



Corporate social responsibility and sustainability 2023

Including the Report on Non-Financial Matters in
accordance with Art. 964a to c Swiss Code of Obligations
(extract from the 2023 Annual Report, pages 23 to 75).

Corporate social responsibility and sustainability 2023

Luzerner Kantonalbank aims to manage the topic of sustainability systematically throughout the Group, and to present a transparent account of its sustainability targets and progress towards them.

Contents

- 24 | Principles
- 26 | Managing sustainability
- 28 | Approach and areas of focus
- 34 | Material topics
- 71 | Corporate social responsibility and sustainability risk assessment
- 72 | Annex: Corporate social responsibility and sustainability

Principles

Commitment to long-term value creation

How LUKB sees itself

Ever since its foundation in 1850, the identity of Luzerner Kantonalbank has been based on a long-term business policy aimed at creating a high degree of value for the people and economy of the canton of Lucerne. A key aspect of this policy is sustainability, specifically giving due consideration to the needs of the coming generations. This is achieved by conserving limited resources, helping to shape a viable long-term society, and furthering social justice. As the market leader in the Lucerne economic region and as a major employer, LUKB is conscious of its special responsibility and fulfils it actively, holistically, and with an eye to the future.

To this end, LUKB has taken clear organisational steps to address sustainability topics and to ensure systematic sustainability management and appropriate reporting throughout the Group.

This commitment to long-term value creation is also expressed in LUKB's mission:

With us, plans have become reality for generations.
We make sure of this with convincing solutions.
And we score points with attentive service.
That's how we create value. Now and in the future.

LUKB sustainability strategy

Sustainability is an integral part of the LUKB25 corporate strategy. LUKB has set itself the goal of managing sustainability, as defined above, systematically throughout the Group, and of ensuring that the related issues are reported on appropriately. In doing so, LUKB is guided by the reference framework presented in the coming sections. In addition to LUKB's continued progress in economic and social sustainability, in 2024 LUKB will be focusing specifically on climate strategy and reporting.

LUKB general reference framework

In fulfilling its corporate social responsibility, LUKB is guided by the following frame of reference.

Statutory foundations

- Article 964a et seqq. of the Swiss Code of Obligations (indirect counter-proposal to the Responsible Business Initiative): provisions on reporting on non-financial matters, and on minerals and metals from conflict-affected areas and child labour. These have been in force since 1 January 2022 and require first-time reporting for the 2023 financial year. LUKB complies with these requirements in this 2023 Annual Report. Please refer to the report on page 70 and to pages 74 and 75.
- Ordinance on Climate Disclosures, on the basis of Article 964a et seqq. of the Swiss Code of Obligations, including the safe harbour provision on the application of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This Ordinance entered into force on 1 January 2024. LUKB will publish the corresponding report for the first time together with the 2024 Annual Report.

Other relevant regulations

- 'Guidelines for mortgage providers on the promotion of energy efficiency', published by the Swiss Bankers Association (SBA). These have been binding on SBA member banks since 1 January 2023.
- 'Guidelines for financial services providers on the integration of ESG preferences and ESG risks into investment advice and portfolio management', published by the Swiss Bankers Association (SBA). These have been binding on SBA member banks since 1 January 2023.
- Self-regulation on transparency and disclosure for sustainability-related collective assets, published by the Asset Management Association Switzerland (AMAS), which entered into force on 30 September 2023.

LUKB-specific reference framework

- LUKB Act and Articles of Association (<https://www.lukb.ch/statuten>)
- 2021 Ownership Strategy of the canton of Lucerne (<https://www.lukb.ch/eignerstrategie>)
- Climate and energy policy of the canton of Lucerne with the goal of net-zero greenhouse gas emissions by 2050 and, in particular, the requirements derived from it in the 2021 Ownership Strategy (chapter B.III)
- LUKB Code of Conduct (<https://www.lukb.ch/code-of-conduct>)
- LUKB Guiding Sustainability Principles for Investments (in German) (<https://lukb.ch/nachhaltig-anlegen>)
- LUKB25 strategy, with the following target areas (see page 11 of the Annual Report):
 - Clients
 - Employees
 - Shareholders, society and sustainability
 - Processes and innovation
 - Finance
 - LUKB Supplier Code (<https://www.lukb.ch/lieferantenkodex>)

Reference frameworks set by various sustainability initiatives

- UN Principles for Responsible Investment (PRI)
- Climate Action 100+ targets
- Swiss Sustainable Finance (SSF) targets
- Swiss Stewardship Code targets, as published by the Asset Management Association Switzerland (AMAS) and SSF
- öbu - Swiss Business Council for Sustainable Development targets
- Charter of the Central Switzerland Sustainability Network (NNZ)
- Selected goals of the United Nations 2030 Agenda for Sustainable Development (Sustainable Development Goals, or SDGs). Further information on the SDGs can be found in the 'Corporate social responsibility and sustainability 2023' annex (see page 72)

- Global greenhouse gas accounting and reporting standard for the financial industry, issued by the global Partnership for Carbon Accounting Financials (PCAF) initiative

LUKB sustainability ratings

LUKB holds the following sustainability ratings:

- Inrate: B- (on a scale from A+ to D-) confirmed on 7 September 2023
- MSCI: AA (on a scale from AAA to CCC) confirmed on 6 June 2023

These two ESG ratings form part of the LUKB balanced scorecard, the Bank's system of strategic targets. With other ESG ratings, LUKB aims to be at least investment grade.

Managing sustainability

Structure

Sustainability is addressed clearly within the organisational structure of LUKB to ensure that it is managed systematically across the Group. Governance is rooted in the proven system of checks and balances between management and supervisory functions, in a policy of transparent information, and in an unequivocal commitment from LUKB's highest governing and executive bodies to sustainable and responsible business conduct.



Board of Directors

The Board of Directors (BoD) of LUKB has ultimate responsibility for the overall management, supervision and control of sustainability and sustainability risks. It determines and oversees the sustainability strategy and the guiding principles for the various sustainability topics, including the associated risks. The BoD also monitors compliance with the relevant laws, rules and requirements that apply to sustainability topics and risks. It is responsible for external sustainability reporting, and determines the general implementation framework.

Executive Board

The LUKB Executive Board is responsible for implementing the strategy and the guiding principles on sustainability topics at the operational level. It defines specific objectives and areas of focus. It is also responsible for the operational implementation of the relevant laws, rules and requirements that apply to sustainability topics and risks.

The Executive Board conducts an annual evaluation of sustainability management and sustainability risks in terms of their fitness for purpose and effectiveness, and ensures that the resources needed for efficient management are in place. It discusses the internal reports on sustainability topics, and makes decisions on relevant topics according to need and urgency. At Executive Board level, responsibility for sustainability lies with the CEO.

Sustainability Office

The Sustainability Office is the internal and external point of contact for questions of sustainability, and supports LUKB's dialogue with stakeholders. Working alongside the Executive Board, it prepares the Group-wide sustainability strategy. The Sustainability Office conducts regular (at least annual) reviews and assessments of material topics, targets, target achievements, and the action areas set out in the sustainability strategy. It also provides impetus for the ongoing development of sustainability management, and supports other organisational units across the Group as they take action on sustainability.

With the CFO and Communications, the Sustainability Office ensures that external sustainability reporting complies with the regulatory requirements and the Board of Directors' guidelines. In addition, it assists Communications with both internal and external sustainability-related communications. The Sustainability Office reports regularly to the Executive Board and Board of Directors.

More broadly, the Sustainability Office's remit includes monitoring and analysing developments and new regulatory requirements in the sustainability space. It also supports relevant sustainability knowledge-building within the Group, and runs campaigns to raise employee awareness of sustainability issues.

Risk Control

The role and responsibilities of Risk Control where sustainability is concerned are described in the 'Risk management' note to the financial report from page 87.

Memberships and initiatives

As at end-2023, LUKB is a member of a number of sustainability-related associations and initiatives, and works to their standards, recommendations and objectives:

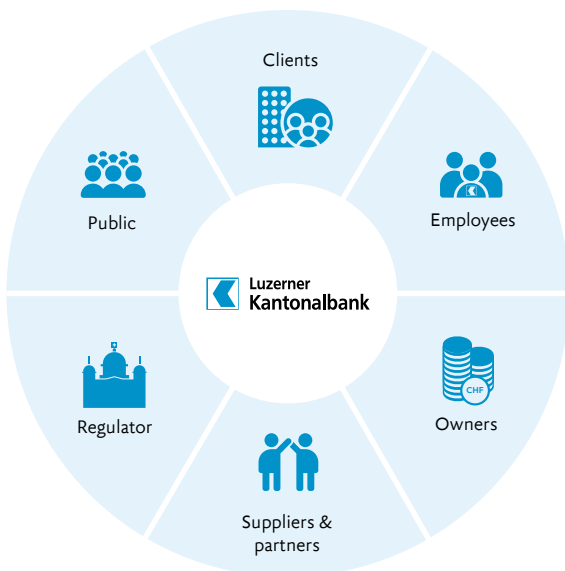
Association/initiative	Description
UN Sustainable Development Goals (SDGs)	The United Nations (UN) 2030 Agenda contains 17 goals and 169 targets for sustainable development. The SDGs factor in three dimensions: economic, social and environmental. LUKB is guided primarily by the seven SDGs that are relevant to it. Further information on the SDGs can be found in the 'Corporate social responsibility and sustainability 2023' annex on page 72.
UN Principles for Responsible Investment (UN PRI)	The Principles for Responsible Investment are an investor initiative supported by the United Nations. LUKB signed the UN PRI in 2019.
Climate Action 100+	Climate Action 100+ is the world's largest investor-led initiative on climate change. Its goal is to encourage companies, including some of the world's biggest greenhouse-gas emitters, to become more climate-friendly and to address climate risks more consciously. LUKB has been a part of this influential initiative since 2021.
Global Reporting Initiative (GRI)	GRI reporting standards form the most commonly used cross-sectoral framework for sustainability reporting globally. LUKB is working to implement the GRI standards and will report on progress for the first time for the 2024 financial year.
Task Force on Climate-related Financial Disclosures (TCFD)	LUKB is working to implement the recommendations of this global, financial industry-led initiative on the reporting of climate-related risks and opportunities. LUKB will report according to the TCFD recommendations for the first time for the 2024 financial year.
Partnership for Carbon Accounting Financials (PCAF)	The Partnership for Carbon Accounting Financials is a financial sector initiative to standardise the measurement and disclosure of emissions. LUKB joined PCAF in November 2023 and will measure and report scope 3 emissions according to its global standards from the 2024 financial year onwards.
Paris Agreement Capital Transition Assessment (PACTA)	PACTA is a climate-compatibility test run by the Swiss Federal Office for the Environment (FOEN) and the State Secretariat for International Finance (SIF). Financial services providers use the PACTA method to investigate whether their investment and lending portfolios are in line with the Paris Agreement. LUKB participated voluntarily in PACTA climate compatibility testing for the second time in 2022.
Swiss Sustainable Finance (SSF)	SSF is an association that aims to establish Switzerland as a leading centre for sustainable financial services. LUKB has been a member since 2021.
öbu - Swiss Business Council for Sustainable Development	The association is working towards a prospering economy that abides by environmental and social principles. LUKB has been a member since 2007.
Central Switzerland Sustainability Network (NNZ)	The objective of the NNZ is to promote the implementation of the 17 UN Sustainable Development Goals in Central Switzerland. LUKB became a party to the NNZ charter in 2021.

In addition to these memberships and initiatives, LUKB is an active contributor to the sustainability-related work of the Swiss Bankers Association (SBA or Swissbanking) and the Association of Swiss Cantonal Banks (VSKB).

Approach and areas of focus

LUKB stakeholders

LUKB's work on sustainability centres around several stakeholder groups. These form part of its value chain or are affected directly or indirectly by its business operations. Stakeholders in the Lucerne economic region are particularly important here.



LUKB stakeholder engagement and dialogue

LUKB strongly believes in cultivating close and regular exchange with its stakeholders, and in communicating transparently. This dialogue builds reciprocal trust. It also enables us to recognise at an early stage the needs, expectations and requirements that the Bank must fulfil and, on this basis, identify improvement potential. For an overview of these activities, please refer to the 'Material topics in stakeholder engagement and dialogue' table on page 30.

Material topics at LUKB in 2023

To ensure that we focus on the right topics, during the 2023 financial year LUKB conducted an in-depth analysis of sustainability topics of material importance to the Bank. Adopting the double materiality approach, this study included the non-financial reporting requirements laid down in the Swiss Code of Obligations. LUKB selected those topics in which its actions have the greatest impact on society and the environment (the inside-out perspective), while also defining those topics in which the risks and opportunities have the greatest impacts on LUKB (the outside-in perspective).

Method of determining material topics

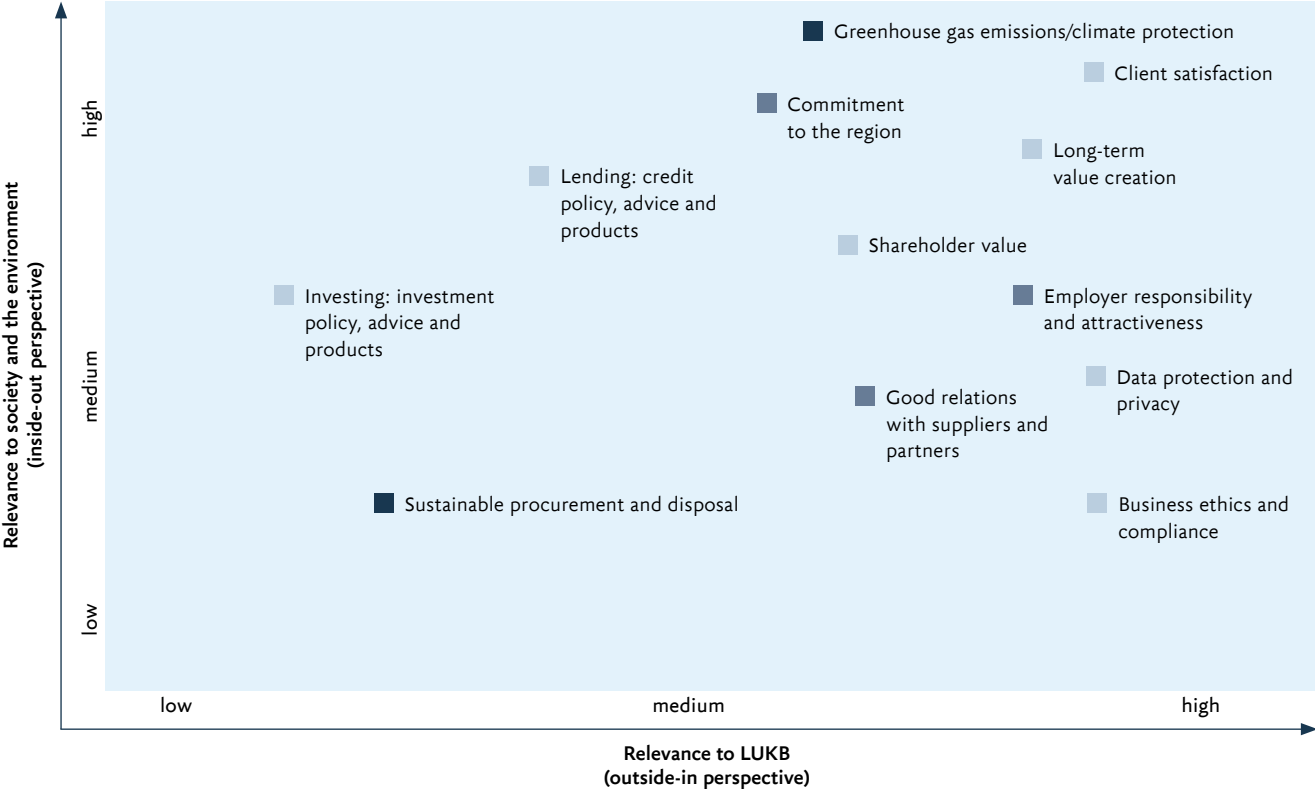
To pinpoint material topics, a working group of internal specialists conducted a qualitative analysis. This identified and assessed the impacts of LUKB's activities along the entire value chain from both the inside-out and outside-in perspective. It used the following as benchmarks:

- Ownership strategy of the canton of Lucerne
- Luzerner Kantonalbank's LUKB25 strategy for 2021 to 2025
- Information and findings from stakeholder engagement and dialogue
- Current and future statutory and regulatory requirements
- Relevant reporting standards and recommendations, particularly the standards set by the Global Reporting Initiative (GRI) and the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD)
- United Nations Sustainable Development Goals (SDGs)
- Sector analyses
- External sustainability ratings and studies
- Media reports

The analysis considered impacts of LUKB business operations that are both actual and potential, positive and negative, short-term and long-term, and intentional and unintentional. These impacts were assessed according to their severity (magnitude, extent and irreversibility) and probability. Twelve principal topics emerged as material from this qualitative study.

