

# Sustainability Report 2025



Schwyzer  
Kantonalbank



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# **Classification**

# 1 Classification and strategy of sustainability at SZKB

## 1.1 Company profile

Schwyzer Kantonalbank (SZKB) is an independent institution under Cantonal public law and wholly owned by the Canton of Schwyz. Founded in 1890, SZKB conducts the business of a universal bank. The central pillars of its existence are defined in the Cantonal Law on the Schwyzer Kantonalbank (current version as of 17 February 2010). Section 3(2) provides that: «It [SZKB] contributes to balanced and sustainable development of the Canton, taking particular account of the needs of the people living in the Canton, the economy and the public sector.» The Act also defines the geographical reach of the operations of SZKB: «The geographical scope of business primarily includes the Canton of Schwyz» (Section 9(1) of the Schwyzer Kantonalbank Act).» «Business in the rest of Switzerland and abroad is permissible if the Bank does not incur any disproportionate risks and the meeting of the Canton's money and credit needs is not impaired by this activity (Section 9(2) of the Schwyzer Kantonalbank Act).» «As a rule, the Bank's foreign assets may not exceed 5% of the total balance sheet (Section 9(3) of the Schwyzer Kantonalbank Act). SZKB's headquarters and all of its branches are located in the Canton of Schwyz.»

## 1.2 Reporting with a sustainability focus

### Annual Report

The Annual Report also includes the SZKB Management Report, Corporate Governance Report and Annual Financial Statements. It presents the economic situation of the Bank. The Annual Financial Statements include, in particular, the Balance Sheet, the Income Statement, the Cash Flow Statement and the Statement of Changes in Equity. The Annual Report also provides information on the Bank's corporate structure (organisational chart), business activities, corporate governance, risk management and the remuneration of the Bank Council and the Executive Board.

### Sustainability Report

The Sustainability Report includes reporting on non-financial matters as per Articles 964a and following of the Swiss Code of Obligations (CO) and was drawn up in accordance with the GRI Standards. Climate reporting, which is based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), is presented in a separate chapter. Together with the Annual Report, the Sustainability Report provides a comprehensive picture of the financial, social and environmental dimensions of SZKB's business activities.

The Sustainability Report of SZKB for the 2025 financial year was approved by the Executive Board on 10 February 2026 and adopted by the Bank Council on 19 February 2026 for the attention of the Cantonal Council of Schwyz. SZKB's Sustainability Report was not subject to an external audit. It was published on 18 March 2026.

Unless specified otherwise, all information in this Sustainability Report pertains to the 2025 financial year, which ran from 1 January 2025 to 31 December 2025. This report contains forward-looking statements based on expectations and assumptions. Various influencing factors may cause the actual results to differ from the estimates provided here.

### 1.3 Point of contact

Schwyzer Kantonalbank  
Michelle Peter  
Sustainability Expert  
+41 58 800 25 46  
michelle.peter@szkb.ch

### 1.4 Embedding sustainability in the organisation

The Executive Board and the Bank Council have approved a sustainability strategy, verified the key topics and defined sustainability targets. In order to implement the sustainability strategy on an operational level, a specialist unit charged with achieving sustainability within corporate development has been set up, and the ESG programme has been made operational. A Sustainability Commission has also been set up as a strategic management and decision-making committee, which meets quarterly and in which meets quarterly and includes the entire Executive Board and selected representatives from existing commissions and departments. This sustainability governance ensures that regulatory requirements relating to sustainability are met and that strategic measures within the sustainability strategy are implemented. The interdisciplinary Sustainability Commission also incorporates the issue of sustainability into the various departments and business processes of Schwyzer Kantonalbank.

### The SZKB sustainability strategy

SZKB's sustainability strategy, as defined by the Bank Council, comprises the following components:

