

# Sustainability Report 2024

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## FOREWORD

### Dear reader

Thank you very much for your interest in Zuger Kantonalbank's Sustainability Report. This is our second report to be published in accordance with the recognised Standards of the Global Reporting Initiative (GRI). In it, we provide detailed and transparent information on our objectives, the potential for improvement, as well as milestones on our journey to becoming a forward-looking bank with particular expertise in responsible investments – our core business. We are aware of our responsibility towards the environment, society and future generations and therefore strive to take environmental and social aspects into account across our business.

Over the past two years we have systematically incorporated the ESG (environmental, social and governance) criteria into all our investment funds and asset management mandates in line with our understanding of sustainability. Through consultations with our clients, we have identified their ESG preferences based on our new investment advisory process. Via our mortgage advisory services, we provide clients with information on climate-compatible construction and renovation. In 2024 we calculated the CO<sub>2</sub> emissions of our financed real estate portfolio as well as Zuger Kantonalbank's overall CO<sub>2</sub> footprint.

We also obtained feedback from our key stakeholder groups and expanded our dialogue with them. We intend to maintain our valuable cooperation and regular dialogue with stakeholders during the year ahead. This will enable us to create lasting, long-term value that is in line with our corporate objectives as well as society's expectations and the needs of the environment – exactly as set out in our #forwardtogether 2025 corporate strategy.

As the leading bank in the Canton of Zug, the sustainable development of our region is particularly important to us. By supporting the Climate Charter Zug+ initiative, we are committed to working with the Zug Chamber of Commerce on behalf of the local and regional economy as well as Zug's businesses. This initiative encourages companies to implement climate-friendly measures quickly and coherently. In addition, we support cultural and social diversity within the Canton through targeted investments, awards and sponsorship activities.

We are delighted that our firm commitment to greater sustainability is also recognised by the Swiss ESG rating agency Inrate, which in the year under review upgraded Zuger Kantonalbank's rating from C+ to B. We hope this report gives you a valuable insight into the progress we are making and we invite you to share your concerns and ideas with us.

Kind regards



Urs Rügsegger  
Chairman of the Board of Directors



Hanspeter Rhyner  
Chief Executive Officer

# Sustainability Report

## 1. Sustainability strategy and governance of Zuger Kantonalbank

### 1.1 How we understand sustainability

Our understanding and concept of sustainability are enshrined in a harmonious interaction between business, society and the environment. These three factors are inextricably linked: without a functioning economy, social and environmental goals cannot be achieved. In return, long-term economic success can only be achieved if the environment is intact and society is functioning well. Comprehensive sustainable development is therefore of fundamental importance if we are to leave future generations with a functioning society, an intact environment and the necessary economic resources.

#### 1.1.1 What guides us

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

- The Zuger Kantonalbank Act stipulates that the bank is operated as a for-profit universal bank and takes into account the needs of the people of Zug.
- As a bank, we are bound by law and by our industry's self-regulation guidelines to take sustainability aspects into account in our business activities.
- It is our responsibility to minimise or avoid as far as possible the negative impact of our business activities on the environment and society, and to assist clients in valuing, managing and protecting their assets from ESG risks.
- Innovation and technological progress are crucial to our prosperity. We want our clients and the region to benefit from these developments.
- Our staff are pivotal to our success. We want to be an attractive employer and to develop ourselves continuously.

#### 1.1.2 Pioneering vision for ourselves and our stakeholders

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

### 1.2 On the road to a comprehensive sustainability strategy

In addition to "Culture & Personnel", sustainability is a core theme of our #forwardtogether 2025 corporate strategy, which we began implementing in early 2022. In the course of 2022, we developed a sustainability concept that forms the basis of the main sustainability topics in this report.

In the year under review, the focus of our activities in relation to sustainability was on the development of our ESG approach in the investing and lending business as well as on increasing our attractiveness as an employer.

In line with the investment and mortgage business guidelines of the Swiss Bankers Association (SBA), which have been in force since 1 January 2024, and based on our goal of positioning ourselves as a bank with distinct ESG expertise in the investment business, we also defined the role profile of the relevant functions.

Furthermore, we drew up a CO<sub>2</sub> footprint of our business activities (see 2.4 Key figures and targets: What climate impacts we have, and what reduction targets we are pursuing, p. 11). As part of our commitment to sustainable governance, we have improved the transparency of our reporting and expanded our communication activities.

### 1.2.1 Our key stakeholder groups

Zuger Kantonalbank operates within an extended economic ecosystem. In the context of this dynamic and rapidly developing system, we are constantly interacting with a large number of stakeholders.

As part of the sustainability concept, we have identified six key stakeholder groups:

1. Clients
2. Shareholders
3. Employees
4. Company
5. Suppliers and business partners
6. Environment (NGOs and associations)

It is important for us to know and understand the needs and concerns of these stakeholder groups and to address them as fully as we can in our business decisions and practices, as well as in our actions. We have expanded the dialogue with our stakeholders. The exchange and ongoing collaboration with our stakeholders helps us to build lasting, long-term value that is in line with our corporate objectives as well as society's expectations and the needs of the environment.

### 1.2.2 Sustainability topics that are material for us

In accordance with the requirements of the 2021 GRI Standards, our sustainability reporting focuses on the following six key sustainability topics for Zuger Kantonalbank, ranked by decreasing intensity of their impact on society and the environment:

1. Responsible investments
2. Responsible lending
3. Responsible business conduct
4. Attractiveness as an employer
5. Sustainable development in the region
6. Environmentally friendly operations

These issues were identified as part of a materiality analysis in 2023. The corresponding procedure was explained in the 2023 Sustainability Report.

#### Start of materiality analysis update

For 2024, the plan was to review and update the existing list of topics as part of a double materiality analysis. Finalisation and approval of the analysis are scheduled for 2025.

## 1.3 Sustainability governance

### 1.3.1 Organisation and responsibility

#### Board of Directors

At the request of the Executive Board, the Board of Directors – as the highest governing body – approves the sustainability concept embedded in the corporate strategy. It defines the main ESG matters and objectives for Zuger Kantonalbank. The Board of Directors decides on the application of national or international regulations for ESG reporting and approves the corresponding external reporting.

The Audit and Risk Committee of the Board of Directors monitors the risks in connection with the identified, material ESG concerns (including climate-related risks).

### Compensation and Sustainability Committee of the Board of Directors

The tasks and responsibilities are laid down in the internal organisational regulations of the Compensation and Sustainability Committee (CSC) of the Board of Directors.

The CSC supports the Board of Directors and the Executive Board on sustainability issues in an independent, expert manner. In particular, it prepares the following matters and submits them to the Board of Directors for approval: development of the sustainability concept, definition of metrics and scope, and frequency and format of reporting. Furthermore, its activity includes developing possible sustainability targets for the bank's top management tiers as well as examining the content relating to sustainability, remuneration and corporate governance in the Annual Report. In addition, the CSC is responsible for reviewing progress on implementation of the content as well as estimating the resources required for implementation.

The CSC holds at least two regular meetings to discuss sustainability topics every year; these meetings are attended by the CEO, the Head Corporate Management and the Head Sustainability.

### Executive Board

Development of the sustainability concept is the responsibility of the Executive Board, which is supported in its task by the CSC. In addition, the Executive Board is responsible for implementing the sustainability concept: its individual members together with their directly subordinate business area heads, are responsible for implementation within their departments.

Furthermore, the Executive Board ensures that material ESG risks are integrated into existing risk management structures and that the associated tasks and responsibilities are defined (see 1.4 Risk management and processes, p. 7).

In addition, Risk Management and Monitoring reports to the Audit and Risk Committee of the Board of Directors annually in the context of its regular information on banking risks and current assessment of climate risks.

### Sustainability Office

The Sustainability Office reports directly to the Head Corporate Management, who is a member of the Executive Board. It supports the CSC and the Executive Board with developing the sustainability concept and with managing and coordinating its implementation. The Sustainability Office also ensures that the necessary methodological expertise is in place.

The Head Sustainability reports to the Executive Board and the CSC at least once a year on the progress made towards achieving the targets, as well as on the implemented measures and their effectiveness.

The unit participates in the relevant steering committees and other bodies and ensures that sustainability aspects are included at an early stage.

### ESG panel

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

### 1.3.2 Remuneration policies

The Board of Directors of Zuger Kantonalbank has defined sustainability goals. The fulfilment of these sustainability goals is relevant for management and employees when determining variable compensation (see Annual Report 2024, Compensation Report, Variable compensation, pp. 115–116).

## 1.4 Risk management and processes

ESG risks are shown and recorded in the respective risk categories as part of the overall risk policy of Zuger Kantonalbank. For a detailed description of the overall risk policy, see Annual Report 2024, Notes to the consolidated financial statements, 3. Risk management, p. 60.

Climate-related financial risks are a particularly significant ESG risk for Zuger Kantonalbank. As an independent controlling unit, Risk Management and Monitoring is responsible for the development and application of methods for measuring and assessing climate-related financial risks (see 2.3 Risk management: How we integrate climate risks into risk management, p. 10).

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

## 1.5 Membership of associations and organisations

Through targeted memberships, Zuger Kantonalbank emphasises its strong commitment to sustainability: by actively participating in associations and organisations it can play a role in shaping sustainable development within the region and the Swiss financial centre. In addition, Zuger Kantonalbank's memberships facilitate a valuable exchange of knowledge with research experts, competitors and organisations.

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

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

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

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

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

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

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

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

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

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

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

## 2. TCFD reporting

In this climate report, Zuger Kantonalbank indicates the climate risks and opportunities it has identified and how we address them. In line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), reporting covers governance, strategy, opportunity and risk management as well as the key figures and targets of Zuger Kantonalbank in relation to climate. Disclosure based on the TCFD recommendations is voluntary. In the following sections, we show the current status of implementation as well as the outlook for future developments.

### 2.1 Governance: How our governance is organised regarding climate-related risks and opportunities

The governance of Zuger Kantonalbank in relation to climate corresponds to that described in section 1.3, Sustainability governance, p. 5–6.

### 2.2 Strategy: What climate-related risks and opportunities we have identified and how we address them

According to the current, predominantly qualitative assessment, the opportunities and risks associated with climate change should only have a limited impact on the business and financial results of Zuger Kantonalbank. The table below shows the assessment of the short and longer-term impacts<sup>1</sup> of the most relevant climate-related opportunities and risks on the bank:<sup>2</sup>

#### Assessment of short and longer-term climate-related opportunities and risks

Opportunities/risks	Assessment	
	Short term	Longer-term
<b>Opportunities</b>		
Reduced costs through resource efficiency	Low	Low
Reduced costs from renewable energy sources	Low	Low
Increased returns through sustainable products, services and markets	Moderate	Moderate
Reduced costs due to increased resilience to climate change	Low	Moderate
<b>Risks</b>		
Increased credit risks, e.g. due to a CO <sub>2</sub> tax	Moderate	Considerable
Possible refinancing gap or increased refinancing costs due to a poor ESG rating	Moderate	Moderate
Operational risks, e.g. due to incorrectly declared products (greenwashing)	Moderate	Considerable
Strategic risks, e.g. due to the loss of market share in ESG products	Moderate	Moderate
Reputational risks, e.g. due to reputation-damaging behaviour in relation to climate change	Moderate	Moderate

#### 2.2.1 Climate-related opportunities

Based on the recommendations of the TCFD, the possible opportunities arising from climate change are described in the following categories:

- **Resource efficiency** – Our aim is to handle natural resources in banking operations carefully and efficiently (see 8.2 How we make our operations as environmentally friendly as possible today, p. 49). We want to reduce their potentially negative impacts on the environment gradually and as far as possible, thus also eliminating costs. Since the bank's operations are not very energy-intensive, the impact of this opportunity on Zuger Kantonalbank's financial results is considered to be low.

<sup>1</sup> We define the periods as follows: short term = 0 to 3 years, longer term = 4 to 10 years.

<sup>2</sup> The assessment of climate-related opportunities and risks was based on a rating scale of 1 to 4 (1: low, 2: moderate, 3: considerable, 4: substantial).



- **Energy sources** – We can reduce costs and emissions from operations through sustainable and renewable energy sources. Since 2020, we have obtained all our hydroelectric and solar power from Switzerland. In addition, we use solar power at various branches as well as energy from Lake Zug at our head office (see 8.2 How we make our operations as environmentally friendly as possible today, p. 49).
- **Products, services and new markets** – Our clients are increasingly concerned about climate change. The demand for products and services that take account of climate change is growing accordingly. This gives us the opportunity to support clients in these matters. For an overview of our corresponding products and services, please refer to section 3, Responsible investments, p. 13 onwards. This opportunity is offset by the strategic risk of losing market share by focusing on climate-friendly products and services – a risk that is currently assessed as moderate (see 2.2.2 Climate-related risks, p. 9).
- **Resilience** – The conscious handling of climate change enables us to take preventive measures and thus strengthen Zuger Kantonalbank's resilience in the longer term. The topic of sustainability and therefore climate change sit at the heart of our corporate strategy. We integrated climate-related financial risks into our risk management system in 2024 and institutionalised reporting on climate-related financial risks. To assess Zuger Kantonalbank's resilience with regard to these risks, we further expanded the scenario analyses in 2024 (see 2.3 Risk management: How we integrate climate risks into risk management, p. 10).

### 2.2.2 Climate-related risks

We view climate change as a risk driver rather than a new risk category. It impacts on the various known risk categories and sub-categories via a range of possible events. To identify and assess these impacts, we updated the existing inventory of climate risks in 2024. Based on a risk inventory report, the Executive Board as well as the Audit and Risk Committee of the Board of Directors assessed the climate-related financial risks. In the risk assessment, a distinction is made between physical and transitory climate risks:

- **Physical risks** – We differentiate between acute and chronic risks. Acute physical risks arise from event-oriented incidents such as storms or floods. Chronic physical risks arise from longer-term climate developments such as a rise in sea levels or temperatures.
- **Transitory risks** – These arise in conjunction with the transition or with society's efforts to emit fewer greenhouse gases (GHGs) through incisive measures in the form of climate policy, technological changes or adjustments in demand among consumers or investors.

There are currently no risks rated as "substantial" in Zuger Kantonalbank's risk inventory for climate risks. However, we have assessed several risks as "considerable" or "moderate", with the trend judged to be increasing in the case of various risks. All risks are transitory risks, which are described in detail below. The bank's physical risks were assessed as "low" and their occurrence tends to be confined to the region. In the case of buildings as well as our mortgage business, potential damages are also covered to a large extent by the respective building insurance policy.

- **Credit risks** – The credit risk of counterparties we finance may deteriorate if climate change results in rising costs for the counterparty or falling demand. This may be down to various climate change-related factors, such as an adjustment in the CO<sub>2</sub> tax, technological innovations or prohibitions, or changing expectations on the part of clients. A scenario analysis was carried out regarding a possible CO<sub>2</sub> tax for companies. This shows only a limited impact on a large part of the financing volume.

- **Refinancing risks** – Due to a possible deterioration of the ESG rating of Zuger Kantonalbank, refinancing risks such as increased refinancing costs may arise.
- **Operational risks** – Adaptation to individual processes or products caused by climate change can increase operational risks. The cause may be incorrectly declared products (greenwashing), non-compliance with regulatory provisions regarding sustainability or climate change, or incorrect reporting. We counter these risks with various procedural and organisational measures.
- **Strategic risks** – If we do not adequately integrate climate risks into our financing or investment business, this may result in a loss of market share. Through various initiatives in relation to products and services, we have built up a corresponding climate-friendly offering.
- **Reputational risks** – If major discrepancies arise or exist between the bank's business policy orientation or operational behaviour and the social consensus on climate change, it may face reputational risks. Zuger Kantonalbank addresses these risks through the internal Sustainability Office, which is involved in various projects and business processes.

### 2.2.3 Climate strategy

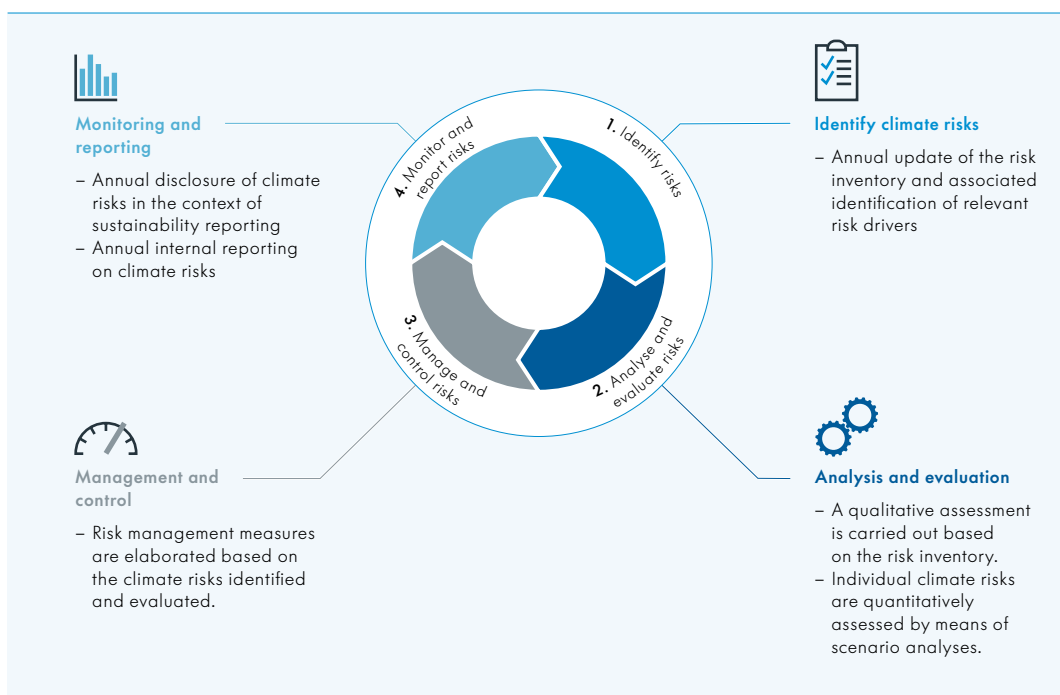
As part of our management approach to climate risks, we have defined four action areas:

- **Measurement** – Every year, we draw up a comprehensive carbon footprint of our business activities (see 2.4 Key figures and targets: What climate impacts we have, and what reduction targets we are pursuing, p. 11). In addition to the emissions from our operations, this includes the financed emissions from our balance sheet business, the asset management mandates and investment funds of Zuger Kantonalbank (parent company), as well as the funds managed by Immofonds Asset Management AG (IFAM).
- **Internal bank reporting and disclosure** – Every year, we prepare an internal bank report on climate-related financial risks for the attention of the Executive Board as well as the Audit and Risk Committee of the Board of Directors. This report creates transparency on individual emission-intensive activities and the potential impacts of various climate-related scenarios. With this disclosure, Zuger Kantonalbank is also following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) on a voluntary basis.
- **Reduction** – For our Scope 1 and 2 operational emissions we have set ourselves the goal of completely eliminating fossil fuels by 2030 (see 8.3.1 Climate targets, p. 51). For the first time, we also formulated a reduction pathway for CO<sub>2</sub> emissions for the Zuger Kantonalbank equity funds in 2023 (see 3.3.2 GHG emissions from in-house investment products, p. 19). In 2024, we also determined for the first time what a possible transition plan for real estate financing could look like (see 4.3.4 Path to reducing financed GHG emissions, p. 28). A CO<sub>2</sub> reduction pathway had already been defined for the IMMOFONDS managed by IFAM in 2022 and for the IMMOFONDS suburban in 2023.
- **Commitment** – We are involved in various climate protection initiatives outside our own value chain (see 7.4 What sustainable support measures were the main focus in 2024, p. 46, and 8.4.2 Climate protection outside the company's own value chain, p. 54).

## 2.3 Risk management: How we integrate climate risks into risk management

Climate risks are integrated into risk management annually, based on a clearly defined process (see graphic below).

## Management and monitoring of climate-related financial risks



The existing risk inventory on climate risks was integrated into the bank's risk management system in 2024 and the quantification of risks aligned with other risk categories. We also expanded the scenario analyses and further developed the methodology for measuring financed GHG emissions. Every year, Risk Management and Monitoring prepares a report on climate-related financial risks for the attention of the Executive Board as well as the Audit and Risk Committee of the Board of Directors. In the event of any negative developments and findings regarding climate-related financial risks, the Executive Board and the Board of Directors will be informed and, if necessary, consulted in the course of quarterly reporting or if there are acute developments.

