

Sustain- ability — Report 2025

Report on non-financial matters



Zürcher
Kantonalbank

We're the bank of the people of Zurich. We have been committed to our public service mandate ever since we were founded. Currently this consists of the service, support and sustainability sub-mandates. Our purpose is to contribute to the canton's fulfilment of its economic, social and ecological tasks and thus to support sustainable development. We uphold our values: responsible, inspiring and passionate. The statutory public service mandate is our unique selling point – and we are proud of it.

Contents

	Foreword	4
1	Basic principles	6
1.1	About Zürcher Kantonalbank	8
1.2	Material topics	11
2	Sustainability in the group strategy	12
3	Corporate governance	15
3.1	Sustainability as an integral part of corporate governance	17
3.2	Responsible management	20
3.3	Responsible sales practices	22
3.4	Digitalisation, cyber security and data protection	24
4	Economy	26
4.1	Economic benefit	27
4.2	Responsible financing	29
4.3	Responsible investing	30
5	Environment	34
5.1	General conditions for environmental and climate-related issues	35
5.2	Climate targets and measures	40
6	Social issues and human rights	51
6.1	Access to financial services and financial knowledge	52
6.2	Responsibility in our own operations	58
7	Employees	61
7.1	General conditions	62
7.2	Measures	62
8	Appendix	66
8.1	Procedure for determining the material topics	66
8.2	Stakeholder groups	67
8.3	Methodological principles for risk identification and materiality categorisation	68
8.4	Appendix on climate targets and key figures	69
	Glossary	78

Foreword



Urs Baumann, Chief Executive Officer and Dr Jörg Müller-Ganz, Chairman

Our public service mandate is the basis and unique selling point of Zürcher Kantonalbank. Our purpose, entrusted to us by the people of Zurich in a referendum, is to contribute to the canton's fulfilment of its economic, social and ecological tasks and thus to support sustainable development. Through our Public Service Mandate 2030 initiative, which consists of the service, support and sustainability sub-mandates, we are fulfilling our responsibility to society as a whole. In 2025 we invested around CHF 149 million in the public service mandate.

Internationally, 2025 was a year of increasing geopolitical and economic tensions and crises. The global rules-based world order is in a state of turmoil. In 2025, the tenth anniversary of the Paris Climate Agreement and the UN Sustainable Development Goals (SDGs), the issue of sustainability was heavily affected by the withdrawal of the USA from both agreements. At the same time, climate change is forging ahead worldwide. The World Meteorological Organization announced in January 2026 that the last 11 years have been the warmest since records began. According to the Swiss climate scenarios, which were updated in 2025, climate change is particularly pronounced in Switzerland.

The country enshrined its net-zero 2050 target, to which it has been officially committed to under the Paris Climate Agreement since 2019, in law with effect from 1 January 2025. Banks and large companies have been obliged to set climate targets and measures since 2024. Accordingly, we published our climate targets in the Sustainability Report 2024 and are currently on track. This also takes account of our statutory public service mandate, which requires us to make an active contribution to achieving greenhouse gas neutrality. Our focus is on guiding our clients towards a more sustainable future.

As part of our support mandate, we contribute to competitiveness and quality of life in the Canton of Zurich. Zürcher Kantonalbank, for example, is one of the largest sponsors of start-ups in Switzerland; it promotes the innovation and education landscape in the Canton of Zurich and is committed to financial literacy. With over 430 apprenticeships and more than 6,000 employees, we are one of the most important employers and providers of vocational training in the canton. Through

our sponsorship commitments we are a strong partner for over 400 institutions in the Canton of Zurich. We promote social cohesion and quality of life through a broad commitment in the areas of culture, sport, education and research, as well as entrepreneurship and innovation. And we also contribute to protecting natural resources in the Canton of Zurich in the areas of sustainable mobility, discovery and protection of nature, and environmental protection. As part of the corporate volunteering programme at Zürcher Kantonalbank, our employees are involved in environmental, social, sporting and educational activities in the Canton of Zurich. 2025 was a record year, with around 660 days offered. The ZKB Philanthropy Foundation, which was established in 2024, is a beacon for the support mandate. Its promotion activities got under way in 2025, helping to strengthen Zurich as a location for foundations.

Ensuring access to financial services is a central component of our service mandate. We ensure that private individuals and companies in the Canton of Zurich receive high-quality financial services. Since 2024 we have been offering all existing and future retail clients simple and fee-free access to everyday banking services with our free everyday banking (ZKB Banking) and the ZKB Banking Young service. As the bank that's "Close to you", we combine physical proximity with digital everyday banking to offer our clients the best experience. With the densest branch network in the Canton of Zurich and the planned modernisation of all 51 branches by 2030, we are creating a hybrid offering that optimally combines personal advice and digital services. We are distinctive for a high level of client satisfaction and are one of the safest universal banks in the world. By establishing the Retail Clients business unit in November 2025, we are strengthening our value proposition as the bank close to the people of Zurich.

Especially in these particularly challenging times all over the world, we are keen to contribute to stability and continuity in the Canton of Zurich through our public service mandate. We are proud to be able to pay a total participation of CHF 581 million in 2025 to the canton and municipalities.



Dr Jörg Müller-Ganz
Chairman of the Board of Directors



Urs Baumann
CEO

Basic principles

This report was prepared in accordance with Art. 964a et seq. of the Swiss Code of Obligations (CO) regarding transparency on non-financial matters and the requirements of the Global Reporting Initiative (GRI) Standards.



Hence, in accordance with the legal requirements of Art. 964b CO, the report contains a description of Zürcher Kantonalbank's business model as well as explanatory information on environmental matters (in particular the CO₂ targets, see the Environment section), social matters and respect for human rights (Social issues and human rights section), employee matters (Employees section) and anti-corruption (Responsible management section). With regard to these matters, the report sets out the concepts pursued by Zürcher Kantonalbank (including the due diligence applied), the measures taken to implement these concepts (including an assessment of the effectiveness of these measures), the main risks and how they are managed by Zürcher Kantonalbank, and the key performance indicators.

The structuring and description of the material topics is based on the standard "[GRI 3: Material Topics](#)".

Reporting with an overview of sustainability and climate-related aspects



Annual Report 2025

The annual report comprises the management report, the corporate governance report, the compensation report and the financial statements of the Zürcher Kantonalbank group and its parent company. Included in the management report is also the focus report on the public service mandate for the attention of the Parliamentary Committee for the Supervision of Commercial Undertakings (AWU) of the Cantonal Parliament. In addition to the sustainability report and the disclosure of climate-related financial risks, selected sustainability topics are also addressed in the annual report.



Sustainability Report (including climate reporting) 2025

Zürcher Kantonalbank is issuing the Sustainability Report 2025 to fulfil its obligations under Art. 964a et seq. CO, which stipulate that an annual report on non-financial matters must be submitted. The sustainability report was prepared in accordance with the requirements of the GRI Standards.

The climate reporting 2025 forms part of the sustainability report. It is carried out in accordance with the Ordinance on Climate Disclosures, which is based on the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in the version dated June 2017 and the annex Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures in the version dated October 2021.



Disclosure of climate-related financial risks 2025

Climate-related financial risks are disclosed in accordance with the requirements of the Swiss Financial Market Supervisory Authority FINMA, which in turn align with the TCFD's recommendations. The requirements set out in Annex 5 of the FINMA Ordinance on Disclosure Obligations (DisO-FINMA) are relevant for disclosure as at 31 December 2025. The information on climate-related financial risks as at 31 December 2025 in accordance with Annex 5 of the Ordinance is part of the document "Quantitative and qualitative disclosure of capital, liquidity and climate-related financial risks", which will be available from the end of April 2026 at zkb.ch/disclosure.

1.1 About Zürcher Kantonalbank

Zürcher Kantonalbank (ZKB) is a leading universal bank in the Greater Zurich Area with national roots and international appeal. It is an independent public-law institution of the Canton of Zurich and has been awarded the highest credit rating (AAA and Aaa) by the rating agencies Standard & Poor's (S&P), Moody's and Fitch.

The interests and strategy of the Canton of Zurich as the owner of Zürcher Kantonalbank are set out in the Cantonal Banking Act on Zürcher Kantonalbank (Zürcher Kantonalbank Act). Among other things, this regulates the legal form, purpose (with the public service mandate), capitalisation, state guarantee, scope of business organisation and distribution of profit. As a public-law institution, we are under the overall supervision of the Zurich Cantonal Parliament. As a bank under the Swiss Federal Act on Banks and Savings Banks (Banking Act), Zürcher Kantonalbank is also subject to federal law and supervision by the Swiss Financial Market Supervisory Authority FINMA.

Sustainability as part of our public service mandate

Zürcher Kantonalbank's broad commitment to the various areas of sustainability, including the environment, is based on its statutory public service mandate.

The public service mandate, which is set out in § 2 of the Cantonal Banking Act (the purpose article), is divided into the three sub-mandates: service, support and sustainability. For each sub-mandate, we define the areas of activity in which we are committed. This is explained in more detail on pages 4 to 7 of the annual report.

The Guidelines for the Fulfilment of Zürcher Kantonalbank's Public Service Mandate approved by the Cantonal Parliament set out the details of the public service mandate. In accordance with § 2 of these Guidelines, the public service mandate is the legal obligation of Zürcher Kantonalbank to provide the population of the Canton of Zurich in general and certain client groups in particular with banking services that meet their basic needs.

On the basis of our public service mandate, sustainability forms an integral part of our group strategy (see zkb.ch/corporatestrategy). Our understanding of sustainability involves combining successful business activity with responsibility for the environment and society on a long-term basis. Fulfilling and enhancing the public service mandate is a component of the balanced scorecard, Zürcher Kantonalbank's strategic management tool.

Compliance with the Public Service Mandate 2030 initiative is measured annually on the basis of 24 management metrics within the areas of activity and submitted in a report to the Parliamentary Committee for the Supervision of Commercial Undertakings (AWU) of the Cantonal Parliament. For the CEO, the Executive Board and senior management, payment of the deferred portion of their variable compensation (long-term deferred compensation) after three years has been linked since the 2024 financial year to the achievement of targets set in the public service mandate. Failure to meet the targets results in a penalty of up to 20 percent of the realised total amount of the value-oriented and debt-oriented deferred compensation. (see Annual report, p.96–97)

Excerpt from the Cantonal Banking Act on Zürcher Kantonalbank (as at 1 January 2024)

§ 1 Legal form and registered office

Zürcher Kantonalbank is an independent institution under cantonal law based in Zurich.

§ 2 Purpose

¹ The bank's purpose is to contribute to the canton's fulfilment of its economic, social and ecological tasks and thus to support sustainable development.

² It satisfies investment and financing needs through a business policy geared towards continuity. In doing so, it pays particular attention to the concerns of small and medium-sized enterprises,

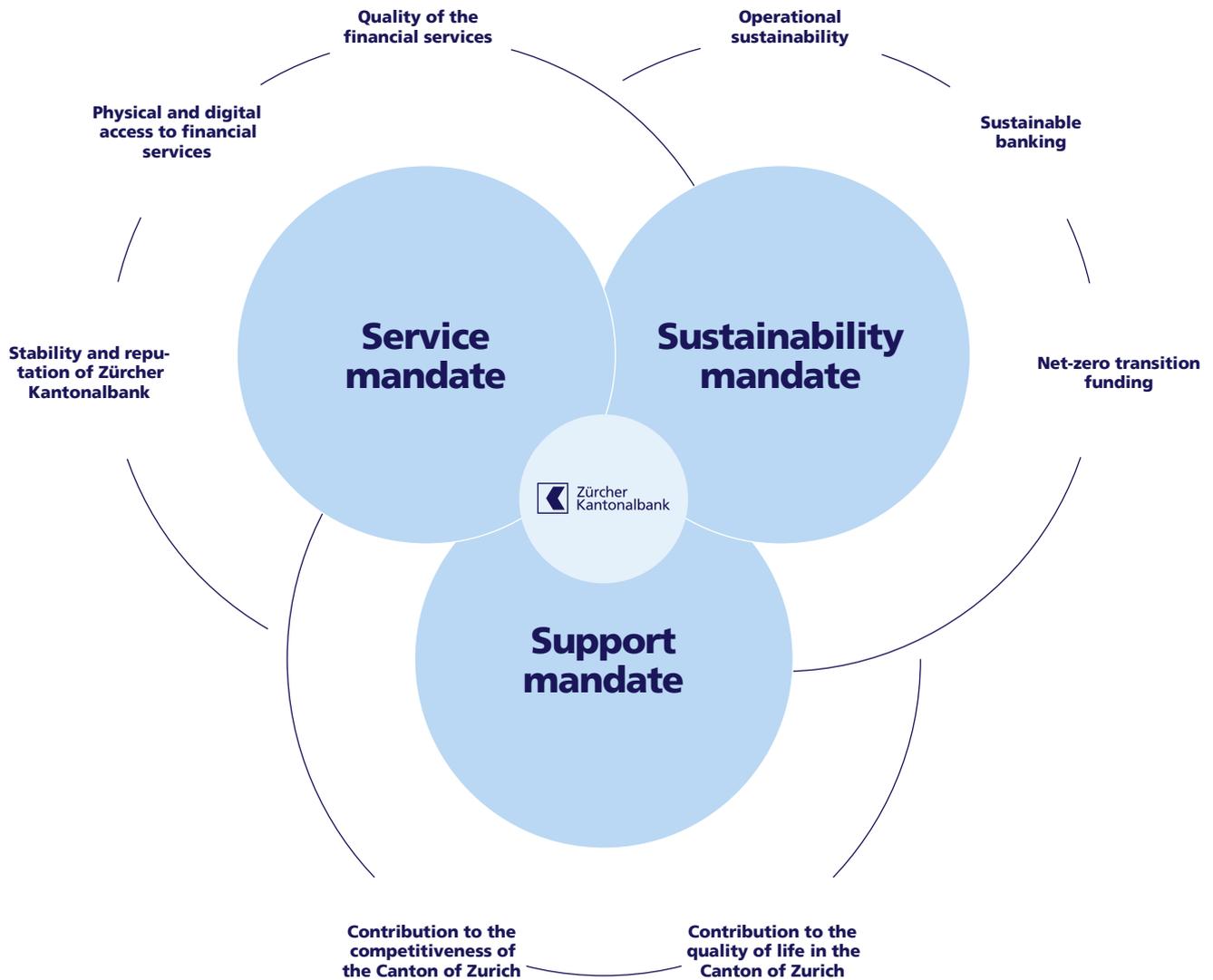
employees, agriculture and public authorities. It promotes property ownership and the construction of affordable housing as well as the achievement of greenhouse gas neutrality.

§ 3 Management according to commercial principles

The bank must be managed in accordance with commercial principles and must endeavour to make a reasonable profit.

§ 7 Business activities

⁴ It actively contributes to achieving the cantonal climate targets, particularly with regard to energy-efficient building refurbishments.



Business model

As a leading universal bank in the Greater Zurich Area, Zürcher Kantonalbank has a broad range of products and services. Our core business includes the following: financing (especially mortgages and corporate loans), investment and pension business, trading and capital market activities, as well as the borrowing, payment transactions and card businesses. We also offer additional services, such as leasing and advice on financial, tax, inheritance, succession and real estate matters.

The parent company of Zürcher Kantonalbank is located in Zurich. According to the organisational regulations for the group and the parent company, the parent company of Zürcher Kantonalbank without its subsidiaries and sub-subsidiaries is deemed to be the parent company.

Zürcher Kantonalbank is authorised by the Swiss Financial Market Supervisory Authority FINMA pursuant to the Federal Act on Banks and Savings Banks (Ban-

king Act) to operate as a bank in Switzerland. Our business operations are subject to continuous supervision by FINMA. For cross-border private banking business with Germany, Zürcher Kantonalbank has a “simplified exemption” from the German Federal Financial Supervisory Authority (BaFin).

Our client segments include retail clients, corporate clients and institutional clients. In the area of retail clients, we serve both traditional retail clients and high-net-worth individuals (including HNWI and UHNWI). With ZKB Banking and frankly, we offer retail clients throughout Switzerland digital solutions for everyday banking and pensions.

For corporates, we offer comprehensive financial solutions tailored to the needs of corporate clients, large companies and other business clients.

In the area of institutional clients, we serve pension funds, financial institutions – both national and international – as well as external asset managers (EAMs).

Nationally, we focus on specialised segments such as private banking, external asset managers, large corporations, pension funds and other banks. Internationally, we provide our services on a focused basis to banks and other institutional clients, as well as to selected corporate clients based abroad. Our Private Banking division also serves foreign clients from selected countries and Swiss citizens living abroad in countries around the world.

Two different organisational units are responsible for our investment and pension solutions. The Investment Solutions unit manages the standardised ZKB Portfolio Consulting and Discretionary Mandates. The Asset Management unit acts as an asset manager for the group's own and external collective investment schemes and investment foundations. It also runs customised asset management mandates for institutional clients and high-net-worth individuals.

Further information on our business model can be found in our annual report. Our financial report explains how we generate our profit, starting on page 103.

Significance of group companies

The annual report begins by laying out the group structure. As at 31 December 2025 it comprised Zürcher Kantonalbank as the parent company and the significant subsidiaries Swisscanto Holding Ltd, Zürcher Kantonalbank Finance (Guernsey) Ltd, ZKB Securities (UK) Ltd and Complementa AG. ZKB Österreich AG has no longer been part of the ZKB Group since 9 January 2025. The fully consolidated subsidiaries cover the following business areas:

- Swisscanto Holding Ltd: The Swisscanto Group includes the fund management company in Zurich (Swisscanto Fund Management Company Ltd) and the management company in Luxembourg (Swisscanto Asset Management International SA), which has branches in Frankfurt, Milan and (since 2025) Madrid, plus Swisscanto Pensions Ltd (in liquidation). The Swisscanto Group is one of the leading providers of sustainable investment solutions in Switzerland. The assessment of the various aspects of sustainability risks contained in this sustainability report, in particular climate-related financial risks, also covers the activities of the Swisscanto Group.
- Zürcher Kantonalbank Finance (Guernsey) Ltd: The business activities of Zürcher Kantonalbank Finance (Guernsey) Ltd are limited to issuing structured products.
- The business area of ZKB Securities (UK) Ltd comprises equity brokerage and research services for professional clients. It gives our Swiss capital market clients direct access to an international investor base. The local operations in Guernsey and London do not give rise to any

sustainability risks that significantly increase or reduce the group's risk profile. The business activities of the two companies are taken into account in the assessment of the parent company's trading business.

- Complementa AG: Complementa AG specialises in investment services such as investment reporting for institutional clients. Complementa AG, which is based in St. Gallen, does not impact the risk profile of the group's sustainability risks due to its size and business activities.

Both the balance sheet and the income statement of the Zürcher Kantonalbank group are shaped significantly by the parent company. The subsidiaries have very little impact on the risk assessment at the group level.

Unless otherwise stated, this sustainability report contains group-level information.

1.2 Material topics

The key topics were determined in 2023 with a view to the strategic development of the 2030 public service mandate and have remained unchanged since then. The determination was made in accordance with the requirements of the Swiss Code of Obligations for non-financial reporting and taking into account the GRI Standards.

Details on the determination of material topics are set out in the appendix. The material topics are covered in the following sections.

Governance

› **Responsible management**

Section 3.2 Responsible management, pages 20–21

› **Responsible sales practices**

Section 3.3 Responsible sales practices, pages 22–23

› **Digitalisation, cyber security and data protection**

Section 3.4 Digitalisation, cyber security and data protection, pages 24–25

Economy

› **Economic benefit**

Section 4.1 Economic benefit, pages 27–28

› **Responsible financing**

Section 4.2 Responsible financing, page 29
Section 5.2 Climate targets and measures, pages 40–46; Section 8.4.1
Section 6.1 Access to financial services and financial knowledge, pages 52–57

› **Responsible investing**

Section 4.3 Responsible investing, pages 30–33
Section 5.2 Climate targets and measures, page 47; Section 8.4.2
Section 6.1 Access to financial services and financial knowledge, pages 52–57

Social issues and human rights

› **Social responsibility**

Section 6 Social issues and human rights, pages 51–60

› **Access to financial services**

Section 6.1 Access to financial services and financial knowledge, pages 52–57

› **Human rights**

Section 6.1 Access to financial services and financial knowledge, pages 52–57
Section 6.2 Responsibility in our own operations, pages 58–60

Environment

› **Greenhouse gas neutrality**

Section 5 Environment, pages 34–50; Section 8, pages 66–77

Employees

Section 7 Employees, pages 61–65
Annual report, Employees section Pages 54–58

Sustainability in the group strategy

Sustainability is an integral component of Zürcher Kantonalbank's group strategy. This is derived from the public service mandate enshrined in the Zürcher Kantonalbank Act.

In order to combine successful business activity with responsibility for the environment and society on a long-term basis, Zürcher Kantonalbank sets itself sustainability ambitions. These are guided by the Sustainable Development Goals (SDGs) of the United Nations, the Paris Climate Agreement and the goal to achieve greenhouse gas neutrality by 2050.



Sustainability policy

The sustainability policy formulates guidelines for Zürcher Kantonalbank's business activities along the dimensions of environment, social affairs and corporate governance (ESG). It substantiates our sustainability ambition, which is part of the group strategy. The sustainability policy, which is updated annually, is approved by the Executive Board and applies to all business areas and business activities both domestically and abroad, as well as to our own operations (zkb.ch/sustainabilitypolicy).

The sustainability policy addresses the issue of the climate as one of its major components, and defines exclusions for business activities, in particular for the lending business (credit policy). The sustainability policy forms the basis for implementing internal guidelines for the financing business, the investment and pensions business, the capital market business and our own operations.

The key stakeholder groups named in the sustainability policy are our clients, our employees, the Canton of Zurich as the owner, the relevant supervisory authorities, suppliers and partners, and the general public.

Sustainability ambitions in the group strategy

**We accompany our clients on the path to a more sustainable future.
We are a leading provider of sustainable offerings (products and services).**

Accompanying our clients on the path to a more sustainable future

We accompany our clients with products and services on the path to a more sustainable future. We make an active contribution to achieving greenhouse gas neutrality by supporting the transition in the real economy.

We do this primarily in the financing and investment business: to this end we set climate targets that are anchored in the sustainability mandate as management metrics for the Public Service Mandate 2030 initiative. We go into more detail on our measures in Section 5 Environment and Section 6 Social issues and human rights.

Scaling new sustainability and climate solutions

Achieving the SDGs and the net-zero target by 2050 requires technological, entrepreneurial and social innovation. We are committed to developing, scaling and introducing new sustainability and climate solutions, for example as part of our start-up, scale-up and private equity financing. We are one of the largest financiers of start-ups in Switzerland.

As part of the support mandate of the Public Service Mandate 2030 initiative, Zürcher Kantonalbank has set itself financial targets for promoting innovation and education as well as for start-up financing.

Training courses for employees

To support our clients towards a more sustainable future, employees at Zürcher Kantonalbank receive regular training on various ESG topics.

Management of sustainability and climate-related financial risks

In accordance with § 4 of our Guidelines for the Fulfilment of the Public Service Mandate, Zürcher Kantonalbank, as a universal bank, observes the principles of sustainability and the recognised rules of risk management when fulfilling its public service mandate. This includes managing sustainability and climate-related financial risks.

We actively shape sustainability issues.

Contribution to the quality of life in the Canton of Zurich (corporate citizenship)

Corporate citizenship refers to the whole range of things we do in the economy, society and the environment beyond our core business activities. We fulfil our social responsibility by contributing to the economic strength and quality of life in the Canton of Zurich. These two areas of activity are enshrined in the Public Service Mandate 2030 initiative.

We promote industry initiatives and join targeted membership and partnership programmes for this purpose. Here are some of our memberships and partnerships related to sustainability:

Memberships:

- Energy Model Zurich
- Swiss Sustainable Finance (SSF)
- swisscleantech
- Sustainable Investment Forum (SIF)
- EUROSIF
- UNEP Finance Initiative (UNEP FI)
- Principles for Responsible Investment (PRI)
- UN Principles for Responsible Banking (PRB)
- Center for Corporate Reporting (CCR)
- ÖBU
- Association for Environmental Management (VfU)

Partnerships:

- Fairtrade Max Havelaar
- Mobility Business Car Sharing
- naturemade star!
- Minergie Association
- Network for Sustainable Building Switzerland (NNBS)
- starte! Energy-efficient modernisation
- ZKB Sustainability Award for vocational trainees
- Revitalisation of Jonen Rifferswil
- Check Your Chance – against youth unemployment

We are also part of the following climate-related initiatives:

- Net Zero Asset Managers Initiative (NZAM)¹
- Net-Zero Banking Alliance (NZBA)²
- Partnership for Carbon Accounting Financials (PCAF)
- Carbon Disclosure Project (CDP Disclosure)
- Climate Bond Initiative (CBI)

Operational sustainability

In operational sustainability, we focus on the topics of employee satisfaction, equal pay and diversity, equity and inclusion, and climate targets in our own operations. In addition, we are one of the largest providers of vocational training in the Canton of Zurich.

