



Sustainability Report 2025

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FOREWORD

Dear reader

Thank you very much for your interest in Zuger Kantonalbank's Sustainability Report. For the third time, we are publishing our report in accordance with the internationally recognised Standards of the Global Reporting Initiative (GRI). In the 2025 reporting year, we voluntarily met the content requirements specified in Art. 964 CO in full for the first time and prepared the Climate Report in accordance with the standards of the Taskforce on Climate-related Financial Disclosures (TCFD). Article 964 on non-financial reporting is aimed at creating transparency regarding the bank's business model and its impacts on society and the environment.

In 2025, we updated our materiality analysis in accordance with the principle of double materiality and at the same time took into account the draft GRI Sector Standard for banks. We identified six material topics: climate matters, data protection and data security, financial health and inclusion, corruption and financial criminality, marketing and product labelling, as well as non-discrimination and equality of opportunity.

Given the thematic focus on the material impacts, opportunities and risks along our entire value chain, we adapted the structure of the report. Consideration of ESG criteria in the investment and lending businesses is now an integral part of the presentation of our business model in section 1. In the subsequent sections 2 to 7 on the material topics, aspects of the investment and lending businesses are addressed where relevant in content terms.

In the reporting year we achieved two important milestones on climate matters – the most important material topic of all:

- On 1 July 2025, the Swiss Financial Market Supervisory Authority FINMA approved the reduction target for our equity funds. Achievement of the target is measured in tonnes of CO₂ equivalents (CO₂e) from Scope 1 and Scope 2 emissions per USD million turnover. Versus the reference values as at the end of 2022, we intend to lower the CO₂e intensity of the equity funds by 35 percent by 2030. We are currently on track, with all three funds having surpassed the target as at 31 December 2025.
- We defined a reduction pathway for our mortgage portfolio in the reporting year, the aim being to achieve a 55 percent reduction in the CO₂e intensity of real estate financing by 2035 compared with 2023.

In addition, we took various measures to accelerate the reduction in greenhouse gas emissions: Our new Wüest Refurb advisory tool enables clients to plan the energy-efficient renovation of their properties and assess the associated costs. As part of their transition plans, the real estate funds administered by our subsidiary Immofonds Asset Management AG (IFAM) continued to invest significant sums in energy-efficient renovation, the replacement of fossil-fuel heating and the expansion of photovoltaics and automated metering infrastructure.

Employee matters and our regional commitment are no longer material topics for the bank, according to the new double materiality analysis. Our employees nevertheless remain essential to our long-term business success as a service provider. The support given to the economy and society in the Canton of Zug are also of major importance to us as a cantonal bank. We therefore continue to report on these topics.

With regard to employee development, we successfully concluded the first round of our talent programmes in the reporting year: At the end of the year we were able to fill three business area head roles with participants from the internal Senior Management Programme. We extend our warm congratulations to the candidates and look forward to the continuation of the talent programmes in the coming year.


As the leading bank in the Canton of Zug, we are continually focused on the region through our commitment to sustainability. For instance, we supported the retrofitting of a vessel on Lake Aegeri to enable it to sail using an electric motor.

We were particularly delighted when Swiss ESG rating agency Inrate upgraded our ESG Impact Rating from "B" to "B+" and IMMOFONDS from IFAM scored 88 (previous year: 82) points in the internationally recognised GRESB sustainability benchmark and therefore confirmed its 4-star classification on a scale of 1 to 5. These two examples show that our commitment to society, our employees, the Canton of Zug, the environment and future generations is also recognised by independent experts.

We are aware of our responsibility towards the environment, society and future generations and therefore strive to take environmental and social aspects into account in our business activities.

Thank you for the trust you place in us and in our employees. Over the following pages, we are pleased to present an in-depth insight into the responsible, multi-faceted commitments of Zuger Kantonalbank.

Kind regards



Urs Rügsegger
Chairman of the Bank Council



Hanspeter Rhyner
Chief Executive Officer

Sustainability Report

1 Sustainability at Zuger Kantonalbank

1.1 How we understand sustainability

Our understanding and concept of sustainability are enshrined in a harmonious interaction between business, society and the environment. These three factors are inextricably linked: Without a functioning economy, social and environmental goals cannot be achieved. In return, long-term economic success can only be achieved if the environment is intact and society is functioning well. Comprehensive sustainable development is therefore of fundamental importance if we are to leave future generations with an intact society, environment and economy. For our new 2026 to 2029 strategy period, sustainability was therefore defined as a set of guidelines in the form of a binding framework under the slogan "gemeinsamzumziel2029".

1.1.1 What guides us

The following drivers form the basis for our actions in relation to sustainability:

- The Zuger Kantonalbank Act stipulates that the bank is operated as a for-profit universal bank and takes into account the needs of the people of Zug.
- It is our responsibility to minimise or avoid as far as possible the negative impact of our business activities on the environment and society, and to assist clients in valuing, managing and protecting their assets from ESG (ESG = Environment, Social and Governance) risks too.
- As a bank, we are bound by law and by our industry's self-regulation guidelines to take sustainability aspects into account in our business activities.
- We intend to use the opportunities afforded by putting the economy and society on a more sustainable footing to the benefit of our shareholders. At the same time, the aim is also to systematically address the associated risks.
- Innovation and technological progress are crucial to our prosperity. We want our clients and the region to benefit from these developments.
- Our staff are pivotal to our success. We want to be an attractive employer and to develop ourselves continuously.

1.1.2 Pioneering vision for ourselves and our stakeholders

We think and act in a future-oriented way. We incorporate ecological and social aspects into our ambitious business objectives. In this way, we create responsible and long-term added value for our clients, shareholders and employees, as well as for the Zug economic region and for the environment. As a company, we strive to be a sustainable bank with particular expertise in sustainable investing.

1.2 Stakeholder involvement and material topics

1.2.1 Our key stakeholder groups

Zuger Kantonalbank's success and long-term stability depends essentially on the people and organisations that are directly or indirectly connected with the bank. Our stakeholder groups also influence our reputation, the development of our services and society's acceptance of our actions. Their expectations show us what topics are relevant for sustainable development and in what areas we can develop further.

The continuous, open dialogue with our stakeholders helps us identify our impacts as well as opportunities and risks at an early stage, build trust and develop solutions that serve our business objectives as well as the expectations of stakeholders.

Based on our experience and past interactions, we identified and prioritised six stakeholder groups that are especially important to our business activities and sustainable development. Our dialogue with these stakeholder groups and their involvement are explained below.

1.2.1.1 Clients

Zuger Kantonalbank communicates with its clients via multiple channels, through personal discussion as well as in the digital space. The priority in terms of relationship management is personal contact, especially in advisory consultations centred on individual requirements and personal circumstances. A major presence at events, for instance on the topics of investment and retirement planning, provides an additional platform for direct dialogue and knowledge transfer.

We have expanded our system for measuring client satisfaction. Thus clients are regularly invited to provide feedback on our performance, for example after using E-Banking, following a telephone call to the Service Center or after visiting a branch. Furthermore, clients can use digital channels to communicate with the bank: the electronic client portal, website and our "ZugerKB direct" Service Center, which can be contacted by telephone, e-mail or chat.

Complementing this, we regularly conduct client surveys and tests in order to systematically obtain feedback when launching new products and services. In addition, we record client complaints in a tool and systematically evaluate them in order to pinpoint weaknesses (see also section 1.4.3.2 Structured complaints process for external stakeholders of Zuger Kantonalbank, p. 14).

1.2.1.2 Shareholders

Zuger Kantonalbank maintains a dialogue with its shareholders through its Annual General Meeting, at which strategic focal points, business results and sustainability topics are presented and discussed. The Annual General Meeting is also responsible for final approval of the annual financial reports. Via our website and electronic newsletters, we also provide shareholders with information on the bank's financial and non-financial performance on a periodic basis.

A regular, institutionalised dialogue is also held with the Canton of Zug – our majority shareholder. The primary focus at these information meetings is on the bank's business performance and strategy.

1.2.1.3 Employees

An open, respectful and trust-based dialogue with our employees characterises our corporate culture. Use of the informal "Du" when addressing colleagues, a non-hierarchical career model as well as regular meetings with the Executive Board encourage continuous dialogue across all levels. Rather than a single annual meeting, we conduct four feedforward dialogues every year. This is not just about feedback; above all it is about individual development – about how each employee can expand on their personal strengths, develop new skills and at the same time make their own contribution to the bank's success. Employees and managers are encouraged to actively seek and provide feedback – with a view to the future and to future development of each person.

Our employee survey is vitally important. Satisfaction, commitment and action areas are recorded every year, alternately in the form of comprehensive, full-scale surveys or compact pulse surveys. Furthermore, our employees can use other channels to contribute their ideas and help shape changes: from a platform for submitting ideas for projects and improvement to regular information events. All these results constitute an important basis for the future development of our culture, our working conditions and our leadership skills.

The Personnel Committee plays an important role in representing interests and is recognised by the Executive Board as a competent partner. Through its activities, it makes a material contribution to a culture of open debate.

1.2.1.4 Society

Zuger Kantonalbank presents its business results twice annually. In addition, we notify the general public of the latest events through regular media conferences and press releases. Our Media Office is the contact point for all inquiries from media representatives and the public.

Zuger Kantonalbank is open to exchange with interest groups. As well as being an active member of various associations and organisations, we also nurture a dialogue with politicians.

1.2.1.5 Suppliers and business partners

We see our suppliers not just as external service providers but also as integral actors in the implementation of stability, sustainability and responsible business conduct. We also maintain personal contact with our business partners. This involves drawing attention to our expectations, such as the principles for sustainable procurement, and conversely obtaining important ideas for our own future development.

1.2.1.6 Environment (NGOs and associations)

The dialogue with industry associations and environmental organisations gives us important perspectives on environmental challenges, sustainability trends and regulatory developments. Via the exchange with these organisations, we can reflect on our own environmental objectives, swap experiences with other financial institutions, gear our actions to best practice and identify opportunities for improvement.

As a member, we are involved in various industry and sustainability associations (see section 1.8 Membership of associations and organisations, p. 29 f.). This enables us to identify current developments, recommendations and standards in the sustainability space at an early stage and incorporate them into our business processes.

1.2.2 Material topics

1.2.2.1 Analysis procedure and impact on report content and report structure

In 2025 we conducted a double materiality analysis based on the European Financial Reporting Advisory Group (EFRAG) guidelines for the first time in order to identify the topics that are material to us. This involved evaluating our impacts on society, environment and economy (inside-out perspective) as well as the financial influences these topics have on us (opportunities and risks/outside-in perspective). As provided for in the guidelines, we took into account the entire value chain of Zuger Kantonalbank in the course of this analysis. In the case of subsidiary Immofonds Asset Management AG ("IFAM"), the core business and operations were included in the analysis. The upstream and downstream elements of IFAM's value chain did not form part of the analysis. For instance, emissions from operations were included, whereas emissions arising from the construction of properties were not.

We began the process in 2024 through conversations with key stakeholders in order to obtain their views on potentially relevant topics. The resulting findings were incorporated into the identification of potential material topics. Furthermore, we took into account internal analyses, comparisons with reports from other cantonal banks and the focal topics of rating agencies. All identified, potential material topics are covered by the draft GRI Sector Standards for banks and asset managers.

As mentioned at the beginning of this section, the impacts and financial influences along the entire value chain must be taken into account in a materiality analysis according to the requirements of EFRAG as well as other international reporting standards. This has consequences for the structure of our report: The investment business and the lending business, which were treated as separate material topics in previous analyses and reports, are now presented in this introductory section on sustainability at Zuger Kantonbank as part of the business model. We then explain how ESG topics are generally considered within our core business as well as in our procurement practice. In the subsequent sections on the material topics, aspects of the investment and lending businesses are addressed where relevant in content terms.

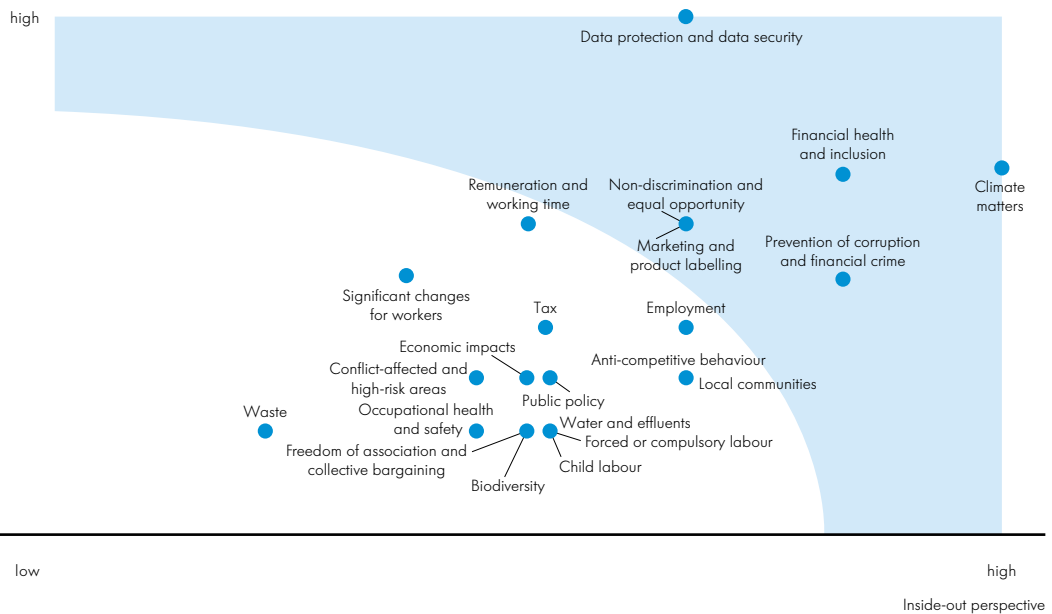
We evaluated the specific impacts (inside-out perspective) of the identified, potentially material topics in terms of scale, scope and likelihood of occurrence. The overall assessment of opportunities and risks (outside-in perspective) was conducted internally by Risk Management. For each opportunity and risk, we evaluated the financial effects and potential impacts on reputation or compliance with external requirements. In addition, we evaluated whether the impacts of the opportunity or risk tend to materialise in the short (current financial year), medium (up to five years) or long (over five years) term.

1.2.2.2 Results of the analysis

The results are shown in the following materiality matrix. The area shaded in blue defines the area in which a topic is deemed material.

Materiality matrix

Outside-in perspective



We rate the following six topics as material for Zuger Kantonbank and IFAM (ranked by their materiality):

1. Climate matters
2. Data protection and data security
3. Financial health and inclusion
4. Prevention of corruption and financial crime
5. Marketing and product labelling
6. Non-discrimination and equal opportunity

The results of the materiality analysis were approved by Zuger Kantonalbank's Compensation and Sustainability Committee in July 2025. Reporting on material topics in accordance with the requirements of the GRI Standard and the supplementary legal requirements is included in sections 2 to 7 of this report.

Compared with the previous year's report and past materiality analysis, climate matters, financial health and inclusion as well as marketing and product labelling are new material topics. On climate matters, we reported in the previous year based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in the separate section "Climate reporting" and additionally in the sections "Responsible investments", "Responsible lending" and "Environmentally friendly operations". Due to the new reporting structure, the entire climate report is now summarised in section 2 Climate matters (p. 31 ff.) and for the first time covers the TCFD recommendations in full.

We continue to report on the previous material topics of "Responsible investments" and "Responsible lending" in section 1.5 ESG in the core business (p. 17 ff.) as well as in the context of the material topics in the respective sections. Additional topics such as employee matters or our regional commitment come under the defined materiality threshold, according to the new double materiality analysis. Our employees nevertheless remain key to our long-term business success as a service provider. The support given to the economy and society in the Canton of Zug is also of major importance to us as a cantonal bank. We therefore continue to report on these topics, albeit to a reduced extent, in sections 8 Employee development at Zuger Kantonalbank (p. 77 ff.) and 9 Commitment to the region (p. 83 f.).

1.3 Business model

Zuger Kantonalbank is a public limited company under special law with a listing on the Swiss stock market. 50.1 percent of its shares are held by the Canton of Zug, with the remainder owned by around 11,000 private shareholders. We operate as a universal bank in the Canton of Zug, offering our private and corporate clients a comprehensive range of financial services for account management, payment transactions, saving, investment, retirement provision, lending and real estate. With our regional roots, we make a substantial contribution to the development of Zug as a place to live and work. Zuger Kantonalbank benefits from a state guarantee.

The business activities of Zuger Kantonalbank and IFAM are explained in the following section. Details of the income structure are shown in the 2025 Annual Report (Annual Report 2025, Management Report, Annual Results 2025, p. 10) (German only).

1.3.1 Corporate structure

Zuger Kantonalbank is the parent company of the Group. The scope of consolidation includes all directly or indirectly held material Group companies in which Zuger Kantonalbank holds a majority of the votes or capital. It does not include minority holdings that are classed as non-material due to their minimal importance. The Group includes not only the parent company but also Immofonds Asset Management AG, which has its registered office in Zurich and is 100 percent owned by Zuger Kantonalbank. Additional information on non-consolidated participations is contained in the 2025 Annual Report, Consolidated financial statements, Notes to the Consolidated financial statements, section 2. Accounting & valuation policies, p. 27 ff. and in Parent company financial statements, Notes to the financial statements section 1 Accounting & valuation policies, p. 68 (German only).

1.3.2 Core of our business activities

Support for private clients, companies and institutional investors with lending, investing and retirement planning lies at the heart of the business model of Zuger Kantonalbank, as a universal bank. The focus of the bank's business activities is on the Zug economic region.

As an independent fund management company and asset manager, IFAM invests in Swiss real estate assets. In line with the provisions on collective investment schemes, it offers institutional and private investors the opportunity to invest in residential properties with good value retention. They offer the publicly listed IMMOFONDS and the non-listed IMMOFONDS suburban investment funds. Details of the funds can be obtained from the annual and semi-annual reports (www.immofonds.ch) (German and French only). Information on the activities of the funds is given in section 1.5.2.2 IFAM (p. 23).

1.3.2.1 How our lending business is structured

Zuger Kantonalbank's lending business predominantly comprises the granting of mortgages for owner-occupied residential property and investment properties as well as commercial lending (see table below). Measured by volume, the mortgage business dominates with around CHF 14 billion – or 90 percent – of our lending business as at the end of 2025. 39.8 percent of the mortgage business consists of owner-occupied residential property and 60.2 percent of investment properties. The loan portfolio was reduced by CHF 326 million versus the previous year. Lending for owner-occupied residential property increased by 4.3 percent in 2025, while investment properties (–5.2 percent) and commercial lending (–12.2 percent) declined. At 3.9 percent, other loans – comprising agricultural financing, financing to public companies and lombard loans – accounted for only a small portion of lending business.

Breakdown of the loan portfolio by type of loan^a

Type of loan (figures in CHF million, rounded)	31.12.2025	31.12.2024
Owner-occupied residential property	5,582	5,353
Investment properties	8,460	8,921
Commercial loans	887	1,010
Other loans ^b	603	574
Total	15,532	15,858

a Figures by loan type include deposits and are shown before netting with value adjustments.

b Includes agricultural financing, financing to public companies and lombard loans.

Zuger Kantonalbank deliberately chooses not to grant consumer loans to private clients; this enables us to limit the risk of indebtedness for our clients. Nor are we active in the leasing business. As an alternative, we offer our corporate clients investment loans for the financing of machinery and production facilities, for example.

1.3.2.1.1 Sector structure of commercial lending business

At the end of 2025, the manufacturing sector and the public administration, health and social care sector group accounted for the largest share of Zuger Kantonalbank's commercial lending volume at around 20 and 18 percent respectively.

Breakdown of Zuger Kantonalbank's commercial lending by sector

in %	31.12.2025	31.12.2024
Construction	5.7	10.0
Financial and insurance services	7.7	6.8
Scientific and technical services	9.3	8.0
Property and housing	14.6	14.8
Trade, transport and warehousing	14.3	14.3
Information and communication	4.2	4.1
Public administration, healthcare and social services	18.2	17.7
Manufacturing	20.2	18.8
Other industries	5.8	5.7
Total	100.0	100.0

Notes on the table: Due to rounding, the aggregate of individual items may differ marginally from the total (100 percent).

1.3.2.1.2 Regional composition of the lending business

The proportion of mortgage-financed properties in the rest of Switzerland rose slightly in the year under review; however, the focus of the mortgage business remains in the Canton of Zug.

Mortgage breakdown by property location

in %	31.12.2025	31.12.2024
Canton of Zug	70.8	71.9
Rest of Switzerland	29.2	28.1
Total	100.0	100.0

Zuger Kantonalbank's commercial lending business is generally focused on local businesses in the Zug economic region (see table below). There is no commercial lending outside Switzerland. A substantial portion of the lending volume is granted to small and medium-sized (SME) corporate clients (see section 4.3.2 Lending business, p. 61). In addition, Zuger Kantonalbank provides loans to larger Swiss corporate clients through wholesale and syndicated lending. Indeed, syndicated loans account for 36.0 percent of volume in the commercial lending business.

Breakdown of Zuger Kantonalbank's loan portfolio (excluding mortgages) by registered office

in %	31.12.2025	31.12.2024
Canton of Zug	62.3	65.2
Rest of Switzerland	37.7	34.8
Outside Switzerland	0.0	0.0
Total	100.0	100.0

1.3.2.2 How our investment business is structured

In the investment business, we are active in investment advice and asset management. In addition to personal support from our client advisors, we also offer our clients E-Invest – a digital solution that enables them to manage their portfolio independently. The following investment products are available:

- ZugerKB investment funds (ZugerKB equity, bond and strategy funds as well as pension funds)
- ZugerKB fund savings plans
- Real estate funds from IFAM (IMMOFONDS and IMMOFONDS suburban)
- Money market, time deposit and fiduciary investments
- Foreign exchange and precious metals
- Derivative products
- Digital assets (cryptocurrencies)
- Direct investments in individual securities or financial products of other providers

The client assets managed by Zuger Kantonalbank take into account all assets under management (custody accounts, fund savings plan accounts, pension accounts) as well as all client accounts (including medium-term bonds and money market transactions). As at 31 December 2025 this consisted of the following:

Client assets managed by Zuger Kantonalbank

	in CHF million (rounded)	in %
Total	29,353	100.0
■ of which asset management mandates	2,610	8.9
■ of which own investment funds	1,125	3.8

The aggregate net fund assets of the two IFAM products as at 31 December 2025 totalled as follows:

Net fund assets of IFAM

	in CHF million (rounded)	in %
Total	1,796	100.0
■ of which IMMOFONDS	1,706	95.0
■ of which IMMOFONDS suburban	90	5.0

1.3.3 Consideration of the value chain

Zuger Kantonalbank's business model impacts on the economy, society and the environment via direct and indirect relationships:

Upstream: This includes suppliers and service providers that provide products and services for the bank's operations, such as IT infrastructure and software solutions. In certain areas of the upstream value chain, Zuger Kantonalbank also uses outsourcing, where individual processes and services are delegated to partner firms. In particular, this includes the operation of our core banking software by an external IT provider, application for connecting to payment transactions, and provision of printing and logistics services. For further details, please see section 1.6 ESG in the wider value chain, p. 24 ff., and in the 2025 Annual Report, Consolidated financial statements, Notes to the consolidated financial statements, section 3. Risk management, Outsourcing, p. 38 (German only).

Downstream: This includes lending activities (for example, mortgages, corporate loans), investment and fund products as well as external asset managers. These enable Zuger Kantonalbank to directly influence the development of companies and real estate which it finances as well as the investment universe which it makes accessible to clients.

Zuger Kantonalbank does not have any distribution partners as defined in financial market law. This means that in terms of the marketing of its products and services the bank does not rely on third parties that are contractually tied to the bank. It only works with external asset managers, who work directly on behalf of their clients. Zuger Kantonalbank maintains custody accounts and accounts for the asset managers' clients.

IFAM's distribution activities take place primarily through financial intermediaries that recommend the units in the two funds to their clients. Units in IMMOFONDS can be bought and sold on the stock exchange. Units in IMMOFONDS suburban are distributed to qualified investors on a limited scale. In the case of capital increases, IFAM works with selected banks on a contractual basis.

1.4 ESG in governance

1.4.1 Code of Conduct

Responsible action is a key value for Zuger Kantonalbank and its subsidiary IFAM. This enables us not only to minimise the risks involved in non-compliance with legal requirements but also to strengthen trust on the part of our stakeholders. We consider both to be an important pillar of our long-term business success. The Bank Council of Zuger Kantonalbank and the Board of Directors of IFAM have both issued a binding Code of Conduct setting out the ethical principles and professional standards for all employees.

The Zuger Kantonalbank Act, articles of association, organisational regulations, Code of Conduct and Ethics, as well as the general principles for sustainable procurement for suppliers of Zuger Kantonalbank, can be viewed on the bank's website at: www.zugerkb.ch/rechtsform-reglemente (German only) or www.zugerkb.ch/en/zugerkb/our-commitment/sustainability

IFAM's Code of Conduct can be viewed on the IFAM website at: www.immofonds.ch/unternehmen/governance/verhaltenskodex (German only)

1.4.1.1 Comprehensive regulations of the financial industry as a framework

Finance is one of the most heavily regulated sectors. Accordingly, Zuger Kantonalbank and IFAM are required to comply with various laws, ordinances, regulations and self-regulation guidelines, and to align their business activities accordingly. These regulations primarily serve to protect clients, ensure transparency and prevent criminal, unlawful or unethical conduct. We also include respect for human rights – particularly in procurement – in responsible business conduct (see section 1.5 ESG in the core business, p. 17 ff.).

1.4.1.2 Regular training and development as well as a wide range of tools

To ensure that the employees of Zuger Kantonalbank are familiar with the directives applicable to them in connection with business conduct, the bank arranges face-to-face and online training courses. In the case of mandatory requirements, the training courses are declared binding for all employees who are affected by these rules and completion of the courses is checked. For example, all bank employees must complete training in market behaviour and insider trading every year.

IFAM conducts its own training on data protection and market behaviour as required.

1.4.2 Three-line model for implementation and control

In line with the requirements of Zuger Kantonalbank's Bank Council, the Executive Board is responsible for operational implementation of the guidelines, principles and regulations. To that end, the Executive Board has issued binding directives, implementing regulations, processes and controls and relies on three lines: The **first line** consists of client advisors, processing employees and specialists. As part of their work, they align their actions to the applicable guidelines and directives, thus ensuring that they act responsibly. In the **second line**, the independent control bodies of Compliance and Risk Controlling set out requirements in connection with responsible business conduct as well as provide training and ensure compliance. Internal Audit – as the **third line** – conducts independent audits.

Both the second and third line, as well as the external audit firm, report regularly to the Executive Board and the Bank Council. Reporting includes any identified or reported compliance violations and other shortcomings in terms of adherence to responsible business conduct. These defects must be remedied within a defined period of time, with checks carried out in the course of a follow-up audit.

The three-line model is anchored in a similar way at IFAM, although independent audits are conducted by Zuger Kantonalbank's Internal Audit unit.

Internal Audit

Internal Audit assists the Bank Council and the Executive Board with fulfilling their supervisory and management responsibilities by conducting independent audits on the appropriateness and effectiveness of governance, risk management as well as processes and controls.

Internal Audit conducted various audits in the year under review, including on employee onboarding, inclusion of ESG aspects in investment advice, ad-hoc communication and ESG reporting. It awarded overall ratings of A (appropriate) to D (insufficient), although assessments showing a major need for action were in the minority.

Internal Audit monitors implementation of the measures derived from the audit reports soon after expiry of the deadlines set in each case. The follow-up checks conducted in the year under review showed that the measures had been implemented fully and correctly.

Overall ratings of Internal Audit in 2025

Rating A – appropriate	3
Rating B – satisfactory	5
Rating C – needs improvement	2
Rating D – insufficient	0

1.4.3 Complaints procedure and violations

1.4.3.1 Professional whistleblowing procedure for employees

If employees identify actions that are unethical or violate laws, regulations, our Code of Conduct or directives, they can report them to the external Integrity Plus unit on a round-the-clock basis. The reporting process guarantees the anonymity of the reporting person. If the reporting person decides to waive their anonymity, Zuger Kantonalbank takes measures to ensure that they are not disadvantaged. In addition, a secure mailbox can be set up for communication if necessary. If the report is brought to Zuger Kantonalbank's attention, serious cases are part of the regular, quarterly reporting to the Executive Board and the Bank Council. No reports were received by Integrity Plus in 2025.

As an alternative to reporting via the external unit Integrity Plus, line managers, the heads of Legal and Compliance or the HR department can be contacted at any time. Zuger Kantonalbank's Personnel Committee (PEKO) is also available for personal and work-related matters.

IFAM likewise offers its employees the opportunity to contact an internal unit or the external unit Movis. No reports were recorded by IFAM either in 2025. Employees can also lodge complaints in the monthly employee survey. An internal complaints procedure also exists.

1.4.3.2 Structured complaints process for external stakeholders of Zuger Kantonalbank

Zuger Kantonalbank also has an internal, structured complaints process in place for its clients as well as external stakeholders. This supports, standardises and simplifies the process as well as ensuring prompt communication and efficient processing. In addition, the process enshrined in the directives stipulates that the line manager and, if necessary, the Executive Board should be involved.

Client complaints regarding Zuger Kantonalbank can also be reported to the Swiss Banking Ombudsman. This is a neutral and cost-effective banking industry intermediary, which is co-financed by Zuger Kantonalbank. Complaints can be submitted by telephone or in writing, by post or via an online form at any time.

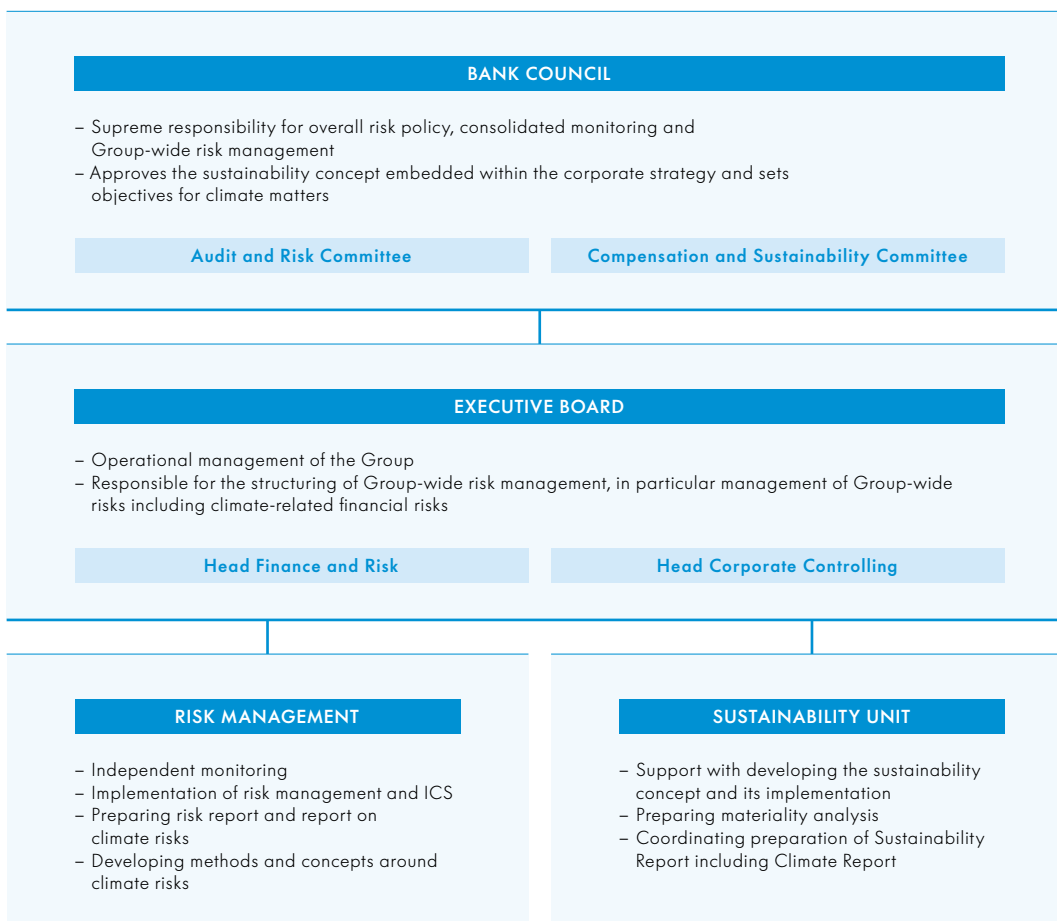
1.4.3.3 No violations or fines

During the reporting period (as in the previous year 2024) no significant violations of laws or regulations were recorded by Zuger Kantonalbank or IFAM and accordingly no fines were paid. Nor are there any relevant (pending) legal proceedings.