### 2.4 Key figures and targets: What climate impacts we have, and what reduction targets we are pursuing

Since 2021, we have measured GHG emissions from the operations of Zuger Kantonalbank, including IFAM, in accordance with the methodology of the Association for Environmental Management and Sustainability in Financial Institutions (VfU). With regard to indirect GHG emissions from the balance sheet and assets under management, we use the methodology contained in the standard devised by the Partnership for Carbon Accounting Financials (PCAF) initiative for our calculation. Zuger Kantonalbank uses the Partnership for Carbon Accounting Financials (PCAF) global standard for GHG accounting and reporting for the financial industry. For the entire real estate portfolios of IMMOFONDS and IMMOFONDS suburban, the reporting of energy consumption, greenhouse gas emissions and the reduction pathway is based on Circular 06/2023 of the Asset Management Association Switzerland (AMAS) and calculated using the best-practice recommendation according to the methodological principles of the Real Estate Investment Data Association (REIDA) (16.8.2023, version 1.2). More information can be found in the ESG report 2023 (p. 25) of IFAM at [www.immofonds.ch/esg/dokumente](http://www.immofonds.ch/esg/dokumente) (German only).

Emissions are measured in tonnes of CO<sub>2</sub> equivalents (t CO<sub>2</sub>e). CO<sub>2</sub> equivalents are a unit of measurement for standardising the climate impact of different greenhouse gases.

Our data quality and methodology are still at the development stage, as is common for the industry; the emission values shown here should therefore be treated with the requisite caution. Due to the difference between direct and indirect emissions and their different impacts, we recommend not comparing the GHG emissions of the individual areas on a one-to-one basis or adding them together.

Climate impact of Zuger Kantonalbank for the 2024 financial year<sup>1</sup>

	Scope	Emissions (t CO <sub>2</sub> e)	Score <sup>7</sup>
Operations (503.6 FTE) <sup>2</sup>	S1 + S2	137	
Lending <sup>3</sup>	S3 (cat. 15)	75,668	4
Financial assets and participations <sup>4</sup>	S3 (cat. 15)	6,628	3
Discretionary mandates and ZugerKB funds <sup>5</sup>	S3 (cat. 15)	49,777	2
IMMOFONDS and IMMOFONDS suburban <sup>6</sup>	S3 (cat. 15)	7,134	2

1 The emissions of the IMMOFONDS and IMMOFONDS suburban funds relate to the 2023 financial year.

2 Includes all Zuger Kantonalbank locations (including Parkhaus Vorstadt in Zug) and IFAM offices.

FTE = full-time equivalent.

3 Includes mortgages, commercial real estate and corporate loans.

4 Includes financial assets and participations of Zuger Kantonalbank (excluding IFAM). The recognised value as at 31 December 2024 amounts to CHF 688 million. Financed emissions were measured for 99% of this amount.

5 Includes asset management mandates and funds of ZugerKB.

6 Includes the IMMOFONDS and IMMOFONDS suburban funds managed by IFAM.

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

The GHG emissions of the various business areas, including targets for banking operations and our in-house funds, are detailed in sections 3.3 What objectives we are pursuing in responsible investments and what our track record looks like, p. 19 onwards, and 4.3 What objectives we are pursuing in responsible lending and what our track record looks like, p. 25 onwards.

## 3. Responsible investments

### 3.1 Why the topic is of material importance

The investment business, consisting of asset management, asset management for in-house investment products as well as investment advice and custody business, is a central pillar of the Zuger Kantonalbank business model. As a financial services provider, we offer clients the opportunity to make their investment decisions according to their ESG preferences and support them with our advice and the appropriate products.

In our internal materiality analysis, we assigned the highest priority to responsible investments. The reason for this is firstly the indirect GHG emissions of our in-house funds and asset management mandates and the associated, significant adverse impacts on the climate. The high priority given to responsible investments confirms the great importance our clients attach to the consideration of social and environmental aspects in their investments. According to the ESG preferences survey, 36% of the clients we surveyed wish for ESG criteria and/or climate aspects to be taken into account in their investments. We expect this importance to continue growing in the future, along with the demand for responsible investments.

### 3.2 How we operate our investment business today

Putting our investment business on a responsible footing is one aspect of the sustainability concept defined by Zuger Kantonalbank in 2022. In addition to risk and return considerations, we have consistently taken ESG factors into account in asset management and investment advice since then. This is based on our conviction that the use of ESG criteria in the investment selection process will contribute to a more sustainable global financial system. Accordingly, with the signing of the Principles for Responsible Investment (PRI), Zuger Kantonalbank committed itself to understanding the impact of ESG factors and incorporating them into its investment decisions.

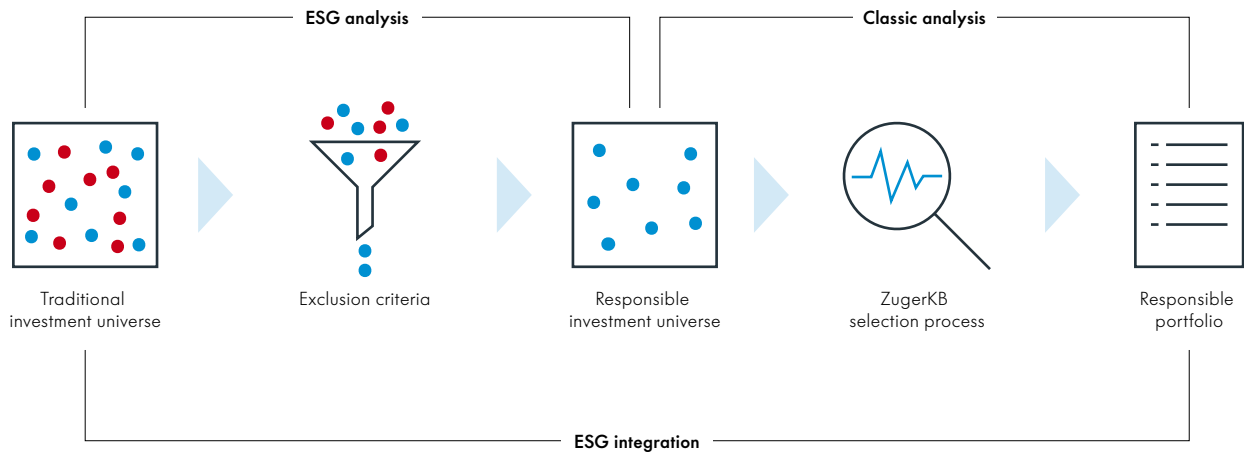
IFAM, which is part of the Group, pursues an independent sustainability approach in relation to the selection and management of investments for the listed IMMOFONDS and, since 2021, for IMMOFONDS suburban (see 3.2.6 Funds managed by IFAM, p. 18).

#### 3.2.1 Integration of ESG criteria into the investment process

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

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

## New investment process with consistent ESG integration



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

A majority of people in Zuger Kantonalbank's Investment Office have sustainability training (CESGA, ESG-CA, CFA-ESG). In addition, all persons in the Investment Office were trained internally on ESG issues in 2023. If necessary, the Investment Office can obtain support from our dedicated ESG investment analyst at any time.

### Exclusion criteria of Zuger Kantonalbank

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

As part of our exclusion process, we also consider the sustainability performance of companies and issuers based on ESG criteria. Companies or issuers whose sustainability performance is inadequate, i.e. if they are rated “B” or “CCC” by rating agency MSCI ESG, are excluded. This ensures that the management of the most important sustainability topics by issuers in our Responsible investment universe is at least average compared with the sector as a whole.

When implementing their investment decisions, our responsible portfolio managers ensure that the specified sustainability policy is complied with. The bank’s internal Investment Controlling unit monitors compliance with the processes on a regular basis.

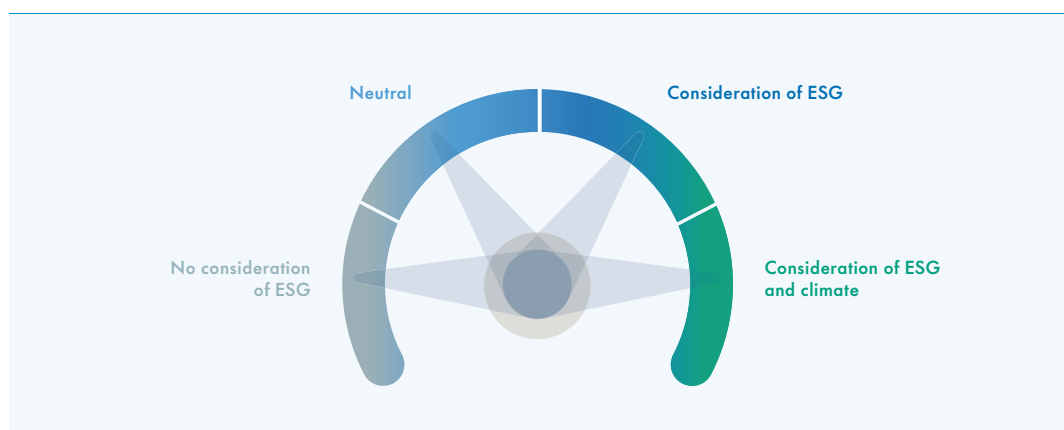
Zuger Kantonalbank’s ESG panel is responsible for interpreting and developing the basic ESG philosophy in asset management. For example, in the case of investments (e.g. direct real estate funds or physical commodities) whose ESG performance cannot be analysed on the basis of the underlying assets in the same way as securities investments or investment funds, the team decides whether to include them in the Responsible investment universe or not.

Further information can be found at: [www.zugerkb.ch/en/esg](http://www.zugerkb.ch/en/esg)

### 3.2.2 Investment advice tailored to client preferences

Establishing our clients’ ESG preferences in line with the Swiss Bankers Association’s binding guidelines enables us to ensure that the investment decisions meet the clients’ ESG needs and are taken into account when making investment choices. Zuger Kantonalbank differentiates between the following four levels of ESG preference (see chart below):

#### Four levels of ESG preference at Zuger Kantonalbank

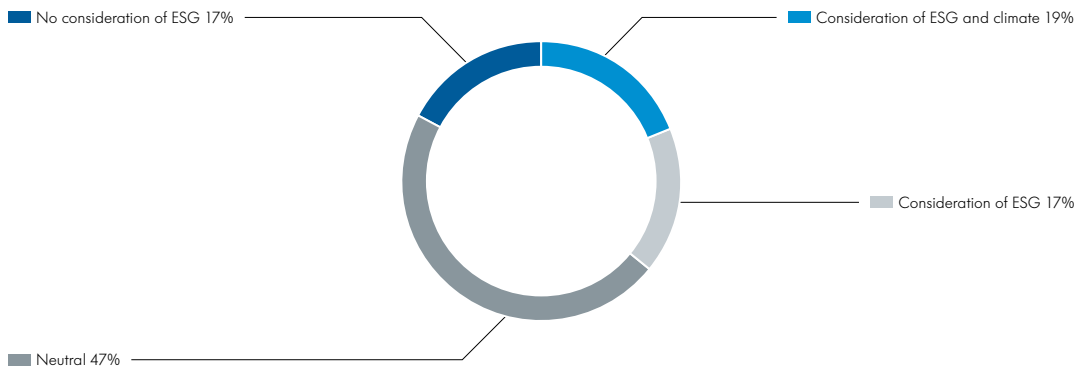


In keeping with the self-regulation guidelines, we have – as part of the investment advisory process – worked with our clients for around a year to clarify what ESG preferences are right for them. By the end of the year, we had discussed the topic of ESG preferences with our clients in 3,230 consultations (see following chart “ESG preferences selected by clients”). Under the self-regulation guidelines of the Swiss Bankers Association, the identification of ESG preferences is mandatory for new client relationships as of 2024 and for existing client relationships as of 2025. Overall, we surveyed preferences for 22% of our investment advisory relationships in 2024. For relationships whose preferences were not yet obtained in a personal consultation, we initially classified the ESG preference as “neutral” with the aim of specifying it at the subsequent client meeting.

## ESG preferences selected by clients

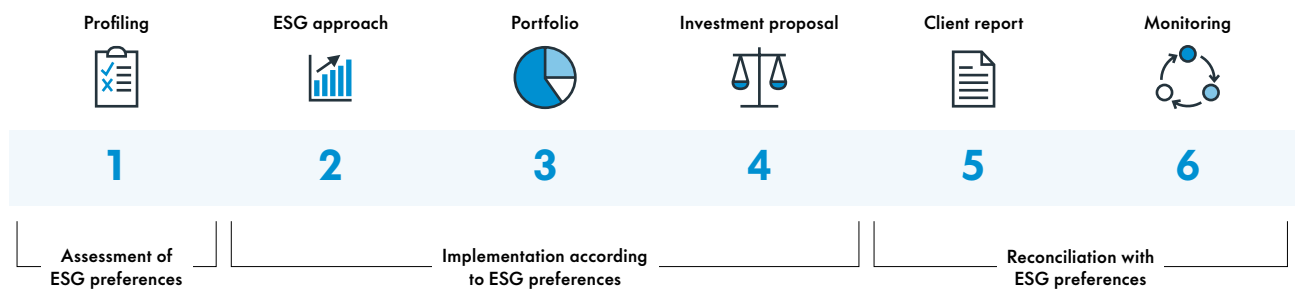
Selected ESG preference	Number of clients
Consideration of ESG and climate	601
Consideration of ESG	559
Neutral	1,528
No consideration of ESG	542
<b>Total clients with details</b>	<b>3,230</b>

### Breakdown of client ESG preferences



## Investment advisory process

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



All Zuger Kantonalbank clients with an advisory or asset management mandate receive their asset statement at least once a year. In the case of private clients with an ESG preference of "Neutral" or "Consideration of ESG", the respective ESG rating will be disclosed individually in the asset statement for each security or collective investment, provided the data is available from MSCI ESG Research LLC. The MSCI ESG rating measures a company's dependency on and resilience to long-term ESG risks of relevance to its sector. Whereas the leading companies (rated AAA and AA) have their ESG risks and opportunities under control and are therefore less exposed to potential risks, the "laggards" (rated B and CCC) do not have such management processes in place. The introduction of this supplement to the asset statement, which was planned for the end of 2024, had to be postponed for technical reasons and will now be implemented at the end of 2025.



Our private clients with the preference “Consideration of ESG and climate” are additionally shown the metric for the Implied Temperature Rise (ITR) of MSCI ESG Research LLC in the advice, if available, but not as part of the asset statement. Implied Temperature Rise is a forward-looking metric expressed in degrees Celsius that compares the alignment of companies, portfolios or funds with global temperature targets under the Paris Climate Agreement.

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

To further improve the quality of advice, two refresher training courses on “ESG preferences in the advisory process” were carried out in November 2024 for all client-facing employees.

### 3.2.3 Stewardship

Zuger Kantonalbank has decided to implement stewardship (voting and engagement) in relation to its in-house investment funds, largely within the framework of the Swiss Stewardship Code and according to the Principles for Responsible Investment (PRI). The Swiss Stewardship Code is applied on a voluntary basis and serves as a recommendation. For practical implementation, we have delegated stewardship to our fund management company, which in turn works with Columbia Threadneedle Management Limited, London (CTML). CTML provides the following services:

- Equity funds: voting and engagement
- Bond funds: engagement

Strategy funds and mandates are exempt from stewardship.

#### 3.2.3.1 Voting

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

#### 3.2.3.2 Engagement

Engagement is defined as a constructive dialogue with issuers about ESG risks that could have a material negative impact on their business. Therefore, the objective of engagement is to promote long-term returns on investment by mitigating risk or making the most of opportunities in connection with ESG factors. Zuger Kantonalbank’s engagement covers financial performance, sustainability-related risks and opportunities as well as other factors. CTML conducts a dialogue with selected companies in which the relevant subfunds are invested. The aim of this dialogue is to encourage companies to move towards best practice in key ESG areas.

### 3.2.3.3 Reporting

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

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

Proxy voting	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Number of companies	20	99	12	12
Number of resolutions	313	1643	199	156
Engagement	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Number of companies	47	45	15	21
Milestones reached	16	8	1	2

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

### 3.2.4 Compliance with due diligence in relation to own financial assets

Zuger Kantonalbank's financial assets amounted to CHF 666 million at the end of the reporting year (see Annual Report 2024, Information on the consolidated balance sheet, 5. Financial assets, p. 71).

All investments meet the ESG exclusion criteria as described in section 3.2.1 Integration of ESG criteria in the investment process, p. 13.

### 3.2.5 Consideration of due diligence obligations when offering metals

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

Zuger Kantonalbank itself did not import any unprocessed minerals or metals in 2024; nor did we process any minerals or metals in 2024. Zuger Kantonalbank is therefore exempt from the due diligence and reporting obligations regarding minerals and metals from conflict areas in accordance with Articles 964j-l of the Code of Obligations.

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

### 3.2.6 Funds managed by IFAM

In all new-build and existing projects, IFAM pursues the overarching ambition of designing living spaces with character. The preservation of value and sensible densification as well as the upgrading of the stock take precedence over new buildings. In this way, existing values, affordable housing and grey energy can be preserved. To gradually improve the environmental footprint of their properties, the funds managed by IFAM invest significantly in energy renovations, the replacement of fossil-fuel heating systems as well as the expansion of photovoltaics and automated metering infrastructure.

For further information, see IFAM's ESG Report 2023 at [www.immofonds.ch/esg/dokumente](http://www.immofonds.ch/esg/dokumente) (German only)

### 3.3 What objectives we are pursuing in responsible investments and what our track record looks like

#### 3.3.1 Key figures for the investment business

The following tables show the relative share of responsible investments of Zuger Kantonalbank for the asset management mandates and investment advice as well as the MSCI ESG key figures for our in-house funds.

#### Proportion of investments with ESG exclusion criteria at Zuger Kantonalbank as of 31 December 2024

	Asset management mandates <sup>4</sup>	Investment advisory services <sup>5</sup>
Consideration of ESG exclusion criteria <sup>1</sup>	100.0%	85.4%
■ of which ZugerKB ESG equity funds (ESG exclusion criteria and voting) <sup>2</sup>	5.4%	4.9%
No consideration of ESG factors	0.0%	1.7%
Non-rated investments <sup>3</sup>	0.0%	12.9%

1 Consideration of ZugerKB exclusion criteria as well as exclusion of companies or issuers with MSCI rating of "B" or "CCC".

2 Consideration of ESG exclusion criteria; also includes the exercising of voting rights in the case of our equity funds.

3 Investments that are not recorded in the ZugerKB database.

4 Includes all ZugerKB discretionary management mandates (except individual mandates).

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

#### MSCI ESG key figures for the ZugerKB funds as at 31 December 2024

Fund	31.12.2024		31.12.2023		31.12.2022	
	ESG rating	ITR <sup>1</sup>	ESG rating <sup>2</sup>	ITR	ESG rating	ITR <sup>3</sup>
ZugerKB Fonds – Strategie ESG Konservativ (CHF)	A	2.5	A	2.3	AA	n/a
ZugerKB Fonds – Strategie ESG Ausgewogen (CHF)	A	2.4	A	2.3	AA	n/a
ZugerKB Fonds – Strategie ESG Dynamisch (CHF)	A	2.4	A	2.3	AA	n/a
ZugerKB Fonds – Aktien ESG Schweiz (CHF)	AA	2.1	AA	1.8	AAA	n/a
ZugerKB Fonds – Aktien ESG Europa (EUR)	AA	2.1	AA	2.3	AAA	n/a
ZugerKB Fonds – Aktien ESG USA (USD)	A	3.2	A	2.5	AA	n/a
ZugerKB Fonds – Obligationen ESG (CHF)	AA	2.0	n/a	n/a	n/a	n/a

1 The Implied Temperature Rise (ITR) calculation method, which is based on the Glasgow Financial Alliance for Net Zero (GFANZ), was adjusted during the year under review, resulting in a tendency for values to rise.

2 A change in the calculation method for the ESG rating in 2023 led to a general weakening of the level for all investment funds.

3 In 2022, ITR data was not yet available for the investment funds.

#### 3.3.2 GHG emissions from in-house investment products

We calculated the climate impact of in-house investment products based on figures with a cut-off date of 31 December 2024 (see 2. Climate reporting based on TCFD, p. 8 onwards) and in relation to the previous two years.