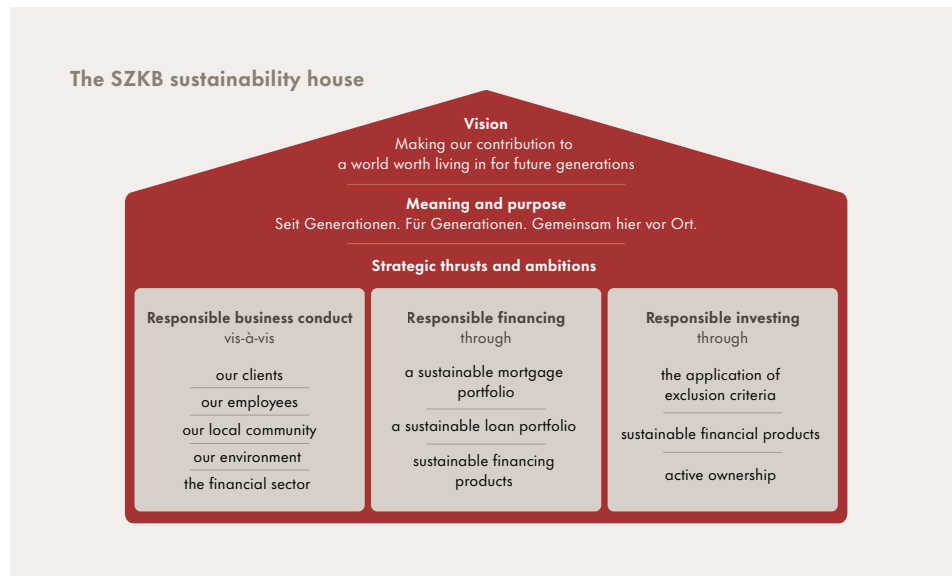
- The SZKB sustainability vision
- The SZKB sustainability house
- The key topics
- SZKB sustainability ambitions and objectives

### The SZKB sustainability vision

SZKB has defined the following sustainability vision: «We are aware that the decisions we make today will have an impact on future generations. We therefore remain committed to ensuring a sustainable future. We foster environmentally conscious behaviour and assist our clients in developing their assets and businesses in a sustainable manner. We strive to use resources efficiently, seek environmentally friendly solutions and make a positive impact on the community and society. We endeavour to create a liveable world for future generations.»

### The SZKB sustainability house

The sustainability house is the graphic representation of the sustainability strategy as a whole. The Sustainability Report is organised along the lines of the strategic thrusts.



### The key topics

The key topics are the focus of SZKB’s sustainability reporting. These were determined according to the principle of dual materiality, meaning they are those topics where the Bank has the greatest impact on society, the environment and the economy (inside out), as well as those topics that have a (financial) impact on the Bank (outside in).

The key topics were identified in the following manner: As a starting point, SZKB drew upon industry analyses, sustainability ratings, stakeholder input and media reports to compile possible topics specific to the industry, Bank and Canton and then had the effects assessed and analysed by internal Bank experts. The assessment of the key sustainability issues has been updated by SZKB technical experts with the involvement of people from the stakeholder groups clients, employees, Executive Board, Bank Council and Canton (Cantonal Supervisory Commission) and discussed with and approved by the Executive Board and the Bank Council.

Overview of key topics:

Key topics	Addressed in the report/chapter
<ul style="list-style-type: none"> <li>• «Client satisfaction»</li> <li>• «Data protection/client data/privacy»</li> <li>• «Diversity and integration»</li> <li>• «Remuneration of the highest governance bodies»</li> <li>• «Generations and local commitment»</li> <li>• «Fostering the local community and economy»</li> <li>• «Energy consumption and efficiency (greenhouse gas emissions)»</li> <li>• «Regulatory compliance»</li> <li>• «Reputation»</li> <li>• «Healthy growth»</li> </ul>	Sustainability Report: Responsible business conduct
<ul style="list-style-type: none"> <li>• «Financing a sustainable property»</li> <li>• «Access to sustainable financial services»</li> </ul>	Sustainability Report: Responsible financing
<ul style="list-style-type: none"> <li>• «Sustainable products and services»</li> </ul>	Sustainability Report: Responsible investing
<ul style="list-style-type: none"> <li>• «Business travel/commuting»</li> <li>• «Climate change», responsible financing</li> <li>• «Climate change», responsible investing</li> </ul>	Sustainability Report: Climate Report

The list of key topics included in the 2025 Sustainability Report does not differ from those published in the 2024 report.

Additional aspects beyond the key topics were identified within a dual materiality analysis. Based on the results of the dual materiality assessment, as well as the assessment based on the IRO analysis (impact, risk, opportunity), these were classified as non-material individual topics.

