0	
Material consumption	kg	174,902	97,222	82,834	-53.0
Fresh fibre paper	kg	88,449	8,388	8,038	-91.0
Recycled paper	kg	86,453	88,834	74,796	-13.0
Water consumption (drinking water)	m ³	20,773	18,204	15,708	-24.0
Wastewater (public sewage)	m ³	20,000	15,573	13,064	-34.0
Waste and recycling	t	214	137	135	-37.0
Waste for incineration	t	23	29	28	22.0
Waste for recycling	t	191	107	107	-44.0
Other waste	t	0	1	0	
Recycling rate	t	89	78	79	-11.0
Direct and indirect greenhouse gas emissions	tCO ₂ e	1,615	891	540	-67.0
Direct greenhouse gas emissions (Scope 1)	tCO ₂ e	695	283	254	-63.0
Indirect greenhouse gas emissions (Scope 2)	tCO ₂ e	425	317	65	-85.0
Indirect greenhouse gas emissions (Scope 3)	tCO ₂ e	495	291	221	-55.0
Greenhouse gas emissions intensity	tCO ₂ e	1,961	1,200	706	-64.0

Notes on the calculation of key figures

Progress and measures in the reporting year

Contrary to the target, direct energy consumption increased in the reporting year compared to the previous year. A key contributor to this was the strong increase in heat consumption at head office (+32% year-on-year). On the one hand, due to the COVID pandemic, the operating times of the

ventilation systems had to be increased to 24-hour operation in accordance with industry recommendations (reduction of virus exposure), while on the other hand the number of heating degree days in the reporting year was higher than in previous years.

Due to the COVID pandemic, business travel declined significantly in the reporting year compared to the first year of the pandemic. The decline is attributable exclusively to contact restrictions and is therefore classified as temporary.

Paper consumption per employee fell further in the year under review. This is due to the ongoing switch to electronic media. Compared to 2010, this figure is around half. The proportion of recycled paper remains high at 90%.

Water consumption (and, in the same way, wastewater) decreased significantly due to the longer pandemic-related periods during which a large proportion of employees worked from home. As with business travel, a corresponding increase is expected at least in part due to the lifting of restrictions.

To a large extent, waste is not dependent on the number of employees present but on business processes and thus remained constant in the year under review.

Absolute greenhouse gas emissions decreased in the year under review by an additional 22% of the emissions from the base year 2010. This significant decline can be attributed to the pandemic-related reduction in business travel and subsequent conversion of head office to district heating from the waste incineration plant in Trimmis.

System limits

For material consumption, Graubündner Kantonalbank only measures the use of paper. Scope 3 emissions, i.e. indirect greenhouse gas emissions in the upstream and downstream value chain do not currently take into account the indirect emissions associated with banking services and products (see the sections «[Sustainable lending business](#)» and «[Sustainable investment business](#)») as well as the indirect emissions associated with employee commuting.

Sustainable procurement

As an institution embedded and rooted in the canton, Graubündner Kantonalbank has a wide range of direct and indirect influence on the regional economy: as a bank for the people of Graubünden and a major employer in the canton, but also as a client through the procurement of products and services, i.e. its procurement for banking operations, marketing and cooperation with partner companies.

It takes account of its responsibility as a client to local businesses and as a fair business partner with clear, transparent guidelines in the areas of procurement, partner management and marketing (gkb.ch/nachhaltigkeit). In addition to regionality and economic criteria, Graubündner Kantonalbank places great importance on its demonstrable commitment to the principles of sustainable business when selecting its partners and suppliers. The bank has also defined criteria for the procurement of products and promotional items in the guideline, with which it strives to minimise the impact on the environment and society. Compliance with the environmental and social principles enshrined in the guideline is required both from existing suppliers and service providers and will be taken into account when new contracts are awarded.

In addition to the procurement of financial services (see the sections «[Sustainable lending business](#)» and «[Sustainable investment business](#)»), Graubündner Kantonalbank's procurement volume amounted to around CHF 89 million in the year under review, broken down to the following main areas: 45% IT, 29% office operations and building equipment, 26% services in various fields (including marketing).