## Climate impact of the asset management mandates and the ZugerKB funds as at 31 December 2024 (including previous years)

Key metric	31.12.2024		31.12.2023		31.12.2022		
	Discretionary mandates	ZugerKB funds	Discretionary mandates	ZugerKB funds	Discretionary mandates	ZugerKB funds	
Carbon intensity <sup>1</sup>	t CO <sub>2</sub> e / million CHF turnover	127	95	132	133	135	143
Data coverage <sup>2</sup>	in %	91	88	84	78	86	80
Data quality <sup>3</sup>	Score (1–5)	2.0	2.1	2.1	2.1	2.1	2.0

1 Describes the average CO<sub>2</sub> emissions per million Swiss francs of the underlying company turnover (weighted average carbon intensity, WACI).

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

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

### 3.3.3 Reduction target for the equity funds of Zuger Kantonalbank

Based on the emissions data for 2022, Zuger Kantonalbank formulated reduction targets of –35% in carbon intensity for its in-house equity funds by 2030. It is not yet possible to publish interim results for the achievement of targets. It is unclear whether additional product categories (see 3.4.3 Reduction pathways for in-house investment solutions, p. 22) will be included in the future.

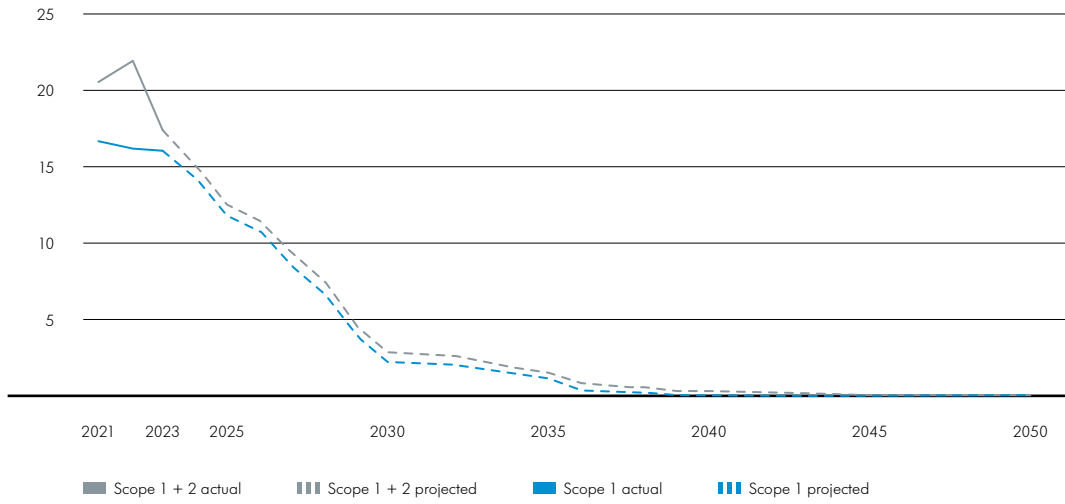
Due to the limited ability to influence CO<sub>2</sub> intensity, no reduction targets are planned in the consulting business.

### 3.3.4 Reduction targets for IMMOFONDS and IMMOFONDS suburban

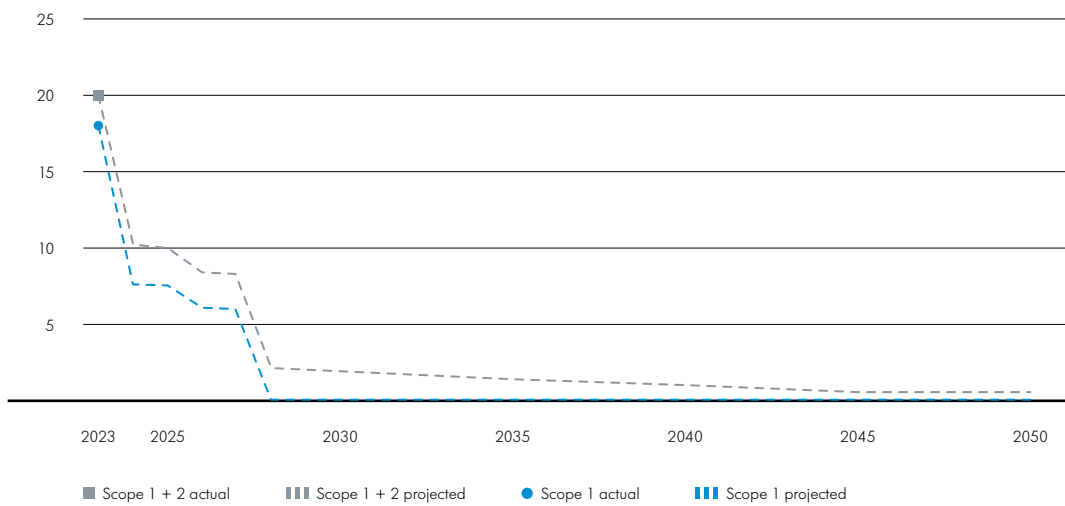
The target for IMMOFONDS (market value CHF 2.2 billion as at 31 December 2023) is to halve operational Scope 1 emissions from all managed properties versus 2021 (around 17 kg CO<sub>2</sub>e/m<sup>2</sup> energy reference area) by 2030 (around 8 kg CO<sub>2</sub>e/m<sup>2</sup> energy reference area) and end the use of fossil fuel heating sources by 2045. The proportion of renewable energy sources is expected to be approximately 60 percent by 2030. A net-zero strategy by 2045 is also the target for IMMOFONDS suburban (market value CHF 94.9 million as at 31 December 2023). The reduction pathways for the two funds include Scope 1 (heating oil, gas) and Scope 2 (general electricity, district heating).

Emission intensity fell in 2023 compared with the previous year. The switch in heating to renewable energy sources contributed to the reduction (see IFAM ESG Report 2023, p. 12/13, at [www.immofonds.ch/eshg/dokumente](http://www.immofonds.ch/eshg/dokumente), German only).

**IMMOFONDS: Emissions intensity actual/projected (in kg CO<sub>2</sub>e/m<sup>2</sup> ERA, Scope 1 and 2)**



**IMMOFONDS suburban: Emissions intensity actual/projected (in kg CO<sub>2</sub>e/m<sup>2</sup> ERA, Scope 1 and 2)**



Note on the charts: The reduction pathways represent real values until 2023 and projected values as of 2024. The projected reduction pathways are based on modelled data for the properties of IMMOFONDS and IMMOFONDS suburban, and take investment planning into account. The AMAS industry association is currently working on a standardised target path for the real estate sector.

### 3.4 What measures were the main focus in 2024

#### 3.4.1 Continuation of transition to new investment and advisory process

In 2024, we converted our strategy funds to ESG after receiving FINMA approval. Since then, we have systemically aligned the entire fund range as well as the asset management mandates with our in-house ESG approach. The focus in the year under review was on further implementation of our clients' ESG preferences (see 3.2.1 Integration of ESG criteria in the investment process, p. 13, and 3.2.2 Investment advice tailored to client preferences, p. 15). Continuous contact with clients enabled us to identify their ESG preferences.

#### 3.4.2 Introduction of stewardship in equity and bond funds

Zuger Kantonalbank has implemented stewardship (voting and engagement) in its in-house investment funds in accordance with the Swiss Stewardship Code and the Principles for Responsible Investment (PRI) since 2024 (see 3.2.3 Stewardship, p. 17).

#### 3.4.3 Reduction pathways for in-house investment solutions

Zuger Kantonalbank is currently working to firm up and implement the target defined in the previous year of a 35 percent reduction in CO<sub>2</sub> intensity compared with 2022 at product level for its in-house equity funds. It remains to be seen how reduction pathways can be defined for the other product categories of strategy funds, bond funds and mandates.

#### 3.4.4 Image campaign for responsible investments

In the reporting year, Zuger Kantonalbank drew attention to the most relevant reasons for responsible investments through a communication campaign. The creative guiding principle of the campaign was the "change of perspective", highlighting the bank's approach to ESG.



#### Strong arguments in favour of responsible investments



Take a new approach and invest in a future-oriented way



Invest in instruments that meet our ESG criteria



Reduce risks with ESG investments while seizing opportunities

Communication measures included a revamping of the website as well as measures to raise awareness of the topic among the various target groups, create trust and ultimately bolster sales promotion in the case of in-house funds.

### 3.4.5 IFAM real estate funds pursue decarbonisation, high industry standards and social sustainability

In 2023, IMMOFONDS and IMMOFONDS suburban enshrined the key ESG objectives in their fund contracts and thus made a major commitment in terms of their activities. In addition, ESG topics are given greater weight in the acquisition process and in risk assessment. IMMOFONDS also participates in the Global Real Estate Sustainability Benchmark – the world’s leading ESG benchmark in the real estate sector – and achieved a good rating of four out of five stars. Building energy certificates are now available for the entire property portfolio. In addition, tenant satisfaction surveys are conducted on a regular basis.

We have continued to actively promote the decarbonisation of the IMMOFONDS and IMMOFONDS suburban portfolios. By the end of 2023, around 27 percent of the properties were already supplied with renewable heat. Furthermore, five newly installed PV systems with an output of around 400 kWp produce the energy required for around 85 households. By participating in the REIDA CO<sub>2</sub> benchmark for the Swiss real estate industry, we strive to ensure that the energy and CO<sub>2</sub> key figures are as comparable and transparent as possible.

Further information on current and future measures can be found in IFAM’s 2024 ESG Report, which will be available from June 2025 at: [www.immofonds.ch/esg/dokumente](http://www.immofonds.ch/esg/dokumente) (German only)

## 3.5 What is planned for the coming years

### 3.5.1 Transition to new investment and advisory process

Our clients’ ESG preferences were initially classified as “Neutral”. Since January 2024, ESG preferences have been taken into account in the investment advisory process and, if necessary, reviewed with clients. On a quarterly basis, our Competence Centre for Investment and Pension analyses distribution within the four levels of ESG preferences offered (see chart: ESG preferences selected by clients, p. 16). The allocation of these preferences is considered in the context of our existing range of products and services. If we determine that our offering is insufficient or not available for a particular preference, we evaluate the opportunity to introduce suitable products or services.

In connection with sustainability, we are also in the process of operationalising additional key performance indicators.

### 3.5.2 Ongoing implementation of climate measures for equity funds

The process initiated for reducing CO<sub>2</sub> intensity (see 3.3.3 Reduction target for equity funds of Zuger Kantonalbank, p. 20) of the three equity funds (Zuger Kantonalbank Fonds – Aktien ESG Schweiz [CHF], Zuger Kantonalbank Fonds – Aktien ESG Europa [EUR] and Zuger Kantonalbank Fonds – Aktien ESG USA [USD]) is to be defined in specific terms.

### 3.5.3 Green Lease as the future standard of IFAM

IFAM launched the Green Lease initiative in 2023 as part of a pilot. The aim of the Green Lease is to ensure that owners and tenants work together in order to achieve greater sustainability. This is being implemented through corresponding addenda or supplements to rental contracts. IFAM continued rollout in the case of existing leases in 2024, with the Green Lease set to become the standard lease agreement at IFAM in the future. As part of the tenant survey, IFAM will therefore be initiating a dialogue on joint sustainability measures going forward.

## 4. Responsible lending

### 4.1 Why the topic is of material importance

Zuger Kantonalbank's lending business consists predominantly of the traditional mortgage business (owner-occupied residential property and investment properties) and to a lesser extent the commercial lending business. Lending is a central pillar of the bank's business model, both in terms of financial volume and business income.

The materiality of the lending business results from the effects of lending on society, the environment and the economy. By granting mortgages, the bank plays a role in the investments of property owners, which also includes investments in energy efficiency or heat supply for example. Through its commercial lending business, Zuger Kantonalbank also makes an indirect contribution to the business activities and investments of financed companies and thus indirectly influences their impact on society and the environment.

In the lending business there are "transitory" risks from climate change: for example, the bank could have granted a loan to a company that cannot keep pace with technological developments or the impacts of climate change on its business model, which could result in a partial or complete default. According to initial calculations by Zuger Kantonalbank, the transitory risks in the bank's loan portfolio are manageable. In our internal materiality analysis, responsible lending was assigned the second highest priority.

### 4.2 How we operate our lending business today

Based on the legal and regulatory principles as well as the Code of Conduct of the Swiss Bankers Association, Zuger Kantonalbank has an extensive internal set of rules in the lending business. This includes guidelines for the granting of loans.

In the commercial lending business, we take a close look at the business model, organisational structure and governance of the company to be financed, but also at the purpose of the financing. The findings are incorporated into the holistic client assessment and result in a documented, comprehensible credit rating. We conduct commercial lending exclusively with companies or counterparties domiciled in Switzerland.

In the case of mortgage lending, the ESG aspects are assessed in relation to the property to be financed. The buildings sector – comprising households and services – accounts for around 23 percent of greenhouse gas emissions in Switzerland. As the leading bank in the Zug economic region, we are aware of our responsibilities and want to make our contribution in this area as well. Accordingly, our client advisors and specialists working in real estate financing received training from a recognised external provider in 2023. New employees entering the relevant areas receive the same level of training. In keeping with the new self-regulation guidelines issued by the Swiss Bankers Association in 2022, we now provide our clients with information on climate-friendly construction and renovation as part of our mortgage advisory service. The sustainability topics discussed during the advisory consultation are recorded in the credit file. Further information can be found at: [www.zugerkb.ch/bauenundsanieren](http://www.zugerkb.ch/bauenundsanieren) (German only)

To encourage the replacement of oil or natural gas heating by a heat pump or photovoltaic system, we have been offering interest-free loans to clients with an existing mortgage on their own home since 2022 – without collateral requirements and for a term of two to eight years. With these "Green Loans", we can help reduce GHG emissions in the Canton of Zug.

Zuger Kantonalbank works in partnership with its clients, including in financially difficult situations. The bank supports them through its internal specialists and, if necessary, reviews measures such as mortgage increases or amortisation deferrals. The aim is to find a long-term, individual solution that takes into account the regulatory requirements.



### 4.3 What objectives we are pursuing in responsible lending and what our track record looks like

Our central objective is to create greater transparency regarding the composition and impacts of the lending business for reporting as well as for the future structure of the lending business. In particular, we intend to improve the basis for measuring and controlling climate risks. As reflected in the following quantitative and qualitative voluntary disclosure, we made further progress in the year under review with further expansion in various areas compared with the previous year.

At approximately CHF 15 billion, the mortgage business was dominant in terms of Zuger Kantonalbank's volume of lending business at the end of 2024. In relative terms, the commercial lending business showed the strongest growth at 31 percent compared with the previous year, rising from 5.1 percent to 6.4 percent of total lending.

#### Breakdown of the loan portfolio by type of loan<sup>1</sup>

Commitment in CHF million	31.12.2024	31.12.2023
Type of loan		
Owner-occupied residential property	5,353.4	4,860.3
Investment properties	8,920.7	8,996.4
Commercial loans	1,010.1	770.5
Other loans <sup>2</sup>	573.7	562.2
<b>Total</b>	<b>15,857.9</b>	<b>15,189.4</b>

<sup>1</sup> Figures by loan type include deposits and are shown before netting with value adjustments.

<sup>2</sup> Includes agricultural financing, financing to public companies and lombard loans.

#### 4.3.1 Breakdown of commercial lending

Zuger Kantonalbank's commercial lending business is generally focused on local businesses in the Zug economic region. A significant proportion of the loans are granted to small and medium-sized corporate clients. In addition, Zuger Kantonalbank provides loans to larger Swiss corporate clients through wholesale and syndicated lending. Indeed, syndicated loans account for around 33.6 percent of volume in the commercial lending business.

At the end of 2024, the manufacturing sector and the public administration, health and social care sector group accounted for the largest share of Zuger Kantonalbank's commercial lending volume at around 19 and 18 percent respectively.

With regard to social and environmental risks, a review of the sectors with higher risks<sup>1</sup> is carried out annually on the basis of NOGA codes. The NOGA codes are a classification system that divides economic activities in Switzerland hierarchically into different categories to enable consistent statistical collection and analysis. As of the end of 2024, there were no loans to high-risk sectors.

#### Commercial lending, broken down by sector

in % (rounded)	31.12.2024	31.12.2023
Sector		
Construction	10.0	8.7
Financial and insurance services	6.8	17.5
Scientific and technical services	8.0	10.4
Property and housing	14.8	2.6
Trade, transport and warehousing	14.3	18.7
Information and communication	4.1	5.1
Public administration, healthcare and social services	17.7	16.0
Manufacturing	18.8	18.6
Other industries	5.7	2.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> These include sectors with increased environmental risks such as the extraction of coal or oil, or increased social risks such as the arms industry or gambling.

#### 4.3.2 Breakdown of the mortgage business

38 percent of the mortgage business consists of owner-occupied residential property and 62 percent of investment properties. Around three quarters of the mortgage business comprises financed properties in the Canton of Zug. Owner-occupied commercial properties or industrial spaces are not included in the mortgage business. The proportion of properties in the rest of Switzerland rose slightly in the year under review.

#### Mortgage breakdown by property location

in %	31.12.2024	31.12.2023
<b>Type of loan</b>		
Canton of Zug	71.9	74.1
Rest of Switzerland	28.1	25.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

The heating types of financed properties are used to assess possible environmental risks and measure financed greenhouse gas emissions (see following section 4.3.3 Scope of GHG emissions from lending). Based on the available data, it was calculated at the end of 2024 that around 63 percent of the financed space was heated using fossil fuel in the form of natural gas or oil.

#### 4.3.3 Scope of GHG emissions from lending

Measurement of the financed greenhouse gas emissions is used to quantify the identified risks (see 2.2 Strategy: What climate-related risks and opportunities we have identified and how we address them, p. 8). It enables these risks to be controlled and creates a basis for formulating and implementing reduction targets. The methodology for measuring emissions follows the various PCAF approaches for mortgages, commercial real estate loans and corporate loans. The following table shows the absolute lending volume per PCAF category and associated GHG emissions in t CO<sub>2</sub>e. The carbon intensity calculated from these figures shows how much t CO<sub>2</sub>e is generated per million Swiss francs of lending volume. The score corresponds to the data quality according to the PCAF standard. Score 1 represents the best and score 5 the worst data quality. When interpreting the reported values and in any comparisons of the data with other industry values, the novelty of the PCAF standard and the fact that the data situation is still imprecise must be taken into account.

In 2024, we made methodological changes to our approaches for mortgages and commercial real estate. The energy demand for real estate is now estimated and we use emission factors that are dependent on the type of heating. Conversely, the PCAF average emission factors used for the end-2023 figures are not dependent on heating type. In addition, due to improved data quality it was possible to identify owner-occupied company properties that were reclassified from the commercial real estate category to the corporate loans category. These methodological changes led to variability in the results. In the case of corporate loans, it was increasingly possible to use emission values published by the companies themselves. This led to a significant reduction in the reported CO<sub>2</sub>e emission values in this category.

## Emissions from the lending business of Zuger Kantonalbank (parent company) as at 31 December 2023 and 31 December 2024

PCAF categories	2024				2023			
	Volume (CHF million)	Emissions (t CO <sub>2</sub> e)	CO <sub>2</sub> intensity (t CO <sub>2</sub> e / CHF million)	Score	Volume (CHF million)	Emissions (t CO <sub>2</sub> e)	CO <sub>2</sub> intensity (t CO <sub>2</sub> e / CHF million)	Score
Mortgages	4,876	15,356	3.1	4	4,742	13,271	2.8	4
Commercial real estate	8,252	26,801	3.2	4	8,383	26,281	3.1	4
Corporate loans	1,410	33,510	23.8	4	1,012	46,083	45.5	4
<b>Total</b>	<b>14,538</b>	<b>75,668</b>	<b>5.2</b>	<b>4</b>	<b>14,137</b>	<b>85,635</b>	<b>6.1</b>	<b>4</b>

## Notes on the table:

- Categorisation in terms of mortgages, commercial real estate and corporate loans follows the PCAF standard. Emissions (Scope 3, Cat. 15) are reported in t CO<sub>2</sub>e. The mortgages category includes owner-occupied residential properties. Financing of commercial properties (including externally used residential properties) falls into the commercial properties category. The corporate lending category comprises commercial lending including owner-occupied commercial properties.
- The allocation to the various categories is based on usage types of the buildings as well as account types.
- It should be noted that not all lendings have been included in the measurement of GHG emissions, for example land financing and lombard loans.
- The measurement of financed greenhouse gas emissions is based on various internal and public data sources (e.g. Federal Register of Buildings and Dwellings, Federal Statistical Office).
- Calculation of financed greenhouse gas emissions for real estate financing:
  - The heated area is not available from internal or public data sources for all financed properties. In such cases the area is approximated based on average square-metre prices.
  - The type of heating is also not known in all cases. For these properties, an emission factor is applied, which is weighted according to the different heating types. The weighting corresponds to the average distribution of heating types in Switzerland.
  - Measurement of energy demand is based on the CO<sub>2</sub> calculator of the Federal Office for the Environment. Relevant criteria are the year of construction, renovations, size and usage type of the buildings.
- Measurement of financed greenhouse gas emissions for corporate loans:
  - Sector-specific emission intensities (emission values based on turnover) are used to measure the financed emissions for corporate loans. These are based on data from the Federal Statistical Office.
  - Due to data availability, similar sectors are sometimes aggregated and/or data from surrounding countries are used to measure emission intensities.