Other topics from the materiality analysis	Allocation
<ul style="list-style-type: none"> <li>• Innovation</li> <li>• Equal pay</li> <li>• Gender equality</li> <li>• Equal opportunities</li> <li>• Work-life balance</li> <li>• Employee development</li> <li>• Financial literacy informational event for the community</li> <li>• Volunteering</li> <li>• Sponsorship</li> <li>• Fairness towards competitors and suppliers</li> <li>• Sustainable procurement/supply chains</li> <li>• Protection of human rights</li> <li>• Independence of governance bodies</li> <li>• Political influence</li> <li>• Separation of powers</li> <li>• Responsible business conduct</li> <li>• Diversity and composition of the highest governance bodies</li> <li>• Combating corruption</li> <li>• Biodiversity</li> <li>• Recycling and waste management</li> <li>• Water consumption</li> </ul>	Responsible investing Business conduct

## SZKB sustainability ambitions and objectives

The sustainability ambitions and the corresponding objectives, as well as the progress made in the achievement of the objectives, are set out in the following table.<sup>1</sup>

Focus	Sustainability ambitions and objectives	Status	Comments on target status as of the end of 2025	Chapter
<b>Responsible business conduct</b>	<b>Sustainability ambition:</b> «We are committed to being a responsible company that acts with integrity and in alignment with our values. As a bank, we acknowledge our responsibility to our stakeholders. We strive to enhance overall trust in the financial sector and ensure the satisfaction of our clients and employees through our responsible operating practices, which reflect the results of specific measures taken. It is also important for us to recognise and reduce our negative impacts on the environment. Ultimately, we want to support local projects in making a positive contribution to society.»			1. Classification
1 ...towards our clients	In the client satisfaction survey conducted every two years, 95% of clients express satisfaction or high satisfaction with SZKB.	Target achieved	The figure in 2024 was 95%. Next planned for 2026.	2.1 Responsible business conduct towards our clients
2 ...towards our clients	In the client satisfaction survey conducted every two years, from 2030 onwards at least 70% of clients will say that they perceive SZKB as a sustainable or very sustainable bank.	Target achieved	The figure in 2024 was 79%. Next planned for 2026.	2.1 Responsible business conduct towards our clients
3 ...towards our clients	By 2030, all branches will be accessible to clients with reduced mobility.	on track	As part of the branch concept, SZKB carries out an analysis with the aim of improving the accessibility of branch buildings.	2.1 Responsible business conduct towards our clients
4 ...towards our clients	All SZKB full-time and part-time employees, as well as all authorised representatives with access to SZKB's IT systems, are required to complete annual online training courses on data and information security to ensure the security of client data.	Target achieved	SZKB employees complete annual online training on data and information security. 100% of those invited to participate completed the training. External employees with access to SZKB systems were provided with appropriate information by the relevant SZKB employees or by SZKB specialist units.	2.1 Responsible business conduct towards our clients
5 ...towards our employees	SZKB fulfils its role as a training company by providing a number of apprenticeship and internship positions equivalent to a minimum of 5% of the workforce.	Target achieved	In 2025, SZKB offered apprenticeships and internship positions to more than 5% of the workforce.	2.2 Responsible business conduct towards our employees
6 ...towards our employees	The number of sickness-related absence days per employee (FTE) is less than 5.0 days per year.	Target achieved	2025: The number of sickness-related absence days per employee (FTE) was less than 5.0 days per year, including long-term absences.	2.2 Responsible business conduct towards our employees
7 ...towards our employees	SZKB acts as a socially responsible employer by providing job opportunities for individuals with disabilities, such as through reintegration programs or through the continued employment of employees with limited capacity, with at least 1% of its employees taking advantage of such opportunities.	on track	SZKB acts as a socially responsible employer and focuses on ensuring sustainable employment conditions for employees, including in the event of illness or limited capacity for work.	2.2 Responsible business conduct towards our employees

<sup>1</sup> All targets, including in particular quantitative CO<sub>2</sub> emissions targets, are aligned with the objectives of the Swiss Climate Strategy (Federal Office of Energy FOE: Energy Perspectives 2050). Minor discrepancies at the level of decimal places can occur for all key figures due to rounding differences. All changes are expressed as percentages (relative changes).