As part of the sustainability mandate in the Public Service Mandate 2030 initiative, Zürcher Kantonalbank has set itself targets for operational sustainability, specifically the commitment targets for employee satisfaction, the independent review of equal pay and DEI targets (see Employees section), as well as climate targets in our own operations (see Environment section).

¹ The Net-Zero Asset Manager Initiative is currently on pause.

² Member until the member-based alliance was dissolved and transferred to a reference framework with effect from 3 October 2025.

Corporate governance

Zürcher Kantonalbank pursues an integrated approach to corporate governance when it comes to dealing with sustainability issues.

3

Our corporate governance is described in the annual report on pages 65 to 88. It provides information about the Board of Directors, which is the bank's highest governing body, and its committees, the composition of its committees, the independence of the members of the Board of Directors and the committees of the Board of Directors, their term of office, the number of positions and duties, their gender, their background and their competencies. It also explains the nomination and selection of the Board of Directors.

The organisational structure of Zürcher Kantonalbank follows the requirements of federal law (e.g. the circular of the Swiss Financial Market Supervisory Authority FINMA), the Cantonal Banking Act on Zürcher Kantonalbank and the organisational regulations for the group and the parent company of Zürcher Kantonalbank issued by the Board of Directors and approved by the Swiss Financial Market Supervisory Authority FINMA, as well as other regulations ([zkb.ch/governance](https://www.zkb.ch/governance)).

With regard to the public service mandate, the following legal and strategic requirements and instruments are of particular importance:

Cantonal Banking Act on Zürcher Kantonalbank (Zürcher Kantonalbank Act)	The interests and strategy of the Canton of Zurich as the owner of Zürcher Kantonalbank are set out in the Cantonal Banking Act on Zürcher Kantonalbank. Among other things, this regulates the legal form, purpose (with the public service mandate), capitalisation, state guarantee, scope of business, organisation and distribution of profit.
Organisational regulations	<p>The organisational regulations issued by the Board of Directors for the group and the parent company of Zürcher Kantonalbank set out the basic principles of group-wide management, collaboration and organisation at the levels of the Board of Directors, the Chairperson's Committee, the Executive Board and Audit. Business activities, business relationships, tasks, competencies and responsibilities within the group are defined therein.</p> <p>They also contain the main guidelines, responsibilities and competences in connection with the identification, evaluation, control, management, monitoring and reporting of risks. In addition, they regulate the organisation of the Compliance function and the basic principles for compliance within the group.</p>
Regulations on preparing the elections for the members of the Board of Directors and the Chairperson's Committee	These regulations set out the requirements concerning the job profile as well as the preliminary examination and nomination to the Board of Directors and the Chairperson's Committee.
Guidelines for the Fulfilment of the Public Service Mandate	The publicly available Guidelines for the Fulfilment of the Public Service Mandate, issued by the Board of Directors and approved by the Cantonal Parliament, set out the details of the public service mandate of Zürcher Kantonalbank as laid down in § 2 of the Zürcher Kantonalbank Act. Among other things, they set out the implementation in the operational business (§ 7), the bodies for monitoring the public service mandate (§ 9 to § 11) and the instruments for monitoring (§ 12).
The most important instruments for managing and controlling the public service mandate	<ul style="list-style-type: none"> – group mission statement as a guiding framework – the Public Service Mandate 2030 initiative with the three sub-mandates of service, support and sustainability integrated into the balanced scorecard, which is the bank's strategic management tool – group strategy (including sustainability ambitions) and strategies of the business units (business unit strategies) – annual planning and objective setting in the business units at all levels – linking long-term deferred compensation to the achievement of the performance indicators from the public service mandate
Sustainability policy	The sustainability policy, which is approved by the Executive Board, applies to all business areas and business activities both domestically and abroad, as well as to our own operations (see section Sustainability in the group strategy).

3.1 Sustainability as an integral part of corporate governance

The purpose article of the Cantonal Banking Act on Zürcher Kantonalbank and the guidelines for the public service mandate form the basis of our sustainability governance. These set out the tasks, competencies and responsibilities concerning the public service mandate. Sustainability issues are not dealt with separately, rather as an integral part of our business policy within the framework of corporate governance at Zürcher Kantonalbank. Corresponding guidelines, committees, responsibilities and competences have been set out in a framework concept approved by the Executive Board.

Cantonal Parliament

Zürcher Kantonalbank is subject to the overall supervision of the Cantonal Parliament. The Cantonal Parliament is responsible, among other things, for approving the Guidelines for the Fulfilment of the Public Service Mandate, which specify Zürcher Kantonalbank's public service mandate as set out in § 2 of the Cantonal Banking Act. The Cantonal Parliament of Zurich has delegated overall supervision to the Parliamentary Committee for the Supervision of Commercial Undertakings (AWU).

The Guidelines for the Fulfilment of the Public Service Mandate form the basis for the bank's governing bodies to ensure and monitor fulfilment of the public service mandate. In addition, they provide the basis for the AWU to monitor compliance with the public service mandate and to audit the accounts and annual report of Zürcher Kantonalbank.

Every year, the AWU determines a key topic for the public service mandate, which is reported in the German annual report (see Annual report in German, pages 27 to 44).

The Cantonal Parliament approves the annual financial statements and this sustainability report (including climate reporting). The Cantonal Parliament is scheduled to approve the annual report and the sustainability reporting (including climate reporting) for 2025 on 1 June 2026.

Board of Directors and committees

The Board of Directors bears ultimate responsibility for the management of the bank. Among other things, it issues the Guidelines for the Fulfilment of the Public Service Mandate. As part of its overall management, control and supervisory function, the Board of Directors is responsible for regularly checking that the public service mandate is being fulfilled in a high-quality, economically viable manner. The Board of Directors assigns the performance of this task to the Chairperson's Committee, which is responsible for monitoring and refining the public service mandate.

In addition to the above tools for managing and monitoring the public service mandate, including the sustainability mandate and its implementation, the Chairperson's Committee or the Board of Directors can attach conditions to the approval of individual transactions.

The Board of Directors, in its capacity as the bank's highest governing body, defines the group mission statement and the sustainability ambition in the group strategy. The Board of Directors is informed quarterly about the risk and financial situation and annually about the public service mandate and sustainability. This involves the Board of Directors defining the strategic metrics for the public service mandate with the three sub-mandates of service, support and sustainability, including their enhancement.

The Audit Committee supports the Board of Directors in monitoring the internal and external audit as well as the internal control system, and in reviewing the annual financial statements, and it prepares the Board of Directors decisions in this regard. It also supports the Board of Directors in reviewing the sustainability reporting (including climate reporting).

The Compensation and Personnel Committee (CPC) assists the Board of Directors in connection with personnel decisions, the human resources strategy, as well as personnel and compensation policy. It assists the Board of Directors by providing preliminary advice and issuing recommendations on these matters. Among other things, it assesses the bank's compensation system, in particular to ensure it is in line with the market, sustainable and avoids false incentives which could, among other things, lead to inappropriate risks being taken.

The Risk Committee of the Board of Directors assists the Board of Directors in monitoring the bank's risk management and compliance with regulatory requirements regarding the management of risk. In particular, it carries out an annual structured assessment of the appropriateness of risk management (risk organisation, guidelines and processes) and initiates any necessary adjustments. This assessment is based on the risk categories used in the bank. In addition, every year the Risk Committee of the Board of Directors takes note of the risk categorisation of physical climate risks and transition risks for the individual business areas based on the analysis of the Risk Committee of the Executive Board.

The IT Committee supports the Board of Directors in defining and monitoring the IT-relevant aspects of the group strategy. It advises the Board of Directors on all matters relating to IT at Zürcher Kantonalbank and makes appropriate recommendations.

Executive Board and its committees

The Executive Board ensures the fulfilment of the public service mandate within the scope of its responsibilities and powers, if necessary together with the Chairperson's Committee and the Board of Directors. The Executive Board (EB) is responsible for defining the various business policies.

The Executive Board is then responsible for adopting the sustainability policy (see section Sustainability in the group strategy).

The Executive Board is likewise responsible for the control and monitoring of the environmental management system. The CEO of Zürcher Kantonalbank has a special monitoring and control function as the environmental officer of the Executive Board.

Risk, Conflicts and Compliance Committee of the Executive Board

The Risk Committee of the Executive Board helps the Executive Board set up the bank's risk management processes, in particular the procedures for identifying, assessing, controlling, managing and monitoring credit, market, liquidity and operational risks, as well as compliance risks. From 2026 there will also be a Compliance Committee that will assume these tasks for compliance risks.

The committees make decisions within the scope of the competences delegated by the Executive Board. The Risk Committee of the Executive Board carries out the comprehensive annual assessment of climate-related financial risks, which is prepared by the Risk business unit.

The Conflicts Committee helps the Executive Board handle transactions that entail particular business policy risks, conflicts of interest or particular effects on Zürcher Kantonalbank's reputation.

Sales Committee

The Executive Board is responsible for dealing with sales, brand and marketing issues. It is supported in this respect by the Sales Committee.

Public Service Mandate Steering Committee (SALA)

The Public Service Mandate Steering Committee (SALA) is anchored in § 11 of the Guidelines for the Fulfilment of the Public Service Mandate. The SALA advises and supports the Chairperson's Committee, the Board of Directors and the Executive Board in all matters relating to the public service mandate.

It consists of representatives from all business units. The CEO is the Chairperson of the SALA, and the CFO is the Deputy Chairperson. The Chairperson is in close contact with the Head of the Public Service Mandate

unit, who is responsible for planning and coordinating the meetings in consultation with the Chairperson of the SALA. The SALA manages the public service mandate by:

- initiating and developing adjustments to the sustainability policy;
- promoting the integration of sustainability into business unit strategies;
- advising on the implementation of regulatory requirements on sustainability issues (together with other specialist functions);
- analysing important national and international frameworks, initiatives and alliances in the area of sustainability;
- serving as a preliminary advisory body for the development of new products and services in which sustainability is a key feature or in which sustainability effects play a significant role;
- handling cross-sector orders and initiatives in connection with the public service mandate;
- advising on the metrics provided to the Chairperson's Committee and the Board of Directors for the public service mandate and the annual report on the public service mandate.

Diversity Steering Committee (DSA) (from 1 January 2026: People & Culture Steering Committee)

The Diversity Steering Committee (DSA) was established by the Executive Board and implements measures to achieve the gender diversity objectives defined by the Board of Directors as part of the Public Service Mandate 2030 initiative (see Employees section). The actions defined therein are measured using structured reporting at the group and business unit level.

The committee was dissolved on 31 December 2025, and the issues were transferred to the People & Culture Steering Committee in line with our integral sustainability approach. The topic of gender is now discussed twice a year in the Executive Board.

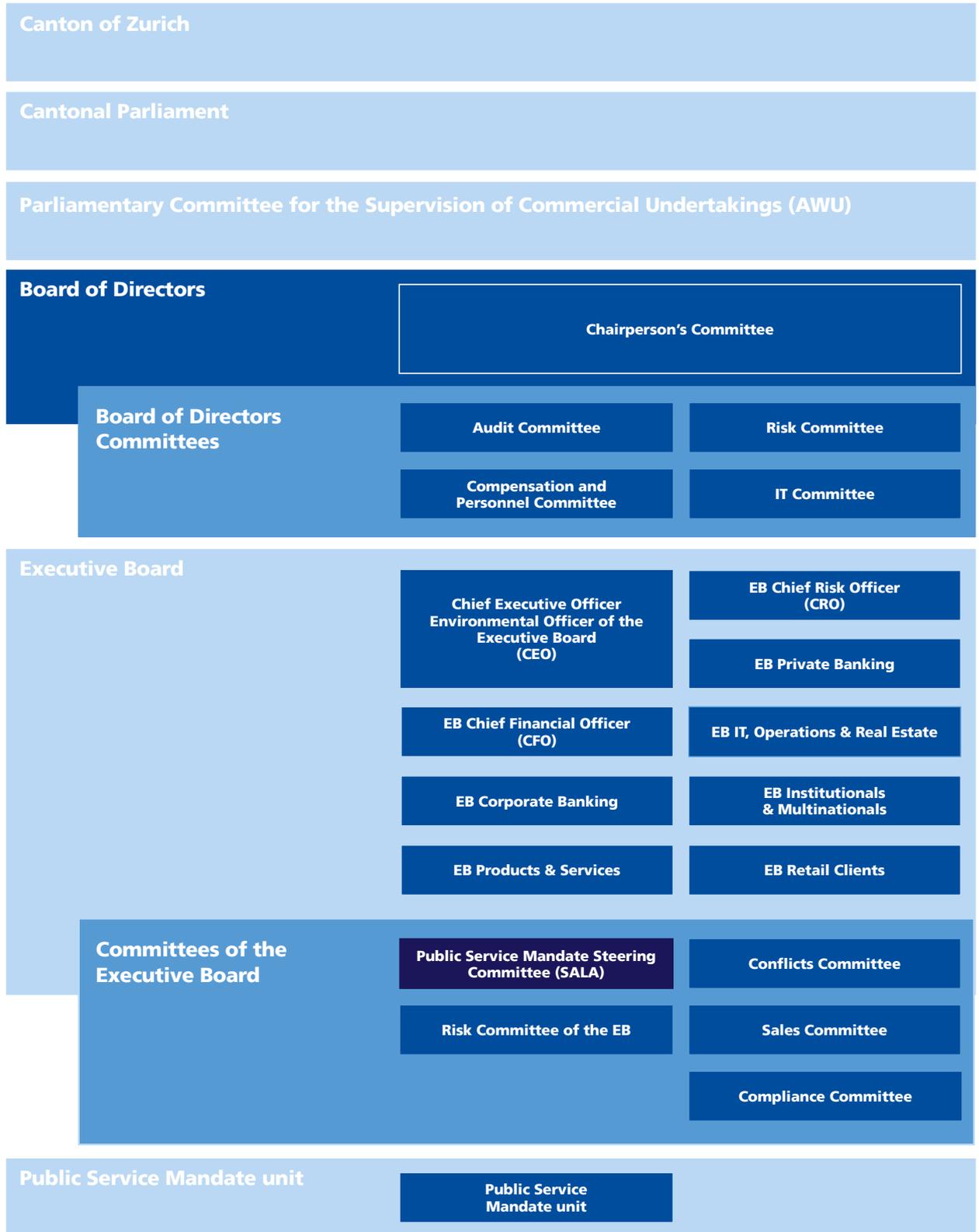
Specialist committees

There are specialist committees for individual business areas to deal with sustainability issues (e.g. the ESG Committee for Asset Management (ESGC) and the Sustainability Committee for Structured Products).

Public Service Mandate unit

The Public Service Mandate unit is responsible for planning, implementing, developing, controlling and communicating the public service mandate. As a permanent member of the SALA, the Head of the Public Service Mandate unit is responsible for planning, steering and coordinating the SALA meetings in close consultation with the Chairperson of the SALA.

Sustainability within existing corporate governance



Focus on sustainability
 Committees
 Responsibility for sustainability

3.2 Responsible management

Under the Zürcher Kantonalbank Act, Zürcher Kantonalbank is obliged to pursue a business policy geared towards continuity. This includes responsible management, which forms the basis for trusting cooperation between Zürcher Kantonalbank and its stakeholder groups. One component of Zürcher Kantonalbank's approach to responsible management is the measures it undertakes to

prevent corruption, bribery, money laundering, tax evasion and fraud, the effectiveness of which are reviewed regularly. It also handles conflicts of interest responsibly, emphasises transparency and establishes confidential channels and processes for whistleblowing.

General conditions

With regard to responsible management, the following requirements and instruments are of particular importance:

Swiss Federal Act on Banks and Savings Banks (Banking Act) and Supervision of the Swiss Federal Financial Market Supervisory Authority FINMA

Zürcher Kantonalbank conducts its business under a licence from FINMA in accordance with the Banking Act. Its business activities are therefore subject to the regulatory requirements applicable to banks and are supervised by FINMA. In accordance with an ordinance issued by the Swiss National Bank (SNB) on 1 November 2013, Zürcher Kantonalbank is deemed to be systemically important as defined in Articles 7 and 8 of the Banking Act.

In addition to the provisions of federal supervisory law, the requirements of FINMA Circular 2017/1 "Corporate governance – banks" in particular are applicable to Zürcher Kantonalbank. Insofar as this is reasonable for an institution under public law, Zürcher Kantonalbank also applies the Directive on Corporate Governance of 29 June 2022 of SIX Swiss Exchange Ltd, which has been in force since 1 January 2023.

Regulations on the Code of Conduct and Ethics (Code of Conduct)

The Code of Conduct and Ethics for the Zürcher Kantonalbank group serves to promote a uniform and effective corporate and compliance culture within the group (§ 3 Organisational regulations). It sets out the most important rules of conduct to be observed by all employees and members of governing bodies.

Regulations on the group's Legal & Compliance function

The regulations set out the organisation, responsibilities and competencies of the group's Legal & Compliance function and define the guidelines and basic principles of compliance within the group. Compliance is defined as adherence to legal, regulatory and internal provisions as well as observance of industry standards and codes of conduct by the group, its employees and members of governing bodies, which also includes adherence to organisational measures and processes.

It is also noted that Legal & Compliance performs the "Compliance function" in accordance with the FINMA circular "Corporate governance – banks".

Measures Legal & Compliance

The most important principle of all is that Zürcher Kantonalbank conducts its business in accordance with statutory and regulatory provisions as well as industry standards and codes of conduct. As an independent function, Legal & Compliance supports the Executive Board and employees as well as members of governing bodies in complying with the regulations and standards applicable to them or the bank. This support generally

consists of identifying, assessing, advising, monitoring and reporting, including assessing the legal, compliance, reputational and loss risk of the business activity. To that end, the Compliance function prepares an annual assessment of compliance risk and a corresponding action plan based on a compliance-related risk inventory.

The Compliance function is organisationally independent of the income-driven business units. The General Counsel (Head of Legal & Compliance) reports directly to the CEO. For the purpose of recognising, assessing

and avoiding legal, reputational and loss risks, Legal & Compliance may, in consultation with the CEO, review at any time the activities of business units for their legal and compliance adequacy. The General Counsel has the right at any time to submit resolutions of standing committees and committees in which the General Counsel has an advisory vote to the Chairperson's Committee for a decision.

Combating corruption

As part of effective compliance, we do not tolerate bribery or corruption. We do not grant any undue advantages for unlawful or improper behaviour or for the mere cultivation of relationships. Nor do we accept undue advantages for ourselves. Zürcher Kantonalbank has issued specific guidelines for accepting and giving gifts and invitations, which include a formal and documented approval process if gifts and invitations go beyond the scope of what is socially customary. Our whistleblowing system, which allows anonymous reports, is also available for reporting suspected misconduct (see the separate section on whistleblowing for details).

Corruption or bribery is, among other things, a predicate offence to money laundering and is part of our specific monitoring measures for detecting and reporting money laundering offences. Transactions with a background of corruption or bribery are strictly prohibited. Based on the internal guidelines for combating money laundering, employees of Zürcher Kantonalbank are obliged to involve the relevant Compliance department in the event of suspicious circumstances. No confirmed cases of corruption (including bribery) were recorded in the year under review. Furthermore, corruption or bribery did not play any significant role as a predicate offence in the money laundering reports submitted.

Dealing with conflicts of interest

Zürcher Kantonalbank attaches great importance to acting honestly, professionally and with integrity. Wherever possible, it avoids situations that could lead to conflicts of interest. Zürcher Kantonalbank deals with potential conflicts of interest in a transparent, fair and professional manner in compliance with legal requirements and on the basis of the bank's Code of Conduct. It has established internal standards and procedures for identifying, avoiding and handling possible conflicts of interest.

All employees receive periodic training in dealing with conflicts of interest. As part of their activities, they are responsible for recognising conflicts of interest. In the event of a conflict of interest, measures must be taken. Zürcher Kantonalbank documents identified conflicts of interest in general terms in a bank-wide register, which is reviewed periodically. Further information is available on the homepage of Zürcher Kantonalbank at (zkb.ch/en/legal/conflict-of-interest).

Whistleblowing

The integrity and reputation of Zürcher Kantonalbank are among its most important assets. To support effective compliance, Zürcher Kantonalbank has installed a confidential whistleblowing system through which employees and third parties (e.g. clients, suppliers, competitors) can report suspected misconduct within the organisation. Zürcher Kantonalbank encourages and calls on its employees to raise concerns about irregularities and promotes whistleblowing as part of its corporate culture. Reports can be submitted through various channels and in particular via a web-based reporting platform – anonymously if desired. Employees are free to choose which reporting channel they wish to use. They can also discuss a possible irregularity with their line manager, the responsible HR advisor or their Legal & Compliance contact person. Employees who make a report in good faith do not have to fear any negative consequences.

Further information on Zürcher Kantonalbank's whistleblowing system can be found on its homepage (zkb.ch/en/legal/whistleblowing).

Duty of care to avoid money laundering

The Swiss legislator has created a comprehensive set of regulations to prevent money laundering, comprising Articles 305bis and 305ter of the Swiss Criminal Code (SCC), the Anti-Money Laundering Act (AMLA) and the implementing ordinances and regulations. These stipulations impose extensive due diligence obligations on financial service providers subject to them.

Zürcher Kantonalbank considers it very important to consistently comply and implement these legal requirements. We are in constant dialogue with our clients in order to perform the extensive tasks associated with this:

- When opening a business relationship, we identify the background of the incoming assets and clarify the intended purpose of the business relationship and the beneficial owner.
- Existing client details are periodically checked to ensure they are up to date and confirmed or renewed.
- We verify and record client information on a risk basis using documents such as contracts, register extracts and Form A.
- Employees receive regular training on their responsibilities and tasks.
- If the bank becomes aware of a transaction that is classified as unusual based on the business relationship to date, the background to the transaction is clarified and, if necessary, a money laundering report is submitted to the Money Laundering Reporting Office Switzerland (MROS).

3.3 Responsible sales practices

Responsible sales practices refer to our client processes – from creating our products and services, preparing and communicating information, creating documents, web content and sales brochures, to the entire client advisory process for individual products and services. It is crucial that our statements on all communication

channels can be understood by the respective target audience. Our marketing activities are tailored to the needs of our potential and current clients. This forms a basis for trust in Zürcher Kantonalbank and promotes the positive perception of our bank.

General conditions

With regard to responsible sales practices, the following requirements and instruments are of particular importance:

Self-regulatory arrangements of industry associations

The self-regulatory arrangements of industry associations, in particular the Swiss Bankers Association (SBA), the Swiss Structured Products Association (SSPA) and the Asset Management Association Switzerland (AMAS), set binding requirements for their members.

In the investment business, for example, the bank must observe the SBA self-regulation “Guidelines for financial service providers on the integration of ESG preferences and ESG risks and the prevention of greenwashing in investment advice and portfolio management”. These define measures to avoid greenwashing and to ensure responsible sales practices with regard to sustainability in investment advice and wealth management. The “Self-regulation on transparency and disclosure for collective assets with a sustainability focus” promulgated by the AMAS contains requirements for creating transparency and complying with minimum standards regarding sustainability aspects for collective assets. The SSPA’s “Sustainability transparency guidelines” take a similar approach.

Internal regulations and processes

Zürcher Kantonalbank has extensive internal regulations and processes in place to ensure compliance with existing legal requirements for external communication. These guidelines and processes aim to prevent a breach of statutory or regulatory provisions, such as principles of fair trading, requirements relating to services in the investment business and regulations on cross-border services. Our internal regulations on external communication include an explicit ban on greenwashing. Greenwashing refers to untruthful, misleading or deceptive communication in relation to the sustainability-related characteristics of Zürcher Kantonalbank’s products, services and activities. Training courses are held on an ongoing basis to raise awareness among employees who are involved in creating external communications.

Responsibilities of the Executive Board and the Sales Committee

The Executive Board is responsible for dealing with sales, brand and marketing issues. It is supported in this respect by the Sales Committee.