Materiality matrix

The following materiality matrix shows the twelve material topics in terms of their relevance to both LUKB (vertical axis) and society and the environment (horizontal axis). The further up or to the right, the more relevant the topic.



Colours reflect the ESG model
 ■ Environment
 ■ Social
 ■ Governance

The topics that feature in the materiality matrix are reviewed at least once a year according to Global Reporting Initiative (GRI) standards, adjusted where necessary, and disclosed in the Annual Report. LUKB will report according to GRI standards for the first time for the 2024 financial year.

Material topics in stakeholder engagement and dialogue

Stakeholder	Material topics	Engagement/dialogue	Further information
Clients	<ul style="list-style-type: none"> - Client satisfaction - Protection of data and privacy - Business ethics and compliance - Investing: investment policy, advice and products - Lending: credit policy, advice and products 	<ul style="list-style-type: none"> - Ongoing dialogue with client advisors - Systematic management of client feedback (recorded, analysed, discussed at EB level, improvements actioned) - Client satisfaction surveys/analyses - Client events - Interaction via social media 	Pages 34, 37 to 44
Employees	<ul style="list-style-type: none"> - Employer responsibility and attractiveness - Protection of data and privacy - Business ethics and compliance 	<ul style="list-style-type: none"> - Regular performance and development dialogue - Annual employee satisfaction survey - Vocational and continuing education, incl. the area of sustainability - Town halls, workshops and meetings with employees - Systematic occupational health management with internal contact persons and external point of contact - Regular awareness-raising on occupational health and safety, equal opportunities and a non-discriminatory working environment 	Pages 37 to 40, 45 to 51
Owners	<ul style="list-style-type: none"> - Shareholder value - Business ethics and compliance 	<ul style="list-style-type: none"> - Shareholder meetings (Annual General Meeting) - Ongoing dialogue with the canton as majority shareholder, and with other shareholders - Regular dialogue with financial analysts and financial media 	Pages 36, 38 to 40
Suppliers and partners	<ul style="list-style-type: none"> - Good relations with suppliers and partners - Sustainable procurement and disposal - Business ethics and compliance 	<ul style="list-style-type: none"> - Ongoing dialogue with suppliers and partners - Integration of the LUKB Supplier Code into contracts with suppliers 	Pages 38 to 40, 53 to 54, 68 to 70
Regulator	<ul style="list-style-type: none"> - Protection of data and privacy - Business ethics and compliance - Investing: investment policy, advice and products - Lending: credit policy, advice and products 	<ul style="list-style-type: none"> - Ongoing dialogue with the regulatory authority FINMA and the external auditors - Engagement in boards of directors and various association working groups (e.g. Swiss Bankers Association [SBA/Swissbanking] or the Association of Swiss Cantonal Banks [VSKB]). 	Pages 37 to 44
Public	<ul style="list-style-type: none"> - Commitment to the region - Long-term value creation - Greenhouse gas emissions/climate protection - Sustainable procurement and waste disposal 	<ul style="list-style-type: none"> - Regular Q&A sessions with the CEO - Ongoing dialogue with regional and national media and other important stakeholders from LUKB's market area - Employee engagement in various sporting, cultural and social organisations - Volunteer work as part of the 'Unternehmen mit Verantwortung' (Responsible Business) programme - Sponsorship of sport, culture, society and the arts in the canton of Lucerne 	Pages 34 to 35, 52 to 70

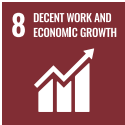
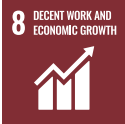


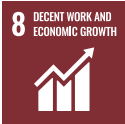
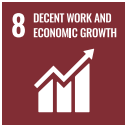

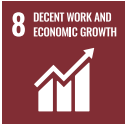


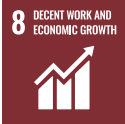


LUKB stakeholders and the UN SDGs



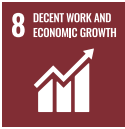
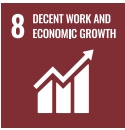





Of principal relevance to LUKB and its stakeholders are the seven United Nations Sustainable Development Goals (SDG) shown below:

	4 QUALITY EDUCATION	5 GENDER EQUALITY	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
Clients						■	■
Employees	■	■		■			■
Owners			■	■			■
Suppliers and partners		■		■		■	■
Regulator	■					■	■
Public			■	■	■	■	■

LUKB has less of an influence over the remaining ten SDGs, although its lending and investment activities may still contribute directly or indirectly in these areas. Further information on the SDGs can be found in the ‘Corporate social responsibility and sustainability 2023’ annex on page 72.

Material topics for LUKB and the UN SDGs

Material topic	Corresponding Sustainable Development Goal (SDG)	Further information
Client satisfaction	<ul style="list-style-type: none"> - SDG 8: Decent work and economic growth 	Page 34
Long-term value creation	<ul style="list-style-type: none"> - SDG 8: Decent work and economic growth - SDG 9: Industry, innovation and infrastructure - SDG 12: Responsible consumption and production   	Pages 34 to 35
Shareholder value	<ul style="list-style-type: none"> - SDG 8: Decent work and economic growth 	Page 36
Protection of data and privacy	<ul style="list-style-type: none"> - SDG 8: Decent work and economic growth 	Pages 37 to 38
Business ethics and compliance	<ul style="list-style-type: none"> - SDG 8: Decent work and economic growth 	Pages 38 to 40
Investing: investment policy, advice and products	<ul style="list-style-type: none"> - SDG 8: Decent work and economic growth - SDG 9: Industry, innovation and infrastructure - SDG 12: Responsible consumption and production   	Pages 41 to 43
Lending: credit policy, advice and products	<ul style="list-style-type: none"> - SDG 8: Decent work and economic growth - SDG 9: Industry, innovation and infrastructure - SDG 12: Responsible consumption and production   	Pages 43 to 44

Material topic	Corresponding Sustainable Development Goal (SDG)	Further information
Employer responsibility and attractiveness	<ul style="list-style-type: none"> - SDG 4: Quality education - SDG 5: Gender equality - SDG 8: Decent work and economic growth   	Pages 45 to 51
Commitment to the region	<ul style="list-style-type: none"> - SDG 8: Decent work and economic growth 	Pages 52 to 53
Good relations with suppliers and partners	<ul style="list-style-type: none"> - SDG 8: Decent work and economic growth 	Pages 53 to 54
Greenhouse gas emissions/climate protection	<ul style="list-style-type: none"> - SDG 13: Climate action 	Pages 54 to 67
Sustainable procurement and disposal	<ul style="list-style-type: none"> - SDG 7: Affordable and clean energy - SDG 12: Responsible consumption and production - SDG 13: Climate action   	Pages 68 to 70

Material topics

Client satisfaction

Principle

LUKB consistently aligns its range of services with long-term client benefit, meeting clients where they are, and responding to market demand. The intelligent use of digitalisation makes these services efficient and easy to access. Examples include sustainable products and advisory services.

Target

Measured according to the net promoter score, client satisfaction with LUKB is higher than the average for comparable banks.

Status in 2023

Luzerner Kantonalbank maintains more than 300 000 client relationships, the majority of which relate to the economic region surrounding Lucerne. They make LUKB the leading bank in the canton of Lucerne.

The Association of Swiss Cantonal Banks (VSKB) conducts an image survey of its member banks every two years. The 2022 results showed that LUKB beats the competition nationally across the board, with the best reputation and best image profile.

Furthermore, LUKB clients are extremely loyal, and more than willing to recommend the Bank to others.

The VSKB also conducts a bi-annual survey of corporate clients. The outcome of the 2023 study shows that LUKB is the market leader in the canton of Lucerne, with 45% of all businesses having an account with us. More than three quarters of those clients describe LUKB as their principal bank. Corporate clients attest to the high quality of advisory services, and overall ratings indicate that they are very satisfied.

Further information on awards, including those based on client satisfaction surveys, can be found on pages 16 and 17 of the Annual Report.

Long-term value creation

Corporate governance

Principle

To achieve long-term value creation, LUKB attaches great importance to modern, lean corporate governance. The Bank has a functioning governance organisation with checks and balances between leadership and supervision, an equitable mix of top management, incentive systems in line with those of the market, and a transparent information policy.

Target

LUKB places in the top half of the annual corporate governance ratings published by zRating, part of Inrate Ltd.

Status in 2023

As a public limited company under private law, LUKB has modern corporate governance systems in place. They are presented comprehensively on pages 177 to 203 of the Annual Report. The notes to the consolidated financial statements on page 87 onwards also contain detailed information on risk management at LUKB.

As LUKB's principal shareholder, the canton of Lucerne has drawn up an Ownership Strategy that sets out its targets for the Bank. This is revised every four years and can be accessed in German on both the canton of Lucerne and LUKB websites (<https://www.lukb.ch/eignerstrategie>). The most recent Ownership Strategy was published in the spring of 2021.

LUKB placed 45th out of 169 in the 2023 corporate governance ratings published by zRating, part of Inrate Ltd.

Finance Principle

By continuously and steadily generating value, LUKB plays a positive part in the sustainable development of Lucerne as a place to live and do business.

Targets (2021 to 2025 strategy period)

LUKB aims to achieve the following quantitative strategic targets:

- Profitability

(This target was raised in January 2024 for the second time within the current strategy period. Details are provided on page 10 of the Annual Report.)
Cumulated profit from 2021 to 2025:

1 260 to 1 330 million francs

- Efficiency

Cost-income ratio of a maximum of 50 %

- Solidity

(Targets were raised in May 2023 along with the capital increase.)

Total capital ratio of 16 to 20 %, with a CET1 ratio of at least 12 %.

Status in 2023

Ever since its foundation in 1850, Luzerner Kantonalbank has stood for closeness to its clients, quality of service, continuity, and an attractive range of jobs in the Lucerne region. The object article in the Act and LUKB Articles of Association requires LUKB to pursue ‘...the for-profit operation of a full-service bank conducting the usual banking business in accordance with recognised banking principles. Specifically, the Bank pays particular heed to the needs of the population and the economy of the canton of Lucerne.’ This orientation is also reflected in LUKB’s core values: leading - personal - robust - typically Lozärn. With a business model as a broad-based, locally rooted full-service bank, LUKB’s business performance is less vulnerable to volatility. Enormous importance is attached to comfortably satisfying capital adequacy requirements, and to further strengthening this foundation in the future. All of these factors help to

ensure LUKB’s high degree of financial stability. LUKB works according to five-year strategy periods with the corresponding long-term targets. The Bank discloses its long-term financial targets transparently in advance, and regularly communicates progress towards them. Details of the LUKB25 strategy and financial targets, which were raised for the first time following the capital increase in 2023, and again at the start of the 2024 financial year, can be found on page 10 onwards of the Annual Report and in German at <https://www.lukb.ch/unternehmenstrategie>.

LUKB reviews the achievement of its interim targets annually, and adjusts them as necessary. The 2023 financial year was the third of the LUKB25 strategy period. The year-end 2023 financial figures can be found in the Annual Report on page 77 onwards for the Group, and page 124 onwards for the parent company.

Shareholder value

Principle

In its appropriation of profits, LUKB focuses on a long-term balance between self-financing and distributions to shareholders. The level of equity must secure the sustainable growth of LUKB at all times.

Targets (2021 to 2025 strategy period)

Each year LUKB distributes between 40 and 60 % of net profits to shareholders, while at the same time ensuring the long-term strategic targets for its total capital and CET1 ratios. Please refer also to the strategic targets set out on page 11 of the Annual Report.

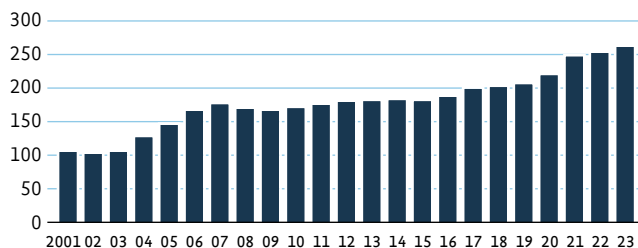
Status in 2023

LUKB maintains ongoing dialogue with its shareholders. The Bank's free float - the share capital distributed among the general public - stands at 38.5%. Freely tradable on the stock exchange, 51.1% of this is held by natural persons (45.6%) and legal entities (5.5%) from the canton of Lucerne. Around 34 400 people in total are entered in the LUKB share register. Details of the shareholder structure, share price movements and distributions for 2023 can be found in the 'Investor information' section on pages 3 and 4 of the Annual Report.

Measured by total return, LUKB registered shares have generated a performance of over 400% since the initial public offering in 2001. LUKB's continuous value creation also benefits shareholders in the form of regular dividends. This applies first and foremost to the Bank's principal shareholder, the canton of Lucerne, whose stake remained unchanged year on year at 61.5%. Even after the capital increase of 2023, LUKB intends to maintain the previous dividend of 2.50 francs per share with a nominal value of 3.70 francs. The corresponding proposal for the appropriation of profits for the 2023 financial year can be found on page 4 of the Annual Report. Based on the proposed appropriation, the payout ratio is 46.45%.