Focus	Sustainability ambitions and objectives	Status	Comments on target status as of the end of 2025	Chapter
8 ...towards our employees	By 2030, greenhouse gas emissions from transportation (Scope 3) will be reduced in accordance with Switzerland's climate strategy (reduction of 21% compared to the reference year 2021).	on track	Further measures will be developed in order to achieve the objective.	5 Climate Report
9 ...towards our employees	The (unexplained) pay gap between the genders is no more than 2.5%.	not on track	The (unexplained) pay gap between the genders is greater than 2.5%. The analysis is conducted every two years.	2.2 Responsible business conduct towards our employees
10 ...towards our employees	By 2030, there will be a minimum of 25% representation of both genders among employees at all levels, including the Executive Board.	on track	In 2025, SZKB was able to achieve the target representation of at least 25% of each gender at almost all levels.	2.2 Responsible business conduct towards our employees
11 ...towards our local environment	Local commitment (sponsorship) of at least CHF 0.8 million per year	Target achieved	SZKB awarded CHF 0.8 million in the form of sponsorship in 2025.	2.3 Responsible business conduct towards the local environment
12 ...towards our local environment	Increase the number of financial literacy events hosted	Target achieved	The target of increasing the number of financial literacy events was achieved through the continuation of public events such as Clever@SZKB. This initiative has focused on awareness of financial education and is aimed at a broad target group.	2.3 Responsible business conduct towards the local environment
13 ...towards our environment	By 2027, SZKB will reduce its operational CO <sub>2</sub> emissions by 15.8%, or 145 t (base year 2021), to 770 t.	on track	SZKB's CO <sub>2</sub> emissions fell by 142.5 t from 1,050.5 t in 2023 to 908 t in 2024 <sup>1</sup> .	5 Climate Report
14 ...towards our environment	Raising employee awareness of resource consumption (e.g. paper, heating, light and electricity).	Target achieved	Awareness has been raised through various channels, such as intranet notifications.	2.4 Responsible business conduct towards our environment
15 ...towards our environment	By 2030, all bank buildings (solely) owned by SZKB will cease using oil or gas heating systems, provided that it is economically feasible and technically viable to do so.	on track	Ongoing conversion according to the Masterplan 2030 to more environmentally friendly heating systems at branch properties (solely) owned by the Bank.	2.4 Responsible business conduct towards our environment
16 ...towards our environment	By 2030, SZKB will have installed photovoltaic systems on all bank buildings (solely) owned by SZKB, provided that it is economically feasible and technically viable to do so.	on track	Installation of photovoltaic systems according to the Masterplan 2030.	2.4 Responsible business conduct towards our environment

<sup>1</sup> Each year, SZKB can only report on the previous year's emissions due to delays in the provision of data (internal and external dependence).

Focus	Sustainability ambitions and objectives	Status	Comments on target status as of the end of 2025	Chapter
Responsible financing	Sustainability ambition: «We promote sustainable financing. As a bank, we recognise our role within society as an enabler of the development of sustainable activities. We are committed to expanding access to sustainable financial services for private and professional clients while integrating environmental and social criteria into our financing solutions. We aim to reduce the greenhouse gas emissions of our financing portfolios and achieve net-zero emissions by 2050.»			1 Classification
17 Sustainable mortgage portfolio	The emissions intensity of mortgages <sup>2</sup> financed will be reduced by a minimum of 42% by 2030 compared to the 2022 base year.	not on track	SZKB is developing measures to reduce the emissions intensity of mortgages financed. In addition to raising awareness among property owners and employees, the Bank has introduced SZKB financing products that foster and support sustainable behaviour on the part of mortgage borrowers.	5 Climate Report
18 Sustainable mortgage portfolio	By 2030, the emissions intensity of commercial real estate financed will be reduced by a minimum of 40% compared to the 2022 base year.	not on track	SZKB is developing measures to reduce the emissions intensity of mortgages financed. In addition to raising awareness among property owners and employees, the Bank has introduced SZKB financing products that foster and support sustainable behaviour on the part of mortgage borrowers.	5 Climate Report
19 Sustainable loan portfolio	Development of financing products that foster and support sustainable behaviour	Target achieved	Solutions for energy-efficient renovation for private clients and for commercial clients.	3 Responsible financing
20 Sustainable loan portfolio	Raising awareness among clients	Target achieved	The advice given to clients actively considers ESG issues and raises their awareness at the same time.	3 Responsible financing
21 Sustainable financing products	Raising awareness among employees	Target achieved	Employees have received general ESG training through various programmes, including product-specific training focusing on ESG and sustainable financing products.	3 Responsible financing
22 Sustainable financing products	Creation of incentives (e.g. favourable interest rates) for a reduction in emissions intensity	Target achieved	Advantageous conditions for energy-efficient renovation with the «handshake mortgage»	3 Responsible financing
23 Sustainable financing products	Support with the generational transfer of a property	Target achieved	Introduction of the solution for advising multiple generations, providing support with the generational transfer of a property	3 Responsible financing

<sup>2</sup> Financed mortgages include single-family houses and individual flats.