The individual sector is a major driver of financed emissions in the corporate loans PCAF category. The table below shows the volume of ZugerKB's lending in more emission-intensive industries. The proportion of financing and associated emissions from emission-intensive sectors is shown as a percentage of the total of the corporate loans PCAF category. The evaluation was carried out using NOGA industry codes.

Category (data as at 31 December 2024)	Lending volume as % of corporate loans category	Emissions (t CO <sub>2</sub> e) as % of corporate loans category
Energy <sup>1</sup>	0.6%	2.0%
Agriculture and forestry <sup>2</sup>	3.5%	0.9%
Building materials <sup>3</sup>	0.9%	2.6%
Chemicals/plastics <sup>4</sup>	2.1%	10.8%
Metals, mining <sup>5</sup>	0.3%	0.4%
Transport <sup>6</sup>	2.5%	1.2%
Disposal <sup>7</sup>	2.3%	39.9%

1 NOGA codes 05\*\*\*\*, 06\*\*\*\*, 091000, 35\*\*\*\*, 19\*\*\*\*

2 NOGA codes 01\*\*\*\*, 02\*\*\*\*, 16\*\*\*\*, 17\*\*\*\*

3 NOGA codes 23\*\*\*\*

4 NOGA codes 20\*\*\*\*, 22\*\*\*\*

5 NOGA codes 07\*\*\*\*, 08\*\*\*\*, 099000, 24\*\*\*\*, 25\*\*\*\*

6 NOGA codes 490000, 491000, 492000, 493\*\*\*\*, 494\*\*\*\*, 495000, 50\*\*\*\*, 51\*\*\*\*, 53\*\*\*\*

7 NOGA codes 370000, 38\*\*\*\*, 39000

#### 4.3.4 Path to reducing financed GHG emissions

In 2024, a simulation was conducted for PCAF categories mortgages and commercial real estate for the first time to determine how financed GHG emissions would need to be reduced to achieve a reduction in line with the Swiss climate strategy.

Here the reduction value relates to GHG emissions per financed area (kg CO<sub>2</sub>e/m<sup>2</sup>). According to the simulation, a reduction in emissions intensity of 39 percent (mortgages or private residential real estate category) or 42 percent (commercial real estate category) is needed by 2030. This corresponds to a reduction for private residential real estate from around 34 kg currently to 22 kg CO<sub>2</sub>e/m<sup>2</sup> and for commercial properties from around 27 kg currently to 15 kg CO<sub>2</sub>e/m<sup>2</sup>. This could be achieved by increasing the rate of energy renovation, which has historically been around 1 percent.

#### 4.4 Measures in the year under review

Zuger Kantonalbank created the technical prerequisites for collecting information on sustainability in the lending business within the bank's systems in the year under review. Furthermore, in consultation with our corporate clients, we expanded the information offered on individual climate and environmental consulting in cooperation with an external partner. The lending business was not the subject of any internal or external assurance with regard to ESG issues in the year under review.

#### 4.5 Outlook for 2025 and the following years

In the coming years, Zuger Kantonalbank will continue to focus on expanding and increasing the data base in the lending business in qualitative terms in order to improve the measurement and management of climate risks. We will continue to expand our offering for the promotion of energy renovations such as the "Green Loan" as well as consultations in cooperation with the Climate Charter Zug+. The requisite expertise is provided through regular training of our employees. To implement the FINMA circular on nature-related financial risks, we will work to protect industries with increased natural risks (including climate risks) in the lending process and consider them separately.

## 5. Responsible business conduct

### 5.1 Why the topic is of material importance

Acting responsibly is a key value for us in terms of our day-to-day operations. By conducting its business activities responsibly, Zuger Kantonalbank (including its subsidiary IFAM) minimises the risks associated with non-compliance with legal requirements. We also protect our excellent reputation and maintain the trust of our stakeholders as the basis of our long-term business success. At the same time, Zuger Kantonalbank supports and protects society, the economy and the environment by acting responsibly. Responsible business conduct includes respect for human rights, the fight against corruption and the prevention of money laundering, competitive behaviour, the protection of personal data, ensuring the highest requirements for cyber security and avoiding greenwashing. In this way we are creating the basis for trusting cooperation with our stakeholders, in particular with our clients, shareholders, suppliers, authorities and associations.

### 5.2 How we organise ourselves to fulfil our responsibilities in business conduct

#### 5.2.1 Overarching requirements

##### Responsibility of the Board of Directors and overarching requirements

Responsibility in the bank's business conduct is exercised at all levels. In accordance with the law and the articles of association of Zuger Kantonalbank, the Board of Directors is responsible for ultimate supervision and control. It adopts guidelines on corporate culture and principles for appropriate risk management and controls as well as for an effective internal control system (ICS). Correspondingly, the Board of Directors has, for example, issued organisational regulations, regulations on consolidated supervision, competency regulations, an overall risk policy as well as a Code of Conduct and Ethics. The latter sets out the basic ethical values and professional standards for employees.

The requirements laid down in these documents are binding for all employees of Zuger Kantonalbank and IFAM. Internal and external guidelines have applied to the sustainable purchase of products and services since the end of 2023. The general principles for sustainable procurement are provided in addition to each written supplier contract. Zuger Kantonalbank expects the principles to be observed by suppliers, their employees, as well as all subcontractors and their employees. Any form of child labor, including that of subcontractors or suppliers, is strictly prohibited. To ensure that Zuger Kantonalbank events as well as sponsored events and awards are sustainable, sustainability guidelines and checklists were drawn up for these areas too at the beginning of 2023. These guidelines and checklists are communicated to the persons responsible for sponsorship and award requests.

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

##### Three-line model for implementation and control

Within the framework of the requirements of the Board of Directors, the Executive Board is responsible for the operational implementation of these guidelines, principles and regulations. It relies on three lines: The first consists of client advisors, processing employees and specialists. As part of their work, they align their actions to the applicable guidelines and directives, thus ensuring that they act responsibly. As a second line, the independent control bodies of "compliance function" and "risk controlling" set out requirements in connection with responsible business conduct as well as provide training and ensure compliance. Internal Audit – as the third line – conducts independent audits of business conduct.

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

#### Comprehensive regulations of the financial industry as a framework

Finance is one of the most heavily regulated sectors. Accordingly, Zuger Kantonalbank, like IFAM, is required to comply with various laws, ordinances, regulations and self-regulation guidelines and to align its business activities accordingly. These regulations primarily serve to protect clients, ensure transparency and prevent criminal, unlawful and unethical conduct.

The most important regulations that have a direct influence on business behaviour are the Anti-Money Laundering Act, the Agreement on the Swiss Banks' Code of Conduct with regard to the exercise of due diligence (CDB), the Banking Act, the Financial Institutions Act, the Financial Market Supervision Act, the Financial Market Infrastructure Act, the Financial Services Act, the Collective Investment Schemes Act and its implementing regulations, the legal requirements of international tax law, such as the Automatic Exchange of Information, the US Foreign Account Tax Compliance Act, the US Qualified Intermediary Agreement, the Data Protection Act and the legal requirements on market conduct and insider trading and to combat unfair competition and cartels, on anti-corruption and bribery, on sanctions imposed, on cross-border business, on conflicts of interest and on stock exchange listing.

#### Implementation via directives, implementation regulations, processes and monitoring

To comply with these requirements, the Executive Board has issued directives, implementing regulations, processes and controls. Compliance with the directives and implementing regulations is binding on the employees concerned. In essence, Zuger Kantonalbank has the following directives and implementation provisions that are relevant in this context: employee transactions and insider trading, clients domiciled abroad, data protection, AEI, FATCA and QI, safeguarding of banking secrecy by employees, combating money laundering and terrorist financing, CDB, corruption and bribery, conflicts of interest, business and private mandates, investment client business, external asset managers, client trading, custodian bank, information security, cyber security, outsourcing and operational risks and internal control system. In addition, the personnel regulations lay down rules on gifts and invitations in order to prevent corruption and bribery.

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

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

In addition, all advisors are certified by the Swiss Association for Quality (SAQ). Components of this certification are various learning modules to take account of governance aspects in the performance of their function (for example, for general compliance, the combating of money laundering, fraud detection, data security, conflicts of interest and acceptance of inducements).

The certification is valid for three years, then a recertification takes place. In addition to the training courses, Zuger Kantonalbank provides guidelines, instruction manuals, FAQs and other documents on the intranet to assist employees in matters of compliance, business ethics and corporate responsibility.

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

### General due diligence as part of overall risk policy

General due diligence, i.e. the systematic review and analysis of business activity to identify potential risks (including operational risks and ESG risks) of the Group is part of the overall risk policy. The overall risk policy and its subordinate risk policies regulate the extent to which the Group intends to take risks and how these are monitored and managed. The overall risk policy is supplemented by the regulations on the consolidated supervision of Zuger Kantonalbank. For a detailed presentation of the overall risk policy, see Annual Report 2024, Notes to the consolidated financial statements, 3. Risk management, p. 60.

### Structured complaints process for all stakeholders

Clients and other stakeholders can file complaints about Zuger Kantonalbank or IFAM. The following two options are available: First, the bank has a structured complaints process. This supports, standardises and simplifies the process and ensures prompt communication and efficient processing. In addition, the process enshrined in the directives stipulates that the line manager and, if necessary, the Executive Board should be involved. Secondly, complaints and concerns can be submitted to the Swiss Banking Ombudsman. This is a neutral and cost-effective banking industry intermediary, which is co-financed by Zuger Kantonalbank.

### Professional whistleblowing procedure for employees

Morality and ethics are central values for Zuger Kantonalbank. If employees identify actions that are unethical or violate laws, regulations, our Code of Conduct or directives, they can report them to the external Integrity Plus unit. The reporting process guarantees the anonymity of the whistleblower. If the whistleblower decides to waive their anonymity, Zuger Kantonalbank takes measures to ensure that they are not disadvantaged. If the report is brought to Zuger Kantonalbank's attention, any serious cases are part of the regular, quarterly reporting to the Executive Board and the Board of Directors.

## 5.2.2 Topic-specific regulations

### Respect for human rights

The Code of Conduct and Ethics states that Zuger Kantonalbank (and, by analogy, IFAM) is committed to equal opportunities as well as tackling discrimination and bullying (see [www.zugerkb.ch/geschaefftsethik](http://www.zugerkb.ch/geschaefftsethik) [German only]). As a control measure, the Bank regularly has wage equality analysed by an external partner and approved by the Swiss Association for Quality and Management Systems (SQS). The voluntary parameters relating to age and nationality are also an integral part of the certification process. In addition, when concluding a contract, suppliers are informed in writing that forced and child labour within the supply chain is prohibited (this is part of the supplier code in the case of IFAM).

### Prevention of money laundering and combating corruption

Money laundering is classified as a top risk at Zuger Kantonalbank. Accordingly, the bank has taken numerous measures to minimise this risk. Measures include the preparation of an annual risk analysis, maintenance of detailed directives and processes, the use of various monitoring and investigation tools, the reporting of suspected cases, annual training of employees, and inspections.

This is supplemented by a wide range of measures to combat corruption and bribery. The Code of Conduct and Ethics prohibits all forms of bribery and corruption (see [www.zugerkb.ch/geschaefftsethik](http://www.zugerkb.ch/geschaefftsethik) [German only]). In accordance with the personnel regulations, the line manager decides on gifts and invitations with a value of CHF 50 to 250; in the case of higher amounts, Compliance decides. Furthermore, business and private mandates must be disclosed and, if necessary, approved in accordance with the internal directive. The combating of corruption and bribery is also regulated in directives. All new employees are required to read them after joining.

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

### Competitive conduct

Zuger Kantonalbank and IFAM are expressly committed to free competition. Unfair competition and unlawful market collusion are not tolerated. Marketing campaigns are usually subject to legal scrutiny to ensure that there is no unfair competition. In addition, in the context of association work in particular, care is taken to avoid any conflict with antitrust law.

### Security and data protection

Zuger Kantonalbank and IFAM attach great importance to security (including cyber security) and the protection of data. Comprehensive security (IT and information security, cyber security and physical security) is ensured in operations and integrated into projects. Implementation of the multi-level security strategy is based on the internationally recognised NIST Cybersecurity Framework, which also includes suppliers and partners. As part of our due diligence checks, we ensure that all major outsourcing partners have ISO 27001 certification. The bank also has the quality of the processes checked annually by an external auditing company and documented in an ISAE report.

The strategic guidelines for cybersecurity are developed as part of the operational risk policy set by the Board of Directors. The essential element of the protective measures is the continuous security monitoring based on a professional Security Operation Center (SOC).

The effectiveness of the implemented measures is assessed several times a year by means of the internal control system (ICS), security audits, security assessments and penetration tests, including security experts, evaluated by means of risk analysis and reported annually to the Executive Board as well as to the Board of Directors.

All relevant requirements are enshrined in the Group's corporate governance on a binding basis, compliance with which is regularly reviewed. All data collections are inventoried and categorised. The data retention period is based on the regulatory retention obligations. In compliance with the regulatory retention obligations, clients can also request the deletion of their personal data. Processes, procedures and software solutions ensure that the flow of client and bank data is minimised. Incidents are analysed and reported to the bank's management bodies. Zuger Kantonalbank's privacy policy provides comprehensive information on data processing and protection measures. It is available at [www.zugerkb.ch/en/data-protection-for-clients](http://www.zugerkb.ch/en/data-protection-for-clients).

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

The central pillar of the cyber security strategy is the high awareness of data security through regular training of all employees, security exercises, timely information on current incidents on the intranet and other appropriate awareness-raising measures. With regard to data protection and data security, the Group has a comprehensive training concept with web-based training and contextual simulations, for which all employees receive a certificate on completion. This learning programme is a mandatory part of the recruitment process for new employees. We include the protection of our clients in the systems, processes and internal awareness-raising.

It should also be noted that IFAM has its own privacy policy, which is published on its website at [www.immofonds.ch/datenschutz](http://www.immofonds.ch/datenschutz) (German only). Zuger Kantonalbank, as the sole owner of IFAM, respects the individual data protection requirements of IFAM and ensures compliance with these provisions as part of its collaboration.



### Avoidance of greenwashing

As a member of the Swiss Bankers Association (SBA), we adhere to the guidelines for financial service providers on the inclusion of ESG preferences and ESG risks and on the prevention of greenwashing in relation to the provision of investment advice and asset management (see 3.2.2 Investment advice tailored to client preferences, p. 15). Furthermore, as a member of the Asset Management Association Switzerland (AMAS), we are subject to the “Self-regulation on transparency and disclosure for sustainability-related collective assets” of 29 April 2024. This free self-regulation applies to member institutions of the Asset Management Association Switzerland (AMAS) as well as other affiliated institutions.

Zuger Kantonalbank and IFAM have implemented the self-regulations in compliance with the transition periods. With the implementation of the self-regulation, greenwashing is avoided at company level (pursuit of sustainable investment approaches based on sound investment processes), at product level (correct and transparent description of sustainability practices and characteristics of an investment product) and at point-of-sale level (advisory process with provision of full, accurate information on products).

## 5.3 How we measure our responsible business conduct, and what our track record looks like

### 5.3.1 Compliance with laws and regulations

During the reporting period (as in the previous year 2023) no significant violations of laws or regulations were recorded and accordingly no fines were paid.

### 5.3.2 Respect for human rights

In the field of child labour, we have carried out a risk assessment in accordance with Art. 7 of the Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO). The assessment has confirmed that there is a low risk of child labour in the procurement of products and services.

### 5.3.3 Anti-corruption

In the year under review, neither the head office nor the 13 branches were audited for corruption risks. No cases of corruption were identified or reported in the year under review (as in the previous year 2023).

The Code of Conduct and Ethics establishes a ban on bribery and corruption. This was noted by all seven members of the Board of Directors in the year under review. In addition, all employees were informed about the Code of Conduct and Ethics and its binding nature.

### 5.3.4 Anti-competitive behaviour

No anti-competitive behaviour was detected or reported in the year under review (as in the previous year 2023). As a result, there are no (pending) legal proceedings.

### 5.3.5 Protection of client data

In the year under review, four complaints were received from clients regarding violations of data privacy. The complaints were addressed immediately and quickly resolved to the satisfaction of the clients affected. No incidents of data theft or loss were detected in the year under review (as in the previous year 2023).

## 5.4 What measures were the main focus in 2024

### 5.4.1 Timely implementation of new legal requirements

In the year under review, Zuger Kantonalbank initiated the project to implement the new requirements resulting from the revised Federal Act on Combating Money Laundering. Here the focus was on the updating of “Know your Customer” (KYC) information. In addition, projects to implement Basel III (strengthening of capital requirements) and the FINMA Circular “Operational risks and resilience” were continued. We also implemented the new requirements resulting from the Insurance Supervision Act on insurance broking, which had to be met by 30 June 2024.

#### 5.4.2 Compliance with regulations in banking operations

The measures to strengthen compliance in operations can be divided into prevention and control. In terms of prevention, Zuger Kantonalbank ensured its directives were up to date in the reporting year, strengthened important processes with the establishment of a new front support compliance team and introduced new tools (for checking crypto wallets, for example). In addition, employees received regular training in the topics relevant to them for responsible business conduct. Training in anti-money laundering, market behaviour and insider trading as well as data protection was carried out internally. The ongoing controls are divided between the three lines (see 5.2.1 Overarching requirements, p. 29) and concern all relevant topics of compliance in the broader sense.

#### 5.4.3 Verification of efficacy

A variety of procedures are used by Zuger Kantonalbank to verify the efficacy of the measures taken. Some examples are given below.

In the fight against money laundering, data on higher-risk transactions and their processing time are collected on a regular basis. The data provides information on whether the measures taken are effective. The quarterly employee discussions in which responsible business conduct is also discussed are another example. Furthermore, the number and type of complaints and the recommendations of the external auditors are compared with other banks. Effectiveness is also monitored on the basis of the recurring checks in all three lines (see 5.2.1 Overarching requirements, p. 29). If the "findings" decrease, the measures are effective. For example, the establishment of the new front support compliance team meant that the compliance hits were processed in a shorter period of time and with better quality. The number of breaches of directives and money laundering reports is also recorded in order to identify a trend at an early stage. The number of violations as well as reports remained constant in the reporting period. In summary, many – though not all – procedures are effective. Measures that do not have the desired effect are either replaced or adapted. For example, the internal requirements for front, parallel and after-running as well as the corresponding controls were strengthened.

Internal Audit carried out various audits during the year under review, for example in relation to conflicts of interest in procurement, new developments in the Anti-Money Laundering Act, and crypto assets. Its findings were categorised into high, medium or low priority, with those in the high-priority category being in the minority. In the following year, the internal auditors check whether the findings of the previous year were fully and correctly implemented. This audit concluded with a good result.

#### Findings of Internal Audit in 2024

"High" priority	2
"Medium" priority	14
"Low" priority	8

#### 5.5 What is planned for the coming years

Zuger Kantonalbank has a strategy of investing in its employees by supporting training and further education. In addition, it strives to successively improve its internal control system (ICS), its directives system and its processes, controls and measurement procedures. Zuger Kantonalbank sees both as a permanent task. From a regulatory point of view, it monitors upcoming requirements to ensure timely implementation within the bank. In the coming years, this will include SNB liquidity against mortgage collateral, data collection, the Swiss Bankers Association's updated self-regulation guidelines on greenwashing, as well as the rules on climate reporting and management of environmental financial risks.

## 6. Attractiveness as an employer

### 6.1 Why the topic is of material importance

We intend to remain the leading bank in the Zug economic area in the future. To remain a strong partner and provider of high-quality products and services for our clients, we – as a bank and asset manager – need motivated and well-trained specialists in various disciplines. Today's age pyramid in Switzerland shows the challenge in this regard: many of today's skilled workers – including those in our teams – will soon reach retirement age. According to the Lucerne University of Applied Sciences Financial Monitor 2023, companies in central Switzerland see the shortage of skilled workers as a key area requiring action. As a bank and asset manager, we are taking preventive measures to address the risk of undersupply of skilled workers. We are strengthening our general reputation, corporate culture and various elements of our personnel policy in order to be perceived as an attractive employer within the labour market.