1.4.4 Governance and responsibilities

1.4.4.1 Zuger Kantonalbank

Governance structure of the Zuger Kantonalbank group



In accordance with the law and the articles of association of Zuger Kantonalbank, the **Bank Council** is responsible for ultimate supervision and control of Group-wide risk management. At the request of the Executive Board, the Bank Council – as the highest governing body – therefore approves the sustainability concept embedded in the corporate strategy. It defines the main ESG matters and objectives for Zuger Kantonalbank. The Bank Council decides on the application of national or international regulations for ESG reporting and approves the corresponding external reporting.

The Bank Council also issues and is responsible for the overall risk policy in the context of Group-wide risk management and consolidated risk monitoring. This policy constitutes the basis for all regulations and directives dealing with Zuger Kantonalbank's various risks and is the key element of Group-wide risk management. It also governs all duties and competencies with regard to climate-related financial risks.

The **Audit and Risk Committee** of the Bank Council monitors the risks in connection with the identified, material ESG concerns (including climate-related risks). To that end, Risk Management reports to the Audit and Risk Committee annually in the context of its regular information on banking risks and current assessment of climate risks.

The **Compensation and Sustainability Committee (CSC)**, which consists of three members of the Bank Council, supports the Bank Council and the Executive Board on sustainability issues in an independent, expert manner. In particular, it prepares the following matters and submits them to the Bank Council for approval: development of the sustainability concept, definition of metrics and scope, and frequency and format of reporting. Furthermore, its activity includes developing possible sustainability targets for the bank's top management tiers as well as examining the content in the Annual Report relating to sustainability, remuneration and corporate governance. In addition, the CSC reviews progress on implementation of the content as well as estimates the resources required for implementation. The CSC holds at least two regular meetings to discuss sustainability topics every year; these meetings are attended by the CEO, the Head Corporate Controlling and the Head Sustainability.

Development of the sustainability concept is the responsibility of the **Executive Board**, which is supported in its task by the CSC. In addition, the Executive Board is responsible for implementing the sustainability concept: Its individual members together with their directly subordinate business area heads, are responsible for implementation within their departments. Furthermore, the Executive Board ensures that material ESG risks are integrated into existing risk management structures and that the associated tasks and responsibilities are defined (see section 1.4.6 Risk management and processes, p. 17).

Risk Management is part of the Finance and Risk department and is independent of operational risk-taking. In particular, it monitors implementation of Group-wide risk management and the structuring of the internal control system (ICS). Every quarter, Risk Management prepares a risk report for the Executive Board, Audit and Risk Committee, and Bank Council.

The **Sustainability Unit** reports directly to the Head Corporate Controlling, who is a member of the Executive Board. It supports the CSC and the Executive Board with developing the sustainability concept and with managing and coordinating its implementation. The unit also ensures that the necessary methodological expertise is in place. In addition, the Sustainability Unit analyses the legal and regulatory environment and filters out the relevant provisions for the bank. The Head Sustainability reports to the Executive Board and the CSC at least once a year on the progress made towards achieving the targets, as well as on the implemented measures and their effectiveness. The unit participates in the relevant steering committees and other bodies and ensures that sustainability aspects are included at an early stage.

The **ESG panel** is responsible for developing the investment-specific aspects of sustainability. It supports the development and implementation of Zuger Kantonalbank's ESG concept, which governs its provisions for responsible investments. This also includes the ESG basic philosophy, advising the management and supervisory bodies, and managing responsible products (for example, by defining the sustainability strategy, cooperation with specialised third-party providers and the maintenance of exclusion and evaluation criteria). The ESG panel is also responsible for assessing the application of ESG standards in individual cases.

1.4.4.2 IFAM

Corporate governance at IFAM is likewise subject to clearly defined responsibilities and processes. Responsibility for ESG topics is enshrined at all levels. The **Board of Directors** is responsible for the sustainability strategy and ESG risks. The **ESG committee** meets at least four times a year, reports directly to the Board of Directors and draws up necessary strategic and operational measures. The **ESG taskforce** implements the sustainability strategy and reports on the progress made towards achieving the sustainability objectives. Portfolio management and project development implement the ESG objectives on a continuous basis in line with their activities. Zuger Kantonalbank is represented on the Board of Directors of IFAM by two members of the Executive Board.

1.4.5 Remuneration policies

The Bank Council of Zuger Kantonalbank has defined sustainability goals. The fulfilment of these sustainability goals is relevant for management and employees when determining variable compensation (see Annual Report 2025, Compensation Report, compensation principles, section 2.2 Executive Board, p. 81 f., German only). The achievement of sustainability goals is also taken into account at IFAM as a part of variable compensation.

1.4.6 Risk management and processes

ESG risks are shown and recorded in the respective risk categories as part of the overall risk policy of the Zuger Kantonalbank Group. For a detailed presentation of the overall risk policy, see Annual Report 2025, Consolidated financial statements, Notes to the consolidated financial statements section 3. Risk management, p. 34 ff.

Longer-term climate-related financial risks are a particularly significant ESG risk for Zuger Kantonalbank. As an independent controlling unit, Risk Management is responsible for the development and application of methods for measuring and assessing climate-related financial risks (see section 2.3.2 Climate-related risks, p. 34 ff.).

In the case of all projects proposed to the Executive Board, project heads must assess the significant positive or negative ESG impacts on stakeholders based on a predefined grid. The assessment is carried out by the Sustainability Unit. In the event of a high ESG risk for Zuger Kantonalbank, Risk Management must be brought in to carry out a detailed risk assessment.

General due diligence as part of the Group's overall risk policy

General due diligence, i.e. the systematic review and analysis of business activity to identify potential risks (including operational risks and ESG risks) of the Group is part of the overall risk policy. The overall risk policy and its subordinate risk policies regulate the extent to which the Group intends to take risks and how these are monitored and managed. The overall risk policy is supplemented by the regulations on the consolidated supervision of Zuger Kantonalbank. For a detailed presentation of the overall risk policy, see Annual Report 2025, Consolidated financial statements, Notes to the consolidated financial statements section 3. Risk management, p. 34 ff.

1.5 ESG in the core business

1.5.1 ESG in the lending business

1.5.1.1 ESG in the commercial lending business

In the commercial lending business, we take a close look not only at the financial situation, business model, organisational structure and governance of the company to be financed but also at the purpose of the financing. The findings are incorporated into the holistic client assessment and result in a documented, comprehensible credit rating. We conduct commercial lending exclusively with companies or counterparties domiciled in Switzerland (see section 1.3.2.1.2 Regional composition of the lending business, p. 11).

In 2025, we strengthened consideration of ESG criteria in the case of lending. Thus we evaluate whether a company is active in an ESG risk sector or has relevant exposure¹ to such a sector or whether minimum social standards are breached. These include fundamental standards such as human rights or the prohibition of child labour, for example. The definition of risk sectors and minimum social standards was carried out based on the exclusion criteria for the investment business (see exclusion criteria of Zuger Kantonalbank in section 1.5.2 ESG in the investment business, p. 18).

¹ Rule of thumb: Relevant exposure if ≥ 5 percent of the company's sales stem from a risk sector.

The evaluation is made firstly based on the NOGA sector codes² associated with the specified risk sectors or the violation of minimum social standards. Second, the evaluation is also based on the specific client information and more detailed research. In the event of exposure to ESG risks or the violation of minimum social standards, the Sustainability Unit conducts in-depth research on the company. The decision on whether or not to lend is then taken by the Credit Office.

1.5.1.2 ESG in the mortgage business

In the mortgage business, ESG criteria are only taken into account for the “Green Loan” at present; these loans can be used for the replacement of fossil fuel-based heating or the installation of a photovoltaic system. In all other respects, ESG criteria are not taken into account when deciding to grant a mortgage or in terms of pricing. In the course of implementing the transition plan (net zero target by 2050) in the mortgage business, various measures were drawn up – some of which have already been implemented. Details can be found in the Climate Report (see section 2.5.1 Climate-related objectives of the lending business, p. 39 f., and 2.5.2 Climate-related key figures for the lending business, p. 40 ff.).

In accordance with the Swiss Banking guidelines for mortgage providers on the promotion of energy efficiency, the long-term value preservation and the energy efficiency of buildings are also taken into account in the advice on financing residential properties. In this respect, client advisors are supported by the newly introduced Wüest Refurb tool.

To help promote the creation of new residential space in the canton, we grant Zug housing cooperatives higher loan-to-value ratios for new lending and calculate affordability on a more comprehensive basis. These support measures were chosen as a voluntary, private-sector contribution in order to encourage the construction of affordable homes in the Canton of Zug.

1.5.2 ESG in the investment business

1.5.2.1 Zuger Kantonalbank

In addition to risk and return considerations, Zuger Kantonalbank has consistently taken ESG factors into account in asset management and investment advice since 2023. This is based on our conviction that the use of ESG criteria in the investment selection process will contribute to a more sustainable global financial system. Accordingly, with the signing of the Principles for Responsible Investment (PRI), Zuger Kantonalbank committed itself to understanding the impact of ESG factors and incorporating them into its investment decisions. It is also a member of Swiss Sustainable Finance (SSF).

1.5.2.1.1 Integration of ESG criteria into the investment process

For the management of our in-house investment funds and in the case of our asset management mandates, we laid down the structured investment process on a binding basis in a new internal directive in January 2023. Here too, there are clear rules on the integration of ESG criteria.

As the first stage in our investment process, companies with business models and behaviour with high sustainability and reputational risks are excluded. We distinguish between norms-based exclusions (exclusion of companies that violate internationally recognised norms and standards), values-based exclusions (exclusion of companies whose business activities are deemed inadmissible for a sustainability-oriented investor) and country-based exclusions (countries that systematically breach international standards).

The **exclusion criteria** (see following table) are reviewed by our ESG panel at regular intervals. The panel is led by our in-house ESG analyst. The panel also includes the Chief Investment Officer, Head Fixed Income & Multi Asset, Head Equities, Head Investment Advisory and, as advisory members, the Head Sustainability, a representative of the investments and pensions team, and a representative of Investment Controlling. The exclusion criteria are communicated to our clients and are shown in transparent form on our website at www.zugerkb.ch/en/esg.

A majority of people in Zuger Kantonalbank's Investment Office have sustainability training (CESGA, ESG-CA, CFA-ESG). In addition, all client advisors in the investment business as well as all persons in the Investment Office were trained internally on ESG issues in 2025.

Exclusion criteria of Zuger Kantonalbank

Exclusion criteria	Direct investments	Investment funds
Norms-based		
UN Global Compact	Result = "fail"	Fund share ≥ 3%
ESG controversies	Result = "red"	Fund share ≥ 3%
Controversial weapons	Share of sales > 0%	Fund share ≥ 3%
Nuclear weapons	Share of sales > 0%	Fund share ≥ 3%
Values-based		
Conventional weapons	Share of sales ≥ 5%	Fund share ≥ 8%
Thermal coal	Share of sales ≥ 5%	Fund share ≥ 8%
Unconventional oil & gas	Share of sales ≥ 5%	
Nuclear energy	Share of sales ≥ 5%	Fund share ≥ 8%
Adult entertainment	Share of sales ≥ 5%	Fund share ≥ 8%
Tobacco	Share of sales ≥ 5%	Fund share ≥ 8%
Gambling	Share of sales ≥ 5%	Fund share ≥ 8%
ESG rating	"B" or "CCC"	"B" or "CCC"
Country-based		
UN sanctions	Result = "yes"	
Government ESG rating	"B" or "CCC"	

As part of our exclusion process, we also consider any inadequate sustainability performance of companies and issuers. Companies or issuers are excluded if they are rated "B" or "CCC" by ratings agency MSCI ESG Research LLC. This ensures that the management of the most important sustainability topics by issuers in our responsible investment universe is at least average compared with the sector as a whole.

When implementing their investment decisions, our portfolio managers ensure that the sustainability policy is complied with. In addition, the bank's Investment Controlling unit monitors compliance with the processes on a regular basis.

Zuger Kantonalbank's ESG panel is responsible for interpreting and developing the investment-specific aspects of sustainability in asset management. For example, in the case of investments (e.g. direct real estate funds or physical commodities) whose ESG performance cannot be analysed on the basis of the underlying assets in the same way as securities investments or investment funds, the team decides whether to include them in the responsible investment universe or not. Further information can be found at: www.zugerkb.ch/en/esg

1.5.2.1.2 Proportion of investments with ESG exclusion criteria

The following table shows the relative share of responsible investments with ESG exclusion criteria for the asset management mandates and in investment advice.

Consideration of ESG criteria^a as at 31 December 2025

in %	Asset management mandates ^c	Investment advice ^d
Investments with consideration of ESG criteria	99.9	86.6
Investments without consideration of ESG criteria	0.1	6.2
Non-rated investments ^b	0.0	7.2

a Consideration of exclusion criteria of Zuger Kantonalbank, securities approved by ESG panel and exclusion of companies or issuers with an ESG rating of "B" or "CCC" by MSCI ESG Research LLC.

b Investments that are not recorded in the ZugerKB database.

c Includes all Zuger Kantonalbank asset management mandates (except individual mandates).

d Includes all investment and pension solutions (except execution-only).

1.5.2.1.3 Investment advice tailored to client ESG preferences

Establishing our clients' ESG preferences in line with the Swiss Bankers Association's binding guidelines enables us to ensure that the investment decisions meet our clients' ESG needs and are taken into account when making investment choices. Zuger Kantonalbank differentiates between the following four profiles:

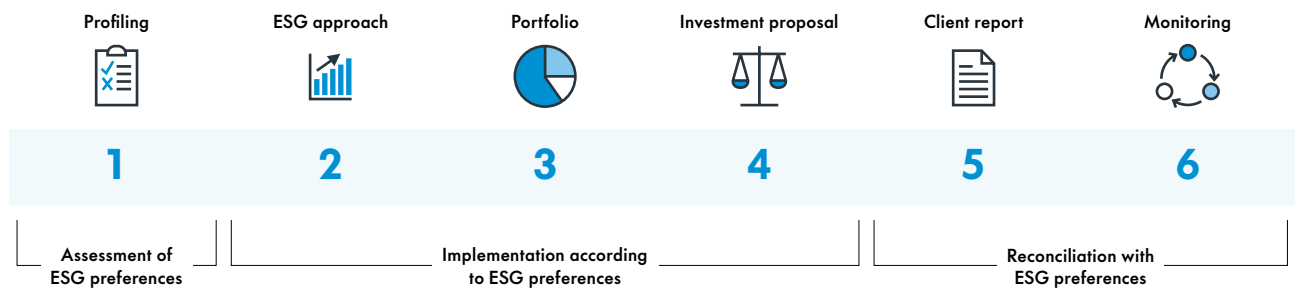
- No consideration of ESG factors
- Neutral
- Consideration of ESG factors
- Consideration of ESG and climate factors

All four profiles can be implemented in portfolio-based investment advisory services and for individual asset management mandates. For standardised asset management mandates and the fund savings plan we offer only some of the profiles, for conceptual reasons. You can find an overview of the investment solutions we offer and the ESG preferences under "ESG preferences" on our website www.zugerkb.ch/en/esg.

1.5.2.1.4 Investment advisory process

Individual ESG preferences are taken into account at all stages of the investment advisory process: from analysis of the portfolio through investment proposals to reporting and ongoing compliance with the preferences in monitoring.

ESG preferences in investment advisory process



All Zuger Kantonalbank clients with an advisory or asset management mandate receive their asset statement at least once a year. In the case of private clients with an ESG preference of "Neutral", "Consideration of ESG factors" or "Consideration of ESG and climate factors", the respective ESG rating will be disclosed individually in the asset statement for each security or collective investment, provided the data is available from MSCI ESG Research LLC. The MSCI ESG rating measures a company's dependency on and resilience to long-term ESG risks of relevance to its sector. Whereas the leading companies (rated "AAA" and "AA") have their ESG risks and opportunities under control and are therefore less exposed to potential risks, the "laggards" (rated "B" and "CCC") do not have such management processes in place.

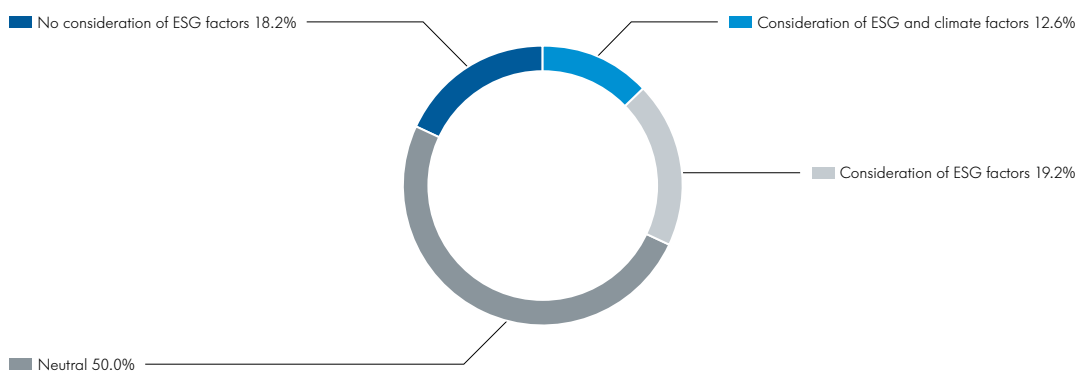
Our private clients with the preference "Consideration of ESG and climate factors" are additionally shown the metric for the Implied Temperature Rise (ITR) of MSCI ESG Research LLC during advisory discussions, if available; however, this is not part of the asset statement. In the advisory discussions, investments from the responsible investment universe that result in a reduced Implied Temperature Rise will therefore be recommended. Implied Temperature Rise is a forward-looking metric expressed in degrees Celsius that compares the alignment of companies, portfolios or funds with global temperature targets under the Paris Climate Agreement.

In line with the asset statement, an investment proposal which works with the same ESG key figures is also drawn up in each case. Currently, Zuger Kantonalbank does not offer its own investment products with impact strategies.

1.5.2.1.5 Current extent of ESG preference identification

Under the self-regulation guidelines of the Swiss Bankers Association, Zuger Kantonalbank identifies the ESG preferences of its client relationships. The preferences of a total of 8,581 clients or 59 percent of the relationships in investment advice had been identified as at the end of 2025.

ESG preferences selected by clients



1.5.2.1.6 Our stewardship approach

Zuger Kantonalbank has implemented stewardship (voting and engagement) in relation to its in-house investment funds, largely in accordance with the Swiss Stewardship Code and the Principles for Responsible Investment (PRI), since 2024. The Swiss Stewardship Code is applied on a voluntary basis and serves as a recommendation. For practical implementation, we have delegated stewardship to our fund management company, which in turn works with Columbia Threadneedle Management Limited, London (CTML). The latter implements stewardship mainly through proxy voting (exercising shareholder voting rights) in the case of our own equity funds and engagement (maintaining an active dialogue with companies) in the case of our equity and bond funds.

Our strategy funds are structured as funds of funds. As a substantial portion of the funds does not consist of direct investments, we do not hold any participations and cannot apply stewardship to these funds. Mandates are likewise exempt from stewardship, as they too contain only a small quota of direct investments.

Proxy voting

The exercising of membership rights includes the exercising of voting rights. Voting has the medium to long-term goal of bringing about improvements in corporate governance, in sustainable business operations and in the social, ethical and environmental responsibility of the companies, thereby achieving growth in shareholder value for the benefit of investors. The fund management company has appointed CTML as proxy with a mandate to exercise the relevant voting rights at all general meetings relating to the relevant subfunds.

Engagement

Engagement is defined as a constructive dialogue with issuers about ESG risks that could have a material negative impact on their business. The objective of engagement is to promote long-term returns on investment by mitigating risk or making the most of opportunities in connection with ESG factors. This can relate to financial performance, sustainability-related risks and opportunities as well as other factors including climate change, environmental responsibility, biodiversity, labour standards, human rights, public health, corporate behaviour and corporate governance. CTML conducts a dialogue with selected companies in which the relevant subfunds are invested. The purpose of this dialogue is to encourage companies to move towards best practice in key ESG areas.

Reporting

Zuger Kantonalbank publishes a quarterly summary report by CTML in English ("Responsible Ownership Activity Report") on its website www.zugerkb.ch/en/esg. This discloses the voting rights and engagement activities performed on behalf of Zuger Kantonalbank based on the aggregated holdings of the relevant subfunds.

1.5.2.1.7 Our stewardship activities in the reporting year

In the year under review, CTML undertook the following voting and engagement activities on behalf of Zuger Kantonalbank:

Proxy voting	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Number of companies	30	176	14	19
Number of items voted on	473	3'246	248	230
Engagement	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Number of companies	29	57	58	37
Milestones reached	7	14	11	6

Notes on the table: The figures shown may include several voting and engagement activities at the same company over the quarters and therefore cannot be aggregated into annual figures due to double-counting.

In 2025, for example, dependence on local water resources was reduced in the case of a mine operator in Chile while cooperation with local authorities was strengthened through consultations and joint projects. Also, thanks to engagement in the IT sector, the responsible use of artificial intelligence in healthcare was boosted by systematically linking innovation and governance. As a result, more efficient work processes were developed and better clinical decisions promoted, accompanied by a high level of transparency and ethical responsibility. In addition, production was expanded at a leading European producer of sustainable aviation fuel, the supply of palm oil was halted and a comprehensive sustainability framework was implemented along the supply chain. The latter meets the EU criteria for carbon footprint as well as for forest protection, land use and human rights.

1.5.2.1.8 Compliance with due diligence obligations in relation to own financial assets and when offering metals

Zuger Kantonalbank's financial assets amounted to CHF 673 million at the end of the reporting year (see Annual Report 2025, Consolidated financial statements, Notes to the consolidated financial statements, Information on the consolidated balance sheet section 5. Financial assets, p. 46). All investments meet the ESG exclusion criteria as described in section 1.5.2.1.1, Integration of ESG criteria into the investment process, p. 18 f.

Since November 2022 our clients have exclusively been offered "Max Havelaar Fairtrade" or "Traceable" gold bars, whose exact origin can be traced, from Zürcher Kantonalbank. Clients purchasing gold bars can thus decide for themselves whether they wish to support high standards in small-scale mining ("Fairtrade") or in professional mining ("Traceable"). We also offer "Traceable" silver to our clients.

Further information can be found at: www.zugerkb.ch/nachhaltigesgold (German only)

1.5.2.2 IFAM

IFAM, which is part of the Group, pursues an independent sustainability approach in relation to the selection and management of investments for the listed IMMOFONDS and, since 2021, for IMMOFONDS suburban. In accordance with the self-regulation guidelines of the Asset Management Association Switzerland (AMAS), both funds pursue two sustainable investment approaches: climate focus, a long-term objective to reduce the environmental footprint in accordance with a recognised method, and ESG integration, an in-depth consideration of sustainability risks and opportunities in conventional decision-making procedures.

In all new-build and existing properties, the fund management company pursues the overarching ambition of designing living spaces with character. The preservation of value and sensible densification as well as the upgrading of the stock take precedence over new buildings. In this way, existing values, affordable housing and grey energy are preserved. To gradually improve the environmental footprint of their properties, the funds managed by IFAM invest significantly in energy renovations, the replacement of fossil-fuel heating systems as well as the expansion of photovoltaics and automated metering infrastructure. Both funds aim to achieve net zero by 2045. Aspects of social sustainability are also reviewed and taken into account appropriately.

For further information, see IFAM's ESG Report 2024 at www.immofonds.ch/esg/dokumente (German and French only)

1.6 ESG in the wider value chain

Zuger Kantonalbank is committed to lawful, ethical and socially responsible corporate governance in its value chain.

1.6.1 Suppliers and service providers

1.6.1.1 Supplier management at Zuger Kantonalbank

Zuger Kantonalbank procures a large number of products and services from external suppliers, service providers and partners. Services classified as outsourcing have special importance. Outsourcing occurs whenever an external party permanently takes over a service that represents a part of the business activity. A distinction is drawn between two categories:

- **Material outsourcing** occurs whenever a failure of the service would lead to considerable impairment or financial losses, or if regulatory obligations could no longer be met. Examples include IT services involving critical data or services that are indispensable to critical bank processes. The processing of mass data or close links with business continuity requirements can lead to classification as material outsourcing. As part of our newly devised due diligence checks, we ensure that all our major outsourcing partners have ISO 27001 certification. In addition, we have the quality of the processes checked annually by an external auditing company and documented in an SOC2 or ISAE report.
- **Non-material outsourcing** concerns services that are outsourced but whose failure would not put business operations in substantial jeopardy. They include logistical or physical services such as cash transportation, for example.

1.6.1.1.1 Objectives of cooperation with suppliers

As a result of the structured involvement of our suppliers and service providers, we pursue four objectives:



Stability and security

Risks due to dependencies are identified and controlled at an early stage.

Sustainability and responsibility

Partners must comply with minimum social and environmental standards, including human rights, working conditions and environmental protection.

Regulatory compliance

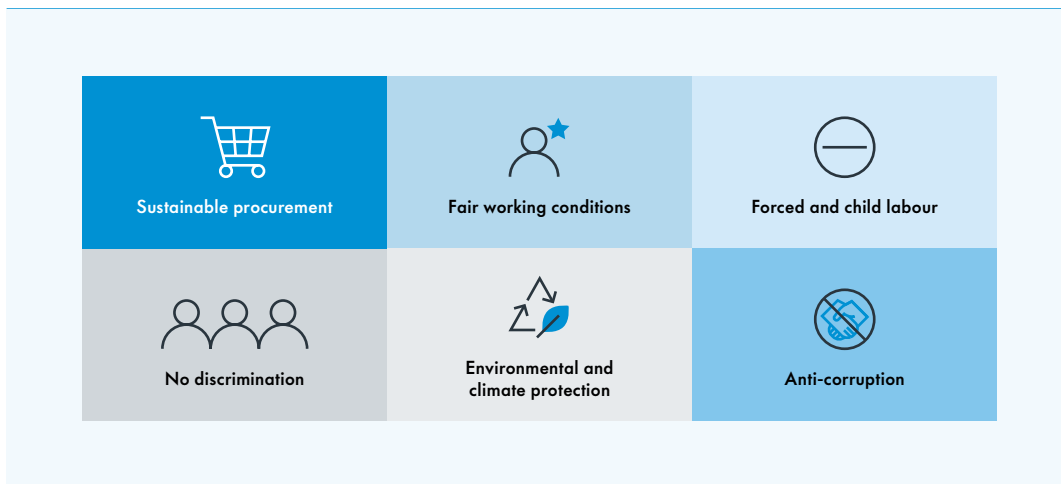
Third parties must meet requirements in terms of controls, data and information security as well as business continuity.

Partnership-based development

Continuous improvements in performance, quality and sustainability are encouraged.

1.6.1.1.2 Sustainability requirements for all suppliers

Overarching principles apply to all Zuger Kantonalbank procurement processes. They integrate economic, environmental and social aspects equally. In addition to the cost-benefit ratio over the entire lifespan of a product or service, Zuger Kantonalbank takes account of sustainability principles in relation to procurement. We therefore expect our suppliers and business partners to comply with nationally and internationally recognised laws, standards and principles, in particular those of the United Nations Global Compact. Details are provided in the general principles for sustainable procurement for suppliers. See Downloads at: www.zugerkb.ch/ethics



This gives us five key sustainability principles, which we check in the case of all suppliers.

Fair working conditions

Suppliers ensure humane working conditions and recognise the fundamental rights of their employees. Compliance with duty of care, protection from sexual harassment and bullying as well as respectful treatment are key requirements.

Forced and child labour

Zuger Kantonalbank does not tolerate any form of forced or child labour. Suppliers ensure that no corresponding practices occur throughout the supply chain.

No discrimination

Suppliers commit to the equal treatment of all persons irrespective of age, gender, origin, religion, political convictions, sexual orientation or disability. Discrimination is not tolerated, either actively or passively.

Environmental and climate protection

Suppliers ensure environmentally sustainable business activities and take an active interest in environmental and climate protection. The aim is to avoid or minimise adverse impacts on the environment and society throughout the life cycle of products and services.

Anti-corruption

Zuger Kantonalbank expects resolute action against corruption, bribery and other unethical business practices on the part of its suppliers. Compliance with all current laws and regulations is mandatory.

These principles serve as binding guidelines for all persons entrusted with procurement, both within Zuger Kantonalbank and for cooperation with external partners. The requirements are communicated in the context of tendering processes, contractual negotiations and ongoing supplier relationships.

1.6.1.1.3 Third Party Risk Management

To ensure that cooperation with suppliers meets our high standards in terms of security, quality, integrity and sustainability, we established a comprehensive Third Party Risk Management (TPRM) in 2025. The TPRM governs the entire life cycle of our cooperation with third parties, from needs analysis and evaluation through contract signing to continuous operation, monitoring, as well as any termination of the cooperation. Supervisory requirements such as FINMA Circulars 2023/01 Operational risks and resilience – banks, 2017/01 Corporate governance – banks and 2018/03 Outsourcing – banks and insurers, as well as internal rules, are also met.

Based on risk and materiality criteria, all our suppliers and partners are systematically classified into three categories (ABC) as part of the TPRM. Criteria on stability, reputation, compliance, service provision, information security and sustainability are taken into account. Classification takes place based in particular on what role a partner plays in critical processes or when dealing with sensitive data, the volume of the services procured, and whether sustainability or governance-related factors are relevant.

- **A providers:** Strategic providers with high volumes, critical data or major importance to business processes
- **B providers:** Partners with average order volume or specific expertise, whose services are in some cases relevant to critical processes
- **C providers:** Other business partners with minimal critical relevance

The ABC classification enables graded management and ensures that appropriate requirements are placed on governance, monitoring and risk analysis. Contracts with material suppliers contain binding clauses on liability, confidentiality, business continuity management and control rights.

1.6.1.1.4 Results of risk assessment in the reporting year

As part of the TPRM, all 139 suppliers – including 5 A providers, 15 B providers and the remainder C providers – were reviewed in 2025. The review showed that there are no pronounced or systematic sustainability risks and no widespread or systematic IT/security risks. In the case of suppliers where sustainability risks were identified in the course of the review, these were based in particular on an absence of publicly available information. However, the identified sustainability risks were classed as minimal in all cases. IT/security risks identified in the course of the review mainly related to non-fully documented aspects of IT security or security practices. Identified contractual risks existed in particular in the case of older contracts that no longer meet current requirements due to regulatory developments. The relevant clauses were added to these contracts as a result of the review.

1.6.1.1.5 Outlook

We will continue to develop our processes in the TPRM and in supplier management with regard to an effective long-term and forward-looking procurement policy. For example, the scope of the audit is to be extended. Depending on the classification as A, B or C provider, our suppliers will in future be audited on a risk basis at least once a year. A revaluation or classification will take place at least every three years. Sustainability criteria are integrated on the basis of our five principles – fair working conditions, prohibition of forced and child labour, no discrimination, contribution to environmental and climate protection, no corruption and bribery – in all procurement processes.