Next steps and planned further development

Ecological and climate-neutral operation

An analysis of the composition of greenhouse gas emissions in the year under review and in previous years has shown that Graubündner Kantonalbank has further potential to reduce its use of fossil fuels, business travel and paper consumption. Possible measures for buildings include further investments in building renovations, switching from heating systems away from fossil fuels to renewable energy sources and optimising operational energy. In the coming years, the focus will primarily be on measures to reduce direct energy consumption at head office, where the additional energy consumption resulting from the current exceptional circumstances is to be consistently reduced. When it comes to business travel, it makes sense to switch to public transport more frequently or to use low-emission or zero-emission vehicles. Continuous progress in digitalisation and the transition to paperless office operations can reduce paper consumption further.

Other sustainability topics

Fair and attractive local working conditions for employees

Graubündner Kantonalbank wants to make its mark both as a bank for its clients and as a fair and attractive employer for its highly qualified employees. It focuses on modern, fair and flexible working models, opportunities and the promotion of young talent, a modern working environment, and equal pay and opportunities. Good ratings in surveys and on employer evaluation platforms confirm the success of these efforts.

Modern and flexible working models, opportunities and promotion of young talent

GKB offers working models that are suitable for the various phases of life, flexible operational and working time concepts, modern benefits and a comprehensive work-life balance package. GKB provides its employees with opportunities by helping them rejoin the workforce or complete part-time further education, offering them insights into other banking areas through trainee programmes and motivating them to reflect on and shape their future together through GKB's talent development programme "Futura". As a training bank, GKB supports young talent from all over the canton through its teaching activities, its range of internships and the GKB trainee programme for university graduates and graduates of universities of applied sciences.

The following table shows the employee structure at GKB:

	Men	Women	Total
Business unit heads	3	1	4
Department heads	27	2	29
Department/market/team heads	74	15	89
Group heads	12	6	18
Employees	392	465	857
Total employees	508	489	997

Modern working environment fosters creativity and innovation

The shared working spaces also allow for new and modern forms of collaboration. GKB wants to create an inspiring working environment, encourage employees to take responsibility and develop creative ideas and innovations. GKB is setting an example here as well as in the comprehensive preparation of its employees for the digital transformation in cooperation with the universities.

Equal wages and opportunities

Since 2018, GKB has been applying an operational equal pay analysis, which has been reviewed and awarded with an industry seal of approval by the Social Partnership Centre for Equal Pay in the Banking Industry since 2020. At the same time, GKB aims to increase the proportion of women in management positions over the long term. The aim is to achieve this through flexible working models at management level and the assumption of 50% of crèche costs. GKB also deliberately monitors career paths and is gradually increasing the proportion of women on the Futura Talent Board.

At Graubündner Kantonalbank, the ratio between the highest salary (including EB) and the median salary (including EB) is a factor of 8.36. This does not include employees outside the staffing plan or trainees.

Confirmed by independent reviews and awards

According to an online survey of students at the Graubünden University of Applied Sciences in the year under review, GKB is the **best employer in the canton**. As in the previous year, GKB was once again the recipient of the "Best Recruiters Award Switzerland" in 2021. The bank also presents itself as a top employer on the independent [Kununu platform](#).

Data protection and data security

IT security topics are already taken into account and implemented at the project stage. GKB thus follows the "security by design" principle. This is based on best-practice industry standards in Switzerland. The bank continuously develops internal standards in consultation with internal and

external security experts. As part of the security system, vulnerabilities are checked automatically, anomalies are analysed and new measures defined where necessary. Specialised IT companies check the systems for possible vulnerabilities on behalf of the bank.

Graubündner Kantonalbank is a member of various working groups. Information on the current threat situation is exchanged in the Finance Sector of the National Cybersecurity Centre. As a member of the Association of Swiss Cantonal Banks (VSKB) and the Information Security Working Group, we are in contact with the IT security organisations of other Swiss cantonal and major banks several times a year.