### 6.2 How we promote our attractiveness as an employer today

Promoting our attractiveness as an employer is part of the Culture and Personnel core theme of Zuger Kantonalbank's Strategy 2025. In terms of our corporate culture, we aim to offer enjoyment and motivation in a climate of trust and mutual appreciation. Trust, openness, feedback culture and entrepreneurship should shape cooperation as lived values. We want to differentiate ourselves from our competitors and be rated as an above-average attractive employer by market standards. In this way, we at Zuger Kantonalbank can succeed in attracting and retaining top employees with commitment and passion. This is an environment that favours ambition, desire for performance, creativity and innovation.

A roadmap setting out priorities and projects has been adopted for the Culture and Personnel strategic initiative. The priorities we will be working on until the end of 2025 are presented in the following sections.

#### 6.2.1 Who is responsible for personnel policy and how we are organised

As defined in the competency regulations, strategic and supreme responsibility for the remuneration and HR policy of Zuger Kantonalbank lies with the Board of Directors, which delegates operational responsibility and the achievement of targets to the Executive Board. Responsibility for HR and Training within the Executive Board lies with the Head Corporate Management. The CEO conducts regular bilateral meetings with the Head HR and Training on issues affecting the bank as a whole.

Ongoing development of the HR policy is the responsibility of the Executive Board in cooperation with the HR and Training area. Inputs from the annual employee surveys and quarterly feedforward conversations are taken into account (see 6.4 Which measures were the focal point in 2024, p. 42).

The Board of Directors and the Executive Board are informed about the turnover rate and diversity by gender on a semi-annual basis. They receive more comprehensive key figures on diversity, training qualifications as well as internal changes and promotions on at least an annual basis.

### 6.2.2 How we support our employees in their development

Every year, we offer young professionals the opportunity to enter the banking industry through our training programmes. These include apprenticeships and two 18-month internships – for secondary school graduates and high school graduates. We offer our trainees attractive opportunities both during and after training: in this way, we support our apprentices with completion of an advanced course of study (Bachelor's/Master's/Higher Technical School) while working. They can reduce their working week during this time. Thanks to these attractive offerings, there are a large number of established specialists and executives in our ranks who started their professional career with us. We offer individual employees opportunities to grow and to continuously expand their personal and professional competencies. In addition to internal learning opportunities such as our eLearning platform and our specialist courses, we enable employees to attend external training and courses. We also work with educational institutions such as the banking advisory centre bbz to offer our employees hands-on training programmes, prepare new employees for their tasks, and support existing employees with their professional development. In addition, we make it easier for new employees to join our bank through an individual training programme. In the initial phase they are accompanied by a mentor. Depending on the level of banking expertise, entry-level courses also include a basic banking course. New employees receive further important information about the bank on their onboarding day, which is supported by a member of the Executive Board. Employees who become new managers or begin a managerial position at Zuger Kantonbank receive an introduction to the bank's management understanding and management tools.

### 6.2.3 How we attract and train, nurture and retain talent

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

Three of the four different talent programmes were implemented for different profiles in the year under review. The fourth is planned for launch in 2025. A total of ten young talents, ten leadership talents and four senior management talents were identified through an application and nomination procedure. Participants are supported in the form of workshops with internal and external experts, development discussions and individual training measures. Employees in the Private and Corporate Clients department attend a specialist development programme which prepares them for the next higher job profile through systematic measures such as placements, simulation interviews and courses. All advisors are certified; certificates are awarded for individual client advice, SME client advice, private client advice and Wealth Management Advisor, in cooperation with the Swiss Association for Quality (SAQ). To help employees prepare for initial certification and provide support with recertification, we work with various training partners such as Fintelligence (provider of e-learnings and face-to-face training in finance) and BSP (our long-standing partner in sales training). A regular dialogue with other cantonal banks and the training partners help us to continuously expand the range of training courses on offer. In 2024, for example, sales training (individually tailored to our needs) on the new pricing model, training on how to deal with threats received on the telephone, as well as courses on the launch of Microsoft Teams, were provided across the board. To expand the digital learning offer, the "Summer Camp" learning campaign was held in partnership with a coach from provider GoodHabitz. The campaign featured personal self-assessment, including on employees' own digital skills, motivation and satisfaction at work, and on their sustainability habits. In addition, more than 100 new learning modules were introduced.

To identify concrete measures to improve performance and long-term development measures, we established quarterly feedforward discussions between line managers and employees as well as documentation of individual development plans.

To strengthen our values and our understanding of leadership, a focus was placed on leadership training. In addition to regular management forums, where managers exchange ideas on current topics from their day-to-day management activities, new managers are systematically trained and supervised. At the Leadership Forum event in June of the reporting year, all managers received input from an external speaker on their personal appearance and impact.

#### 6.2.4 How we provide our employees with attractive working conditions

We offer our employees attractive employment conditions, discounts, exciting leisure opportunities and a working environment that promotes personal development. To make working models more flexible, our employees have the opportunity to work remotely for up to 50 percent of their weekly working hours. We also support job and top sharing. Furthermore, there are non-mandatory insurance solutions with a salary continuation of 100 percent over two years, preferential mortgage conditions, a free set of accounts and a free mobile subscription from Swisscom. We also cover the cost of the half-fare travelcard.

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

Zuger Kantonalbank has not entered into either of the two collective agreements for the Swiss financial sector (Agreement on Conditions of Employment for Bank Staff, ACEBS, and Agreement on the recording of working time, VAZ). Employees on part-time contracts receive the same benefits as employees on full-time contracts, with various benefits such as holiday entitlement being calculated on a pro-rata basis. In principle, we advertise all positions at 80 to 100 percent. However, occasional positions have a shorter working week. With the exception of variable compensation, Zuger Kantonalbank also offers the same benefits to (individual) employees with a fixed-term contract of more than twelve months as it offers to permanent employees. Non-permanent employees (usually on a mandate basis) sign a contract in consultation with the hiring department. A non-disclosure agreement, in which the security requirements are set out, is signed in the case of external employees. In addition, newly commissioned external IT staff are trained in the use of the remote infrastructure or they use the bank's hardware.

In accordance with the current personnel regulations, full-time employees work an average of 42 hours. According to the legal regulations in Switzerland, the maximum working week is 47 hours, as Zuger Kantonalbank employees have a 5-day week on average for the calendar year. Overtime in excess of the maximum working week may not exceed 170 hours per calendar year. Zuger Kantonalbank does not require its employees to have a health certificate prior to onboarding, although for security reasons an extract from the criminal register is required for all employees at the time of hiring and in the case of key persons an extract from the debt enforcement register is required. Zuger Kantonalbank promotes the health of its employees by supporting the bank's sports club. Around 70 percent of all employees are members of the club.

The Personnel Committee of Zuger Kantonalbank represents the interests of employees in general HR matters and concerns vis-à-vis HR and Training as well as vis-à-vis the Executive Board, and makes a significant contribution to the positive cooperation and partnership between the bank and its employees. The composition, appointment and tasks of the Committee are laid down in specific regulations. Among other things, the Committee promotes internal exchange and organises events. For example, it hosts a welcome breakfast for all new employees, at which information is provided by our CEO, the sports club and the Personnel Committee.

#### 6.2.5 How we are committed to diversity and equal opportunity

We systematically pursue wage equality between the genders. Zuger Kantonalbank has its remuneration system analysed and certified by a verified external partner every two years. The voluntary parameters relating to age and nationality are also an integral part of the certification process. Proof of equal pay was most recently provided in relation to the 2022 financial year. The remuneration model was significantly altered in 2024. Therefore, the next external analysis can only be carried out in 2025. In the intervening years, an internal analysis has additionally been undertaken for the attention of the Board of Directors.

As a responsible employer, we take our duty of care seriously and seek to ensure the personal protection of our employees. Zuger Kantonalbank does not tolerate any violation of the personal integrity of employees through bullying, sexual harassment, discrimination, threats or violence. In the case of all forms of violation of personal rights or personal protection, our employees have access to an external contact point, Movis AG, for professional support and information. If our employees identify unethical actions, they can report them internally to their line manager, the Head Legal & Compliance or anonymously to the external contact point of Movis AG. Employees who feel they are being denigrated in terms of their position or personality by the behaviour or actions of their line manager or other employees can turn to the next higher line manager or to the HR & Training department at any time. Depending on the relevance and severity, the HR managers will then investigate the case themselves or with the support of an external specialist and, if necessary, take measures. In the event of workplace abuse, employees can contact the external, independent whistleblowing reporting agency Integrity Plus. Workplace abuse can involve the violation of personal integrity, such as bullying, discrimination and sexual harassment, or the violation of workplace integrity, such as the provision of benefits, bribery, misappropriation of funds, and violations of behavioural and confidentiality obligations. Employees are encouraged to report any instances of abuse in the workplace. Such instances can also be reported anonymously via the independent external specialist (Integrity Plus).

#### 6.2.6 How we measure employee satisfaction and our relative employer attractiveness

Zuger Kantonalbank has conducted an annual employee survey since 2021 and since 2023 has assessed the following criteria: commitment, satisfaction, resignation, attractive employer and recommending the employer. Since 2023, Zuger Kantonalbank has – via the employee survey conducted by iCommit – measured its attractiveness as an employer in comparison with around 150 other Swiss companies, including many cantonal banks. The results of the annual employee survey are made available to the business area heads to enable them to derive appropriate measures for their areas. In addition, the results are discussed in depth by the Executive Board (see section 6.3 What objectives we are pursuing and what key figures demonstrate our attractiveness as an employer, p. 39).

The quarterly feedforward discussions introduced in 2023 (see 6.4 What measures were the main focus in 2024, p. 42) also serve as a periodic measurement of the mood among employees.

### 6.3 What objectives we are pursuing and what key figures demonstrate our attractiveness as an employer

We conducted another employee survey in 2024. This abridged survey was used to “gauge the mood”. The goal was to measure current satisfaction, commitment, resignation, willingness to recommend and employer attractiveness. In addition, we asked employees about trust, corporate strategy and development opportunities. By gauging the mood, we were able to compare key target values with the previous year as well as in relation to other businesses.

95 percent of our employees took part in the survey conducted in 2024. With this participation rate, we significantly exceeded our target of at least 85 percent as well as the previous year’s figure. Compared with the 2023 survey, satisfaction remained stable at 75 out of a possible 100 points. Assessment of the target variables of commitment (84 points), resignation (76 points), employer attractiveness (77 points) and willingness to recommend (87 points) was slightly poorer compared with the previous year (in each case one to two points below the previous year). With scores of more than 75 points, the results nevertheless remain at a high level. “Trust” was also measured for the first time, and the result was very positive (81 points).

After extensive discussion, the Executive Board decided not to initiate any new measures at overall bank level but to pursue and implement the initiatives derived from the full survey conducted in 2023. These initiatives concern the topics of client satisfaction, processes and structures as well as working models and benefits (employer branding, employee onboarding, talent magnet). We will continue to work on these topics until the next full survey in 2025 and expect to achieve sustainable improvements as a result of these measures.

## Employees of the parent company ZugerKB (excludes IFAM)

	Unit	2024	2023	
<b>Employment (GRI 2-7, GRI 2-8)</b>				
<b>Total employees</b>	<b>Persons</b>	<b>561</b>	<b>531</b>	
▪ of whom women	Persons	261	239	
▪ of whom men	Persons	300	292	
<b>Total employees</b>	<b>FTE</b>	<b>489.7</b>	<b>466.3</b>	
▪ of whom women	FTE	207.4	189.2	
▪ of whom men	FTE	282.3	277.1	
<b>Full-time positions</b>				
<b>Full-time positions</b>	<b>FTE</b>	<b>348.0</b>	<b>346.0</b>	
▪ of whom proportion working full-time	in %	71.0	74.0	
▪ of whom proportion working full-time, women	in %	50.0	54.0	
▪ of whom proportion working full-time, men	in %	86.0	88.0	
<b>Part-time positions</b>				
<b>Part-time positions</b>	<b>FTE</b>	<b>141.7</b>	<b>120.3</b>	
▪ of whom proportion working part-time, total	in %	29.0	25.8	
▪ of whom proportion working part-time, women	in %	50.0	45.6	
▪ of whom proportion working part-time, men	in %	14.0	12.3	
<b>Temporary employees</b>				
<b>Temporary employees</b>	<b>FTE</b>	<b>487.8</b>	<b>464.2</b>	
▪ of whom women	in %	42.0	40.6	
▪ of whom men	in %	58.0	59.4	
<b>Temporary employees</b>				
<b>Temporary employees</b>	<b>FTE</b>	<b>1.9</b>	<b>2.1</b>	
▪ of whom women	in %	47.0	38.0	
▪ of whom men	in %	53.0	62.0	
<b>Non-permanent employees (e.g. freelancers)</b>				
<b>Non-permanent employees (e.g. freelancers)</b>	<b>FTE</b>	<b>5.6</b>	<b>5.6</b>	
		<b>2024</b>	<b>2023</b>	
	Persons	Rate	Persons	Rate
<b>New hires and turnover (GRI 401-1)</b>				
<b>Newly hired employees</b>	<b>82</b>	<b>15.8</b>	<b>102</b>	<b>20.8</b>
▪ of whom women	41	17.3	46	21.0
▪ of whom men	41	14.6	56	20.7
▪ of whom employees up to 30 years of age	46	40.9	54	55.7
▪ of whom employees aged between 31 and 50	28	11.2	36	14.9
▪ of whom employees over 50 years of age	8	5.1	12	7.9
<b>Turnover rate (net)</b>				
<b>Turnover rate (net)</b>	<b>38</b>	<b>7.3</b>	<b>34</b>	<b>6.9</b>
▪ of whom women	19	8.0	17	7.8
▪ of whom men	19	6.8	17	6.3
▪ of whom employees up to 30 years of age	11	9.8	12	12.4
▪ of whom employees aged between 31 and 50	22	8.8	19	7.9
▪ of whom employees over 50 years of age	5	3.2	3	2.0
<b>Training and development (GRI 404-1)</b>				
<b>Apprentices, interns</b>	<b>Persons</b>	<b>29</b>	<b>26</b>	
<b>Training costs (excludes management training)</b>				
<b>Training costs (excludes management training)</b>	<b>in CHF 1,000</b>	<b>1,153</b>	<b>1,058</b>	
▪ Training costs per employee	in CHF	2,055	1,992	
<b>Cost of leadership training</b>				
<b>Cost of leadership training</b>	<b>in CHF 1,000</b>	<b>215</b>	<b>116</b>	



	Unit	2024	2023
<b>Diversity and equal opportunities (GRI 405-1)/persons</b>			
<b>Gender ratio (f/m)</b>	%/%	<b>47/53</b>	<b>45/55</b>
▪ at employee level	%/%	52/48	50/50
▪ at Executive Board level	%/%	20/80	40/60
▪ at business area head level	%/%	20/80	20/80
▪ at team leader level	%/%	20/80	18/82
▪ at apprentice/trainee/intern level	%/%	41/59	50/50
<b>Employees up to 30 years of age</b>			
	in %	<b>26.6</b>	<b>24.7</b>
▪ at employee level	in %	26.6	25.0
▪ at Executive Board level	in %	0.0	0.0
▪ at business area head level	in %	0.0	0.0
▪ at team leader level	in %	3.1	0.0
▪ at apprentice/trainee/intern level	in %	100.0	100.0
<b>Employees aged between 31 and 50</b>			
	in %	<b>45.1</b>	<b>46.1</b>
▪ at employee level	in %	45.1	45.7
▪ at Executive Board level	in %	20.0	20.0
▪ at business area head level	in %	50.0	60.0
▪ at team leader level	in %	65.6	66.7
▪ at apprentice/trainee/intern level	in %	0.0	0.0
<b>Employees aged over 50</b>			
	in %	<b>28.3</b>	<b>29.2</b>
▪ at employee level	in %	28.2	29.3
▪ at Executive Board level	in %	80.0	80.0
▪ at business area head level	in %	50.0	40.0
▪ at team leader level	in %	31.3	33.3
▪ at apprentice/trainee/intern level	in %	0.0	0.0
<b>Parental leave (GRI 401-3)/persons</b>			
<b>Employees who have taken parental leave</b>	Persons	<b>17</b>	<b>20</b>
▪ of whom women	Persons	9	7
▪ of whom men	Persons	8	13
<b>Employees who have resumed work after parental leave</b>	Persons	<b>16</b>	<b>19</b>
▪ of whom women	Persons	8	6
▪ of whom men	Persons	8	13
<b>Employees who are still working 1 year after returning to work<sup>1</sup></b>	Persons	<b>n/a</b>	<b>18</b>
▪ of whom women	Persons	n/a	6
▪ of whom men	Persons	n/a	12
<b>Employees who have resumed work after parental leave (in %)</b>	in %	<b>94.1</b>	<b>95.0</b>
▪ of whom women	in %	88.9	85.7
▪ of whom men	in %	100.0	100.0
<b>Employees who are still working 1 year after returning to work (in %)<sup>1</sup></b>	in %	<b>n/a</b>	<b>90.0</b>
▪ of whom women	in %	n/a	85.7
▪ of whom men	in %	n/a	92.3

Notes on the table:

FTE = full-time equivalent

Apprentices, trainees and interns are weighted at 0.5 FTE

<sup>1</sup> The key figure for 2024 can only be determined 12 months after the end of the reporting year (i.e. on 31.12.2025).

In line with its growth strategy, Zuger Kantonalbank increased its headcount in most areas in 2024. In particular, we built up additional resources along the strategic focal points of non-lending income, entrepreneurial bank, investment centre and IT (including cybersecurity).

We are also continuing to work on the goal of achieving an even more balanced gender ratio. The overall proportion of women is currently stable at 47 percent. The proportion of women on the Executive Board is 20 percent, while in the department and team leaderships it is at 20 percent each.

One of the strategic initiatives of Zuger Kantonalbank is the cultural change towards an organisation of learning and development. In 2024 we spent a total of around CHF 1.4 million on employee training and development, CHF 215,000 of which went on management training.

In August 2024, eleven young people started their training at Zuger Kantonalbank – eight of them with basic commercial training, two on the banking programme for high school graduates and one on the newly created IT apprenticeship in application development (focus on cybersecurity). Four of the seven apprenticeship graduates who completed their training in the summer of 2024 have continued their professional career with us. As at 31 December 2024, Zuger Kantonalbank employed a total of 29 trainees.

In the year under review, 29 advisors were successfully certified by the Swiss Association for Quality (SAQ) while 60 were recertified.

In 2024, as in the previous year, no cases of discrimination were reported either internally or via the external, anonymous counselling centre Movis AG.

#### **6.4 What measures were the main focus in 2024**

A new compensation model for all employees was implemented at the beginning of 2024. The model contains a variable component, the amount of which now depends exclusively on the bank's success and on the achievement of targets at overall bank level.

Zuger Kantonalbank launched its talent programmes in the reporting year. Ten participants in each of the leadership and young talent programmes completed an application process and started the programme with various workshops and individual training measures. In this way, Zuger Kantonalbank is focusing on the internal development of its junior staff in order to retain talent and fill open management positions internally if possible. In parallel, the senior management talent programme also began with the nomination of participants for future talents in senior management.

In addition, we continued to invest in leadership training. In regular leadership forums and workshops, business area and team leaders were trained together with external coaches on current leadership trends while internal dialogue was promoted. The focus was on learning from one another through a dialogue on real leadership topics from everyday life. The specialist training and SAQ certification of advisors was simplified. As of the reporting year, a test is no longer required for recertification. Instead, hours spent training are aggregated in order to achieve recertification. This means that the training offered is even more closely tailored to the needs of the advisors and can be made more individual.

In addition to specialist training, emphasis was also placed on the methodological and personal development of employees. With over one hundred new learning modules on the topics of "Appearance and communication", "Digital skills", "Increase your productivity", "Leadership competencies", "Health and safety", "Clients and negotiation", "Management and teamwork", "Microsoft Office", "Personal development" and "Learning languages", the training offer was expanded significantly for all employees.

External or internal training events normally lasting one or a few days, and whose costs amount to a maximum of CHF 3,000, are fully financed by the bank and can be attended at any time after approval by line managers or business area heads. External training, i.e. courses of study (such as CAS, MAS, DAS, Bachelor's, Diploma) usually provided by a university over a longer period of time and leading to an examination, requires an application. The bank will cover between 20 and 80 percent of the costs in this case. The HR department decides on how the costs are shared based on transparent criteria. Exceptions must be approved by the relevant department head.