Growth in net profit

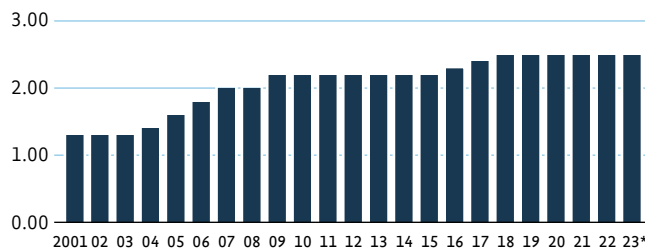
In CHF millions



Shareholder dividend¹⁾

in CHF, gross per LUKB registered share

¹⁾ Dividend per share for the 2001 to 2022 financial years has been restated to reflect the 1:5 share split as at 25 April 2023
* Proposal to the Annual General Meeting of 15 April 2024



Data protection and privacy

Principle

Protecting data and privacy are of enormous importance to LUKB, its clients, and its employees. LUKB is interested in nurturing long-term partnership-based business relationships with clients. Protecting client data, and personal data in particular, is priority number one for LUKB, and forms the basis of trust from clients from which relationships can flourish. Handling sensitive information responsibly involves not only protecting it from unauthorised access, but also transparency about the purposes for which that data is processed.

Target

LUKB protects the data and privacy of clients and employees in accordance with the binding rules laid down in the applicable data protection legislation and the provisions on Swiss bank client confidentiality, in addition to the applicable regulatory and supervisory requirements. To achieve this, LUKB maintains an effective and responsible organisation, and provides transparent information about data processing purposes.

Status in 2023

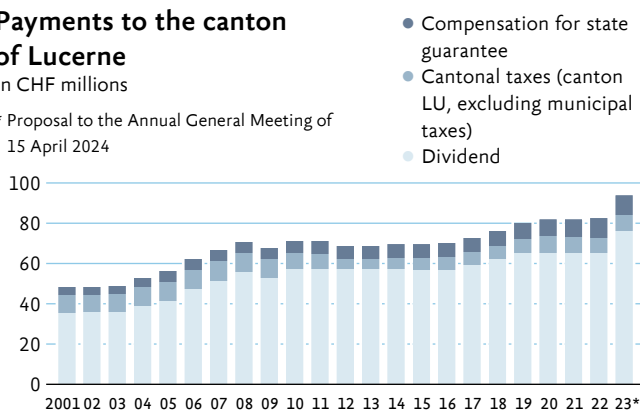
Data protection, and the protection of personal data and privacy in particular, are an integral component of risk management at LUKB in addition to measures to ensure information security. They are LUKB's top priority. Data protection and information security risks are systematically identified, evaluated, contained and reported to the offices responsible. To achieve this, LUKB has put in place appropriate organisational structures, technical and organisational measures, and methods, instruments and guidelines to implement its own and regulatory and statutory requirements and ensure that these are respected at all times.

In 2023 LUKB implemented the new and updated provisions of the revised Swiss Federal Act on Data Protection, and took the resulting organisational, contractual and technical action required to guarantee compliance with data protection law. On its website, LUKB and its subsidiaries provide clear and comprehensive information (in German) on issues relating to data protection and information security (<https://www.lukb.ch/de/datenschutz-erklaerung>), as well as up-to-date topic-based information on an ad hoc basis to protect clients and their assets.

Payments to the canton of Lucerne

In CHF millions

* Proposal to the Annual General Meeting of 15 April 2024



Operational responsibilities and authorities for implementing legal data protection requirements and information security have been determined. Primary responsibility for data protection and information security rests with the Executive Board. LUKB has appropriate contingency and business continuity plans in place to handle security incidents. These are the Security Handbook and the Business Continuity Plan (BCM). They satisfy the statutory and regulatory requirements. Compliance with data protection and information security requirements is further monitored by the independent Compliance and Risk Control units. In addition, LUKB has a data protection advisor as a point of contact for questions or requests for information in connection with data protection. Regular awareness-raising campaigns and training on data protection and information security are run for all LUKB employees as needed but at least once a year. This training is compulsory, and participation is verified.

LUKB is interested in long-term, partnership-based business relationships with clients, suppliers and service providers alike. Where service providers are engaged and services outsourced, LUKB obliges suppliers and service providers to uphold bank client and business confidentiality and to comply with data protection law. These undertakings are contractual in nature, and compliance with them is checked regularly.

Business ethics and compliance

Principle

In its activities, LUKB is committed to both upholding human rights and the associated international standards, and to abiding by applicable law. LUKB closely monitors regulatory developments and ensures that new regulations are implemented on time and without exception.

Target

LUKB remains free of reputational damage caused by failure to comply with applicable rules and regulations.

Status in 2023

Compliance

LUKB has a central Compliance function for the Group that is independent of revenue-generating business activities. It reports directly to the CEO. Compliance supports the Executive Board and employees as they enforce and monitor compliance. It comprises systematic internal rules and regulations, intensive initial and continuing education, a rigorous controlling framework, and strict sanctions in the event of misconduct. Compliance reports annually to the Executive Board, to the Board of Directors' Audit and Finance Committee, and to the Board of Directors itself on its activities in the previous reporting period, as well as its assessment of compliance risk. It has the authority to go straight to the Board of Directors where necessary. LUKB also has an independent Risk Control function. For details please refer to page 87 onwards of the Annual Report.

Compliance with the rule of law

LUKB undertakes, to the extent of its capability, to combat crime, corruption, money laundering and the financing of terrorism. To do this, LUKB consistently applies national and global requirements, and sanctions. It verifies compliance with these regulations through its internal control system, which meets regulatory requirements. The effectiveness of this system is reviewed regularly by internal and external auditors. In compliance with the 'know your customer' (KYC) principle, LUKB verifies the identities of its contracting partners (including beneficial owners) in accordance with the Swiss Banks' Code of

Conduct with Regard to the Exercise of Due Diligence (CDB) and Swiss anti-money laundering legislation. This includes checks and background enquiries (enhanced due diligence) in the case of client relationships or transactions involving greater risk. These checks are made both when the relationship is opened and while it is ongoing. LUKB does not open or maintain any business relationships with clients if KYC information is insufficient or if there is reason to assume that LUKB products or services are being or intended to be used for illegal purposes. Similarly, we do not open or maintain any relationships where there is too great a risk of financial crime or reputational damage.

LUKB monitors client relationships and transactions, and employs a variety of systems that automatically compare names with updated lists provided by a global data supplier, for example. The action provided for in law is taken if a potential link to crime is found. This applies in particular in connection with money laundering, terrorism, drug trafficking, corruption, the arms trade or human trafficking. The suspicious business relationship or transaction will be reported to the competent authority in accordance with the applicable anti-money laundering or embargo legislation.

Actively aiding tax evasion in any way is prohibited at LUKB. For example, new clients are required to provide confirmation of the tax compliance of the funds they entrust to the Bank.

LUKB forbids its employees from engaging in anti-competitive behaviour of any kind, such as exploiting insider information (e.g. front, parallel and after running), market or price manipulation, or other forms of fraud. These rules also apply to anticompetitive behaviour on the part of clients. The Trading department is subject to a separate 'market making' policy on trading in LUKB's own shares.

LUKB tolerates neither the offering nor the taking of bribes. Measures to fight corruption are integrated into the Bank's internal rules and regulations, and the relevant standards are a fixed element of LUKB's purchasing procedures. Compliance with these standards is a factor in the selection and continuation of relationships with service providers, suppliers and third-party providers. Relationships with LUKB's principal suppliers are reviewed and monitored regularly. In their business activities, all governing and executive bodies and employees must conduct themselves to prevent any and all personal dependence, obligation or influence. Situations that might result in a conflict of interest must be avoided. Should they nonetheless arise, they must be disclosed and recusal rules observed. Internal policies contain strict rules on the acceptance of gifts, which is monitored and reported to the appropriate offices.

LUKB has issued specific rules in this regard that are an integral part of the Employee Regulations and of policies, and also include the corresponding control systems.

Whistleblowing

LUKB employees are required to report potential breaches of external or internal regulations to their line manager or one of the control functions. Where necessary, employees and external individuals may use a specially designated point of contact for whistleblowing which guarantees their anonymity. This reporting office forms part of the Legal & Compliance department.

Equal opportunities, diversity and freedom from discrimination

Human resources policy at LUKB is based on equal opportunities, freedom from discrimination, diversity and inclusion. This specifically covers characteristics such as gender, age, religion, nationality or ethnicity, physical impairments or sexual orientation, as well as the recruitment of people with different abilities. Diversity initiatives are led by the Executive Board and by the Board of Directors' Personnel and Compensation Committee. In 2014 LUKB was the first bank in Switzerland to prove in a recognised process that it provides equal pay for equal work. We review wage equality on an annual basis.

Protection of the personal integrity of employees

LUKB pursues a zero-tolerance policy towards inappropriate behaviour, workplace bullying and sexual harassment. The Bank has defined an internal point of contact for those affected by such behaviours. LUKB pays particular attention to ensuring compatibility between work and other areas of life. Great importance is therefore attached to occupational health management (OHM), which addresses both physical health and mental well-being, not least by taking preventive action. In addition to internal contacts, employees seeking advice with problems of all kinds can also get in touch in confidence with the external, nationwide MOVIS counselling firm.

Compliance with ILO conventions

As LUKB's country of domicile, Switzerland has ratified a number of International Labour Organization (ILO) conventions, such as No. 87 and No. 89. Switzerland's national legislation implements ILO provisions accordingly, and is also binding on LUKB.

Freedom of association

LUKB guarantees its employees freedom of association, whether in the LUKB 'Personalverein' employee representation organisation, or in national industry employee organisations such as the Swiss Bank Employees Association (SBEA).

Social partnership

LUKB is committed to good employer-employee relations and is in regular dialogue with the Personalverein. This enables it to identify any issues at an early stage and to find pragmatic solutions in consultation with the employee organisation.

Investing: investment policy, advice and products

Principle

LUKB has integrated ESG (environment, social and governance) criteria systematically into its asset and fund management business since mid-September 2022. LUKB has committed to the United Nations Principles for Responsible Investment (UN PRI).

Signatory of:



Targets

LUKB manages all LUKB Expert investment funds and standard portfolio management mandates under a sustainability strategy aimed at factoring ESG risks into investment decisions. LUKB records its clients' preferences with regard to sustainability as part of its investment advisory services, and offers advice accordingly. LUKB complies with the 'Guidelines for financial services providers on the integration of ESG preferences and ESG risks into investment advice and portfolio management' published by the Swiss Bankers Association, as well as Asset Management Association Switzerland (AMAS) self-regulation for collective assets. LUKB's engagement strategy focuses on satisfying global standards, and on climate change. LUKB Expert Fondsleitung AG actively exercises its voting rights for the majority of equity holdings in LUKB Expert funds.

Status in 2023

Luzerner Kantonalbank AG and its subsidiary LUKB Expert Fondsleitung AG firmly believe that considering sustainability criteria is fundamental to successful investment decisions. It helps to mitigate risks and grasp opportunities against the backdrop of the major challenges arising in particular from the Paris climate targets and efforts towards a more sustainable society in the sense of the United Nations Sustainable Development Goals.

LUKB signed the UN PRI in October 2019, and has been a member of Swiss Sustainable Finance (SSF) since 2021.

LUKB laid the foundation for a suite of sustainable investment products in the autumn of 2021 by introducing sustainability grades for investment instruments. These are on a scale from 'excellent' to 'sound', 'satisfactory' and 'unsatisfactory'. They are based on a quantitative model using multiple factors that LUKB takes from the MSCI and ISS international rating agencies. ESG ratings, which offer a comprehensive assessment of the environmental, social and governance dimensions, are an important source here. Other significant elements are an evaluation of business conduct (controversies), exclusion criteria, risks and opportunities in the face of climate change, and contribution to a more sustainable society. To qualify as a sustainable investment product at LUKB, investment instruments must be graded as at least 'satisfactory'. This means that they do not invest in issuers that do not manage ESG risks sufficiently, that grossly breach international standards, or whose business activities are regarded as critical from the environmental and/or social perspective.

LUKB has systematically aligned investment analysis, portfolio management and investment advisory services with sustainability (ESG) criteria since the autumn of 2022. LUKB takes a sustainability-based approach when selecting securities for its standard portfolio management mandates. This also applies to the management of LUKB Expert funds, which currently have a volume of some five billion francs. The Bank has integrated the sustainability approach into the advisory cycle while also taking clients' sustainability preferences into account. Measures to ensure compliance with these preferences are a systematic part of investment monitoring and controlling. Transparency contributes enormously to an understanding of how sustainability is defined.

LUKB creates this clarity with its assessment criteria and sustainability grades, while also providing comprehensive ESG data. In reports to clients this is also aggregated at the individual portfolio level. The focus in 2023 was on training client advisors in greater depth on the sustainability approach as it applies to investments. Please also refer to the ‘Training for sustainability’ section on page 48.

LUKB is also an active shareholder. In recent years, dialogue between investors and businesses on ESG issues has become a highly effective lever in transforming the economy towards sustainability. LUKB has three points of emphasis here. First, where possible it holds companies that are in gross breach of international norms and standards to account. Second, to the extent of its capabilities LUKB pushes for the biggest contributors to climate change to drive their climate strategies forward. Third, the Bank addresses the issue of biodiversity loss with companies from high-risk sectors.

LUKB is able to exert an influence in dialogue with management or at board level, in particular. Here, LUKB works alongside other investors in investor-led initiatives or engagement pools. In 2023 dialogue activities focused on three such engagement pools with ISS ESG (norms, net zero and biodiversity) and the Climate Action 100+ initiative, which LUKB joined back in 2021. Willingness to engage in constructive dialogue was very high overall.

In 2023 LUKB published its first report on engagement activities, covering 2022. In dialogue with companies LUKB advocated for some 450 issues in 2023, via initiatives or as part of a pool. The largest proportion of these (69 %) involved discussions on environmental topics, with climate change accounting for the overwhelming majority. Around 130 cases concerned social issues such as labour and human rights, as well as health, while 14 cases addressed corruption. The breakdown is shown in the figure below.

Dialogue on behalf of LUKB is conducted primarily via service providers. Issues are therefore generally escalated within this engagement framework, through repeated contact at different levels of the hierarchy. If, despite extensive attempts, it is not possible to engage on a productive level, and if expectations are not sufficiently fulfilled, there are various levels of escalation depending on the severity of the issue that initially led LUKB to seek engagement. These will be assessed qualitatively in each

Breakdown of around 450 dialogues by area

- Climate change 39 %
- Biodiversity 13 %
- Environment (other) 17 %
- Labour rights 11 %
- Human rights 13 %
- Health 4 %
- Corruption 3 %



Sources: Luzerner Kantonalbank, ISS ESG, Climate Action 100+, FAIRR

individual case. Possible steps include LUKB contacting the company directly to encourage it to participate in dialogue, downgrading the company on the LUKB sustainability scale, or adjusting LUKB's voting behaviour at the company's next shareholders' meeting. Ultimately, the holding might be sold.