The Sales Committee consists of the CEO, the Head of Products & Services and all heads of the sales units; the Head of Marketing & Communications and the Head of Legal & Compliance attend the meetings in an advisory capacity without voting rights.

The Sales Committee is responsible for group-wide brand management and the strategic sales topics of all business units at the parent company. In particular, this includes approving the brand architecture, adopting the allocation of the marketing budget and approving measures to strengthen and expand sales. Within its area of responsibility, the Sales Committee assumes responsibility for the application of responsible sales practices.

Measures

Client communication

Our products and services are created in compliance with the applicable legal requirements and (self-) regulations, and are presented to our clients in a comprehensive, clear and comprehensible manner.

When creating marketing material, we observe the principles under fair trading law of truthfulness/accuracy, clarity and completeness, and avoid misleading representations and suppressing important information.

The current price and interest rate overviews for our products and services for private and corporate clients are available at zkb.ch/en/legal/terms-conditions. For fixed-rate mortgages, daily updated benchmark interest rates are published for all terms. The conditions for other financing products are shown transparently in client-specific product documents.

Responsible sales practices in the financing business

In the financing business, we analyse the financial circumstances of our clients and assess their acceptability on this basis. Our client advisors receive regular training on the criteria and assessment processes.

When issuing credit cards and setting credit card limits, we take our clients' creditworthiness into account.

Our products and services are created in compliance with the applicable legal requirements and are presented to our clients in a comprehensive, clear and understandable manner via the available electronic channels and customer service.

Responsible sales practices in the investment business

When providing investment advice and asset management services, we take into account our clients' individual financial situation, risk capacity, risk appetite, knowledge and experience in accordance with legal and regulatory requirements. We inform our clients comprehensively and transparently about the characteristics, opportunities and risks of our investment solutions. Our customer service team receives regular training on the products and services and on the information and clarification obligations to be observed in the advisory process.

Dealing with client complaints

Clients who are dissatisfied with our services can contact us at any time via customer service, the Executive Board or the Chairperson's Committee in writing, by telephone, by e-mail or via the contact form at zkb.ch. The handling of our clients' reactions follows a structured process within a reasonable period of time and is free of charge. Whenever possible, we try to find an amicable solution. We inform our clients about the possibility of contacting the Swiss Banking Ombudsman if necessary.

3.4 Digitalisation, cyber security and data protection

Digitalisation influences the way in which we work and the demands of our clients. We respond to changing client behaviour by constantly developing our banking services and cultivating a corporate culture that supports innovation at all levels. Where appropriate, we make our offering available digitally.

To ensure that our services are stable, simple and secure, we are focusing on important forward-looking

investments for the next few years, including the modernisation of our technology platforms and our cyber security roadmap. The bank's efficiency is being increased through automation and standardisation, and development is driven forward on the basis of facts by means of consistent performance management.

General conditions

With regard to digitalisation, cyber security and data protection, the following requirements and instruments are of particular importance:

Guiding frameworks for data protection and cyber security

The following guiding frameworks are relevant for data protection and cyber security:

- the Federal Act on Data Protection (FADP)
- FINMA circulars (“Corporate governance – banks”, “Outsourcing”, “Operational risks and resilience – banks”)
- FINMA guidance (“Duty to report cyber attacks”)
- the ISO 27000 series of standards

We constantly develop and update our security standards. The security specifications cover the scope of ISO 27002:2022 and are supplemented on a technology-specific basis.

Checking security requirements

Every three years at the most, the security requirements are also reviewed by independent security experts with regard to good practice and completeness.

Coordination with the group, IT and risk strategy

The information and cyber risk management processes are integrated into the OpRisk (operational risk) management processes. Qualitative and quantitative risk tolerance requirements are defined in line with the objectives of group strategy, IT strategy and risk strategy. The “first line of defence” risk managers must comply with these requirements when implementing their strategies. The Chief Information Security Officer (CISO) monitors compliance with security requirements relating to information and cyber risks.

Risk Committee of the Board of Directors and Risk Committee of the Executive Board

Reports are submitted to Executive Board and the Board of Directors with its risk committees quarterly and annually as part of the OpRisk profile of Zürcher Kantonalbank.

IT Committee of the Board of Directors

The IT Committee supports the Board of Directors in defining and monitoring the IT-relevant aspects of the group strategy. It advises the Board of Directors on all matters relating to IT at Zürcher Kantonalbank and makes appropriate recommendations.

Among other things, it assesses the effectiveness of the management of IT risks with an impact on IT-related investment risks.

Measures

Cyber security

Our security assessments for both internal IT systems and outsourced IT systems at service providers are based on the ISO 27002 standard and are supplemented by measures from the NIST Cybersecurity Framework (National Institute of Standards and Technology). Security assessments are updated at least once a year for critical IT systems. Security assessments are carried out during the year in the event of significant changes to processes or IT systems or on the basis of event analyses, audits and other triggers. The bank implements and monitors the further development of identified fields of action by means of a programme in the form of a cyber security roadmap. More information on this topic can be found at zkb.ch/digitales-banking.

Protecting privacy and data protection

Throughout the group, Zürcher Kantonalbank attaches great importance to protecting the privacy of its clients and the confidentiality of important business data. Correct, efficient handling of Zürcher Kantonalbank's data and information – both in physical and electronic form – is a business-critical success factor. We handle the personal data entrusted to us with care and consider it crucial to ensure that the information we hold about our clients is treated confidentially. In principle, we pass on this information only if our clients agree to this or if we are legally obliged to do so. This applies equally to information about employees and business partners. Further information on how Zürcher Kantonalbank deals with the topics of data protection and bank-client confidentiality can be found on the ZKB website at zkb.ch/en/legal/data-protection.html.

Involvement of stakeholders

In accordance with the applicable law, we require service providers to ensure confidentiality.

Our employees are our greatest asset in making digitalisation possible. Hence, we make long-term investments in our IT engineering culture as well as in the skills and competencies of our employees. The employees of Zürcher Kantonalbank are required to comply with data protection requirements and Swiss rules governing bank-client confidentiality. They are regularly familiarised through training and other suitable measures (e.g. mandatory e-learning on data protection).

Despite ongoing digitalisation and increasing use of self-service channels, personal client contact remains important. Personal advice continues to be a high priority for our clients, especially when it comes to complex life or corporate events such as retirement, buying residential property or founding a company.

Economy

One central aspect of our public service mandate is ensuring access to financial services for the population. We provide the people and companies in the Canton of Zurich with the financial services of a universal bank.



4.1 Economic benefit

We help promote Zurich as a business location and are committed to driving economic, environmental and societal progress in the Canton of Zurich:

with total assets of over CHF 200 billion, Zürcher Kantonalbank is the largest cantonal bank and the second-largest universal bank in Switzerland. We are one of

the largest providers of vocational training in the Canton of Zurich and are a major employer in the canton. We are also the second-largest fund provider and one of the most active start-up promoters in Switzerland.

General conditions

With regard to economic benefit, the following requirements and instruments are of particular importance:

Cantonal Banking Act on Zürcher Kantonalbank

The Cantonal Banking Act on Zürcher Kantonalbank states as part of our public service mandate (service and support mandate): “The bank’s purpose is to contribute to the canton’s fulfilment of its economic, social and ecological tasks and thus to support sustainable development.” (§ 2). The bank shall be managed in accordance with business principles and shall endeavour to make a reasonable profit (§ 3). The Zürcher Kantonalbank Act also stipulates the composition of the bank’s equity capital and that we have a state guarantee of the Canton of Zurich (§ 5 and § 6).

Federal Act on Banks and Savings Banks (Banking Act)

We have been considered a “national systemically important institution” since November 2013. The legislator has defined special requirements for systemically important banks in the Banking Act. For example, we are subject to higher capital and liquidity requirements to increase our financial stability.

Measures

Zürcher Kantonalbank operates a long-term business and dividend policy on the basis of our statutory public service mandate from the Canton of Zurich to continuously provide investment and financial services to the public and businesses and to contribute towards efforts to address economic and social issues.

We measure our economic benefit primarily on the basis of our economic performance and, among other things, on the basis of the following achievements:

- With 427 apprenticeships (parent company), we have one of the largest apprenticeship programmes in the Canton of Zurich.
- With over 6,000 employees (parent company), we are a major employer in the Canton of Zurich.
- We achieve a market penetration of around 50 percent among private individuals and companies in the Canton of Zurich.
- With 51 branches and contact centres and 251 ATMs, we have the densest network of branches and ATMs in the Canton of Zurich.
- More than 60,000 corporate clients, of which over 90 percent are SMEs, make us the bank for small and medium-sized enterprises (SMEs) in the Greater Zurich Area.

We are also one of the most active promoters of start-ups in Switzerland:

- Since 2005, we have financed 314 start-ups with CHF 274 million in equity and mezzanine capital.
- A total of CHF 20.7 million in risk capital financing was approved for start-ups and scale-ups in 2025.

Economic performance

Zürcher Kantonalbank builds on its existing strengths to ensure continuity in economic performance through diversified sources of income. The Canton of Zurich and its municipalities participate directly in our success through the annual profit distribution. Our consolidated balance sheet and income statement can be found in the financial report on pages 104 and 105 of the annual report. The report of the statutory auditor on the annual financial statements can be found on page 179 of the annual report.

The relevant key figures for the 2025 financial year are:

- Consolidated profit: CHF 1,241 million
- Return on equity (RoE): 8.3 percent
- Total assets: CHF 206.2 billion
- Shareholders' equity: CHF 15.7 billion
- Mortgage loans: CHF 111.2 billion
- Credit exposure to companies: CHF 40.8 billion
- Client assets: CHF 579.0 billion
- Active private clients: over 790,000
- CHF 581 million total participation of the canton and municipalities in the profit of Zürcher Kantonalbank

Group value added (in accordance with GRI 201-1)

	2025		2024	
	in CHF million	in %	in CHF million	in %
› Creation of value added				
› Company performance (= operating income)	3,213	100.0%	3,088	100.0%
General and administrative expenses (incl. compensation for state guarantee and payments from public service mandate)	-541	-16.8%	-508	-16.4%
Extraordinary income	68	2.1%	12	0.4%
Extraordinary expenses	-0	-0.0%	-0	-0.0%
› Gross value added	2,740	85.3%	2,592	83.9%
Value adjustments on participations and depreciation and amortisation of tangible fixed assets and intangible assets	-51	-1.6%	-72	-2.3%
Changes to provisions and other value adjustments and losses	-18	-0.6%	-8	-0.3%
› Net value added	2,670	83.1%	2,512	81.3%
› Creation of value added				
Employees (personnel expenses)	1,249	46.8%	1,223	48.7%
Municipalities of the Canton of Zurich (profit distribution)	175	6.6%	170	6.8%
Canton of Zurich (profit distribution)	203	7.6%	205	8.2%
Taxes ^a	180	6.8%	168	6.7%
Strengthening of reserves (self-financing)	863	32.3%	745	29.7%
› Distributed net value added	2,670	100.0%	2,512	100.0%
› Value added statement key figures				
Gross value added per full-time position in TCHF	471.61		448.59	
Net value added per full-time position in TCHF	459.64		434.63	
Number of full-time positions group ^b	5,809.4		5,778.9	

a Including OECD minimum tax.
b Calculated on the average number of employees.

4.2 Responsible financing

The financing business is part of our core business. We grant loans to private individuals, companies and institutions.

Responsible financing also means for us that we minimise sustainability risks and support our clients on their journey towards a more sustainable future.

General conditions

With regard to responsible financing, the following requirements and instruments are of particular importance:

Zürcher Kantonalbank Act

§ 2 of the Zürcher Kantonalbank Act defines our purpose and our areas of impact. This also includes the fulfilment of financing requirements.

Guidelines for the public service mandate

According to the implementing Guidelines for the Fulfilment of the Public Service Mandate, general basic needs are deemed to include, in particular, the mortgage and lending business in addition to the investment and savings business and payment transactions. In meeting these needs, we pay particular attention to the concerns of small and medium-sized enterprises, employees, agriculture and public-sector entities. The defined area of impact also includes the promotion of home ownership, affordable housing construction and, since 1 January 2024, the achievement of greenhouse gas neutrality.

Risk and credit policy

We pursue a risk policy geared towards continuity and consider the assessment of environmental, social and governance risks (ESG risks) to be an important part of the credit assessment process. Since our credit policy is geared towards continuity, we are a reliable financial partner for companies with intact future prospects, even in difficult times. Our publicly available sustainability policy sets out requirements for the financing business and defines exclusion criteria (zkb.ch/sustainability).

Guided by the objectives of the federal government and the Canton of Zurich

For our financing business, we are guided in particular by the objectives of both the federal government and the Canton of Zurich with a view to the 2030 Agenda for Sustainable Development and achieving net zero by 2050.

Measures

With our financing business, we want to make a contribution to sustainable development and minimise sustainability risks. ESG risks and opportunities for borrowers are taken into account as part of the credit assessment and monitoring process. We also discuss ESG risks and opportunities with our clients and promote sustainable and forward-looking business models.

In the financing business, we focus on supporting our clients on their journey to a more sustainable future (see the sections Environment and Social issues and human rights in the financing business).

We support small and medium-sized enterprises and entrepreneurs with start-up, development, expansion and takeover loans, and support the financing of projects involving sustainable technologies.

4.3 Responsible investing

The investment business is part of our core business. For us, responsible investing means informing our customers about the topic of sustainability, helping our clients to identify their sustainability preferences and offering a wide range of sustainable investment solutions. To do that, we can build on many years of expertise. With the ZKB sustainability standard for our active investment solutions³ and our sustainable portfolio consulting mandates, we adhere to a standard that includes at a minimum the sustainability approaches of climate (CO₂e reduction, ESG integration, avoidance of controversies) and stewardship (voting & engagement).

The principles and standards established in the investment business are also applied by analogy in the pension business, as both areas are based on the same sustainable principles.

General conditions

We take account of the particularly high level of regulation in the investment business by incorporating external requirements into internal directives, processes and our client documentation, systematically training our employees and carrying out compliance checks. This applies in particular to the information, clarification, disclosure and reporting obligations applicable to the investment business, which also relate to the ESG characteristics of the products and services offered, among other things.

Relevant legal requirements in Switzerland

Contained in particular in the Financial Services Act (FinSA), the Collective Investment Schemes Act (CISA) and the relevant implementing provisions. As a member of the Swiss Bankers Association (SBA), the Asset Management Association Switzerland (AMAS) and the Swiss Structured Products Association (SSPA), we are also subject to the self-regulations issued by these associations regarding sustainability in the investment business (AMAS self-regulation on transparency and disclosure for collective assets with a sustainability focus, the SSPA Sustainability Transparency Guidelines and SBA guidelines for financial service providers on the integration of ESG preferences and ESG risks and the prevention of greenwashing in investment advice and portfolio management).

Requirements under EU law

For our private banking clients domiciled in the EEA, we also implement the consumer protection requirements under EU law (MiFID II) and the sustainability requirements under Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector (SFDR). The relevant provisions of EU law also apply to our Luxembourg fund management company, Swisscanto Asset Management International SA, its branches and its range of funds. Our Irish-domiciled funds are then also subject to EU law.

Principles for Responsible Investment (PRI)

In addition to the regulatory framework, in our investment business we have been guided by the six Principles for Responsible Investment (PRI) since 2009, and report on them regularly.

³ Our active investment solutions comprise portfolio management mandates and investment funds. Excluded are indexed, individualised and third-party managed investment solutions as well as investment funds in the area of alternative investments. The ZKB sustainability standard is also taken into account in investment advice; for this, the clients themselves make the investment decisions and thus determine the composition of the advisory portfolio.

Measures

ZKB sustainability standard

The ZKB sustainability standard defined across the two divisions Investment Solutions and Asset Management is relevant for our investment business. It includes at least the sustainability approaches of climate (CO₂e reduction, ESG integration, avoidance of controversies) and stewardship (voting & engagement) and is used for

our active investment solutions⁴. It also applies to investment recommendations made by Zürcher Kantonalbank as part of the standardised, sustainable portfolio consulting mandates of the Investment Solutions division, where clients make the investment decisions themselves. We also offer passive (indexed) investment solutions that meet at least the ZKB sustainability standard.

ZKB sustainability approaches

Our sustainability approaches used in the investment business have the following meaning:

	Stewardship Voting & engagement	Stewardship encompasses voting (exercising voting rights at annual general meetings) and engagement (active dialogue on sustainability topics) with companies in which investments are made. Through our stewardship activities, we aim to promote sustainable business strategies and practices as well as compliance with recognised international principles and best-practice standards on sustainability topics.
	Controversies Avoidance of controversies	By taking controversies into account in the investment process, the aim is to avoid investments in business activities and practices that constitute a notable violation of sustainability principles. We pay particular attention to avoiding investments in controversial and conventional weapons, thermal coal and investments that violate the principles of the UN Global Compact (such as in the areas of human rights, labour standards, the environment and anti-corruption).
	ESG ESG integration	ESG integration refers to the systematic consideration of ESG criteria (environmental, social and responsible corporate governance) in the investment process. For this, we include in our analyses financially relevant ESG risks and opportunities, such as those associated with companies and countries.
	Climate CO ₂ e reduction	CO ₂ e reduction refers to the reduction of greenhouse gas emissions (such as carbon dioxide and methane) in an investment context. Here, we are guided by a CO ₂ e benchmark or the targets set out in the Paris Agreement. The aim of this agreement is to limit global warming to well below 2 °C compared to the pre-industrial age, with a maximum temperature increase of 1.5 °C being the target.
	SDGs SDG-aligned investing	The Sustainable Development Goals (SDGs) are the United Nations' 17 goals for sustainable development. For us, taking SDGs into account in the investment context means, among other things, investing in companies whose products / services contribute to one or more goals. In addition, we can utilise financing instruments from companies and governments that have a dedicated sustainability focus (e.g. green bonds).

4 Definition of "active investment solutions" as per glossary

Designations of our sustainable active investment solutions⁵

Our sustainable active investment solutions are available in the following sustainable designations:

Responsible / Basic / Individual Security	Sustainable (ESG)
Our investment solutions of these designations pursue the following sustainability approaches:	Our investment solutions of these designations also take into account the sustainability approach of SDG-aligned investing:
 Stewardship Voting & engagement	 Stewardship Voting & engagement
 Controversies Avoidance of controversies	 Controversies Avoidance of controversies
 ESG ESG integration	 ESG ESG integration
 Climate CO ₂ e reduction	 Climate CO ₂ e reduction
	 SDGs SDG-aligned investing

Transparency and client information

We attach great importance to the transparent design of our sustainable investment solutions. We provide our clients with the following documents for this purpose:

- For our standardised sustainable investment solutions ZKB Discretionary Mandate and ZKB Portfolio Consulting and for the fund portfolio, information on the sustainability approaches is available at zkb.ch/sustainabilityapproaches.
- The document “Nachhaltigkeit ist unsere Überzeugung (Sustainability is our conviction)” is available for the sustainable funds of our Asset Management division.
- For the specific segments with a ZKB Discretionary Mandate from Asset Management with the Responsible or Sustainable designation, we disclose comprehensive information regarding the implementation of the individual sustainability approaches, based on the requirements of the AMAS self-regulation on transparency and disclosure for collective assets with a sustainability focus.

Survey of our clients’ sustainability preferences in ZKB Portfolio Consulting, ZKB Discretionary Mandate and the advised ZKB Fund Portfolio

In accordance with the guidelines of the Swiss Bankers Association on the integration of ESG preferences and ESG risks as well as the prevention of greenwashing in investment advice and portfolio management, our clients are informed about the relevance of ESG in the investment context, ESG risks and sustainability preferences. The sustainability preferences of clients are then ascertained as part of the investor profile. The bank’s recommendation regarding the designation of the portfolio management or portfolio consulting mandate is then based on the clients’ sustainability preferences.

For our Private Banking International clients, to whom we apply the consumer protection provisions of MiFID II and the disclosure standards of the SFDR, the survey of sustainability preferences is carried out specifically in relation to the EU sustainability criteria (EU taxonomy, sustainable investments in accordance with Art. 2 (17) SFDR and Principal Adverse Impact (PAI) indicators).

⁵ Definition of “active investment solutions” as per glossary

Reporting

As part of our standardised sustainable investment solutions of ZKB Discretionary Mandate and ZKB Portfolio Consulting, both of which carry a “Sustainable” designation, our clients receive a report on ZKB’s sustainability approaches. In this way, we create transparency with regard to how sustainability approaches are considered in individual client portfolios.

The Swisscanto Sustainability Report provides our Asset Management clients with quarterly information on the sustainability focus of their sustainable investment products.

For pension funds, we also provide an ESG report based on the guidelines of the Swiss Pension Fund Association (ASIP).

We provide the information required under the SFDR to our Private Banking International clients, to whom we apply the consumer protection provisions of MiFID II and the disclosure standards of the SFDR, as well as to investors in the sustainable investment funds domiciled in Ireland or Luxembourg (zkb.ch/sfdr).

Swiss Climate Scores reporting is also made available to our clients on request for the investment solutions provided by our Asset Management division and in standardised wealth management.

Stewardship

We attach particular importance to transparency in our Asset Management stewardship activities. Our Asset Management division engages in direct dialogue with companies via the PRI collaboration platform and investor initiatives. We publish information on our activities in this area.

In the standard business mandates, stewardship activities are carried out at asset manager level. On the one hand, we use the stewardship assessment methodology (scorecard) to review the voting and engagement activities of all asset managers relevant to us on an annual basis and, on the other hand, we engage in direct engagement dialogue with the asset managers in order to share the results of our analysis and promote best practices. Influence is therefore exercised on asset managers and only indirectly on companies. Stewardship takes place within the framework of the predefined guidelines and both the results of the stewardship analysis and our progress are published once a year on our website ([Stewardship at Investment Solutions](#)).

ZKB sustainability standard in our active investment solutions⁶

For our active investment solutions, we apply the ZKB sustainability standard. The ZKB sustainability standard includes at least the sustainability approaches of climate (CO₂e reduction, ESG integration, avoidance of controversies) and stewardship (voting & engagement). For investment solutions with the

designations “Sustainable” (Asset Management) and “Sustainable (ESG)” (Investment Solutions), the sustainability approach of SDG-aligned investing is also applied. We also offer passive (indexed) investment solutions that meet at least the ZKB sustainability standard. In relation to our delegated assets, the following shares were managed sustainably in the year under review.

Breakdown of the delegated assets¹

	31.12.2025		31.12.2024	
	in CHF billion	in %	in CHF billion	in %
Delegated Assets	309	100	286	100
thereof managed sustainably (ZKB sustainability standard)	160	52	147	51
– thereof actively managed	113	71	108	73
– thereof implemented with indexed investment solutions	47	29	39	27

a Delegated assets include all investment assets for which clients do not make investment decisions themselves but delegate them to Zürcher Kantonalbank. This includes own funds, portfolio management mandates, pension fund securities savings and fund portfolios.
 b in % of the ZKB sustainability standard

6 Definition of “active investment solutions” as per glossary

Environment

As a part of the Swiss financial centre, we fulfil our responsibility in the efforts to achieve sustainable development worldwide and the transformation to net-zero greenhouse gas emissions by 2050. We see ourselves as a service provider for society and the economy, particularly in Zurich as a place to live and do business. We are guided by the Paris Climate Agreement and the goal of achieving net-zero greenhouse gas emissions by 2050. We take into account the principle of double materiality, i. e. we analyse how climate change affects our business activities on the one hand and how our business activities affect climate change on the other.



5.1 General conditions for environmental and climate-related issues

With regard to environmental and climate-related issues, the following requirements are of particular importance:

Zürcher Kantonalbank Act

Since 1 January 2024, supporting sustainable development and promoting the achievement of greenhouse gas neutrality have been enshrined in the purpose article (Art. 2) of the Zürcher Kantonalbank Act. Under Article 7, the bank is also required to actively contribute to achieving the cantonal climate targets, in particular regarding energy-efficient building renovation.

Federal law

The Ordinance on Climate Disclosures, which has been in force since 1 January 2024 and specifies the requirements for transparency on non-financial matters in accordance with the Swiss Code of Obligations (CO 964) with regard to climate matters, serves as a binding guideline for us. The ordinance calls for a transition plan comparable to the Swiss climate targets, with climate targets and measures and transparency regarding the reporting of greenhouse gas emissions. Our climate ambition is based on the climate target of net-zero greenhouse gas emissions by 2050, as set out in the Climate Protection Targets, Innovation and Strengthening Energy Security Act (CIA), which came into force on 1 January 2025.