1.6.1.2 Passing on of ESG requirements to suppliers of IFAM

IFAM has a supplier code of conduct containing comprehensive requirements in terms of environment, social and governance. In addition, an ESG reporting for service providers and suppliers for the passing on of ambitious ESG requirements has existed since 2025. The supplier code of conduct applies in principle to the issuing of each order and is also incumbent on subcontractors and third parties. The ESG reporting is applied as of a defined threshold. Controls may be carried out in order check compliance with the supplier code of conduct. Breaches can be reported anonymously. A risk analysis is conducted in each case for IT suppliers and providers. There is no material outsourcing.

1.6.2 External asset managers

In accordance with its business model (see section 1.3 Business model, p. 9 ff.), Zuger Kantonalbank cooperates with external asset managers (EAMs). The external asset managers are carefully selected, instructed and monitored. Accordingly, Zuger Kantonalbank only works with external asset managers who meet all of the following requirements when entering into and throughout the term of the business relationship:

- Registered office with operational activities in Switzerland
- Oversight by a recognised supervisory organisation or directly by the Swiss Financial Market Supervisory Authority (FINMA).
- Affiliation with an ombudsman recognised by the Federal Department of Finance (FDF)
- Willingness not to book end-clients domiciled abroad with Zuger Kantonalbank as a matter of principle, with the exception of end-clients domiciled in Germany
- Appropriate specialist qualifications, several years of experience and impeccable reputation of the EAM and those of its employees who are entrusted with business management or client support

The information required in order to investigate these requirements is collected in the context of an approval process prior to entering into the business relationship with the external asset manager. We conduct due diligence and check whether the prerequisites for maintenance of the business relationship with the external asset manager remain in place at least every two years or in the event of negative anomalies. The outcome of the investigations is documented. The Head External Asset Managers reviews these investigations. If an external asset manager no longer meets the requirements for cooperation with us or there are doubts about its business practices, we check the circumstances and decide on further action. If necessary, we terminate the business relationship with the external asset manager.

1.6.3 Compliance with due diligence obligations

In the field of child labour, Zuger Kantonalbank has carried out a risk assessment in accordance with Art. 7 of the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO). This confirmed that there is no justified suspicion of child labour in product procurement.

Zuger Kantonalbank itself did not import any unprocessed minerals or metals in 2025; nor did we process any minerals or metals in 2025. Zuger Kantonalbank is therefore exempt from the due diligence and reporting obligations regarding minerals and metals from conflict areas in accordance with Articles 964j-l CO.

IFAM is likewise subject to the Zuger Kantonalbank directive on compliance with the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour. IFAM is not part of supply chains in principle; nor does it exceed any annual import quantities in relation to minerals and metals. The supplier code of conduct specifies that products from suppliers must not contain any minerals or metals from conflict or high-risk areas. Suppliers confirm compliance with the supplier code of conduct upon signing. With regard to child labour for products or services, the risks are classed as minimal (according to the Due Diligence Response of UNICEF in its Children's Rights in the Workplace Index). This means a review of justified suspicion of child labour is not required and IFAM is exempt from the due diligence and reporting obligations specified in Art. 7 DDrO. The risk analysis is reviewed by IFAM on a regular basis.

1.7 How we are evaluated by stakeholders

As a cantonal bank, we are evaluated by various stakeholders. Evaluations may be carried out externally (for example by rating agencies) and within the organisation (by employees).

1.7.1 Sustainability ratings

Zuger Kantonalbank analysed its sustainability ratings in depth in the year under review and derived various measures as a result. Examples:

- Active dialogue with rating agencies
- Detailed disclosure of key information and processes in Sustainability Report (since the 2024 Sustainability Report)
- Development of mandatory ethics training for all employees, based on business ethics of Zuger Kantonalbank (www.zugerkb.ch/en/zugerkb/our-commitment/business-ethics)
- Development of ESG integration in the credit process (see section 1.5.1 ESG in the lending business, p. 17 f.)

Through these and other measures, we pursued the goal of further improving our ESG ratings in the year under review. The rating agency MSCI decided not to update our ESG rating in the year under review. Thus the outcome of our measures remains outstanding for now and our ESG rating remains "BBB".

The Swiss rating agency Inrate reviewed our ESG impact rating as of 4 August 2025 and gave us a new classification of "B+". This additional improvement versus the previous year confirms that our sustainability efforts are effective and targeted.

With IMMOFONDS, IFAM has participated in the Global Real Estate Sustainability Benchmark (GRESB) – the world's leading ESG benchmark in the real estate sector – since 2023 and achieved a very good 4-star rating in 2025. IMMOFONDS suburban has participated in the benchmark since 2025 and achieved 3 out of the 5 possible stars when participating for the first time. The results confirm the progress made in the ESG strategy.

1.7.2 Evaluation of Zuger Kantonalbank and IFAM as employer

Zuger Kantonalbank measures the satisfaction and loyalty of its employees on a regular basis through an annual employee survey. This survey has been conducted since 2021 and in cooperation with iCommit since 2023. It involves measurement of key criteria including commitment, satisfaction, resignation, meaningfulness and willingness to recommend. In addition, the comparison with around 150 Swiss companies – including numerous cantonal banks – enables classification of our results within the industry.

Another full employee survey was conducted in 2025; with a participation rate of 96 percent, the previous year's already very high rate (95 percent) was exceeded once again. This underscores employees' high degree of willingness to express their views. For the first time, the results were compared directly with the last full survey in 2023. We improved in many areas – indeed in some cases significantly so. The high commitment (85 points) and high willingness to recommend Zuger Kantonalbank as an employer (83 points) were particularly positive. These values prove that we are on the right track as a committed, loyal and proud ZugerKB team. The results provide valuable pointers to the further development of the bank and constitute a central foundation for the commencement of the 2026 to 2029 strategy period (towards our goal together 2029). They will be incorporated into the work in progress and will support the implementation of strategic initiatives.

The top-third placing in the Swiss Employer Awards in the 250 to 299 employees category is one of our sustainability objectives. In January 2026, we once again came in seventh place as a "Top Employer".

IFAM has conducted monthly pulse surveys of its employees since 2023. These involve measuring criteria such as alignment, collaboration, development, leadership, pride, recognition, well-being and net promoter score (NPS). The results are constantly positive: IFAM employees once again expressed above-average satisfaction on all criteria last year.

1.8 Membership of associations and organisations

Through targeted memberships, Zuger Kantonalbank and IFAM emphasise their strong commitment to sustainability. In addition, Zuger Kantonalbank's memberships facilitate a valuable exchange of knowledge with research experts, competitors and organisations.

Memberships of Zuger Kantonalbank:

Association of Swiss Cantonal Banks. Zuger Kantonalbank is a founding member of the Association of Swiss Cantonal Banks and is represented on its Board of Directors by the CEO.

Central Mortgage Bond Institution of Swiss Cantonal Banks. The Central Mortgage Bond Institution aims to provide sustainable refinancing through the intermediation of long-term mortgage loans. Zuger Kantonalbank is represented on the Board of Directors of the Central Mortgage Bond Institution by the CEO.

Swiss Bankers Association (SBA). Zuger Kantonalbank is a member of the umbrella organisation for banks in Switzerland.

UN Principles for Responsible Investment (UN PRI). Zuger Kantonalbank signed the UN PRI in 2023.

Swiss Sustainable Finance (SSF). Zuger Kantonalbank has been a member of the SSF, which is committed to a sustainable Swiss financial services industry, since 2023.

Asset Management Association Switzerland (AMAS). Zuger Kantonalbank has been a member of AMAS, the organisation that represents the Swiss asset management industry, since 2023.

Zug Chamber of Commerce. The CEO of Zuger Kantonalbank is a member of the Board of the Zug Chamber of Commerce.

Climate Charter Zug+. Zuger Kantonalbank has supported the Climate Charter Zug+ – an initiative of the Zug Chamber of Commerce – since 2022.

Gewerbeverband Kanton Zug. Zuger Kantonalbank is a member of the Board of the Gewerbeverband Kanton Zug (trade association of the canton of Zug).

Swiss Climate Foundation (SCF). The SCF supports SMEs with implementing climate protection projects. Zuger Kantonalbank has been a partner of the SCF since 2022 and is represented on the foundation's Advisory Board.

Partnership for Carbon Accounting Financials (PCAF). The PCAF is an initiative of the financial industry. Zuger Kantonalbank has been a member since November 2024.

Memberships of IFAM:

Asset Management Association Switzerland (AMAS). IFAM is a long-standing member and participates in the real estate funds specialist committee.

Verband Immobilieninvestoren Schweiz (VIS). IFAM is a member of the VIS (association of Swiss real estate investors), which represents the interest of institutional investors vis-à-vis politicians, business and the public.

REIDA. With both funds, IFAM has participated in the leading CO₂ benchmark for the Swiss real estate industry since 2023.

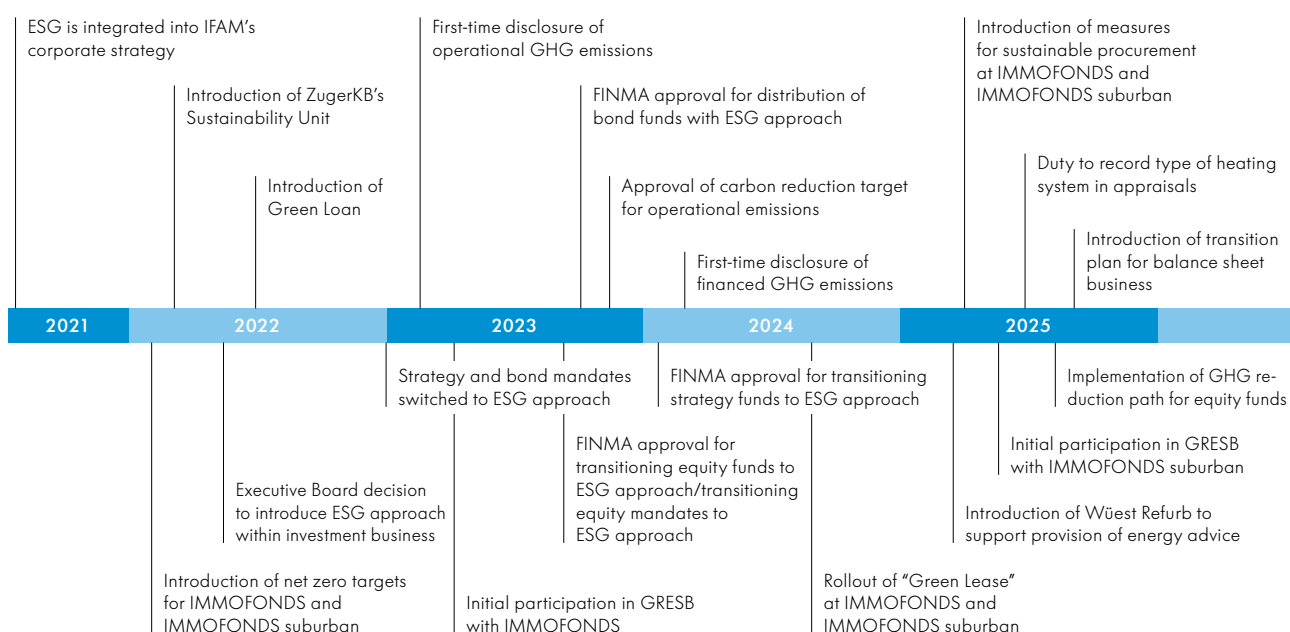
Stiftung Baukultur Schweiz. IFAM has been a partner of the Stiftung Baukultur Schweiz (Swiss architecture foundation) since 2021 and is represented on the Board of Trustees.

2 Climate matters

Our Climate Report has been prepared in accordance with Art. 964a–c CO in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Federal Council's Ordinance on Climate Disclosures. Risk management is conducted and implemented at Group level. The approaches shown in relation to governance, strategy and risk management in each case refer to the Group as a whole. In terms of key metrics and objectives, Zuger Kantonalbank and IFAM are shown separately.

The Zuger Kantonalbank Group affects climate change through the greenhouse gas emissions (GHG emissions³) produced by its own operations as well as indirectly through lending and investment in economic activities that contribute to the release of greenhouse gases. Conversely, climate change is linked to various financial risks but also to opportunities for business development.

The chart below gives an overview of the most important measures of recent years within the core business:



As part of the bank's operations, various renovation programmes were carried out at properties owned by Zuger Kantonalbank between 2022 and 2025. In some buildings, fossil fuel-fired heating systems were replaced by sustainable alternatives. Photovoltaic systems were also installed, e.g. at Cham in 2024 and at Steinhausen in 2025. Various company vehicles with internal combustion engines were replaced by electric vehicles in 2023, 2024 and 2025. IFAM does not have any company vehicles and meets over 90 percent of travel needs using public transport or non-motorised transport. The heating system at head office is to be switched to renewable sources over the next few years. In addition, all electricity used comes from renewable sources.

³ GHG and carbon emissions are used synonymously. The term carbon always refers to CO₂ equivalents, which alongside CO₂ include other greenhouse gases such as methane.

2.1 Relevance of the topic

From a longer-term perspective, we consider various climate-related financial risks as material for the Zuger Kantonalbank Group (outside-in perspective). In particular they include transition risks, for example due to technological innovations or the disruption of business models, which can impact on borrowers and therefore on Zuger Kantonalbank's credit risk. Material opportunities and risks are shown in detail in sections 2.3.1 Climate-related opportunities (p. 34) and 2.3.2 Climate-related risks (p. 34 ff.).

The impacts related to the topic of climate matters (inside-out perspective) along the value chain, for which the overall assessment was highest in the context of the double materiality analysis, are listed below. Other analysed impacts with a lower overall assessment are not listed:

Type	Contents	Occurrence within the value chain
Actual positive impact	Steering financial flows into companies with good ESG risk management: Through our ESG funds and their exclusion criteria, we are increasingly investing in companies with superior ESG risk management. Via the reduction pathway for carbon emissions, we are investing in companies with lower carbon emissions at the same time. We therefore take into account the ability to adapt to climate change, key carbon data and – in the case of clients with a climate preference – the Implied Temperature Rise (ITR) metric. In this way, our investments can be channelled into companies that have climate-friendly operations and help to tackle climate change.	Investment business
Actual negative impact	Lending to emission-intensive companies and properties: Without systematic consideration of climate risks and data in the credit assessment process, lending for buildings with high energy consumption or for companies with no climate strategy can result in support for emission-intensive activities over the long term and have adverse impacts on climate.	Lending business
Actual negative impact	Investments in emission-intensive companies via asset management mandates and strategy funds: Emission-intensive companies may be financed via the ZugerKB strategy funds as well as asset management mandates.	Investment business
Actual negative impact	Emissions are produced within our own operations due to company vehicles with internal combustion engines and the fact that some branches are supplied by non-renewable energy sources.	Own activities

The measures derived from the impacts are shown in section 2.5 Objectives, measures and key figures (p. 39 ff.).

2.2 Governance

The governance structures of the Zuger Kantonalbank Group in connection with climate-related risks and opportunities are part of our normal governance structures (see section 1.4.4 Governance and responsibilities, p. 15 f.). Corresponding schematic illustrations are also shown here.

The following aspects of governance are specifically relevant to climate matters:

Bank Council

Zuger Kantonalbank's Bank Council bears supreme responsibility. It therefore specifies the objectives for climate matters and is responsible for overall risk policy, consolidated monitoring and Group-wide risk management as well as external climate reporting.

The Audit and Risk Committee receives the report on climate-related financial risks every year and assesses the bank's risk situation based on the report. It monitors the appropriateness of the way in which climate-related financial risks are dealt with. The Compensation and Sustainability Committee supports the Bank Councils and the Executive Board on other sustainability issues as well as climate matters.

Executive Board

The Executive Board is responsible for the structuring of Group-wide risk management and therefore in addition for the management of climate-related financial risks and the definition of the associated duties and responsibilities. It evaluates the annual report on climate-related financial risks before it is forwarded to the Audit and Risk Committee.

Risk Management

Risk Management has the following tasks in relation to climate-related financial risks:

- Development and application of methods and concepts for measuring and assessing climate-related financial risks
- Annual calculation of the financed emissions from balance sheet business
- Internal risk reporting on climate-related financial risks
- Identification and assessment of climate-related financial risks

Sustainability Unit

The Sustainability Unit coordinates implementation of transition plans at company level as well as preparation of the climate report. It is responsible for training employees and raising their awareness of climate matters.

ESG analyst

The ESG analyst is responsible for the annual calculation of financed emissions from the investment business.

Head Facilities

The Head Facilities calculates the key figures for operational energy consumption and maintains the list used to calculate emissions from operations.

2.2.1 Reporting on climate-related financial risks

Internal risk reporting on all risk categories is based on the quarterly risk report from Risk Management. In addition, an annual report is prepared for climate-related financial risks; this contains the results from the risk inventory on climate-related financial risks as well as additional analysis of GHG emissions and the results of scenario analyses. Within the disclosure, Zuger Kantonalbank publishes this Climate Report – which is part of the Sustainability Report – annually in the context of its reporting framework. The Climate Report is prepared in accordance with Art. 964a–c CO in line with the TCFD Standards as well as the Federal Council’s Ordinance on Climate Disclosures.

Internal and external reporting on climate matters

Report	Frequency	Recipients
Risk report	Quarterly	<ul style="list-style-type: none"> ■ Executive Board ■ Bank Council ■ FINMA
Report on climate-related financial risks	Annually	<ul style="list-style-type: none"> ■ Executive Board ■ Audit and Risk Committee of the Bank Council

2.3 Strategy

Climate change brings financial opportunities as well as risks. In this section we look at the aspects of climate-related opportunities and risks identified as being especially relevant to the Zuger Kantonalbank Group. The analysis is conducted on a predominantly qualitative basis and supplemented by selected quantitative assessments. We then show how these opportunities and risks impact on Zuger Kantonalbank’s business model, corporate strategy and financial planning. Finally, we provide an assessment of the strategy’s resilience in the face of the challenges posed by climate change.

2.3.1 Climate-related opportunities

Zuger Kantonalbank sees climate-related opportunities in relation to products, services and the capturing of new markets in the investment and mortgage areas in particular. Other less relevant climate-related opportunities arise through the more efficient use of resources and energy in our own operations as well as through improved resilience resulting from the responsible approach to climate change.

Opportunity	Description
Mortgage business	In commercial and private real estate, the reduction in heating and cooling requirements as a result of state-of-the-art building envelope technologies, as well as the replacement of fossil fuel heating systems by low-emission technologies, are key measures for achieving the emission reduction targets set by the federal government. With that in mind, Zuger Kantonalbank offers financing solutions for new and existing properties.
Investment business	As a financial services provider, we offer clients the opportunity to make their investment decisions according to their ESG preferences and support them with our advice and the appropriate products. This creates financial opportunities for the bank.
Resource efficiency and cost reduction	Our aim within our own operations is to use natural resources in a careful, efficient manner. We intend to reduce potentially negative impacts on the environment gradually and as far as possible through the more efficient use of resources and thus eliminate costs at the same time.
Resilience	The conscious handling of climate change enables us to take preventive measures and thus strengthen our resilience in the longer term.

2.3.2 Climate-related risks

Climate risks are risk drivers that can impact on Zuger Kantonalbank through various transmission channels in existing risk categories.

In terms of **physical risks**, a distinction is drawn between acute and chronic risks. In the case of acute risks, the spotlight is on event-oriented incidents such as hurricanes or floods. Chronic risks describe longer-term developments and their impacts, such as the rise in sea levels.

In terms of **transition risks**, the main focus is on the transition to a more naturally sustainable society. Through political interventions or technological breakthroughs, considerable indirect risks of various types can arise for financial institutions. For example, a financial institution may be invested in a company (market risk) or may have granted loans to a company (credit risk) that cannot keep pace with political intervention or technological development. Legal risks due to improper conduct by companies and resulting reputation risks for financial institutions involved are also conceivable.

2.3.2.1 Time horizon

The impacts of climate change vary based on the scenario and time horizon. While transition risks such as increasing carbon levies can have a tangible impact even in the short term, physical risks such as floods tend to occur over the longer term. Their significance is increasing in tandem with global warming. In its risk analysis, Zuger Kantonalbank distinguishes between the following time horizons:

- Short term: up to 3 years
- Medium to longer term: 4–10 years

The bulk of our balance sheet positions have maturities of up to ten years and are therefore covered by the above two time horizons. Long-term forecasts regarding the development of balance sheet items involve a major degree of uncertainty. For that reason, our observation horizon does not extend beyond ten years.

2.3.2.2 Valuation methodology

At least one realistic negative scenario is formulated for each identified climate risk and describes how the climate risk impacts on the risk category (e.g. credit risks). The scenario is assessed in line with the “financial impacts”, “compliance impacts” and “reputation impacts” criteria. Our risk assessment comprises the categories “low”, “moderate”, “considerable” and “substantial”. The associated criteria are given in the notes in section 11.3.2.1 Methodological principles for the assessment of climate-related financial risks (p. 100 f.). The assessment comprises the two time horizons of short term and medium to long term.

2.3.2.3 Transition risks

The following table highlights the identified transitory climate risks in line with the risk categories that have been given an assessment of at least “moderate” based on the previously described assessment logic. At the moment, there is no transition risk rated as “substantial” in our risk inventory on climate risks.

Risk category	Description of transitory climate risks	Assessment by time horizon	
		Short term	Medium to longer term
Credit risks	<p>The introduction of increased carbon levies or a carbon tax involves potential credit risks for Zuger Kantonalbank. This may lead to rising energy and commodity costs and, as a result, place a heavier burden on companies and homeowners. Sectors with high energy consumption and carbon emissions are especially at risk. Technological developments and regulatory interventions (such as a ban on fossil fuel heating systems) additionally make the situation more difficult, which can result in increased investment requirements for companies and private individuals.</p> <p>Zuger Kantonalbank’s lending to emission-intensive sectors (oil, gas, etc.) is minimal (see section 2.5.2 Climate-related key figures for the lending business, p. 40 ff.). However, GHG emissions from corporate loans are highly concentrated. A scenario analysis regarding a carbon tax/duty showed that the latter could have a material influence on a portion of borrowers (see section 2.3.3 Impacts of climate-related opportunities and risks on business, strategy and financial planning, p. 36 f.).</p> <p>A significant portion of the financed properties have fossil fuel heating systems. Accordingly, regulatory adjustments would have a material effect on borrowers and potentially the bank’s credit risk.</p>	Moderate	Considerable
Operational risks	<p>Breaches of the rules or delayed implementation of regulatory requirements on climate matters may lead to fines, sanctions, negative media reports and loss of trust among clients and investors. Due in particular to potential impacts on compliance with external requirements or on reputation, this increases the operational risks faced by the bank.</p> <p>The risk of greenwashing or other non-compliance with regulatory requirements is specified in the bank’s risk inventory and is monitored and reduced by means of appropriate controls in the operational risk management process (see also section 6 Marketing and product labelling, p. 68 ff.).</p>	Moderate	Considerable
Liquidity risks	<p>Investors investing in Zuger Kantonalbank bonds are increasingly incorporating ESG aspects – and ESG ratings in particular – into their decision-making process. Due to a poorer ESG rating compared with other banks, the bank’s refinancing costs could therefore increase.</p> <p>Zuger Kantonalbank addresses this by maintaining active contact with investors, implementing requirements and disclosing information.</p>	Moderate	Moderate
Business risks	<p>Inadequate positioning by the bank can lead to reputation damage, a fall in demand as well as a loss of competitiveness.</p> <p>The Zuger Kantonalbank Group meets the growing expectations of its clients through an appropriate product range as well as the provision of specific, needs-based advice.</p>	Moderate	Moderate

2.3.2.4 Physical risks

The following table shows the identified physical climate risks in line with the risk categories that have been given an assessment of at least “moderate” based on the preceding assessment logic. Currently, there is no physical risk rated as “considerable” or “substantial” in the risk inventory on climate risks.

Risk category	Description of physical climate risks	Assessment by time horizon	
		Short term	Medium to longer term
Credit risks	<p>Natural events such as floods or rock falls can impair the value of mortgaged properties and therefore increase the bank’s credit risks. Furthermore, natural events can disrupt production and supply chains. Companies in regions with elevated catastrophe risk are particularly affected.</p> <p>Our analyses showed that there is only moderate risk with regard to physical dangers such as floods or debris flows. The fact that a buildings insurance policy is mandatory for property financing with Zuger Kantonalbank is one factor that helps to reduce risk.</p>	Moderate	Moderate
Liquidity risks	<p>Natural events such as floods may lead to greater use of credit lines and withdrawals from sight and savings deposits. Both impacts can increase liquidity risks.</p> <p>Our analyses showed that there is only moderate risk with regard to physical dangers such as floods or debris flows. Here too, buildings insurance is a risk-reducing factor.</p>	Moderate	Moderate

2.3.3 Impacts of climate-related opportunities and risks on business, strategy and financial planning

Through systematic integration of the topic of sustainability, the bank can reduce long-term risks and actively address increasing regulatory and public expectations.

Identified potential in the mortgage and investment business unlocks additional growth and income opportunities, in particular from the increasing investment and refurbishment requirements of our clients. We have already extended our offer in relation to climate change and adapted it to changing client needs. We will continue to develop this offer in the future, too, in order to meet changing client aspirations and regulatory requirements.

2.3.3.1 Scenario and sensitivity analysis

To assess the potential impacts of climate-related financial risks, we conducted the following quantitative analyses in the year under review:

- **Analysis of transitory climate risks:** Various transitory climate risks were examined. In each case they are not identified as being critical.
- **Analysis of physical climate risks:** In terms of floods, we conducted an evaluation using a hazard map for the Canton of Zug and thus covered a large portion of our lending. The analysis showed the degree to which the properties and buildings we finance are exposed. A small portion of the mortgaged properties show average to high exposure with regard to flood risk. The affected properties are chiefly in the municipalities of Oberägeri, Unterägeri and Walchwil. This exposure is manageable at overall portfolio level. In addition, it is mandatory for all buildings in the Canton of Zug to be insured with Gebäudeversicherung Zug (cantonal buildings insurance institution). According to the requirements of our credit process, the existence of a buildings insurance policy is also mandatory for real estate financing outside the canton. There are plans to further extend analysis of physical climate risks based on the hazard map for the canton and incorporate other risks such as earthquakes into the analysis in future.

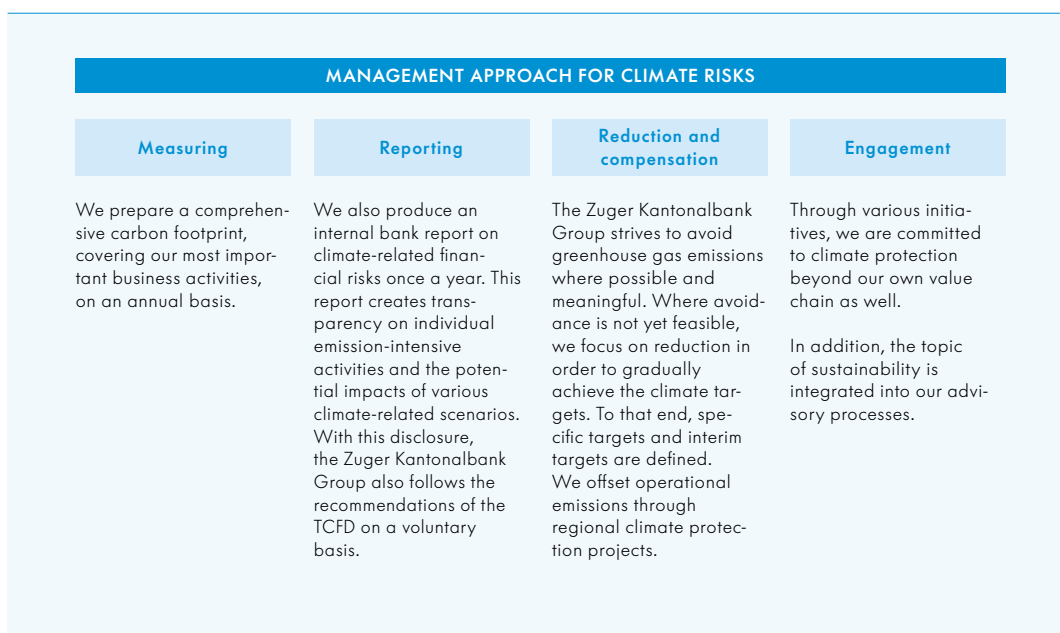
Based on the scenario analyses conducted, we rate the realistic impacts of climate-related physical and transitory risks for the bank within the observed time horizons as manageable. Swiss-wide regulatory measures such as buildings insurance and zoning regulations help to mitigate the risk. Against this backdrop, the bank does not expect any material impacts on financial planning or risk provisions.

With regard to financial and capital planning, Zuger Kantonalbank ran various adverse macroeconomic stress scenarios as well as plan scenarios through its calculations. The financial impacts of these scenarios are significantly more far-reaching or negative than conventional climate scenarios published by the Network for Greening the Financial System (NGFS)⁴, for example.

2.3.3.2 Climate strategy

Sustainability and climate protection are enshrined in Zuger Kantonalbank's #forwardtogether2025 strategy and addressed through specific targets and measures. The specific targets for the lending and investment businesses as well as for operations are shown in sections 2.5.1 Climate-related objectives of the lending business, p. 39 f., 2.5.3 Climate-related objectives of the investment business, p. 43 f., and 2.5.5 Climate-related objectives in our own operations, p. 46 ff.

The management approach for identified climate risks comprises the four action areas of "Measuring", "Reporting", "Reduction and compensation" and "Engagement", as shown in the following diagram:



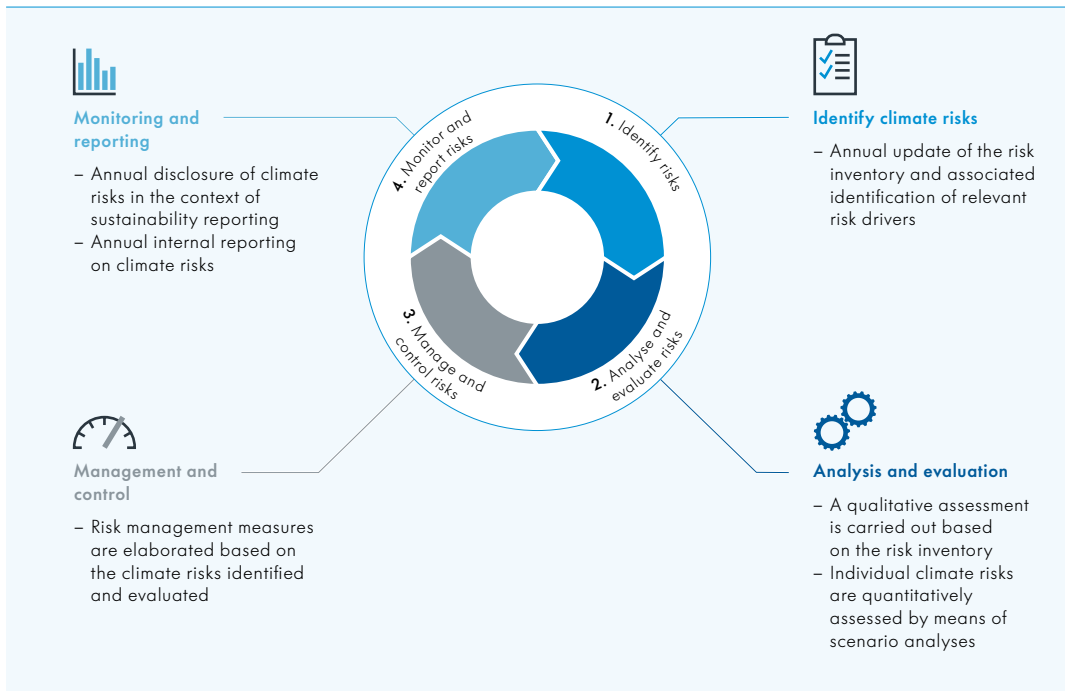
2.3.4 Resilience of the strategy to climate-related risks

Our scenario analysis in the year under review deemed the realistic impacts of the relevant climate-related risk drivers to be moderate (see section 2.3.3.1 Scenario and sensitivity analysis, p. 36 f.). Based on these analyses, we consider our current strategy to be resilient in relation to climate-related risks.