Investors can force responsible corporate governance by actively exercising their voting rights at shareholders' meetings. LUKB Expert Fondsleitung AG did just that for the majority of LUKB Expert fund equity positions in 2023. It was supported in this by specialist service provider ISS Governance, which provided voting recommendations and acted as proxy at annual general meetings in particular. In addition to good corporate governance, the voting rights guidelines applied by LUKB Expert Fondsleitung AG explicitly include environmental and social criteria. In this respect it takes into account the recommendations of the ISS Climate Proxy Voting Guidelines.

Lending: credit policy, advice and products

Principle

LUKB consistently applies the 'Guidelines for mortgage providers on the promotion of energy efficiency', published by the Swiss Bankers Association (SBA) in June 2022. In doing so LUKB contributes towards sustainability in accordance with the directives of the Federal Council. Specifically, LUKB systematically draws the attention of mortgage clients in owner-occupied real estate to the energy efficiency of their properties, and assists them with improvements in this regard.

Target

LUKB complies at all times with the SBA's 'Guidelines for mortgage providers on the promotion of energy efficiency'.

Status in 2023

Each year, the Board of Directors' Risk Committee adopts the LUKB risk sub-policy for non-banks. In addition to several other assessment points the 'basic principles' section of the sub-policy continues to state 'sustainability of business model' expressly as one of the creditworthiness criteria that apply to LUKB clients. If LUKB does not believe a client to be creditworthy, it does not grant credit. At LUKB, lending is traditionally concentrated on Swiss-domiciled clients and primarily on the Lucerne economic region, while 64.4 % of the mortgage portfolio relates to properties located in the canton of Lucerne. This proportion has contracted in recent years owing to a shift in the focus of financing activities towards nationwide collective investment entities and professional real estate firms, in order to secure corporate results. LUKB does not finance any commodity or fossil fuel extraction projects that are deemed to have an excessive impact on the environment. Examples include oil from tar sands, the Arctic and ultra deepwater drilling.

When advising clients on financing their own home, LUKB purposefully applies the Swiss Bankers Association ‘Guidelines for mortgage providers on the promotion of energy efficiency’, covering information, advice, training, products and data/processes. For example, advisors address sustainability issues with their real estate clients as a matter of course. They are guided by the life cycle stage of the property in question. The integrated renovation cost and carbon calculator support the advisory process by visualising individual topics such as replacing the heating, upgrading the building envelope, or installing solar panels. Where the client wishes to invest in improving energy efficiency, LUKB client advisors also highlight the government subsidies that are available. Where necessary they provide LUKB clients with detailed checklists for the renovation of single-family homes, condominiums and multiple-family properties.

In the late autumn of 2021 LUKB added a variety of functions to the renovation cost calculator that forms part of its e-banking service. They now permit the costs of upgrading multiple family properties to be calculated, in addition to those for houses and apartments. Another new function shows the property’s carbon footprint and how carbon emissions might fall based on renovation work. Costs always include those for replacing the existing heating with a green alternative, e.g. a heat pump instead of oil. With its energy-saving mortgage, LUKB

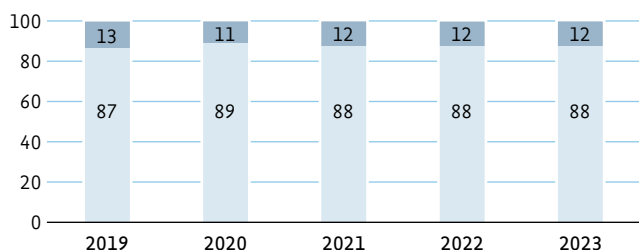
offers not only attractive, lower-rate financing for new-builds, upgrades and remodelling, but also access to qualified independent experts. For further information, please visit <https://www.lukb.ch/energiespar-hypothek>.

LUKB is also working at present to align data collection, data management and data analysis for the real estate in its lending portfolio with new and more stringent energy efficiency and climate-related requirements. On the technical side, work here centres on integrating the EGID Federal Building Identifier into the Avaloq core banking system. EGID assigns a unique identification number to each building throughout Switzerland. As at the end of 2023 just over 80 % of the EGID numbers for properties relevant to LUKB clients had been recorded in Avaloq. The aim is to complete this integration project in 2024. This will enable LUKB to combine real estate data in its lending portfolio with further information on areas such as energy efficiency and climate action.

Structure of credit portfolio

In %

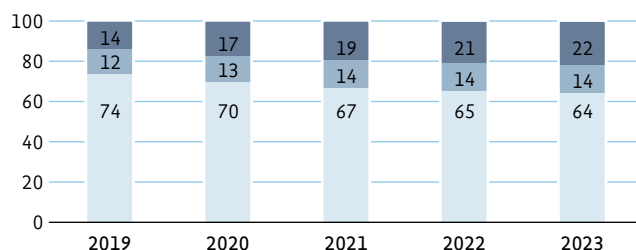
- Other receivables
- Mortgages



Geographical distribution of mortgages (residential property)

In %

- Rest of Switzerland
- Neighbouring cantons
- Canton of Lucerne



Employer responsibility and attractiveness

Principle

Employees are LUKB's most valuable capital, and a positive and productive corporate culture is one of the key reasons they stay. In addition, factors such as flexible working models, employee surveys, talent programmes and generous investment in training and continuing professional development help to create a working environment in which everyone can feel appreciated and inspired. The next generation is especially important to LUKB. The Bank is strongly committed to vocational education, and its StartUp@LUKB programme offers young and gifted individuals the opportunity to take their first steps in a career in the banking industry.

Human Resources at LUKB regards its principal role as shaping and implementing the elements of the HR strategy. It also has a relevant part to play as a driver of organisational efficiency and in targeted employee development. The way in which HR sees its function is based on a desire to create a diversified, agile and high-performing workforce that carries the Bank's strategic objectives forward. At LUKB, Human Resources is key to attracting, developing and retaining talent. LUKB uses specific employee initiatives and ongoing continuing education programmes to enhance employee capabilities, enabling the Bank successfully to withstand the ever-growing challenges of a changing business climate. The focus here is not just on recruiting specialist staff, but also on encouraging an inclusive corporate culture that celebrates diversity and cooperation. At LUKB, Human Resources sees itself as a strategic partner which actively supports the corporate vision and plays an essential part in ensuring long-term competitiveness and sustainable growth. In an environment shaped by innovation and change, LUKB makes every effort to cater flexibly and proactively to both the needs of its employees and the demands of the market.

Target

LUKB aims to remain one of the top employers in Central Switzerland. Attainment is measured in terms of the 'commitment' and 'satisfaction' dimensions of the annual survey of all employees, the aim being to score at least 80 points on both aspects on a scale of one to 100.

LUKB participates every three years in the Swiss Employer Award, the next being in 2024. This survey covers additional dimensions such as 'attractive employer' and 'would recommend as an employer'. LUKB always aims to place among the top third of entrant companies with more than 1 000 employees.

Status in 2023

High ethical standards in HR policy

Compliance with high ethical standards is an important part of LUKB human resources policy, which is based on equal opportunities, freedom from discrimination, and inclusion. This specifically covers characteristics such as gender, age, religion, nationality, skin colour, physical impairments and sexual orientation. LUKB is committed to diversity. We particularly appreciate the value of having people of different backgrounds work together on challenging tasks. LUKB also has a zero-tolerance policy towards incidents such as inappropriate behaviour, workplace bullying and sexual harassment. There are dedicated points of contact both within and outside the Bank for those affected.

Active social partnership

The great majority of LUKB employees are voluntary members of the Bank's own employee organisation, the Personalverein LUKB, and are therefore able to raise their questions and concerns directly. LUKB is committed to good employer-employee relations and is in regular dialogue with the Personalverein. This enables it to identify any issues at an early stage and find pragmatic solutions in consultation with the employee organisation. The Personalverein LUKB has the particular right to nominate the employee representative to the Pension Fund Board of Trustees. LUKB guarantees freedom of association. Should they wish, LUKB employees may also join the national Swiss Bank Employees Association (SBEA).

Employee development

LUKB offers generous vocational and continuing education opportunities. We believe it particularly important that employees are prepared for the professional challenges that lie ahead, and that they can continue to

develop their skills and capabilities accordingly. To LUKB, well-trained staff are central to the future of the organisation. The performance and development dialogue framework, known by its German acronym LED, gives line managers an effective means of providing feedback on employee performance according to multiple assessment criteria, and agreeing binding targets and development measures, in a continuous loop. Led by Human Resources, this systematic process also includes open feedback from employees to their line manager in a full 360° approach.

Major investment in VET and CPD

LUKB is one of the biggest employers in the Lucerne economic region, and is conscious of its particular responsibility as a training institution. In 2023 LUKB employees spent a total of 9 677 working days in vocational and continuing education, the equivalent of 8.8 working days for each full-time position. Excluding internal costs, LUKB invests around 1 700 francs in vocational education and

Investment in vocational and continuing professional education	2021	2022	2023
Total days of training	7 998	7 681	9 677
Days of training per FTE	7.5	7.2	8.8
Internal days of training	3 154	2 870	4 814
Days of training per FTE	2.9	2.6	4.4
External training costs, total, in CHF millions (incl. trainees)	1.41	1.64	1.84
as % of personnel expenses	0.73	0.90	0.96
in CHF per FTE	1 331	1 521	1 666
Number of tertiary-level qualifications:			
MAS and MBA	7	2	12
Bachelor, University of Applied Sciences	7	4	2
Höhere Fachschule für Wirtschaft (HFW) business school	5	6	6
Höhere Fachschule für Bank & Finanz (HFBF) banking and finance school	0	1	0
Certified Financial Advisor IAF and Financial Planner with federal VET diploma	3	6	3
DAS and CAS	11	15	15
Number of SAQ Client Advisor Bank certifications	235	308	311
Trainees and interns	73	73	71

training (VET) and continuing professional development (CPD) per full-time equivalent, per year. It is the stated aim of LUKB to maintain and increase the specialist, management and social capabilities of its employees of all ages and grades with ongoing VET and CPD.

87 VET places

In 2023 LUKB employed 15 trainees in business-related positions and two in IT, as well as eight interns under the 'Bankeneinstieg für Mittelschulabsolventen' (BEM) introductory banking programme for secondary school leavers, and one intern from a specialist computer science school. The intention is to continue employing as many trainees and interns as possible after they have completed their training, and to help them develop with targeted programmes both internally and externally. To make it easier for others to begin their careers in banking, since 2021 LUKB has offered the StartUp@LUKB programme. This is an additional course with specific VET and CPD modules for graduates and those changing career path. At the end of 2023, a total of 16 individuals were being trained under this special programme. The Bank offered 87 training places overall.

Attracting and retaining employees

One of the decisive factors in the success of any company is its ability to identify, recruit and develop qualified employees. These factors have become all the more important in view of the shortage of specialist personnel. LUKB took a close look at innovative talent management strategies during 2023 with the aim of attracting and retaining staff.

Empowering and developing leaders

Continually empowering and developing leaders is a particular priority for LUKB. It firmly believes that well-trained and inspiring managers are a key factor in outstanding business performance. Its investment in leadership development is designed to encourage a culture of innovation, engagement and efficiency. To achieve this, LUKB has launched specific programmes to continually upgrade management skills. The emphasis here is on practical training that draws on both established management principles and current sector trends.

A central element of this agenda is a policy of promoting emerging managers internally. LUKB identifies employees with potential at an early stage and nurtures the capabilities of young and prospective leaders with its own Junior Management Track scheme, known by its German acronym JML. This not only ensures a depth of internal talent over the long term, but also encourages its management to identify with LUKB's corporate objectives. Study under the JML scheme earns ECTS points at the Lucerne University of Applied Sciences and Arts (HSLU).

In addition, LUKB offers regular workshops on leadership topics to middle and senior management.

Training for sustainability

LUKB held extensive training courses and workshops on sustainability at all levels of management during the 2023 financial year, including the Board of Directors and Executive Board.

All client advisors in the Retail Banking and Corporate Clients & Private Banking divisions received needs-based training on the following topics:

Sustainable investing

- Principles of sustainability and ESG
- Sustainable investing in practice: approaches, criteria, ratings and products
- Regulatory requirements, including the relevant SBA guidelines and AMAS self-regulation
- ESG preferences and risks in investment advisory and portfolio management
- LUKB's investment-related dialogue and engagement activities
- ESG reporting and factsheets for investment clients

Sustainable lending

- Principles of sustainability and ESG
- Principles of sustainable construction, remodelling and renovation
- Statutory and regulatory requirements and developments
- Sustainability topics in the advisory process and the corresponding adjustments to the advisory cockpit
- Renovation cost and carbon calculator
- Financing options and the 'Energiespar-Hypothek plus' energy-saving mortgage launched during the 2023 financial year
- Public and private-sector support schemes
- Engagement of independent certified energy experts

All new employees joining these two divisions must also complete these training modules.

The SAQ 'Private Clients', 'Individual Clients', 'Affluent Clients' and 'Private Banking' certification programmes similarly include training on sustainability and ESG. More than 95 % of LUKB's client advisors are currently SAQ-certified.

In addition, LUKB has introduced continuing education for client advisors in the private clients and real estate clients segments. On the investment side LUKB offers courses on ESG and sustainability in investment advisory and portfolio management, and in financing courses on ecology and sustainability in construction and property management. Client advisors can count these courses towards their recurring SAQ recertifications.

For the first time, the topic of sustainability is now a fixed part of the curriculum for trainees at the Bank. An initial session on sustainability basics for first-year trainees was held in October 2023.

As part of the Bank's structured occupational health management (OHM) system, LUKB strives to promote both the physical health and mental wellbeing of its employees. As a preventative measure, LUKB organises a whole range of training on topics such as resilience, exercise, diet and ergonomics.

LUKB works steadily to continue building knowledge and awareness among staff, and is planning further action in 2024.

1 134.9 full-time equivalents

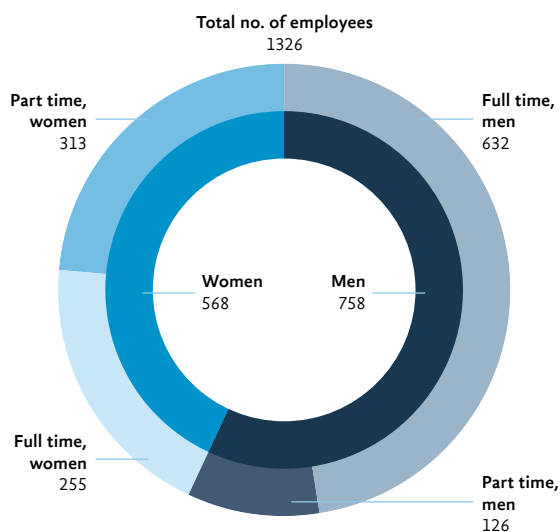
Luzerner Kantonalbank continued to expand its headcount during the reporting year, and as at end-2023 employed 1 326 individuals in 1 134.9 full-time equivalent positions overall (figure adjusted for part-time working, 50% weighting for trainees). As at 31 December 2023, the workforce of the entire LUKB Group was made up of a total of 758 men and 568 women, 126 and 313 of whom respectively work part time. This makes LUKB one of the biggest employers in the canton of Lucerne.

