

Green Bond Annual & Environmental Reporting

Data as at 31.12.2025

Aim and purpose of this report

As outlined in the “Green Bond Framework”, Zürcher Kantonalbank uses green bonds to finance loans and projects that meet recognised sustainability criteria. Specifically, green bonds are issued mainly for refinancing ZKB environmental loans and financing projects with energy-related objectives in the office buildings used by Zürcher Kantonalbank itself.

This report highlights the effects of these activities on energy efficiency. The first section shows the scope and composition of ZKB environmental loans as well as provides an assessment of the presumed impact on the environmental balance of those funded construction projects that are based on the Minergie standard. The methodical basis for the impact analysis was developed by the Minergie office in Basel. The analysis compares the energy consumption of conventional buildings with those built according to the Minergie standard, based on reference values, and is intended to give an indication of the consumption savings that can be achieved with energy-efficient construction. The results presented should not be interpreted as precise estimates, but only as orders of magnitude. The second section highlights the energy savings from internal construction projects. Here, the impact analysis is based on actual consumption values. The third section summarises the energy savings and shows how many green bonds Zürcher Kantonalbank had issued by the end of 2025.

1 ZKB environmental loan

The ZKB environmental loan is mainly requested for financing energy-efficient new buildings and, to a lesser extent, is also used for energy-related renovations. The following sections first show the scope and composition of ZKB environmental loans. The method of analysis used for the impact analysis is then discussed. In the last part, the presumed effects on the environmental balance through energy savings or through the improvement of the CO₂ balance are shown.

a. Composition of ZKB environmental loans

The portfolio of outstanding ZKB environmental loans amounted to CHF 1,540 million as at 31.12.2025. Behind this are around 4,600 individual financing tranches. The ZKB environmental loan represents one tranche of the total financing for each of the construction projects supported by Zürcher Kantonalbank. In the case of single-family houses, for example, a maximum of CHF 250,000 of the construction project is financed with ZKB environmental loans. The composition of the portfolio by legal form of the owner and building type, as well as by energy standard, is as follows:

Figures as at 31.12.2025 in CHF million (rounded)	Single-family house	Multi-family house	Apartment in condominium	Commercial real estate ¹	Total
Legal form					
– Private owners	242	259	192	46	738
– Legal entities	8	400	11	138	558
– Cooperatives	–	241	–	3	244
Total	250	900	203	187	1,540

Figures as at 31.12.2025 in CHF million (rounded)	Single-family house	Multi-family house	Apartment in condominium	Commercial real estate ¹	Total
Energy standard					
– Minergie ²	29	551	160	75	815
– GEAK ³	32	162	11	22	226
– 2000-Watt-Areal	–	16	4	–	20
– Other measures	190	171	27	90	478
Total	250	900	203	187	1,540

¹ Residential and commercial, mixed use

² Of which 78% of financing volume is Minergie, 21% Minergie-P and 2% Minergie-A

³ GEAK = building energy certificate of the cantons

b. Impact analysis – method

The impact analysis looks at how much less energy a Minergie building consumes and, correspondingly, by how much CO₂ emissions are reduced when compared to a standard building for scopes 1 and 2 (scope 3 is not included in this document):

- Scope 1: Direct CO₂ emissions from the burning of fossil fuels in a building
- Scope 2: CO₂ emissions emanating from the consumption of electricity and district heating.

The calculations are carried out separately for single-family houses, multi-family houses and functional buildings as well as for new buildings and renovations. In addition, the analysis is carried out separately for the different Minergie standards (Minergie, Minergie-P, Minergie-A). The basis for the calculations is the energy reference area in square meters of the buildings that are within the scope of the analysis.

A standard building is a building constructed, or renovated, in accordance with the regulation valid at the time. The valid regulation is the model cantonal regulation on energy («Mustervorschriften der Kantone im Energiebereich») applicable at the time of construction. A Minergie building is a building constructed, or renovated, in accordance with the valid Minergie regulation at the time.

In calculating the energy consumption, the following metrics are defined:

- Room heating and warm water consumption
- Consumption of electricity from the grid (without room heating and warm water consumption)
- PV electricity production.

For the calculation of the CO₂ emissions in scopes 1 and 2 these metrics (in kWh/m²/a) are converted into tonnes CO_{2eq} using specific emission factors.

c. Impact analysis – results

The energy-related effects using the method of analysis described are transferred to ZKB's environmental loans portfolio. The energy savings potential is determined based on the reference values and not based on the effective energy consumption. It should also be mentioned that the results of the analysis are only applicable to Minergie buildings financed with ZKB environmental loans which represent a volume of CHF 815 million. The other energy standards supported with ZKB environmental loans, as defined in the Green Bond Framework, representing a volume of CHF 725 million, are not covered by the method used.

The analysis carried out covers 59% of all ZKB environmental loans for Minergie buildings (CHF 481 million) in great detail. The energy implications for this part of the portfolio are as follows:

Quantity structure in detail	ERA in m ²	ZKB environmental loan in CHF million
– New buildings	181,639	459
– Renovations ¹	31,399	22

Energy savings and impact	in GWh	in tonnes of CO ₂
– New buildings	151	22,517
– Renovations ¹	93	35,870

¹ Methodology is based on the renovation of an old property. Accordingly, the effect is significantly higher than with new buildings.