⁴ See also: www.ngfs.net/ngfs-scenarios-portal/explore

2.4 Risk management

Climate risks are identified and assessed annually based on a clearly defined process:



1. Identification of climate risks

Zuger Kantonalbank identifies climate-related financial risks on an annual basis. To that end, various potential physical (such as floods) and transitory (such as a fall in demand from clients) events are identified in line with the climate change risk driver. The identified risks including relevant drivers and transmission channels are documented in supporting software.

2. Analysis and evaluation of climate risks

At least one realistic negative scenario is formulated for each climate risk and is assessed based on the criteria "financial impacts", "compliance impacts" and "reputation impacts" (see section 2.3.2 Climate-related risks, p. 34 ff.) and the defined time horizons.

Furthermore, some physical and transitory risks are quantified by means of scenario analyses, for example (see section 2.3.3 Impacts of climate-related opportunities and risks on business, strategy and financial planning, p. 36 f.).

3. Management and control of climate risks

One or more management strategies are defined for each climate risk. The management strategy that is to be applied is intended to take into account the materiality of the risk. Possible management strategies are:

- **Accept** – The risk is accepted. No mitigating measures are taken.
- **Reduce** – Risk is to be reduced through measures and controls. The reduction may have an effect on the likelihood of occurrence, on the potential scale of damage, or on both.
- **Avoid** – Risk is to be avoided through suitable strategies.
- **Transfer** – Risk is transferred via buildings insurance, for example.

An individual risk can be managed through multiple strategies. For example, part of the risk can be insured and part of it reduced through controls. Various potential measures are available for managing climate risk reduction. A selection of the management measures we use is provided in the table below.

Portfolio management	Process integration	Protection	Products and pricing
<ul style="list-style-type: none"> ■ Transition plans in operations, investment and lending business ■ Integration of ESG risk sectors in credit processes 	<ul style="list-style-type: none"> ■ Dialogue with clients in credit process^a 	<ul style="list-style-type: none"> ■ Buildings insurance as mandatory condition for real estate financing 	<ul style="list-style-type: none"> ■ Green Loan ■ Switching in-house funds to ESG approach ■ Implementing ESG integration and climate targets in IMMOFONDS and IMMOFONDS suburban

^a In progress

The measures used, any risk indicators and controls are documented in the risk inventory of climate risks using an appropriate tool.

4. Monitoring and reporting

The inventory of climate risks is updated annually. This includes an updating of the assessment, underlying quantitative analyses and assessment of any risk indicators. Every year, Risk Management prepares a report on climate-related financial risks for the attention of the Executive Board as well as the Audit and Risk Committee of the Bank Council.

In the event of negative developments and findings regarding climate-related financial risks in the interim period, the Executive Board and the Bank Council will be informed and, if necessary, consulted in the course of quarterly reporting or if acute developments occur. The annual disclosure forms part of the Sustainability Report.

2.5 Objectives, measures and key figures

2.5.1 Climate-related objectives of the lending business

2.5.1.1 Lending business

Emissions from the lending business account for a substantial portion of the Group's total emissions. This is where Zuger Kantonalbank – together with its clients – has the greatest leverage. When determining climate targets from our balance sheet business, we are guided by the federal government's climate strategy and its aim of achieving carbon neutrality by 2050 at the latest.

2.5.1.2 Mortgage business

In 2024, Zuger Kantonalbank worked with an external consulting company to develop a tool that can be used to calculate a potential transition pathway for our real estate financing and identify associated measures. We then devised a transition plan including appropriate measures. This was approved by the Executive Board and the Compensation and Sustainability Committee of the Bank Council in July 2025. We have already implemented initial measures from the transition plan. For example, the Wüest Refurb tool helps client advisors when discussing refurbishment plans for properties.

2.5.1.3 Transition plan in lending business

The table below shows the defined climate-related targets as well as the associated measures of the lending business.

Balance sheet item	Key metric and target	Base year and value	Measures
Mortgages and commercial properties	Key metric: kg CO ₂ e/m ² Target: –55 percent by 2035	Base year: 2023 Base values: 38 kg CO ₂ e/m ² (mortgages) and 28 kg CO ₂ e/m ² (commercial real estate)	<ul style="list-style-type: none"> ■ Raising client awareness and inclusion in the advisory process, supported by the Wüest Refurb tool ■ Promotion of refurbishment through Green Loan/expansion of Green Loan^a ■ Improving data quality through systematic recording of heating types and renovations
Corporate loans	Due to a lack of adequate data, there is no quantitative key metric at present.		<ul style="list-style-type: none"> ■ Separate consideration of ESG risks in credit approval process (for details see section 1.5.1.1 ESG in the commercial lending business, p. 17 f.) ■ Cooperation with Climate Charter Zug+ (referral of corporate clients to Climate Charter) ■ Raising awareness and obtaining information in the case of potentially emission-intensive SME clients^a
Financial investments	No reduction target necessary, as no corporate bond currently in portfolio.		<ul style="list-style-type: none"> ■ Restriction on purchase of corporate bonds to companies that have communicated a carbon reduction target

^a Measure currently being drawn up and will likely be implemented in 2026.

We introduced the Wüest Refurb tool in the year under review; this helps Zuger Kantonalbank client advisors integrate the topic of energy efficiency into the advisory process for real estate financing. The tool can be used to show clients the energy efficiency of properties and simulate the impacts of refurbishments on energy consumption and GHG emissions.

As the targets were only introduced in 2025 and not all measures have been defined and implemented, the effectiveness of the measures in terms of target achievement can only be assessed on a very limited basis at present. Responsibilities in relation to implementation of the transition plan are set out in section 2.2 Governance (p. 32 f.).

2.5.2 Climate-related key figures for the lending business

Our methodology for assessing financed emissions from balance sheet business is based on the PCAF methodology. The key assumptions and methodological principles are shown in the Notes (see section 11.3.2 Methodological principles, p. 100 ff.).

The table on page 41 shows the absolute lending volume per PCAF category and associated GHG emissions in t CO₂e (CO₂ equivalents). The PCAF standard defines category 15 of the Greenhouse Gas Protocol (GHG Protocol⁵), which relates to banks. In relation to measurement of GHG emissions, the GHG Protocol distinguishes between Scope 1, 2 and 3 (see section 11.3.1 Definition of terms, p. 100).

Carbon intensity shows how many tonnes of CO₂e are generated per million Swiss francs of lending volume. The score corresponds to the data quality according to the PCAF standard. Score 1 represents the best and score 5 the worst data quality. When interpreting the reported values and in any comparisons of the data with other industry values, the novelty of the PCAF standard and the fact that the data situation is still imprecise must be taken into account.

GHG emissions from the balance sheet business of Zuger Kantonalbank as at 31 December 2024 and 31 December 2025

		Financial investments	Mortgages ^a	Commercial real estate ^b	Corporate loans ^c	Total
2025	Volume (CHF million, rounded)	692	5,096	7,777	1,206	14,771
	Emissions (t CO ₂ e)	6,346	14,418	23,292	61,094	105,150
	Scope 1 + 2 of counterparty					
	Emissions (t CO ₂ e)	n/a	n/a	n/a	93,854	93,854
	Scope 3 of counterparty					
	CO ₂ e intensity Scope 1 + 2 (t CO ₂ e/CHF million)	9.2	2.8	3.0	50.7	7.1
	Data quality score according to PCAF for Scope 1 + 2	3	4	4	4	4
2024	Volume (CHF million, rounded)	688	4,876	8,252	1,410	15,226
	Emissions (t CO ₂ e)	6,628	15,356	26,801	60,806*	109,591*
	Scope 1 + 2 of counterparty					
	Emissions (t CO ₂ e)	n/a	n/a	n/a	117,147*	117,147*
	Scope 3 of counterparty					
	CO ₂ e intensity Scope 1 + 2 (t CO ₂ e/CHF million)	9.6	3.1	3.2	43.1*	7.2*
	Data quality score according to PCAF for Scope 1 + 2	3	4	4	4	4

a The mortgages category includes owner-occupied residential properties.

b The commercial properties category includes the financing of commercial properties including externally used residential properties.

c The corporate lending category comprises commercial lending including owner-occupied commercial properties.

The figures marked with an asterisk (*) have been updated versus the figures published in the 2024 report. This is due to the switch to the calculation based on PCAF requirements using EU factors.

GHG emissions from balance sheet business decreased compared with the previous year; this is due firstly to the lower credit volume and secondly to the reduced carbon intensity. Scope 1 and 2 carbon intensities fell in the case of financial investments, mortgages and commercial properties. At 9.7 percent, the decrease was greatest in the case of mortgages. In the case of corporate loans, on the other hand, Scope 1 and 2 carbon intensity increased. This is explained by the fact that the portion of lending to emission-intensive sectors rose compared with the previous year.

The heating types of financed properties are used to assess possible environmental risks and measure financed GHG emissions for mortgages and commercial properties. These determine the emissions factor used to calculate respective GHG emissions. Based on the available data, it was calculated at the end of 2025 that around 62 percent of the financed space was heated using fossil fuels in the form of natural gas or oil. Through systematic recording of the heating type and the renovations carried out, we aim to increase data quality in future and to make our calculations more detailed.

The reduction value for measuring climate objectives for mortgages and commercial properties relates to GHG emissions per financed area (kg CO₂e/m²). In the case of private residential properties, the value as at the end of 2025 was 8.6 percent below that of the previous year; in the case of commercial properties there was a 3.0 percent reduction in GHG emissions per financed area.

Key climate metrics for mortgages and commercial properties

in kg CO ₂ e/m ²	31.12.2025	31.12.2024
Mortgages	30.9	33.8
Commercial real estate	25.8	26.6

The individual sector is a major driver of financed emissions in the corporate loans PCAF category. The allocation to emission-intensive sectors was carried out based on PCAF emission factors. The Switzerland-specific PCAF factors were used for this purpose.⁶ A sector was categorised as emission-intensive if the direct GHG emissions (Scope 1) amount to more than 100 t CO₂e per CHF million turnover. The table below shows the financing in emission-intensive industries. As can be seen, Zuger Kantonalbank's exposure in emission-intensive sectors is manageable at 16.5 percent. However, these sectors account for 59.1 percent of financed emissions in the corporate loans category.

Loans to emission-intensive sectors

Sector	Financing volume (in CHF million, rounded)	Scope 1 + 2 emissions (t CO ₂ e)	Lending volume in % of corporate loans category	Emissions in % of corporate loans category
Agricultural and forestry, fisheries	46	2,713	3.9	4.4
Agriculture	46	2,664	3.8	4.4
Hunting	0	0	0.0	0.0
Forestry	1	49	0.1	0.1
Fisheries and aquaculture	0	0	0.0	0.0
Mining	0	0	0.0	0.0
Mining	0	0	0.0	0.0
Mining-related services	0	0	0.0	0.0
Coke and mineral oil processing	0	0	0.0	0.0
Coke	0	0	0.0	0.0
Mineral oil processing	0	0	0.0	0.0
Manufacturing	61	7,577	5.1	12.4
Chemicals	15	2,852	1.2	4.7
Pharmaceuticals	18	1,988	1.5	3.3
Plastics	3	612	0.3	1.0
Glass	14	613	1.1	1.0
Metals	13	1,513	1.0	2.5
Energy	23	12,534	1.9	20.5
Electricity supply	20	12,065	1.7	19.7
Gas supply	0	0	0.0	0.0
Heat and cooling supply	3	469	0.2	0.8
Water and waste	29	11,636	2.4	19.0
Water supply	0	38	0.0	0.1
Wastewater disposal	28	11,597	2.3	19.0
Transportation	33	1,259	2.7	2.1
Road & rail	17	706	1.4	1.2
Shipping	0	0	0.0	0.0
Aviation	2	139	0.2	0.2
Storage and warehousing	14	414	1.2	0.7
Travel	7	405	0.6	0.7
Total	199	36,123	16.5	59.1

Notes on the table: Due to rounding, the aggregate of individual items may differ from the respective sector total.

⁶ The Switzerland-specific PCAF factors are only used to assess whether a sector is deemed emission-intensive or not. To calculate the actual emissions for corporate loans, the sector-specific factors of the "EU Member States" region are used in accordance with the PCAF recommendation (for further details, see section 11.3.2.2.3 Measurement of GHG emissions for corporate loans, p. 102).

2.5.3 Climate-related objectives of the investment business

2.5.3.1 Zuger Kantonalbank

Based on emissions data for the end of 2022, we formulated a 35 percent reduction target for carbon intensity by 2030 for each of our in-house equity funds. This takes account of emissions data for Scope 1 and Scope 2. The reference values (starting points) for the reduction pathways are based on the carbon intensities of the respective benchmark indices at the end of 2022. These targets were approved by the Swiss Financial Market Supervisory Authority FINMA on 1 July 2025. The data for the calculations was obtained from MSCI ESG Research LLC.

The aim is a weighted average carbon intensity that is below a reduction value which is reduced by 5.24 percent annually versus the reference values of the respective comparative benchmarks as at 31 December 2022. For the first time, the reference values had to be met at the end of 2025.

The Executive Board has decided that climate-related objectives will only apply to our three equity funds. These had an aggregate fund volume of CHF 548 million as at 31 December 2025, corresponding to 17.3 percent of the total of all investment funds and asset management mandates. For reasons of practical implementation (lack of data and benchmarks, etc., in some cases), the remaining assets (our bond funds as well as our strategy funds and asset management mandates) are not included in the calculation of a climate strategy. They are nevertheless subject to our exclusion criteria, which also include environmental factors.

Due to the limited ability to influence carbon intensity, no targets for reducing emissions intensity are planned for the advisory business. Although we can issue recommendations in this regard, the final decision always lies with the client – unlike in the investment fund and mandate business.

Other climate-related measures in the investment business, on the one hand, include the consideration of corresponding exclusion criteria (see section 1.5.2.1.1 Integration of ESG criteria into the investment process, p. 18 f.); on the other hand, the implementation of stewardship (see section 1.5.2.1.6 Our stewardship approach, p. 22) can also refer to climate topics:

- We exclude companies that do not meet the minimum criteria of the UN Global Compact from our investment universe. The UN Global Compact is the world's largest initiative for fair, environmentally and socially sustainable globalisation. This includes taking account of environmental principles.
- The exclusion of companies that cause serious ESG controversies with presumed negative impacts on environment and society has the same objective.
- In terms of values-based exclusions, companies involved in thermal coal (one of the main causes of greenhouse gas emissions and global warming) or exposed to unconventional oil and gas (oil sands, shale oil, shale gas as well as Arctic oil and gas, for example) are excluded from our investment universe.
- Stewardship (or active ownership) is carried out on our behalf by Columbia Threadneedle Management Ltd. in line with the Sustainable Development Goals (SDGs). Various SDGs are environment-related, in particular SDG 13 "Climate action". For example, 45 engagements on the topic of climate change were carried out and 8 climate-related milestones met for Zuger Kantonalbank in the third quarter of 2025.

2.5.3.2 IFAM

The target for IMMOFONDS is to halve Scope 1 emissions from all managed properties⁷ between 2021 (around 17 kg CO₂e/m² energy reference area) and 2030 (around 8 kg CO₂e/m² energy reference area) and end the use of fossil fuel heating sources by 2045. The proportion of renewable energy sources is expected to be approximately 60 percent by 2030. A net-zero strategy by 2045 is also the target for IMMOFONDS suburban. The reduction pathways for the two funds include Scope 1 (heating oil, gas) and Scope 2 (general electricity, district heating).

⁷ This constitutes Scope 3 emissions from the perspective of Zuger Kantonalbank.

2.5.3.3 Transition plan in investment business at level of individual funds

To achieve the targets, the transition plans summarised in the table below were devised for the individual funds and introduced by the Executive Board of Zuger Kantonalbank in 2025 and the fund management team of IFAM in 2022.

Target	Key metric and target	Base year and value	Measures
ZugerKB Fonds – Aktien ESG Schweiz	Key metric: † CO ₂ e/USD million turnover Target: –35 percent by 2030	Base year: 2022 Base value: Swiss Leader Index: 122.4 † CO ₂ e/USD million turnover	<ul style="list-style-type: none"> ■ Regular monitoring to ensure ZugerKB equity funds are in line with target pathway ■ Composition of respective subfund to ensure it is in line with target pathway
ZugerKB Fonds – Aktien ESG Europa	Key metric: † CO ₂ e/USD million turnover Target: –35 percent by 2030	Base year: 2022 Base value: MSCI Europe ex Switzerland Index: 92.0 † CO ₂ e/USD million turnover	<ul style="list-style-type: none"> ■ Regular monitoring to ensure ZugerKB equity funds are in line with target pathway ■ Composition of respective subfund to ensure it is in line with target pathway
ZugerKB Fonds – Aktien ESG USA	Key metric: † CO ₂ e/USD million turnover Target: –35 percent by 2030	Base year: 2022 Base value: MSCI USA Index: 122.7 † CO ₂ e/USD million turnover	<ul style="list-style-type: none"> ■ Regular monitoring to ensure ZugerKB equity funds are in line with target pathway ■ Composition of respective subfund to ensure it is in line with target pathway
IMMOFONDS	Key metric: kg CO ₂ e/m ² ERA Targets: –50 percent by 2030, net zero by 2045, increase in portion of renewable energy sources to 60 percent by 2030	Base year: 2021 Base value: 17 kg CO ₂ e/m ²	<ul style="list-style-type: none"> ■ Energy-efficient renovation of properties ■ Replacement of fossil heating systems ■ Expansion of photovoltaic systems ■ Expansion of automated metering infrastructure
IMMOFONDS suburban	Key metric: kg CO ₂ e/m ² ERA Target: net zero by 2045, 100 percent renewables by 2045	n/a	<ul style="list-style-type: none"> ■ ESG transformation within ten years of acquisition of each property, including energy-efficient renovation of properties, replacement of fossil heating systems, expansion of photovoltaic systems

2.5.4 Climate-related key figures for the investment business

2.5.4.1 Carbon intensity of the investment business at Zuger Kantonalbank

We calculated the key climate data for our investment products as at 31 December 2025 and compared them with the two previous years.

Key climate data for asset management mandates and ZugerKB funds as at 31 December 2025 (including previous years)

	Unit	31.12.2025		31.12.2024		31.12.2023	
		AM mandates	ZugerKB funds	AM mandates	ZugerKB funds	AM mandates	ZugerKB funds
Carbon emissions	† CO ₂ e	16,336	13,848	23,035	26,742	14,299	25,333
Carbon intensity ^a	† CO ₂ e / CHF million turnover	159	85	127	95	132	133
Data coverage ^b	in %	93.4	90.1	90.9	88.0	83.5	78.0
Data quality ^c	Score (1–5)	1.4	1.4	2.0	2.1	2.1	2.1

a Describes the average carbon emissions per million Swiss francs of the underlying company turnover (weighted average carbon intensity, WACI).

b Indicates the degree to which the relevant data is available for the creation of a climate balance sheet (coverage).

c Describes the score according to the PCAF standard. Score 1 represents the best and score 5 the worst data quality.

2.5.4.2 Achievement of targets by Zuger Kantonalbank equity funds

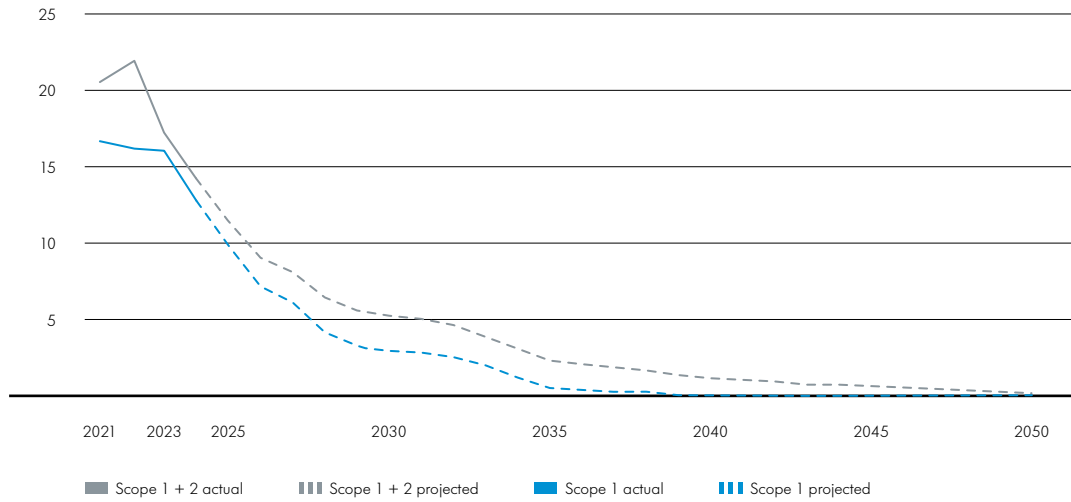
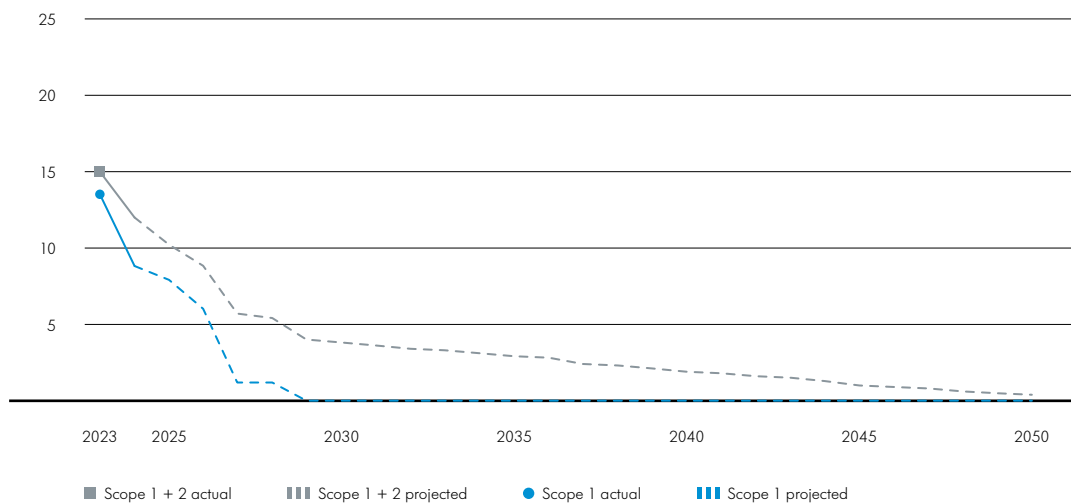
For the first time, the reference pathway had to be met as at 31 December 2025. Carbon intensity was taken into account at the time of portfolio construction. As shown by the actual figures in the table below, the target was more than met in the case of all three funds.

Development of reduction pathways, based on carbon intensity at year-end

t CO ₂ e/USD million turnover	2022	2023	2024	2025	2026	2027	2028	2029	2030
ZugerKB Aktien ESG Schweiz									
Reference pathway	122.4	116.0	109.9	104.2	98.7	93.5	88.6	84.0	79.6
Equity funds	148.0	135.1	141.6	96.9					
ZugerKB Aktien ESG Europa									
Reference pathway	92.0	87.2	82.6	78.3	74.2	70.3	66.6	63.1	59.8
Equity funds	102.3	116.9	115.1	70.3					
ZugerKB Aktien ESG USA									
Reference pathway	122.7	116.3	110.2	104.4	98.9	93.8	88.8	84.2	79.8
Equity funds	116.9	60.2	46.0	19.6					

2.5.4.3 Carbon intensity of IFAM funds

In each case, the year-end values for IFAM are available only after publication of the Zuger Kantonalbank Sustainability Report. For that reason, the information on the carbon intensity of IMMOFONDS and IMMOFONDS suburban relate to the 2024 calendar year. The emissions intensity of both funds fell by one quarter again in 2024 versus the previous year and amounts to 13.4 kg (IMMOFONDS) and 12.0 kg CO₂e (IMMOFONDS suburban) per square metre of energy reference area. The switch in heating to renewable energy sources contributed to the reduction (see IFAM ESG Report 2024, p. 12, at www.immofonds.ch/esg/dokumente) (German and French only). Around one third of the properties of the two funds were supplied with renewable heat as at the end of 2024. Around 11 percent of the properties currently have a photovoltaic system. Total output of over 1,100 kWp is enough to supply over 200 households.

IMMOFONDS: Emissions intensity actual/projected (in kg CO₂e/m² ERA, Scope 1 and 2)**IMMOFONDS suburban: Emissions intensity actual/projected (in kg CO₂e/m² ERA, Scope 1 and 2)**

Note on the charts: The reduction pathways represent actual values until 2024 and projected values as of 2025. The projected reduction pathways are based on the modelled data of IMMOFONDS and IMMOFONDS suburban properties, and take investment planning into account. The AMAS industry association is currently working on a standardised target pathway for the real estate sector.

Figures for 2025 as well as further information on current and future measures can be found in IFAM's 2025 ESG Report, which will be available at www.immofonds.ch/esg/dokumente from July 2026 (German and French only).

2.5.5 Climate-related objectives in our own operations

By 2030, we intend to reduce our operational carbon emissions within Scope 1 (direct emissions, for example from fossil heating systems or company vehicles) and within Scope 2 (indirect emissions from the purchase of electricity or heat) by at least 80 percent compared with 2022 and to no longer use fossil fuels in our operations. In terms of our own operations, we aim to achieve net zero by 2030.

2.5.5.1 Transition plan for bank operations

Target	Key metric and target	Base year and value	Measures
Operational CO ₂ emissions	Key metric: † CO ₂ e Target: –80 percent by 2030	Base year: 2022 Base value: 166 † CO ₂ e	<ul style="list-style-type: none"> ■ Replacement of vehicle fleet with electric vehicles ■ Installation of energy-efficient lighting and control systems ■ Expansion of continuous monitoring and diagnostics solutions for all heating systems to ensure they can operate in as environmentally efficient a manner as possible ■ Replacement of oil and gas heating systems with a district heating system, heat pump or the use of lake water ■ Minergie-P standard for new buildings according to our 2030 environmental targets and the model regulations issued by the Canton of Zug in the energy sector in 2009

2.5.5.2 Action areas for the 2030 environmental targets

The basis for environmental and resource management is the sustainability concept of Zuger Kantonalbank and IFAM, applicable since 2022, and the carbon reduction targets for the period to 2030 as adopted by the Bank Council in November 2023. This also includes the underlying energy reduction and substitution measures. These are divided into three action areas: i) buildings, ii) travel and iii) other resources.

Implementation pathways and action areas for the 2030 environmental targets

Minus 80% CO₂ emissions by 2030 (Scope 1+2)

ACTION AREAS			
	BUILDINGS	TRAVEL	OTHER RESOURCES
IMPLEMENTATION PATHWAYS	1. REDUCE Reduce energy/resource consumption and optimise travel behaviour		
	– Awareness-raising among employees – Energy efficiency measures – Building refurbishment	– Awareness-raising among employees – Promote virtual meetings	– Reduce paper consumption – Reduce consumption of other materials
	2. SUBSTITUTE Use renewable energies/sustainable materials and promote emission-free travel		
	– Replace fossil heating systems – 100 percent of electricity from renewable sources – Promote biodiversity	– Convert company vehicle fleet to electric – Offer e-bikes and electric cars to employees – Use public transport and car sharing	– Use recycled paper – Use sustainable materials
3. COMPENSATE Offset the remaining carbon emissions through avoidance and removal certificates			

In addition to raising awareness among our employees, energy consumption at all locations is surveyed on a regular basis. Efficiency measures or building renovations are carried out as required to reduce energy consumption. For refurbishment work or new-builds, only the use of renewable heating systems is permitted. All electricity comes from renewable sources. Own production of solar power is to be promoted, along with biodiversity. Employees have 22 e-bikes at their disposal for journeys between our locations. For longer distances, they can use one of the five electric cars at the vorZug (Oberneuhofstrasse 12, Baar) or Postplatz (Bahnhofstrasse 1, Zug) locations.

The partnership with Mobility enables our employees to use public transport even for client visits to remote locations and to take advantage of the car sharing offer for the "last mile". Only electrically powered vehicles are now procured for the company.

Finally, our sustainability concept provides that responsibility is assumed for a portion of the remaining carbon emissions via the purchase of avoidance or removal certificates⁸.

2.5.6 Climate-related and other environment-related key figures from operations

Our energy consumption increased by 3.2 percent year-on-year in 2025. As a result, Scope 1 and Scope 2 emissions rose to a total of 143 t CO₂e – a year-on-year increase of 3.9 percent. Emissions intensity per full-time equivalent remained stable at 273.7 kg CO₂e (versus 272.5 kg in the previous year). The increase in emissions was due to higher demand for heating and cooling. The number of kilometres driven in the course of business trips was recorded in an employee survey for the first time in 2025 and amounted to 397,664 km. Due to the new collection method, the value cannot be compared directly with the previous year's figure. Furthermore, total paper consumption fell by 14.6 percent to 40.9 tonnes.

Key figures from operations

	Unit	31.12.2025	31.12.2024	Change in %
Full-time equivalents	FTE	520,7	503,6	
GRI 302-1 Energy consumption	kWh	2,280,904	2,210,671	3.2
Electricity from non-renewable sources	kWh	0	0	0.0
Electricity from renewable sources	kWh	1,459,602	1,460,594	-0.1
Natural gas	kWh	378,364	353,128	7.1
Heating oil	kWh	145,224	128,075	13.4
Diesel for emergency power generators	kWh	1,490	2,095	-28.9
Biogas	kWh	14,872	5,984	148.5
District heating/cooling (Circulago and biomass)	kWh	257,079	240,819	6.8
Heat energy from heat pump	kWh	24,274	19,977	21.5
Proportion of renewable energy	in %	77.0	78.1	
GRI 302-3 Energy intensity	kWh/FTE	4,380	4,390	-0.2
Electricity produced by own PV systems	kWh	89,255	34,590	158.0
■ of which consumed in-house	in %	44.8	71.4	
■ of which fed into the grid	in %	55.2	28.6	
GRI 302-2 Business travel	km	397,664	609,861	-34.8
Public transport	km	186,646	251,221	-25.7
Road transport	km	211,018	358,641	-41.2
Short-haul flights	km	0	0	0.0
Long-haul flights	km	0	0	0.0
GRI 301-1 Consumption of materials	kg	40,867	47,876	-14.6
Virgin fibre paper (FSC)	kg	34,602	40,132	-13.8
Recycled paper	kg	6,264	7,743	-19.1
GRI 301-2 Recycled paper as a proportion of the total	in %	15.3	16.2	
GRI 303-3 Water withdrawal (drinking water)	m³	8,039	7,354	9.3
GRI 303-4 Water discharge (public sewerage)	m³	8,039	7,354	9.3
GRI 306-3 Waste and recycling	t	51	48	7.0
GRI 306-5 Waste for incineration	t	22	21	6.2
GRI 306-4 Waste for recycling	t	28	27	7.5
Other waste	t	0	0	
Recycling rate	in %	56.1	55.8	
Direct and indirect GHG emissions (Scope 1 + 2)	t CO₂e	143	137	3.9
GRI 305-1 Direct GHG emissions (Scope 1)	t CO ₂ e	130	124	4.4
GRI 305-2 Indirect GHG emissions (Scope 2)	t CO ₂ e	13	13	-1.0
GRI 305-3 Indirect emissions from business travel (Scope 3) ^a	t CO ₂ e	60	123	-51.0
GRI 305-4 Intensity of GHG emissions (Scope 1 + 2)	kg CO ₂ e/FTE	273.7	272.5	0.5

a Business travel with private vehicles, including couriers

The building in Unterägeri was connected to the district heating network in July 2025. The switch from oil-fired heating to district heating from wood chips enables us to reduce GHG emissions by around 28 t CO₂e (Scope 1) annually. In 2026 we will be switching the gas-fired heating system at the Steinhausen office to a ground source heat pump. This means that GHG emissions of approximately 14 t CO₂e (Scope 1) will be eliminated every year in future.