Low staff turnover

The net staff turnover rate (i.e. without taking into account retirements or departures for family reasons such as pregnancy and death) was 4.5% in 2023, compared with 5.5% for 2022. LUKB's aim is an employee structure with a good mix of ages and genders. This is factored into recruitment.

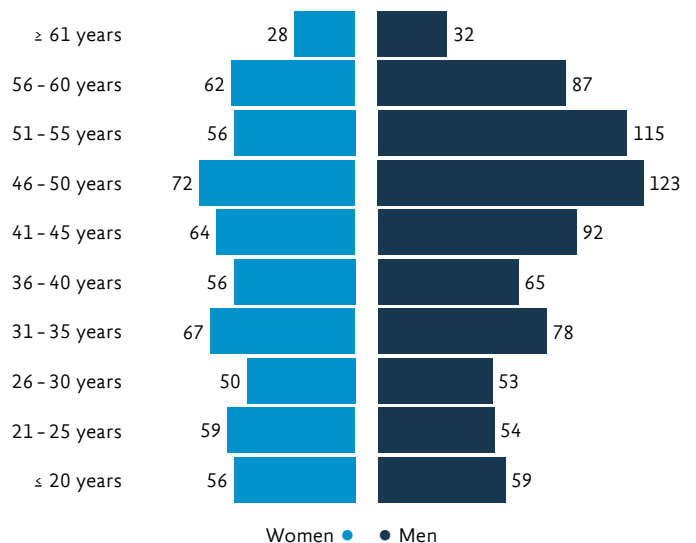
Full/part-time working at Group level

As at 31.12.2023



Age structure at Group level

As at 31.12.2023



Results of the annual employee survey

Every three years, LUKB participates in the comprehensive employee survey that forms part of the Swiss Employer Award. The most recent of these was conducted in 2021, with LUKB taking third place among companies with more than 1 000 employees. LUKB is next planning to participate in the survey in 2024.

Between these industry award rounds, LUKB conducts its own reduced, bank-wide survey to gauge employee satisfaction. The high participation rate of 81 % means that the feedback from this short survey in the late autumn of 2023 can be regarded as representative. It confirms the excellent result from the previous year's survey. As every year, satisfaction and commitment are rated very highly.

Operational health management

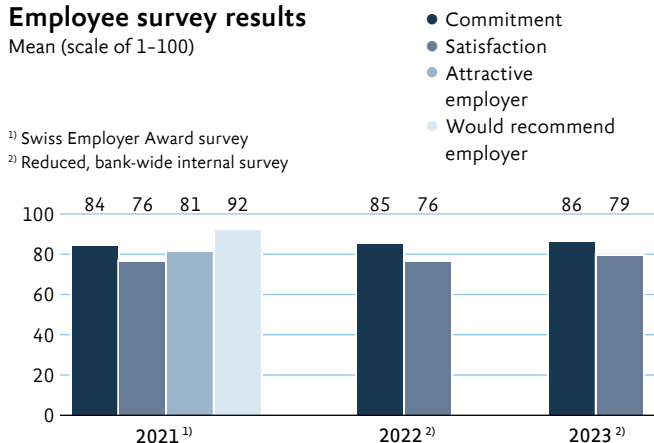
LUKB is actively engaged in supporting the health of its employees. It established a systematic operational health management (OHM) framework in the late autumn of 2022. Within this structure, the emphasis is on prevention, early detection and individual care and support for employees who have been absent for more than 30 days. In addition, employees seeking advice on problems of all kinds can contact either their internal OHM officer, or Movis, an external company that offers counselling throughout Switzerland. LUKB also attaches great importance to health and safety at the workplace, and regularly raises employee awareness of the related issues. Employees at LUKB work a 42-hour week. Compliance with this is ensured by having employees record their working hours and through the active influence of line managers.

Balancing family and career

LUKB has pursued a dedicated 'family and career' policy since 2013. This means that it aims to create employment and working conditions that enable employees with family commitments to balance home and working life as effectively as possible. The policy applies equally to men and women. The new working and working hours models that LUKB introduced effective January 2022 represent the next step in this approach. They emphasise individual solutions such as job-sharing, working from home, the ability to purchase additional days of leave, sabbaticals, part-time (management) positions or the ability to work full-time hours in four and a half days instead of five. These solutions are worked out in close consultation with the affected employees. LUKB grants both women and men two weeks' more parental leave than required by law. Women therefore receive 16 weeks instead of 14, men four weeks instead of two. LUKB supports families financially with an additional voluntary child allowance, investing a total of 940 070 francs in 2023, compared with 918 000 francs in 2022.

Employee survey results

Mean (scale of 1-100)



¹⁾ Swiss Employer Award survey

²⁾ Reduced, bank-wide internal survey

Action to promote women's careers

As part of the Bank's internal leadership development programme, LUKB has set itself the target of further expanding the proportion of women in management positions. While rejecting strict quotas, LUKB is taking dedicated action to achieve a sustained increase in the share of women at all levels of the organisation in the long term. These measures include, for example, deliberate long-term talent management and leadership training, selected events for women, and mentoring programmes.

Equal pay

LUKB considers fair and progressive working conditions to be the foundation of a constructive and successful employment relationship. This includes ensuring that men and women receive equal pay for work of equal value. LUKB participated in the voluntary equal pay dialogue between Switzerland's social partners and federal government as long ago as 2014, and was the first Swiss bank to successfully complete this process. Mandatory equal pay analyses entered into force as of 1 July 2020. LUKB fulfilled this obligation with an in-depth analysis for the period from 1 July 2020 to 30 June 2021.

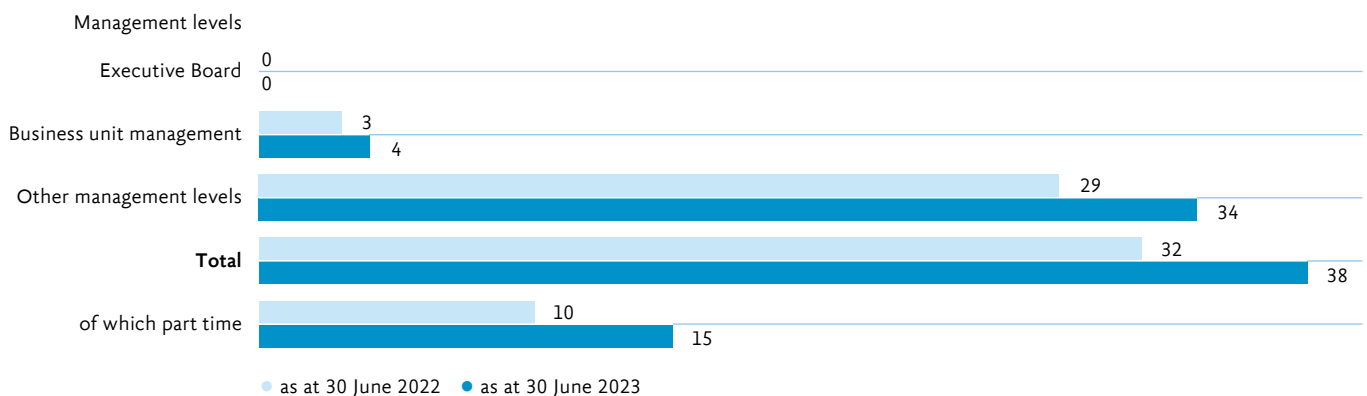
As required, it was audited by an independent external entity, in this case PricewaterhouseCoopers AG (PwC), which concluded in its audit report of 15 June 2022 that LUKB's wage equality analysis met the regulatory requirements. As has been the case without fail since 2014, the outcome shows that the gender pay gap at LUKB falls within the tolerance of 5%, and therefore ensures wage equality (<https://www.lukb.ch/lohngleichheit>).

LUKB underscored the importance of this topic by gaining the 'We Pay Fair' certificate from the University of St. Gallen Competence Centre for Diversity & Inclusion (CCDI) in July 2023.



Women in leadership positions

In numbers of individuals



Commitment to the region

Principle

LUKB encourages its employees to make a personal contribution to the region, and actively fulfils its role as sponsor and patron.

Targets

LUKB plans to maintain its annual seven-figure sponsorship and patronage contributions, and to further establish the LUKB 'Zukunftspreis' award for sustainable projects, which was presented for the first time in 2022.

Status in 2023

Voluntary personal commitment to the region

In addition to its own engagement as an attractive employer in the Lucerne economic region, since 2012 LUKB has encouraged its employees to make their own personal contribution. Under the 'Unternehmen mit Verantwortung' (Responsible Business) initiative, LUKB gives two working days off to each employee who devotes at least three days to volunteering on a charity project. Employees must use at least one of their own leave days to cover the remaining time.

Since 2014 staff have also had the opportunity of taking individual days to volunteer, with half of the day taken at LUKB's expense, and the other half at the employee's. Volunteering ranges from work on programmes in the mountains, to assisting with a variety of camps, to caring for the elderly or those with dementia.

CHF 1.9 million in sponsorship

LUKB has a long tradition of sponsorship, documenting its closeness and attachment to the canton of Lucerne and its people. In 2023 LUKB disbursed a total of around 1.9 million francs in support of sport, cultural events, social initiatives, and art.

Partnership with the University of Lucerne

In 2022 LUKB entered into partnership with the University of Lucerne. Involving an annual commitment of 250 000 francs, LUKB will play a substantial part in the continued development of Lucerne as a centre of higher

education. As part of this partnership, a series of regular LUKB-sponsored lectures, the 'LUKB Vorlesungsreihe', enables the public to interact with members of the local academic community, who present their latest findings and offer their thoughts on prevailing social issues. In return, LUKB gains access to the University's network of teachers and researchers, and to the latest research findings. This will inspire internal continuing professional development programmes and client events.

LUKB Zukunftspreis worth a total of 150 000 francs

Since 2022 LUKB has supported projects in the canton of Lucerne that further sustainable social and environmental development. Crowd voting on a shortlist selected by committee determines how the total 150 000-franc prize money is to be distributed. The total award is divided between the top three chosen by the public, with the overall winner receiving a maximum of 75 000 francs, second place a maximum of 50 000 francs, and third place a maximum of 25 000 francs. The deadline for project submissions for the 2024 Zukunftspreis was 29 February 2024, and the public vote will take place between 27 May and 12 June 2024.

Budgeting advice in Lucerne schools

LUKB offers budgeting advice sessions in Lucerne schools. A total of approximately 70 classes took up this offer in 2023. Each year the scheme benefits some 1 700 students who have completed upper secondary school, and other young people attending bridge-year programmes. In these 90-minute intensive courses they take a close look at how to handle their money, and learn some useful management tools, such as budgeting. In addition, LUKB provides financial support for Pro Juventute's school workshops and parents' events on being a 'media pro', part of which involves financial literacy in a digital world. Pro Juventute held 17 workshops and three parents' events between August and December 2023. LUKB does not carry any products that encourage consumer debt.

Financial skills for young people

As a member of the Association of Swiss Cantonal Banks (VSKB), LUKB plays an active part in the FinanceMission association. Founded jointly in 2016 by the 23 cantonal banks and the teaching federations of German- and French-speaking Switzerland, the objective of FinanceMission is to teach young people about the importance of handling their finances responsibly, and to improve their financial literacy. The association's latest offering is 'FinanceMission World', a digital educational game with the related teaching materials. Following the introduction of the 'Lehrplan 21' curriculum, FinanceMission has been used in lower secondary schools (13-16-year-olds) in the canton of Lucerne since the 2019/2020 academic year. Young people, teachers, parents and anyone else who is interested can obtain the teaching materials free of charge from www.financemission.ch. In early September 2021 the cantonal banks launched the 'jugendbudget.ch' online magazine, which addresses issues surrounding children and money. It gives parents ideas, inspiration and support with ways of talking to their children about money.

Collection of regional art

Even beyond its specific sponsorship strategy LUKB cultivates and supports cultural diversity in Central Switzerland. With its acquisitions, our internal Art Commission mainly furthers the work of artists who have not yet achieved public recognition. The LUKB art collection, which the Art Commission has been building since 1989, contains a variety of styles and genres of contemporary art. LUKB holds regular previews and exhibitions to make the collection accessible to a broader audience.

Good relations with suppliers and partners

Principle

LUKB is interested in long-term, trust-based business relationships with its suppliers and partners. Together, they take responsibility for their value chains and endeavour to make them as sustainable as possible. LUKB also takes care that each of the companies it engages offers fair working conditions, for example through membership of the collective bargaining agreement for the sector in question. LUKB requires a contractual undertaking from each of its suppliers that they will uphold banking and business confidentiality and the applicable data protection regulations. Where new supplier contracts are issued and existing ones renewed, the Bank requires the supplier concerned to comply with the principles and standards of its Code of Conduct for Suppliers ('Supplier Code') or with principles and standards of at least equivalent value.

The LUKB Supplier Code (<https://www.lukb.ch/lieferantenkodex>) sets out the principles and standards of business integrity and ethics, social and environmental responsibility, and the corresponding management systems, that are important to LUKB in its collaboration with its suppliers. LUKB itself abides by the non-negotiable sustainability and cooperation requirements laid down in the Supplier Code. These are also binding on all suppliers, and apply equally to their own suppliers, subcontractors and other business partners.

Targets

LUKB abides by its internal sustainable procurement requirements, as well as the provisions of its Supplier Code. Furthermore, it aims to continue awarding more than 90 % of construction-related contracts to companies from the Central Switzerland economic region.

Contracts to regional companies in %	2021	2022	2023	2023 target
Construction	96 %	96 %	96 %	> 90 %

Status in 2023

LUKB awards contracts to third parties primarily in connection with real estate. It aims to place as many as possible with companies from the economic region around Lucerne, and has been keeping statistics on this since 2011. LUKB considers suppliers from outside the Lucerne area in particular if the products and services in question are not available, or not available on comparable terms, within the region.

Greenhouse gas emissions/climate protection

Principle

Curbing and adapting to climate change are among the greatest challenges the world currently faces. LUKB is conscious that combating climate change demands a concerted effort from all actors.

The Bank plays its part in climate protection by pursuing net-zero targets. It focuses primarily on the greenhouse gas emissions from its own business operations and in its upstream and downstream value chains. Secondly, it aims to offset emissions on the market.

LUKB has defined the following main areas of climate protection:

- 1) Replace heating in own properties with fossil-free alternatives
- 2) Make energy savings and use the power generation potential of own buildings and facilities
- 3) Climate-friendly procurement, including a reduction in paper, envelope and water consumption, and waste volumes
- 4) Climate-friendly mobility options for business and commuter travel
- 5) Training and awareness-raising for employees
- 6) Investment and lending policy, as well as advisory services and products, that factor in environmental criteria.

Targets

Net-zero emissions by 2050

LUKB is committed to achieving net zero by 2050, aligning itself with:

- The climate strategy of the Swiss federal government and the canton of Lucerne to implement the Paris Agreement, which was ratified by Switzerland in October 2017
- The Climate and Innovation Act (CIA), which was adopted by the Swiss electorate on 18 June 2023
- The requirements of the 2021 LUKB Ownership Strategy of the canton of Lucerne, which were derived from the cantonal government's own climate strategy

Achieving the net-zero target by 2050 requires the economy to decarbonise on a massive scale over the coming years. LUKB is reliant on the necessary political frameworks being put in place, in addition to further significant progress in the near future with processes and technologies that prevent and remove emissions.