Focus	Sustainability ambitions and objectives	Status	Comments on target status as of the end of 2025	Chapter
Responsible investing	<b>Sustainability ambition:</b> «We promote sustainable investments. As a bank, we recognise our duty to manage our clients' assets responsibly with a long-term focus. We are committed to systematically incorporating sustainability aspects into the development of all our portfolios in order to manage sustainability risks. At the same time, we want to offer our clients sustainable products that align with their ESG preferences and expectations. Ultimately, we see ourselves as representatives of our clients in regard to all investment recipients and seek to work towards more sustainable business development on their behalf.»			1 Classification
24 Application of exclusion criteria	Consideration of controversial and/or environmentally harmful sectors in the investment decision-making process	Target achieved	Extreme risks are also excluded within traditional investment solutions.	4 Responsible investing
25 Sustainable financial products	By the end of 2025, at least 20% of all asset management mandates should have client preferences that are conscious, focused or effective, and by the end of 2030, this should increase to at least 50%.	Interim target achieved	As of the end of 2025: 36.7%	5 Climate Report
26 Sustainable financial products	The proportion of SZKB investment funds with alignment with client preferences of conscious or focused will be at least 20% of the total of all SZKB investment funds at the end of 2025, and this proportion will increase to at least 50% by the end of 2030. <sup>3</sup>	Interim target achieved	As of the end of 2025: 40.6%	5 Climate Report
27 Sustainable financial products	Development of further financial products that foster sustainable behaviour and thus correspond to various ESG preferences	Target achieved	In 2024, SZKB introduced a new ESG line, thus expanding its range of sustainable products at the portfolio management and asset management level in order to cater to various needs.	4 Responsible investing
28 Active ownership	Development of an engagement policy by 2025.	Target achieved	In 2024, SZKB carried out an analysis of various proxy voting and collaborative engagement solutions. As a result, it decided that its active ownership policy will include the Ethical Fund's proxy voting solution.	4 Responsible investing

<sup>3</sup> This is a volume figure (AuM).

SZKB's approach to sustainability is based on the 17 United Nations Sustainable Development Goals (SDGs). SZKB is committed to all 17 SDGs but focuses its activities on six of them.

### 1.5 Progress and outlook

SZKB made progress in implementing its sustainability strategy in 2025. Key principles such as ESG risk management have been further developed, and sustainability has been further embedded within relevant processes. This progress forms the basis for the next steps. SZKB will continue to implement its sustainability strategy in 2026. Building on the progress previously made, it will continue to focus on establishing sustainability as an integral part of business processes and corporate management.

The following developments are planned in 2026:

- **Review of integration into the corporate strategy:** As part of its strategic development, SZKB is examining various options for how sustainability can be integrated into the corporate strategy in the future.
- **Enhancement of ESG expertise:** The promotion of internal know-how will continue in 2026. The range of existing training available will be reviewed and expanded if necessary, with the objective of improving the understanding of the strategic importance of sustainability and strengthening the implementation capabilities.
- **Expansion of underlying data and impact analysis:** In order to transparently document progress in terms of sustainability performance, the collection and assessment of ESG data will be further professionalised.
- SZKB is continuously being confronted with **dynamic regulatory requirements** in the area of sustainability, which will also have a significant impact on tasks and measures in the area of sustainability in the coming years. At the same time, ESG regulations also offer the opportunity to continuously adapt and further develop processes in order to meet both legal requirements and the expectations of our clients.

	4 QUALITY EDUCATION	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Responsible business conduct	✓		✓	✓	✓	
Responsible financing		✓		✓		
Responsible investing				✓		✓





# **Responsible business conduct**

# 2.1 Responsible business conduct towards clients

## 2.1.1 Relevance, objectives, management approach and measures

### Relevance of the topic for SZKB and its objectives

Responsible business conduct is a key component of SZKB's sustainability strategy. It is based on the principles of protecting clients, ensuring transparency and building trust. By acting ethically, the Bank not only strengthens its own reputation but also makes an important contribution to financial stability and trust throughout the industry. Opportunities and risks associated with business conduct towards clients can be viewed from two perspectives: inside-out and outside-in.

- **Inside-out<sup>1</sup>: accepting responsibility at the heart of operations.** SZKB develops its products and services in the interest of its clients. In doing so, their needs are taken into account while risks and opportunities are communicated in a clear and transparent manner. This approach strengthens not only client loyalty and long-term relationships but also the Bank's market position. Through proactive risk management, SZKB protects the interests of its clients and supports the stability of the financial system.
- **Outside-in<sup>2</sup>: adapting to external influences.** External factors, such as economic or regulatory changes, have a direct impact on the Bank and its clients. SZKB responds to this with a forward-looking approach and by making flexible adjustments to its products and services. In this way, it offers its clients a stable financial basis whilst at the same time increasing client satisfaction, which is a high priority for it.