Own buildings

Building name	Street	Place	Heating medium	FTE (as at 31 December 2025)
Postplatz	Bahnhofstrasse 1	6301 Zug	Lake water/gas	178.1
Bahnhof	Baarerstrasse 37	6300 Zug	District heating/Circulago	16.8
Neustadt	Baarerstrasse 12	6300 Zug	District heating/Circulago	
Cham	Zugerstrasse 15	6330 Cham	Natural gas	14.4
Unterägeri	Zugerstrasse 26	6314 Unterägeri	District heating/wood	14.0
Oberägeri	Poststrasse 4	6315 Oberägeri	Heating oil	3.9
Steinhausen	Zugerstrasse 3	6312 Steinhausen	Natural gas	6.4
Menzingen	Höhenweg 3	6313 Menzingen	Heating oil	3.0
Neuheim	Poststrasse 2	6345 Neuheim	Heating oil	1.0
Walchwil	Dorfstrasse 2	6318 Walchwil	Heating oil	3.0
Hünenberg	Chamerstrasse 11	6331 Hünenberg	District heating/biogas	5.9
Parkhaus Vorstadt	Schmiedgasse 3	6301 Zug	No heating	

Rented

Building name	Street	Place	Heating medium	FTE (as at 31 December 2025)
VorZUG	Oberneuhofstrasse 12	6340 Baar	Ground water – HP	222.2
Spedi	Oberneuhofstrasse 10	6340 Baar	District heating/Circulago	7.9
Zugerland	Hinterbergstrasse 40	6312 Steinhausen	Air/water – HP	1.0
Herti	Hertizentrum 10	6300 Zug	Air/water – HP	2.9
Rotkreuz	Luzernerstrasse 3	6343 Rotkreuz	HP	6.5
Baar	Dorfstrasse 2	6340 Baar	Natural gas	19.0

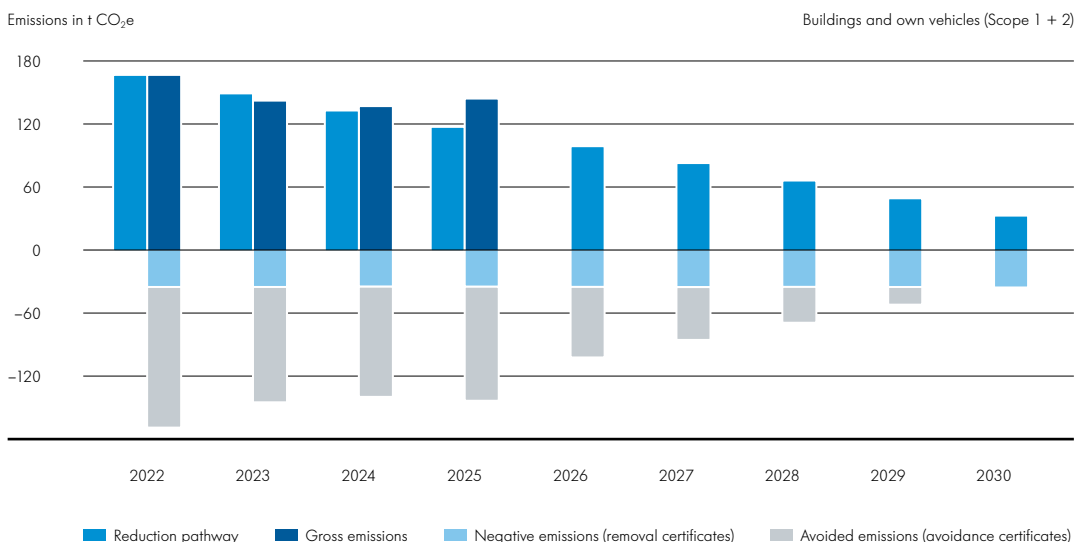
Immofonds Asset Management AG

Building name	Street	Place	Heating medium	FTE (as at 31 December 2025)
IFAM	Rämistrasse 30	8001 Zurich	Natural gas/biogas	14.7

In 2025 we were unable to adhere to the reduction pathway for emissions from operations. This was due in particular to higher demand for heating and cooling. We nevertheless anticipate that the planned measures, in particular in relation to buildings (see above), will enable a return to the reduction pathway over the coming years.

In relation to the unavoidable carbon emissions in Scope 1 and Scope 2, we have supported a high-quality removal project by Verora (www.verora.ch) in Neuheim, Canton of Zug, since 2023. For the remaining residual emissions, including emissions from business travel (Scope 3), we purchase avoidance certificates. Some of the contributions are channelled into a methane and CO₂ avoidance project through small biogas plants on Swiss farms, while some go into a project to store CO₂ through sustainable forest management in the Canton of Schwyz. The certificates are obtained through the sustainability and climate consulting company Swiss Climate. Carbon certificates amounting to a total of 203 tonnes of CO₂ were purchased in 2025. Of this, 95 tonnes of CO₂ are earmarked for climate protection and sustainable management in Swiss forests, while 75 tonnes of CO₂ are intended for a biogas plant on a farm in the Canton of Schwyz and 33 tonnes of CO₂ for biochar carbon removal in Neuheim. We are also making a financial climate contribution for all remaining printed materials. This is channelled into various national and international climate protection projects of the ClimatePartner organisation.

Reduction pathway for operational carbon emissions by 2030



2.5.6.1 Notes on the system boundaries of the key figures

With regard to the consumption of materials, we only record paper consumption. In respect of indirect GHG emissions from operations in the upstream and downstream value chain (Scope 3 emissions), only the emissions caused by business travel are taken into account. Travel using our own fleet of vehicles is not included in this, as their fuel and energy consumption is already included in Scope 1 and 2 emissions.

The data for business travel was collected in an employee survey in 2025. Emissions from employee commuting are not included. All reported figures cover the Group, i.e. the environmental footprint includes consumption by the company properties of Zuger Kantonalbank, IFAM and Parkhaus Vorstadt AG.

2.5.6.2 Responsible use of water and waste

We use water for sanitary facilities, cleaning and watering of plants and lawns. We also need water for the heat pump installed at the main building at Postplatz (Bahnhofstrasse 1, Zug) and for the properties at Baarerstrasse 10, 12 and 37 in Zug, which are connected to the Circulago district heating network. All these locations are heated and cooled using energy from Lake Zug. This is a closed circuit, with heating and cooling provided by a heat exchanger. In each case, Zuger Kantonalbank obtains the water from the municipality in which the building is located. The waste water is fed to the Canton's two central waste water treatment plants in Cham (ARA Schönau) and in Neuheim (ARA Tal) via the municipal drainage system. The regulatory and statutory provisions in relation to water drainage are adhered to. We do not discharge any waste water other than that used in our buildings.

We produce paper waste mainly in the form of files and used paper. In addition, household waste is generated. An internal information sheet on the use of infrastructure and services governs the disposal of waste. Special waste disposal stations are available at all locations in order to carefully separate and dispose of the waste. Electronic waste and disposable batteries that cannot be recycled are properly disposed of or recycled. Decommissioned but still usable hardware such as PCs, servers or monitors are given to employees free of charge or at a discount. We work with a reseller who removes the data prior to handover in accordance with a certified process.

2.5.6.3 Responsibility as well as training and awareness raising

The Head Operations is responsible for implementing the measures aimed at achieving the objectives. The Head Facilities implements the measures, checks consumption levels in all buildings on a regular basis and reports on the progress of implementation to the Head Operations and the Sustainability Unit.

The employees who are responsible for the operation of the building facilities at Zuger Kantonalbank therefore receive training to promote ecological operating practices in accordance with current requirements. In addition, there is regular communication and cooperation between the Head Facilities and the persons responsible at the various locations and in the branches. The Head Facilities makes personal visits to all buildings at least once per year.

Through mandatory online training in the topic of sustainability, all new employees are made aware of how to contribute to environmentally friendly operations. They are also informed about sustainability management as part of our information event on Welcome Day.

3 Data protection and data security

For a company, data protection involves ensuring that all data, including personal data, is processed in a legally compliant manner. By contrast, data security covers all technical and organisational measures taken by a company to protect its data against unauthorised access, loss, destruction or manipulation.

3.1 Relevance of the topic

The impacts related to the topic of data privacy and data security (both inside-out and outside-in) along the value chain, for which the overall assessment was highest in the context of the double materiality analysis, are listed below. Other analysed impacts with a lower overall assessment are not listed.

Type	Contents	Occurrence within the value chain
Potential negative impact	Loss of sensitive client data: potential loss of personal data due to cyber attacks or human error.	Own activities
Potential negative impact	IT security shortcomings in the supply chain: external IT service providers with inadequate protection jeopardise data protection.	Suppliers, service providers
Risk	Data leaks and cyber attacks (breaches of data privacy provisions) lead to financial losses.	Own activities

3.2 Management approach

3.2.1 Own activities

3.2.1.1 Zuger Kantonalbank

Zuger Kantonalbank attaches great importance to security (including cyber security) and the protection of data. All relevant requirements in relation to data protection and data security are enshrined in the Group's corporate governance on a binding basis, compliance with which is regularly reviewed.

3.2.1.1.1 Clear requirements for data collection, retention and transfer

The requirements of the Federal Act on Data Protection are set out in directives and implementation provisions and must be adhered to by our employees at all times. All data collections are inventoried and categorised. The data retention period is based on the regulatory retention obligations. In compliance with these retention obligations, clients can also request the deletion of their personal data. Processes, procedures and software solutions ensure that the flow of client and bank data is minimised. Incidents are analysed and reported to the bank's management bodies. Zuger Kantonalbank's data privacy statement provides comprehensive information on the bank's data processing and analysis, the conditions for data forwarding and exchange, as well as data security. It is available at www.zugerkb.ch/en/data-protection-for-clients.

3.2.1.1.2 Operational risk policy as framework for security strategy

The Bank Council sets out the strategic requirements for security (IT and information security, cyber security and physical security) in the context of the operational risk policy. A comprehensive management system governs implementation within operations and as an integral element of projects. Specific requirements are defined for all employees in our directives and implementation provisions for information and cyber security. Compliance with these directives and information security is the responsibility of the Executive Board and is the subject of regular reporting to the Bank Council.

In terms of implementation of the multi-level security strategy, we are guided by the internationally recognised NIST Cybersecurity Framework, which also includes suppliers and partners. The essential element of the protective measures is the continuous security monitoring based on a professional Security Operation Center (SOC). Our cyber security strategy thus obliges all employees to report any suspicious activity. This is analysed by the internal Security Team and then monitored and escalated as necessary. Other elements of the cyber security strategy include continuous monitoring by the bank as well as analysis of indicators of compromise (digital traces of a potential attack) and the associated responses.

3.2.1.1.3 Cooperation with Swiss specialists and authorities

To underline the importance of cyber security, Zuger Kantonalbank is an active member of the FS-CSC (Swiss Financial Sector Cyber Security Centre) and of the NCSC (National Cyber Security Centre). The reporting of cyber attacks according to FINMA and the NCSC specifications or data breaches according to the Federal Act on Data Protection (FADP) is also one of the established processes.

In the event of serious crises, including cyber attacks, Zuger Kantonalbank's crisis organisation is activated. If necessary, it uses the relevant incident response plans and also has access to internal resources as well as external experts. The reporting obligation as well as the associated reporting deadlines, for example in relation to FINMA, NCSC and Federal Data Protection and Information Commissioner, are monitored continuously. If required, reports are initiated promptly.

3.2.1.1.4 Comprehensive training concept

The high awareness of data security is ensured through regular training of all employees, security exercises, the provision of timely information about current incidents on the intranet, as well as other appropriate awareness-raising measures. With regard to data protection, data security and cyber security, the Group has a comprehensive training concept with web-based training and contextual simulations, for which all employees receive a certificate on completion. This learning programme is a mandatory part of the recruitment process for new employees.

Around half of all employees are required to repeat the data protection training annually. Protection of our clients is included in our systems, processes and internal awareness-raising. All Zuger Kantonalbank advisors are certified by the Swiss Association for Quality (SAQ). A learning module on data security is one component of this certification.

3.2.1.1.5 Regular checks

The effectiveness of the measures implemented by Zuger Kantonalbank is reviewed several times a year by means of the internal control system (ICS), security audits, security assessments and penetration tests, with the involvement of external security experts, and evaluated by means of risk analysis. The results are reported to the Executive Board and the Bank Council on an annual basis.

3.2.1.2 IFAM

IFAM has its own data privacy statement, which is published at www.immofonds.ch/datenschutz (German and French only). In addition, IFAM has its own data protection rules as well as an external data protection expert. In relation to data protection and cyber security, it also undertakes the requisite staff training itself. Zuger Kantonalbank, as sole owner, respects the specific data protection requirements of IFAM and ensures compliance with these provisions as part of its collaboration.

IFAM's data protection rules require that data protection breaches are reported to the CEO without delay. Reports are checked by authorities and affected persons immediately, and further action is initiated if necessary. A similar reporting requirement exists at Zuger Kantonalbank, where further processing of any reports is governed in the same way.

3.2.2 Investment business

In our investment business, we address the topics of data protection and data security in the context of the stewardship approach for Zuger Kantonalbank's in-house equity and bond funds (see section 1.5.2.1.6 Our stewardship approach, p. 22). Specifically, Columbia Threadneedle Management Ltd leads engagement in line with the Sustainable Development Goals (SDGs), with the topics of data protection and data security potentially affecting various SDGs.

3.2.3 Suppliers and service providers

As part of our Third Party Risk Management (see section 1.6.1.1.3 Third Party Risk Management, p. 26), our requirements for suppliers and service providers regarding data protection and data security are also taken into account. The due diligence checks on suppliers and service providers include specific requirements for the information security management system and a relevant risk analysis is performed. This assessment is updated on a regular basis. Major outsourcing partners must have ISO 27001 certification; they must have the quality of their processes audited by an external auditor annually and have this documented in an ISAE report.

3.2.4 External asset managers

Zuger Kantonalbank works with external asset managers. The principles of careful selection, instruction and monitoring of the business relationship with an external asset manager are described in section 1.6.2 External asset managers (p. 27).

As data controllers, the external asset managers are bound by the same Data Protection Act rules as Zuger Kantonalbank and must ensure compliance with them. If data is transmitted to the contracting parties electronically, the external asset manager must sign an "Agreement on electronic data transmission". This agreement governs the due diligence obligations in connection with the data system. With the exception of the portfolio statement, sending of which is covered by the external asset manager's power of attorney, no other data is exchanged.

3.3 Objectives, key figures and measures in the year under review

3.3.1 Internal awareness campaign to strengthen prevention

Zuger Kantonalbank's internal fraud and cyber security campaign in 2025 included various measures to strengthen employee awareness in relation to risks in information security and cyber security. The awareness elements included role-based cyber security awareness training, phishing simulations, lunchtime learning/e-learning, intranet notifications and lock screens with tips on various cyber security topics.

3.3.2 Resolution of client complaints

Zuger Kantonalbank received four complaints from clients regarding violations of data privacy in the year under review (as in the previous year). The complaints were addressed immediately and quickly resolved to the satisfaction of the clients affected. No incidents of data theft or loss were detected in the year under review (as in 2024).

3.3.3 Risk assessment

A review of our 139 suppliers showed that there were no pronounced or systemic IT/security risks (for details, see section 1.6.1.1.4 Results of risk assessment in the reporting year, p. 26).

3.3.4 IFAM measures

All IFAM employees completed training on cyber security and data protection in the year under review.

3.4 Outlook

The continuous development of cyber security and IT security remains a key task. In addition to traditional topics such as resilience, continuity management and the protection of technical systems, topics such as data governance, artificial intelligence and sustainable procurement are also of increasing strategic importance. We will be focusing on the following key points in the year ahead:

3.4.1 Strengthening of cyber resilience

We are continuing to expand continuity and crisis management. The resilience of our systems and employees is being strengthened through function-specific training, regular exercises and targeted refinements. Scenario-based cyber exercises, including digital forensics as well as incident response and tabletop exercises, complement the existing processes. In addition, we are intensifying analyses of weak points and penetration tests in order to regularly check technical and organisational skills.

3.4.2 Role-based awareness raising

The ability to resist cyber threats is crucially dependent on employees' behaviour. We are therefore focused on an advanced training strategy with role-oriented training, lunchtime learning, e-learning and phishing simulations in order to systematically promote security awareness.

3.4.3 Use of artificial intelligence (AI)

The systematic use of AI unlocks new opportunities, but involves additional requirements in terms of security and governance. Through pilot projects, we have gathered experience in relation to data protection in particular. To ensure the responsible use of AI, we are establishing appropriate control and risk management processes. These ensure compliance with regulatory requirements, ethical principles as well as high security and compliance standards.

3.4.4 Information protection and data management

In the context of the extended use of Microsoft 365, we are developing our concepts for information protection. This includes the use of data labelling and data loss prevention, to ensure the protection of sensitive data on a sustained basis.

4 Financial health and inclusion

Financial health describes the ability of a person, household or organisation to manage their current financial obligations and risks effectively, and at the same time achieve future financial objectives.

Financial inclusion includes affordable, effective access to suitable financial products and services for all persons and organisations.

Our double materiality analysis showed that the topics of financial health and inclusion are of relevance to Zuger Kantonalbank – though not to IFAM, as a specialised fund management company and asset manager. The information given in this section therefore refers exclusively to Zuger Kantonalbank.

4.1 Relevance of the topic

The impacts related to the topics of financial health and inclusion (both inside-out and outside-in) along the value chain, for which the overall assessment was highest in the context of the double materiality analysis, are listed below. Other analysed impacts with a lower overall assessment are not listed.

Type	Contents	Occurrence within the value chain
Actual positive impact	Availability of the services: Zuger Kantonalbank has branches in all municipalities within the canton and additionally offers online services. Its services are therefore easily accessible for all – in branch or online.	Own activities
Actual positive impact	Granting of loans and mortgages: Through responsible lending and the development of inclusive mortgage products, the bank can contribute significantly to the financial stability and participation of broad sections of the population. In particular, lower-income households, young adults as well as older people can access fair financing options for home ownership or entrepreneurial activities. This not only improves individual financial resilience but also strengthens the economic development of the region as a whole.	Lending business
Actual negative impact	Investments in companies that engage in problematic practices from a social perspective: Financed companies may pursue practices that widen social inequality or make it more difficult to access financial services. This is not systematically recorded.	Investment business
Risk	An inadequate digital offering can lead to a competitive disadvantage and reputation loss.	Own activities

4.2 Management approach

4.2.1 Own activities and basic services

4.2.1.1 Comprehensive presence in all municipalities

With its 14 branches, the bank has a physical presence in all municipalities in the small canton of Zug. We place a major emphasis on our own branch network in order to provide personal access to financial products and services for all individuals or companies with corresponding needs – irrespective of age, digital skills or place of residence. Easy access is assured not only through our branches but also via channels such as telephone or video advice, or our network of 50 ATMs. Thanks to our bank cards, clients have access to cash worldwide.

4.2.1.2 Technology and free digital offering

To facilitate access to financial products and services for people with or without an impairment, we also focus on technology. For example, our debit cards now feature blind notches for greater ease of identification, while our ATMs provide audio support.

Not least, by expanding its digital channels the bank intends to ensure all clients have access no matter what time of day or night. Our newly launched instant payments service has strengthened our 24-hour service. With the free digital 'fix.' account set, we ensure that financially disadvantaged people also have access to a bank account.

4.2.1.3 Financial security even in difficult times

Zuger Kantonalbank benefits from a state guarantee. This not only strengthens trust in the financial system generally: By securing the bank's stability, the state guarantee also indirectly helps provide financial protection for all clients by ensuring the bank can meet its obligations even in difficult conditions. Thus all clients can rest assured that their financial resources are protected and that they will have reliable access to stable, fair financial services even at a time of crisis. This ensures financial inclusion, as all clients can rely on a stable, dependable banking environment – regardless of their personal circumstances. For further information on the Zuger Kantonalbank state guarantee, see: www.zugerkb.ch/en/zuger-kantonalbank/deposit-insurance-government-guarantee

4.2.1.4 Consideration of special needs

At Zuger Kantonalbank, people subject to the child and adult protection agency are served by a central unit. This guarantees professional, needs-based advice and strengthens financial participation as far as possible. To meet the greater need for protection, overdraft facilities are not provided for this group of people as standard.

4.2.1.5 Transparency regarding financial capacity

To support budget planning, Zuger Kantonalbank clients can manage their account balance or settle an account automatically thanks to a smart account transfer function. Our clients can activate this function by contacting their advisor or the Call Center. The tool enables them to ensure sufficient funds at all time and avoid the risk of prolonged overdraft interest.

4.2.1.6 Structured financial planning and other advice

Our structured financial planning service gives clients a comprehensive overview of their income, outgoings, assets and liabilities. This helps our clients make informed, long-term financial decisions. As a result, they gain control of their finances and can identify risks or potential for optimisation at an early stage.

In the context of financial planning, it enables them to define financial objectives such as the purchase of residential property or their children's education. In this way, we help clients devise realistic saving strategies based on the right investment or credit products. In the financial planning context, we also cover potential insurance gaps in the event of death, disability or illness, for example. Appropriate cover ensures greater financial stability should an unexpected event occur.

We place a particular emphasis on pension planning, which creates clarity with regard to later years and helps prevent poverty in old age. Our holistic financial planning service takes account of tax aspects as well as a person's individual pension situation. People can then save on taxes and improve their retirement provision systematically.

As a supplement to financial planning, our advice on matrimonial and inheritance law helps secure the client's housing situation and contributes to the structuring of personalised solutions. This covers marriage contracts, advance care directives and living wills. Clear rules and instructions for specific circumstances ensure financial security and stability.

4.2.1.7 Financial expertise and prevention

Financial expertise supports financial health. Through various channels and information events, we therefore communicate relevant expertise to our clients. This includes information about scams, which are often discussed in our blog. We also use state-of-the-art tools to prevent fraud: We check payment transactions for suspicious payments and contact our clients if we suspect anything. Together with our partner CRIF, we also make our SICURNET tool available to corporate and private clients with the aim of reducing risks in the digital space. In addition, the bank is continuously adapting its product range. We have therefore discontinued services that involve heightened risk of forgery (e.g. cheques, letters of credit).

Together with the Association of Swiss Cantonal Banks, Zuger Kantonalbank works to improve financial literacy for young people. Finance Mission – a gamified learning tool for financial education – is the best example of this commitment. Another example is jugendbudget.ch, the Swiss online advice service for parents and guardians on all aspects of the topic of children, young people and money. The platform is operated jointly by Switzerland's 24 cantonal banks and offers in-depth information, tips and material to help promote the financial skills of young people.

In September 2025, Zuger Kantonalbank also held a MoneyHaxx Day. During an interactive financial education evening, young clients were taught the basics of how to handle money responsibly. Here they learned about smart ways to plan their budget and save. Furthermore, they received information about Pillar 3a as well as concrete tips on how to organise their finances efficiently using simple standing orders.

4.2.1.8 Products for young people to support financial health

In product terms, Zuger Kantonalbank has made it impossible for young people to get into overdraft. In the case of card or TWINT transactions as well as payment transfers, we conduct strict checks on the available balance in order to prevent potential overdrafts. With the Stu programme on debit cards with a built-in cashback function, we give young people the opportunity to benefit financially and optimise their spending.

4.2.2 Lending business

4.2.2.1 Promoting small businesses

Thanks to our broad presence, we give all individuals and companies in the Canton of Zug straightforward, personal access to financial offers and advice. One particular focal point is the support given to business clients and thus lending to the region's small and medium-sized enterprises (SMEs). In this way, we not only promote the financial health of the individual firms but also contribute to economic inclusion in overall terms. This helps benefit society within the canton in the form of innovation, jobs and tax receipts.

Set up in 2023, buildify.earth AG invests in start-ups from the Switzerland Innovation Park Central ecosystem. This makes it easier for them to access financial capital and thus promotes the development of innovative products and services in Switzerland. Zuger Kantonalbank acquired one third of the share capital of buildify.earth AG and thus helped enable its launch. We contribute our financial expertise to the Board of Directors via Martin Neuhaus, Head Corporate Client Consulting (until 30 November 2025). Substantial investments are to be made in promising start-ups in the coming years. The focus is on start-ups with products and services in connection with the circular economy and cleantech in the construction industry.

4.2.2.2 Access to real estate financing

When they retire, many people are faced with the challenge of having a pension income that is too low in relation to their interest payments. To enable this group of clients to obtain fair access to financing, Zuger Kantonalbank offers specific mortgage solutions for persons aged 58 or over. Solutions are tailored to properties with a low loan-to-value ratio and take account of the specific financial conditions in old age. Through this offer, we help older clients to remain in their own home and participate in the social life of their familiar surroundings.

As part of its social responsibility, Zuger Kantonalbank has also improved the financing conditions for housing cooperatives. Through a higher loan-to-value ratio as well as more generous calculation of affordability, we therefore enable the promotion of low-cost housing.

4.2.2.3 Restrictions on lending offering to support financial health

We deliberately choose not to grant consumer loans to private clients, thus limiting the risk of indebtedness for our clients. In addition, we have deliberately chosen not to include the instalment option for credit cards in our standard offering so as to reduce the incentive for increased borrowing and prolonged indebtedness.

4.2.2.4 Dealing with difficult financial situations

In the case of minimal account overdrafts, Zuger Kantonalbank adopts a relaxed approach provided the overdrafts can be cleared again promptly through regular monthly income. This client-friendly approach enables us to offer our clients short-term financial flexibility without resulting in disproportionate risks.

In financially difficult situations, Zuger Kantonalbank works in partnership with its clients and supports them through its internal specialists. If necessary, we review measures such as mortgage increases or amortisation deferrals. The aim is to find a long-term, individual solution that takes into account the regulatory requirements. In situations in which liquidation or a forced sale is unavoidable, the bank works in partnership as far as possible with the aim of finding an amicable solution for both parties.

4.2.3 Investment business

4.2.3.1 Standardised advisory process

We advise all clients – irrespective of origin, education level, wealth or preferred advisory channel – equally and fairly. We do this through our standardised investment advisory process, using a standard digital software solution. This uniform process structures the consistent, transparent and comprehensible advice for all client groups based on their individual needs, risk profiles and sustainability preferences. In addition, all clients have access to the same information and documentation – irrespective of their financial options.

4.2.3.2 Consideration within investment process

When managing our in-house investment funds and standardised asset management mandates, norms-based exclusion criteria are explicitly taken into consideration as part of the investment process (see section 1.5.2.1.1 Integration of ESG criteria into the investment process, p. 18 f.). Companies or issuers where serious controversies have been identified are excluded. In the case of some of these controversies, (serious) cases in connection with discriminatory or restricted access to products or services are also recorded and therefore excluded from our responsible investment universe.

4.3 Objectives, key figures and measures in the year under review

4.3.1 Own activities and basic services

With the aim of increasing digital security, we made major in-branch efforts to give all clients the best possible support when switching to the new ZugerKB Access app in the year under review. To provide a broad-based service in critical situations, Zuger Kantonalbank also worked with partners to introduce a 24-hour service for TWINT fraud cases in addition to the existing service for card loss or fraud.

To enable cross-provider transparency, we are highly active in the open banking space and opened our interfaces via SIX's blink platform. This enables our clients to use budget planning tools via third-party providers and fintechs as well.

4.3.2 Lending business

Segmentation of the commercial lending portfolio by number of counterparty employees shows that Zuger Kantonalbank grants a substantial portion (nearly 47 percent) of its loans to micro companies with fewer than 10 employees or small companies with 10 to 100 employees.

Proportion of loans granted based on total counterparty employees

Number of employees	in %
Figure not available	22.4
< 10	24.3
10 – 100	22.4
101 – 250	6.6
> 250	24.3

4.3.3 Investment business

Our in-house pension funds have been free of investment charges since the start of 2025. Furthermore, we offer a free Savings 3a retirement savings account with attractive preferential interest rates.

This is supplemented by a free pension check that enables potential gaps in provision to be identified at an early stage and ensures provision can be optimally adjusted. Through these initiatives, we aim to strengthen financial security in old age and encourage people in their financially healthy years to actively provide for old age.

4.4 Outlook

The Personal Finance Manager module is being introduced in the new Mobile Banking app in 2026 and gives Zuger Kantonalbank clients an overview of their financial capacity at all times. This enables them to manage their budget and avoid getting into excessive debt.

Zuger Kantonalbank's involvement in the Swiss National Bank's "Liquidity against mortgage collateral" (LAMC) programme will ensure the creation of additional collateral to ensure the bank has the necessary financial resources to meet its obligations to clients even if refinancing opportunities in the market place dry up. We will probably be able to participate in the programme from 2027. Via this programme, the bank has the option of withdrawing additional liquidity by contributing mortgage-backed loans as collateral. Through its participation, the bank also has the necessary liquidity if refinancing on the market is restricted. This does not mean it is required to sell or terminate mortgage-backed loans; banking services remain continuously available and, for clients, the continuation of mortgage-backed loans is assured.

The topic of financial health and inclusion was identified as being material for the first time in the year under review and is addressed in the Sustainability Report. As this is a new topic, no specific key figures or objectives are available as yet. We will be developing suitable indicators and metrics in the coming year in order to produce data and be able to report systematically on progress in this area in future.

In addition, we will examine whether in-depth analysis of the provision of financial services for under-represented sections of the population in the Canton of Zug is potentially called for. The aim will be to gain a better understanding of whether and where obstacles to financial services continue to exist, in order to systematically derive any measures to further promote financial inclusion.

5 Prevention of corruption and financial crime

Corruption is the misuse of an entrusted position of power for private gain (such as bribery, inducements or blackmail). The fight against corruption includes all measures aimed at preventing, identifying and sanctioning corruption. These comprise government measures such as legal prohibitions and law enforcement as well as the establishment of anti-corruption authorities and the duty to report. However, all measures taken by companies, such as establishing a code of conduct, internal risk analyses and due diligence checks, or prevention through training and raising awareness, are also included.

Financial criminality is an umbrella term for offences directed against the financial system or where the aim is to obtain financial gain through deception, manipulation or illegal transactions. In particular, this includes money laundering but also the financing of terrorism, tax evasion, investment or credit fraud, insider trading and market manipulation, misappropriation or embezzlement.

5.1 Relevance of the topic

The impacts related to the topic of combating corruption and financial criminality (both inside-out and outside-in) along the value chain, for which the overall assessment was highest in the context of the double materiality analysis, are listed below. Other analysed impacts with a lower overall assessment are not listed.

Type	Contents	Occurrence within the value chain
Actual positive impact	Contribution to integrity of system: Know-your-customer processes, monitoring as well as training and raising employee awareness prevent money laundering.	Own activities
Potential negative impact	Unintended financing of illegal activities: There is a possibility of cash flows being used for illegal purposes through business partners or clients (due to insufficient monitoring, for example).	Investment business
Potential negative impact	Circumventing internal control mechanisms: Internal or external actors could potentially avoid control processes in future, which could indirectly boost corruption.	Own activities
Risk	Cases of money laundering may lead to penalties and reputation loss.	Own activities

5.2 Management approach

5.2.1 Own activities

5.2.1.1 Zuger Kantonalbank

Combating corruption and financial criminality is our top priority. Accordingly, the bank prepares risk analyses and inventories, issues directives, trains employees and raises their awareness, performs checks and uses various monitoring and investigation tools such as fraud detection software. Zuger Kantonalbank has taken these multi-layered measures in accordance with the three-lines model (see section 1.4.2 Three-line model for implementation and control, p. 13 f.). This also enables it to protect its clients and their assets.