Succession planning at business area head level was carried out successfully in the year under review. In 2025 we will begin a systematic talent and succession discussion in all departments at team leadership level and for critical functions.

### **6.5 What is planned for 2025**

In 2025 we will use various measures to ensure that the measures initiated or newly introduced in the year under review are firmly anchored throughout the company.

Our new employer branding campaign, which was conceived in the year under review, depicts Zuger Kantonalbank as a dynamic, innovative employer. In videos, on our redesigned career site and on social media platforms, employees talk about their experiences and their day-to-day life at the bank. The bank's image as an employer is also being optimised internally through a new intranet platform. Information about the job, remuneration and benefits, development offer and leadership make it easier for employees to obtain guidance.

At the start of 2025, we will be introducing a new onboarding process for employees. In addition to an active induction day, which takes the form of a tour, we are launching a training catalogue that enables individual onboarding based on employees' prior knowledge. We will also be digitalising the entire onboarding process.

## 7. Sustainable development in the region

### 7.1 Why the topic is of material importance

Sustainable development of the Zug economic area promotes the quality of life of the population, protects the environment and increases the competitiveness of companies. Zuger Kantonalbank contributes to this development by supporting projects and initiatives that have a positive impact on the environment and society. We also contribute to the positive development of the region by meeting the sustainable financial needs of private and business clients as well as creating jobs and apprenticeships in a motivating working environment.

### 7.2 How we select our regional support measures

Zuger Kantonalbank is committed to the development of Zug as a place to live and work and gives a share of value creation back to the population by supporting non-profit and cultural organisations. The main focus is on volunteering and the charity ethos.

We have defined specific, transparent criteria and guidelines for the selection of charitable awards and sponsorship commitments, which can be found at [www.zugerkb.ch/sponsoring](http://www.zugerkb.ch/sponsoring) (German only). The project or event to be supported must fit the values of Zuger Kantonalbank, belong to one of the sectors sports, culture, environment or social, appeal to a broad population and have a strong connection to the economic region of Zug.

Projects or events that involve high sustainability and reputation risks (in accordance with the exclusion criteria in the investment business, see 3.2.1 Integration of ESG criteria into the investment process, p. 13) are excluded, as are public sector projects or events as well as those of religious institutions, those with a political orientation and projects or events managed on an exclusively commercial basis. In addition, Zuger Kantonalbank does not support any construction projects, refurbishments, renovations, private individuals, artists, individual athletes, book projects, image and sound recordings, fun fairs, graduation parties or school and club camps.

### 7.3 How our stakeholders benefit from our financial performance and the share of funding accounted for by regional support measures

The economic commitment of Zuger Kantonalbank is broad-based with 14 branches in all Zug municipalities; these include the Neuheim and Steinhausen branches, which were renovated in 2024. We are also present across the Canton of Zug with 50 ATMs and 15 self-service zones. In addition to our core business of advising private and corporate clients, we are an important employer as well as a significant work-provider and taxpayer in the Canton.

#### 7.3.1 Directly generated and distributed economic value

Zuger Kantonalbank grew profitably in the year under review, in particular in interest income and commission income from securities and investment transactions. Compared with the previous year, the directly generated economic output rose by CHF 26.7 million to CHF 456.3 million. The business development is described in detail in the Management Report.

All our stakeholders benefit from the significantly higher economic output in the form of higher distributions: Payments to our suppliers, consisting in particular of general and administrative expenses and commission expenses, increased by CHF 4.8 million. As a result of the staff increase, wages and benefits for employees rose by CHF 7.0 million to CHF 91.6 million. Payments to our private investors increased by CHF 14.3 million to CHF 164.3 million. While we are distributing an unchanged dividend of CHF 220 to our private shareholders, clients benefit in particular from the higher interest rates paid on their bank deposits. Payments to the state remain virtually unchanged at CHF 55.2 million. In addition to taxes, payments to the state include compensation for the state guarantee and dividend payments to the Canton. Sport, culture and society in the region, including 700 Zug clubs and institutions, benefit from donations and sponsorship contributions totalling CHF 2.6 million (previous year: CHF 4.1 million).

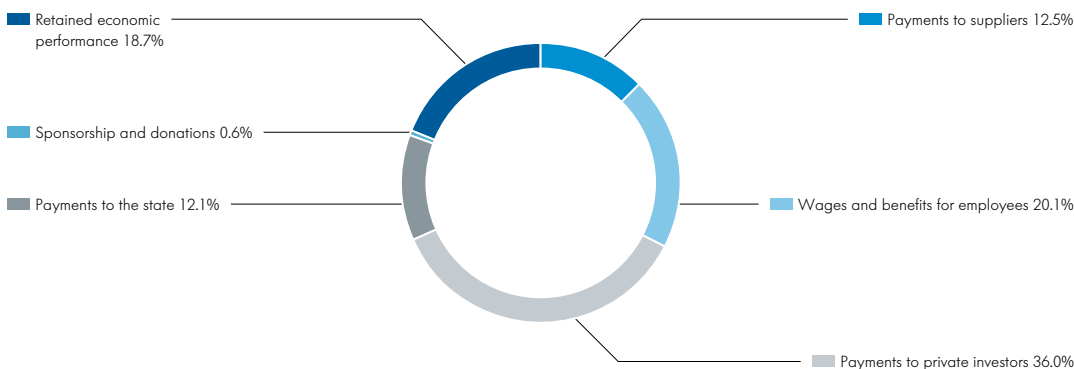
The economic value we retained, which increased slightly, will mainly be used to further strengthen the equity base of Zuger Kantonalbank.

## Distributed and retained economic performance as at 31 December 2024

in CHF 1,000 (rounded)	2024	2023	Change, absolute	Change, in percent
Interest and discount income	342,000	326,235	15,765	4.8%
Interest and dividend income on financial investments	3,345	3,296	49	1.5%
Changes in value adjustments for default risk as well as losses from interest operations	-8,698	-8,972	273	-3.0%
Commission income from securities trading and investment activities	58,555	51,372	7,183	14.0%
Commission income from lending activities	3,367	3,691	-324	-8.8%
Commission income from other services	37,733	33,286	4,447	13.4%
Net income from trading activities and the fair value option	18,588	19,342	-754	-3.9%
Net other income	1,412	1,390	23	1.6%
<b>1. Direct economic value generated</b>	<b>456,302</b>	<b>429,641</b>	<b>26,661</b>	<b>6.2%</b>
<b>2. Economic value distributed</b>				
Payments to suppliers	-57,116	-52,319	-4,797	9.2%
Wages and benefits for employees	-91,620	-84,606	-7,014	8.3%
Payments to private investors (debt and equity)	-164,327	-149,993	-14,335	9.6%
Payments to the state	-55,169	-55,072	-97	0.2%
Sponsorship and donations	-2,607	-4,053	1,446	-35.7%
<b>3. Retained economic value</b>	<b>85,463</b>	<b>83,598</b>	<b>1,865</b>	<b>2.2%</b>

Notes on the table: The figures and the scope of consolidation correspond to the consolidated financial statements in the Financial Report and include payments for multi-year sponsorship contracts. Additional internal information was also used.

## Distributed and retained economic performance for 2024



### 7.3.2 Objectives and ambitions of Zuger Kantonalbank

As part of its sustainability strategy, Zuger Kantonalbank has set itself the following goals with regard to the material topic of “Sustainable development in the region”:

- At least 700 Zug-based associations or charitable organisations that have a significant cultural, social or sporting commitment to the Zug economic region are supported each year.
- At least three environmental projects, associations or initiatives are supported each year.
- Our sponsorship commitments and grants meet our sustainability guidelines and checklists.
- The sustainability guidelines for the award programme and for sponsorship commitments will be revised by the end of 2025.
- All our banking events take into account the sustainability criteria we have defined.
- Through its commitment to society, Zuger Kantonalbank wants to continue positioning itself as a leader in the Canton of Zug and to be perceived positively among the public. In addition, the major importance of the bank’s regional embedding must continue to be perceived positively.

### 7.3.3 Public recognition of the funding measures

Since 2024, market research company YouGov has monitored the individual cantonal banks in detail using the Swiss Brand Observer (SBO) analysis tool. Each brand is classified and rated by segment and competitive environment, which enables comparisons with other brands in the financial services segment. Throughout the year, Zuger Kantonalbank achieved the best results among all competitors in terms of trust in the brand. We were second in terms of perceived CSR commitment and environmental sustainability. The surveys also showed a positive trend over the course of the year.

## 7.4 What sustainable support measures were the main focus in 2024

In keeping with our initial target, we made a total of CHF 0.9 million available for awards and supported 700 Zug associations and institutions in this way in 2024. In 2024 we once again made commitments to a range of sponsorship activities in the field of sport, culture and society in the form of a total contribution of CHF 1.7 million. Examples of our sustainable support measures include:

### 7.4.1 Swiss Climate Foundation

Zuger Kantonalbank has been committed to climate protection and Swiss SMEs through its cooperation with the Swiss Climate Foundation since 2022. Every year, the bank remits its CO<sub>2</sub> reimbursement to the Foundation. The gross amount remitted in 2024 was CHF 40,337.10. The Foundation supports SMEs in Switzerland and Liechtenstein that contribute to climate protection with innovative approaches. As a member of the advisory board, Zuger Kantonalbank also contributes to the transfer of knowledge between the Foundation, partner companies and supported projects of SMEs.

### 7.4.2 Climate Charter Zug+

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

#### 7.4.3 Support for start-ups and innovation promotion measures (buildify.earth)

Founded in 2023, the public limited company invests in start-ups from the Switzerland Innovation Park Central ecosystem and thus promotes the development of innovative products and services in Switzerland. Zuger Kantonalbank acquired one third of the share capital of the newly founded company and thus enabled its launch. Zuger Kantonalbank contributes its financial expertise to the Board of Directors of buildify.earth AG via Martin Neuhaus, Head Corporate Client Consulting. Substantial investments are to be made in promising start-ups in the coming years. The focus is on start-ups with products and services in connection with the circular economy and cleantech in the construction industry.

#### 7.4.4 Various commitments in regional associations for culture and sports

In sports and culture, we supported the Unterägeri Theatre Association with the new production "Robinson laht grüesse!" in the year under review. Furthermore, we were the Main Sponsor and Arena Sponsor for the 117th Central Switzerland Swiss Wrestling and Alpine Festival in Menzingen and also supported the ZugMAGIC water display, Schlaufensteg Loop Bridge in Baar and KUNSTpause exhibition for young artists. With financial support for the "Free tutoring for children and young people – For more equal opportunities in education" project, we contribute to a better quality of life and equal opportunities in the region. We also continued to be financially involved in the EVZ's Women & Girls programme.

#### 7.4.5 Promoting financial education

In the field of education, Zuger Kantonalbank has been committed to the Finance Mission association since 2016, which teaches children and young people how to use money responsibly. In 2024, Zuger Kantonalbank also held free e-banking and mobile banking support workshops at three branches in Baar. These are aimed at clients who want to learn more about digital banking and how to carry out banking transactions via their smartphone or computer.

#### 7.4.6 Raising awareness of sustainability and regional commitment

In the spring/summer of 2024, ZugerKB drew attention to its long-standing commitment to the region with a specific campaign. With the straplines "Locally committed. For the environment.", "Locally committed. For the arts", "Locally committed. For more opportunities" and "Locally committed. For diversity", we demonstrated our wide range of commitments.

[Click here for the blog posts.](#)

## 7.5 What is planned for the coming year

### 7.5.1 New projects in sports and culture

#### Traditional rafting on Lake Aegeri

Lake Aegeri is the only inland lake in Central Europe where log rafting still takes place. Log rafting is a traditional method of timber extraction in which the felled logs are transported in the form of a triangular raft and transported across Lake Aegeri. Zuger Kantonalbank supports this unique tradition as Main Sponsor. The logs will be taken to the lakeside on 22 February 2025, with the log raft crossing the lake on 8 March 2025.

#### 3. Zug Choir Night

Through a series of mini-concerts, Zug Choir Night on 13 September 2025 sees the Zug choir scene perform in all its diversity: children's, men's and women's choirs, from chamber choir to oratorio choir, from traditional, yodel, shanty choir to Japanese women's choir and from church choir to pop choir. By supporting the Zug Choir Night association, Zuger Kantonalbank contributes to the cultural diversity and vibrancy of the region as Partner.

#### ABRAXAS Children's and Young People's Literature Festival

Zuger Kantonalbank sponsors the ABRAXAS association and supports the Children's and Young People's Literature Festival, which takes place on 8 and 9 November 2025. Through contemporary children's and young people's literature, the ABRAXAS association sponsors the joyful, creative use of language.

#### Equipping of MS Ägerisee with CO<sub>2</sub>-neutral, quiet electric motor

The MS Ägerisee will be powered by a quiet electric motor from May 2025, making it one of the largest cruise ships with an alternative propulsion system in Switzerland. Using this alternative propulsion technology, Ägerisee Schifffahrt AG will eliminate around 375,000 kg of CO<sub>2</sub> annually. It is therefore continuing its commitment to the environment. Through the partnership with Ägerisee Schifffahrt AG, Zuger Kantonalbank is supporting effective climate protection measures and the development of innovative technologies in the region.

### 7.5.2 Supporting equal opportunities and education

The "Free tutoring for children and young people – For more equal opportunities in education" project, which was launched by the Red Cross Zug cantonal association a few years ago, will also continue to be supported by Zuger Kantonalbank in the coming year (see 7.4.4. Various commitments in regional associations for culture and sports, p. 47).



## 8. Environmentally friendly operations

### 8.1 Why the topic is of material importance

The use of energy and other resources is part of everyday business life, including at Zuger Kantonalbank. Scope 1 and 2 emissions are comparatively low for a service provider, as confirmed by the first comprehensive carbon footprint of Zuger Kantonalbank (including IFAM), for the year 2022. Our emissions from operations are many times lower than our financed emissions. At the same time, we advise our clients in the field of real estate financing to consider and promote environmental efficiency. Or we recommend that our clients take ESG criteria into account in their investments in order to reduce the corresponding risks. As part of the responsible corporate management, it is therefore appropriate for us to take targeted measures to continuously reduce our operating emissions (irrespective of their low level).

### 8.2 How we make our business as environmentally friendly as possible today

Zuger Kantonalbank seeks to use its resources as sparingly as possible and to successively minimise their potentially negative impact on the environment.

#### 8.2.1 Sustainability concept as a framework

The basis for environmental and resource management is the sustainability concept of Zuger Kantonalbank (including IFAM), applicable since 2022, and the CO<sub>2</sub> reduction targets for the period to 2030 as adopted by the Board of Directors in November 2023, including the underlying energy reduction and substitution measures. These are divided into three action areas: i) buildings, ii) travel and iii) other resources (see graphic below). The concept envisages that responsibility is assumed for a portion of the remaining CO<sub>2</sub> emissions via the purchase of avoidance or removal certificates<sup>1</sup>.

In relation to buildings, our 2030 environmental targets take into account the model regulations issued by the Canton of Zug in the energy sector in 2009, according to which the building envelope of new buildings must comply with the Minergie-P standard.

#### Implementation paths and action areas for the 2030 environmental targets

Minus 80% CO<sub>2</sub> emissions by 2030 (Scope 1+2)

ACTION AREAS			
	BUILDINGS	TRAVEL	OTHER RESOURCES
IMPLEMENTATION PATHS	<b>1. REDUCE</b> Reduce energy/resource consumption and optimise travel behaviour		
	<ul style="list-style-type: none"> <li>- Awareness-raising among employees</li> <li>- Energy efficiency measures</li> <li>- Building refurbishment</li> </ul>	<ul style="list-style-type: none"> <li>- Awareness-raising among employees</li> <li>- Promote virtual meetings</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce paper consumption</li> <li>- Reduce consumption of other materials</li> </ul>
	<b>2. SUBSTITUTE</b> Use renewable energies/sustainable materials and promote emission-free travel		
	<ul style="list-style-type: none"> <li>- Replace fossil heating systems</li> <li>- Electricity from 100% renewable energy</li> <li>- Promote biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>- Convert company vehicle fleet to electric</li> <li>- Offer e-bikes and e-cars to employees</li> <li>- Use public transport and car sharing</li> </ul>	<ul style="list-style-type: none"> <li>- Use recycled paper</li> <li>- Use sustainable materials</li> </ul>
<b>3. COMPENSATE</b> Offset the remaining CO <sub>2</sub> emissions through avoidance and removal certificates			

<sup>1</sup> Avoided emissions = avoidance certificates; negative emissions = removal certificates

### 8.2.2 Action areas: buildings and travel

In addition to raising awareness among our employees, energy consumption at all locations is surveyed on a regular basis. Efficiency measures or building renovations are carried out as required to reduce energy consumption. For refurbishment work or new-builds, only the use of renewable heating systems is permitted. All electricity comes from renewable sources. The company's own production of solar power is to be promoted, along with biodiversity.

Employees have 22 e-bikes at their disposal for journeys between our locations. For longer distances, they can use one of the five electric cars at the vorZug (Oberneuhofstrasse 12, Baar) or Postplatz (Bahnhofstrasse 1, Zug) locations. The partnership with Mobility enables our employees to use public transport even for client visits to remote locations and to take advantage of the car sharing offer for the "last mile". Only electrically powered vehicles are now procured for the company.

### 8.2.3 Responsible use of water and waste

At Zuger Kantonalbank, water is used for sanitary facilities, cleaning and watering of plants and lawns. It is also used for cooling and heating by the heat pump installed at the main building at Postplatz (Bahnhofstrasse 1, Zug) and for the properties at Baarerstrasse 10, 12 and 37 in Zug, which are connected to the Circulago district heating network. All these locations are heated and cooled using energy from Lake Zug. This is a closed circuit, with heating and cooling provided by a heat exchanger.

In each case, Zuger Kantonalbank obtains the water from the municipality in which the building is located. The waste water is fed to the Canton's two central waste water treatment plants in Cham (ARA Schönau) and in Neuheim (ARA Tal) via the municipal drainage system. We do not discharge any waste water other than that used in our buildings.

We produce paper waste mainly in the form of files and used paper. In addition, household waste is generated. An internal information sheet on the use of infrastructure and services governs the disposal of waste. For example, special waste disposal stations are available at all locations in order to carefully separate and dispose of the waste. Electronic waste and disposable batteries that cannot be recycled are properly disposed of or recycled.

Decommissioned but still usable hardware such as PCs, servers or monitors are given to employees free of charge or at a discount. We work with a reseller who removes the data prior to handover in accordance with a certified process.

### 8.2.4 Who is responsible for our environmentally friendly operations and how we train staff and raise awareness

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

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

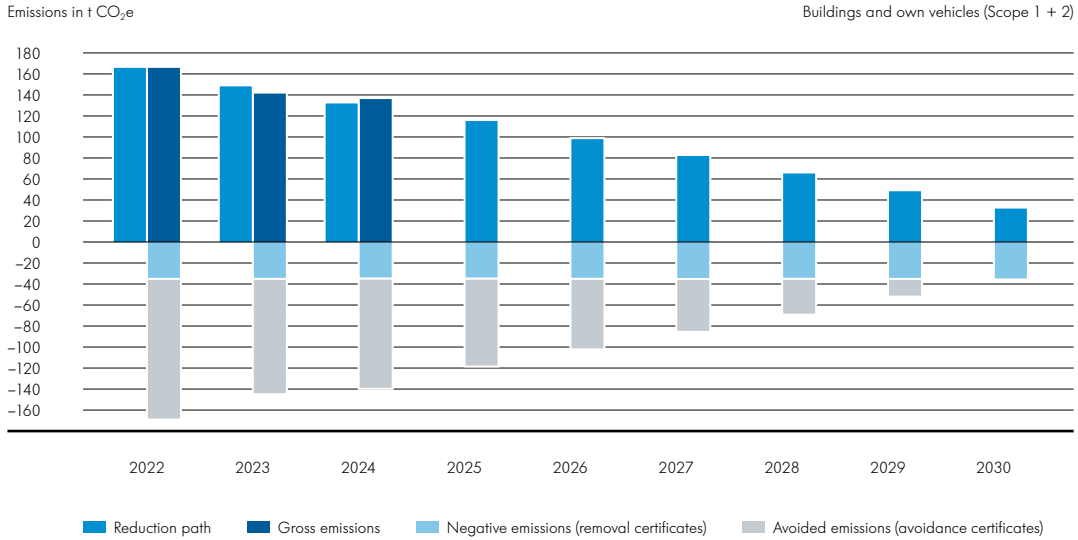
All new employees of Zuger Kantonalbank are made aware of their contribution to environmentally friendly operations through a mandatory online training in the topic of sustainability. They are also informed about sustainability management as part of our information event on the Welcome Day.