SZKB has defined the following objectives for responsible business conduct towards clients in the key area of «client satisfaction»:

- In the client satisfaction survey conducted every two years, 95% of clients express satisfaction or high satisfaction with SZKB.
- In the client satisfaction survey conducted every two years, from 2030 onwards at least 70% of clients will say that they perceive SZKB as a sustainable or very sustainable bank.
- By 2030, all branches will be accessible to clients with reduced mobility.

Responsible business conduct means not only catering to the needs of clients with high-quality products and services but also bolstering trust in the work of SZKB. Client satisfaction is achieved through reliability, transparency and respect for the concerns of clients. Ensuring that their personal data is protected is an essential part of this process. SZKB is committed to its responsibility to manage data securely and in accordance with the applicable legal requirements. This not only enhances security but also forms the basis for long-term cooperation rooted in trust.

SZKB has set for itself the following target in the key topic of «data protection/client data/privacy»: All SZKB full-time and part-time employees, as well as all authorised representatives with access to SZKB's IT systems, are required to complete annual online training courses on data and information security to ensure the security of client data.

<sup>1</sup> Considers the impact of a company's own actions on clients, society and the environment. It assesses whether internal processes, products and services have been designed sustainably in order to achieve positive outcomes and minimise risks.

<sup>2</sup> Focuses on external influences such as market trends, regulatory changes or societal expectations that affect the company. The aim is to proactively manage these influences and respond strategically to them in order to create competitive advantages and boost resilience.

### «Client satisfaction» management approach

#### Advisory philosophy: «Advise well, Schwyz-style»

The advisory philosophy «Advise well, Schwyz-style» was introduced in 2024 with a value proposition and twelve advisory standards. It stands for holistic advice rooted in foresight and is based on clearly defined pillars. The aim is to understand the individual circumstances of our clients and to offer needs-based solutions rooted in financial expertise and pragmatism. Client advisors receive regular training and support from their supervisors in order to embed this philosophy in their work. All advisors in core segments have completed a two-day basic training programme and further training on specific topics. In addition, managers and client advisors from core segments each complete a one-day refresher training course on the core elements of the advisory philosophy: «Advise well, Schwyz-style». In addition, tools have been introduced in order to prepare for discussions and to analyse client circumstances. In addition, advisors complete an SAQ-certified training course in order to ensure their expertise.

The advisory philosophy emphasises responsible sales practices. This is done in order to ensure that financial products are only offered if they match the needs and risk profile of clients, as well as to ensure financial protection for clients and to prevent over-indebtedness.

#### Development of products and services

SZKB attaches great importance to the quality of its products and services, which are regularly reviewed and assessed by the responsible specialist department. Client feedback and surveys provide additional insights concerning potential improvements. The results are fed into the Sales Commission, which decides on new products, as well as any expansion or adjustment of products already launched. The Commission, which includes representatives of the Executive Board, Sales Management, Sales and Market Management, Product Management and Asset Management, is responsible for careful analysis and implementation. Responsibility for the product development and review process, which is regulated in the directive «Introduction of New Products or Entry into New Business Areas», lies with the Product Management department. This process involves relevant functions from the first and second line (according to the three-line model of the IIA) and ensures that products are reviewed at appropriate intervals. Findings are discussed with the CEO or with the member of the Executive Board responsible for sales. Any changes are proposed to the Sales Commission. The Executive Board oversees all product launches.

SZKB does not engage in active market cultivation outside Switzerland and complies appropriately with regulatory requirements such as the automatic exchange of information, the Qualified Intermediary Agreement and the FATCA Agreement.

#### Access to SZKB services

SZKB interacts with clients through a wide network of branches and cashpoints, advisory consultations, product documents and client communications. As a member of the Association of Swiss Cantonal Banks (VSKB), SZKB clients can withdraw cash free of charge from more than 2,000 cashpoints operated by cantonal banks throughout Switzerland. With 1.3 branches and 3.2 ATMs for every 10,000 residents, SZKB has an above-average density of branches and cashpoints in the Canton of Schwyz, ranking in the top third compared to other cantonal banks. SZKB ensures that accessibility requirements are fulfilled by new buildings and renovations.

Digital distribution channels complement this access and enable banking transactions such as payments and securities trading to be conducted flexibly via e-banking and mobile banking solutions. SZKB also offers alternatives such as telephone advice, video sessions and in-person appointments with clients on site. With tools such as the TWINT App and software integration for accounting systems such as Swiss21, Klara and Bexio, SZKB is expanding its range for private and corporate clients.