The first line involves identifying clients when they open a business relationship, checking beneficial ownership, recording know-your-customer (KYC) information and checking this against a compliance database. We repeat these measures periodically and on a risk basis over the course of the business relationship.

Business relationships with increased risks, also including those with "politically exposed persons", must be checked and approved annually. All client transactions go through a compliance filter. Special due diligence obligations apply to crypto currencies; we address these by conducting additional investigations and checks. These investigations and checks may affect the client and the wallets involved. The wallets and related crypto transactions are analysed and checked in a compliance tool. Generally speaking, compliance checks can be preventive and retrospective. All checks are aimed at blocking fraudulent payments.

An additional measure is the periodic training of employees with regard to ethics, the combating of money laundering, insider trading and market manipulation as well as raising client awareness, for instance in relation to confidence tricks, phishing, advance fraud in digital market places or E-Banking fraud.

With the second line of defence, Compliance processes escalated cases and conducts its independent controls to prevent corruption, financial criminality and money laundering as well as comply with sanction provisions. Furthermore, in the event of suspected money laundering it submits a report to the responsible reporting office (MROS), part of the Federal Office of Police. Compliance prepares binding directives to prevent corruption and financial criminality as well as comply with sanction provisions. In addition, it conducts analyses of money laundering and insider trading risks and defines measures based on the results. In the context of risk analysis, it also reviews adherence to risk tolerances. For example, it sets the ratio between the number of business relationships with increased risks and the total number of clients. If the risk tolerances are not adhered to, the bank needs to check whether measures to contain the risk are necessary.

Furthermore, the bank analyses the risk that clients will suffer financial loss due to E-Banking fraud, fraud via new types of payment or cyber attacks, and takes measures to contain the risk. Corruption risk is recorded and assessed annually in the inventory via compliance risks; if it is classed as high, containment measures are taken. Compliance reports on all compliance-related procedures quarterly to the Executive Board and the Bank Council.

As the third line, Internal Audit assesses whether – based on independent checks – the bank-wide concept for combating corruption and financial criminality is appropriate and if necessary makes recommendations for improvement to the Executive Board and the Bank Council.

Anchored in Code of Conduct and Ethics as well as through directives

Zuger Kantonalbank's Code of Conduct and Ethics prohibits all forms of bribery and corruption (see www.zugerkb.ch/en/zugerkb/our-commitment/business-ethics). In accordance with the personnel regulations, the line manager decides on gifts and invitations with a value of CHF 50 to 250; in the case of higher amounts, Compliance decides.

Furthermore, business and private mandates as well as participations in companies must be disclosed and, if necessary, approved in accordance with the internal directive. The combating of corruption and bribery is also regulated in directives. All new employees are required to read them after joining as well as to complete training.

The protection of employees from insider trading and market manipulation is also governed by a binding directive, adherence to which is checked by Compliance. The directive contains holding and waiting periods, for example, and limits the number of transactions within a time period. Furthermore, insider information must be treated confidentially and reported to Compliance via a defined process. Compliance imposes blocking periods and maintains a Watchlist and a Restricted List. For management transactions too, the bank uses a process to ensure the stock exchange is properly notified.

5.2.1.2 IFAM

As a fund management company, IFAM is also subject to the Anti-Money Laundering Act (AML). However, it does not perform any AMLA-related activities. In terms of managing real estate funds, IFAM limits its distribution activities to professional investors, mainly banks, pension funds, insurance companies and family offices. This primarily involves investor maintenance.

IFAM does not accept assets, engage in transactions or conduct business relationships with increased risks. The issuance of fund units is undertaken exclusively via new issues which are limited in terms of time period and scale.

New issues and subscriptions for unit certificates are in each case processed via the custodian bank or a third-party bank. This ensures that a money-laundering check is performed. Following the completion of an issue, the custodian bank or instructed third-party bank must confirm that subscriptions have exclusively been made through these financial intermediaries.

No cash is accepted for advance or partial payments in connection with real estate transactions, irrespective of the amount. Mandates are rejected if explicit demands for cash payments are made by buyers or sellers or there are grounds to suspect that an AMLA-relevant transaction could be involved. The financial transaction in the case of a real estate deal must always be processed via a Swiss bank.

5.2.2 Core business of Zuger Kantonalbank

5.2.2.1 Investment business

In our investment business we take into account the concept of corruption and financial criminality (see section 1.5.2.1 Zuger Kantonalbank, p. 18 ff.) when constructing our ESG investment universe:

- With the exclusion of companies that do not meet the minimum criteria of the UN Global Compact from our investment universe: The UN Global Compact is the world's largest initiative for fair, environmentally and socially sustainable globalisation. This also includes principles in relation to combating corruption.
- With the exclusion of companies that cause serious ESG controversies with presumed negative impacts on environment and society: Here, bribery and fraud are identified as problems in terms of governance. Tax evasion, money laundering or insider trading are also taken into account.

5.2.2.2 Lending business

All counterparties to our lending business are domiciled in Switzerland (see section 1.3.2.1 How our lending business is structured, p. 10 f.). Due to regulatory and legal certainty, we rate the corruption risk for Swiss companies as low. Other than the approaches described in section 5.2.1 Own activities (p. 63 ff.), Zuger Kantonalbank does not take any additional measures in relation to corruption and financial criminality for the lending business.

5.2.3 Suppliers and service providers

Contracts with suppliers must be approved by the competent body as specified in the competency regulations – depending on type or value. All suppliers are advised in writing of the provisions on the prevention of bribery and corruption (in addition to the contracts with Zuger Kantonalbank or IFAM as well as the IFAM supplier code). All supplier contracts must be signed by two responsible employees of the bank.

5.2.4 External asset managers

To regulate its cooperation with external asset managers, Zuger Kantonalbank always concludes a contract. In this contract, the external asset manager confirms that it is familiar with the Swiss regulations regarding the prevention and combating of money laundering as well as the financing of terrorism, that it meets its relevant due diligence requirements in full at all times and that it monitors compliance.

In this connection, the external asset manager is tasked with preparing a client profile (KYC document, for example) for each client and forwarding this to the bank. The client profile must contain the following information: the personal details as well as the professional and financial background of the client as well as the persons authorised by them in relation to the business relationship with the bank and the beneficial owners, the background of the business relationship, the source of the assets that have been or will be deposited with the bank as well as the type of transfer involved. When investigating the source of the assets that have been or will be deposited with the bank, the external asset manager must immediately inform the bank in the event of any suspicion of money laundering or the financing of terrorism.

If the bank requests information that in its view is needed on the basis of internal, regulatory or statutory rules – for instance, for identification purposes, determining the beneficial owner(s), in connection with money laundering or the financing of terrorism – the external asset manager supplies this information to the bank immediately and free of charge.

5.3 Objectives, key figures and measures in the year under review

5.3.1 Risk tolerances complied with throughout the year under review

Zuger Kantonalbank defined and monitored the following risk categories and tolerances for the combating of money laundering for the year under review:

- Ratio between number of clients domiciled abroad and total number of clients
- Ratio between business relationship openings via digital channels and other openings
- Ratio between number of business relationships with increased risks and total number of clients
- Ratio between growth in assets under management and relevant strategic target

All of these risk tolerances were adhered to in the year under review.

In terms of market conduct and insider risks, the five risk tolerances defined for the insider risk category were likewise adhered to. The same is true for risk tolerance in relation to market manipulation.

5.3.2 Suspected money laundering cases reported, clients supported with fraud cases and no instances of corruption identified or reported

In connection with the combating of money laundering, Zuger Kantonalbank submitted 76 (previous year: 63) reports of suspicious cases to the Money Laundering Reporting Office (MROS). No reports were submitted to relevant authorities regarding market manipulation and insider trading in 2025, as in the previous year. At the same time, the bank responded to 165 (previous year: 87) enquiries from law enforcement agencies in connection with financial criminality such as money laundering, fraud and other offences involving property. The bank was only required to provide information and was never involved in proceedings.

Several clients were affected by E-Banking fraud and fraud via new forms of payment in the year under review. The bank helped them reclaim the money and encouraged them to report the offence. Two client complaints were received in this connection and were carefully examined. The audit showed that the complaints were unjustified on the key points. Zuger Kantonalbank nevertheless uses such complaints as an opportunity to optimise its security system.

No cases of corruption were identified or reported in the year under review (as in the previous year); nor were there any known cases of suspicion or whistleblowing reports in this connection. Corruption risk was again deemed "low" in the annual inventory of compliance risks in the year under review. Accordingly, neither the head office nor the thirteen branches were audited for corruption risks in the year under review.

5.3.3 Further expansion of prevention and awareness-raising

The measures taken to combat financial criminality in the year under review are multi-layered and depend on the specific risk. In the case of E-Banking fraud, fraud involving new payment types or cyber attacks, the bank implements high security standards in its applications and reviews them periodically. In addition, clients are made aware of the use of types of fraud.

To combat money laundering, payments to high-risk countries were restricted and the process of periodically updating KYC strengthened. In addition, the topic of sanctions was anchored into the bank's directives. All Zuger Kantonalbank employees must undertake training on ethics and corruption as well as on market conduct and insider trading. In addition, around half the employees receive mandatory training on how to combat money laundering. In the year under review, all seven members of the Bank Council took note of the Code of Conduct and Ethics and its binding nature.

5.4 Outlook

Switzerland is introducing a central transparency register for companies in which the beneficial owners of the companies will be documented. The register is intended to make it easier to tackle money laundering, corruption and the concealment of ownership arrangements. All banks are required to review the information on beneficial ownership and report any discrepancies. Zuger Kantonalbank will launch a project to implement the new requirements and further strengthen the combating of money laundering, financing of terrorism as well as corruption and financial criminality.

6 Marketing and product labelling

Marketing and product labelling includes all information communicated by the provider when selling its products and services to its (potential) clients and which may influence the decisions they take. It should be noted that many financial services and products are complex and require clarification, and that clients may have very different prior knowledge and expectations.

6.1 Relevance of the topic

The impacts related to the topic of marketing and product labelling (both inside-out and outside-in) along the value chain, for which the overall assessment was highest in the context of the double materiality analysis, are listed below. Other analysed impacts with a lower overall assessment are not listed.

Type	Contents	Occurrence within the value chain
Potential negative impact	Consequences of unclear communication of terms and conditions: Conditions may be communicated insufficiently clearly via our website, in consultations and via other documents. Clients might therefore enter into transactions whose consequences have not been explained to them or which they are unable to gauge.	Own activities
Potential negative impact	Misdirection of capital due to greenwashing: Marketing statements may present products as being more sustainable than they actually are – with potential social and environmental consequences.	Own activities
Risk	Increased operational risks due to negative impacts on reputation or compliance on account of greenwashing and because of material errors in sustainability reporting.	Own activities

6.2 Management approach

6.2.1 Zuger Kantonalbank

Through fair advice and targeted information on our products and services, we aim to help ensure our clients are informed in a transparent, fact-based and needs-appropriate manner. We use various channels for this purpose: personal as well as written communication, product labelling or our marketing and information material.

Our aim is to offer products and services that match our clients' individual risk profile, sustainability preferences and other requirements. A key priority is the comprehensibility of our information on all communication channels and for the various stakeholders. This is centred on clear, comprehensible and transparent communication with our clients. Our financial products and services are described in such a way that risks, costs as well as their functionalities and impacts can be understood.

6.2.1.1 Comprehensive regulatory requirements

In Switzerland, product information and marketing activities in relation to financial products and services are subject to comprehensive legal, supervisory and industry-specific requirements. These include the provisions of the Financial Services Act (FinSA), FINMA Circular 2025/2 on implementing FinSA as well as the self-regulation guidelines of the Asset Management Association Switzerland (AMAS) and the Swiss Bankers Association. Zuger Kantonalbank actively distributes its products and services exclusively in Switzerland and therefore is not subject to any foreign regulations.

The regulatory requirements are aimed at strengthening client protection, by providing clients with full, clear and comprehensible information about financial products. The aim is also increase to trust in financial markets, satisfy client expectations of ethical and transparent business conduct, and prevent the spread of misinformation as far as possible.

The regulatory framework for sustainability-related offerings was recently tightened in order to reduce greenwashing. Greenwashing of products and services is the misleading or deceptive presentation of their sustainability characteristics or their composition.

6.2.1.2 Compliance with ESG guidelines for KESB mandates

As part of its responsibility for child and adult protection agency (KESB) mandates, Zuger Kantonalbank endeavours to adhere as far as possible to the ESG guidelines in these mandates too. This underscores our commitment to responsible investment, including in sensitive and special client circumstances. We have therefore established an audit process for KESB mandates.

The investment strategy and selection of securities have been approved by the KESB for the Canton of Zug and correspond to the Ordinance on Asset Management within the Framework of a Guardianship or Conservatorship (VBVV) guidelines. At the same time, the products used need to meet Zuger Kantonalbank's ESG requirements at all times. If this is not possible, the KESB guidelines take precedence over the ESG requirements. Any use of products that do not fully meet the ESG requirements must be approved in advance by the ESG panel.

6.2.1.3 Code of Conduct and Ethics as basis, and anchoring of implementation into directives and processes

To adhere to the comprehensive regulatory framework, Zuger Kantonalbank's Code of Conduct and Ethics sets out general principles for dealing with clients and other stakeholder groups. For further information, see section 1.4.1 Code of Conduct, p. 13. Zuger Kantonalbank sets out the specific implementation requirements through detailed internal directives and process definitions, including the directives on investment clients business, asset management, distribution of collective investment schemes and conflicts of interest. This ensures, for example, that all advertising materials and product documentation meet the regulatory requirements. To also avoid greenwashing, the measures for implementing the self-regulations are documented in relevant internal directives, implementation provisions and manuals.

6.2.1.4 Specific measures to ensure disclosure obligations regarding the General Terms and Conditions of Business and characteristics of our banking and investment products

Zuger Kantonalbank's **core business** comprises accounts, cards, payment transactions and other key banking services. To ensure our clients always have transparent information on terms and conditions, services and functionalities, we publish all relevant information on our website as well as in the relevant brochures and fact sheets (www.zugerkb.ch/en/private-clients/accounts-and-cards and www.zugerkb.ch/en/corporate/accounts-and-cards). We always show prices, fees and product characteristics clearly and check them on a regular basis.

In personal consultations too, our client advisors ensure that the products offered match individual requirements and are explained clearly. When purchasing a product, the client accepts the Base Contract; this comprises general information about terms and conditions as well as regulations. Changes to existing offers and prices, or the launch of new products, are communicated internally in a timely manner to ensure all employees always have the latest information. Changes are communicated externally in good time, to enable clients to respond to them.

The **lending business** is handled by specialist client advisors. To ensure they are informed about the latest product features at all times, specific information pages with product descriptions, details of the target audience, as well as references to brochures and fact sheets, are provided on the intranet. These documents present the product characteristics in a transparent manner and enable comprehensive, comprehensible information to be provided. Clients can also view the product information on our website: www.zugerkb.ch/en/private-clients/home-financing and www.zugerkb.ch/en/corporate/financing

To meet disclosure obligations in the **investment business**, we use a range of measures including investor analysis; this includes indicators on risk capacity, risk appetite as well as knowledge and experience in relation to various investment classes. Based on this analysis, we draw up an individual risk profile. Together with the ESG preferences identified in the investor analysis, this constitutes the basis of our investment advice.

The ESG preferences of our clients are identified systematically (see section 1.5.2.1.3 Investment advice tailored to client ESG preferences, p. 20). Standardised training videos and fact sheets on specific topics – including transparent information on ESG issues and possible client preferences – are available to our advisors; this ensures the provision of uniform, comprehensible information to clients. Clients themselves can also access relevant fact sheets and more in-depth information, enabling them to take well-informed decisions: www.zugerkb.ch/en/esg

Twice a year we publish a sustainability report for our ZugerKB investment funds. This includes details of our general ESG approach as well as the specific sustainability approach for each fund. Various ESG key indicators are also published, enabling prospective investors to view the ESG scores in relation to environment (E), social (S) and governance (G) as well as the ESG rating compared with the benchmark. The reports also show the Swiss Climate scores, which provide a transparent assessment of climate compatibility. This includes information on the funds' greenhouse gas emissions, exposure to fossil fuels and renewable energy, global warming potential of the companies represented in the portfolio and proportion of companies with verified net-zero commitments. The reports also show whether a credible climate dialogue exists and whether the investment strategy is geared to a 1.5-degree decarbonisation path.

6.2.1.5 Ensuring the quality of advice

To ensure uniformly high quality of advice and avoid conflicts of interest, internal guidelines and processes are monitored and developed continuously. These include binding requirements for product selection, disclosure of relevant information and protection of client interests in all advisory situations.

All Zuger Kantonalbank client advisors with their own clients are certified by the Swiss Association for Quality (SAQ) and receive regular training to ensure expert, legally compliant advice. The training concept used is continuously reviewed and updated to meet regulatory requirements and market developments. In addition, client feedback and internal quality controls are systematically assessed in order to identify potential weak points in the advisory process at an early stage and implement corresponding improvement measures.

6.2.1.6 Monitoring of fairness and transparency in a marketing context

Zuger Kantonalbank is committed to dealing with marketing and communications content in a responsible, transparent manner. To ensure fairness, comprehensibility and truthfulness, all marketing activities – including product information, advertising materials and digital content – are subject to clear internal guidelines as well as multi-level control and approval processes.

We always use factually correct, comprehensible language when communicating with clients. We check all statements regarding products and services to ensure the content is accurate and to avoid potentially misleading wording. We also communicate carefully on all key product characteristics.

Our aim is to help clients with the decision-making process, without exerting undue sales pressure or conveying one-sided information. Adherence to all regulatory requirements is checked by internal units as well as Compliance and Audit on a regular basis.

6.2.1.7 Handling conflicts of interest

The handling of conflicts of interest in Switzerland is clearly defined by law (FinSA) and enshrined in Zuger Kantonalbank's Code of Conduct and Ethics in the form of a set of principles. An internal directive specifies our provisions for ensuring that, as far as possible, conflicts of interest between clients, employees and the bank can be prevented, identified and adequately addressed or dealt with. This directive applies to all employees of the bank and sets out clear organisational measures as well as a code of conduct. The Conflicts of Interest Committee must be consulted in the event of unavoidable conflicts.

6.2.1.8 Fair and independent product selection

The criteria for selecting the financial instruments offered as well as ensuring that in-house products are not given preferential treatment are laid down in legal terms in FinSA. At Zuger Kantonalbank, only objective and transparent criteria are used when preparing recommendation lists and model portfolios as well as in the selection process for investment solutions. These include expected performance, liquidity, alignment with the client's individual risk profile, diversification as well as the cost structure of the financial tools. These criteria ensure that the client's interests take centre stage. As a matter of principle, preference cannot be given to Zuger Kantonalbank's in-house financial instruments in the case of investment advice. Such products may be used in asset management, but only under strict compliance with clearly defined implementation provisions ensuring fair, independent product selection.

To ensure there are no incentives to favour certain financial instruments (in particular in-house products), individual sales targets – which could contribute to variable compensation – do not form part of our remuneration structure. These measures ensure independent, client-centred advice and increase trust in the integrity and objectivity of our financial services.

6.2.2 IFAM

With regard to marketing and product labelling, various relevant general principles and key points for dealing with clients are also enshrined in IFAM's Code of Conduct (www.immofonds.ch/unternehmen/governance/verhaltenskodex) (German and French only).

Investors (see section 1.3.3 Consideration of the value chain, p. 12) are actively informed about the performance of the respective fund in a transparent manner in accordance with the regulatory requirements (legislation, FINMA, AMAS, SIX). (Ad-hoc) press releases are published as necessary, in addition to half-yearly reporting. IFAM also provides information in a quarterly newsletter as well as on a regular basis via LinkedIn. In addition, the fund results are presented at investor meetings and further information is provided at roadshows.

6.3 Objectives, key figures and measures in the year under review

There were no confirmed breaches⁹ in relation to product and service information, or in connection with corresponding labelling, in the year under review.

No breaches of the rules on marketing and communication, including advertising, sales promotion and sponsorship, were identified in the year under review.

We received nine complaints from clients in connection with the advisory and sales category, as well as communication and information, in the year under review; all of them were addressed and resolved.

⁹ Confirmed breaches are legally confirmed incidents and incidents reported by FINMA.

6.3.1 Identifying ESG preferences of existing clients

Zuger Kantonalbank discussed ESG preferences with numerous clients last year. By the end of 2025, the ESG preferences of 59 percent of relationships had been recorded in the case of investment advice. For clients whose preferences had not yet been identified, the default preference has historically been set at “neutral” with the aim of firming up this choice in forthcoming advisory consultations.

Due to the importance of such preferences to an appropriate investment strategy and advice, Zuger Kantonalbank’s aim is to significantly reduce the proportion of client relationships with “neutral” ESG preferences and record ESG preferences as precisely as possible. To that end, a new concept has been developed; this includes implementation of technical support for front-office units as well as systematic monitoring and reporting, which makes the development of ESG data transparent to management on a quarterly basis and thus facilitates targeted management.

6.3.2 New ESG training in investment business

Zuger Kantonalbank revised its ESG training concept in 2025 and devised new, comprehensive ESG training for the investment business. This was completed by all client-facing employees in the investment business. The training strengthens awareness of greenwashing risks and of the sustainability aspects of our investment products. This enables us to anchor the topic within the organisation and promote credible, transparent communication in relation to clients.

6.3.3 “Marketing and product labelling” audits

In the year under review, Zuger Kantonalbank’s Internal Audit unit undertook an audit focused on “ESG in investment advisory”. The aim of this audit was to ensure compliance with the ESG-related requirements in the advisory process and ensure the proper communication of ESG information to clients. Most of the resulting findings have already been successfully implemented; the remaining measures will be concluded over the coming year. No audit by external bodies such as FINMA or other supervisory authorities took place in the year under review.

6.4 Outlook

Following implementation of the current regulatory requirements, in particular self-regulation in greenwashing and the guidelines on sustainable investment advice, Zuger Kantonalbank will continue to track regulatory developments in relation to sustainability communication closely in the future. The aim is to continuously review existing processes and ensure that product labelling and marketing communication meet the latest industry standards in future too.

In addition, we will continue to check whether measures to comply with the requirements in marketing and product labelling are appropriate based on quality assurance, audits and client feedback. If required, we will implement appropriate measures to continue strengthening the transparency and comprehensibility of our client information.

7 Non-discrimination and equal opportunity

The prohibition of discrimination is enshrined as a human right in the Federal Constitution. People must be treated equally regardless of specific characteristics such as race, gender, religion or disability. In the employment sphere, the duty of companies to provide equal pay for equal work as well as to protect employees from harassment and unfair treatment is enshrined in the Gender Equality Act. Although banks retain freedom of contract, they are not permitted to discriminate based on protected characteristics; this ensures equal treatment for services such as lending.

Conversely, equality of opportunity includes the active support measures taken by a company – as an employer – in relation to diversity, with the aim of ensuring fairer access to training and development, promotion, employment opportunities or compensation.

7.1 Relevance of the topic

The impacts related to the topic of non-discrimination and equality of opportunity (both inside-out and outside-in) along the value chain, for which the overall assessment was highest in the context of the double materiality analysis, are listed below. Other analysed impacts with a lower overall assessment are not listed.

Type	Contents	Occurrence within the value chain
Potential positive impact	Promotion of diverse teams in terms of age structure and gender distribution: Through systematic programmes and an inclusive corporate culture, the aim is to encourage teamwork at all levels. This helps boost equality of opportunity and social participation by integrating various perspectives and backgrounds more tightly into the work process and actively countering discrimination. At the same time, a diverse, inclusive work environment creates a motivating atmosphere for employees and fosters their engagement.	Own activities
Potential negative impact	Discriminating practices at investee companies: Investments may help companies that systematically violate the principles of equal treatment, for example through discriminatory wage practices, inadequate promotion of diversity or unfair working conditions for certain groups (such as women, migrants or disabled people).	Investment business
Potential negative impact	Unconscious bias can lead to unequal treatment in lending. Discriminatory practices breach the principle of non-discrimination.	Lending business
Risk	Accusations of discrimination from employees or clients may have legal consequences and therefore lead to reputation damage and financial loss.	Own activities

7.2 Management approach

7.2.1 Own activities

7.2.1.1 Zuger Kantonalbank

We see diversity as a strategic success factor that strengthens our innovative capacity and underpins the sustainability of our company. Our goal is to create an inclusive work environment that is free of discrimination, in which a variety of perspectives and life experiences and are not only welcome but systematically encouraged.

7.2.1.1.1 Code of Conduct and Ethics

Zuger Kantonalbank's Code of Conduct and Ethics states that the bank is committed to equal opportunities as well as tackling discrimination and bullying (see www.zugerkb.ch/en/zugerkb/our-commitment/business-ethics).

7.2.1.1.2 Annual ethics training

All bank employees are required to complete ethics training once a year. This training includes binding principles on integrity, equality of opportunity, avoidance of conflicts of interest as well as adherence to internal and regulatory requirements. All employees must then pass a test on what they have learned. In this way we ensure that the bank's basic values are adhered to, refreshed on a regular basis and fully applied in day-to-day work.

7.2.1.1.3 Equality of opportunity in hiring process

We place a special emphasis on fairness and transparency when it comes to attracting, selecting and hiring staff. With that in mind, we focus on structured interviews and clear, comparable assessment criteria. This approach ensures that decisions are based on skills and potential rather than on subjective assumptions.

7.2.1.1.4 Equal pay

The bank considers equal pay as a key component of equality of opportunity and non-discrimination. It regularly has wage equality analysed by an external partner and approved by the Swiss Association for Quality and Management Systems (SQS). This enables the bank to check whether the remuneration system is structured in an objective and non-discriminatory manner. In addition, voluntary parameters such as age and nationality are included in the certification and go beyond the statutory requirements. Zuger Kantonalbank once again received the Fair-ON-Pay certificate in April 2025, confirming that the gender-specific wage gap is within the tolerated statistical limit. The analysis is based on Logib – a tool offering international best practice, according to the Equal Pay International Coalition (EPIC).

7.2.1.1.5 Flexible work models

Flexible work models ensure that differences in the length of working week or contract type do not put employees at a disadvantage. In this way we ensure transparent, uniform employment conditions for all staff. Employees on part-time contracts receive the same benefits as full-time employees, although some – such as holiday entitlement – are calculated on a pro-rata basis.

All employees are permitted to spend up to 50 percent of their working hours working from home (up to 40 percent or 2 working days in the case of IFAM); in addition, the bank supports job and top sharing. All vacant positions are advertised as 80 to 100 percent of full-time working hours, including with a lower part-time element in justified cases.

7.2.1.1.6 Internal and external reporting offices for complaints

Employees who feel they are being discriminated against by the behaviour or actions of their line manager or other employees are requested to inform the internal reporting offices or the independent external unit Integrity Plus (see section 1.4.3.1 Professional whistleblowing procedure for employees, p. 14).

7.2.1.2 IFAM

Inclusion and diversity are important when dealing with our employees. For example, our Code of Conduct states that mutual respect and acceptance are key principles, that fair, decent treatment is expected, and that diversity and inclusion should be promoted. We also ensure a good work/life balance. In addition, we have put in place a programme to promote satisfaction, health and well-being of all employees. The annual assessment of the gender pay gap shows that average pay is practically the same for male and female employees.

7.2.2 Core business of Zuger Kantonalbank

7.2.2.1 Investment business

In our investment business (see section 1.5.2.1 Zuger Kantonalbank, p. 18 ff.), we also consider the topics of non-discrimination and equality of opportunity – both in the composition of the investment universe through corresponding exclusion criteria, and through our stewardship. Specifically this means:

- With the exclusion of companies that do not meet the minimum criteria of the UN Global Compact from our investment universe: The UN Global Compact is the world’s largest initiative for fair, environmentally and socially sustainable globalisation and consists of ten principles on human rights, labour standards, the environment and combating corruption. One of these principles refers exclusively to the promotion of equal opportunities and the fight against discrimination in the workplace. In addition, the 17 Sustainable Development Goals (SDGs) are at the centre of the UN Global Compact, with Goals 5 “Gender equality” and 10 “Reduced inequalities” being directly relevant to the topic.
- With the exclusion of companies that cause serious ESG controversies with presumed negative impacts on environment or society: This also includes incidents indicating ethical misconduct, breaches of employment rights or the violation of human rights. Discrimination and diversity within the workforce is one of the indicators specifically evaluated here.
- In the context of our stewardship approach: The engagement undertaken by Columbia Threadneedle Management Ltd. is aligned with the SDGs and therefore considers Goals 5 “Gender equality” and 10 “Reduced inequalities”. In the second quarter of 2025, for example, a total of 21 percent of active milestones were assigned to these SDGs.

7.2.2.2 Lending business

When considering loan applications, Zuger Kantonalbank only considers objective criteria such as credit rating, affordability, loan-to-value ratio, business model and financing purpose as well as market and sector circumstances. Personal characteristics such as gender, origin, religion, age, sexual orientation or lifestyle have no bearing on the credit decision. This enables us to ensure that all clients have fair and equal access to our lending services.

We do not consider whether a company submitting a loan application considers the topic of non-discrimination and equality of opportunity as part of its corporate governance to be a specific criterion when granting a loan. Nevertheless, we may refuse a loan application if, for example, significant controversies in relation to discrimination and equality of opportunity are identified in the context of assessing the company’s ESG risk (see section 1.5.1. ESG in the lending business, p. 17 f.).

7.2.2.3 Basic services

Access to account management, payment transactions and other fundamental banking services is available to all persons meeting the eligibility requirements. For instance, clients must be legally competent and meet the basic criteria for a business relationship with the bank. This means that they must not feature in a list of persons with whom we do not wish to have a business relationship or with whom we are not permitted to have a business relationship for legal reasons. Our aim is to ensure that all clients – regardless of personal characteristics or circumstances – have the right to fair participation in economic life.

7.2.3 Suppliers and service providers

As part of its Third Party Risk Management (TPRM), Zuger Kantonalbank also systematically reviews its suppliers and service providers in terms of non-discrimination and equality of opportunity (see section 1.6.1.1.3 Third Party Risk Management, p. 26).

Suppliers to IFAM and its funds must sign the supplier code of conduct and complete a questionnaire in the case of contracts above a certain amount. The supplier code of conduct states that suppliers must promote equal treatment of employees as well as diversity and equality of opportunity; they must also ensure protection against harassment and abusive conduct.

7.3 Objectives, key figures and measures in the year under review

The Bank Council and the Executive Board are informed about diversity by age and gender on an annual basis. They receive key data on the gender diversity of managers on a semi-annual basis. The key data for diversity in the table below now include figures for IFAM employees too. For that reason, the key figures for 2025 are not comparable with the figures contained in the 2024 Sustainability Report.

Key figures on employee diversity at Zuger Kantonalbank Group as of 31 December 2025

	2025	2024
Diversity and equal opportunities (GRI 405-1)/persons (in %)		
Gender ratio (f/m)	46.1/53.9	46.8/53.2
▪ at employee level	51.6/48.4	52.3/47.7
▪ at Executive Board level	20.0/80.0	20.0/80.0
▪ at business area head level	19.0/81.0	23.8/76.2
▪ at team leader level	23.4/76.6	20.6/79.4
▪ at apprentice/trainee/intern level	41.9/58.1	41.4/58.6
Employees up to 30 years of age		
	27.5	26.4
▪ at employee level	27.7	26.8
▪ at Executive Board level	0.0	0.0
▪ at business area head level	0.0	0.0
▪ at team leader level	6.5	2.9
▪ at apprentice/trainee/intern level	100.0	100.0
Employees aged between 31 and 50		
	44.6	45.3
▪ at employee level	44.1	45.3
▪ at Executive Board level	20.0	20.0
▪ at business area head level	52.4	47.6
▪ at team leader level	64.9	64.7
▪ at apprentice/trainee/intern level	0.0	0.0
Employees over 50 years of age		
	27.9	28.3
▪ at employee level	28.2	27.9
▪ at Executive Board level	80.0	80.0
▪ at business area head level	47.6	52.4
▪ at team leader level	28.6	32.4
▪ at apprentice/trainee/intern level	0.0	0.0

We are also continuing to work towards achieving an even more balanced gender ratio by systematically including qualified women in the shortlist when filling management roles.