## 8.3 What objectives we pursue and how environmentally friendly our business is today

### 8.3.1 Climate targets

By 2030, we intend to reduce our operational CO<sub>2</sub> emissions within Scope 1 (direct emissions, for example from fossil-fired heating systems or company vehicles) and within Scope 2 (indirect emissions from the purchase of electricity or heat) by at least 80 percent compared with 2022 and to no longer use fossil fuels in our operations. Zuger Kantonalbank is aiming for its operations to be net zero by 2030.

#### Reduction path for operational CO<sub>2</sub> emissions by 2030



For information on the achievement of targets, see 8.4 What measures were the main focus in 2024, p. 53, and 8.5 What is planned for the future, p. 54.

### 8.3.2 Key figures for environmentally friendly operations

In 2024, Zuger Kantonalbank's energy consumption fell by 2 percent compared with the previous year due to the warm winter and lower energy consumption. As a result, GHG emissions (Scope 1 and 2) fell to a total of 137 tonnes of CO<sub>2</sub>e, i.e. by a total of 3.4 percent compared with the previous year. The replacement of three company vehicles with internal combustion engines with electric vehicles contributed to this reduction. The number of kilometres driven in the course of business trips decreased slightly to 622,622 despite the additional personnel. Furthermore, total paper consumption fell by 4.2 percent to 47.9 tonnes.

		Unit	2024	2023	in %
	<b>Full-time positions</b>	<b>FTE</b>	<b>503.6</b>	<b>477.1</b>	<b>5.6%</b>
<b>GRI 302-1</b>	<b>Energy consumption</b>	<b>kWh</b>	<b>2,208,577</b>	<b>2,251,573</b>	<b>-1.9%</b>
	Electricity from non-renewable sources	kWh	0	0	0.0%
	Electricity from renewable sources	kWh	1,460,594	1,490,439	-2.0%
	Natural gas	kWh	353,128	344,984	2.4%
	Heating oil	kWh	128,075	140,013	-8.5%
	Biogas	kWh	5,984	0	0.0%
	District heating (Circulago and biomass)	kWh	240,819	257,008	-6.3%
	Heat energy from heat pump	kWh	19,977	19,129	4.4%
	Proportion of renewable energy	in %	78	78	-0.3%
GRI 302-3	Energy intensity	kWh/FTE	4,385	4,719	-7.1%
<b>GRI 302-2</b>	<b>Business travel</b>	<b>km</b>	<b>622,622</b>	<b>628,536</b>	<b>-0.9%</b>
	Public transport	km	251,221	255,142	-1.5%
	Road transport	km	371,401	373,394	-0.5%
	Short-haul flights	km	0	0	0.0%
	Long-haul flights	km	0	0	0.0%
<b>GRI 301-1</b>	<b>Consumption of materials</b>	<b>kg</b>	<b>47,875</b>	<b>49,996</b>	<b>-4.2%</b>
	Virgin fibre paper (FSC)	kg	40,132	41,107	-2.4%
	Recycled paper	kg	7,743	8,889	-12.9%
GRI 301-2	Recycled paper as a proportion of the total	in %	16	18	-9.0%
<b>GRI 303-3</b>	<b>Water withdrawal (drinking water)</b>	<b>m<sup>3</sup></b>	<b>7,354</b>	<b>6,085</b>	<b>20.9%</b>
<b>GRI 303-4</b>	<b>Water discharge (public sewerage)</b>	<b>m<sup>3</sup></b>	<b>7,354</b>	<b>6,085</b>	<b>20.9%</b>
<b>GRI 306-3</b>	<b>Waste and recycling</b>	<b>t</b>	<b>48</b>	<b>52</b>	<b>-8.9%</b>
GRI 306-5	Waste for incineration	t	21	21	0.9%
GRI 306-4	Waste for recycling	t	27	31	-15.3%
	Other waste	t	0.0	0.1	-63.0%
	Recycling rate	in %	56	60	-7.0%
	<b>Direct and indirect GHG emissions (Scope 1 + 2)</b>	<b>t CO<sub>2</sub>e</b>	<b>137</b>	<b>142</b>	<b>-3.4%</b>
GRI 305-1	Direct GHG emissions (Scope 1)	t CO <sub>2</sub> e	124	128	-3.3%
GRI 305-2	Indirect GHG emissions (Scope 2)	t CO <sub>2</sub> e	13	14	-4.4%
GRI 305-3	Indirect emissions from business travel (Scope 3) <sup>1</sup>	t CO <sub>2</sub> e	124	121	2.4%
GRI 305-4	Intensity of GHG emissions (Scope 1 + 2)	kg CO <sub>2</sub> e/FTE	272	298	-8.5%

<sup>1</sup> Business travel with private vehicles, including couriers

## Own buildings

Building name	Street	Locality	Heating medium	FTE (as at 31 December 2024)
Postplatz	Bahnhofstrasse 1	6301 Zug	Lake water/gas	189.1
Bahnhof	Baarerstrasse 37	6300 Zug	District heating/Circulago	17.9
Neustadt	Baarerstrasse 12	6300 Zug	District heating/Circulago	
Cham	Zugerstrasse 15	6330 Cham	Natural gas	16.6
Unterägeri	Zugerstrasse 26	6314 Unterägeri	Heating oil	11.1
Oberägeri	Poststrasse 4	6315 Oberägeri	Heating oil	3.7
Steinhausen	Zugerstrasse 3	6312 Steinhausen	Natural gas	8.2
Menzingen	Höhenweg 3	6313 Menzingen	Heating oil	5
Neuheim	Poststrasse 2	6345 Neuheim	Heating oil	1
Walchwil	Dorfstrasse 2	6318 Walchwil	Heating oil	3
Hünenberg	Chamerstrasse 11	6331 Hünenberg	District heating/biogas	4.9
Parkhaus Vorstadt	Schmiedgasse 3	6301 Zug	No heating	

## Rented

Building name	Street	Locality	Heating medium	FTE (as at 31 December 2024)
VorZUG	Oberneuhofstrasse 12	6340 Baar	Ground water – HP	188.9
Spedi	Oberneuhofstrasse 10	6340 Baar	District heating/Circulago	8.9
Zugerland	Hinterbergstrasse 40	6312 Steinhausen	Natural gas	2
Herti	Hertizentrum 10	6300 Zug	Air/water – HP	4.4
Rotkreuz	Luzernerstrasse 3	6343 Rotkreuz	HP	7.1
Baar	Dorfstrasse 2	6340 Baar	Natural gas	17.9

## Immofonds Asset Management AG

Building name	Street	Locality	Heating medium	FTE (as at 31 December 2024)
IFAM	Rämistrasse 30	8001 Zurich	Natural gas/biogas	13.94

### Notes on the calculation of the key figures

This report has been prepared in accordance with the industry-standard VfU KPI system using the VfU tool (2022 version) and the internationally recognised Greenhouse Gas Protocol (2020 version). VfU stands for the Association for Environmental Management and Sustainability in Financial Institutions (Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten).

Emissions from business travel using private vehicles were reduced in 2022, based on a transport survey conducted among employees for 2021. Emissions for 2022, 2023 and 2024 were extrapolated to reflect the number of employees.

### Notes on the system boundaries of the key figures

With regard to the consumption of materials, Zuger Kantonalbank only records paper consumption. In respect of indirect GHG emissions from operations in the upstream and downstream value chain (Scope 3 emissions), only the emissions caused by business travel are taken into account. Emissions from employee commuting are not included. Significant sources of GHG emissions associated with banking products and services (Scope 3, Category 15 of the GHG Protocol) are explained in section 3, Responsible investments, p. 13 onwards, and section 4, Responsible lending, p. 24 onwards. A general overview can be found in section 2 TCFD reporting, p. 8 onwards.

All reported figures cover the Group, i.e. the environmental footprint includes consumption by the company properties of Zuger Kantonalbank, IFAM and Parkhaus Vorstadt AG.

## 8.4 What measures were the main focus in 2024

### 8.4.1 Action area: buildings and travel

The Neuheim office was modernised, i.e. equipped with energy-efficient lighting and control systems, in the year under review; a photovoltaic system with an output of 22.9 kilowatt peak was also installed. In addition, the roof of the Steinhausen branch was renovated; this involved the removal of the skylights

and insulation of the roof. A photovoltaic system with a capacity of 54.3 kilowatt peak was installed at Steinhausen in December 2024 and came on stream in January 2025. In the year under review, we produced 34,590 kWh of electricity with our two PV systems; 71.4 percent of this was consumed by the bank, while 28.6 percent was fed into the grid.

The district heating connection for replacement of the oil-fired heating system at the Unterägeri branch was installed at the end of 2024 and the switchover will take place in spring 2025. With this building, we will be able to eliminate around 28 tonnes of CO<sub>2</sub>e (Scope 1) annually in the future.

In the year under review, Zuger Kantonalbank participated in the Switzerland-wide "Bike to Work" challenge for the second time. As a result, 11,857 car kilometres and approximately 1.7 tonnes of CO<sub>2</sub>e were avoided.

Another three company vehicles with internal combustion engines were replaced by electric vehicles in the year under review. This means that annual GHG emissions are reduced by around 3.6 t CO<sub>2</sub>e (Scope 1).

As a basis for further energy optimisation (Scope 2), a monitoring system for energy consumption was installed at the Postplatz building. Due to supply bottlenecks affecting the measurement sensors, this system only began operating at the end of 2024. Evaluations will be prepared at the end of 2025 and any measures implemented in 2026.

Unfortunately, we were unable to commence the environmental upgrade for our head office – which had been planned for 2024 – because the required approvals have not yet been received. Given the location (street master plan, spatial planning issues, historic buildings preservation), the City of Zug needs more time for the corresponding procedures. The aim is to upgrade the site in 2025 and promote biodiversity.

#### 8.4.2 Climate protection outside the company's own value chain

In relation to the unavoidable CO<sub>2</sub> emissions in Scope 1 and Scope 2, we have supported a high-quality removal project by Verora ([www.verora.ch](http://www.verora.ch)) in Neuheim, Canton of Zug, since 2023. For the remaining residual emissions, including emissions from business travel (Scope 3), we purchase avoidance certificates. Some of the contributions are channelled into a methane and CO<sub>2</sub> avoidance project through small biogas plants on Swiss farms, while some go into a project to store CO<sub>2</sub> through sustainable forest management in the Canton of Schwyz. The certificates are obtained through the sustainability and climate consulting company Swiss Climate. CO<sub>2</sub> certificates amounting to a total of 263 tonnes of CO<sub>2</sub> were purchased in 2023. Of this, 155 tonnes of CO<sub>2</sub> are earmarked for climate protection and sustainable management in Swiss forests, while 75 tonnes of CO<sub>2</sub> are intended for a biogas plant on a farm in the Canton of Schwyz and 33 tonnes of CO<sub>2</sub> for biochar carbon removal in Neuheim.

We are also making a financial climate contribution for all remaining printed materials. This is channelled into various national and international climate protection projects of the organisation ClimatePartner.

### 8.5 What is planned for the future

In 2025 we will be switching the gas-fired heating system at the Steinhausen branch to a ground source heat pump. Within this building GHG emissions of approximately 14 t CO<sub>2</sub>e (Scope 1) will be eliminated every year in future.

Furthermore, we will evaluate the energy monitoring system at the Postplatz building in 2025 and tackle any energy optimisations (Scope 2) in 2026. The new photovoltaic system on the roof of the Postplatz headquarters will enable us to increase our own electricity generation from renewables. An additional PV system is planned for the Baarerstrasse 10/12 site in 2026. Moreover, an additional company vehicle with an internal combustion engine will be replaced by an electric vehicle in 2025. The four remaining company vehicles with an internal combustion engine will be replaced by electric vehicles at the end of their normal service life.

To promote biodiversity, the area around our head office will be the subject of an environmental upgrade in 2025. On a site of approximately 1,000 m<sup>2</sup>, 370 m<sup>2</sup> will be planted with shrubs and 110 m<sup>2</sup> as a flower meadow, where wild bees will be introduced.

Through these measures, we are on track to achieving our target of an 80 percent reduction in CO<sub>2</sub> by 2030. A decarbonisation plan has already been drawn up for our own buildings. However, the biggest challenge lies in rented properties given our limited influence over the replacement of heating systems.

## 9. About this report

### 9.1 Reporting standard

The 2024 Sustainability Report has been published by Zuger Kantonalbank in accordance with the 2021 GRI Standards, as in the previous year (see GRI Index, p. 56 onwards) and takes into account the legal requirements according to CO Art. 964 (see CO Index, p. 64 onwards) and the related ordinances.

### 9.2 Reporting period

The Zuger Kantonalbank Sustainability Report is published annually. Unless stated otherwise, all information relates to the 2024 calendar year (1 January 2024 to 31 December 2024) or to the reporting date of 31 December 2024. For a small number of indicators for environmentally friendly operations, reference is made to a specific period covering the last twelve reported months due to a business-related delay in the reporting of the data by external and internal suppliers. The reporting period for this Sustainability Report thus corresponds as far as possible to that of the consolidated financial reporting of Zuger Kantonalbank.

The Sustainability Report 2024 forms part of the Annual Report 2024, which is being published in its entirety in German on 27 March 2025. The Sustainability Report 2024 has also been translated into English.

### 9.3 System boundaries

The management system in relation to sustainability and the data largely cover the Zuger Kantonalbank Group (for details of the scope of consolidation, see Annual Report 2024, Consolidated financial statements, p. 45 onwards). In the event of discrepancies in the management system between Zuger Kantonalbank and IFAM or missing data for IFAM, this is explicitly pointed out in the report. The Sustainability Report has been prepared in accordance with the principle of materiality in relation to the topics and expectations of the various stakeholders.

### 9.4 Restatements

Compared with the previous year's report, there are no restatements due to organisational changes or rectifications. The method of calculating GHG emissions from lending was adjusted compared with the previous year (see 4.3.3 Scope of GHG emissions from lending, p. 26 onwards).

### 9.5 External assurance

The Zuger Kantonalbank Sustainability Report has not been the subject of external assurance. The Financial Report (consolidated financial statements and parent company financial statements) has been audited by the external auditors, PricewaterhouseCoopers AG (see Annual Report 2024, Report of the statutory auditor, p. 122 and p. 123).

### 9.6 Contact for questions on sustainability reporting

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## GRI Index

**Statement of use** Zuger Kantonalbank has reported in accordance with the GRI Standards for the period 1 January 2024 to 31 December 2024.

**GRI 1 used** GRI 1: Foundation 2021

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

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
<b>General disclosures</b>			
GRI 2: General Disclosures 2021	2-1 Organizational details	Annual Report 2024: Consolidated financial statements, Notes to the consolidated financial statements, 1. Name, legal form and registered office of the bank, page 50 Annual Report 2024: Corporate governance, 1. Corporate structure and shareholders, page 126	
	2-2 Entities included in the organization's sustainability reporting	Sustainability Report 2024: About this report, page 55 Annual Report 2024: Consolidated financial statements, Notes to the consolidated financial statements, 2. Accounting and valuation principles, Scope of consolidation, page 51	
	2-3 Reporting period, frequency and contact point	Sustainability Report 2024: About this report, page 55	
	2-4 Restatements of information	Sustainability Report 2024: About this report, page 55	
	2-5 External assurance	Sustainability Report 2024: About this report, page 55	
	2-6 Activities, value chain and other business relationships	Annual Report 2024: Key figures, page 8 Annual Report 2024: Consolidated financial statements, Notes to the consolidated financial statements, 1. Name, legal form and registered office of the bank, page 50	Minor omission: A more comprehensive presentation of the business model is to be provided in the 2025 report.
	2-7 Employees	Sustainability Report 2024: Table "Employees of the parent company ZugerKB (excluding IFAM)", page 40	All information: Consolidated information for the Group as a whole is not currently available. The figures refer exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting is planned for 2025.
	2-8 Workers who are not employees	Sustainability Report 2024: Table "Employees of the parent company ZugerKB (excluding IFAM)", page 40	All information: Consolidated information for the Group as a whole is not currently available. The figures refer exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting is planned for 2025.
	2-9 Governance structure and composition	Annual Report 2024: Corporate governance, 3 Board of Directors, page 127 onwards	
	2-10 Nomination and selection of the highest governance body	Annual Report 2024: Corporate governance, 3.4 Nomination, election and term of office, page 132 onwards Annual Report 2024: Compensation Report, 10 Gender representation on the Board of Directors and Executive Board, page 121	



Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
<b>General disclosures</b>		
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	Annual Report 2024: Corporate governance, 3.1.3 Executive/ non-executive members, page 132
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report 2024: Corporate governance, 3.6 Competency regulation, page 135 onwards
	2-13 Delegation of responsibility for managing impacts	Annual Report 2024: Corporate governance, 3.6 Competency regulation, page 135 onwards
	2-14 Role of the highest governance body in sustainability reporting	Annual Report 2024: Corporate governance, 3.6 Competency regulation, page 135 onwards
	2-15 Conflicts of interest	Annual Report 2024: Corporate governance, 3.3 Number of permitted activities, page 132 Annual Report 2024: Corporate governance, 4.3 Number of permitted activities, page 140
	2-16 Communication of critical concerns	Annual Report 2024: Corporate governance, 3.7 Information and control instruments, page 136 onwards
	2-17 Collective knowledge of the highest governance body	Annual Report 2024: Corporate governance, 3 Board of Directors, page 127 onwards Annual Report 2024: Corporate governance, 3.5 Internal organisation, functioning of the Board of Directors and its committees, page 135
	2-18 Evaluation of the performance of the highest governance body	Annual Report 2024: Corporate governance, 3.5 Internal organisation, functioning of the Board of Directors and its committees, page 135
	2-19 Remuneration policies	Annual Report 2024: Compensation Report, 2. Principles of compensation and participation programmes, page 114 onwards
	2-20 Process to determine remuneration	Annual Report 2024: Compensation Report, 2. Principles of compensation and participation programmes, page 114 onwards
	2-21 Annual total compensation ratio	Annual Report 2024: Compensation Report, 11. Annual total compensation ratio, page 121
	2-22 Statement on sustainable development strategy	Sustainability Report 2024: Foreword, page 3
	2-23 Policy commitments	Code of Conduct of Zuger Kantonalbank ( <a href="http://www.zugerkb.ch/verhaltens-und-ethikkodex">www.zugerkb.ch/verhaltens-und-ethikkodex</a> ) Sustainability Report 2024: 1. Sustainability strategy and governance of Zuger Kantonalbank, page 4 onwards Sustainability Report 2024: 5. Responsible business conduct, page 29 onwards

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
<b>General disclosures</b>			
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	Code of Conduct of Zuger Kantonalbank ( <a href="http://www.zugerkb.ch/verhaltens-und-ethikkodex">www.zugerkb.ch/verhaltens-und-ethikkodex</a> ) Business ethics and corporate responsibility at Zuger Kantonalbank ( <a href="http://www.zugerkb.ch/die-zugerkb/unser-engagement/geschaeftsethik">www.zugerkb.ch/die-zugerkb/unser-engagement/geschaeftsethik</a> ) Sustainability Report 2024: 1. Sustainability strategy and governance of Zuger Kantonalbank, page 4 onwards Sustainability Report 2024: 5. Responsible business conduct, page 29 onwards	
	2-25 Processes to remediate negative impacts	Sustainability Report 2024: 5. Responsible business conduct, structured complaints process for all stakeholders, page 31	
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Report 2024: 5. Responsible business conduct, professional whistleblowing procedures for employees, page 31	
	2-27 Compliance with laws and regulations	Sustainability Report 2024: 5.3 How we measure our responsible business conduct, and what our track record looks like, page 33	
	2-28 Membership associations	Sustainability Report 2024: 1.5 Memberships of associations and organisations, page 7	
	2-29 Approach to stakeholder engagement	Sustainability Report 2024: 1.2.1 Our key stakeholder groups, page 5	
	2-30 Collective bargaining agreements	No employees in the Group are subject to collective bargaining agreements.	