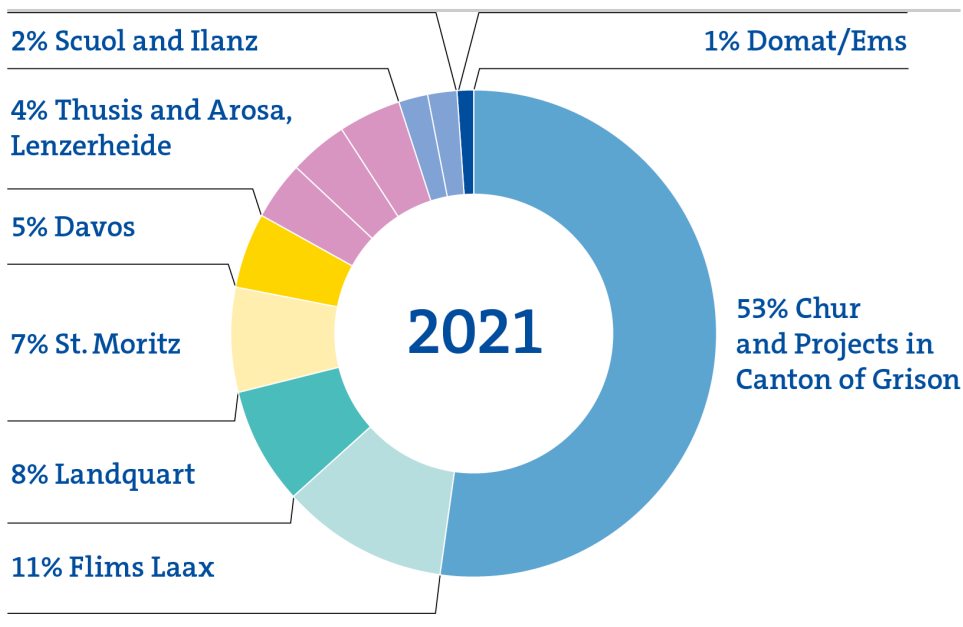
Cyber risks are assessed by Internal Risk Controlling and reported to the Executive Board. GKB uses the NIST framework as an essential basis for dealing with cyber risks. In addition, all major IT partners have ISO certification and an ISAE control framework. This is audited annually by an external partner. The reporting processes for cyber attacks comply with FINMA requirements.

Regional supply of financial services

With its 10 regional offices and more than 40 branches, GKB has a presence throughout the canton of Graubünden. This allows GKB to continue providing its clients with easy and personal access to financial services and products locally or in their vicinity. In doing so, it also takes account of regional diversity in the canton and promotes or offers decentralised jobs throughout the canton. In its branches, GKB prefers to employ staff who are associated with the region in question through their language or family. At the same time, GKB provides easy access to financial services and products with its up-to-the-minute digital services in remote locations.

Local commitment and local partnerships

As a leading company and major employer in the canton, GKB takes its social responsibility very seriously. Through its contributory fund, it commits around CHF 2 million per year to cultural, sporting and social projects that make the canton of Graubünden an even better place to live. This also includes promoting the local economy. In normal years, GKB approves around 450 requests on average. In 2021, this number was 390, as significantly fewer projects were planned and implemented due to the restrictions associated with the pandemic. Around half of the approved applications came from the Chur region or concerned cantonal projects (see chart).



Long-term partnerships

Together with its long-standing sponsorship partners such as [Hockey Club Davos \(HCD\)](#), [Open Air Lumnezia](#), [GKB FOOTBALL CUP](#), [GKB SPORTKIDS](#) and [GKB HOCKEYSCHULE](#), the bank will strive to achieve even more for the canton in the future. We spend around CHF 800,000 each year on this.