The female share was unchanged overall at 46 percent. The proportion of women on the Executive Board is 20 percent, while at business area head level it is 19 percent and at team leader level it is 23 percent.

No cases of discrimination were reported either internally or via the external, anonymous counselling centres Integrity Plus AG and Movis AG in 2025, as in the previous year.

7.4 Outlook

To further consolidate awareness of integrity, fairness and rules-based behaviour, Zuger Kantonalbank will continue to conduct annual ethics training, together with a final exam, in 2026. In addition, there are plans to raise awareness on the topic of unconscious bias for Zuger Kantonalbank employees.

8 Employee development at Zuger Kantonalbank

8.1 How the HR policy is enshrined in our strategy

Promotion of our attractiveness as an employer was part of the Culture and Personnel core theme of Zuger Kantonalbank's Strategy 2025. A roadmap setting out priorities and projects was adopted for implementation by the end of 2025. From 2026 onwards, the focus will be on anchoring and continuously promoting the corporate culture on a lasting basis.

In terms of culture, we are creating an environment of trust and mutual appreciation that strengthens motivation and commitment. Trust, openness, feedback culture and entrepreneurship shape the way we work together. In this way we can differentiate ourselves in the market and be perceived as a particularly attractive employer. This is an environment of high ambition, enthusiasm, creativity and innovation.

Our approach and efforts on the personnel front are presented in greater detail in the following sections.

8.2 Who is responsible for HR policy and how we are organised

As defined in the competency regulations, responsibility for the remuneration and HR policy lies with the Bank Council while responsibility for implementation lies with the Executive Board. Within the Executive Board, the CEO manages HR and Training, thus underlining the high significance given to continuous personnel development.

Ongoing development of our HR processes and tools is the responsibility of the Executive Board in cooperation with HR and Training. Findings from the annual employee survey (see section 8.6 Employee survey, p. 79) and quarterly feedforward discussions are systematically included.

8.3 How we support our employees in their development

Every year, we offer young professionals the opportunity to enter the banking industry through our training programmes: with our commercial banking apprenticeships or with internships for secondary school graduates. In conjunction with TIE International AG, we also offer an IT apprenticeship in application development with a focus on cyber security.

Our trainees benefit from attractive opportunities for further development, both during and after their training. Thus we support our graduate apprentices as well as young people completing our banking programme for high school graduates by offering them the prospect of further extra-occupational study, e.g. a bachelor's, master's or course at a vocational school. We also give them the opportunity to reduce their working hours during this time. Thanks to these attractive offerings, our employees now include established specialists and executives who started their professional career with us.

We offer each employee opportunities to grow and to continuously expand their personal and professional competencies. In addition to our e-learning platform and specialist courses, we enable them to attend external training. We also work with recognised educational institutions such as the banking advisory centre bbz in order to offer our employees hands-on training programmes. We make it easier for new employees to join our bank through an individual training programme. Depending on the level of banking expertise, this may include a basic banking course. All employees who become managers or begin a managerial position at Zuger Kantonalbank receive an introduction to the bank's management understanding and management tools.

Employees in the Private and Corporate Clients department attend a specialist development programme which prepares them for the next higher job profile through systematic measures such as placements, simulation interviews and courses. All client advisors with their own client book are certified. Certificates are awarded for Advisor Individual Clients, Advisor SME Clients, Advisor Private Clients, Corporate Banker and Wealth Management Advisor, in cooperation with the Swiss Association for Quality (SAQ). To help employees prepare for initial certification and provide support with recertification, we work with various training partners such as Fintelligence and BSP. AG.

In 2025, the focus of the development of our training offer was on digital learning formats: This included implementation of e-learning on evacuation, use of AI applications, ethics and the Code of Conduct as well as prevention of telephone fraud. The programme was supplemented by ESG training, numerous learning models which we developed ourselves, as well as new modules from GoodHabitz. In addition, face-to-face training took place on the new renovation and sustainability calculator for real estate financing.

To identify concrete measures to improve performance and long-term development measures, quarterly feedforward discussions are held between line managers and employees. In addition, we prepare individual development plans.

In leadership forums and workshops, external coaches train our business area and team leaders on current leadership trends while internal dialogue is promoted. The focus in the year under review was on learning from one another through a dialogue on real leadership topics from everyday life. With Lead 360°, we also launched a continuous, binding concept for the sustainable development of managers. The aim of Lead 360° is to promote a uniform understanding of leadership with long-term impact – in communication, collaboration, innovation and employee development. The programme comprises seven modules: leadership principles, leadership in change and transition, respectful communication and feedback, cooperation and team development, strategic and entrepreneurial thinking, coaching and employee development as well as digital leadership and “new work”. Through Lead 360°, managers are empowered to actively shape change, systematically encourage employees and anchor a respectful culture. The programme began in November 2025 with the module “Leading in change and transition”.

External or internal training events that normally last a day or a number of days and cost up to CHF 3,000 are fully funded by the bank. More extensive external training, i.e. courses of study at a university of applied sciences such as a CAS, MAS, DAS, bachelor's or diploma, requires a formal application. The bank will cover between 20 and 80 percent of the cost. The amount contributed will be determined by HR based on transparent criteria. Exceptions may be approved by the relevant department head.

8.4 How we attract, train, nurture and retain talent

When it comes to nurturing and attracting talent, Zuger Kantonalbank takes two approaches: First, we nurture talent ourselves as well as develop and support our employees in a targeted manner. Second, we look for new employees through various channels, from the traditional posting on online platforms and social media channels through employee recommendations to proactively approaching specialists via our network.

Zuger Kantonalbank has four different talent programmes for different profiles. For three of our talent programmes, a total of ten young talents, ten leadership talents and four senior management talents were identified through an application and nomination procedure in 2024. Participants are supported in workshops given by internal and external experts, development discussions and individual training measures. The programmes each last 18 months and were concluded at the end of 2025. They are due to start again in 2026. As planned, the programmes are proving to be a key source for talent development and succession planning. In the year under review, we successfully filled three business area head roles with graduates of the Senior Management Programme.

In the year under review, we led a systematic talent and succession discussion in all departments at team leadership level and for critical functions. This complements the established system of succession planning at business area head level.

8.5 Working conditions and rules on cooperation with non-employees

We offer our employees attractive employment conditions, discounts, exciting leisure opportunities and a working environment that promotes personal development. Furthermore, there are non-mandatory insurance solutions with a salary continuation of 100 percent over two years, preferential mortgage conditions, a free set of accounts and a free mobile subscription from Swisscom. We also cover the cost of the half-fare travelcard.

Our high-quality pension solution offers employees a high degree of flexibility, including the option of choosing their own savings scale in the pension plan each year. The risk contributions for disability or death are paid in full by Zuger Kantonalbank. We offer flexible retirement options from the age of 58. Voluntary contributions to the early retirement account are possible to compensate for benefit reductions as a result of early retirement.

Employees on part-time contracts receive the same benefits as employees on full-time contracts, with various benefits such as holiday entitlement being calculated on a pro-rata basis. With the exception of variable compensation, Zuger Kantonalbank also offers the same benefits to (individual) employees with a fixed-term contract of more than twelve months as it offers to permanent employees.

Zuger Kantonalbank has not entered into either of the two collective agreements for the Swiss financial sector (Agreement on Conditions of Employment for Bank Staff, ACEBS, and Agreement on the recording of working time, VAZ).

In accordance with the current personnel regulations, full-time employees work an average of 42 hours. According to the legal regulations in Switzerland, the maximum working week is 47 hours, as our employees have a 5-day week on average for the calendar year. Overtime in excess of the maximum working week may not exceed 170 hours per calendar year. There are no employees with non-guaranteed working hours. Zuger Kantonalbank does not require its employees to have a health certificate prior to onboarding, although for security reasons an extract from the criminal register is required for all employees at the time of hiring and in the case of key persons an extract from the debt enforcement register is required.

Further information on employment conditions and other benefits is available at: www.zugerkb.ch/benefits (German only)

Non-permanent employees (usually on a mandate basis) sign a contract in consultation with the hiring department. A non-disclosure agreement, in which the security requirements are set out, is signed in the case of external employees. In addition, newly commissioned external IT staff are trained in the use of the remote infrastructure or they use the bank's hardware.

8.6 Employee survey

Zuger Kantonalbank conducts an employee survey every year. For the results, see section 1.7.2 Evaluation of Zuger Kantonalbank and IFAM as employer, p. 28 f. The results of the employee survey are made available to the business area heads to enable them to derive targeted measures for their teams. At overall bank level, the results are discussed in depth by the Executive Board. In addition to the annual survey, quarterly feedforward discussions have been used since 2023 as an additional way to "gauge the mood".

8.7 Key figures and developments in the year under review

The Bank Council and the Executive Board are informed about the turnover rate on a half-yearly basis and receive key figures on training qualifications, internal changes and promotions annually. The key data in the following tables now include figures for IFAM employees as well. For that reason, the key figures for 2025 are not comparable with the figures contained in the 2024 Sustainability Report.

Key figures on employees at Zuger Kantonalbank Group as of 31 December 2025^a

	Unit	2025	2024	
Employment (GRI 2-7, GRI 2-8)				
Total employees	Persons	599	579	
▪ of whom women	Persons	276	271	
▪ of whom men	Persons	323	308	
Total employees	FTE^b	520.7	503.6	
▪ of whom women	FTE	220.8	215.5	
▪ of whom men	FTE	299.9	288.1	
Full-time positions^c				
Full-time positions^c	Persons	371	355	
▪ proportion working full-time, total	in %	61.9	61.3	
▪ proportion working full-time, women	in %	42.0	39.5	
▪ proportion working full-time, men	in %	78.9	80.5	
Part-time positions^c				
Part-time positions^c	Persons	228	224	
▪ working part-time, total	in %	38.1	38.7	
▪ working part-time, women	in %	58.0	60.5	
▪ working part-time, men	in %	21.1	19.5	
Temporary employees				
Temporary employees	FTE	501.7	501.7	
▪ of whom women	in %	42.3	42.8	
▪ of whom men	in %	57.7	57.2	
Temporary employees				
Temporary employees	FTE	19.0	1.9	
▪ of whom women	in %	44.7	47.4	
▪ of whom men	in %	55.3	52.6	
Non-permanent employees (e.g. freelancers)^d				
Non-permanent employees (e.g. freelancers)^d	FTE	10.4	5.6	
		2025	2024	
	Persons	In %	Persons	In %
New hires and turnover (GRI 401-1)				
Newly hired employees	90	16.1	89	16.6
▪ of whom women	41	15.7	47	19.1
▪ of whom men	49	16.4	42	14.5
▪ of whom employees up to 30 years of age	40	31.0	49	42.6
▪ of whom employees aged between 31 and 50	38	14.4	32	12.3
▪ of whom employees over 50 years of age	12	7.3	8	5.0
Turnover rate (net)				
Turnover rate (net)	43	7.7	41	7.7
▪ of whom women	23	8.8	20	8.1
▪ of whom men	20	6.7	21	7.3
▪ of whom employees up to 30 years of age	12	9.3	11	9.6
▪ of whom employees aged between 31 and 50	25	9.5	25	9.6
▪ of whom employees over 50 years of age	6	3.6	5	3.1

	Unit	2025	2024
Training and education (GRI 404-1)			
Apprentices, interns and trainees	Persons	31	29
Training costs^a	in CHF 1,000	1,313	1,374
■ Training costs per employee	in CHF	2,191	2,373
Training hours^f	in hours	8,618	n/a
■ Training hours per employee	in hours	14	n/a

a All Group employees work in the cantons of Zug and Zurich.

b FTE = full-time equivalent; apprentices and interns are weighted at 0.5 FTE.

c The number of full-time and part-time positions is now published in terms of persons rather than FTE as of the 2025 reporting year.

d The key figure for non-permanent employees in 2025 includes cleaning personnel as well as external employees based on the annual average. Only the FTE for cleaning personnel was disclosed in 2024. External employees could not be calculated retrospectively.

e Training costs also include expenses for management training as of the 2025 reporting year.

f Training hours include hours for internal and external courses, workshops, seminars and further training. CAS and MAS are not included; nor is training for interns. This figure was calculated in 2025 for the first time. There are no corresponding assessments for the previous year of 2024.

Key figures on parental leave at Zuger Kantonalbank Group as of 31 December 2025

	Unit	2025	2024
Parental leave (GRI 401-3)/persons			
Employees who have taken parental leave	Persons	25	17
■ of whom women	in %	56.0	52.9
■ of whom men	in %	44.0	47.1
Employees who have resumed work after parental leave	Persons	22	16
■ of whom women	in %	50.0	50.0
■ of whom men	in %	50.0	50.0
Employees who are still working 1 year after returning to work^a	Persons	15	19
■ of whom women	in %	46.7	36.8
■ of whom men	in %	53.3	63.2
Employees who have resumed work after parental leave (in %)	in %	94.1	95.2
■ Women	in %	88.9	87.5
■ Men	in %	100.0	100.0
Employees who are still working 1 year after returning to work (in %)^a	in %	88.2	90.5
■ Women	in %	77.8	87.5
■ Men	in %	100.0	92.3

a The observation period for this key figure has changed compared with the Sustainability Reports for previous years.

Thus the key figure for 2025 now includes employees who had resumed work in 2024 and continued to work at Zuger Kantonalbank in 2025.

In line with its growth strategy, Zuger Kantonalbank increased its headcount in most areas in 2025. In particular, we built up additional resources along the strategic focal points of non-lending income, entrepreneurial bank, investment centre and IT (including cybersecurity).

One of the strategic initiatives in the Culture and Personnel core theme is the cultural change towards an organisation of learning and development. In 2025 we spent a total of around CHF 1.3 million on employee training and development.

In August 2025, eleven young people started their training at Zuger Kantonalbank – eight of them with basic commercial training, one on the banking programme for high school graduates and one on the banking programme for high school graduates. In conjunction with TIE International AG, an apprentice began the IT apprenticeship in application development with a focus on cybersecurity. Seven of the eight apprentices who completed their training in the summer of 2025 have continued their professional career with us. As at 31 December 2025, Zuger Kantonalbank employed a total of 31 trainees. In the year under review, 27 advisors were successfully certified by the Swiss Association for Quality (SAQ) while 25 were recertified.

8.8 Outlook

2026 sees the start of the fourth talent programme “Business Talents”. Originally envisaged for 2025, this programme is systematically focused on implementation of the 2029 strategy. At the same time, the existing talent programmes – Young Talents, Leadership Talents and Senior Management Talents – will have new participants.

Within the Lead 360° programme newly launched in 2025, we are planning to implement the leadership principles, respectful communication, cooperation and team development, as well as strategic and entrepreneurial thinking modules.

9 Commitment to the region

Zuger Kantonalbank is committed to the development of Zug as a place to live and work and gives a share of value creation back to the population by supporting non-profit and cultural organisations. In addition, we have defined specific, transparent criteria and guidelines for the selection of charitable awards and sponsorship commitments (see www.zugerkb.ch/sponsoring) (German only):

- The project or event to be supported must fit our values, belong to one of the sports, culture, environmental or social sectors that appeal to a broad population and have a strong connection to the economic region of Zug.
- Projects or events that involve high sustainability and reputation risks (in accordance with the exclusion criteria in the investment business, see section 1.5.2.1.1 Integration of ESG criteria into the investment process, p. 19) are excluded, as are public-sector projects or events as well as those of religious institutions, those with a political orientation and projects or events managed on an exclusively commercial basis.
- In addition, we do not support any construction projects, refurbishments, renovations, private individuals, artists, individual athletes, book projects, image and sound recordings, fun fairs, graduation parties or school and club camps.

9.1 Public recognition of the funding measures

Since 2024, market research company YouGov has monitored the individual cantonal banks in detail using the Swiss Brand Observer (SBO) analysis tool. Each brand is classified and rated by segment and competitive environment, which enables comparisons with other brands in the financial services segment. Zuger Kantonalbank once again achieved the best results among all competitors in terms of trust in the brand. We were second again in terms of perceived social commitment as well as environmental sustainability.

9.2 The main focus of awards and sponsorship activities in 2025

In keeping with our target, we made a total of CHF 0.9 million available for awards in 2025 and supported more than 550 Zug associations and institutions in this way. In 2025, we once again made commitments to a range of sponsorship activities in the field of sport, culture and society in the form of a total contribution of CHF 2.6 million.

9.2.1 Swiss Climate Foundation

Zuger Kantonalbank has been committed to climate protection and Swiss SMEs through its cooperation with the Swiss Climate Foundation since 2022. Every year, it remits its carbon levy to the Foundation. The redistribution for 2025 will not be made by the Zug Compensation Office until 2026; accordingly, the amount will not be passed on until next year. The Foundation supports SMEs in Switzerland and Liechtenstein that contribute to climate protection with innovative approaches. As a member of the advisory board, Zuger Kantonalbank also contributes to the transfer of knowledge between the Foundation, partner companies and supported projects of SMEs.

9.2.2 Climate Charter Zug+

Since 2022, we have supported Climate Charter Zug+ – an initiative of the Zug Chamber of Commerce – to the tune of CHF 20,000 per year. The aim of the initiative is to motivate the entire Zug economy and companies to implement climate-friendly business practices quickly and coherently.

9.2.3 Sponsorship of Pro Senectute in Canton of Zug

Pro Senectute Kanton Zug works to improve the quality of life and independence of older people. Zuger Kantonalbank shares these concerns and has supported the organisation as Main Sponsor since 2016. In addition to financial commitment, we make our premises and experts available for free courses on digital banking and bring our specialist expertise to bear in Pro Senectute seminars on topics such as financial planning, retirement provision, law, housing or investing. In this way we contribute jointly to ensuring that older citizens in the Canton of Zug are well informed and can act confidently and independently.

9.2.4 Other regional commitments

In sports and culture, we supported the ABRAXAS Children's and Young People's Literature Festival in the year under review. We were also Partner to the 3rd Zug Choir Night. In addition, we supported the "Free tutoring for children and young people" project as well as the "Jedes Bänkli isch es Gschänkli" project run by the Frohes Alter association to foster exchange between different generations.

We continued to support upcoming talent at the Galvanik Cultural Centre as well as the KUNSTpause exhibition for young artists. We also provided financial support for the retrofitting – completed in 2025 – of an Ägerisee Schifffahrt vessel with an electric motor, thus reducing future carbon emissions by around 375,000 kg every year. In addition, we continued to be financially involved in the EVZ's Women & Girls programme.

9.3 Regional commitments we are planning in the coming year

We will continue to provide financial support for various regional commitments in sports and culture in 2026: For over fifty years, the theatre in Burgbachkeller has enriched Zug's cultural scene and been a place of amazement, reflection and discovery. This small but lively theatre provides space for new ideas and stirring performances.

The impressive open-air and music festival held in 2015 to celebrate the 700th anniversary of the Battle of Morgarten is still very fresh in our minds. A new "Morgarten open-air spectacle" is to be created at the Morgarten memorial site in 2026. The project has major cultural and historical value; through its promotion of regional identity and historical awareness, it is among the most important references of the Central Switzerland theatre scene.

With its varied seasonal programme, the Zug Sinfonietta not only promotes the highest standards of classical music but also fosters access to culture and musical understanding across the generations through family and school concerts as well as introductory talks.

With 25,000 visitors over two days, Villette Fäscht is the biggest regular event to be held in the municipality of Cham and offers a free programme for young and old as well as culinary highlights created by local associations – all on the banks of Lake Zug. Takings from the festival are reinvested in Cham's association life.

The Hertizauber is set to transform the arena square in front of Zug's ice hockey stadium into an atmospheric winter wonderland with ice rink, ice trail and culinary delights, creating a meeting place for fun and relaxation.

Zug's cantonal wrestling festival in Oberägeri is an unforgettable event that fosters ancient customs, traditions and sporting endeavour, not to mention social cohesion among the local population.

The Swiss Gymwheel Championship in Baar – simultaneously the qualifier for the World Championship – brings a fascinating niche sport to a wider audience.

10 About this report

Reporting standard

The 2025 Sustainability Report has been published by Zuger Kantonalbank in accordance with the 2021 GRI Standards (see section 11.1 GRI Index, p. 87 ff.) and in terms of content corresponds to the legal requirements according to Art. 964 CO (see section 11.2 CO Index, p. 95 ff.) and the related ordinances. In addition, in this report we refer to the draft GRI Sector Standards for banks and asset managers as published at the beginning of 2025. The Climate Report was voluntarily prepared in line with the TCFD recommendations, although for 2025 we have chosen not to make it machine-readable.

Reporting period

The Zuger Kantonalbank Sustainability Report is published annually. Unless stated otherwise, all information relates to the 2025 calendar year (1 January 2025 to 31 December 2025) or to the reporting date of 31 December 2025. For a small number of indicators for environmental matters in own operations (see section 2.5.6 Climate-related and other environment-related key figures from operations, p. 48 f.), reference is made to a specific period covering the last twelve reported months due to a business-related delay in the reporting of the data by external and internal suppliers.

The reporting period for this Sustainability Report thus corresponds as far as possible to that of the consolidated financial reporting of Zuger Kantonalbank. The Sustainability Report 2025 forms part of the Annual Report 2025, which is being published in its entirety in German on 13 March 2026. The Sustainability Report 2025 is being published on 27 March 2026 in English.

System boundaries

The Sustainability Report and the data presented largely cover the Zuger Kantonalbank Group (see Annual Report, Consolidated financial statements, Notes to the consolidated financial statements section 2. Accounting and valuation principles, Scope of consolidation, p. 27). In the event of discrepancies in the management system between Zuger Kantonalbank and IFAM or missing data for IFAM, this is explicitly pointed out in the report. The Sustainability Report has been prepared in accordance with the principle of double materiality in relation to the topics and expectations of the various stakeholders.

Restatements

Compared with the previous year's report, there are no restatements due to organisational changes. The calculation of GHG emissions for corporate loans was adjusted in accordance with the requirements of the PCAF standards used (see table on GHG emissions from the balance sheet business of Zuger Kantonalbank, p. 41). This led to a retroactive adjustment to the GHG emissions for corporate loans for 2024.

In addition, all key data on employees retroactively take into account the employees of IFAM for 2024 (see table Key figures on employee diversity at Zuger Kantonalbank Group as of 31 December 2025, p. 76, table Key figures on employees at Zuger Kantonalbank Group as of 31 December 2025, p. 80 f. and table Key figures on parental leave at Zuger Kantonalbank Group as of 31 December 2025, p. 81).

The proportions of full and part-time positions in the year under review were calculated based on the number of employees and no longer on the basis of full-time equivalents. For the presentation of training costs, a distinction is no longer drawn between management training and other training. For the calculation of the key data on parental leave "Employees who are still working 1 year after returning to work" (in persons and in %), the periodicity was adjusted. Thus the parents who returned to work in 2024 and continued to work with us in 2025 are included in the figure for 2025 (see table Key figures on parental leave at Zuger Kantonalbank Group as of 31 December 2025, p. 81).

External assurance

The Zuger Kantonalbank Sustainability Report did not undergo an external assurance. The Financial Report (consolidated financial statements and parent company financial statements) has been audited by the external auditors, PricewaterhouseCoopers AG (see Annual Report 2025, Consolidated financial statements, Report of the statutory auditor, p. 59 ff. and Financial statements of the parent company, Report of the statutory auditor, p. 75 ff.).

Contact for questions on sustainability reporting

Zuger Kantonalbank
Noëlle Fricker
Head Sustainability Unit
Phone +41 (0)41 709 15 40
noelle.fricker@zugerkb.ch

11 Appendix

11.1 GRI Index

Statement of use Zuger Kantonalbank has reported in accordance with the GRI Standards for the period 1 January 2025 to 31 December 2025.

GRI 1 used GRI 1: Foundation 2021

Applicable GRI Sector Standard(s) GRI G4 Financial Services Sector Supplement 2013

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
General disclosures			
GRI 2: General disclosures 2021	2-1 Organisational details	Annual Report 2025: Consolidated financial statements, Notes to the consolidated financial statements, 1. Name, legal form and registered office of the bank, page 27 Corporate governance, 1. Corporate structure and shareholders, page 91	
	2-2 Entities included in the organisation's sustainability reporting	Sustainability Report 2025: 1.3.1 Corporate structure, page 9 10. About this report, page 85 Annual Report 2025: Consolidated financial statements, Notes to the consolidated financial statements, 2. Accounting and valuation principles, Scope of consolidation, page 27	
	2-3 Reporting period, frequency and contact point	Sustainability Report 2025: 10. About this report, page 85 f.	
	2-4 Restatements of information	Sustainability Report 2025: 10. About this report, page 85	
	2-5 External assurance	Sustainability Report 2025: 10. About this report, page 86	
	2-6 Activities, value chain and other business relationships	Sustainability Report 2025: 1.3 Business model, page 9 ff. Annual Report 2025: The year 2025, Key figures, page 5 Consolidated financial statements, Notes to the consolidated financial statements, 1. Name, legal form and registered office of the bank, page 27	
	2-7 Employees	Sustainability Report 2025: Table Key figures on employees at Zuger Kantonalbank Group, page 80	
	2-8 Workers who are not employees	Sustainability Report 2025: Table Key figures on employees at Zuger Kantonalbank Group, page 80	
	2-9 Governance structure and composition	Annual Report 2025: Corporate governance, 3 Bank Council, page 92 ff.	

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
General disclosures			
GRI 2: General disclosures 2021	2-10 Nomination and selection of the highest governance body	Annual Report 2025: Corporate governance, 3.4 Nomination, election and term of office, 95 Compensation Report, compensation policies, 10. Gender representation on the Bank Council and Executive Board, page 87	
	2-11 Chair of the highest governance body	Annual Report 2025: Corporate governance, 3.1.3 Executive/ non-executive members, page 95	
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report 2025: Corporate governance, 3.6 Competency regulation, page 97 f.	
	2-13 Delegation of responsibility for managing impacts	Annual Report 2025: Corporate governance, 3.6 Competency regulation, page 97 f.	
	2-14 Role of the highest Supervisory bodies sustainability reporting	Annual Report 2025: Corporate governance, 3.6 Competency regulation, page 97 f.	
	2-15 Conflicts of interest	Annual Report 2025: Corporate governance, 3.3 Number of permitted activities, page 95 Corporate governance, 4.3 Number of permitted activities, page 103	
	2-16 Communication of critical concerns	Annual Report 2025: Corporate governance, 3.7 Information and control instruments, page 98 f.	
	2-17 Collective knowledge of the highest governance body	Annual Report 2025: Corporate governance, 3 Bank Council, page 92 ff. Corporate governance, 3.5 Internal organisation, functioning of the Bank Council and its committees, page 97	
	2-18 Evaluation of the performance of the highest governance body	Annual Report 2025: Corporate governance, 3.5 Internal organisation, functioning of the Bank Council and its committees, page 97	
	2-19 Remuneration policies	Annual Report 2025: Compensation Report, compensation policies, 2. Principles of compensation and participation programmes, page 80 ff.	
	2-20 Process to determine remuneration	Annual Report 2025: Compensation Report, compensation policies, 2. Principles of compensation and participation programmes, page 80 ff.	
	2-21 Annual total compensation ratio	Annual Report 2025: Compensation Report, compensation policies, 11. Annual total compensation ratio, page 87	
	2-22 Statement on sustainable development strategy	Sustainability Report 2025: Foreword, page 3 f.	

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
General disclosures			
GRI 2: General disclosures 2021	2-23 Policy commitments	Code of Conduct of Zuger Kantonalbank (www.zugerkb.ch/ethics) IFAM's Code of Conduct (www.immofonds.ch/unternehmen/governance/verhaltenskodex) (German and French only) Sustainability Report 2025: 1.4 ESG in governance, page 13 ff. 1.5 ESG in the core business, page 17 ff. 1.6 ESG in the wider value chain, page 24 ff.	
	2-24 Embedding policy commitments	Code of Conduct of Zuger Kantonalbank (www.zugerkb.ch/ethics) IFAM's Code of Conduct (www.immofonds.ch/unternehmen/governance/verhaltenskodex) (German and French only) Sustainability Report 2025: 1.4 ESG in governance, page 13 ff. 1.5 ESG in the core business, page 17 ff. 1.6 ESG in the wider value chain, page 24 ff.	
	2-25 Processes to remediate negative impacts	Sustainability Report 2025: 1.4.3.2 Structured complaints process for external stakeholders of Zuger Kantonalbank, page 14	
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Report 2025: 1.4.3.1 Professional whistleblowing procedure for employees, page 14	
	2-27 Compliance with laws and regulations	Sustainability Report 2025: 1.4.3.3 No violations or fines, page 15	
	2-28 Membership associations	Sustainability Report 2025: 1.8 Membership of associations and organisations, page 29 f.	
	2-29 Approach to stakeholder engagement	Sustainability Report 2025: 1.2.1 Our key stakeholder groups, page 5 ff.	
	2-30 Collective bargaining agreements	No employees in the Group are subject to collective bargaining agreements.	

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Report 2025: 1.2.2.1 Analysis procedure and impact on report content and report structure, page 7 f.	
	3-2 List of material topics	Sustainability Report 2025: 1.2.2.2 Results of the analysis, page 8	
Climate matters			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report 2025: 2.1 Relevance of the topic, page 32 2.2 Governance, page 32 f. 2.3 Strategy, page 33 ff. 2.4 Risk management, page 38 f. 2.5 Objectives, measures and key figures, page 39 ff.	
GRI 201: Economic performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability Report 2025: 2.1 Relevance of the topic, page 32 2.3.1 Climate-related opportunities, page 34 2.3.2 Climate-related risks, page 34 ff.	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Sustainability Report 2025: 2.5.6 Climate-related and other environment-related key figures from operations, page 48 f.	
	301-2 Recycled input materials used	Sustainability Report 2025: 2.5.6 Climate-related and other environment-related key figures from operations, page 48 f.	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Sustainability Report 2025: 2.5.6 Climate-related and other environment-related key figures from operations, page 48 f. 11.3.2.4 Methodological principles for measuring GHG emissions from own operations, page 103	
	302-2 Energy consumption outside the organisation	Sustainability Report 2025: 2.5.6 Climate-related and other environment-related key figures from operations, page 48 f.	
	302-3 Energy intensity	Sustainability Report 2025: 2.5.6 Climate-related and other environment-related key figures from operations, page 48 f.	
	302-5 Reduction in energy requirements of products and services	The financial products and services of Zuger Kantonalbank do not result in any direct energy consumption on the part of clients.	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Sustainability Report 2025: 2.5.6.2 Responsible use of water and waste, page 51	

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
Material topics	303-2 Management of water discharge-related impacts	Sustainability Report 2025: 2.5.6.2 Responsible use of water and waste, page 51	
	303-3 Water withdrawal	Sustainability Report 2025: 2.5.6 Climate-related and other environment-related key figures from operations, page 48 f.	
	303-4 Water discharge	Sustainability Report 2025: 2.5.6 Climate-related and other environment-related key figures from operations, page 48 f.	
	303-5 Water consumption	Sustainability Report 2025: 2.5.6 Climate-related and other environment-related key figures from operations, page 48 f.	
	GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Report 2025: 2.5.6 Climate-related and other environment-related key figures from operations, page 48 f. 11.3.2.4 Methodological principles for measuring GHG emissions from own operations, page 103
305-2 Energy indirect (Scope 2) GHG emissions		Sustainability Report 2025: 2.5.6 Climate-related and other environment-related key figures from operations, page 48 f. 11.3.2.4 Methodological principles for measuring GHG emissions from own operations, page 103	
305-3 Energy indirect (Scope 3) GHG emissions		Sustainability Report 2025: 2.5.2 Climate related key figures for the lending business, page 40 ff. 2.5.4 Climate-related key figures for the investment business, page 44 ff. 2.5.6 Climate-related and other environment-related key figures from operations, page 48 f. 11.3.2.2 Methodological principles for measuring financed GHG emissions for balance sheet positions, page 101 ff. 11.3.2.3 Methodological principles for measuring financed GHG emissions for the investment business, page 103 11.3.2.3.1 Methodology for IFAM's energy consumption, greenhouse gas emissions and reduction pathway, page 103	
305-4 GHG emissions intensity		Sustainability Report 2025: 2.5.2 Climate related key figures for the lending business, page 40 ff. 2.5.4 Climate related key figures for the investment business, page 44 ff. 2.5.6 Climate-related and other environment-related key figures from operations, page 48 f.	