FINMA requirements on disclosing climate-related financial risks

In addition, the FINMA disclosure requirements on disclosing climate-related financial risks apply to us; these are met with our annually updated disclosure report (zkb.ch/disclosure).

5.1.1 Climate-related opportunities Accompanying and supporting our clients in their transition to net-zero 2050 with products and services

Switzerland has set itself the goal of further expanding its financial centre as one of the world's leading locations for sustainable finance.

Based on our public service mandate and our sustainability ambition in the group strategy, we see promoting the net-zero transition as an opportunity to accompany our clients towards net-zero 2050. This enables us to add value for our clients with our products and services and contribute to the sustainability of the Swiss financial centre.

In the financing business, we accompany our clients on the path to a more sustainable future in the areas of buildings, energy and mobility. Zürcher Kantonalbank provides incentives for its clients to build, modernise and operate their properties and infrastructure in the most environmentally friendly and energy-efficient way possible. To this end, the range of products and services is constantly being expanded. The bank continues to provide its clients with solutions for energy-efficient renovations and energy-efficient new buildings.

We want to play a leading role in the investment business with sustainable offerings. To this end, we apply the ZKB sustainability standard for our active investment solutions and for the sustainable variants of ZKB Portfolio Consulting in which CO₂ reduction is defined as one of the sustainability approaches used.

In its trading and capital markets business, Zürcher Kantonalbank supports its clients in structuring and placing sustainable bonds (ESG-labelled bonds, such as green bonds and sustainability-linked bonds) on the Swiss capital market. Zürcher Kantonalbank also issues its own green bonds to refinance environmental loans and to refinance projects with energy-related objectives for the office buildings used by Zürcher Kantonalbank itself.

Promotion of energy efficiency and renewable energy sources

When it comes to financing in the energy sector, Zürcher Kantonalbank demonstrates a commitment to further increasing the efficiency of the facilities and the gradual shift to renewable energy sources.

We provide our clients with solutions for financing energy-efficient renovations and energy-efficient new buildings.

To reduce CO₂ emissions in our own operations, we analyse the energy consumption of our operational properties in order to identify areas for action and incorporate suitable measures into our reduction path. We are also involved in the Energy Model Zurich major consumer group with the aim of continuously increasing our energy efficiency and reducing CO₂e emissions.

5.1.2 Sustainability risk management and climate-related financial risks

Sustainability and climate-related financial risks are defined as the short, medium and long-term potential for direct or indirect negative financial impacts on the institution resulting from its exposure to ESG and climate issues.

Climate-related financial risks influence the risk profile of Zürcher Kantonalbank, but are not among the top risks. They are low overall. Transition risks are of greater significance than physical risks.

Sustainability risks are treated as a driver of the traditional risk categories (credit risks, compliance risks, etc.). Sustainability-related financial risks in the area of

climate risks are divided into physical risks and transition risks: Physical risks arise from the effects of climate change and the associated damage done to ecosystems. Transition risks arise from the transition to an environmentally friendly economy, in particular decarbonisation, for example due to changes in climate and environmental policy, technological developments, further developments in case law or changes in the behaviour of market participants.

For transition risks, the key drivers for the bank are climate legislation, changing client preferences, public perception and climate change itself. Particularly relevant are compliance and reputational risks from business areas where the various stakeholders have high or at least very different expectations regarding how the bank should contribute to achieving the climate targets. In terms of physical climate risks with climate change as a risk driver, there are low risks relating to the mortgage business and the commercial lending business. At portfolio level, the bank does not expect any significant financial losses from physical risks caused by climate change, even in the longer term.

Risk management process

Zürcher Kantonalbank breaks the risk management process down into the following process steps:



The management of climate risks as part of the sustainability risks forms an integral part of risk management processes. Sustainability aspects are taken into account in the identification and assessment of the respective risk categories and – where material – in controlling, managing, monitoring and reporting them. A more detailed description of risk management can be found in the disclosure on climate-related financial risks as at the end of the year (zkb.ch/disclosure).

Various possible future developments (scenarios) were analysed to identify and evaluate climate-related financial risks. The scenarios in the scenario framework of the NGFS (Network for Greening the Financial System) and the climate scenarios of the Federal Office for the Environment FOEN were used for this purpose. The following presentation of climate-related financial risks by risk category shows a “worst-of” view. This means transition risks are assessed under scenarios with a disorderly transition to a low-carbon economy (“disorderly transformation”), while the physical risks are assessed under “hot-house-world” scenarios with a sharp rise in temperature. In a scenario with a moderate rise in temperature and an orderly transition to a low-carbon economy, the risks are therefore lower overall than in the “worst-of” view presented below.

Compliance risks were assessed as part of the transition risks in all business areas. Further information on the procedure for identifying and assessing risks can be found in the appendix.

a) Credit risks

At line item level, risk identification and assessment in the financing business look at the applicant's creditworthiness and credit standing and also assess the collateral (mortgage, readily marketable collateral, etc.), depending on the type of credit. Whether the financing complies with the lending rules, including the sustainability requirements, is checked during the loan application process. At portfolio level, analyses of climate-related financial risks are carried out as required.

Risk management takes the form of regulations in the sustainability and lending policy that are issued by the Executive Board. These regulations are specified in the internal credit risk regulations with detailed specifications on excluded, undesirable transactions and transactions with special risks. They also explicitly relate to financing with a focus on climate and energy. The management of climate-related financial risks for the credit portfolio focuses both on the exclusion of certain industries as well as on supplementary offers for clients in the bank's financing business. The controls for monitoring compliance with the lending rules also include the requirements of the lending policy.

The internal monitoring report on the loan portfolio contains information on exposures in climate-sensitive sectors. Enabling meaningful reports for risk management depends on the availability and quality of public data on greenhouse gas emissions, especially for unlisted companies.

b) Market risks (trading and financial investments)

Trading has a business model centred on client transactions. The trading book is highly diversified, the positions generally have short maturities and the trading business is geared towards rapidly changing market situations.

Own financial investments are dealt with in section 5.2.7 Climate targets, measures and key figures for own financial investments.

c) Liquidity risks

The bank has not identified any transmission paths from climate risks to liquidity risks. Consequently, there are no liquidity risks from the climate risk factor.

d) Operational risks (banking operations)

When identifying and assessing climate-related financial risks from banking operations, the focus is on the OpRisk assessment of not only environmental and accident risks, but also operational emissions. Using

measurement data and its own analyses of the CO₂e footprint, the bank identifies where the greatest reduction potential exists.

Risk management for the direct physical risks of banking operations (e.g. flooding) is carried out in Business Continuity Management (BCM). The scenarios include not only the failure of important company buildings as a result of extreme weather events, but also the loss of critical suppliers and partners. As a risk-controlling element for the environmental aspect of banking operations, Zürcher Kantonalbank has an environmental programme in place at the parent company that sets out the environmental targets for operational ecology. The targets are approved by the Executive Board. These targets focus on making ongoing reductions to CO₂e emissions and boosting environmental performance.

Business continuity tests are carried out on a regular basis to review the business recovery options implemented, the business continuity plans, the emergency response and operational crisis management. The achievement of the objectives of the bank's environmental programme is reviewed annually and the environmental management system is audited annually in accordance with ISO14001.

e) Business risks (investment business of Asset Management and Investment Solutions)

Risk identification and assessment in the investment advisory business focus on the financial risks in the investment products and in the investment portfolios of clients who receive investment advice services or have commissioned the bank with portfolio management. Changes in the legal framework for the investment business are analysed by specialised units on an ongoing basis, and the relevant changes are subsequently adopted in the products and services offered.

In the standardised asset management and investment advisory mandates of Investment Solutions, graduated combinations of the ZKB sustainability approaches are used, depending on the variant.

Compliance with the sustainability approaches mentioned is monitored daily as part of the risk management process. The results of these checks form an integral part of internal risk management reporting and the internal risk dialogue between risk managers and risk management. In its investment reports, Zürcher Kantonalbank transparently discloses the ESG criteria of its client portfolios.

Asset Management at Zürcher Kantonalbank utilises graduated combinations of sustainability approaches, depending on the product line, for its investment fund, pension products and customised portfolio management mandates. These are offered under the "Swisscanto by Zürcher Kantonalbank" brand. Compliance with the relevant sustainability requirements is monitored on an

ongoing basis by Investment and Portfolio Controlling. Where appropriate, additional controls are carried out by Risk Management.

In the case of transactions, compliance with exclusion criteria is checked before the transaction is finalised and independently monitored on a daily basis

by Investment and Portfolio Controlling. The degree of CO₂e reduction target achievement is monitored by Risk Management as well as by Investment and Portfolio Controlling. The degree of CO₂e target achievement is also a component of the publicly available sustainability reporting for sustainably managed products.

Overview from the qualitative assessment of climate-related financial risks

	Physical risks		Transition risks		Materiality	
	short to medium term	long term	short to medium term	long term	yes/no	Comments
Credit risk						
Mortgage lending	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	no	Low physical risks for the bank, defined reduction paths for residential and office properties.
Commercial lending business	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	no	Risks low. Industry exclusions, conditions and, above all, short maturities of financing in exposed industries.
Market risk						
Trading	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	no	Very low risks due to client focus of trading, continuously managed positions with short maturities.
Financial investments (Treasury)	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	no	Very low risks due to top credit ratings of the bonds in the investment portfolio and exclusion of industry-intensive CO ₂ issuers.
Operational risk						
Banking operations	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	no	Very low risks. Business continuity management for natural hazards already in place, operational environmental programme with CO ₂ reduction target.
Business risk						
Asset Management	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	yes transit.	Physical risks very low, moderate transition risks from dynamics of the legal framework for investment products and potential failure to hit climate targets.
Investment Solutions business	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	■ ■ ■ ■ ■ ■ ■ ■ ■ ■	no	Physical risks very low, low transition risks from complexity in investor protection.



short term: up to 1 year
 medium term: up to 5 years
 long term: up to 50 years

Assessment of materiality

As part of the annual assessment of climate-related financial risks, the Risk Committee of the Executive Board also assessed materiality, as required by FINMA Circular 2026/1.

As far as business risks are concerned, the financial risk arising from longer-term transition risks for Asset Management was categorised as “moderate” and therefore material within the meaning of FINMA Circular 2026/1 “Nature-related financial risks”. The risk of fluctuations in the value of investment assets is generally borne by the investors. The legal framework for asset management in the area of sustainability is developing dynamically, which increases complexity and costs for the bank. Violations of applicable legal provisions, publicly communicated climate targets, contractually agreed climate aspects for individual portfolios or the high-profile cancellation of memberships in initiatives may entail compliance or reputational risks (including accusations of greenwashing), which could materialise for the bank in a reduction in income. The regulatory trend is difficult to assess in the longer term and beyond the bank’s control. In the short to medium term (up to five years), developments are easier to predict and the risks are considered to be low.

5.1.3 Resilience of the banking strategy to climate change

Based on our assessment of climate-related opportunities and risks, we want to be resilient for the future with our sustainability ambition (section on sustainability in the group strategy).

To this end, we ensure that our actions are based on scientific principles. We focus on areas where there is great potential for impact. We develop products and services that create a positive sustainability impact and integrate ESG risks and opportunities in our business activity.

When introducing or reviewing products and services, compatibility with the bank-wide sustainability policy is required. Further requirements are set out in business-unit-specific internal guidelines, for example in the credit manual.

5.2 Climate targets and measures

Our transition plan, which is based on the Swiss climate targets in accordance with the Ordinance on Climate Disclosures, includes climate targets and measures as well as the disclosure of greenhouse gas emissions. To this end, we are guided by the CIA, which has enshrined the 2050 net-zero target in law since 1 January 2025 and requires financial flows to be aligned in a climate-friendly manner, and the recommendations of the UNEP FI Guidance for Climate Target Setting for Banks.

An overview of the transition plan can be found in the appendix on pages 69–70.

The relevant key figures for the financing and investment business, as well as the bank's own operations, are listed on pages 71–77 in the appendix.

5.2.1 Climate targets for the financing business

The percentage composition of the credit portfolio can be found in the risk report from page 155 of the annual report. At 68 percent, credit risk is the largest risk category in the risk capital allocated by the Board of Directors.

Loans by client portfolio are shown on page 161 of the annual report. Accordingly, private individuals make up the largest share of our portfolio, followed by companies in second place.

In Switzerland, the building sector is responsible for almost 40 percent of energy consumption and around a quarter of CO₂e emissions in the building sector is therefore of crucial importance for the national net-zero strategy 2050. In its climate strategy, the Canton of Zurich also emphasises the mortgage sector's particularly high level of CO₂e emissions.

Climate target for residential mortgage business

The target calculation for our climate target in the residential property sector includes all mortgage financing with a sufficient data basis for single-family homes (SFH), multi-family homes (MFH) and condominiums (CNDO). This corresponds to 95 percent of the financing volume. The Scope 1 emissions of the property are taken into account.

Our target is based on Switzerland's long-term climate target of net-zero greenhouse gas emissions by 2050. The plan for achieving net zero is being worked out by the Federal Council as part of the long-term climate strategy. The Energy Perspectives 2050+ (EP 2050+) form an important basis for this. The Federal Office of Energy has modelled the development of the energy system in the net-zero (zero basis) scenario of EP 2050+. This can be used to calculate the development of CO₂e emissions per energy reference area (ERA) for residential properties up to 2050. The climate target metric is therefore kg CO₂e/m² per ERA.

Zürcher Kantonalbank's climate target envisages exceeding the federal government's reduction pathway from 2030. We want to reduce our CO₂e intensity in the residential mortgage business by 44 percent by 2030.

Detailed information on the methodology can be found in the appendix in the section on climate targets and key figures.

In 2025, we are on track with our ZKB residential property reduction path. The progress made in decarbonising our residential property portfolio is the result of a combination of two factors. Firstly, the policy effect, i.e. national legislation and in particular the Cantonal Energy Act. Secondly, by supporting our clients in their individual transition with our products and services. We can achieve decarbonisation in the building sector only together with our clients. No clients are excluded because of their fossil fuel heating system.

Area of application – residential mortgage business

Emissions taken into account:
Scope 1 emissions (heating)



Loans taken into account: all mortgage financing for single-family homes (SFH), multi-family homes (MFH) and condominiums (CNDO)

Financial exposure:
CHF 91,041 million

Methodology

Reference scenario: Energy Perspectives 2050+ (EP 2050+), zero basis scenario residential property; 1.5°C compatible (PACTA methodology)

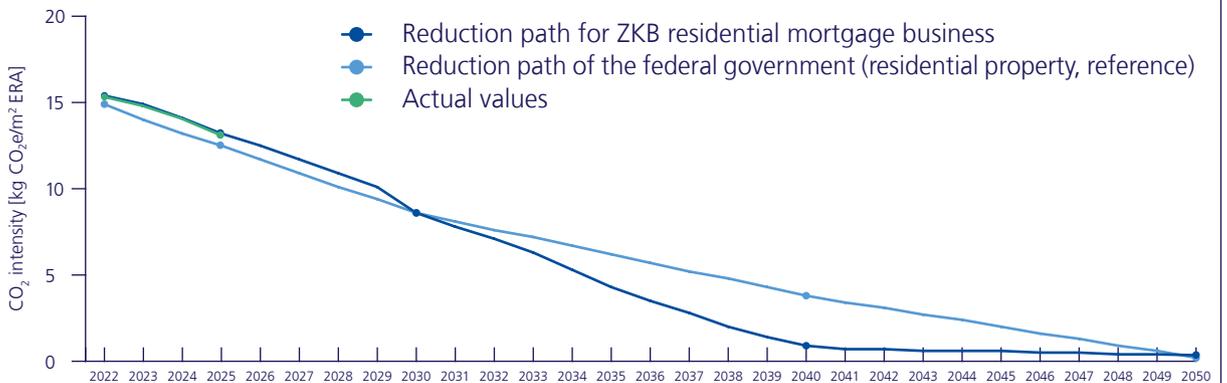
Metric: kg CO₂e/m² energy reference area

Data basis: Register of Buildings and Dwellings (RBD), Minergie, own data

Target and progress

Metric: kg CO ₂ e/m ² ERA	Base value (2022)	Actual value (2023)	Actual value (2024)	Actual value (2025)	Target value (2030)	Target value (2040)	Target value (2050)
Zürcher Kantonalbank	15.4	14.8	14.1	13	8.7	0.9	0.3
Reference scenario	14.9	14.0	13.2	12.5	8.6	3.8	0.2

Climate target for residential mortgage business



Area of application – commercial mortgage business

Emissions taken into account:
Scope 1 emissions (heating)



Loans taken into account: all mortgage financing for non-manufacturing service buildings, predominantly office properties

Financial exposure:
CHF 12,003 million

Methodology

Reference scenario: Energy Perspectives 2050+ (EP 2050+), zero basis scenario service and commercial property; 1.5°C compatible (PACTA methodology)

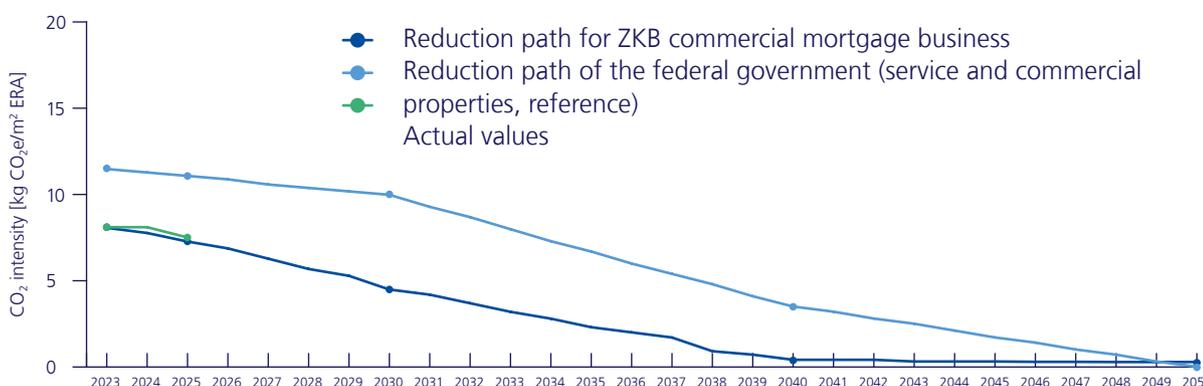
Metric: kg CO₂e/m² energy reference area

Data basis: Register of Buildings and Dwellings (RBD), Minergie, own data

Target and progress

Metric: kg CO ₂ e/m ² ERA	Base value (2023)	Actual value (2024)	Actual value (2025)	Target value (2030)	Target value (2040)	Target value (2050)
Zürcher Kantonalbank	8.1	8.1	7.6	4.5	0.4	0.3
Reference scenario	11.5	11.3	11.1	10	3.5	0.0

Climate target for commercial mortgage business



Quantitative climate target for commercial mortgage business

For the quantitative climate target in the commercial property sector, all mortgage financing for non-manufacturing service buildings (predominantly office properties) are included. The target calculation covers 91 percent of the relevant financing volume. The Scope 1 emissions of the property are taken into account.

As with the climate target for the residential mortgage business, we base our climate target for the commercial mortgage business on Switzerland's long-term climate target of net-zero greenhouse gas emissions by 2050 and draw on the Energy Perspectives 2050+ (EP 2050+). As part of the PACTA Test 2024, a reduction path for service properties was published for the first time, similar to the reduction path for residential properties. The climate target metric is kg CO₂e/m² ERA.

As a starting point for the target with 2023 as the base year, we assume a value of 8.1 kg CO₂e/m² ERA and are therefore below the federal path. We also want to reduce our CO₂e intensity in the commercial mortgage business by 44 percent by 2030.

Detailed information on the methodology can be found in the appendix in the section on climate targets and key figures.

In 2025 we are still well below the federal government's reduction path with our ZKB commercial property reduction path. The progress made in decarbonising our commercial property portfolio is the result of a combination of two factors. Firstly, the policy effect, i.e. national legislation and in particular the Cantonal Energy Act. Secondly, by supporting our clients in their individual transition with our products and services.

Policy-based climate targets in other climate-intensive sectors

Zürcher Kantonalbank's sustainability policy defines climate targets in the form of conditions and exclusion criteria for the sectors of coal, oil and gas, energy pro-

duction and cement ("comply" approach). We currently do not set any climate targets ("explain" approach) for the metals industry and automotive industry sectors due to our limited financial exposure in these industries and based on our analysis.⁷

Sector	Climate targets at sustainability policy level	Measures
Fossil fuels: Coal, oil and gas	<p>Project financing:</p> <ul style="list-style-type: none"> – Coal mining, oil and gas extraction: As a bank which is strongly rooted in its local area, we have never directly financed the mining of coal and the extraction of oil or natural gas, and, accordingly, are not involved in controversial oil and natural gas extraction processes (e.g. Antarctic/Arctic drilling, fracking, offshore oil projects, deep-sea drilling or projects related to the exploitation of oil-bearing tar sands). – Fossil fuel power plants: We do not finance power plants fuelled by coal or oil. <p>Commercial loans to commodity companies: Commodity companies must demonstrate that they are aligning their business model with the scientifically required net-zero target for 2050 (phase-out of thermal coal by 2030 in OECD countries and 2040 in non-OECD countries in accordance with the International Energy Agency's (IEA) net-zero roadmap) and at the same time are promoting commodities (through extraction, processing, transport, storage, trading) that are necessary to implement the energy transition.</p>	<ul style="list-style-type: none"> – "Client Engagement Dialogue" with sector-specific questionnaire, which is an integral part of the credit process (credit applications and reviews).
Energy production	<p>Commercial loans to energy producers:</p> <ul style="list-style-type: none"> – As a bank which is strongly rooted in its local area, Zürcher Kantonalbank generally finances Swiss energy producers – which mainly produce renewable energy. – We support reserve power plants fuelled by oil or gas only to the extent that they are intended by the Swiss government for national supply in the event of electricity shortages or if they are back-up technologies fuelled by oil or gas for renewable energy producers. 	<ul style="list-style-type: none"> – "Client Engagement Dialogue" (annual) – Sustainability-linked loans (bilateral and syndicated) and support for ESG-labelled bonds – Dedicated Key Account Management with ESG training
Cement	<p>Commercial loans to cement companies: Cement companies must demonstrate that they are aligning their business model with the scientifically required net-zero target for 2050.</p>	<ul style="list-style-type: none"> – "Client Engagement Dialogue" with sector-specific questionnaire, which is an integral part of the credit process (credit applications and reviews). – Sustainability-linked loans (bilateral and syndicated) and support for ESG-labelled bonds
Sector	Analysis	Measures
Metal industry	<p>Our analysis shows that the majority of our corporate clients in the metals industry sector have taken binding climate measures (participation in Swiss emissions trading; target agreements with the "Energy Agency for Industry (EnAW)" or the "act Cleantech Agency Switzerland").</p>	<ul style="list-style-type: none"> – Sustainability-linked loans (bilateral and syndicated) and support for ESG-labelled bonds – Reffnet sustainability consulting for SMEs
Automotive industry	<p>Our corporate clients in the automotive industry sector are not automotive manufacturers as defined by the UNEP FI Climate Target Setting for Automotive Sector Financing, rather they are active in the supplier industry or the automotive trade.</p>	<ul style="list-style-type: none"> – Sustainability-linked loans (bilateral and syndicated) and support for ESG-labelled bonds – Reffnet sustainability consulting for SMEs

⁷ Climate sensitive sectors as defined in the, "UNEP FI, Climate Target Setting Guidance for Banks"

5.2.2 Measures for the financing business

In line with the sustainability ambition in the group strategy, we focus on supporting our clients on the path to a more sustainable future and are constantly expanding and refining our range of products and services to this end. Net-zero by 2050 is a challenge for society as a whole and can be achieved only through collaboration among all stakeholders, i.e. policymakers, the real economy, the financial sector and individuals. Our climate measures in the financing business are described in detail below.