SZKB also uses events specifically designed with the audience in mind to present its range and to foster financial literacy among the general public. An internal event concept ensures efficient, professional implementation, taking into account sustainability, security and accessibility considerations. With practical formats and topics specific to the respective stakeholder groups, SZKB actively supports the responsible management of finances and enhances dialogue with its clients. Sustainability is firmly anchored in Marketing & Communication. The team is supported in its everyday work by guidelines, including practical checklists. This guidance ensures that communication and marketing activities are aligned with the sustainability strategy and contribute to a responsible future.

SZKB ensures that its banking services can be accessed through a wide range of interfaces. Thanks to an above-average density for Switzerland in terms of branches and cash-points per 10,000 inhabitants, as well as digital and innovative solutions, SZKB ensures that its services are accessible, even in under-served areas and among under-served population groups (e.g. due to a lack of infrastructure in remote regions).

#### **Transparency about products and services**

SZKB focuses on transparency and provides its clients with targeted and comprehensive information concerning physical and digital channels, such as communication sent by postal mail, campaigns, bonus programmes and advertisements. With the e-banking and mobile banking solution, clients have an overview of their financial situation. Alongside product-specific information, SZKB provides individual data in the form of reports.

New products or extensions are communicated to sales staff and, if necessary, accompanied by training to ensure high-quality advice. Advertising campaigns are developed with input from multiple sources and, if necessary, are reviewed by the specialist units affected by the topics dealt with, such as the Compliance/Legal Services department, in order to ensure compliance with statutory and regulatory requirements.

#### **Client satisfaction**

At least every two years, SZKB measures client satisfaction and the Bank's public perception. In addition, targeted surveys on specific topics or selected client interactions are carried out in order to gain detailed insights. These surveys are conducted on a case-by-case basis, at most once or twice each year.

In addition, SZKB participates in surveys conducted by the Association of Swiss Cantonal Banks (VSKB), including surveys regarding client satisfaction and the image of the Bank. SZKB uses YouGov's Swiss Brand Observer, which analyses the perception of 225 brands and the impact of advertising campaigns on a weekly basis. Through this and other ad hoc studies, SZKB is gaining insights in order to optimise client satisfaction.

#### **Complaints management and client feedback**

Client satisfaction is central to SZKB's client service. Complaints are received, recorded and processed centrally by the client advisor or the Client Centre. The process for monitoring and analysing complaints is regularly reviewed, in particular with regard to quality assurance and raising awareness among employees.

Segment & Sales Management receives and reviews complaints weekly to ensure they have been correctly recorded in accordance with the internal «Complaints Management» policy. Patterns and frequencies are analysed in order to derive targeted improvement measures. The results are incorporated into reporting on operational risks and are integrated on a quarterly basis into the overall Bank's risk report, which is presented to the Executive Board, the Bank Council and the Swiss Financial Market Supervisory Authority (see Chapter 2.1.1 Relevance, objectives, management approach and measures, Section Organisation for managing operational risks). This approach helps strengthen client relationships through competent complaints handling while also recognising scope for possible improvements.

#### **Key measures**

During the reporting year, SZKB focused on the following measures in the area of responsible business conduct towards clients in the key area of «client satisfaction»:

- Identifying client satisfaction
- Processing complaints and client feedback systematically
- Providing training and courses for clients
- Driving forward product development

#### **Management approach to «data protection/client data/privacy»**

##### **Anchoring data protection in the organisation**

The head of Finance and Risk Management is responsible for ensuring compliance with data protection requirements. The Compliance/Legal Services and Security department identifies the data protection requirements that must be applied along with the data security measures that need to be implemented in the Operations & Platforms department.

SZKB treats personal data confidentially and in accordance with the applicable statutory provisions, including the Swiss Data Protection Act. Details on data protection are set out in the internal «Data Protection» directive. In principle, data is only shared with third parties if this is necessary for the performance of the contract. In the context of a final and enforceable judgement, order or legal obligation, personal data must be released to authorities in Switzerland and abroad in connection with civil, administrative and criminal proceedings. SZKB attaches great importance to the protection of personal data. A public Privacy Policy transparently describes how data from clients, employees, and third parties is processed and protected. The aim is to ensure the responsible handling of data and to strengthen trust amongst all stakeholder groups.

#### **Data handling**

SZKB ensures that data is reliably protected at all times by modern systems and programmes. Technical and organisational measures prevent loss, destruction, and unauthorised access to and alteration or dissemination of information. Access controls, encryption and de-identification ensure that sensitive data remains confidential.