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
Material topics			
	305-5 Reduction of GHG emissions	Sustainability Report 2025: 2.5.4.2 Achievement of targets by Zuger Kantonalbank equity funds, page 45 2.5.4.3 Carbon intensity of IFAM funds, page 45 f. 2.5.6 Climate-related and other environment-related key figures from operations, page 48 f. 11.3.2.3.1 Methodology for IFAM's energy consumption, greenhouse gas emissions and reduction pathway, page 103	
	305-6 Emissions of ozone-depleting substances (ODS)	Zuger Kantonalbank does not produce any (significant) emissions of this nature.	
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	Zuger Kantonalbank does not produce any (significant) emissions of this nature.	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Sustainability Report 2025: 2.5.6.2 Responsible use of water and waste, page 51	
	306-2 Management of significant waste-related impacts	Sustainability Report 2025: 2.5.6.2 Responsible use of water and waste, page 51	
	306-3 Waste generated	Sustainability Report 2025: 2.5.6 Climate-related and other environment-related key figures from operations, page 48 f.	
	306-4 Waste diverted from disposal	Sustainability Report 2025: 2.5.6 Climate-related and other environment-related key figures from operations, page 48 f.	
	306-5 Waste directed to disposal	Sustainability Report 2025: 2.5.6 Climate-related and other environment-related key figures from operations, page 48 f.	
GRI G4 Financial Services Sector Supplement 2013	G4-FS8 Lending business with special environmental benefits	Currently, Zuger Kantonalbank has only an insignificant volume of business with special environmental benefits (Green Loan).	
Data protection and data security			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report 2025: 3.1 Relevance of the topic, page 53 3.2 Management approach, page 53 ff. 3.3 Objectives, key figures and measures in the year under review, page 55 3.4 Outlook, page 56	
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report 2025: 3.3.2 Resolution of client complaints, page 55	

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
Material topics			
Financial health and inclusion			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report 2025: 4.1 Relevance of the topic, page 57 4.2 Management approach, page 57 ff. 4.3 Objectives, key figures and measures in the year under review, page 61 4.4 Outlook, page 62	
GRI G4 Financial Services Sector Supplement 2013	G4 FS6 Composition of the lending business by region, size of companies and industry	Sustainability Report 2025: By size: 4.3.2 Lending business, page 61 By industry and region: 1.3.2.1 How our lending business is structured, page 10 f.	
	G4 FS7 Lending business with special environmental benefits	Currently, Zuger Kantonalbank does not have any lending business with special social benefits.	
	G4 FS7 Investment business with special environmental benefits	Currently, Zuger Kantonalbank does not have any investment business with special social benefits.	
Prevention of corruption and financial crime			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report 2025: 5.1 Relevance of the topic, page 63 5.2 Management approach, page 63 ff. 5.3 Objectives, key figures and measures in the year under review, page 66 f. 5.4 Outlook, page 67	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Sustainability Report 2025: 5.3.2 Suspected money laundering cases reported, clients supported with fraud cases and no instances of corruption identified or reported, page 66	
	205-2 Communication and training in anti-corruption policies and procedures	Sustainability Report 2025: 5.2.3 Suppliers and service providers, page 65 5.3.3 Further expansion of prevention and awareness-raising, page 67	
	205-3 Confirmed incidents of corruption and actions taken	Sustainability Report 2025: 5.3.2 Suspected money laundering cases reported, clients supported with fraud cases and no instances of corruption identified or reported, page 66	

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
Material topics			
Marketing and product labelling			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report 2025: 6.1 Relevance of the topic, page 68 6.2 Management approach, page 68 ff. 6.3 Objectives, key figures and measures in the year under review, page 71 f. 6.4 Outlook, page 72	
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Sustainability Report 2025: 6.2.1.1 Comprehensive regulatory requirements, page 68 f. 6.2.1.4 Specific measures to ensure disclosure obligations regarding the General Terms and Conditions of Business and characteristics of our banking and investment products, page 69 f. 6.2.1.8 Fair and independent product selection, page 71 6.2.2 IFAM, page 71	
	417-2 Incidents of non-compliance concerning product and service information and labelling	Sustainability Report 2025: 6.3 Objectives, key figures and measures in the year under review, page 71 f.	
	417-3 Incidents of non-compliance concerning marketing and communications	Sustainability Report 2025: 6.3 Objectives, key figures and measures in the year under review, page 71 f.	
Non-discrimination and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report 2025: 7.1 Relevance of the topic, page 73 7.2 Management approach, page 73 ff. 7.3 Objectives, key figures and measures in the year under review, page 76 7.4 Outlook, page 76	
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Annual Report 2025: Compensation Report, compensation policies, 10. Gender representation on the Bank Council and Executive Board, page 87 Sustainability Report 2025: 7.3 Objectives, key figures and measures in the year under review, page 76	
	405-2 Ratio of basic salary and remuneration of women to men	Sustainability Report 2025: 7.2.1.1.4 Equal pay, page 74 7.2.1.2 IFAM, page 74	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Sustainability Report 2025: 7.3 Objectives, key figures and measures in the year under review, page 76	

11.2 CO Index

In content terms, reporting on non-financial matters was conducted in accordance with Art. 964 CO, DDrO and TCFD.

Topic	Sub-topic	Location	Notes	Compliance with other standards (GRI, TCFD)
Business model		Sustainability Report 2025: 1.3 Business model, page 9 ff. Annual Report 2025: Consolidated financial statements, Notes to the consolidated financial statements, 1. Name, legal form and registered office of the bank, page 27		GRI 2-6
Climate	Materiality/risks	Sustainability Report 2025: 1.2.2 Material topics, page 7 ff. 2.1 Relevance of the topic, page 32 2.3.1 Climate-related opportunities, page 34 2.3.2 Climate-related risks, page 34 ff.		GRI 3-1, GRI 3-2, GRI 3-3 GRI 201-2 TCFD
	Governance	Sustainability Report 2025: 2.2 Governance, page 32 f.		GRI 3-3 TCFD
	Concept/management approach	Sustainability Report 2025: 2.3 Strategy, page 33 ff. 2.4 Risk management, page 38 f. 2.5 Objectives, measures and key figures, page 39 ff.		GRI 3-3 TCFD
	CO ₂ targets	Sustainability Report 2025: 2.5.1 Climate-related objectives of the lending business, page 39 f. 2.5.3 Climate-related objectives of the investment business, page 43 f. 2.5.5 Climate-related objectives in our own operations, page 46 f.		GRI 3-3 TCFD
	Due diligence	Sustainability Report 2025: 1.4.6 Risk management and processes, page 17 1.5.2.1.8 Compliance with due diligence obligations in relation to own financial assets and when offering metals, page 23 1.6.1.1.3 Third Party Risk Management, page 26 2.4 Risk management, page 38 f. Annual Report 2025: Notes to the consolidated financial statements, 3. Risk management, page 34 ff.		GRI 3-3 TCFD
	Measures	Sustainability Report 2025: 2.5.1 Climate-related objectives of the lending business, page 39 f. 2.5.3 Climate-related objectives of the investment business, page 43 f. 2.5.5 Climate-related objectives in our own operations, page 46 ff.		GRI 3-3 TCFD
	Performance indicators	Sustainability Report 2025: 1.5.1.2 ESG in the mortgage business, page 18 1.5.2.1.2. Proportion of investments with ESG exclusion criteria, page 20 2.5.2 Climate-related key figures for the lending business, page 40 ff. 2.5.4 Climate-related key figures for the investment business, page 44 ff. 2.5.6 Climate-related and other environment-related key figures from operations, page 48 ff.		G4-FS8, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 305-6, GRI 305-7, TCFD
	Effectiveness review	Sustainability Report 2025: 1.4.2 Three-line model for implementation and control, page 13 f. 2.2 Governance, page 32 f.		GRI 3-3

Topic	Sub-topic	Location	Notes	Compliance with other standards (GRI, TCFD)
Other environmental concerns	Materiality/risks	Sustainability Report 2025: 1.2.2 Material topics, page 7 ff.		GRI 3-1, GRI 3-2, GRI 3-3
	Concept/management approach	Sustainability Report 2025: 1.5 ESG in the core business, page 17 ff. 1.6 ESG in the wider value chain, page 24 ff. 2.5.5.2 Action areas for the 2030 environmental targets, page 47 f. 2.5.6.2 Responsible use of water and waste, page 51 2.5.6.3 Responsibility as well as training and awareness raising, page 52		GRI 3-3, GRI 303-1, GRI 303-2, GRI 306-1, GRI 306-2
	Targets	Sustainability Report 2025: 2.5.5.2 Action areas for the 2030 environmental targets, page 47 f.		GRI 3-3
	Due diligence	Sustainability Report 2025: 1.4.6 Risk management and processes, page 17 1.5.2.1.8 Compliance with due diligence obligations in relation to own financial assets and when offering metals, page 23 1.6.1.1.3 Third Party Risk Management, page 26 Annual Report 2025: Notes to the consolidated financial statements, 3. Risk management, page 34 ff.		GRI 3-3
	Measures	Sustainability Report 2025: 2.5.5.2 Action areas for the 2030 environmental targets, page 47 f. 2.5.6 Climate-related and other environment-related key figures from operations, page 48 ff.		GRI 3-3
	Performance indicators	Sustainability Report 2025: 1.5.1.2 ESG in the mortgage business, page 18 1.5.2.1.2 Proportion of investments with ESG exclusion criteria, page 20 2.5.6 Climate-related and other environment-related key figures from operations, page 48 ff.		G4-FS8, GRI 301-1, GRI 301-2, GRI 301-3, GRI 302-1, GRI 302-2, GRI 302-3, GRI 303-3, GRI 303-4, GRI 303-5, GRI 306-3, GRI 306-4, GRI 306-5
	Effectiveness review	Sustainability Report 2025: 1.4.2 Three-line model for implementation and control, page 13 f. 1.4.4 Governance and responsibilities, page 15 f.		GRI 3-3
Social concerns	Materiality/risks	Sustainability Report 2025: 1.2.2 Material topics, page 7 ff. 3.1 Relevance of the topic, page 53 4.1 Relevance of the topic, page 57 6.1 Relevance of the topic, page 68		GRI 3-1, GRI 3-2, GRI 3-3
	Concept/management approach	Sustainability Report 2025: 1.5 ESG in the core business, page 17 ff. 1.6 ESG in the wider value chain, page 24 ff. 3.2 Management approach, page 53 ff. 4.2 Management approach, page 57 ff. 6.2 Management approach, page 68 ff. 9 Commitment to the region, page 83 f.		GRI 3-3
	Targets		No specific targets	GRI 3-3

Topic	Sub-topic	Location	Notes	Compliance with other standards (GRI, TCFD)
	Due diligence	Sustainability Report 2025: 1.4.6 Risk management and processes, page 17 1.5.2.1.8 Compliance with due diligence obligations in relation to own financial assets and when offering metals, page 23 1.6.1.1.3 Third Party Risk Management, page 26 Annual Report 2025: Notes to the consolidated financial statements, 3. Risk management, page 34 ff.		GRI 3-3
	Measures	Sustainability Report 2025: 3.3 Objectives, key figures and measures in the year under review, page 55 4.3 Objectives, key figures and measures in the year under review, page 61 6.3 Objectives, key figures and measures in the year under review, page 71 f. 9.2 The main focus of awards and sponsorship activities in 2025, page 83 f.		GRI 3-3
	Performance indicators	Sustainability Report 2025: 3.3 Objectives, key figures and measures in the year under review, page 55 4.3 Objectives, key figures and measures in the year under review, page 61 6.3 Objectives, key figures and measures in the year under review, page 71 f. 9.2 The main focus of awards and sponsorship activities in 2025, page 83 f.		G4-FS6, GRI 2-27, GRI 206-1, GRI 418-1
	Effectiveness review	Sustainability Report 2025: 1.4.2 Three-line model for implementation and control, page 13 f. 1.4.4 Governance and responsibilities, page 15 f. 3.2.1.1.5 Regular checks, page 54 6.3.3 "Marketing and product labelling" audits, page 72		GRI 3-3
Employee concerns	Materiality/risks	Sustainability Report 2025: 1.2.2 Material topics, page 7 ff. 7.1 Relevance of the topic, page 73		GRI 3-1, GRI 3-2, GRI 3-3
	Concept/management approach	Sustainability Report 2025: 1.5 ESG in the core business, page 17 ff. 1.6 ESG in the wider value chain, page 24 ff. 7.2 Management approach, page 73 ff. 8 Employee development at Zuger Kantonalbank, page 77 ff.		GRI 3-3
	Targets		No specific targets	GRI 3-3
	Due diligence	Sustainability Report 2025: 1.4.6 Risk management and processes, page 17 1.5.2.1.8 Compliance with due diligence obligations in relation to own financial assets and when offering metals, page 23 1.6.1.1.3 Third Party Risk Management, page 26 Annual Report 2025: Notes to the consolidated financial statements, 3. Risk management, page 34 ff.		GRI 3-3

Topic	Sub-topic	Location	Notes	Compliance with other standards (GRI, TCFD)
	Measures	Sustainability Report 2025: 7.3 Objectives, key figures and measures in the year under review, page 76 8.3 How we support our employees in their development, page 77 f. 8.4 How we attract, train, nurture and retain talent, page 78 8.7 Key figures and developments in the year under review, page 79 ff.		GRI 3-3
	Performance indicators	Sustainability Report 2025: 7.3 Objectives, key figures and measures in the year under review, page 76 8.7 Key figures and developments in the year under review, page 79 ff.		GRI 401-1, GRI 401-2, GRI 401-3, 404-2, 404-3, GRI 405-1, GRI 405-2, GRI 406-1
	Effectiveness review	Sustainability Report 2025: 1.4.2 Three-line model for implementation and control, page 13 f. 1.7.2 Evaluation of Zuger Kantonalbank and IFAM as employer, page 28 f. 1.4.4 Governance and responsibilities, page 15 f. 7.2.1.1.4 Equal pay, page 74 7.2.1.2 IFAM, page 74		GRI 3-3
Respect for human rights	Materiality/risks	Sustainability Report 2025: 1.2.2 Material topics, page 7 ff. 7.1 Relevance of the topic, page 73		GRI 3-1, GRI 3-2, GRI 3-3
	Concept/management approach	Sustainability Report 2025: 1.4 ESG in governance, page 13 ff. 1.5 ESG in the core business, page 17 ff. 1.6 ESG in the wider value chain, page 24 ff. 7.2 Management approach, page 73 ff.		GRI 3-3
	Targets		No specific targets	GRI 3-3
	Due diligence	Sustainability Report 2025: 1.4.6 Risk management and processes, page 17 1.5.1.1 ESG in the commercial lending business, page 17 f. 1.5.2.1.8 Compliance with due diligence obligations in relation to own financial assets and when offering metals, page 23 1.6.1.1.3 Third Party Risk Management, page 26 1.6.3 Compliance with due diligence obligations, page 27 f. Annual Report 2025: Notes to the consolidated financial statements, 3. Risk management, page 34 ff.		GRI 3-3
	Measures	Sustainability Report 2025: 1.6.1.1.3 Third Party Risk Management, page 26 7.3 Objectives, key figures and measures in the year under review, page 76		GRI 3-3
	Performance indicators	Sustainability Report 2025: 7.3 Objectives, key figures and measures in the year under review, page 76 Table Key figures on parental leave at Zuger Kantonalbank Group as of 31 December 2025, page 81		GRI 406-1

Topic	Sub-topic	Location	Notes	Compliance with other standards (GRI, TCFD)
	Effectiveness review	Sustainability Report 2025: 1.4.2 Three-line model for implementation and control, page 13 f. 1.4.4 Governance and responsibilities, page 15 f. 7.2.1.1.4 Equal pay, page 74 7.2.1.2 IFAM, page 74		GRI 3-3
Combating corruption	Materiality/risks	Sustainability Report 2025: 1.2.2 Material topics, page 7 ff. 5.1 Relevance of the topic, page 63		GRI 3-1, GRI 3-2, GRI 3-3
	Concept/management approach	Sustainability Report 2025: 1.4 ESG in governance, page 13 ff. 1.5 ESG in the core business, page 17 ff. 1.6 ESG in the wider value chain, page 24 ff. 5.2 Management approach, page 63 ff.		GRI 3-3
	Targets		No specific targets	GRI 3-3
	Due diligence	Sustainability Report 2025: 1.4.6 Risk management and processes, page 17 1.5.2.1.8 Compliance with due diligence obligations in relation to own financial assets and when offering metals, page 23 1.6.1.1.3 Third Party Risk Management, page 26 5.2.1.1 Zuger Kantonalbank, page 63 f. Annual Report 2025: Notes to the consolidated financial statements, 3. Risk management, page 34 ff.		GRI 3-3
	Measures	Sustainability Report 2025: 5.3 Objectives, key figures and measures in the year under review, page 66 f.		
	Performance indicators	Sustainability Report 2025: 5.3 Objectives, key figures and measures in the year under review, page 66 f.		GRI 205-1, GRI 205-2, GRI 205-3
	Effectiveness review	Sustainability Report 2025: 1.4.2 Three-line model for implementation and control, page 13 f. 1.4.4 Governance and responsibilities, page 15 f. 5.2.1.1 Zuger Kantonalbank, page 63 f.		GRI 3-3
Due diligence and transparency regarding minerals and metals from conflict areas	Supply chain policy	Sustainability Report 2025: 1.5.2.1.8 Compliance with due diligence obligations in relation to own financial assets and when offering metals, page 23		
Due diligence and transparency regarding child labour	Supply chain policy	Sustainability Report 2025: 1.6.1 Suppliers and service providers, page 24 ff.		
	Risk assessment	Sustainability Report 2025: 1.6.3 Compliance with due diligence obligations, page 27 f.		

11.3 Additional information on the Climate Report

11.3.1 Definition of terms

Carbon emissions – Refer to the release of carbon dioxide (CO₂e) into the atmosphere. This occurs through the burning of fossil fuels (e.g. driving a car, heating with oil or gas, electricity from coal-fired power stations), through industrial processes (e.g. cement manufacturing) or through deforestation, because less carbon is captured. In this report, the term carbon emissions is always used to describe all climate-affecting gases that have been converted into carbon equivalents.

Carbon equivalents (CO₂e) – Carbon equivalents are a metric used to compare the climate impact of various greenhouse gases. Greenhouse gases such as methane (CH₄) or nitrous oxide (N₂O) have a significantly greater impact on global warming than CO₂. To express these different impacts as a common unit, their emissions are converted into CO₂ equivalents.

Scope 1, 2 and 3 – These terms come from the Greenhouse Gas Protocol – the globally recognised standard used to measure GHG emissions. They help with systematically classifying emissions by source.

Scope 1 comprises direct emissions that occur under a company's direct influence. Examples include the burning of gas or oil in its own heating boilers, emissions from its own company vehicles or emissions from production processes (e.g. cement, chemicals).

Scope 2 describes indirect emissions from energy which arise as a result of the production of purchased energy. Examples include electricity consumption or district heating, steam and cooling. These emissions do not occur within the company itself but are instead caused by the energy provider; they are nevertheless assigned to the company, because it is using this energy.

Scope 3 describes other indirect emissions. It includes all other indirect emissions that arise within the value chain – both upstream and downstream. Examples include emissions from the manufacture of purchased materials or services, customers' use of the products sold, or the disposal of products at the end of their life. Financed emissions in the lending and investment businesses are also considered Scope 3 emissions from Zuger Kantonbank's perspective. Scope 3 emissions are often the most extensive and simultaneously the most difficult to influence.

11.3.2 Methodological principles

11.3.2.1 Methodological principles for the assessment of climate-related financial risks

The risks are assessed based on the criteria "financial impacts", "compliance impacts" and "reputation impacts". At least one realistic negative scenario is formulated for each identified climate risk and describes how the climate risk impacts on the risk category (e.g. credit risks). The overall risk assessment is derived from the assessment of impacts. The criteria are applied in accordance with the following table:

Assessment of the impacts and determining the overall classification of climate-related financial risks

Overall classification	Fulfilment of at least one criterion		
	Financial impacts	Compliance impacts ^a	Reputation impacts ^b
Low	< CHF 2,000,000	Low	Low
Moderate	< CHF 10,000,000	Moderate	Moderate
Considerable	< CHF 50,000,000	Considerable	Considerable
Substantial	> CHF 50,000,000	Substantial	Substantial

a Assessment of the impacts on compliance with external requirements is determined by the type of potential breach as well as by the tolerance and potential consequences on the part of the legislature or supervisory authority with regard to this type of breach.

b Assessment of the impacts on reputation are determined by the type of potential indirect loss in accordance with the realistic negative scenario as well as in accordance with the type and extent of any publication of the event (e.g. via the media).

The table below shows the criteria used to classify the realistic negative scenario for the respective climate risk with regard to reputation and compliance:

Criteria for assessing impacts with regard to reputation and compliance

Risk potential	Reputation impacts	Compliance impacts
Low	<ul style="list-style-type: none"> ■ Brief report in local media ■ No exceptional communication measure necessary 	<ul style="list-style-type: none"> ■ Audit with complaints with low materiality
Moderate	<ul style="list-style-type: none"> ■ More intensive reporting in local media ■ Exceptional communication measure necessary 	<ul style="list-style-type: none"> ■ Audit with complaints with higher materiality ■ Regulatory sanction with limited scope (fine, reprimand, etc.) ■ Request for information ■ On-site checks due to suspected cases ■ Reprimand/censure
Considerable	<ul style="list-style-type: none"> ■ Nationwide reports resulting in client reticence towards new business ■ Increase in critical enquiries from clients, rating agencies, etc. 	<ul style="list-style-type: none"> ■ Criminal and/or administrative proceedings and convictions in relation to company
Substantial	<ul style="list-style-type: none"> ■ Intensive nationwide reports ■ Substantial loss of trust ■ Loss of business partners ■ Loss of employees/difficulties with recruitment 	<ul style="list-style-type: none"> ■ Potential withdrawal of licence by regulator ■ Revocation of authorisation for key exchanges, clearing systems, etc.

11.3.2.2 Methodological principles for measuring financed GHG emissions for balance sheet positions

Measurement of the GHG emissions for Zuger Kantonalbank's balance sheet positions follows the PCAF standard.

The previous year's figures are restated in the event of considerable changes in methodology. Changes are deemed considerable if they have an impact of > 10 percent on the respective PCAF category. If the figures for a reduction pathway are used, the restatement shall also be applied to the base year.

11.3.2.2.1 Balance sheet positions not taken into account and coverage

In general, attempts were made to cover all relevant asset items in Zuger Kantonalbank's balance sheet. The main items not included in the measurement of financed GHG emissions as things stand are as follows:

- **Cash/liquidity** – Cash and liquidity in Zuger Kantonalbank's nostro accounts with other commercial banks and with the Swiss National Bank are not included in the calculation of emissions. In effect, these funds are not used for lending purposes and accordingly there are no financed emissions linked to them.
- **Participations** – Participations majority owned by Zuger Kantonalbank (IFAM, Parkhaus Vorstadt) are not included in the emissions calculation based on category 15 of the GHG Protocol either. The emissions associated with these positions are deemed operational and included in Scope 1 emissions.
- **Lombard loans** – Lombard loans involve the financing of securities purchases. Given the complexity and immateriality of Zuger Kantonalbank's lombard portfolio, emissions for these loans are not being measured for the time being.
- **Staff loans** – The "staff loans" credit product is not included in the calculation of financed GHG emissions either, as the associated financing purpose is unknown. The materiality of this product is very low.
- **Various other asset items** – Various other asset positions (asset positions from trading activities, positive replacement values for derivatives, accrued income and prepaid expenses, etc.) are not included in category 15 of the GHG Protocol and accordingly are either not taken into account in the calculation of emissions or are included in Scope 1 emissions.
- **Off-balance-sheet positions** – The PCAF standard relates only to balance sheet items. Off-balance-sheet items such as limits are not taken into account.

Emissions are measured based on the net balance sheet values. Coverage compared with the balance sheet at the end of 2025, which is shown in the table below, can be deemed high in all areas with coverage of more than 90 percent:

Coverage of balance sheet items by GHG measurement

Balance sheet item	Lending volume covered by GHG measurement (CHF million, rounded)	Balance sheet lending volume (CHF million, rounded)	Coverage in %
Loans	14,079	15,323 ^a	91.9
Financial investments	692	695 ^b	99.6
Total	14,771	16,018	92.2

^a Balance sheet items as at 31 December 2025 "Due from customers" (CHF 888.3 million) and "Mortgage loans" (CHF 14,434.6 million)

^b Balance sheet items as at 31 December 2025 "Financial assets" (CHF 673.0 million) and "Participations" (CHF 99.1 million) excluding the participation in IFAM (CHF 77.1 million). These are taken into account in operational GHG emissions (Scope 1 and 2).

11.3.2.2.2 Measuring GHG emissions for mortgages and commercial loans

The PCAF category "mortgages" includes owner-occupied residential properties. Financing of commercial properties (including residential properties used by third parties) falls into the "commercial properties" category. The allocation to the various categories is based on usage types of the buildings as well as account types. The measurement of financed GHG emissions is based firstly on internal data, for example from real estate appraisals, and secondly on public data sources (e.g. Federal Register of Buildings and Dwellings, Federal Statistical Office).

With regard to the calculation logic for the GHG emissions for mortgages and commercial loans, the following should be pointed out:

- The heated area is not available from internal or public data sources for all financed properties. In such cases the area is approximated based on average square-metre prices.
- Nor is the type of heating available in all cases. In such cases an emission factor is applied, which is weighted according to the different heating types. The weighting corresponds to the average distribution of heating types in Switzerland.
- Measurement of energy requirements is based on the CO₂ calculator of the Federal Office for the Environment. Relevant criteria are year of construction, renovations, size and usage type of the buildings.

11.3.2.2.3 Measurement of GHG emissions for corporate loans

The "corporate lending" PCAF category comprises commercial lending, including owner-occupied commercial properties. The financed emissions from corporate lending were calculated based on the emission factors provided by PCAF. Depending on data availability, either emission factors in kg CO₂e per CHF 1,000 turnover (PCAF score 4) or kg CO₂e per CHF 1,000 assets (PCAF score 5) were used. In accordance with the PCAF recommendations, the sector-related emission factors of the "EU Member States" region were used. Here the PCAF provides separate values for Scope 1, Scope 2 and Scope 3. If a company's turnover and balance sheet data are available, the turnover is multiplied by the sector-specific emissions factor (PCAF score 4). The resulting total emissions for the company are assigned on a pro rata basis – based on the relationship between outstanding credit amount and total assets – to Zuger Kantonalbank. If the total assets of the company concerned are not available, the emissions are approximated using the sector-specific average values.

11.3.2.2.4 Measuring GHG emissions for participations and financial assets

The GHG emissions associated with the consolidated participations are not financed GHG emissions and are not taken into account in the operational GHG emissions. The equity approach is used for aggregation in the case of non-consolidated participations. Here the GHG emissions are assigned to Zuger Kantonalbank based on the equity share held by Zuger Kantonalbank in the respective company.

The financed GHG emissions for participations and financial assets are calculated in line with the approach for corporate loans. If a listed counterparty is involved, the corresponding PCAF approach is used for listed counterparties. In this case, the allocation factor is calculated on the basis of stock market value.

11.3.2.3 Methodological principles for measuring financed GHG emissions for the investment business

In the context of the carbon balance sheet for the bank as a whole and the calculation of carbon reduction targets for banking operations, we measure various carbon-related data for the assets under management on an annual basis. Based on Scope 1, Scope 2 and Scope 3, these are essentially the absolute carbon emissions (t CO₂e), carbon intensity (t CO₂e/USD million turnover) and carbon footprint (t CO₂e/USD million EVIC). The PCAF methodology is used for indirect GHG emissions for assets under management. The average PCAF quality score for Scope 1, Scope 2 and Scope 3 as well as data coverage in percent of the underlying carbon data from MSCI ESG Manager are also calculated.

11.3.2.3.1 Methodology for IFAM's energy consumption, greenhouse gas emissions and reduction pathway

The report on energy consumption and greenhouse gas emissions was prepared in accordance with the recommendations of the Asset Management Association Switzerland (AMAS) based on the method of the Real Estate Investment Data Association (REIDA). Consumption and intensity for Scope 1 (gas, heating oil, pellets and environmental heat), Scope 2 (district heating, general electricity and electricity for heat pumps) and Scope 3 category 13 (tenant electricity) were calculated in accordance with the current methodological principles of REIDA (IF: Version 1.2.2, 01.04.2025, IFS: Version 1.2, 16.08.2023/Emission factors dated 31.10.2024). The key figures were calculated on a monthly basis using a climate correction with accumulated temperature differences. The raw data was calculated by management firm Wincasa AG from consumption billing. Calculations for the key figures were carried out by pom+ Consulting AG. The key figures are reported based on market evaluation (the biogas share and the share of renewable general electricity are taken into account). To ensure the entire portfolio was considered, no properties were excluded from the calculation of the key figures. In the case of properties without full data for 2024, previous-year values were extrapolated and, where necessary, benchmark values were used in order to close data gaps. For energy reference area (ERA), as reference value for energy and emissions intensity, measured values were used where available. In the case of the seven properties for which no ERA was measured, the ERA was calculated based on the lettable area (LA) using REIDA conversion factors. The key figures were not audited by third parties, either for the 2024 financial year or for the previous year. The reduction pathways refer to the entire portfolio of existing properties as at 31 December 2024 and are calculated based on location. Scope 1 and Scope 2 emissions are considered. The 2020/2021 financial year is the base year for the reduction pathways for IMMOFONDS and the 2023 financial year for IMMOFONDS suburban. Forward-looking information is based on a detailed investment plan for the real estate portfolios of the two investment vehicles. The reduction pathways for IMMOFONDS and IMMOFONDS suburban are pursuing a target of net zero by 2045 within Scope 1. For Scope 2, the target is for 100 percent of energy to come from renewables (general electricity, district heating) by 2045.

11.3.2.4 Methodological principles for measuring GHG emissions from own operations

This report has been prepared in accordance with the industry-standard VfU KPI system using the VfU tool (2022 version) and the Greenhouse Gas Protocol (2020 version). The VfU tool includes all emission factors used for the various energy sources. VfU stands for the Association for Environmental Management and Sustainability in Financial Institutions (Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten – VfU). Emissions from business travel using private vehicles were recorded in 2025, based on an internally conducted transport survey of employees.

Biogenic carbon emissions occur during the burning or biological degrading of biomass. These are insignificant for Zuger Kantonalbank and have not been taken into account in the carbon footprint.

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Contact

Zuger Kantonalbank
Bahnhofstrasse 1
6301 Zug
Phone +41 (0)41 709 11 11

service@zugerkb.ch
www.zugerkb.ch

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Zuger Kantonalbank
Bahnhofstrasse 1
6301 Zug
Phone +41 (0)41 709 11 11

service@zugerkb.ch
www.zugerkb.ch

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