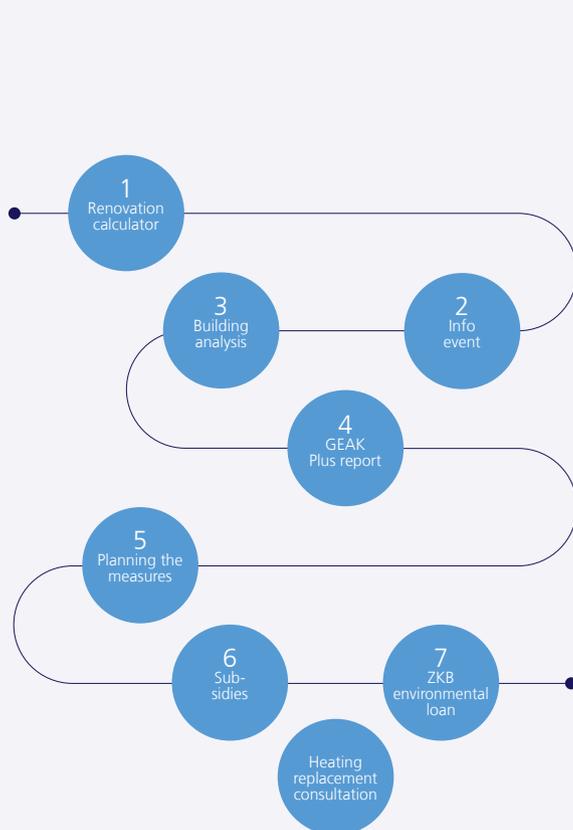
For mortgage clients we provide incentives for clients to build, modernise and operate their properties and infrastructure in the most environmentally friendly and energy-efficient way possible. We provide our clients

with solutions for financing energy-efficient renovations and energy-efficient new buildings. We are achieving the decarbonisation of the building sector together with our clients and through national and cantonal policy measures. No clients are excluded because of their fossil fuel heating system.

ZKB environmental loans (for private individuals and companies)

The ZKB environmental loan was introduced in 1992 and is constantly being refined; it is designed as a fixed-rate mortgage with an interest rate reduction of up to 0.8 percent per year for a maximum of five years. The prerequisite is an actual sustainability effect, which can be demonstrated in several ways: through

Support in the building sector



- 1 Renovation calculator: The renovation calculator uses a model-based calculation to show our clients when which parts of the property are likely to need renovating and what the estimated costs will be.
- 2 Info event: Together with Elektrizitätswerke Zürich (EKZ) and the Building Department of the Canton of Zurich, we have been successfully running the “starte!” programme since 2013, supporting homeowners in all aspects of energy-efficient building modernisation. At the heart of the programme is a free public information event. Since launch we have organised over 100 events.
- 3 Building analysis: We put property owners interested in refurbishment in contact with a GEAK expert (cantonal building energy certificate) in the region to have a GEAK Plus advisory report drawn up. The GEAK experts analyse the property on site and identify weak points and energy savings potential.
- 4 GEAK Plus report: In the comprehensive GEAK Plus report, the proposed energy-related building measures, including costs and benefits, are shown transparently. This makes it possible to stage the measures sensibly. If the building achieves at least a higher efficiency class and at least a class C for overall energy efficiency after the refurbishment, it is possible to take out a ZKB environmental loan. The costs for the advisory report and the Minergie certification are covered by the bank when the client takes out a ZKB environmental loan. Alternatively, ZKB clients can also benefit from free advice on replacing their heating system.
- 5 Planning the measures: The GEAK experts, who have experience in refurbishment planning and construction management, can subsequently implement the measures directly on request.
- 6 Subsidies: The overview of the federal and cantonal subsidies can be found at energiefranken.ch.
- 7 ZKB environmental loan: The ZKB environmental loan promotes energy-efficient construction and modernisation with a reduction in the interest rate of up to 0.8 percent per year for a maximum of five years.

We also assist clients with commercial property on their way to a more sustainable future by assisting them with energy modernisation and supporting them with various offers (e.g. covering GEAK costs, support with planning measures, discounted financing).

a Minergie certificate, through a cantonal building energy certificate (GEAK), through a pioneering project with particularly innovative construction measures or by achieving specific energy efficiency indicators based on individual energy-efficiency upgrades (e.g. installation of a photovoltaic system).

 The financing volume of the ZKB environmental loan has increased by around 10 percent in the last year. In 2025 the total volume of ZKB environmental loans taken out stood at CHF 1.6 billion. In 2025 our income was around CHF 12 million lower due to the interest subsidy we have granted.

Heating replacement advice

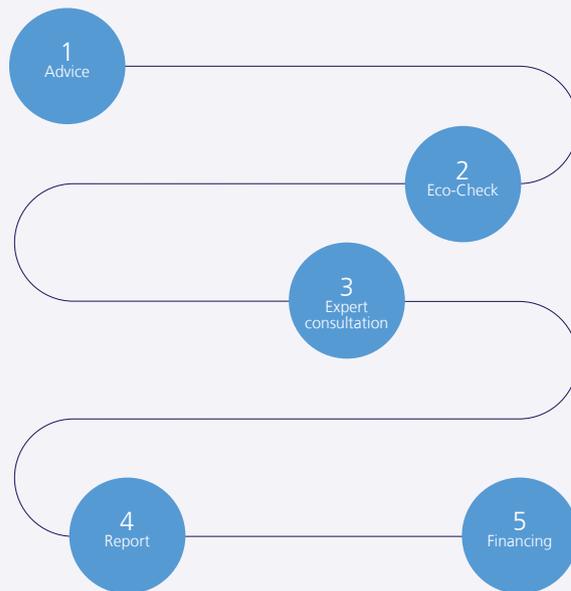
We launched the offer for heating replacement advice back in 2020. In cooperation with EKZ and the cities of Zurich and Winterthur, we offer free and independent heating replacement advice to our clients in the Canton of Zurich who own a single-family house, multi-family house or a condominium with an oil or gas heating system.

 Since launch, over 2,200 clients have already benefited from the heating advice offer.

Support in the SME sector

We help companies tackle challenges to do with sustainability topics and actively support them on their way to a sustainably successful future with a new integral range of advisory services we launched in February 2024.

Our offering combines engineering and financing expertise and provides our corporate clients with recognised experts from the Reffnet.ch association – Swiss Resource Efficiency Network.



- 1 Personalised advice: We discuss the topic of sustainability with clients in personal consultations.
- 2 Eco-Check: The starting point for sustainability advice is the Eco-Check, which is free of charge for clients of Zürcher Kantonalbank. As an initial analysis, the Eco-Check uncovers possible areas of action focusing on energy, resources and climate. In addition to immediate measures, it contains recommendations for more in-depth consultations.
- 3 Expert advice: Based on the Eco-Check, the areas of energy, resources or climate can be analysed in greater depth. Proven experts from Reffnet.ch analyse companies for far-reaching potential for improvement directly on site.
- 4 Detailed report: The detailed report covers
 - possible improvement measures;
 - estimated investment costs;
 - expected cost savings;
 - information on possible subsidies; and
 - resulting sustainability impacts.
- 5 Financing: ZKB promotes the implementation of sustainable measures with suitable financing solutions, e.g. environmental loans or environmental leasing.

 In the year under review, our client advisors arranged just under 56 Eco-Check consultations.

Environmental leasing (for all companies)

We launched ZKB environmental leasing for our corporate clients at the beginning of 2024 together with the new advisory service for SMEs. With ZKB environmental leasing, we support climate-friendly objects and projects. Zürcher Kantonalbank contributes 1 percent to the procurement costs for sustainable investments financed via ZKB environmental leasing. First, ZKB environmental leasing can be used to finance objects with sustainable drive systems. Second, ZKB environmental leasing can also be used to implement sustainable pioneering projects based on sustainability advice provided by an expert from the network of the Reffnet.ch association – Swiss Resource Efficiency Network.

 In the 2025 financial year, ZKB environmental leasing financed objects and projects totalling approximately CHF 18 million.

Sustainability-linked loans for large companies

For large companies, we offer a sustainability component for bilateral and syndicated loans. In the case of financing with a sustainability component, the interest rate depends on the borrower's sustainability performance. If it improves, the interest rate falls; if it deteriorates, the interest rate rises. Our clients have the option of linking the interest rate to an ESG rating from an established rating provider or, alternatively, to individual sustainability targets. Clients who wish to link their interest rate to individual sustainability targets must fulfil the minimum requirements for sustainability targets defined by us and the Sustainability Linked Loan Principles (SLLP) of the Loan Market Association (LMA) when setting their sustainability targets. In addition, these targets are set with the involvement of an independent external party with proven expertise ("Sustainability Coordinator").

 The offer enables us to enter into a stronger strategic dialogue with clients and to raise their awareness of sustainability issues in a targeted manner. The current portfolio of sustainability loans for large companies amounts to around CHF 1.6 billion.

Sustainable bonds (ESG-labelled bonds)

Zürcher Kantonalbank is currently one of the leading banks in the structuring and placement of sustainable bonds on the Swiss capital market. Zürcher Kantonalbank also issues its own sustainable bonds to refinance environmental loans and to refinance projects with energy-related objectives for the office buildings used by Zürcher Kantonalbank itself.

 ZKB acted as lead manager in 15 transactions in 2025, placing sustainable bonds totalling around CHF 1.1 billion.

Integration of sustainability aspects in the credit assessment process

The assessment of sustainability aspects, with a focus on the environment, is taken into account appropriately as part of the credit assessment. While in the mortgage business we focus in particular on the sustainability of the financed properties, in corporate financing we carry out a differentiated assessment of opportunities and risks that may arise from environmental, social and societal issues. Based on traditional aspects of credit assessment (creditworthiness and credit standing), we are intensifying our sustainability assessment in the sense of a risk-oriented approach in line with the exposure of our clients in climate-sensitive sectors and simultaneous non-financial reporting obligations (OR 964a et. seq.). We apply two approaches to that end: a structured qualitative assessment, which classifies clients into different categories depending on their sustainability variant (pioneers, followers, reactive, no activities), and a structured client dialogue based on criteria from the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In addition, a sector-specific catalogue of questions is used in client dialogue in selected sectors (raw materials and cement industry).

ESG training of client advisors in the Key Account Management segment

In order to identify relevant sustainability aspects for the respective company in discussions with major clients and to address any investments or other needs, all client advisors in the Key Account Management segment received comprehensive training on the topic of sustainability. The bank collaborated with Zurich University of Applied Sciences (ZHAW) to cover multiple topics in both classroom teaching and self-study, including the principles of sustainability and reporting, sustainable investing and financing, as well as ZKB specifics.

5.2.3 Climate targets for the investment business

As part of the ZKB sustainability standard, we pursue the target of a reduction in CO₂e intensity in the portfolios of our active investment solutions⁸. These investment solutions pursue either a CO₂e reduction compared to a benchmark or a quantitative climate reduction path; the CO₂e intensities are reduced annually by at least 4 percent plus economic growth (for investment solutions with a <2°C target) or at least 7.5 percent plus economic growth (for investment solutions with a max. 1.5°C target).

Climate targets for Asset Management

The Net Zero Asset Managers (NZAM) initiative is geared towards the requirements of the Paris Agreement and calls on asset managers to actively contribute to achieving the climate targets. The Asset Management division at Zürcher Kantonalbank joined the Net Zero Asset Managers initiative in July 2021. By joining, Asset Management set itself the goal of reducing greenhouse gas emissions to net zero by 2050 (or earlier) through its investment decisions with regard to committed assets. Net-zero by 2050 is a global challenge and can be achieved only through collaboration among all stakeholders, i.e. policymakers, the real economy, the financial sector and individuals.

For 45 percent of the assets managed by our Asset Management division, a <2°C target reduction pathway is being pursued, which requires an annual reduction in CO₂e intensities of at least 4 percent. However, the Net Zero Asset Management initiative counts only assets with which the 1.5°C target is to be achieved. The Asset Management division has committed to the 1.5°C climate target, which calls for an annual reduction in CO₂e intensities of at least 7.5 percent, for around 25 percent of assets under management.

The majority of the sustainable collective investment schemes in Swisssanto's Sustainable product line aim to achieve a CO₂e reduction of at least 7.5 percent plus nominal economic growth per year, and are thus geared towards the ambitious 1.5°C climate target set out in the Paris Agreement. These Sustainable products therefore fulfil the requirements of the Net Zero Asset Managers initiative. The thematic Swisssanto funds in Asset Management and the passively managed funds in the Sustainable product line are an exception to this. Because the greenhouse gas emissions benchmark defined in the prospectus is not representative of the investment universe for these thematic products, only a <2°C reduction path can be implemented.

The direct real estate investment products managed by ZKB Asset Management are also based on targets that are aligned with the Paris Agreement. More information on this can be found in the appendix under Notes on climate targets and key figures.

55 percent of the assets managed by our Asset Management division are in passively managed funds, where our Asset Management can exert only a limited, indirect influence on the choice of investment strategy.

We endeavour to increase even further the coverage of assets that are geared towards a 1.5°C climate target.

Investment solutions from the Investment Solutions division

In standardised wealth management, around 33 percent of assets (mandates of the Sustainable (ESG) variant) are based on the maximum 1.5°C climate target. 62 percent of the assets are based on the <2°C climate target (Basic variant). No CO₂e reduction target is being pursued for the remaining 5 percent of the assets in our standardised wealth management.

In standardised investment advice, the climate targets outlined above are also taken into account in their sustainable variants; the investment decision lies with our clients.

5.2.4 Measures for the investment business

We also focus on supporting our clients with products and services in the investment business.

The investment business is one of our core businesses where we can build on our long-standing expertise in sustainability and offer our clients a wide range of sustainable products and services.

Under section 4 Responsible Investing, we explain which products and services we use to support our clients on their journey towards a more sustainable future.

8 Definition of "active investment solutions" as per glossary

5.2.5 Climate targets in our own operations

The following, targets, key figures and information relate to the group-wide commercial properties of Zürcher Kantonalbank in Switzerland. These comprise the properties of the parent company and Swisscanto Holding Ltd. CO₂ emissions of Zürcher Kantonalbank Finance (Guernsey) Ltd, ZKB Securities (UK) Ltd, Complementa AG and the representative offices are not available at group level.

Scope 1, 2 and partially Scope 3 of the GHG Protocol are taken into account when setting climate targets. The following categories of the GHG Protocol are relevant within Scope 3: paper (category 1), fuel and energy-related emissions (not included in Scope 1 or 2) (category 3), waste (category 5) and business travel (category 6). We are currently evaluating how we can expand the coverage of the operational emissions of Scope 3 categories.

We use the VfU key figures calculation tool (version 1.1) to calculate operational greenhouse gas emissions and key figures.

The aim of the operational environmental programme is to continuously reduce operational greenhouse gas emissions. The operational environmental programme 2023–2030 builds on the operational environmental programme 2018–2022 and aims to reduce our operational emissions to 1,800 CO₂e tonnes. We purchase negative emissions certificates to the extent of residual operational emissions recorded each year as a voluntary contribution.

Negative emission technologies include technological and nature-based approaches that remove CO₂ directly from the atmosphere and store it permanently. This results in so-called negative emissions.

Since 2010, we have been able to reduce operational CO₂e emissions by 72 percent from 7,040 CO₂e tonnes to 1,992 CO₂e tonnes in 2025. In 2025, operational CO₂e emissions fell compared to the previous year.

Operational target by 2030

	2025	2024	2023	Base year 2022	% change compared to the base year	Target 2030
Total emissions (t CO₂e)	1,992	2,298	2,262	2,253	-12 %	1,800
Building electricity consumption (t CO ₂ e)	75	75	63	64	17 %	
Building heat consumption (t CO ₂ e)	820	749	811	974	-16 %	
Water consumption (t CO ₂ e)	37	31	31	29	28 %	
Cooling and extinguishing agents (t CO ₂ e)	21	375	214	101	-79 %	
Waste (t CO ₂ e)	117	115	104	98	19 %	
Business travel (t CO ₂ e)	622	583	629	486	28 %	
Paper (t CO ₂ e)	299	370	410	501	-40 %	

5.2.6 Measures in our own operations

Environmental management system

Our operational environmental management system has been certified according to ISO 14001 since 2002. In this way we aim to achieve a continuous im-

provement in our use of resources and ensure environmental sustainability in our banking operations. Reports on the results and any measures arising from the audits are submitted to the Executive Board.

› Categories	Measures
Electricity consumption	<ul style="list-style-type: none"> – 100 percent green electricity from run-of-river power plants (naturemade star! certification) – Converted to 100 percent LED with simultaneous optimisation of operating times and control, for example at our largest commercial building Neue Hard in 2025
Heat consumption	<ul style="list-style-type: none"> – Phased energy-efficient refurbishment of the building shells of our branches – Phased replacement of fossil heating systems with renewable energies – District heating from the City of Zurich network used The city of Zurich is pursuing the goal of completely decarbonising district heating by 2040⁹ – A modern lakewater heat pump powered by green electricity is used to heat our headquarters – 100 percent biogas used in gas heating systems (naturemade star! certification)
Waste	57 percent of waste is recycled, 43 percent is incinerated
Business travel	In 2025, an internal CO ₂ e price of currently CHF 440 / tonne CO ₂ e was introduced for business trips
Paper	<ul style="list-style-type: none"> – Ongoing reduction in paper consumption via digitalisation – 95 percent of current paper consumption is recycled paper

9 Interim values 2025: 70 %, 2030: 95 %, 2035: 98 %;
Climate Protection Plan of the City of Zurich Version 2024, p. 19

Projects in own operations

As a way of improving the urban climate and enhancing quality of life, two projects were realised as part of nature-friendly environmental design.

- In the inner courtyard of our head office in the city centre, areas were opened up and green islands and façade greenery created to reduce heat and promote biodiversity. In addition, newly created seating areas and a fountain invite people to linger in the green surroundings and enjoy nature.
- A biodiverse oasis was created at our Steinfels office building by greening a concrete surface and ecologically upgrading a retention basin. Native plants, deadwood and CO₂-binding vegetable charcoal help improve the microclimate and create sustainable recreational areas.

Promoting valuable natural areas in the Canton of Zurich

In addition to redesigning the areas around our branches, Zürcher Kantonalbank is also involved in a wide range of renaturalisation projects and the preservation of valuable natural areas in the Canton of Zurich. We have provided financial support to numerous renaturalisation projects for the Canton of Zurich (e. g. the revitalisation of Jonen Rifferswil, Limmatauen Werdhölzli, Wässerwiesen Hundig) and have operated the Grüningen Botanical Garden since 1977. We have also been the main sponsor of the Zurich Wilderness Park Foundation since 2009. The educational and recreational offerings of the Grüningen Botanical Garden and the Zurich Wilderness Park promote the quality of life in our canton and thus support the fulfilment of our public service mandate.

Supporting nature and the environment through targeted sponsorship

Through targeted sponsorship commitments, we promote nature conservation, advocate the protection of natural resources and are committed to sustainable agriculture in the interests of sustainable consumption and food security. It is also important to us to make nature tangible for the population and, above all, to raise awareness among children / young people about the importance of protecting nature and the environment.

We also expect our sponsorship partners to actively reduce their greenhouse gas emissions over the next 25 years. Since 2024 we have therefore included a contractual clause on reducing greenhouse gas emissions in operations or at events in all contract extensions or new contracts with our sponsorship partners at overall bank level. The sponsorship partners undertake to report annually to ZKB in writing on their activities towards the net-zero greenhouse gas emissions 2050 target. They must transparently present the specific activities and measures they have realised or can realise directly on their own.

In 2025, 43 reports were received; 60 percent of these partnerships have a net zero target.

5.2.7 Climate targets, measures and key figures for the bank's own financial investments

The CO₂e intensity of the financial investments within the remit of the Treasury department, consisting of a high-quality bond portfolio, is periodically determined on the basis of publicly available information and compared with a benchmark from the investment universe available for financial investments for regulatory purposes.

Financial assets within the remit of the Treasury department are also subject to requirements on limiting climate-related financial risks. Issuers from industries that are excluded from the financing business in accordance with the bank's sustainability policy are also excluded. In addition, the average revenue-weighted CO₂e emissions of the portfolio must be at least 35 percent lower than in the reference portfolio of the investment universe limited by the internal investment rules.

Compliance with the requirements for limiting the CO₂e intensity of the financial investment portfolio is monitored and reported on by Risk Controlling.

5.2.8 Climate targets, measures and key figures in independent research

Our sell-side research integrates ESG criteria, is geared towards the net-zero 2050 target and is based on the exclusion criteria that apply to the financing business as part of our sustainability policy.

It covers 188 public companies, real estate funds and investment foundations nationwide, as well as 179 bond issuers, and is therefore the leading provider of research on Swiss companies. 187 of the 188 public companies, real estate funds and investment foundations covered and 161 of the 179 bond issuers covered are assessed in terms of their sustainability according to our ESG approach and given an ESG star rating.

Zürcher Kantonalbank's research team issues ratings that cover 98 percent of the market capitalisation of the Swiss Performance Index, 76 percent of the domestic borrowers present on the market and almost 100 percent of the outstanding bond volume, as well as almost 100 percent of the market capitalisation of the listed Swiss real estate segment.

Social issues and human rights

We fulfil our social responsibility primarily by providing financial services. In particular, we take into account the concerns of the target groups mentioned in our public service mandate. As part of our business activities, we take social risks and human rights into account. We also make a contribution to the Canton of Zurich through our community and social commitment, we impart financial knowledge to the population and integrate the topic of human rights and social issues into procurement.



General conditions

With regard to social issues and human rights, the following requirements and instruments are of particular importance:

International human rights provisions of the United Nations

Within our sphere of influence, we respect and support the international human rights provisions of the United Nations that are binding in Switzerland, including the right to life, liberty, security, fair working conditions, equal opportunities and children's rights.

Cantonal Banking Act on Zürcher Kantonalbank

Under our public service mandate, we have an obligation to contribute to the canton's fulfilment of its economic, social and ecological tasks while supporting sustainable development.

Guidelines for the Fulfilment of the Public Service Mandate

We are tasked with meeting the investment and financing needs of the population and the economy through a business policy geared towards continuity. Our operational framework is specified by the Guidelines for the Fulfilment of the Public Service Mandate.

Sustainability policy

Guidelines for our business activities in the areas of human rights and equal opportunities, commitment to health and commitment to financial security are defined and further specified in the publicly available sustainability policy. In particular, Group-wide approaches are defined (zkb.ch/sustainabilitypolicy).

Approach to social risks

Zürcher Kantonalbank defines social risks (a subset of reputational risks) as the risk of reputational damage or financial losses that may result from transactions, products or services in which a party is involved in socially sensitive activities. Social risks are assessed as part of the assessment of individual transactions in the lending, trading and investment business.

Measures with regard to social responsibility

We fulfil our social responsibility through our community and social commitment, which is particularly rooted in the local area. Our commitment therefore benefits the canton, the municipalities, companies and the population in the Canton of Zurich.



In 2025, the annual expenses for items not purely profit-oriented or cost-covering, according to the strategic metrics for the public service mandate, amounted to around CHF 148 million (2024: CHF 140 million).

Measures with regard to human rights

In the context of financing and investment decisions, human rights issues form part of our reputational risk assessment for globally active companies. We ensure that human rights are respected in our financial services and in our own operations.

6.1 Access to financial services and financial knowledge

Access to financial services in line with our service mandate

One central aspect of our service mandate is ensuring access to financial services for the population. We provide the people and companies in the Canton of Zurich with the financial services of a universal bank. These include products and services in the areas of payment transactions, savings, investments, financing, pensions, trading and capital markets, financial planning, succession planning and advice on selected tax issues. In particular, we address the concerns of SMEs, employees, agriculture and public-sector entities and promote both home ownership and affordable housing.

As part of our support mandate, we define the following areas of activity:

Physical and digital access to financial services: We provide our clients with access to our financial services across all channels in both the physical and digital worlds. We have the densest branch network in the Canton of Zurich.

Quality of financial services: We cover the basic needs of our clients at low cost and are characterised by the high quality of our financial services. We achieve this through the following measures, among others:

- Since the beginning of 2024, we have been offering all existing and future retail clients simple access to everyday banking services without annual fees – including private accounts in CHF and debit cards – through our everyday banking (ZKB Banking) and the ZKB Banking Young service.
- Young clients aged between 14 and 30 also benefit from advantages such as ZKB Nachtschwärmer (free public transport on Friday and Saturday night) and, since November 2025, the new Stu card, which automatically credits cashback in the form of discounts on purchases made at Stu partners.
- We offer various other services, such as basic advice on retirement planning, free of charge. We additionally provide financial incentives to promote the purchase of a first home and offer lifetime mortgages for clients in the third phase of life.

Promoting the responsible management of financial resources

We are committed to ensuring that our clients manage their financial resources responsibly. With our savings, investment and pension products, we contribute to the long-term financial security and independence of our clients.