Committed to the mountain forest and nature parks of Graubünden

For 10 years now, GKB has been committed to preserving the protective function of the mountain forests of Graubünden and offers 60 young people a meaningful summer job every year together with the Mountain Forest Project. In 2021, 30 teenagers worked in the forests of Chur and Ilanz. A further 30 young people helped forestry specialists in Küblis and Bergün with their work, built walkways, wildlife protection fences and tended the young forest. In addition to the joy of working in the great outdoors, GKB wants to show young people the importance of an intact mountain forest, which not only protects against natural hazards, but also serves as a habitat for many species of flora and fauna.

Last year, the exchange between GKB and the management board of Graubünden Parks was also focused on raising awareness of nature and the environment among schoolchildren. Discussions were held on how Graubünden parks and GKB can work together more closely in the area of training (education) in the future. The four parks in Graubünden (including the Swiss National Park) are areas of rich biodiversity, beautiful landscapes and high-quality cultural assets that need to be preserved. GKB is committed to this and, at the same time, to promoting sustainable regional development.

More than 100 years of art

Art has been an integral part of the public buildings of GKB for over 100 years. Since then, more than 1,600 works from a wide variety of styles and techniques have been collected. The focus has always been on supporting young artists from the canton of Graubünden. From October 2021 to April 2022, the art commission at head office in Chur presented a picture journey through the more than 100-year-old art collection of GKB under the title «Von Augusto bis Zilla». Visitors were able to admire artworks from the famous Giacometti family of artists as well as from the local contemporary art scene.

GKB volunteer work

Sustainability, proactive responsibility and a commitment to the community are at the heart of GKB's volunteer work in cooperation with various institutions in the canton of Graubünden. Employees of GKB are involved in social projects one working day per year. These include excursions to the Therapeion children's home, mobile phone courses with Procap or participation in events organised by the Alzheimer Association, insieme Cerebral Graubünden or Stiftung am Rhein. Volunteer work also includes outings in the great outdoors, such as active involvement in the GKB Mountain Forest Project (see below).

Transparency vis-à-vis stakeholders

Openness to dialogue with and transparency vis-à-vis all stakeholders – clients, the general public, investors and employees – are a matter of course at Graubündner Kantonalbank as a sustainable company and as part of its value management programme. In the year under review, GKB actively initiated and intensified discussions with various partners and stakeholders with a view to driving forward the transformation into a sustainable economic, social and ecological society.

Swiss retail banking's WWF rating

For the first time, GKB has participated in WWF Switzerland's [sustainability rating of Swiss retail banks](#). GKB achieved above-average results in the areas of corporate governance, i.e. its social engagement, representation of interests, corporate governance and operational management. The offer for "Pension provision" was also viewed positively. WWF Switzerland, on the other hand, believes that GKB has some catching up to do in terms of savings products and loans and financing. Overall, GKB ranked midfield of the 15 largest Swiss retail banks. The direct discussion that GKB sought with WWF shortly after publication of the results in May 2021 revealed valuable insights into how the bank can better meet the sustainability goals defined in the rating in the future.

Founding partner of the [y]our 2040 sustainability conference in Laax

GKB is a founding partner of the [\[y\]our 2040](#) conference. The aim of this sustainability conference is to accelerate the transition to a society that takes care of its own basis of life and leaves a lasting positive legacy to future generations. The conference was initiated by Reto Gurtner, President of the Weisse Arena Gruppe, and Dr Chris Luebke from ETH Zurich and took place for the first time in Laax from 19 to 22 September 2021. More than 100 entrepreneurs, scientists, politicians, artists and students attended the meeting to work together to develop ideas for the future and identify projects that need to be promoted. Representatives from GKB were also part of the workshop groups and actively launched projects. [y]our 2040 is an annual event and will take place for the second time from 21 to 24 June 2022 in Laax.

About this report

Reporting period

Unless stated otherwise, all information in this annual sustainability report of Graubündner Kantonalbank refers to the calendar year. For certain key figures in operational ecology, the last reported 12-month period is used as a basis due to delayed business-related reports from external and internal data suppliers. The reporting period for the sustainability reporting is therefore largely the same as for the consolidated financial reporting of Graubündner Kantonalbank.