Scope 1 and 2 net-zero target in 2030

LUKB has set itself the additional goal of achieving the net-zero target for direct greenhouse gas emissions (scope 1) and indirect energy-related greenhouse gas emissions (scope 2) as early as 2030. The main means of accomplishing this will be a range of measures to further reduce scope 1 and scope 2 emissions. The remaining greenhouse gas emissions will then be offset.

Status in 2023

Greenhouse gas emissions

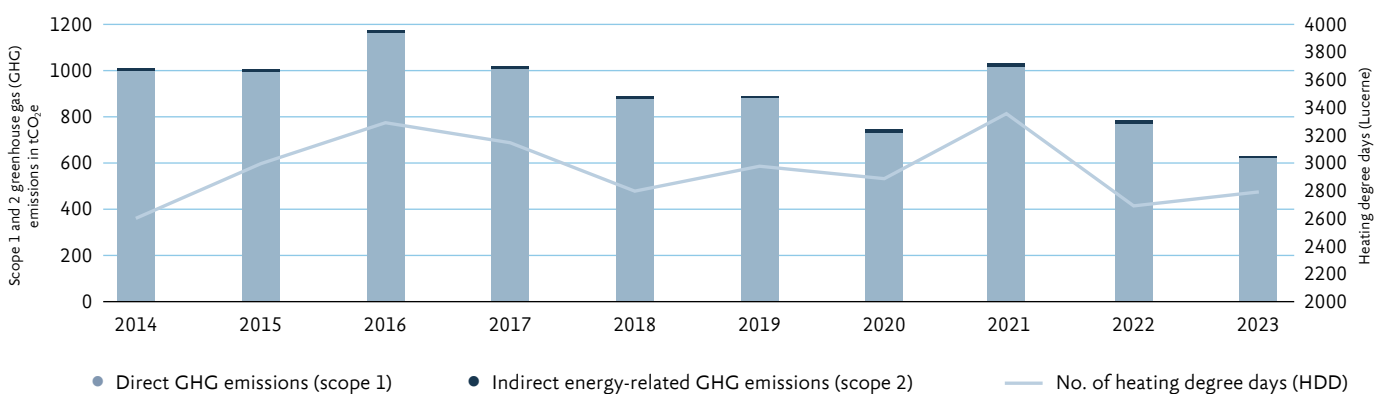
LUKB draws up an annual environmental footprint which includes an account of its greenhouse gas emissions. It shows the trend in scope 1 and scope 2 emissions, and the effectiveness of action taken. In this way LUKB measures where it stands in relation to its reduction targets.

The greenhouse gas balance sheet is prepared according to two industry standards: the key figures are determined by the 'VfU-Kennzahlen' industry metric from the Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. network of sustainability finance professionals, and the international standards published by the Greenhouse Gas Protocol. Emissions are presented in CO₂ equivalents. The balance sheet covers all locations within the Group.

LUKB is well on the way to achieve its 2030 net-zero target for scope 1 and 2 greenhouse gas emissions. Despite growing business volumes, since 2014 the Bank has been able to cut its direct and indirect energy-related emissions substantially. The reduction (in tonnes of CO₂ equivalents [tCO₂e]) shown below was achieved without the purchase of climate offsets in the form of carbon certificates.

Direct (scope 1) greenhouse gas emissions were produced principally from the consumption of oil and gas to heat business premises, fossil fuels for the Bank's own vehicles, and coolants. The gas-fired heating system at the head office building in Lucerne is responsible for a major portion of scope 1 emissions.

Scope 1 and 2 greenhouse gas (GHG) emissions in tCO₂e



Indirect energy-related (scope 2) greenhouse gas emissions relate to district heating. LUKB calculates these in accordance with the Greenhouse Gas Protocol as a proportion of the emissions generated by external energy producers and suppliers.

Numerous factors affect the level of greenhouse gas emissions. Significant examples here are the number of heating degree days, growth in employee numbers, and changes in the use of building space and type of interior furnishings and fittings as a result of advances in digitalisation, for instance.

LUKB cut its direct (scope 1) greenhouse gas emissions by 19 % year on year in 2023 on the back of further progress with fossil-free heating for various business premises. Meanwhile, indirect (scope 2) emissions were down by more than half (64 %) compared with 2022. This drop is the product of a better energy mix on the part of district heating suppliers.

LUKB has reduced its scope 1 and 2 greenhouse gas emissions by 37 % overall since 2014. This is due mainly to the switch to fossil-free heating, the installation of solar panels, and a range of energy-saving measures.

LUKB will make further efforts to lower its direct and indirect energy-related (scope 1 and 2) greenhouse gas emissions as far as possible by 2030. Plans for 2025/26 include its current supplier of fossil fuel-generated power for its head office and two other locations in the city of Lucerne switching to energy from lake water. In addition, in the coming years LUKB aims to complete the METROPOOL construction project on Seetalplatz in Emmenbrücke, which is currently delayed owing to objections. LUKB will be able to make further greenhouse gas savings when this Minergie®-certified building becomes operational. Details of further planned measures are given in the 'Climate protection' section below.

LUKB is currently working on expanding its greenhouse gas balance sheet to include material indirect emissions from its upstream and downstream value chain (scope 3 emissions) from the 2024 financial year onwards. These include emissions from clients that are produced by property and businesses financed by LUKB, as well as those from issuers that arise in connection with investments made and managed by LUKB. The Bank will calculate and disclose these emissions in accordance with the common international standards published by the Partnership for Carbon Accounting Financials (PCAF). LUKB joined the PCAF initiative in 2023 and will consult with the PCAF and other PCAF member banks as it works to improve its data quality and calculation methods.

Climate compatibility testing

Every two years, the Federal Office for the Environment (FOEN) and the State Secretariat for International Finance (SIF) together test the Swiss financial centre for its climate compatibility. The test is known as the Paris Agreement Capital Transition Assessment, or PACTA. Participation is voluntary. LUKB has already been involved for several years, the last time being in 2022 as one of a total of 122 financial institutions. The most recent test analysed the climate compatibility of investments in equities and corporate bonds, as well as credit portfolios. LUKB will likely also take part in next year's PACTA test to gain additional climate-related information on the orientation of its investment and credit portfolios.

Climate reporting

In May 2023 LUKB presented the cantonal government of Lucerne with the first draft of its climate report, as required by the 2021 Ownership Strategy. It was received positively by the Cantonal Council and the offices responsible.

The climate report continues to evolve. At present LUKB is working on how to handle and report climate-related risks and opportunities from the 2024 financial year onwards in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This will also implement the Federal Council's Ordinance on Climate Disclosures. The timeline is also consistent with the 2021 Ownership Strategy of the canton of Lucerne, under which the Cantonal Council requires LUKB to submit a definitive climate report by May 2025.

LUKB will present details of approaches and action in the four areas of governance, strategy, risk management as well as metrics and targets in its reporting for 2024. The project implementing the TCFD recommendations also includes the review and updating of the Group-wide risk management framework for climate risks as a basis for more extensive risk and opportunity analyses in the future.

Climate protection

As explained at the beginning of this 'Greenhouse gas emission/climate protection' section, LUKB has defined the following six action areas, and derived specific measures from them:

Action area	Measures
1 Replace heating in own properties with fossil-free alternatives	<p>1.1 Heating in own properties will be fossil-free by 2025 (as far as is possible given planning regulations)</p> <p>1.2 Those buildings that are not wholly owned by LUKB will be assessed to determine whether heating systems might be run on renewable energies by 2025</p>
2 Make energy savings and use the power generation potential of own buildings and facilities	<p>2.1 Energy savings</p> <p>2.1.1 Reduce energy consumption at company level and per employee</p> <p>2.1.2 Universal target agreement with the act cleantech agency and ewl energy provider to optimise energy consumption at head office</p> <p>2.2 Expand renewable energies</p> <p>2.2.1 Install solar panels by 2030</p>
3 Climate-friendly procurement, including a reduction in paper, envelope and water consumption, and waste volumes	Please refer to the 'Sustainable procurement and disposal' section on pages 68 and 69
4 Climate-friendly mobility options for business and commuter travel	<p>4.1 As far as possible, vehicle fleet to be electric by 2030</p> <p>4.2 (Business) travel to be as carbon-neutral as possible by 2025</p> <p>4.3 Create incentives to hold carbon-neutral (client) meetings</p>
5 Training and awareness-raising for employees	Please refer to the 'Training for sustainability' section on page 48
6 Investment and lending policy, as well as advisory services and products, that factor in environmental criteria	Please refer to the following sections: 'Investing: investment policy, advice and products' on pages 41 to 43 'Lending: credit policy, advice and products' on pages 43 to 44

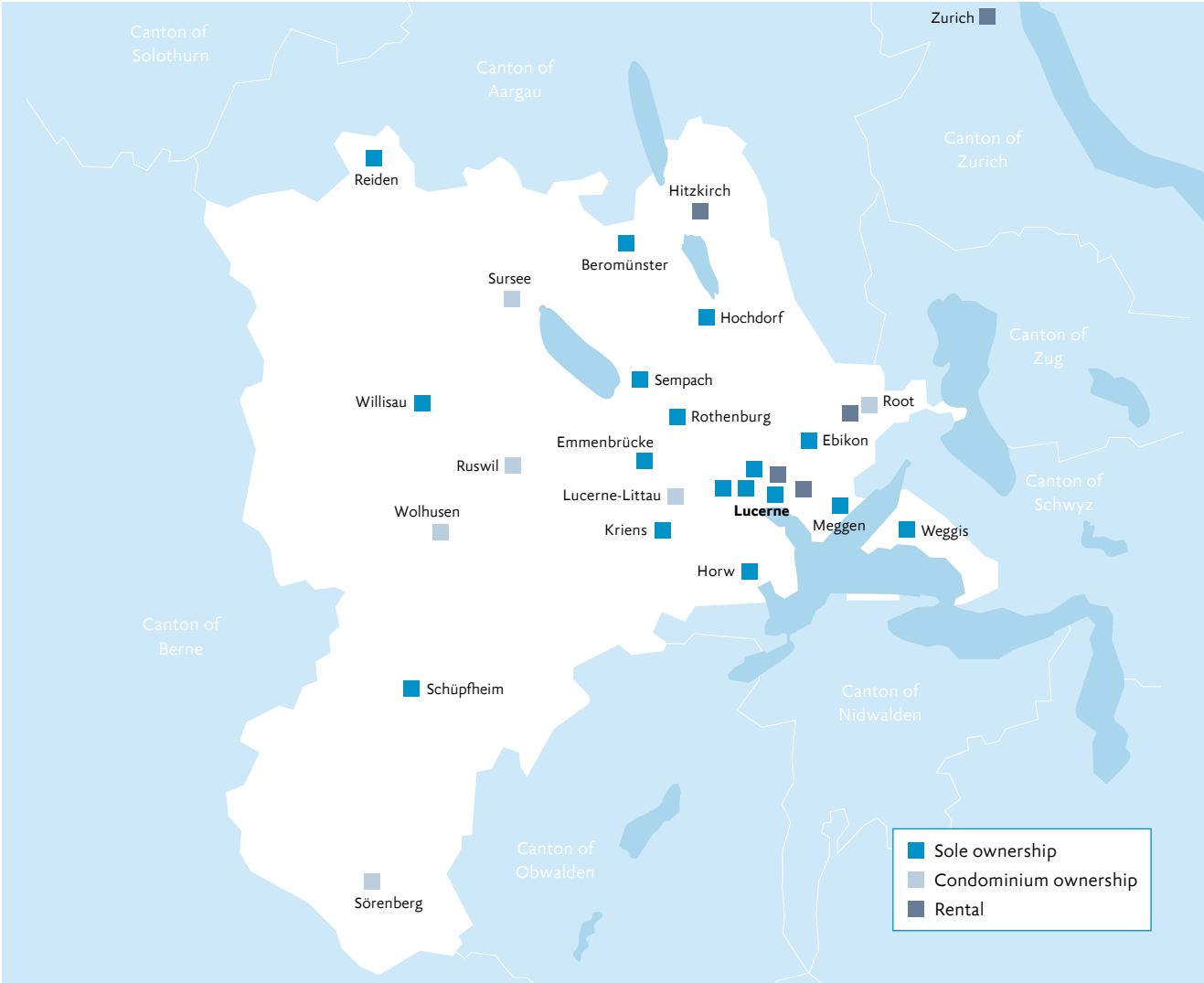
The following pages describe the status of the individual action areas and measures.

Action Area 1: Replace heating in its own properties with fossil-free alternatives

Closeness to clients is a key element of the LUKB business model. For this reason, to serve its clients in person LUKB operates a close network of branches at 22 locations in the canton of Lucerne and one in Zurich, with two sales offices in French and Italian-speaking

Switzerland (Lausanne and Lugano respectively). In addition, the Bank offers a major share of its services 24/7 via electronic channels such as the lukb.ch website and its smartphone app.

The following map shows LUKB properties as at 31 December 2023, distinguished by ownership structure:



LUKB wholly owns 17 buildings and owns parts of a further six under a condominium-style arrangement. The remaining branches are in rented premises. In most cases, LUKB properties are either classic bank buildings or mixed-use real estate.

In addition to its automated banks at Grendelstrasse (Lucerne), at the SchönbühlCenter (Lucerne), the Emmen Center (Emmenbrücke), the Mall of Switzerland (Ebikon), in Sursee Oberstadt and in the Surseepark (Sursee),

LUKB has a close network of ATMs throughout the canton. The Bank rents the space it requires for these ATM-only locations.

Action Area 1 of this part of the report does not cover any rented space. The following statements describe the action LUKB has taken per action area in accordance with the 2021 Ownership Strategy of the canton of Lucerne.

Measure 1.1: Heating in own properties will be fossil-free by 2025 (as far as is possible given planning regulations)

For historical reasons, most LUKB properties are heated by fossil fuels. The Bank has been working since 2014 towards running its own properties fossil-free by 2025.