Prevention of over-indebtedness: To prevent over-indebtedness among private individuals, especially children and young people, we work with partners to run awareness-raising campaigns and provide information on general financial literacy. When issuing credit cards and setting credit card limits, we take our clients' creditworthiness into account. In the financing business, we identify the financial circumstances of our clients and assess affordability on this basis. Our customer service team receives regular training on the criteria and assessment processes. We seek an individual solution with clients who are unable to fulfil their obligations to us, taking into account the circumstances of each case.



Financial tips for parents or families:

We show what parents should consider from a financial point of view. We explain the costs that families face and give tips on how to save money and advice on topics such as retirement planning, debt traps, inheritance and home financing. The cantonal banks also support the umbrella association Budgetberatung Schweiz (DBBCH) in the further development and operation of the BudgetCH app.



Education about money:

We provide assistance with key questions relating to financial education (financial literacy). For example, we support "FinanceMission" and "FinanceMission Heroes" as well as [jugendbudget.ch](https://www.jugendbudget.ch). Our aim is to teach young people how important it is to manage money responsibly and to provide parents with advice on the subject of children and money.



Sponsorship commitment:

Families benefit from our sponsorship commitment in the areas of the environment and society. Our clients can experience various excursions and programmes at a lower price.

Promotion of financial literacy

We support a range of initiatives to promote financial literacy. As part of the induction of new employees and through further training for existing staff and various awareness-raising measures, we ensure that our employees are able to advise our clients competently, according to their needs and in compliance with regulations.

We offer advisory services and financial products to help our clients build up their retirement provision. For an initial analysis of where they stand in terms of retirement planning, Zürcher Kantonalbank offers extensive information and self-service tools at [zkb.ch](https://www.zkb.ch) and. These digital tools offer our clients an easy introduction to the complex topic of retirement planning. Our financial advisory team also uses various channels, such as TV formats, to present the topics of money and pensions in a simple and understandable way.

We also offer free basic advice on the topics of retirement, inheritance and bequests. Specific questions can be addressed in more detail in a consultation with an expert if required.

Accessibility

- Our dedicated team looks after around 14,000 clients with a guardianship or trusteeship and ensures that they are provided with the financial services permitted under the applicable legal requirements.
- We promote accessibility for people with disabilities or impairments. Accordingly, we endeavour to organise the content on our website in such a way that as many users as possible can easily find and use the information they require. We also promote accessibility in our branches and at our ATMs by providing wheelchair-accessible entrances.
- Physical proximity is and remains an important driver of our success. We are committed to having the largest branch network in the Canton of Zurich and will modernise our branches by 2030. The bank can also be reached by phone, via the eBanking and eBanking Mobile channels.
- We offer new clients the opportunity to open a client relationship digitally.
- For clients of Zürcher Kantonalbank domiciled in Switzerland who would like to have their cash in the desired currency sent directly to their home by post, we offer cash delivery to their home. In addition to Swiss francs, we offer around 60 different currencies for delivery.

Female Finance

As society changes, the target group of women is increasingly gaining financial strength. In order to raise awareness among women about financial topics and promote financial literacy and financial independence among women in the long term, our bank offers a variety of different event formats, including physical events with experts on site or via webcast. In this way, we can motivate our female clients and interested female parties to engage with financial topics, impart financial knowledge and thus empower them to deal with their own finances.

With webcasts of the “ZKB Academy – Female Finance” events, as well as digital formats such as “Die Anlegerin”, we want to raise awareness, build financial knowledge, reduce barriers to entry and offer a collaborative space.

Small and medium-sized enterprises (SMEs)

Accounting for over 99 percent of all companies in Switzerland, SMEs are the backbone of the Swiss economy and explicitly enshrined in our public service mandate.

At the end of 2025, our clients included around 94,000 active legal entities, of which around 60,000 were corporate clients. Over 90 percent of these corporate clients are SMEs.

Integrated into this year’s annual report is the focus report for the attention of the Parliamentary Committee for the Supervision of Commercial Undertakings (AWU) on the subject of “SMEs as the Centrepiece of Zurich’s Economy: New Realities, New Opportunities”.

We see ourselves as a reliable partner for SMEs and offer comprehensive support in all financial matters. With the products and services listed below, we can cover the needs of companies of all sizes in every phase of the business life cycle. Specialised consulting expertise in the fields of business succession planning and occupational pensions round off the range of services.

Ultimately, sustainability and reliability are the result of a consistent business and credit policy as well as unrivalled client proximity. We offer the following products and services for SMEs:

Personalised advice	The focus is on personal advice from experienced client advisors who understand the individual needs of each company and develop customised solutions. This applies to the entire company lifecycle.
Comprehensive range of products and services	Zürcher Kantonalbank operates as the market leader in the Zurich market. This is precisely why it has the critical mass needed to offer its clients a range of products and services that go beyond the traditional basic products and services of corporate banking, such as financing and investment solutions as well as payment transactions. These include, for example, trade and export financing as well as capital goods leases, where Zürcher Kantonalbank also provides services for other cantonal banks.
Knowledge and seminar offerings with a focus on SMEs	<p>We emphasise our commitment to the corporate banking business through a wide range of supplementary informational and seminar offerings with a focus on SMEs. These include the practical seminars on holistic corporate management and the SME ZH initiative. With its SME ZH initiative, the bank makes a contribution towards the ongoing and sustainable success of SMEs. It has commissioned the Zurich University of Applied Sciences (ZHAW) to conduct an annual study on SMEs. Zürcher Kantonalbank publishes the findings, collaborates with experts to take a more detailed look at one of the SME-relevant topics and develops some potential solutions (zkb.ch/kmu-zh).</p> <p>Topic of the year in 2025 went to the shortage of trained specialists at SMEs and the desire to generate customer enthusiasm. In two ZH SME practical seminars, Zürcher Kantonalbank conducted full-day sessions covering concrete solutions for employer's promises, brand identity, recruitment, relationship management and customer enthusiasm. KMU ZH also brought together over 300 corporate clients at the "KMU ZH Night" event. The purpose of the event was to actively promote dialogue with and between female entrepreneurs and companies.</p>
Support with founding a company / microloans	<p>We help our clients set up their companies and actively assist young entrepreneurs as they build their business. Once the company has been founded, we identify optimisation potential in the area of liquidity and retirement planning at an early stage and offer suitable financing options.</p> <p>When founding a company, as a partner bank, we support the "Ahead Zürich Genossenschaft" initiative, which emerged from the "GO! Ziel selbstständig (Goal self-employment)" association, the STARTZENTRUM ZÜRICH cooperative and the cantonal business location development programme "SMEs and Innovation" and help people to become entrepreneurs through ZKB microloans.</p>
Promoting start-ups	Zürcher Kantonalbank is one of the largest and most active venture capitalists in Switzerland. We have been supporting Swiss start-ups through the provision of equity or convertible loans since 2005 and, in doing so, have made a significant contribution to the development of the local start-up ecosystem. To this end, we finance innovative start-ups, particularly in the early stages of the business life cycle. Start-ups need additional capital in order to gain market share as quickly as possible after a successful market entry and to stand on their own two feet. Procuring funds in this phase is a major challenge for innovative young Swiss companies. We have expanded our offering as a result and, since 2021, have been making further investments aimed at providing support to companies in the scale-up phase.

Zürcher Kantonalbank's Asset Management division launched a private equity growth fund in 2018 that invests in promising young companies in the next phase of their growth; working together with that fund, we offer solutions with equity capital at every stage – from start-up and development through to scaling and growth. With the expertise of a universal bank, Zürcher Kantonalbank thus provides start-ups with a comprehensive range of financing and services along the entire life cycle.



As one of the largest and most active start-up investors in Switzerland, we provided young companies with a total of CHF 20.7 million in risk capital in 2025.

We also comprehensively promote the start-up ecosystem in the Zurich economic area. As part of the Technopark Zurich Foundation, for example, we award an annual prize to a technical project just about to enter the market. This award, the "ZKB Pionierpreis Technopark", is worth CHF 100,000 and is one of the most important innovation prizes for start-ups in Switzerland. We also support numerous start-up initiatives in the Canton of Zurich.

ZKB business succession planning

Every year, around 4,000 companies in the Canton of Zurich address the topic of business succession planning.

This often results in the company being taken over by a member of the family or somebody from inside the company, although a sale of the company to a third party is happening with growing frequency. Without a succession solution, the only option for a company is to close or liquidate in as orderly a manner as possible. Successful succession planning is of significant economic importance as it can help secure jobs and preserve entrepreneurial expertise.

According to our "KMU ZH Monitor" study, more than 28 percent of all SMEs surveyed want to hand over their company within the next five years.

The succession process in SMEs usually takes several years, and many entrepreneurs delay addressing the issue for too long. We offer an online succession check on our homepage, which can be used free of charge. We support SMEs in the Canton of Zurich with presentations at internal and external events to raise awareness of this important topic so that entrepreneurs can actively utilise their creative freedom.



As part of the "Unternehmensnachfolge Check (Company Succession Check)" offering, we carried out 353 consultations in 2025 and provided 41 expert consultations at an affordable price (Unternehmensnachfolge Classic).

Social issues and human rights in the financing business

The publicly available sustainability policy and the implementing internal guidelines describe the consideration of social issues and human rights in the financing business and define exclusions.

Exclusions for the financing business concerning social issues and human rights

As part of the publicly available sustainability policy, we define Group-wide approaches to human rights and equal opportunities as well as explicit exclusions for the financing business (zkb.ch/sustainabilitypolicy).

In the course of updating the sustainability policy in October 2025, clarifications were made with regard to the financing of companies in the defence sector. It was stipulated that financing for subsidiaries of foreign

defence companies domiciled in Switzerland is no longer excluded, provided that they produce in Switzerland. Financing of companies domiciled abroad with a business focus on the defence industry and of companies that manufacture or trade in controversial weapons remains excluded.

Products and services

ZKB starter mortgage

First-time buyers of residential property benefit from the ZKB starter mortgage.

In accordance with our public service mandate, Zürcher Kantonalbank is committed to promoting home ownership. First-time buyers of a residential property benefit from a reduced interest rate on a ZKB fixed-rate mortgage for a period of up to 15 years.



The ZKB starter mortgage portfolio amounted to around CHF 8 billion in 2025.

Lifetime mortgage

Many homeowners who are about to retire fear that their bank will no longer continue their mortgage after retirement. We remain a reliable partner for our clients in the third phase of their life and work with them to find a suitable financing solution – whether it's for the continuation of a mortgage, the purchase of an age-appropriate home or an increase in the mortgage as part of a renovation. Clients who have always met their mortgage obligations and whose mortgage does not exceed two-thirds of the value of their property will also receive this promise in writing.

Pawnbroking agency

The pawnbroking agency was established in 1872. It grants loans in return for the depositing of valuables. Today, it is mainly jewellery and Swiss brand-name watches that are pledged. We examine the pledged items and determine the amount of the potential loan. A pledge can be redeemed at any time upon presentation of the original pawn ticket and payment of the outstanding amount (loan, interest and fees). The interest rate has been 1 percent per month for more than a hundred years.

ZKB WohnPlus mortgage

In addition to promoting home ownership, the promotion of affordable housing is one of our tasks anchored in the public service mandate. Since 2022, the bank has been offering ZKB WohnPlus mortgages to housing cooperatives that provide special social benefits. Non-profit housing developers can benefit from an interest rate reduction of up to 0.5 percent on their fixed-rate mortgages. To qualify for a ZKB WohnPlus mortgage, a housing development must be at least 15 percent below the market rent. The evaluation model also includes

28 qualification criteria that are applicable to non-profit housing developers and their housing developments. If a cooperative meets the defined requirements, Zürcher Kantonalbank supports this commitment by offering financing at discounted conditions.



At the end of 2025, the ZKB WohnPlus mortgage portfolio totalled around CHF 159 million.

Social issues and human rights in the investment business

Zürcher Kantonalbank has a strong tradition of responsible investing. Since 2009, we have been guided by the six Principles for Responsible Investment (PRI), and we report on them on a regular basis.

Sustainability policy

As part of the publicly available sustainability policy, we define Group-wide approaches to human rights and equal opportunities.

The sustainability policy also sets out how social issues and human rights are taken into account in our investment business as part of the ZKB sustainability standard. The principles and measures established in the investment business are generally also applied in the same way in the pension business, as the basic approaches and standards are the same in both areas (zkb.ch/sustainabilitypolicy).

New investment solution for non-profit organisations in Switzerland

Since the 2025 financial year, Zürcher Kantonalbank has been offering a new investment solution for non-profit organisations in Switzerland. With the new "Swisscanto (CH) Swiss Foundation Fund Sustainable" fund, we are offering an exclusive investment solution for Swiss foundations and associations: The fund is geared towards the typical investment needs of non-profit organisations in Switzerland. The fund's investment strategy is based on the asset structure of the Swiss Philanthropy Index (SwiPhix) at Zürcher Kantonalbank. The asset structure is geared towards the long-term preservation of the foundation's assets and focusses on investment categories that generate recurring income.

6.2 Responsibility in our own operations

The consideration of social issues and human rights in our own operations goes hand in hand with the consideration of these issues in the context of our procurement system and the promotion of social cohesion through our community and social commitment.

General conditions

With regard to our responsibility for social issues and human rights within our own operations, the following requirements and instruments are of particular importance:

Due diligence obligations and transparency regarding minerals and metals from conflict-affected areas and child labour

For ZKB's procurement system, due diligence obligations and transparency apply with regard to minerals and metals from conflict-affected areas and child labour in accordance with Art. 964j–964l of the Swiss Code of Obligations. The relevant requirements, including their scope of application and any exemptions, are specified in the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO).

Sustainability policy

In accordance with our sustainability policy, during procurement we ensure that products are manufactured, used and disposed of in the most resource-efficient, environmentally friendly and socially responsible way possible. Further requirements are set for particularly sensitive products. As part of our procurement policy, we expect our suppliers to comply with the applicable national laws and regulations, the minimum standards of the industry as well as the conventions of both the International Labour Organization (ILO) and the United Nations with regard to human and employee rights.

Contractual basis

Based on our procurement policy, we generally require all suppliers to comply with human rights and industry standards with regard to social rights and working conditions, as well as the prohibition of child, forced and illegal labour, in our terms and conditions of purchase and in our framework agreement.

Guidelines for environmentally and socially responsible event planning

The fact that ZKB is "Close to you" is also reflected in the procurement system: By prioritising regional suppliers, we aim to strengthen added value in the Zurich economic area and keep transport routes as short as possible. We also have "Guidelines for environmentally and socially responsible event planning" which contain measures and instructions for organising events in an environmentally and socially responsible manner.

Application of the DDTrO for ZKB

Zürcher Kantonalbank has a review process in place to ensure compliance with DDTrO requirements and to ensure that the required reports and documentation are up to date. The cut-off date for this review is 31 August of the current financial year.

Child labour: The central purchasing department of Zürcher Kantonalbank procures its products and services mainly from companies in countries whose due diligence

response is classified as "Basic" by the UNICEF Children's Rights in the Workplace Index, therefore indicating a low risk of child labour. In addition, Zürcher Kantonalbank purchases products and services from companies that comply with ILO Conventions No. 138 and 182 and the ILO-IOE Child Labour Guidance Tool for Business of 15 December 2015, as well as the OECD Due Diligence Guidance for Responsible Business of 30 May 2018 or the UN Guiding Principles on Business and Human Rights. Consequently, the central purchasing depart-

ment of Zürcher Kantonalbank falls under the exceptions of Art. 7 or 9 of the DDTro, which exempts it from the due diligence and reporting obligations.

Zürcher Kantonalbank also has processes in place to ensure that no precious metals (gold, silver, platinum or palladium) are offered if they are suspected of being linked to child labour.

Minerals and metals from conflict-affected and high-risk areas: Zürcher Kantonalbank is subject to the provisions of DDTro on minerals and metals from conflict-affected and high-risk areas with regard to the import of gold. Zürcher Kantonalbank only imports gold into Switzerland that complies with the "Good Delivery Rules" of the London Bullion Market Association (LBMA). These represent the authoritative market standard and are based on the requirements of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas of April 2016. Based on this, Zürcher Kantonalbank is exempt from the due diligence and reporting obligations pursuant to the DDTro.

6.3 Community and social commitment

Zürcher Kantonalbank is primarily active in the Zurich economic area. As the bank that's "Close to you", we are in direct and close contact with the population. The people of Zurich benefit from the success of Zürcher Kantonalbank in several ways.

For example, we support the canton and the municipalities with our profit distribution. As part of the 2030 public service mandate, we are committed to total participation geared towards continuity.

On the basis of our support mandate, we are strengthening the Canton of Zurich's competitiveness and quality of life. We support the canton's competitive strength

- by serving as a training centre for around 427 apprentices, trainees and interns
- through our efforts to promote innovation and education to support numerous innovation and education institutes in the Canton of Zurich
- by promoting entrepreneurship with our start-up financing initiative
- through our commitment to financial education (financial literacy) activities in cooperation with the Association of Swiss Cantonal Banks and Pro Juventute.

We support the quality of life in the Canton of Zurich through our corporate sponsorships, the ZKB Philanthropy Foundation as well as our corporate volunteering.

Corporate sponsorships

We protect the natural environment in the Canton of Zurich with sponsorship partnerships and projects in the areas of sustainable mobility, experience of nature / nature conservation and environmental protection. At the same time, we promote social cohesion and quality of life through a broad commitment in the areas of culture, sport, education and research, as well as entrepreneurship and innovation. With over 400 sponsorship partnerships in the areas of the environment, society and the economy, we contribute to competitiveness and sustainability in the Zurich economic area. Information on our commitments can be found at zkb.ch/sponsoring, which is updated on an ongoing basis.

Culture: Our cultural commitment contributes to the diversity and vibrancy of Zurich's cultural life. We support contemporary and innovative institutions and projects in the fields of film, music, theatre, literature and cultural traditions that enjoy strong roots within the Zurich population. We also attach importance to initiatives that provide children and young people with access to cul-

tural experiences and strengthen the cultural identity of the Canton of Zurich.

Sport: Sport is an important part of social life and promotes health, integration and fairness. We support grassroots and youth sport in the Canton of Zurich, particularly in the areas of gymnastics, running and Swiss wrestling. With targeted commitments such as the ZKB Züriläuf Cup, the largest running cup event in Switzerland, or the Zürcher Turnverband, the largest multi-sport sports association in the Canton of Zurich, we promote exercise and social cohesion among the people of Zurich.

Economy (entrepreneurship and innovation): The promotion of entrepreneurship and innovation is central to the competitiveness of the Zurich economic area. With initiatives such as the ZKB Technopark Pioneer Award and support for start-up centres, we are strengthening innovativeness and creating a sustainable environment for forward-looking ideas and economic growth.

Education and research: Education and research are essential for the long-term development of the Zurich economic region. We are committed to promoting the dual education system, supporting universities and teaching financial literacy. With targeted initiatives in the higher education sector, Check Your Chance to combat youth unemployment and the support we provide for final high school projects, we are helping to increase young people's chances on the labour market and promote the exchange of knowledge.

Environment (nature and environment, mobility): The protection of natural resources is a key concern for us. We are committed to the promotion of biodiversity, the protection of resources and the promotion of sustainable mobility solutions. Projects such as the ZKB Sustainability Award for vocational trainees, support for the Zurich Wilderness Park, Zurich Zoo and the ZVV nighttime network help to preserve the Canton of Zurich as a liveable and prosperous location.

Corporate volunteering

Since 2024, Zürcher Kantonalbank has had a corporate volunteering programme. Employees can spend up to two days per year volunteering for the benefit of society in the focus areas of the environment, social affairs, sport and education.



The target of at least 365 volunteering days was exceeded, with a total of 661 days achieved.

ZKB Philanthropy Foundation

The ZKB Philanthropy Foundation was established by Zürcher Kantonalbank in 2024. It is both a funding foundation and an umbrella foundation and stands for social responsibility as well as for effective projects that address the key issues and challenges of our time. Information on the activities of the ZKB Philanthropy Foundation can be found in the Foundation's annual report, which is published online at zkb-philanthropie-stiftung.ch.

Employees

With over 6,000 employees (parent company) and 427 apprentice positions, we are one of the largest employers and providers of vocational training in the Canton of Zurich. Our culture is characterised by our focus on performance, fairness and respect. We take our corporate responsibility seriously and encourage our employees to take responsibility for their own actions and shape their own work, regardless of their age, gender, sexual orientation and sexual identity, nationality, religion and physical ability. ZKB remunerates its employees in line with the market and enables them to strike a good work/life balance through flexible working arrangements.

This section about employees supplements the section with the same name on pages 54 to 58 of the annual report. All information on employer commitment in the areas of equal opportunity as well as performance and development is explained in detail there. The compensation report on page 89 ff. of the annual report provides a comprehensive description of our compensation practices and system.



7.1 General conditions

With regard to employees, the following requirements and instruments are of particular importance:

Personnel regulations Group and parent company

The Board of Directors issues internal requirements regarding personnel and compensation at Zürcher Kantonalbank (personnel regulations for the group and parent company). It also appoints a Compensation and Personnel Committee (CPC), whose duties are set out in the organisational regulations. The Compensation and Personnel Committee assists the Board of Directors on decisions related to personnel, the human resources strategy, as well as the personnel and compensation policy.

CO, Employment Act, social partnership agreements

Employment relationships between Zürcher Kantonalbank and its employees are governed by individual employment contracts and the General Terms and Conditions of Employment (GTCE). The application of mandatory provisions, in particular the 10th title of the Swiss Code of Obligations (CO), the Federal Act on Employment in Business, Trade and Industry (Employment Act) and the social partnership agreements, remains reserved at all times.

Labour market-related risks

Topics such as the sector-specific shortage of skilled labour, the attractiveness of Zürcher Kantonalbank as an employer, compensation models, talent management, equal opportunities, flexible working and work-life balance, are constantly changing and require sustained attention from Zürcher Kantonalbank as a major regional employer. Employees are therefore an important stakeholder group for the bank.

7.2 Measures

Fair and sustainable human resource policy

Employees are offered fair and sustainable working conditions that go beyond the statutory requirements. This relates in particular to topics such as progressive working models (e.g. sabbaticals, annual working hours), holidays, notice periods, personnel development, training and further education, equal opportunities, family friendliness, health protection, retirement planning and retirement regulations.

We support employees in balancing their professional commitment with their personal life plans and respective stage of life. That is why we promote flexible working time models, management and part-time work as well as co-leadership.

We promote the use of local public transport by our employees and support offers from SBB and ZVV as well as Mobility Carsharing.

Training and further education

We are actively involved in the training and further education of our employees on specialist and management topics, as well as on corporate responsibility and sustainability. As part of the induction of new employees and through further training for existing staff and various awareness-raising measures, we ensure that our employees are able to advise our clients competently, according to their needs and in compliance with regulations.

We also organise various internal training courses and themed days and weeks, for example on the subject of waste, to raise awareness among our employees.

It is extremely important to us that our employees continually expand their technical, methodological and social skills. To that end, we provide a wide range of internal classes, workshops, podcasts and videos, among other things, as well as the opportunity to attend external training and development courses.

	Unit	2025	2024	2023
› Training and further education (parent company)				
Expenses for further education	CHF million	14.8	12.3	11.1
Expenditure on further education	CHF/employee	2,627	2,238	2,091
Internal training and further education per employee	hours/employee	10.4	14.0	18.6
› Number of employees on a training course (external)		913	914	830
Share of employees on external courses	in %	16.3	16.7	15.6
› Apprenticeships (apprentices, interns, trainees)		427	430	423
– of which the number of employees completing a banking or IT apprenticeship or high school internship	Number	340	341	332
– Proportion of female trainees	in %	41.2	39.5	37.6
– Proportion of male trainees	in %	58.8	60.5	62.4

We are continuously expanding our proven learning portal so that it always offers our employees a needs-based range of courses to promote their professional development through self-study and make them fit for the future.

Headcount and relevant key figures

Almost all employees at the parent company work in the Zurich economic area.

Unless indicated otherwise, the tables, figures and information below relate to the parent company. Employee data is collected by People & Culture and is valid as at the reporting date of 31 December 2025.