The 2021 Annual Report and Sustainability Report were published on 31 March 2022.

System limits

The sustainability management system and all data are currently limited to the operations of Graubündner Kantonalbank. The two investment companies Privatbank Bellerive AG in Zurich and Albin Kistler AG in Zurich are not part of this sustainability report.

Restatements

Compared to the sustainability reports of previous years, there were no restatements due to organisational adjustments or adjustments to measuring methods or similar. However, as part of the conversion of reporting to the 2021 GRI Standards, there were restatements in terms of expanding the depth and scope of information for various material sustainability topics.

External audit

Graubündner Kantonalbank's sustainability reporting has not been subjected to an external audit. The financial reporting (consolidated financial statements and separate financial statements) was audited by Ernst & Young Ltd as the external auditor. The auditor's report explains the duties and responsibilities of the Supervisory Board in connection with the preparation and audit of the financial reporting (see audit reports on the consolidated financial statements and the separate financial statements).

Contact for questions about sustainability reporting

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GRI Inhaltsindex

Statement of use		Graubündner Kantonalbank has reported in accordance with the GRI Standards for the period January 2021 to December 2021.		
GRI 1 used		GRI 1: Foundation 2021		
Applicable GRI Sector Standard(s)		GRI G4 Financial Services Sector Disclosures 2013		
GRI Standard / other source	Disclosure	Location / Information	Omission	
General disclosures				
GRI 2: General Disclosures 2021	2-1 Organizational details	Anhang 1 zur konsolidierten Jahresrechnung: Angaben zur Firma		
		Corporate Governance Bericht: Konzernstruktur und Eigentümer		
		Corporate Governance Bericht: Kapitalstruktur		
		Geschäftstellen		
	2-2 Entities included in the organization's sustainability reporting	Nachhaltigkeitsbericht: Über diesen Bericht		
		Konsolidierte Jahresrechnung: Konsolidierungsgrundsätze		
	2-3 Reporting period, frequency and contact point	Nachhaltigkeitsbericht: Über diesen Bericht		
	2-4 Restatements of information	Nachhaltigkeitsbericht: Über diesen Bericht		
	2-5 External assurance	Nachhaltigkeitsbericht: Über diesen Bericht		
	2-6 Activities, value chain and other business relationships	GKB Kennzahlen Konzern		
		Strategie: Geschäfts- und Betriebsmodell		
		Konsolidierte Jahresrechnung: Angaben zur Firma		
		Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement: Nachhaltiges Beschaffungswesen		
	2-7 Employees	Weitere Nachhaltigkeitsthemen: Mitarbeiterstruktur		Angestellte Mitarbeitende nach unbefristeter und befristeter Anstellung, im Stundenlohn sowie Teilzeit vs. Vollzeit und alle vorgenannten Kategorien nach Geschlecht: Die Informationen sind in dieser Detaillierung aktuell nicht verfügbar. / Die Berichterstattung wird in den nächsten zwei Jahren entsprechend ausgebaut. Angestellte Mitarbeitende nach Region und Geschlecht: Diese Offenlegung ist nicht anwendbar. / Die GKB hat ausschliesslich Angestellte im Kanton Graubünden.
			Nicht-angestellte Mitarbeitende: Die Informationen dazu sind aktuell nicht verfügbar. / Die Berichterstattung wird in den nächsten zwei Jahren entsprechend ausgebaut.	
2-8 Workers who are not employees	Keine Offenlegung im Berichtsjahr möglich			
2-9 Governance structure and composition	Corporate Governance Bericht: Bankrat			
2-10 Nomination and selection of the highest governance body	Das Nominierungs- und Auswahlverfahren für den Bankrat der GKB wird durch die Regierung des Kantons Graubünden nach folgenden Vorgaben gesteuert:			
	BR 938.200 Gesetz über die Graubündner Kantonalbank: Artikel 14; 15; 24			