Status of wholly owned LUKB properties as at 31 December 2023:

Location	Building status	LUKB target ¹⁾	Work progress
Beromünster, Fläcke 15	Fossil fuel	Heat pump	To be implemented in summer 2024
Ebikon, Zentralstrasse 14	District heating (waste heat)	District heating (waste heat)	Implemented
Emmenbrücke, Gerliswilstrasse 4	Fossil fuel	District heating (waste heat)	Connection to district heating is planned for the METROPOOL newbuild project. The construction permit for the new building is not yet legally final
Hochdorf, Hauptstrasse 30	District heating (wood)	District heating (wood)	Implemented
Horw, Gemeindehausplatz 2/3	District heating (wood)	District heating (lake water)	Provider examining fuel switch owing to high fossil fuel share at present
Kriens, Schachenstrasse 6	Heat pump	Heat pump	Implemented
Lucerne, Grendelstrasse 5	Fossil fuel	Exploratory stage	Possible alternatives currently under consideration with energy supplier ewl
Lucerne, Hirschmattstrasse 12/14	Fossil fuel	District heating (lake water)	The plan was to connect to district heating in autumn 2024. Delays on the energy supplier side mean that realisation is now planned for the 2025/2026 heating period
Lucerne, Pilatusstrasse 12/14	Fossil fuel	District heating (lake water)	The plan was to connect to district heating in autumn 2024. Delays on the energy supplier side mean that realisation is now planned for the 2025/2026 heating period
Lucerne, Theaterstrasse 5	Fossil fuel	District heating (lake water)	The plan was to connect to district heating in autumn 2024. Delays on the energy supplier side mean that realisation is now planned for the 2025/2026 heating period
Meggen, Hauptstrasse 52	Fossil fuel	Heat pump	Discussions with the owners of the neighbouring parcels, which operate a single heating system with LUKB, resulted in agreement that the existing system will be replaced by the end of 2025
Reiden, Hauptstrasse 48	Fossil fuel	District heating (wood)	LUKB and the energy supplier are looking into connection to district heating (date dependent on supplier)
Rothenburg, Flecken 23	Heat pump	Heat pump	Implemented
Schüpfheim, Hauptstrasse 31	Heat pump	Heat pump	Implemented
Sempach, Stadtstrasse 2	District heating (wood)	District heating (wood)	Implemented
Weggis, Seestrasse 6	District heating (lake water)	District heating (lake water)	Implemented
Willisau, Vorstadt 11	Heat pump	Heat pump	Implemented

¹⁾ The 'LUKB target' column shows the target heating system by the end of 2025 at the latest. The actual timing of implementation is set for each building individually.

Measure 1.2: Those buildings that are not wholly owned by LUKB will be assessed to determine whether heating systems might be run on renewable energies by 2025
 LUKB actively fulfils its responsibility as condominium owner and is a vocal advocate of replacing fossil energies with renewables.

Status of properties in condominium ownership as at 31 December 2023:

Location	Building status	LUKB target ¹⁾	Work progress
Lucerne (Littau), Fanghöfli 6	District heating (waste heat)	District heating (waste heat)	Implemented
Root, Bahnhofstrasse 16	District heating (waste heat)	District heating (waste heat)	Implemented
Ruswil, Hellbühlerstrasse 10	Fossil fuel	District heating (wood)	New district heating centre in preparation, implementation date tbd
Sörenberg, Rothorn-Center 3	Heat pump	Heat pump	Implemented
Sursee, Bahnhofstrasse 33, Chr.-Schnyder-Strasse 2/2a (Dreiklang)	District heating (biogas)	District heating (waste industrial heat/biogas)	Implemented
Wolhusen, Menznauerstrasse 11	District heating (wood)	District heating (wood)	Implemented

¹⁾ The 'LUKB target' column shows the target heating system by the end of 2025 at the latest.

Action Area 2: Make energy savings and use the power generation potential of own buildings and facilities

At present, the production and consumption of electrical energy contribute to the pollution of the environment and climate in Switzerland. This is due primarily to the use of fossil fuels such as coal, oil or gas to generate power. The exploration of renewable sources of energy may also conflict with the environment, natural world and countryside conservation, however. With this in mind, LUKB has defined a series of measures for a sustainable energy policy.

Action Area 2.1: Energy savings

Measure 2.1.1: Reduce energy consumption at company level and per employee

LUKB has set itself the goal of steadily reducing its energy consumption. This overall target relates to both power use in general and building energy (electricity, gas/oil, other fuels) in particular. The power required by LUKB buildings is heavily weather-dependent.

The trend in total energy consumption at LUKB since 2014 is shown below:

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Electricity in kWh	4 668 512	4 747 866	4 401 916	4 457 757	4 576 589	4 422 943	4 062 826	3 710 338	3 683 263	3 248 837
Fossil fuels as kWh-equivalents ¹⁾	4 217 175	4 104 667	4 780 884	4 043 309	3 878 769	3 679 769	3 238 460	4 233 088	3 126 436	2 260 808
Other in kWh-equivalents ²⁾	170 634	155 498	175 972	187 629	182 247	187 329	314 020	382 219	429 454	608 111
Total in kWh-equivalents	9 056 322	9 008 031	9 358 772	8 688 695	8 637 606	8 290 041	7 615 306	8 325 645	7 239 153	6 117 756

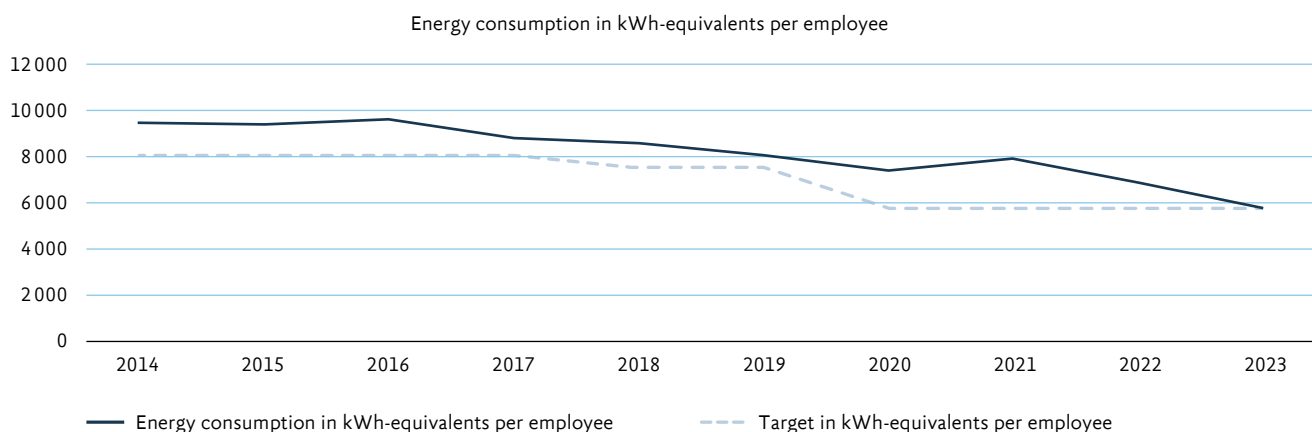
¹⁾ For building heating, the Bank's own vehicles, and emergency power generators

²⁾ District heating, fossil-free heating systems (e.g. heat pumps)

Since 2014 LUKB has been increasingly ambitious in setting its strategic targets for energy consumption per employee. Since the end of 2020 the figure for 2025 has been 5 500 kWh-equivalents per staff member (actual in 2015: 9 517 kWh/2020: 7 315 kWh).

In 2023 LUKB very nearly achieved this consumption target of 5 500 kWh-equivalents per employee, with a figure of 5 534 kWh.

The following graph shows the trend in energy consumption per LUKB employee since 2014:



The drivers of this sharp drop in energy consumption are:

- The needs-based renovation of the Bank's own properties (Minergie®-certified newbuilds and remodelling of numerous branches), and
- The continuous replacement of technical building systems and other technological infrastructure.

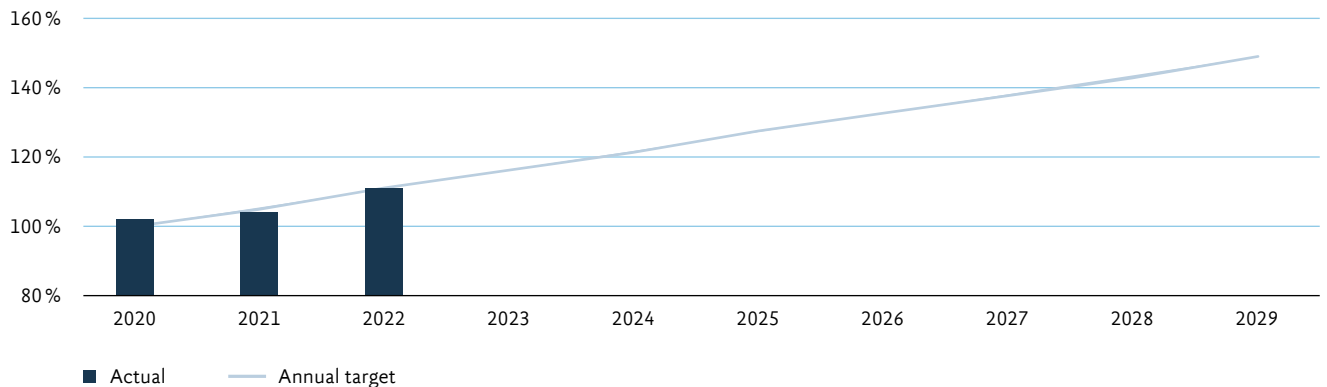
Measure 2.1.2: Universal target agreement with act and ewl to optimise energy consumption at head office

At LUKB, only head office in Lucerne is a major purchaser on the electricity market. In accordance with the statutory requirements, the Bank aims to reduce power consumption here by at least 10% per year. The federal government has instructed the Swiss cleantech agency act to support the enforcement of climate and energy legislation. act guides organisations and other entities as they put cantonal enforcement instruments into effect.

By concluding the universal target agreement for head office in 2018, LUKB committed to achieving financially profitable energy goals within ten years. Following a close analysis, energy specialist ewl proposed energy efficiency measures tailored specifically to LUKB. Beginning in 2020, progress towards the targets has been measured with a weighted overall energy efficiency indicator.

act/ewl produce an annual report of their monitoring activities the previous year. The currently available report is for 2022. It states that LUKB is on course to meet its overall energy efficiency targets.

Weighted overall energy efficiency



Action Area 2.2: Expand renewable energies

Measure 2.2.1: Install solar panels by 2030

LUKB has a great interest in making its buildings fossil free by harnessing renewable energies. In its assessment, solar (photovoltaic, PV) and wind power are viable ways of meeting its power needs. As stated in the introduction to Action Area 2, the construction and operation of renewable energy sources may lead to conflict. LUKB planning must therefore incorporate the widest variety of conditions, such as building zone regulations, the

requirements of the Inventory of Swiss Heritage Sites (ISOS), and restrictions on changes to historical buildings and monuments. A further factor is that a condominium ownership structure limits LUKB's options significantly more than sole ownership.

Status of wholly owned properties as at 31 December 2023:

Location	Building status	Work progress
Beromünster, Fläche 15	No PV	Under examination (ISOS), target date 2025
Ebikon, Zentralstrasse 14	No PV	In progress, completion planned by end-2024
Emmenbrücke, Gerliswilstrasse 4	No PV	PV already planned for METROPOOL newbuild project
Hochdorf, Hauptstrasse 30	No PV	In progress, completion planned by end-2024
Horw, Gemeindehausplatz 2/3	No PV	In progress, completion planned by end-2024
Kriens, Schachenstrasse 6	PV	Solar panels on roof of building
Lucerne, Grendelstrasse 5	No PV	Under examination (ISOS), target date 2025
Lucerne, Hirschmattstrasse 12/14	No PV	Feasibility study not yet begun
Lucerne, Pilatusstrasse 12/14	PV	Solar panels on roof of building
Lucerne, Theaterstrasse 5	No PV	Feasibility study not yet begun
Meggen, Hauptstrasse 52	No PV	Detailed planning in progress, completion planned by end-2024
Reiden, Hauptstrasse 48	No PV	In progress, completion planned by end-2024
Rothenburg, Flecken 23	No PV	Under examination (ISOS), target date 2025
Schüpfheim, Hauptstrasse 31	No PV	In progress, completion planned by end-2024
Sempach, Stadtstrasse 2	No PV	Under examination (ISOS), target date 2025
Weggis, Seestrasse 6	No PV	In progress, completion planned by end-2024
Willisau, Vorstadt 11	No PV	In progress, completion planned by end-2024

Status of properties in condominium ownership as at 31 December 2023:

Location	Building status	Work progress
Lucerne (Littau), Fanghöfli 6	No PV	LUKB has no own space for PV, must be examined with the condominium owner association (date tbd)
Root, Bahnhofstrasse 16	No PV	LUKB has no own space for PV, must be examined with the condominium owner association (next steps tbd in 2024)
Ruswil, Hellbühlerstrasse 10	No PV	LUKB has no own space for PV, must be examined with the condominium owner association (next steps tbd in 2024)
Sörenberg, Rothorn-Center 3	No PV	LUKB has no own space for PV, must be examined with the condominium owner association (date tbd)
Sursee, Bahnhofstrasse 33, Chr.-Schnyder-Strasse 2/2a (Dreiklang)	No PV	Study in progress, results expected in H2 2024
Wolhusen, Menznauerstrasse 11	No PV	LUKB has no own space for PV, must be examined with the condominium owner association (next steps tbd in 2024)

Action Area 3: Climate-friendly procurement, including a reduction in paper, envelope and water consumption, and waste volumes

As a service entity, LUKB focuses mainly on providing offerings to its clients. The procurement of tangible assets or goods is only secondary. LUKB's regular purchases are primarily paper and office supplies, and after energy consumption, LUKB's use of paper is of second-greatest relevance environmentally. LUKB is taking a range of measures to guide employee and client behaviours to steadily reduce the volume of paper the Bank consumes.

Please refer to the 'Sustainable procurement and disposal' section on pages 68 and 69 for more information on this Action Area.

Action Area 4: Climate-friendly mobility options for business and commuter travel

Measure 4.1: As far as possible, vehicle fleet to be electric by 2030

LUKB has its own fleet of vehicles. In recent years, the Bank has brought a variety of services for its local branches, including ATMs, back in house. It is therefore reliant on this fleet, generally using electric vehicles to provide these internal services. As a rule, an old vehicle will be replaced by one with an alternative drive system.

Status as at 31 December 2023:

- The LUKB fleet consists of 12 vehicles
- Half of these are already fully electric
- It is planned that one fossil fuel-driven vehicle will be replaced by a hybrid in 2024

Measure 4.2: (Business) travel to be as carbon-neutral as possible by 2025

LUKB operates largely in the Lucerne economic region. Beyond couriers and business trips mainly within Central Switzerland, there is therefore little need for long-distance travel.

Air travel is negligible at LUKB, for example, with only 1 210 kilometres flown in 2023 and carbon emissions fully offset.

Status as at 31 December 2023:

- LUKB motivates its employees to take public transport to work by subsidising an annual season ticket. As an employer, LUKB committed around 116 100 francs to supporting public transport usage in 2023.
- LUKB employees are already able to order paperless single and multiple-trip tickets for travel on public transport digitally via the SBB Mobile portal, with costs allocated directly to the individual divisions.
- Business travel by car is recorded centrally. Here, LUKB has taken action, such as encouraging videoconferencing, to reduce the number of trips and kilometres travelled.
- Employee parking is reviewed periodically in light of the local market. Parking spaces are limited in both the city of Lucerne and in parts of its agglomeration, as well as in sub-centres. Parking availability is one way in which LUKB has a direct influence on employees' mobility patterns.
- Employees may either use the internal staff restaurant or benefit from subsidies for eating locally. This reduces the need for mobility at mealtimes.
- Any air travel must be approved centrally by LUKB Human Resources. As a rule, carbon emissions from approved flights will be fully offset.
- LUKB supports its employees with a highly attractive Reka-Pay (electronic leisure and travel payment system) offer. The maximum allowance depends on a person's marital status and/or the number of children they have.
- LUKB provides its employees with free cycle and motorcycle parking spaces that are covered wherever possible.
- Sharing schemes are available at a number of locations, such as head office in Lucerne or at Dreiklang in Sursee. These include nextbike cycle hire, and car-sharing from Mobility or Share Birrer in Sursee.