Overview of employee key figures

	Unit	2025	2024	2023
› Employment (Group)				
Number of employees	Number	6,655	6,607	6,341
Number of employees (full-time equivalent)	Number	5,809	5,779	5,539
– Change in the number of employees (full-time equivalent)	Number	30	240	290
– Full-time positions that are filled by temporary employees	Number	10	10	16
› Employment (parent company)				
Number of employees	Number	6,447	6,291	6,086
– Share of women in the workforce	in %	37.1	36.9	37.0
– Share of women at the second most senior level of management	in %	22.8	16.7	15.3
– Share of women at the third most senior level of management	in %	28.1	26.6	24.6
Number of employees (full-time equivalent)	Number	5,618	5,489	5,304
– Change in the number of jobs	Number	129	185	267
– Turnover rate	in %	5.0	5.5	6.1
› Health and occupational safety (parent company)				
Lost days per employee as a result of sickness or occupational and non-occupational accidents (days/employee)	Number	7.4	7.1	6.4
– of which due to illness	Number	6.7	6.5	5.9
– of which accident-related (occupational and non-occupational accidents)	Number	0.7	0.6	0.5

Personnel structure (parent company)

	2025		2024		2023	
	Number	Share as %	Number	Share as %	Number	Share as %
› Board of Directors and Chairperson's Committee	13		13	100	13	
Women	4	31.0	3	23.1	3	23.1
Men	9	69.0	10	76.9	10	76.9
› Executive Board	9		8	100	8	
Women	2	22.2	1	12.5	1	12.5
Men	7	77.8	7	87.5	7	87.5
› Board level (member of senior management and vice management)	1,325		1,250	–	1,178	
Women	271	20.5	238	19.0	211	17.9
Men	1,054	79.5	1,012	81.0	967	82.1
› Member of middle management	2,218		2,165	–	2,051	
Women	852	38.4	826	38.2	775	37.8
Men	1,366	61.6	1,339	61.8	1,276	62.2
› Bank employees	2,407		2,378	–	2,346	
Women	1,059	44.0	1,045	43.9	1,067	45.5
Men	1,348	56.0	1,333	56.1	1,279	54.5

Compensation model

Our compensation policy is aligned with the business strategy, takes into account the long-term interests of the bank and supports sound risk management.

For our Executive Board and members of senior management, part of the variable compensation takes the form of long-term deferred compensation. This long-term deferred compensation is linked to the achievement of the public service mandate and thus to the bank's sustainability commitments; failure to meet the targets set results in a penalty of up to 20 percent.

Our salaries are based on gender-independent job profiles. We have equal pay audited externally every two years and make adjustments where necessary.

Further information can be found in the compensation report on p. 89 ff. of the annual report.

Equal opportunities

Zürcher Kantonalbank is convinced that practising equal opportunities offers real advantages, that mixed teams achieve more and that this increases its attractiveness as an employer. Zürcher Kantonalbank has been focussing on equal opportunities for many years. In 2023, the topic was integrated into the 2030 public service mandate and is therefore part of the balanced scorecard, the bank's strategic management tool.

In 2021, the Executive Board decided to launch measures to increase the proportion of women in management and set an example by signing the "Advance Diversity Charter". In 2023, the Executive Board decided to sharpen the focus once again. Zürcher Kantonalbank has set itself gender diversity targets and aims to increase the proportion of women at the second most senior level of management to 20 percent and to 30 percent at the third most senior management level by the end of 2026. In order to strengthen the long-term potential of women within the company, the aim is also to achieve a 50:50 gender ratio in junior management.

The Diversity Steering Committee (DSA) (see section 3.1 Sustainability as an integral part of corporate governance) was established by the Executive Board and implements measures to achieve the gender diversity objectives defined by the Board of Directors as part of the Public Service Mandate 2030 initiative. The actions defined therein are measured using structured reporting at the group and business unit level. The committee was dissolved on 31 December 2025 and the issues transferred to the People & Culture Steering Committee in line with our integral sustainability approach. The topic of gender is now discussed twice a year in the Executive Board.

The bank not only focuses on gender diversity, but is also committed to people with disabilities and attaches great importance to the equal treatment of people with different sexual orientations and sexual identities. Accordingly, it is also important for our bank to be active in other issues related to equal opportunities:

- Zürcher Kantonalbank created the Mensch* network in 2022. While the network focuses on employees with a disability, it is open to everyone. The aim of this network is to facilitate an exchange of ideas and to make other interested employees aware of and educate them about issues relating to disabilities.
- An employee structure with a good balance of ages is also an important requirement for diversity. Lifelong learning, generation management, ensuring employability – this is how the advantages of older employees can be combined with those of younger employees. This is why we are not only committed to the serious promotion of young talent, but also offer the best possible support and development opportunities to all employees.
- We also attach great importance to the equal treatment of people with different sexual orientations and sexual identities. As a modern and open-minded employer, we were awarded the LGBTI label for the third time during the year under review; this lets us set an example regarding the inclusion and appreciation of all employees. We also support our LGBTI network Queers & Peers and promote dialogue with one another accordingly.
- Cultural diversity is seen as a great opportunity for each individual at Zürcher Kantonalbank and is promoted accordingly. It forms the basis for effective and exciting collaboration between people from different backgrounds and ethnicities, enabling them to utilise their diverse and individual skills. A total of 50 nationalities are represented in our company.

Personnel structure by employment relationship (Executive Board, Board of Directors and Head of Audit not included)

	2025		2024		2023	
	Number	Share as %	Number	Share as %	Number	Share as %
Full-time employees (FTE) (share as a % of the total workforce)	4,279	70.4	4,163	70.2	4,026	70.4
Women (share as a % of positions held by women)	1,075	48.0	1,049	48.1	1,014	47.9
Men (share as a % of positions held by men)	3,204	83.4	3,114	83.1	3,012	83.6
Part-time permanent employees (share as a % of all positions)	1,803	29.6	1,764	29.8	1,695	29.6
Women in part-time employment (share as a % of positions held by women)	1,166	52.0	1,131	51.9	1,105	52.1
Men in part-time employment (share as a % of positions held by men)	637	16.6	633	16.9	590	16.4

positions = number of employees

› Number of employees who have taken maternity/paternity leave

	Unit	2025	2024	2023
Number of women	Number	107	98	77
Number of men	Number	117	111	92
Retention rate at the workplace 12 months after birth (% of women who were still employed 12 months later)	in %	86.6	83.9	76.6

› Number of employees outside the parent company by region

	Unit	2025	2024	2023
Swisscanto Fund Management Company Ltd. (Switzerland)	Number	106	103	103
Swisscanto Asset Management International S. A. (abroad)	Number	21	17	17
Austria	Number	–	116	115
United Kingdom	Number	7	7	8
Guernsey	Number	4	4	4
São Paulo	Number	2	2	2
Beijing	Number	2	2	2
Mumbai	Number	2	2	2
Singapore	Number	3	2	2
Complementa AG	Number	61	–	–

Appendix

8.1 Procedure for determining the material topics

The basis for updating the material topics is the materiality matrix from 2017, which was developed in collaboration with various representatives of our stakeholder groups. Topics in the context of sustainability were evaluated in terms of their relevance for our stakeholders and the materiality of their impact on sustainable development.

The material topics were revised in 2023 with the update of the GRI Standards 2021, the legal requirements for the report on non-financial matters in accordance with the Swiss Code of Obligations, the amendment of the Zürcher Kantonalbank Act and the further development of the 2030 public service mandate.

To this end, the 2022 Board of Directors seminar served as a workshop to further develop the 2030 public service mandate and the material topics. Various relevant sustainability topics were prepared in advance by the Public Service Mandate unit and presented at a preparatory meeting. The potentially negative and positive effects on sustainable development were taken into account. To this end, the framework conditions were broken down from an international perspective to a national perspective and finally to a cantonal perspective. In addition, we also took into account the industry and

product-related topics that are important to us. In particular, we took into account the national and cantonal efforts to promote sustainable development: Switzerland's 2030 sustainability agenda, Switzerland's climate strategy, the climate strategy of the Canton of Zurich and the Zürcher Kantonalbank Act.

The outcome of the workshops was the Board of Directors' assessment of the business activities (impact) of Zürcher Kantonalbank. This enabled us to consider how we impact sustainable development and how it influences our business activities (double materiality). The results were consolidated by the Public Service Mandate unit and adopted at the 2023 Board of Directors seminar.

We used our public service mandate (§ 2 of the Cantonal Banking Act on Zürcher Kantonalbank) and the legal requirements for non-financial reporting (Art. 964b of the Swiss Code of Obligations) to assess the materiality of the impact and prioritise the topics. The assessment was also based on a qualitative estimate of the probability and extent of the (potentially) negative and positive effects.

The topics of "Climate" and "Social cohesion and human rights" were identified as having potentially negative impacts and effects: We aim to avoid potentially negative effects by taking steps to implement suitable measures for each topic (see the sections entitled Environment and Social issues and human rights).

We identified the topics of "sustainable finance" and "social cohesion and human rights" as having potentially positive impacts and effects. We see both topics as areas of impact in which we can exert a positive influence.

Topics with potentially negative effects

Climate: Climate risks, i.e. physical risks from climate change and transition risks on the way to a low-carbon economy, are important for the financial sector. Of particular relevance to Swiss banks are the existing disclosure requirements relating to climate-related financial risks and the new circular on nature-related financial risks issued by the Financial Market Supervisory Authority (FINMA), which came into force on 1 January 2026. In view of climate change, there is a risk of a disorderly transition to a low-carbon economy. At the same time, the transition to a climate-friendly economy also opens up business and investment opportunities. In view of climate change, the loss of nature poses an ever-increasing risk to the global economy.

Topics with potentially positive effects

Sustainable finance: Switzerland has set itself the goal of being a leading sustainable financial centre. According to the SBA, a sustainable financial centre is a financial market that contributes in its entirety to sustainable development and added value in economic, environmental and social terms. In other words, a financial centre that ensures and improves economic efficiency, prosperity and economic competitiveness both today and in the long term, while contributing to the protection and restoration of ecological systems as well as the promotion of cultural diversity and social prosperity. As the sustainable bank that's "Close to you", Zürcher Kantonalbank aims to have a positive impact on sustainable development. In accordance with the purpose article of Zürcher Kantonalbank, our public service mandate obliges us to contribute to the canton's fulfilment of its economic, social and ecological tasks and thus to support sustainable development.

Social cohesion and human rights: Based on the reporting obligations on non-financial matters in accordance with the Swiss Code of Obligations, the topic of human rights has become even more important. In addition, the Swiss Confederation's 2030 Agenda for Sustainable Development has identified "equal opportunities and social cohesion" as a key topic for Switzerland.

Social cohesion and human rights: With our public service mandate, we contribute to the canton's fulfilment of its economic and social tasks and provide the population, and in particular SMEs, with basic necessities. In particular, we address specific target groups in accordance with the purpose article (SMEs, employees, agriculture, public corporations, promotion of home ownership and low-cost housing construction). We are committed to human rights and refrain from financing activities, for example, that violate the United Nations' human rights standards, including the prohibition of child labour and forced labour. We want to serve as a role model on employee issues and promote integration, diversity and health among our employees.

8.2 Stakeholders

Zürcher Kantonalbank and the Board of Directors maintain an open and transparent dialogue with their stakeholders. The dialogue takes place as part of a systematic exchange or in response to ad hoc enquiries. Stakeholder groups are identified and selected as part of the periodic validation of the sustainability policy by the Executive Board. The following explains how we are in contact with individual stakeholder groups:

Clients

We create proximity to our clients every day by providing personalised advice and support. We also conduct a client satisfaction survey every two years. The aim of the surveys is to analyse the needs of clients at business unit level and derive suitable measures. The results and measures are integrated into the reporting to the Board of Directors.

Employees

We regularly exchange information with our employees and conduct a satisfaction survey every two years. The aim of the surveys is to analyse the various areas in order to identify the needs of employees and take appropriate measures. The results and measures are presented to the Board of Directors and the Executive Board. Furthermore, the results are also discussed in the teams from all areas, and any necessary measures are taken. In addition, the internal employee representation committee is committed to the concerns of employees.

Owner (Canton of Zurich)

Several times a year, we engage in a personal dialogue with the Cantonal Parliament of Zurich, in particular with the Parliamentary Committee for the Supervision of Commercial Undertakings (AWU) of the Canton of Zurich.

Suppliers

We are in regular dialogue with our suppliers. Regular dialogue is ensured through internal guidelines that govern the process.

Partners

Our partners represent the most important business relationships for us. The relevant relationships are listed and explained on our German homepage under "Kooperationen":
zkb.ch/de/ueber-uns/unsere-unternehmen/unternehmensstruktur.html

The public

We are in constant dialogue with representatives from the realms of business, the environment and society, as well as media and culture. Through our diverse sponsorship commitments in particular, we engage in regular dialogue with interest groups, associations, clubs, and other organisations.

Supervisory authority

In its capacity as an independent authority with sovereign powers, FINMA works to protect creditors, investors and policyholders, as well as to protect the effectiveness of the financial markets. We are in regular dialogue with FINMA.

8.3 Methodological principles for risk identification and materiality categorisation

The risk description and categorisation presented in the report are based on the following methodological principles: The first step was an analytical segmentation of the relevant business areas along the established risk categories. Compliance risks were assessed as part of the transition risks in all business areas. The climate risk factors and transfer mechanisms were then examined along these business areas to assess whether and to what extent the business area could be affected by them. The assessment of risk or materiality for the risk profile of Zürcher Kantonalbank is based on the economic significance of the respective business area for the bank on the one hand, and on a qualitative estimate of possible losses or lost income on the other. Existing countermeasures and circumstances that reduce the risk were also included in the risk assessment.

The risk assessment is based on scenario considerations. These, in turn, are aligned with the scenario framework of the NGFS (“Network for Greening the Financial System”) and the climate scenarios of the Federal Office for the Environment FOEN. The table presents a prudent assessment of the risks, with transition risks assessed under scenarios with a disorderly transition to a low-carbon economy (“disorderly transformation”), and physical risks assessed under “hot-house-world” scenarios with a sharp rise in temperature.

A more detailed description can be found in the disclosure on climate-related financial risks as at the end of the year (zkb.ch/disclosure), which is published at the end of April each year.

8.4 Appendix on climate targets and key figures

Overview climate targets and measures (Transition plan)

Area	Base year	Targets	Target methodology and metrics	Scenario	Measures
› Financing business					
Residential mortgage business¹⁰ Climate target enshrined in the Public Service Mandate 2030 initiative	2022	2030: 8.7 kg CO ₂ e/m ² energy reference area (ERA) (44 % reduction) 2040: 0.9 kg CO ₂ e/m ² ERA (94 % reduction) 2050: 0.3 kg CO ₂ e/m ² ERA (98 % reduction)	Sectoral decarbonisation approach Paris Agreement Capital Transition Assessment (PACTA methodology) Metric, intensity: kg CO ₂ e/m ² energy reference area (Scope 1)	Energy Perspectives 2050+ (EP 2050+), ZERO Basis scenario residential property (or service and commercial property) 1.5 °C compatible	<ul style="list-style-type: none"> – “Support in the building sector” client journey – Personal advisory consultation for a long-term building strategy – Heating system replacement advice – ZKB environmental loan – Renovation calculator – Information event (starte!)
Commercial mortgage business¹¹ Climate target enshrined in the Public Service Mandate 2030 initiative	2023	2030: 4.5 kg CO ₂ e/m ² ERA (44 % reduction) 2040: 0.4 kg CO ₂ e/m ² ERA (95 % reduction) 2050: 0.3 kg CO ₂ e/m ² ERA (97 % reduction)			<ul style="list-style-type: none"> – “Support in the building sector” client journey – Personal advisory consultation for a long-term building strategy – ZKB environmental loan
Corporate lending business Conditions and exclusion criteria in the sustainability policy for commercial loans ¹²	2024	Raw materials industry: Alignment with the 2050 net-zero target and phaseout of thermal coal by 2030 in OECD and 2040 in non-OECD countries Energy production: Alignment with the net-zero 2050 target Cement: Alignment with the net-zero 2050 target	Policy-based approach ¹³	Sector-specific net-zero targets of the International Energy Agency ¹⁴	<ul style="list-style-type: none"> – “Client Engagement Dialogue” (annual) with sector-specific questionnaire, which is an integral part of the credit process (credit applications and reviews). – ESG training of client advisors in the Key Account Management segment – “Client Engagement Dialogue” (annual) – Sustainability linked loans (bilateral and syndicated) and support for ESG-labelled bonds – ESG training of client advisors in the Key Account Management segment – “Client Engagement Dialogue” (annual) with sector-specific questionnaire, which is an integral part of the credit process – Sustainability linked loans (bilateral and syndicated) and support for ESG-labelled bonds – ESG training of client advisors in the Key Account Management segment

› Investment business

As part of our sustainability standard for active investment solutions¹⁵, we pursue a CO₂e reduction in our investments in traditional asset classes.

› Asset Management

Funds and mandates aligned with the 1.5 °C target (Net Zero Asset Managers Initiative) Climate target enshrined in the Public Service Mandate 2030 initiative		At least 25 % of assets under management (AuM) are aligned with the 1.5 °C target Reduction of at least 7.5 percent CO ₂ e tonnes / USD million revenue per year ¹⁶ 2030: 54 % reduction 2050: 90 % reduction	Portfolio decarbonisation approach (intensity-based) Own methodology Metric, intensity t CO ₂ e / USD million revenue per year (Scope 1, 2)	IPCC 1.5°C scenario (50 %)	– Stewardship (Voting & engagement) – Capital allocation
Funds and mandates aligned with the well below 2 °C target	2019	Reduction of at least 4 % CO ₂ e tonnes / USD million revenue per year ¹⁷ 2030: 33 % reduction 2050: 70 % reduction		IPCC below 2°C scenario (67 %)	– Stewardship (Voting & engagement) – Capital allocation
› Own financial investments		The weighted CO ₂ intensity is at least 35 % below the value of the reference portfolio	Relative intensity approach t CO ₂ e / USD million revenue per year	Reference portfolio ¹⁸	– Additionally: Exclusion of issuers in accordance with the sustainability policy that applies to the financing business

› Own operations

Bank's environmental programme Climate target enshrined in the Public Service Mandate 2030 initiative	2022	2030: Reduction of CO ₂ e emissions to <= 1,800 tonnes of CO ₂ e and voluntary purchase of negative emissions certificates to the extent of the residual emissions recorded each year	Absolute reduction pathway VfU (German Association for Environmental Management) key figures calculation tool Metric: Absolute (Scope 1, 2, 3 ¹⁹)	–	– 100 % green electricity from run-of-river power plant (naturemade Star! certification) – Phased energy-efficient refurbishment of the building shells of our branches – Phased replacement of fossil heating systems with renewable energies – District heating from the City of Zurich network used – Paper reduction via digitalisation – Purchase of negative emissions certificates – Internal CO ₂ price for business trips
Sponsorships	–	Net-zero target 2050	Integration in contractual clauses for contract extensions or new contracts	–	– "Sponsorship partner for Engagement Dialogue"

10 Includes only residential properties (single-family homes, multi-family homes and condominiums)

11 Includes service buildings (non-manufacturing), predominantly office buildings

12 The conditions and exclusion criteria are specified in the internal credit manual.

13 According to the UNEP FI Guidance for Climate Target Setting for Banks

14 International Energy Agency: "Net Zero Roadmap: A Global Pathway to Keep the 1.5°C Goal in Reach"

15 Definition of "active investment solutions" as per glossary

16 Plus economic growth

17 Plus economic growth

18 General Collateral Basket of the Swiss National Bank

19 The following categories of the GHG Protocol are relevant within Scope 3: paper (category 1), fuel and energy-related emissions (not included in Scope 1 or 2) (category 3), waste (category 5) and business travel (category 6). NB: We are currently evaluating how we can expand the coverage of the operational emissions of Scope 3 categories.

8.4.1 Climate targets and key figures for the financing business

Methodology for residential mortgage and commercial mortgage business

The climate targets were determined according to the modelling described below. For the modelling, the due dates for refurbishments and heating system replacements were extrapolated for the future according to the assumed service life of the components, taking into account the estimated proportions of fossil fuel heating systems being replaced by climate-friendly heating systems as shown in the table (below). For the calculation, the necessary heating data was supplemented from the Register of Buildings and Dwellings (RBD, 93 percent of the financed residential properties and 96 percent of the financed office buildings) or from data from the Minergie association (7 percent of the financed residential properties and 4 percent of the financed office properties). Because it has more up-to-date information, priority was given to the heating information provided by the Minergie association. Full data on the energy efficiency of the financed buildings, i.e. on the refurbishment of façades, windows, roofs and basement ceilings, is still unavailable. Excluding refurbishments (worst-case scenario), the carbon intensity of the residential financing portfolio is 34.3 kg CO₂e/ERA or 18.2 kg CO₂e/ERA for office buildings. These values were calculated using the PACTA calculator for 2022 as at 31 December 2022 (residential mortgage business) and 31 December 2023 (commercial mortgage business), based on participation in the federal government's climate compatibility test (Paris Agreement Capital Transition Assessment, PACTA).

To arrive at an estimate of the carbon intensity with more practical relevance, Zürcher Kantonalbank assumes that the refurbishments were carried out after the end of the average service life of the building components (façade 40 years, windows 35 years, roof

50 years, basement ceiling 50 years). This assumption results in a value of 17.8 kg CO₂e/ERA for residential property and 9.5 CO₂e/ERA for office buildings. According to documents provided by the federal government, the information on heating systems in the RBD is still subject to major uncertainties. At the time of calculation, almost 60 percent of the heating system data in the Canton of Zurich still came from the 2000 census. As an oil or gas heating system only has an average service life of around 20 years, many property owners are likely to have already replaced their fossil fuel heating system with a climate-friendly one. Finally, the new Energy Act of the Canton of Zurich, which came into force on 1 September 2022, requires fossil fuel heating systems to be replaced with climate-friendly heating systems (see the section "Climate target of the Canton of Zurich"). Exceptions are only possible in cases of financial hardship and exceptional circumstances. This strict regulation has been in the pipeline for several years. According to the Fachvereinigung Wärmepumpen Schweiz (Swiss Heat Pump Association), sales of heat pumps in Switzerland increased significantly from 2017 onwards. When determining the future reduction pathway, we therefore assumed that a certain percentage of financing (see table above) which, according to the RBD, has a fossil fuel heating system that has been due for replacement since 2017 (based on an assumed service life of 20 years), has actually already been or will be replaced by climate-friendly heating systems. Assuming that the building components have been refurbished and that a portion of the heating systems were replaced at the end of their service life, the starting point for the reduction pathway for residential mortgage business is an intensity of 15.4 kg CO₂e/ERA or 8.1 kg CO₂e/ERA for commercial mortgage business.

The annual review of target achievement (actual values, calculated using the PACTA calculator for 2024 since the 2025 financial year) is based on the same restructuring assumptions as for the modelling of the reduction pathway. This is based strictly on the available

Estimated proportion and number of fossil fuel heating systems substituted by climate-friendly ones by year in which the heating system is due to be replaced

Year	2017	2018	2019	2020	2021	2022–2029	2030–2034	2035–2039	2040–2050
› Residential property									
Max. proportion of climate-friendly substitutions	10 %	20 %	40 %	60 %	80 %	94 %	96 %	98 %	99 %
Number of climate-friendly substitutions	298	691	1,126	2,433	1,986	20,811	16,111	12,069	3,525
› Office buildings									
Max. proportion of climate-friendly substitutions	10 %	20 %	40 %	60 %	80 %	94 %	96 %	98 %	99 %
Number of climate-friendly substitutions	8	28	45	123	46	794	702	445	143

heating information, which essentially comes from the Register of Buildings and Dwellings (RBD). The changes to climate-friendly heating systems assumed to have already taken place when the reduction pathway was created due to outdated heating information (see table) resulted in a reduction in carbon intensity of 13 percent for the residential portfolio in the base year 2022. This factor was retained for determining the actual values for the two subsequent years. As the timeliness of the data from the RBD is only slowly increasing, ZKB has been independently collecting information on heating and refurbishment measures since mid-2025 as part of the financing process for residential property. The reduction factor will be gradually adjusted in line with the expected improvement in data quality: For 2025 and 2026 it is 6 percent, for 2027 and 2028 it is 3 percent and from 2029 it will be reduced to 0 percent. For the 2025 reporting year, the refurbishment data (façade, windows, roof) collected in the client dialogue was also used for the first time instead of an assumed refurbishment based on component age.

Assumptions regarding missing data for residential mortgage portfolio reduction pathway (imputations)

Energy reference area of the building (ERA): For 76,797 (75 percent) financing agreements, the missing ERA of the building was imputed from the living space (factor 1.3, according to the PACTA method). For 8,815 (9 percent) financing agreements, the ERA was supplemented from Minergie data (1st priority), for 17,018 (17 percent) from RBD data (2nd priority).