		BR 710.400 Verordnung zur Umsetzung der Public Corporate Governance für den Kanton Graubünden: Artikel 9
2-11 Chair of the highest governance body		Corporate Governance Bericht: Bankrat, Abschnitt 3.1
2-12 Role of the highest governance body in overseeing the management of impacts		Corporate Governance Bericht: Bankrat, Abschnitt 3.4 bis 3.6 Corporate Governance Bericht: Kontrollorgane Konsolidierte Jahresrechnung: Risikomanagement Offenlegungsbericht: Operationelle Risiken
2-13 Delegation of responsibility for managing impacts		Corporate Governance Bericht: Bankrat, Abschnitt 3.5 bis 3.6
2-14 Role of the highest governance body in sustainability reporting		Der Nachhaltigkeitsbericht 2021 wurde am 21. März 2022 von der Geschäftsleitung genehmigt und dem Bankrat als Information am 31. März 2022 zur Kenntnis gebracht. In Zukunft ist geplant, dass der Nachhaltigkeitsbericht als Teil des Geschäftsberichts vom Bankrat genehmigt wird.
2-15 Conflicts of interest		Verhaltenskodex der GKB Faktenblatt der GKB über den Umgang mit möglichen Interessenkonflikten
2-16 Communication of critical concerns		Corporate Governance Bericht: Bankrat, Abschnitt 3.6
2-17 Collective knowledge of the highest governance body		Der Bankrat der GKB beschäftigt sich im Rahmen eines jährlichen Ausbildungstags jeweils mit verschiedenen Bankthemen. Im Zuge der Umsetzung der aktuellen Nachhaltigkeitsstrategie der GKB werden hier künftig auch Aspekte der wesentlichen Nachhaltigkeitsthemen behandelt.
2-18 Evaluation of the performance of the highest governance body		Die Aufsicht über den Bankrat der GKB erfolgt durch die Regierung des Kantons Graubünden. Vgl. Artikel 24 im BR 938.200 Gesetz über die Graubündner Kantonalbank
2-19 Remuneration policies		Corporate Governance Bericht: Entschädigungen, Beteiligungen und Darlehen, Abschnitte 5.1 und 5.2
2-20 Process to determine remuneration		Corporate Governance Bericht: Entschädigungen, Beteiligungen und Darlehen, Abschnitt 5.1
2-21 Annual total compensation ratio		Nachhaltigkeitsbericht: Weitere Nachhaltigkeitsthemen, Gleiche Löhne und Chancen
2-22 Statement on sustainable development strategy		Geschäftsbericht: Vorwort des Bankpräsidenten und des CEO Nachhaltigkeitsbericht: Vorwort des CEO Nachhaltigkeitsbericht: Nachhaltigkeitsstrategie
2-23 Policy commitments		Verhaltenskodex der GKB Geschäftsbericht: Vorwort des Bankpräsidenten und des CEO Nachhaltigkeitsbericht: Vorwort des CEO Nachhaltigkeitsbericht: Nachhaltigkeitsstrategie
2-24 Embedding policy commitments		Verhaltenskodex der GKB Nachhaltigkeitsbericht: Nachhaltigkeitsstrategie
2-25 Processes to remediate negative impacts		Nachhaltigkeitsbericht: Korruption, Wettbewerbsverhalten und Insiderhandel, Meldesysteme für Verdachtsfälle oder Beanstandungen (intern und extern)
2-26 Mechanisms for seeking advice and raising concerns		Nachhaltigkeitsbericht: Korruption, Wettbewerbsverhalten und Insiderhandel, Meldesysteme für Verdachtsfälle oder Beanstandungen (intern und extern)
2-27 Compliance with laws and regulations		Nachhaltigkeitsbericht: Korruption, Wettbewerbsverhalten und Insiderhandel, Keine Vorfälle, Rechts- oder Verdachtsfälle im Berichtsjahr
2-28 Membership associations		Nachhaltigkeitsbericht: Nachhaltigkeitsstrategie, Mitgliedschaften und Nachhaltigkeitsrating
2-29 Approach to stakeholder engagement		Nachhaltigkeitsbericht: Weitere Nachhaltigkeitsthemen, Transparenz gegenüber Anspruchsgruppen
2-30 Collective bargaining agreements		Keine Mitarbeitenden der GKB unterstehen einem Tarifvertrag.
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Nachhaltigkeitsbericht: Wesentliche Themen
	3-2 List of material topics	Nachhaltigkeitsbericht: Wesentliche Themen

Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	Nachhaltigkeitsbericht: Korruption, Wettbewerbsverhalten und Insiderhandel
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Nachhaltigkeitsbericht: Korruption, Wettbewerbsverhalten und Insiderhandel
	205-2 Communication and training about anti-corruption policies and procedures	Nachhaltigkeitsbericht: Korruption, Wettbewerbsverhalten und Insiderhandel
	205-3 Confirmed incidents of corruption and actions taken	Nachhaltigkeitsbericht: Korruption, Wettbewerbsverhalten und Insiderhandel
Anti-competitive behavior		
GRI 3: Material Topics 2021	3-3 Management of material topics	Nachhaltigkeitsbericht: Korruption, Wettbewerbsverhalten und Insiderhandel
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Nachhaltigkeitsbericht: Korruption, Wettbewerbsverhalten und Insiderhandel
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Kennzahlen Betriebsökologie
	301-2 Recycled input materials used	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Kennzahlen Betriebsökologie
	301-3 Reclaimed products and their packaging materials	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Kennzahlen Betriebsökologie
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Kennzahlen Betriebsökologie
	302-2 Energy consumption outside of the organization	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Kennzahlen Betriebsökologie
	302-3 Energy intensity	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Kennzahlen Betriebsökologie
	302-4 Reduction of energy consumption	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Kennzahlen Betriebsökologie
	302-5 Reductions in energy requirements of products and services	Keine Informationsangabe
Energieverbrauch von Produkten und Dienstleistungen: Die Finanzprodukte und -dienstleistungen der GKB führen zu keinem Energieverbrauch bei den Kundinnen und Kunden.		
Water and effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement
	303-2 Management of water discharge-related impacts	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement
	303-3 Water withdrawal	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Kennzahlen Betriebsökologie
	303-4 Water discharge	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Kennzahlen Betriebsökologie
	303-5 Water consumption	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Kennzahlen Betriebsökologie
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Kennzahlen Betriebsökologie
	305-2 Energy indirect (Scope 2) GHG emissions	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Kennzahlen Betriebsökologie
	305-3 Other indirect (Scope 3) GHG emissions	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Kennzahlen Betriebsökologie
	305-4 GHG emissions intensity	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Kennzahlen Betriebsökologie