For the remaining financing volume for Minergie buildings of CHF 334 million, which was not included in the analysis in any great detail, the energetic effects are estimated indicatively using a proportional extrapolation:

Quantity structure for extrapolation	ERA in m ²	ZKB environmental loan in CHF million
– New buildings	126,144	319
– Renovations	21,806	15

Energy savings and impact extrapolated	in GWh	in tonnes of CO ₂
– New buildings	105	15,638
– Renovations	65	24,911

Overall, this results in the following energy savings:

Total quantity structure	ERA in m ²	ZKB environmental loan in CHF million
– New buildings and renovations	360,988	815

Energy savings and impact	in GWh	in tonnes of CO ₂
– Life cycle	413	98,936
– per year	10.3	2,473

The objective of the analysis is to provide a rough estimate of the environmental impact of Minergie buildings financed with ZKB environmental loans. The values are based on consideration of a lifespan of the financed buildings of 40 years. If the energy-related effect is converted to one year, the result is energy savings of 2,473 tonnes of CO₂ per year based on the assumptions made and the current portfolio of ZKB environmental loans for Minergie buildings.

2 Internal projects

The following sections highlight the energy implications of projects undertaken by Zürcher Kantonalbank on its own office buildings in recent years.

a. Composition of the projects

As at 31.12.2025, the portfolio of internal projects amounted to CHF 308 million. Since 2012, the bank has examined all projects in the internal building sector individually with regard to their energy impact based on effective consumption measurements. As at the evaluation date at the end of 2025, eleven projects implemented between 2015 and 2021 have been selected for refinancing through green bonds. Included are projects in which a significant reduction in energy consumption and/or CO₂ emissions can be demonstrated. These projects include about 60% of the office areas used by Zürcher Kantonalbank.

- The selected projects include three complete renovations and one new replacement building implemented in the period under review.

- In addition, the selection includes seven smaller projects focused on energy renovation.

The selected internal projects qualify for green bond financing for 15 years from the year of implementation. For example, a project that was implemented in 2015 will remain in the portfolio of projects until 2030. Investments and projects completed before 2012 are not taken into account for the green bond programme, although a further part of the office space was built according to energy-efficient criteria in earlier years as part of the bank's overall building strategy.

b. Impact analysis – method

The impact analysis is carried out individually for each of the selected projects. The energy savings are calculated by comparing the effective energy consumption before and after the project is carried out. Where possible, consumption values over three consecutive years are used as the base figure. To calculate the CO₂ emissions, the energy consumption expressed in kilowatt hours is converted into tonnes of CO₂ using emission factors per energy source before and after the project is carried out according to VfU 2018 (Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V.).

All energy consumption and CO₂ emissions relate exclusively to office areas used by Zürcher Kantonalbank. Not included are areas used by third parties (e.g. rental). Grey energy that is used in the course of implementing the project is not included in the impact analysis.

c. Impact analysis – results

The energy-related effect is determined for all internal projects in accordance with the method of analysis described.

- By fully converting to renewable energy sources, a significant reduction in CO₂ emissions can be demonstrated in all selected projects (ten projects with a reduction of at least 70% and one project with a reduction of 50%).
- In absolute terms, this results in a reduction of 1,865 tonnes of CO₂ per year.
- The complete renovations or new replacement building naturally tie up the majority of the funds invested, but also achieve a large overall reduction in energy consumption. The largest project has achieved a reduction in energy consumption of 70%, the other three projects have achieved reductions between 30% to 50%.
- The energy-related renovations make a major difference towards the reduction of CO₂ emissions in relation to the funds used. However, they achieve a smaller reduction in total energy consumption of around 15% on average because the focus is on partial rather than complete renovation.

The following table shows the results, divided into complete renovations and energy-related renovations:

Quantity structure	ERA in m ²	Investment volume in CHF million
Internal projects		
– Complete renovations	44,579	307
– Energy-related renovations	17,288	1
Total	61,867	308
Energy savings and impact per year		
	in GWh	in tonnes of CO ₂
Internal projects		
– Complete renovations	8.1	1,473
– Energy-related renovations	0.2	393
Total	8.3	1,865

3 Summary of results and comparison with outstanding green bonds

a. Results

The following table summarises the results of the impact analysis for the current year:

Project category	Investment volume in CHF million	Impact in tonnes of CO ₂
ZKB Umweltdarlehen Minergie	815	2,473
ZKB Umweltdarlehen others ¹	725	n.a.
Internal projects	308	1,865
Total	1,848	4,338

¹ As mentioned in the text, no impact analysis is available for ZKB environmental loans issued for financing projects based on other energy standards.

b. Green bonds outstanding

Zürcher Kantonalbank's "Green Bond Framework" stipulates that the volume of outstanding green bonds must not exceed the volume of ZKB environmental loans and investments in internal projects. Compliance with this rule is verified on a quarterly basis using an internal control system. Total investment volume of CHF 1,848 million was offset by green bonds issued by Zürcher Kantonalbank in the amount of CHF 1,170 million as at the end of 2025 (see also <https://www.zkb.ch/de/uu/nb/investor-relations/obligationenanleihen.html>):

ISIN	Interest rate	Issue volume in CHF million	Settlement date	Maturity
CH0419041238	0.125%	200	06.06.2019	06.06.2029
CH1189217925	1.400%	200	25.07.2022	25.07.2029
CH1131931342	0.150%	150	21.10.2021	21.10.2031
CH0570576121	0.050%	150	04.11.2020	04.11.2032
CH1446452307	0.700%	220	16.05.2025	16.05.2033
CH1361401842	1.125%	250	16.08.2024	16.08.2034
Total as at 31.12.2025		1,170		

nb: This is a translation of the German version of the Green Bond Annual & Environmental Report. In case of any deviations resulting from the translation, the German version shall prevail.