Living space of the building (SFH/MFH) or the flat (CNDO)

The ERA can only be imputed if information about the building's living space has been provided. For 110 (0.1 percent) financing agreements, the living space of the building had to be imputed based on RBD statistics.

Living space of condominiums: Residential living space is required for the aggregation of individual inten-

sities at portfolio level. In the case of 4,982 condominium financing agreements (12 percent of condominium financing agreements), the living space missing from the company's own data was imputed based on RBD statistics.

Number of floors in the building:

The number of floors is required in the PACTA real estate model in order to model the heating requirement in accordance with SIA standard 360/1 (2016). For 27 (0.03 percent) financing agreements, the number of floors of the building had to be imputed based on RBD statistics.

Assumptions regarding missing data for office property portfolio reduction pathway (imputations)

Energy reference area of the building (ERA):

For 2,179 (63 percent) financing agreements, the missing ERA of the building was imputed from the gross floor area (factor 0.9). For 131 (4 percent) financing agreements, the ERA was supplemented from Minergie data (1st priority), for 1,133 (33 percent) from RBD data (2nd priority).

Assumed service life of the components in years

Component	Service life in years
Façade	40
Windows	35
Roof	50
Basement ceiling	50
Heating system	20

Gross floor area of the building

The ERA can only be imputed if information about the building's gross floor area has been provided. For 141 (7 percent) financing agreements, the number of floors had to be imputed to determine the gross floor area, and for 2 properties (0.1 percent) the floor area had to be imputed from RBD statistics.

Financed emissions according to PCAF mortgage business

	Financial exposure (in CHF million)	Absolute emissions (kt CO ₂ e) Scope 1	Emission intensity (t CO ₂ e / CHF million)	Coverage (in %)	PCAF Data quality score ^a (1 high, 5 low)
Mortgages (SFH/CNDO)					
2025	54,678	126.98	2.3	100	4.00
2024 ^b	52,917	109.60	2.1	100	4.00
Commercial (MFH/Office)					
2025	48,366	136.71	2.8	85	4.00
2024 ^b	46,095	105.20	2.3	85	4.00

^a The data quality score assesses the quality and reliability of the data used as the basis for calculating greenhouse gas emissions. Score 1 corresponds to the highest data quality and is based on directly reported and verified emissions data. Score 5 corresponds to the lowest data quality and is based on assumptions and estimates. ZKB endeavours to continuously improve data quality.

^b only Scope 1

Key figures for the financing business

For more climate transparency, Zürcher Kantonalbank joined the Partnership for Carbon Accounting Financials (PCAF) in May 2022. We base our calculation of financed greenhouse gas emissions on the PCAF approach. This also includes the data quality categorisation (1 high to 5 low).

The PCAF standard is compatible with globally recognised frameworks such as the TCFD recommendations. The financed emissions are recalculated annually on the basis of updated exposure and emissions data; previous years already reported are only recalculated in the event of significant changes to the methodology or portfolio delimitation in accordance with the PCAF standard.

The financed emissions according to PCAF are listed for the “mortgage business” and the “unsecured loans and advances in the corporate clients portfolio” in the corresponding tables.

Unsecured loans and advances in the corporate clients portfolio

Zürcher Kantonalbank is guided by the internationally established UNEP-FI or TCFD recommendations on the disclosure of transition risks from credit exposure to climate-sensitive and, as a subset thereof, carbon-related industries. TCFD defines carbon-related as industries associated with the energy and utilities sectors, according to the Global Industry Classification Standard, excluding water supply and renewable power generation. Zürcher

Kantonalbank more comprehensively describes as climate-sensitive those industries that are exposed to higher transition risks due to their greenhouse gas emissions. Zürcher Kantonalbank bases its delimitation on emission statistics and uses the Swiss or European industry classification. The commodity trade finance (CTF) sub-portfolio is reported separately, irrespective of the industry, and is subject to the following restrictions under the bank's sustainability policy.

The following table shows the unsecured loans and advances in the corporate clients portfolio in line with this classification. In addition, Zürcher Kantonalbank is reporting the financed emissions for this sub-portfolio for the first time in this report.

In terms of the total balance sheet exposure in this portfolio, at the end of the year, climate-sensitive sectors accounted for around 5.5 percent or CHF 2.3 billion (2024: 6.1 percent or CHF 2.4 billion). This includes the entire energy sector, which, however, consists almost exclusively of financing for sustainable energy sources. In addition to components manufacturing and repair, the automotive sector also includes, in particular, the selling and financing of vehicles. The transport sector mainly includes passenger transport in the tourist sector and local transport as well as freight transport by road. In accordance with the aforementioned exclusion criteria in the sustainability policy, Zürcher Kantonalbank does not provide direct financing in the coking and petroleum refining industry, which TCFD designates as carbon-related.

Unsecured loans and advances in the corporate clients portfolio by “climate-sensitive” and other industries

	31.12.2025		31.12.2024	31.12.2025		Data quality score (PCAF)
	Balance sheet exposure in CHF million	as % of unsecured exposure	as % of unsecured exposure	Financed emissions in t CO ₂ e (Scope 1 and 2)	Emission intensity in t CO ₂ e / million CHF	
› Industry designation						
Metal production/processing	8	0.0 %	0.0 %	2,204	279	4.7
Chemical products	59	0.1 %	1.1 %	1,988	34	3.1
Sewage and waste disposal and elimination of environmental pollution	73	0.2 %	0.1 %	18,282	252	4.3
Glass/ceramics/cement	78	0.2 %	0.2 %	43,760	563	3.2
Agriculture, hunting and related activities	83	0.2 %	0.2 %	2,651	32	4.5
Mining/crushed rock and earth	95	0.2 %	0.0 %	5,718	60	4.0
Transport (incl. mountain railways, but excluding rail passenger transport and goods trains)	274	0.7 %	0.7 %	25,368	93	4.0
Energy supply	350	0.9 %	1.1 %	63,738	182	4.1
Automotive	603	1.5 %	1.3 %	26,467	44	4.2
Commodity trade finance (CTF) ^a	667	1.6 %	1.3 %	n. a.	n. a.	–
Total climate-sensitive sectors	2,289	5.5 %	6.1 %	190,176	117	4.1
Total other sectors	3,816	9.3 %	10.4 %	86,047	23	3.6
Total corporate clients unsecured loans and advances	6,105	14.8 %	16.5 %	276,222	45	3.8
Real estate financing	34,394	83.3 %	80.8 %			
Other products	776	1.9 %	2.7 %			
Total balance sheet exposure companies	41,275	100.0 %	100.0 %			

a For the Commodity Trade Finance (CTF) sub-portfolio, no financed emissions are reported, as the positions cannot be clearly assigned to a specific sector.

8.4.2 Climate targets and key figures for the investment business

Climate target for the investment business Methodology

The private sector must make its contribution to achieving the Paris Agreement's targets for greenhouse gas neutrality by 2050. According to the IPCC (UN Intergovernmental Panel on Climate Change of the United Nations), the earth's temperature in the period 2010–2020 was around 1.1 °C above pre-industrial levels (1850–1900)²⁰. We use the scientific climate scenarios of the Intergovernmental Panel on Climate Change (IPCC) as the basis for setting targets. The IPCC 1.5 °C scenario (50 percent) is used as the calculation basis for 1.5 °C-aligned portfolios and the IPCC well below 2 °C scenario (67 percent) for 2 °C-aligned portfolios. The IPCC estimates the carbon budget from 1 January 2020 at 1,090 Gt CO₂e for a 67 percent chance of limiting the temperature rise to well below 2°C and a budget of 465 Gt CO₂e for the more ambitious 1.5 °C target. In order to achieve the climate target, an annual reduction in greenhouse gas emissions of 4 percent per year is required for the well below 2 °C target and 7.5 percent per year for the 1.5 °C target.

Greenhouse gases with a global warming effect are included in the portfolio construction of sustainable investment solutions in the traditional asset classes with a quantitative reduction pathway in accordance with the international Greenhouse Gas Protocol (GHG Protocol) standard (measured in CO₂e). The CO₂e intensities are defined for companies as CO₂e emissions in relation to revenue (tonnes of CO₂e per million US dollars of revenue) and for government securities as CO₂e emissions in relation to economic value added (tonnes of CO₂e per million US dollars of gross domestic product).

Data from independent third parties is used to determine the CO₂e intensities. The benchmark for the average CO₂e intensity of a portfolio is calculated by discounting the CO₂e intensity of the investment universe at the end of 2019 annually by the target value (4 percent or 7.5 percent) and by global economic growth. Because the reduction is realised with economic CO₂e intensities (Scope 1 and 2 emissions per revenue), additional compensation for economic growth is required.

Direct real estate investments of our ZKB Asset Management

The direct real estate investment products managed by ZKB Asset Management are also based on targets that are aligned with the Paris Agreement. For all real estate portfolios, a net-zero target by 2050 is being pursued, along with specific interim targets for Scope 1 emissions from operations by 2040. The interim targets fulfil the requirements of the FOEN Energy Perspectives 2050+ for the Swiss building stock. Product-specific CO₂ reduction pathways at portfolio level act as central control tools for achieving the emission targets. They are based on an individual assessment of all existing properties and are updated once a year. All measures underlying the reduction pathways at property level (e.g. heat pumps, district heating, biomass, envelope refurbishment) are integrated into the property strategies, CAPEX planning and assessments.

Special case of direct and indirect property investments by Asset Management

The target for direct property investments is part of the 20 percent of AuM by Asset Management that is aligned with the <2 °C target.

Objective

The CO₂e reduction target for funds with direct property investments (property funds) is based on target values that are compatible with the Paris Agreement (Energy Perspectives 2050+, ZERO Basis scenario for the building sector). To achieve these targets, CO₂e reduction pathways are created for the property portfolios and periodically adjusted to current circumstances (e.g. due to refurbishments, new acquisitions or disposals).

With the funds with indirect real estate investments "Swisscanto (CH) Real Estate Fund Responsible Switzerland indirect", the "Swisscanto (CH) IPF II Real Estate Fund Responsible International indirect" and "Swisscanto (CH) Real Estate Fund Responsible Switzerland indirect (I)", ZKB Asset Management also focuses its investment activities on the reduction of CO₂e emissions over time.

Measures for direct and indirect property investments

The specific measures for achieving the reduction pathway for the real estate funds follow a three-pronged strategic approach consisting of OPEX, CAPEX²¹ and new construction. OPEX measures include, for example, systematic operational optimisation in the properties and CAPEX measures include the replacement of fossil fuels with renewable resources. Furthermore, CO₂e-intensive properties are also managed through targeted transaction activity. The residual greenhouse gas emissions can be offset by purchasing emission reduction certificates (ERCs).

20 IPCC AR6 WGI Summary for Policymakers

21 OPEX = Operational Expenditures (operating expenses, i.e. costs for raw materials and supplies, personnel costs, energy costs and costs for sales and administration), CAPEX = Capital Expenditures (investment expenditure for longer-term assets)

Climate targets for direct and indirect property investments by Asset Management

Area	Targets	Base year	Methodology	Scenario
Direct property investments	2030: 8.0 kg CO ₂ e/m ² ERA (48 % reduction)	2020	Real Estate Investment Data Association Metric: Intensity (Scope 1, 2)	IPCC well below 2 °C scenario (67 %)
	2040: 3.9 CO ₂ e/m ² ERA (75 % reduction)			
	2050: 1.0 kg CO ₂ e/m ² ERA (94 % reduction)			

For the funds with indirect real estate investments “Swisscanto (CH) Real Estate Fund Responsible Switzerland indirect” and “Swisscanto (CH) Real Estate Fund Responsible Switzerland indirect (I)”, the carbon emissions per m² of energy reference area of the properties on which the investments are based serve as a measure of the reduction in carbon emissions over time.

To this end, the investments’ yearly progress toward achieving the reduction target mentioned above is measured annually using qualitative and/or quantitative key figures based on a questionnaire to be answered by the companies or other data collected from the companies or third parties.

Investments for which the reduction target cannot be met without there being plausible reasons for this (e.g. newly acquired properties for which the refurbishment cycle is not yet mature) are sold within a reasonable period of time.

If the questionnaire relating to carbon intensity is not answered and the relevant information on carbon intensity cannot be obtained elsewhere, the investment will be sold within a reasonable period of time.

In the case of “Swisscanto (CH) IPF II Real Estate Fund Responsible International indirect”, the information in section 5.2.3 applies.

Key figures related to the investment business

Financed emissions according to PCAF

For more climate transparency, Zürcher Kantonalbank joined the Partnership for Carbon Accounting Financials (PCAF) in May 2022. We base our calculation of financed greenhouse gas emissions on the PCAF approach. This also includes the data quality categorisation (1 high to 5 low).

The PCAF standard is compatible with globally recognised frameworks such as the TCFD recommendations. The financed emissions are recalculated annually on the basis of updated exposure and emissions data;

previous years already reported are only recalculated in the event of significant changes to the methodology or portfolio delimitation in accordance with the PCAF standard.

We are disclosing the financed emissions for our Asset Management for equities and bonds, for our own financial investments and in the area of asset management mandates for equities and bonds. The calculation is based on the assets under management (including double counting) and CO₂e data with a cut-off date of 31 December 2025.

Financed emissions according to PCAF Asset management^a

	Financial exposure (in CHF million)		Absolute emissions (in Mt. CO ₂ e)		Emission intensity (t CO ₂ e / CHF million revenue)		Coverage (in %)	Data quality score ^b (1 high, 5 low)	
	Scope 1 & 2	Scope 3	Scope 1 & 2	Scope 3	Scope 1 & 2	Scope 3		Scope 1 & 2	Scope 3
Listed Equity and Corporate Bonds									
2025	225,901	6.68	109.91	76	1,281	100	1.34	2.39	
2024	235,521	5.72	63.20	59	971	100	1.78	2.64	

	Financial exposure (in CHF million)		Emission intensity (t CO ₂ e / CHF million GDP)		Coverage (in %)	Data quality score ^b (1 high, 5 low)	
	Scope 1 & 2	Scope 3	Scope 1 & 2	Scope 3		Scope 1 & 2	Scope 3
Sovereign debt							
2025	34,871	–	–	260	100	1.03	
2024	34,962	–	–	240	100	1.06	

a Funds managed by our asset management are also held in portfolio asset management mandates and fund of funds structures, which can lead to double counting.
b The data quality score assesses the quality and reliability of the data used to calculate greenhouse gas emissions. Score 1 corresponds to the highest data quality and is based on directly reported and verified emissions data. Score 5 corresponds to the lowest data quality and is based on assumptions and estimates. ZKB endeavours to continuously improve data quality.

Financed emissions according to PCAF Own financial investments

	Financial exposure (in CHF million)		Absolute emissions (in Mt. CO ₂ e)		Emission intensity (t CO ₂ e / CHF million revenue)		Coverage (in %)	Data quality score ^a (1 high, 5 low)	
	Scope 1 & 2	Scope 3	Scope 1 & 2	Scope 3	Scope 1 & 2	Scope 3		Scope 1 & 2	Scope 3
Listed Equity and Corporate Bonds									
2025	4,540	0.02	1.47	4	325	100	1.11	3.46	

	Financial exposure (in CHF million)		Emission intensity (t CO ₂ e / CHF million GDP)		Coverage (in %)	Data quality score ^a (1 high, 5 low)	
	Scope 1 & 2	Scope 3	Scope 1 & 2	Scope 3		Scope 1 & 2	Scope 3
Sovereign debt							
2025	421	–	–	171		1	

a The data quality score assesses the quality and reliability of the data used to calculate greenhouse gas emissions. Score 1 corresponds to the highest data quality and is based on directly reported and verified emissions data. Score 5 corresponds to the lowest data quality and is based on assumptions and estimates. ZKB endeavours to continuously improve data quality.

8.4.3 Key figures in our own operations

The four most important drivers of CO₂e emissions in the operations of Zürcher Kantonalbank are electricity and heating energy, transport, particularly road and air transport, and our paper consumption. We have defined specific measures for these categories in order to achieve a continuous reduction.

Environmental indicators

	2025	2024	2023	Base year 2022	% change compared to the base year
Total greenhouse gas emissions (t CO ₂ e)	1,992	2,298	2,262	2,253	-12 %
– Direct Scope 1 emissions (t CO ₂ e)	275	648	512	487	-44 %
– Scope 2 Indirect emissions (market-based)	519	431	457	515	1 %
– Indirect Scope 3 emissions (t CO ₂ e)	1,198	1,219	1,294	1,251	-4 %

Category		2025	2024	2023	2022
Building energy	Total building energy consumption (MWh)	25,830	24,989	25,760	26,919
	Electricity consumption (MWh)	17,428	17,496	17,709	17,978
	Heat consumption (MWh)	8,402	7,493	8,051	8,941
	Total consumption of fossil fuels (MWh)	787	849	957	1,260
	Consumption of district heating (MWh)	4,809	3,994	4,377	4,602
	Renewable building energy consumption (MWh)	2,806	2,650	2,716	3,080
Business travel	Total business trips (10 ³ km)	4,791	4,214	5,034	3,284
	Air traffic (10 ³ km)	3,166	2,506	3,515	1,896
Paper	Total paper consumption (t)	385	472	525	641
	Recycled paper (t)	368	436	486	597
	Fresh fibre paper (ECF and TCF) (t)	16	36	39	44
Water	Water consumption (10 ³ m ³)	60	50	51	46
Waste	Total waste produced (t)	523	427	402	403
	Waste for recycling (t)	298	205	202	214
	Waste for incineration (t)	226	222	200	189
Cooling and extinguishing agents	Coolant and extinguishing agent losses (kg)	30	252	231	111

Environmental indicators per FTE

	2025	2024	2023	2022
Total building energy consumption (kWh/FTE)	4,598	4,553	4,857	5,083
Business travel (km/FTE)	853	768	949	651
Paper consumption (kg/FTE)	69	86	99	127
Waste (kg/FTE)	93	78	76	80
Water consumption (litres/FTE)	10,722	9,070	9,546	9,169
Greenhouse gas emissions (CO ₂ e) (kg/FTE)	355	419	427	447

Glossary

Active investment solutions

Active investment solutions comprise portfolio management mandates and investment funds. Excluded are indexed, individualised and third-party managed investment solutions and investment funds in the area of alternative investments. The ZKB sustainability standard is also taken into account in investment advice, whereby the clients themselves make the investment decisions and thus determine the composition of the advisory portfolio.

CO₂ equivalents (CO₂e)

is a unit of measurement used to compare the climate impact of different greenhouse gases. This is also referred to as the global warming potential (GWP) of the various gases. The quantities of other greenhouse gases, such as methane or nitrous oxide, are converted into the quantity of CO₂ that would have the same effect on global warming.

——> Source: Climate glossary FOEN, 2020

Corporate volunteering

refers to the employer's support for charitable activities, i.e. the involvement of our employees in public offices, trade associations and expert activities. Through our corporate volunteering programme, we contribute to a liveable Canton of Zurich in line with our public service mandate.

Financial literacy

refers to the ability to understand financial information and make informed decisions when dealing with money. This includes knowledge of topics such as saving, investing, debt management, insurance and retirement planning. Thanks to financial literacy, individuals should be able to better manage their financial situation, minimise financial risks and achieve long-term financial security and prosperity.

GHG Protocol

The GHG Protocol creates comprehensive, globally standardised frameworks for measuring and managing greenhouse gas emissions from private and public companies, value chains and climate protection measures.

Global warming

refers to the increase in average temperature since the beginning of industrialisation. Greenhouse gases are responsible for this. They are mainly caused by the burning of fossil fuels such as coal, oil and natural gas as well as by large-scale land use changes, such as the deforestation of tropical rainforests.

——> Source: Climate glossary FOEN, 2020

Greenhouse gas emissions Scopes 1–3

The greenhouse gas emissions of a company can be divided into Scopes 1–3. "Scope 1" includes direct greenhouse gas emissions from sources owned or controlled by the company. "Scope 2" refers to indirect greenhouse gas emissions associated with the production of purchased electricity, heat or steam. "Scope 3" includes all other indirect emissions, i.e. emissions associated with the extraction and production of purchased materials, fuels and services. (Source: Annex Fifth Assessment Report, Glossary of the German IPCC Coordination Office, 2016). "Financed emissions" (category 15 of the Greenhouse Gas Protocol, GHG Protocol), which encompass core activities such as the investment and financing business, are particularly relevant for financial institutions.

Negative emission technologies (NET)

are biological and technical processes used to remove carbon from the atmosphere and sequester it permanently in forests, soils, wood products or other carbon stores.

——> Source: Art. 2, Federal Act on Climate Protection Targets, Innovation and Strengthening Energy Security (CIA)

Net Zero Asset Managers Initiative (NZAM)

is an international group of asset managers committed to the goal of reducing greenhouse gas emissions to net zero by 2050 or earlier, in line with global efforts to limit warming to 1.5 degrees Celsius and to support investments that aim to achieve net-zero emissions by 2050 or earlier. Asset Management at Zürcher Kantonalbank joined NZAM in 2021.

Net-Zero Banking Alliance (NZBA)

was originally an initiative launched by the UN, which was transformed into a framework for banks following its dissolution in October 2025. This framework requires banks to set interim targets for 2030 or earlier, following sound, science-based recommendations. The Net-Zero Banking Alliance emphasises the important role of banks in supporting the transition of the global real economy to net-zero greenhouse gas emissions.

Net-zero emissions

means minimising greenhouse gas emissions and offsetting the impact of the remaining emissions through the use of negative emission technologies. The term greenhouse gas neutrality is often used colloquially.

——> Source: Art. 2, Federal Act on Climate Protection Targets, Innovation and Strengthening Energy Security

Paris Agreement Capital Transition Assessment (PACTA)

The PACTA test is a Europe-wide climate compatibility test for investment and mortgage business to measure the climate compatibility of financial flows in accordance with the Paris Agreement. PACTA stands for Paris Agreement Capital Transition Assessment. All Swiss banks, asset managers, pension funds and insurance companies were invited to have their portfolios tested voluntarily and anonymously. In 2024, 146 financial institutions voluntarily took part in the PACTA climate test, including 71 pension funds, 15 insurance companies, 34 banks and 26 asset managers.

——> Source: FOEN, PACTA Climate Test 2024, 2024

Partnership for Carbon Accounting Financials (PCAF)

is an initiative by the financial sector to develop a uniform and transparent standard for the valuation and disclosure of financed and invested emissions. Zürcher Kantonalbank joined PCAF in May 2022 as a further step towards greater climate transparency. “Financed emissions” (category 15 of the Greenhouse Gas Protocol), which differ from “operational emissions”, are particularly relevant for financial institutions. PCAF also specifies data quality levels: Score 1 corresponds to the highest data quality and is based on directly reported and verified emissions data. Score 5 corresponds to the lowest data quality and is based solely on assumptions and estimates.

Principles for Responsible Investment (PRI)

PRI stands for “Principles for Responsible Investment”. These six principles were launched in 2006 with the support of the United Nations and provide a framework for investors to integrate environmental, social and governance (ESG) factors into their investment decisions and ownership practices. Zürcher Kantonalbank joined the Principles for Responsible Investment (PRI) in 2009.

Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) are 17 global sustainability goals that were adopted by the United Nations in 2015 and are to be achieved by 2030. Switzerland is committed to these SDGs and has specified them for Switzerland with the Agenda 2030.

Task Force on Climate-related Financial Disclosures (TCFD)

The Task Force on Climate-related Financial Disclosures (TCFD) is an initiative launched by the Financial Stability Board of the G20 in 2015. The TCFD’s recommendations for reporting climate-related risks and opportunities form the basis of the Swiss Ordinance on Climate

Disclosures. The task force has since been disbanded and the TCFD recommendations have been fully integrated into international reporting standards.

UN Principles for Responsible Banking (UN PRB)

The UN PRB stands for “United Nations Principles for Responsible Banking” and was founded in September 2019 by the United Nations Environment Programme Finance Initiative (UNEP FI). The principles serve as a conceptual framework for banks to align themselves with the Sustainable Development Goals (SDGs) and the Paris Agreement.

Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e. V. (VfU) (Association for Environmental Management and Sustainability in Financial Institutions)

The Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e. V. (VfU) is an organisation that specialises in the promotion of environmental management and sustainability in the financial sector. Zürcher Kantonalbank uses the VfU key figures tool provided by the VfU with science-based emission factors to calculate operational emissions.

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