	305-5 Reduction of GHG emissions	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Kennzahlen Betriebsökologie
	305-6 Emissions of ozone-depleting substances (ODS)	Keine solchen Emissionen
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Keine solchen Emissionen
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement
	306-2 Management of significant waste-related impacts	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement
	306-3 Waste generated	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Kennzahlen Betriebsökologie
	306-4 Waste diverted from disposal	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Kennzahlen Betriebsökologie
	306-5 Waste directed to disposal	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Kennzahlen Betriebsökologie
Supplier environmental assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Nachhaltiges Beschaffungswesen
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Nachhaltiges Beschaffungswesen
	308-2 Negative environmental impacts in the supply chain and actions taken	Es findet keine aktive Kontrolle der Umweltauswirkungen bei Lieferanten statt. Im Berichtsjahr wurden der GKB keine Probleme mit Umweltauswirkungen bei Lieferanten bekannt und es wurden entsprechend keine Massnahmen ergriffen.
Supplier social assessment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Nachhaltiges Beschaffungswesen
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Nachhaltigkeitsbericht: Betriebliches Nachhaltigkeitsmanagement, Nachhaltiges Beschaffungswesen
	414-2 Negative social impacts in the supply chain and actions taken	Es findet keine aktive Kontrolle der sozialen Auswirkungen bei Lieferanten statt. Im Berichtsjahr wurden der GKB keine Probleme mit Umweltauswirkungen bei Lieferanten bekannt und es wurden entsprechend keine Massnahmen ergriffen.
Sustainable Lending		
GRI 3: Material Topics 2021	3-3 Management of material topics	Nachhaltigkeitsbericht: Nachhaltiges Kreditgeschäft
GRI G4 Financial Services Sector Disclosures 2013	G4-HR1 Human rights clauses and human rights screening in lending operations	Nachhaltigkeitsbericht: Nachhaltiges Kreditgeschäft
	G4-FS6 Breakdown of lending business by region, size of entity and sector	Nachhaltigkeitsbericht: Nachhaltiges Kreditgeschäft, Branchenübersicht Ausleihungen
	G4-FS7 Lending business with specific social benefits	Aktuell hat die GKB kein signifikantes Kreditgeschäft mit speziellem gesellschaftlichem Nutzen.
	G4-FS8 Lending business with specific environmental benefits	Nachhaltigkeitsbericht: Nachhaltiges Kreditgeschäft, Finanzierung grüner Gebäude
		Zusammensetzung des Kreditgeschäfts nach Region und nach Grösse der Unternehmen: Die Informationen sind in dieser Detaillierung aktuell nicht verfügbar. / Die Berichterstattung wird in den nächsten zwei Jahren entsprechend ausgebaut.
Sustainable Investments		
GRI 3: Material Topics 2021	3-3 Management of material topics	Nachhaltigkeitsbericht: Nachhaltiges Anlagegeschäft

GRI G4 Financial Services
Sector Disclosures 2013

	G4-HR1 Human rights clauses and human rights due diligence in the asset management business	Keine Offenlegung im Berichtsjahr möglich	Signifikante Investitionsvereinbarungen und -verträge, die Menschenrechtsklauseln enthalten oder unter Menschenrechtsaspekten geprüft wurden: Die Informationen dazu sind aktuell nicht verfügbar. / Die Berichterstattung wird in den nächsten zwei Jahren entsprechend ausgebaut.
	G4-FS7 Asset management offering with special societal benefits	Aktuell hat die GKB kein Anlagegeschäft mit speziellem gesellschaftlichen Nutzen.	
	G4-FS8 Asset management offering with specific environmental benefits	Aktuell hat die GKB kein Anlagegeschäft mit speziellem ökologischen Nutzen.	Keine solchen Produkte oder Dienstleistungen vorhanden
	G4-FS10 Interaction on environmental and social issues with companies held in the institution's portfolio	Nachhaltigkeitsbericht: Nachhaltiges Anlagegeschäft	
	G4-FS11 Assets subject to positive and negative environmental or social screening	Keine Offenlegung im Berichtsjahr möglich	Anteil der Vermögenswerte, die einer positiven und negativen Umwelt- und Sozialprüfung unterliegen: Die Informationen dazu sind aktuell nicht verfügbar. / Die Berichterstattung wird in den nächsten zwei Jahren entsprechend ausgebaut.
Insider trading and market manipulation			
GRI 3: Material Topics 2021	3-3 Management of material topics	Nachhaltigkeitsbericht: Korruption, Wettbewerbsverhalten und Insiderhandel	
Own standard	Legal actions for insider trading and market manipulation	Nachhaltigkeitsbericht: Korruption, Wettbewerbsverhalten und Insiderhandel	
Tax evasion and aggressive tax avoidance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Nachhaltigkeitsbericht: Steuerhinterziehung und aggressive Steuervermeidung	
Own standard	Business areas reviewed for risks related to untaxed client funds	Nachhaltigkeitsbericht: Steuerhinterziehung und aggressive Steuervermeidung	
Own standard	Communication and training on policies and procedures to avoid untaxed client funds	Nachhaltigkeitsbericht: Steuerhinterziehung und aggressive Steuervermeidung	
Own standard	Confirmed cases with untaxed client assets and measures taken	Nachhaltigkeitsbericht: Steuerhinterziehung und aggressive Steuervermeidung	