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
<b>Material topics</b>			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Report 2024: 1.2.2 Sustainability topics that are material for us, page 5	
	3-2 List of material topics	Sustainability Report 2024: 1.2.2 Sustainability topics that are material for us, page 5	
Responsible investments			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report 2024: 3. Responsible investments, page 13 onwards	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability Report 2024: 2.2 Strategy: What climate-related risks and opportunities we have identified, and how we address them, page 8 onwards Sustainability Report 2024: 3.3.1 Key figures on the investment business, page 19	
GRI G4 Financial Services Sector Supplement 2013	G4-HR1 Percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening	Sustainability Report 2024: 3.2.1 Integration of ESG criteria into the investment process, page 13 onwards	
	G4-FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Currently, Zuger Kantonalbank does not have any investment business with special social benefits.	
	G4-FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Currently, Zuger Kantonalbank does not have any investment business with special environmental benefits.	
	G4-FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	Sustainability Report 2024: 3.2.3 Stewardship, page 17	
	G4-FS11 Percentage of assets subject to positive and negative environmental or social screening	Sustainability Report 2024: 3.3.1 Key figures on the investment business, page 19	
Responsible lending			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report 2024: 4. Responsible lending, page 24 onwards	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability Report 2024: 2.2 Strategy: What climate-related risks and opportunities we have identified and how we address them, page 8 onwards Sustainability Report 2024: 4.3.3 Scope of GHG emissions from lending, page 26 onwards	

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
<b>Material topics</b>			
GRI G4 Financial Services Sector Supplement 2013	G4-HR1 Human rights clauses and screening on human rights in the lending business	Zuger Kantonalbank conducts its commercial lending business exclusively with companies with financed groups or counterparties whose registered office is in Switzerland. There is no screening on human rights, and loan agreements do not contain any human rights clauses.	
	G4-FS6 Percentage of the portfolio for business lines by specific region, size (e.g. micro/sme/large) and by sector	Sustainability Report 2024: 4.3.1 Breakdown of commercial lending, page 25 Sustainability Report 2024: 4.3.2 Breakdown of the mortgage business, page 26	Composition of commercial lendings by region and size of companies: The corresponding analyses are not available. An expansion of reporting is planned for 2025.
	G4-FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Currently, Zuger Kantonalbank does not have any lending business with special social benefits.	
	G4-FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Currently, Zuger Kantonalbank does not have any lending business with special environmental benefits.	
<b>Responsible business conduct</b>			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report 2024: 5. Responsible business conduct, page 29 onwards	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Sustainability Report 2024: 5.3.3 Anti-corruption, page 33	
	205-2 Communication and training about anti-corruption policies and procedures	Sustainability Report 2024: 5.3.3 Anti-corruption, page 33	
	205-3 Confirmed incidents of corruption and actions taken	Sustainability Report 2024: 5.3.3 Anti-corruption, page 33	
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Sustainability Report 2024: 5.3.4 Anti-competitive behaviour, page 33	
GRI 418: Customer Privacy 2016	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report 2024: 5.3.5 Protection of client data, page 33	

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
<b>Material topics</b>			
Attractiveness as an employer			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report 2024: 6. Attractiveness as an employer, page 35 onwards	All information: Consolidated information for the Group as a whole is not currently available. The figures refer exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting is planned for 2025.
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report 2024: Table "Employees of the parent company ZugerKB (excluding IFAM)", page 40	All information: Consolidated information for the Group as a whole is not currently available. The figures refer exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting is planned for 2025.
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report 2024: 6.2.4 How we offer our employees attractive working conditions, page 37 onwards	All information: Consolidated information for the Group as a whole is not currently available. The information refers exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting is planned for 2025.
	401-3 Parental leave	Sustainability Report 2024: Table "Employees of the parent company ZugerKB (excluding IFAM)", page 41	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	No quantitative information	All information: The corresponding analyses are not available. Reporting is planned for 2025.
	404-2 Programs for upgrading employee skills and transition assistance programs	Sustainability Report 2024: 6.2.2 How we support our employees with their development, page 36 Sustainability Report 2024: 6.2.3 How we attract and train, nurture and retain talent, page 36 onwards	All information: Consolidated information for the Group as a whole is not currently available. The information refers exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting is planned for 2025.
	404-3 Percentage of employees receiving regular performance and career development reviews	100%	Consolidated information for the Group as a whole is not currently available. The figure refers exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting is planned for 2025.

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
<b>Material topics</b>			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Annual Report 2024: Compensation Report, 10. Gender representation on the Board of Directors and the Executive Board, page 121 Sustainability Report 2024: Table "Employees of the parent company ZugerKB (excluding IFAM)", page 41	All information: Consolidated information for the Group as a whole is not currently available. The figures refer exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting is planned for 2025.
	405-2 Ratio of basic salary and remuneration of women to men	Sustainability Report 2024: 6.2.5 How we are committed to diversity and equal opportunity, page 38	Consolidated information for the Group as a whole is not currently available. The figure refers exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting is planned for 2025.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Sustainability Report 2024: 6.3 What objectives we are pursuing, and what key figures show our attractiveness as an employer, page 39	All information: Consolidated information for the Group as a whole is not currently available. The figures refer exclusively to the parent company, Zuger Kantonalbank. Consolidated reporting is planned for 2025.
Sustainable development in the region			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report 2024: 7. Sustainable development in the region, page 44 onwards	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Sustainability Report 2024: 7.3.1 Directly generated and distributed economic value, page 44 onwards	
Environmentally friendly operations			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Report 2024: 8. Environmentally friendly operations, page 49 onwards	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Sustainability Report 2024: 8.3.2 Key figures for environmentally friendly operations, page 52 onwards	
	301-2 Recycled input materials used	Sustainability Report 2024: 8.3.2 Key figures for environmentally friendly operations, page 52 onwards	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Sustainability Report 2024: 8.3.2 Key figures for environmentally friendly operations, page 52 onwards	
	302-2 Energy consumption outside of the organisation	Sustainability Report 2024: 8.3.2 Key figures for environmentally friendly operations, page 52 onwards	
	302-3 Energy intensity	Sustainability Report 2024: 8.3.2 Key figures for environmentally friendly operations, page 52 onwards	
	302-4 Reduction of energy consumption	Sustainability Report 2024: 8.3.2 Key figures for environmentally friendly operations, page 52 onwards	
	302-5 Reduction in energy requirements of products and services	The financial products and services of Zuger Kantonalbank do not result in any direct energy consumption on the part of clients.	

	Disclosure	Location	Omission Omitted requirement(s): Reason/explanation
<b>Material topics</b> GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Sustainability Report 2024: 8.2.3 Responsible use of water and waste, page 50	
	303-2 Management of water discharge-related impacts	Sustainability Report 2024: 8.2.3 Responsible use of water and waste, page 50	
	303-3 Water withdrawal	Sustainability Report 2024: 8.3.2 Key figures for environmentally friendly operations, page 52 onwards	
	303-4 Water discharge	Sustainability Report 2024: 8.3.2 Key figures for environmentally friendly operations, page 52 onwards	
	303-5 Water consumption	Water consumption, calculated as water withdrawal less water discharge, for years 2024 and 2023 is 0 m <sup>3</sup> in each case.	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Report 2024: 8.3.2 Key figures for environmentally friendly operations, page 52 onwards	
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Report 2024: 8.3.2 Key figures for environmentally friendly operations, page 52 onwards	
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability Report 2024: 8.3.2 Key figures for environmentally friendly operations, page 52 onwards	
	305-4 GHG emissions intensity	Sustainability Report 2024: 8.3.2 Key figures for environmentally friendly operations, page 52 onwards	
	305-5 Reduction of GHG emissions	Sustainability Report 2024: 8.3.2 Key figures for environmentally friendly operations, page 52 onwards	
	305-6 Emissions of ozone-depleting substances (ODS)	Zuger Kantonalbank does not produce any (significant) emissions of this nature.	
	305-7 Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ), and other significant air emissions	Zuger Kantonalbank does not produce any (significant) emissions of this nature.	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Sustainability Report 2024: 8.2.3 Responsible use of water and waste, page 50	
	306-2 Management of significant waste-related impacts	Sustainability Report 2024: 8.2.3 Responsible use of water and waste, page 50	
	306-3 Waste generated	Sustainability Report 2024: 8.3.2 Key figures for environmentally friendly operations, page 52 onwards	
	306-4 Waste diverted from disposal	Sustainability Report 2024: 8.3.2 Key figures for environmentally friendly operations, page 52 onwards	
	306-5 Waste directed to disposal	Sustainability Report 2024: 8.3.2 Key figures for environmentally friendly operations, page 52 onwards	

## CO Index

### Index for reporting on non-financial matters in accordance with the CO (Art. 964), DDrO and TCFD

Topic	Sub-topic	Location	Notes	Compliance with other standards (GRI, TCFD)
Business model			Presentation of the business model has been postponed for another year and will be supplemented in the 2025 report.	GRI 2-6
Climate	Materiality/risks	Sustainability Report 2024: 1.2.2 Sustainability topics that are material for us, page 5 Sustainability Report 2024: 2.2 Strategy: What climate-related risks and opportunities we have identified and how we address them, page 8 onwards		GRI 3-1, GRI 3-2, GRI 3-3 GRI 201-2 TCFD
	Governance	Sustainability Report 2024: 2.1 Governance: How our governance is organised regarding climate-related risks and opportunities, page 8		GRI 3-3 TCFD
	Concept/management approach	Sustainability Report 2024: 2.2.3 Climate strategy, page 10		GRI 3-3 TCFD
	CO <sub>2</sub> targets	Sustainability Report 2024: 2.4 Key figures and targets: What climate impacts we have, and what reduction targets we are pursuing, page 11 onwards Sustainability Report 2024: 3.3.3 Reduction target for the equity funds of Zuger Kantonalbank, page 20 Sustainability Report 2024: 3.3.4 Reduction targets for IMMOFONDS and IMMOFONDS suburban, page 20 onwards Sustainability Report 2024: 8.3.1 Climate targets, page 51		GRI 3-3 TCFD
	Due diligence	Sustainability Report 2024: 2.3 Risk management: How we integrate climate risks into risk management, page 10 onwards 2024 Annual Report: Notes to the consolidated financial statements, 3. Risk management, page 60 onwards		GRI 3-3 TCFD
	Measures	Sustainability Report 2024: 3.4 What measures were the main focus in 2024, page 22 onwards Sustainability Report 2024: 4.4 Measures in the year under review, page 28 Sustainability Report 2024: 8.4 What measures were the main focus in 2024, page 53 onwards		GRI 3-3 TCFD



Topic	Sub-topic	Location	Notes	Compliance with other standards (GRI, TCFD)
	Performance indicators	Sustainability Report 2024: 2.4 Key figures and targets: What climate impacts we have and what reduction targets we are pursuing, page 11 onwards Sustainability Report 2024: 3.3.1 Key figures for the investment business, page 19 Sustainability Report 2024: 3.3.2 GHG emissions from in-house investment products, page 19 onwards Sustainability Report 2024: 4.3.3 Scope of GHG emissions from lending, page 26 onwards Sustainability Report 2024: 8.3.2 Key figures for environmentally friendly operations, page 52 onwards		G4-FS6, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 305-6, GRI 305-7, TCFD
	Effectiveness review	Sustainability Report 2024: 1.3 Sustainability governance, page 5 onwards		
Other environmental concerns	Materiality/risks	Sustainability Report 2024: 1.2.2 Sustainability topics that are material for us, page 5 Sustainability Report 2024: 3.1 Why the topic is of material importance, page 13 Sustainability Report 2024: 4.1 Why the topic is of material importance, page 24 Sustainability Report 2024: 8.1 Why the topic is of material importance, page 49		GRI 3-1, GRI 3-2, GRI 3-3
	Concept/management approach	Sustainability Report 2024: 3.2 How we operate our investment business today, page 13 onwards Sustainability Report 2024: 4.2 How we operate our lending business today, page 24 Sustainability Report 2024: 8.2 How we make our business as environmentally friendly as possible today, page 49 onwards		GRI 3-3
	Targets		No environmental targets other than the CO <sub>2</sub> targets, see page 64	GRI 3-3
	Due diligence	Annual Report 2024: Notes to the consolidated financial statements, 3 Risk management, page 60 onwards Sustainability Report 2024: 3.2.4 Compliance with due diligence in relation to own financial assets, page 18 Sustainability Report 2024: 3.2.5 Consideration of due diligence obligations when offering metals, page 18		
	Measures	Sustainability Report 2024: 3.4 What measures were the main focus in 2024, page 22 onwards Sustainability Report 2024: 4.4 Measures in the year under review, page 28 Sustainability Report 2024: 8.4 What measures were the main focus in 2024, page 53 onwards		GRI 3-3

Topic	Sub-topic	Location	Notes	Compliance with other standards (GRI, TCFD)
	Performance indicators	Sustainability Report 2024: 3.3.1 Key figures for the investment business, page 19 Sustainability Report 2024: 4.3 What objectives we are pursuing in responsible lending and what our track record looks like, page 25 onwards Sustainability Report 2024: 8.3.2 Key figures for environmentally friendly operations, page 52 onwards		G4-FS6, G4-FS10, G4-FS11, GRI 301-1, GRI 301-2, GRI 301-3, GRI 302-1, GRI 302-2, GRI 302-3, GRI 302-4, GRI 302-5, GRI 303-3, GRI 303-4, GRI 303-5, GRI 306-3, GRI 306-4, GRI 306-5
	Effectiveness review	Sustainability Report 2024: 1.3 Sustainability governance, page 5 onwards		
Social concerns	Materiality/risks	Sustainability Report 2024: 1.2.2 Sustainability topics that are material for us, page 5 Sustainability Report 2024: 3.1 Why the topic is of material importance, page 13 Sustainability Report 2024: 4.1 Why the topic is of material importance, page 24 Sustainability Report 2024: 5.1 Why the topic is of material importance, page 29 Sustainability Report 2024: 7.1 Why the topic is of material importance, page 44		GRI 3-1, GRI 3-2, GRI 3-3
	Concept/management approach	Sustainability Report 2024: 3.2 How we operate our investment business today, page 13 onwards Sustainability Report 2024: 4.2 How we operate our lending business today, page 24 Sustainability Report 2024: 5.2 How we organise ourselves to fulfil our responsibilities in business conduct, page 29 onwards Sustainability Report 2024: 7.2 How we select our regional support measures, page 44		GRI 3-3
	Targets	Sustainability Report 2024: 7.3.2 Objectives and ambitions of Zuger Kantonalbank, page 46		GRI 3-3
	Due diligence	Annual Report 2024: Notes to the consolidated financial statements, 3 Risk management, page 60 onwards Sustainability Report 2024: 3.2.4 Compliance with due diligence in relation to own financial assets, page 18 Sustainability Report 2024: 3.2.5 Consideration of due diligence obligations when offering metals, page 18		

Topic	Sub-topic	Location	Notes	Compliance with other standards (GRI, TCFD)
	Measures	Sustainability Report 2024: 3.4 What measures were the main focus in 2024, page 22 onwards Sustainability Report 2024: 4.4 Measures in the year under review, page 28 Sustainability Report 2024: 5.4 What measures were the main focus in 2024, page 33 onwards Sustainability Report 2024: 7.4 What sustainable support measures were the main focus in 2024, page 46 onwards		GRI 3-3
	Performance indicators	Sustainability Report 2024: 3.3.1 Key figures for the investment business, page 19 Sustainability Report 2024: 4.3 What objectives we are pursuing in responsible lending and what our track record looks like, page 25 onwards Sustainability Report 2024: 5.3 How we measure our responsible business conduct, and what our track record looks like, page 33 Sustainability Report 2024: 7.3 How our stakeholders benefit from our financial performance, and our share of regional support measures, page 44 onwards		G4-HR1, G4-FS6, G4-FS10, G4-FS11, GRI 2-27, GRI 206-1, GRI 418-1
	Effectiveness review	Sustainability Report 2024: 1.3 Sustainability governance, page 5 onwards Sustainability Report 2024: 5.4.3 Verification of efficacy, page 34		
Employee matters	Materiality/risks	Sustainability Report 2024: 1.2.2 Sustainability topics that are material for us, page 5 Sustainability Report 2024: 6.1 Why the topic is of material importance, page 35		GRI 3-1, GRI 3-2, GRI 3-3
	Concept/management approach	Sustainability Report 2024: 6.2 How we promote our attractiveness as an employer today, page 35 onwards		GRI 3-3
	Targets	Sustainability Report 2024: 6.3 What objectives we are pursuing and what key figures show our attractiveness as an employer, page 39 onwards		GRI 3-3
	Due diligence	Annual Report 2024: Notes to the consolidated financial statements, 3 Risk management, page 60 onwards		
	Measures	Sustainability Report 2024: 6.4 What measures were the main focus in 2023, page 42 onwards		GRI 3-3
	Performance indicators	Sustainability Report 2024: 6.3 What objectives we are pursuing and what key figures show our attractiveness as an employer, page 39 onwards		GRI 401-1, GRI 401-2, GRI 401-3, 404-2, 404-3, GRI 405-1, GRI 405-2, GRI 406-1
	Effectiveness review	Sustainability Report 2024: 1.3 Sustainability governance, page 5 onwards		

Topic	Sub-topic	Location	Notes	Compliance with other standards (GRI, TCFD)	
Respect for human rights	Materiality/risks	Sustainability Report 2024: 1.2.2 Sustainability topics that are material for us, page 5		GRI 3-1, GRI 3-2, GRI 3-3	
		Sustainability Report 2024: 3.1 Why the topic is of material importance, page 13			
		Sustainability Report 2024: 4.1 Why the topic is of material importance, page 24			
	Concept/management approach	Sustainability Report 2024: 5.1 Why the topic is of material importance, page 29			GRI 3-3
		Sustainability Report 2024: 3.2 How we operate our investment business today, page 13 onwards			
		Sustainability Report 2024: 4.2 How we operate our lending business today, page 24 onwards			
	Targets	Sustainability Report 2024: 5.2 How we organise ourselves to fulfil our responsibilities in business conduct, page 29 onwards			GRI 3-3
		Sustainability Report 2024: 5.2.2 Topic-specific regulations, page 31		No specific targets	
Due diligence	Annual Report 2024: Notes to the consolidated financial statements, 3 Risk management, page 60 onwards				
Measures	Sustainability Report 2024: 3.2.4 Compliance with due diligence in relation to own financial assets, page 18			GRI 3-3	
	Sustainability Report 2024: 3.2.5 Consideration of due diligence obligations when offering metals, page 18				
Performance indicators	Sustainability Report 2024: 3.2.1 Key figures for the investment business, page 19		Lending business: Zuger Kantonalbank conducts its commercial lending business exclusively with companies with financed groups or counterparties whose registered office is in Switzerland. There is no screening on human rights, and loan agreements do not contain any human rights clauses.	G4-HR1, GRI 2-27	
	Sustainability Report 2024: 5.3 How we measure our responsible business conduct and what our track record looks like, page 33				
Effectiveness review	Sustainability Report 2024: 1.3 Sustainability governance, page 5 onwards				
	Sustainability Report 2024: 5.4.3 Verification of efficacy, page 34				

Topic	Sub-topic	Location	Notes	Compliance with other standards (GRI, TCFD)
Combating corruption	Materiality/risks	Sustainability Report 2024: 1.2.2 Sustainability topics that are material for us, page 5 Sustainability Report 2024: 5.1 Why the topic is of material importance, page 29		
	Concept/management approach	Sustainability Report 2024: 5.2 How we organise ourselves to fulfil our responsibilities in business conduct, page 29 onwards Sustainability Report 2024: 5.2.2 Topic-specific regulations, page 31 onwards		
	Targets		No specific targets	
	Due diligence	Annual Report 2024: Notes to the consolidated financial statements, 3 Risk management, page 60 onwards		
	Measures	Sustainability Report 2024: 5.4 What measures were the main focus in 2024, page 33 onwards		
	Performance indicators	Sustainability Report 2024: 5.3.3 Anti-corruption, page 33		GRI 205-1, GRI 205-2, GRI 205-3
	Effectiveness review	Sustainability Report 2024: 1.3 Sustainability governance, page 5 onwards Sustainability Report 2024: 5.4.3 Verification of efficacy, page 34		
Due diligence and transparency regarding minerals and metals from conflict areas	Supply chain policy	Sustainability Report 2024: 3.2.5 Consideration of due diligence obligations when offering metals, page 18		
Due diligence and transparency regarding child labour	Supply chain policy	Sustainability Report 2024: 5.2.2 Topic-specific regulations, page 31		
	Risk assessment	Sustainability Report 2023: 5.3.2 Respect for human rights, page 33		

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