Spending on encouraging public transport usage	2021	2022	2023
Promotion of public transport to travel to work			
Number of LUKB season tickets purchased	339	398	428
Public transport subsidies to employees in CHF	96 700	109 300	116 100
Environmental benefit of using public transport			
CO ₂ savings in tonnes	616	551	421
Energy savings in gigajoules	9 556	8 661	8 177

Measure 4.3: Create incentives to hold carbon-neutral (client) meetings

Bank clients want an individual service, including personal discussions with client advisors. LUKB has a range of measures in place to ensure that it is able to respond to specific client wishes.

Status as at 31 December 2023:

- As part of its digitalisation strategy, LUKB now offers its clients a videoconference option as standard for meetings.
- LUKB is continually expanding its online offering, including mobile services. Its aim here is for clients to be able to conduct their day-to-day banking business independently round the clock, no matter where they are. This means that face-to-face contact can concentrate on specific, and often more complex, client needs.

Action Area 5: Training and awareness-raising for employees

Please refer to the 'Training for sustainability' section on page 48 for more information on this Action Area.

Action Area 6: Investment and lending policy, as well as advisory services and products, that factor in environmental criteria

LUKB is conscious that, as a major actor in the lending and investment business, including property finance, it has a significant influence on climate protection in its market. It therefore endeavours to balance the interests of both the environment and its own stakeholders.

LUKB reports on its principles, targets and measures under 'Investing: investment policy, advice and products' on pages 41 to 43 and 'Lending: credit policy, advice and products' on pages 43 to 44.

Sustainable procurement and disposal

Principle

LUKB aims to achieve a lasting improvement in the environment-related aspects of banking operations, such as energy, paper and water consumption, and waste disposal. It therefore puts special emphasis on policy of sustainable procurement and disposal, the aim being to conserve resources.

- Primary aim: avoid consumption
- Secondary aim: reduce consumption

The following prime principles apply to all procurement procedures at LUKB:

- Cost-effectiveness
- Social responsibility
(incl. compliance with human rights)
- Environmental compatibility
- Transparency and partnership
- Business integrity and ethics
- Product-specific requirements

Individual procurement criteria for the relevant product groups are laid down in the Bank's sustainable procurement policy, an integral part of which is also the Supplier Code (<https://www.lukb.ch/lieferantenkodex>).

Targets

By 2025, LUKB plans to reduce its annual paper consumption to 50 tonnes, the annual number of envelopes used to two million, its annual energy consumption per employee to 5 500 kWh, and its annual volume of waste per employee to 100 kilogrammes.

Status in 2023

Given its business model, LUKB primarily operates regionally in German-speaking Switzerland. Mobility, and air travel in particular, is thus not a major concern. Instead, LUKB concentrates on making lasting improvements to environment-related aspects such as the consumption of energy, paper and water, and the waste generated by the Bank, taking action on both the technical and organisational fronts. A major part of this is the renovation of LUKB's own properties. Most of the space is occupied by the Bank itself, with the rest rented out to third parties. Over the past decade LUKB has invested large amounts in improving energy efficiency.

When looking at the figures it is important to recognise that they have been influenced since 2020 by both the pandemic and the now-standard working-from-home options that it brought.

In 2022 LUKB set new targets for the 2021 to 2025 strategy period. These are even more ambitious than for the previous period and take LUKB further along its chosen path towards sustainability.

Paper including envelopes

After energy consumption, LUKB's use of paper is of second-greatest relevance environmentally. The Bank is working to guide employee and client behaviours to steadily reduce the volume of paper it consumes. LUKB also makes an effort to use 'clean' paper (chlorine-free with the FSC label) as often as possible and to keep printing carbon-neutral. LUKB was able to reduce its consumption of paper and envelopes once again in 2023. Despite a marked increase in business activity, the Bank now uses 48% less paper and 57% fewer envelopes than in 2010.

Waste

Much of the Bank's waste paper consists of newspapers, printed matter that is no longer required, and internal printer paper. As the business has become more digitalised, LUKB has been able to reduce waste volumes significantly, especially since 2018. When disposing of this waste LUKB abides strictly with the security regulations that apply to banks. It also endeavours to recycle as high a proportion of waste as possible (paper, cardboard, PET and electronic waste, etc.) and thereby keep final waste volumes low. The amount of waste per LUKB employee, per year, has fallen by 56 % (120 kg) since 2010.

A4 paper in tonnes	2021	2022	2023	Target by 2025¹⁾
Use for notifications/statements	24.0	27.0	23.7	
Other usage	39.0	36.6	29.8	
Total paper use	63.0	63.6	53.6	50
No. of envelopes in 1 000s	2021	2022	2023	Target by 2025¹⁾
Use for notifications/statements	1 562	1 541	1 421	
Other usage	698	539	512	
Total envelope use	2 260	2 080	1 933	2 000
Waste in kg per employee	2021	2022	2023	Target by 2025¹⁾
Recycling (paper, cardboard, PET, electronic waste, etc.)	60	56	51	
Incinerated (residual waste)	46	44	42	
Special waste (batteries, etc.)	<0	<1	<1	
Total waste per employee	106	100	93	100

¹⁾ Five-year targets 2021 - 2025

Transparency with regard to minerals and metals from conflict-affected areas and child labour

Under Article 964j paragraph 1 Swiss Code of Obligations (CO), companies that have their seat, head office or principal place of business in Switzerland must comply with due diligence obligations in their supply chains, and report on this compliance, if they:

1. Place in free circulation or process in Switzerland minerals containing tin, tantalum, tungsten or gold or metals from conflict-affected and high-risk areas; or
2. Offer products or services in relation to which there is a reasonable suspicion that they have been manufactured or provided using child labour.

Minerals and metals from conflict-affected areas (Art. 964j para. 1 section 1 CO)

The corresponding requirements under the Swiss Code of Obligations do not apply to LUKB because the Bank does not import or process either minerals or metals from conflict-affected or high-risk areas. LUKB purchases precious metals such as gold and silver bars exclusively from domestic, FINMA-regulated financial institutions which themselves comply with the regulatory requirements.

Child labour (Art. 964j para. 1 section 2 CO)

The Swiss Code of Obligations requires companies to assess whether child labour might have played a part in procurement-related supply chains. LUKB has defined procurement criteria, in particular for promotional items and client gifts, with which its local suppliers must comply. When selecting products, the Bank largely considers producers from Switzerland, the EU or the EEA, thus allowing it to reduce the risk of a breach of the ban on child labour in the supply chain. In addition, when purchasing any item produced in a country listed by the Bureau of International Labor Affairs (United States Department of Labor) LUKB obtains confirmation that it has not been manufactured using child labour.

Corporate social responsibility and sustainability risk assessment

To the appropriate extent, LUKB regularly assesses all types of risk across the Group. These risks also relate to sustainability, including potential events relating to environmental, social and employee matters, as well as governance. Also included here are risks associated with respect for human rights and with combating corruption.

LUKB does not treat sustainability risks as a standalone risk category, but as a driver of default, market, liquidity, operational, compliance, strategic and reputational risks.

The assessment incorporates both risks from its own business operations and its own products and services, and those that might arise in the LUKB value chain.

Systematic risk management enables LUKB to locate and control risks at an early stage. This can have a positive impact on the Bank's earnings, financial stability and reputation, while also building trust among its different stakeholders.

Further information can be found in the 'Risk management' section of the notes to the Group financial report for 2023 on page 87 onwards. LUKB's approaches and action to respect for human rights and combat corruption are also described in the 'Business ethics and compliance' section on page 38 onwards.

At present LUKB is working on how to handle climate-related risks and opportunities in the future in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We will produce a detailed report of approaches and action in the four areas of governance, strategy, risk management, and metrics and targets, for the first time in the 2024 Annual Report. This project also includes the review and updating of the Group-wide risk management framework for climate risks as a basis for more extensive risk and opportunity analyses in the years to come.

Drawing on its Group-wide risk assessment, LUKB determined as at the key date of 31 December 2023 that its sustainability risks with respect to environmental, social and employee matters, as well as respect to human rights and combating corruption, are immaterial. LUKB pursues a long-term business policy aimed at creating a high degree of value for the people and economy of the canton of Lucerne. As the market leader in the Lucerne economic region and as a major employer, LUKB is conscious of its special responsibility and fulfils it actively, holistically, and with an eye to the future.

At LUKB, lending policy and activities are traditionally concentrated on Swiss-domiciled clients and primarily on the Lucerne economic region. LUKB does not finance any raw materials groups or fossil fuel energy-generation projects abroad. In LUKB's asset management business, investment funds and standard portfolio management mandates are managed according to a sustainable approach. Investment advisory services take ESG preferences and risks into account. Procurement also considers sustainability criteria and regional suppliers and partners wherever possible. In its risk management, risk monitoring and compliance management, LUKB abides by strict, clearly defined requirements for internal controls and due diligence checks. LUKB always ensures a balanced relationship between risk and return, and manages risks actively.

Annex: Corporate social responsibility and sustainability

The 17 United Nations Sustainable Development Goals (SDGs) in brief

The SDGs of primary relevance to LUKB are highlighted in colour

	SDG 1: End poverty in all its forms everywhere		SDG 10: Reduce inequality within and among countries
	SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture		SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable
	SDG 3: Ensure healthy lives and promote well-being for all at all ages		SDG 12: Ensure sustainable consumption and production patterns
	SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all		SDG 13: Take urgent action to combat climate change and its impacts
	SDG 5: Achieve gender equality and empower all women and girls		SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development
	SDG 6: Ensure availability and sustainable management of water and sanitation for all		SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
	SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all		SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		SDG 17: Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development.
	SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation		

Source: United Nations

2023 report on non-financial matters according to Articles 964a to c Swiss Code of Obligations

Provision in the Swiss Code of Obligations	Where disclosed in the Annual Report
The report on non-financial matters provides an account of...	
Art. 964b para. 1 ... environmental matters , in particular the CO ₂ goals	Pages 24 to 72
Art. 964b para. 1 ... social issues	Pages 24 to 72
Art. 964b para. 1 ... employee-related issues	Pages 24 to 72 Pages 149 to 175 (Compensation Report)
Art. 964b para. 1 ... respect for human rights	Pages 24 to 72
Art. 964b para. 1 ... combating corruption	Pages 24 to 72
The report contains the information required to understand...	
Art. 964b para. 1 ... business performance	Pages 12 to 21 (Annual Review) Pages 77 to 146 (Financial Report)
Art. 964b para. 1 ... the business result	Pages 12 to 21 (Annual Review) Pages 77 to 146 (Financial Report)
Art. 964b para. 1 ... the state of the undertaking	Pages 12 to 21 (Annual Review) Pages 77 to 146 (Financial Report)
Art. 964b para. 1 ... the effects of its activity on environmental matters	Pages 24 to 72
Art. 964b para. 1 ... the effects of its activity on social issues	Pages 24 to 72
Art. 964b para. 1 ... the effects of its activity on employee-related issues	Pages 24 to 72
Art. 964b para. 1 ... the effects of its activity on respect for human rights	Pages 24 to 72
Art. 964b para. 1 ... the effects of its activity on combating corruption	Pages 24 to 72
The report includes in particular ...	
Art. 964b para. 2.1 ... a description of the business model	Page 2 (Brief profile) Pages 3 to 4 (Investor information) Page 11 (LUKB25 strategy) Pages 24 to 44
Art. 964b para. 2.2 ... a description of the policies adopted in relation to environmental matters as referred to in paragraph 1, including the due diligence applied	Pages 24 to 33, 41 to 44, 54 to 71
Art. 964b para. 2.2 ... a description of the policies adopted in relation to social issues as referred to in paragraph 1, including the due diligence applied	Pages 24 to 44, 52 to 54, 71
Art. 964b para. 2.2 ... a description of the policies adopted in relation to employee-related issues as referred to in paragraph 1, including the due diligence applied	Pages 24 to 33, 37 to 40, 45 to 51, 68 to 71 Pages 149 to 175 (Compensation Report)
Art. 964b para. 2.2 ... a description of the policies adopted in relation to respect for human rights as referred to in paragraph 1, including the due diligence applied	Pages 24 to 33, 38 to 44, 53 to 54, 68 to 71
Art. 964b para. 2.2 ... a description of the policies adopted in relation to combating corruption as referred to in paragraph 1, including the due diligence applied	Pages 24 to 33, 38 to 44, 53 to 54, 68 to 71

Provision in the Swiss Code of Obligations		Where disclosed in the Annual Report
Art. 964b para. 2.3	... a presentation of the measures taken to implement these policies and an assessment of the effectiveness of these measures in relation to environmental matters	Pages 24 to 33, 41 to 44, 54 to 71
Art. 964b para. 2.3	... a presentation of the measures taken to implement these policies and an assessment of the effectiveness of these measures in relation to social issues	Pages 24 to 33, 41 to 44, 52 to 54, 71
Art. 964b para. 2.3	... a presentation of the measures taken to implement these policies and an assessment of the effectiveness of these measures in relation to employee-related issues	Pages 24 to 33, 45 to 51, 68 to 71 Pages 149 to 175 (Compensation Report)
Art. 964b para. 2.3	... a presentation of the measures taken to implement these policies and an assessment of the effectiveness of these measures in relation to respect for human rights	Pages 24 to 33, 38 to 44, 68 to 71
Art. 964b para. 2.3	... a presentation of the measures taken to implement these policies and an assessment of the effectiveness of these measures in relation to combating corruption	Pages 24 to 33, 38 to 44, 71
Art. 964b para. 2.4	... a description of the main risks related to the matters referred to in paragraph 1 and how the undertaking is dealing with these risks. In particular, it shall cover risks: a. that arise from the undertaking's own business operations, and b. provided this is relevant and proportionate, that arise from its business relationships, products or services	Page 71 Pages 82 to 93 (Notes to Financial Report)
Art. 964b para. 2.5	... the main performance indicators for the undertaking's activities in relation to environmental matters	Pages 41 to 44, 54 to 71
Art. 964b para. 2.5	... the main performance indicators for the undertaking's activities in relation to social issues	Pages 41 to 44, 52 to 54, 71
Art. 964b para. 2.5	... the main performance indicators for the undertaking's activities in relation to employee-related issues	Pages 45 to 51, 71 Pages 149 to 175 (Compensation Report)
Art. 964b para. 2.5	... the main performance indicators for the undertaking's activities in relation to respect for human rights	Pages 38 to 45, 70 to 71
Art. 964b para. 2.5	... the main performance indicators for the undertaking's activities in relation to combating corruption	Pages 38 to 45, 70 to 71



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