The Payment Card Industry Data Security Standard (PCI-DSS) has been implemented in relevant areas. Personal data is protected in accordance with the least-privilege and need-to-know principle in order to prevent unauthorised access as well as unintentional alteration.

Premises not open to the public are secured by personal access controls, and access to IT systems is only provided via individual access credentials. The Bank's security concept is based on the need-to-know principle.

Security measures are regularly adapted in line with technical developments and reviewed by internal and external controls. In addition, employees benefit from recurring training and awareness-raising measures. These measures also apply to SZKB contractual partners for which ISAE-3402 reports (International Standard on Assurance Obligations, ISAE) are requested from relevant partners according to risk-based considerations. SZKB concludes information security and order data processing agreements with partners if they process personal data on behalf of SZKB.

SZKB maintains an inventory of the data records and updates it regularly. Any data subject may request information as to whether and, if so, which personal data concerning them is being processed. In addition, the data subject has the right, in particular, to obtain the rectification and erasure of the data in accordance with statutory provisions. Personal data is stored for as long as is necessary to fulfil contractual, statutory or regulatory obligations or internal requirements, as a general rule for 10 years after the end of the business relationship. Storage for a longer period may be necessary within the context of ongoing or anticipated legal or regulatory proceedings or due to other overriding interests. After the reason for storage no longer applies, data is deleted or anonymised if technically possible.

SZKB provides public information in its Privacy Policy concerning the principles according to which all business areas at SZKB process personal data.

#### **Consideration of information security within projects**

Information security is considered an independent project objective within projects. It is an objective with equivalent status, alongside functionality and performance, in the development, procurement and use of information processing systems. For IT projects, SZKB relies on the principles of «security by default» and «security by design». This means that systems are designed safely from the outset with high security standards and incorporate security aspects at an early stage of development. Measures such as multi-factor authentication, data encryption and the deactivation of insecure functions are an integral part of this.

#### **Emergency planning for security incidents**

An incident response plan with specific playbooks, including one for data breaches, ensures a quick response, thorough analysis of the situation and the taking of appropriate action in the event of security incidents. In addition, data backups are made periodically. At least once a year, their restoration is tested to ensure that important data can be reliably restored in the event of an emergency.

**Information security management system**

SZKB operates an information security management system (ISMS) in accordance with ISO 27001 and is aiming to obtain ISO 27001 certification in 2026. As part of the security system, vulnerabilities are assessed from a risk perspective. SZKB also proactively conducts internal and external audits at varying intervals to ensure high standards with regard to information security. At least once a year, an external security company is instructed to audit SZKB’s security structure. In the context of projects and the introduction of new systems, risk-based checks are carried out to identify any potential vulnerabilities and, if necessary, validated with external partners and passed on to the SOC partner (security operations centre) for analysis. Anomalies are systematically analysed, and measures are defined. Any vulnerabilities identified as part of the continuous bug bounty programme are also validated by an external partner<sup>1</sup>. The process for third-party management systematically captures and controls risks by working together with external partners. Partners are evaluated based on a materiality assessment. In cases with increased relevance, such as access to core ICT processes, classified information or personal data, an in-depth risk analysis is conducted using the technical and organisational measures (TOM) questionnaire and, if necessary, a data processing (DP) agreement is concluded. The cybersecurity level of relevant partners is continuously monitored using the security scorecard. If the defined thresholds are not met, targeted measures are initiated to strengthen information security and reduce risks.

SZKB employs comprehensive technical and organisational measures in order to prevent and detect data incidents. Data loss prevention systems on end devices, in the e-mail gateway and in the proxy prevent any unauthorised leakage of sensitive information. These functions will be further strengthened in the future with the establishment of a technical solution for data classification. In addition, a network detection and response (NDR) system monitors the network for potential data breaches and anomalies. All systems are continuously monitored by the Security Operations Centre (SOC). In the event of an incident, defined playbooks are activated for a rapid, coordinated response. The efficacy of the information security management system (ISMS) is ensured by regular internal and external audits.

**Organisation for the management of operational risks**

The Operational Risk Commission (ORC) is a commission established by the Executive Board to manage operational risks in accordance with the risk catalogue. Duties and powers include operational risk reporting, monitoring and compliance with risk tolerance, the identification of measures to reduce risk or ensure compliance with reporting obligations to the Executive Board and the Bank Council and ensuring compliance with statutory and regulatory reporting obligations.

The ORC ensures effective management of operational risks within the company and also serves as a liaison body between the risk management units (first line) and the independent control bodies (second line). The ORC includes two members of the Executive Board as well as representatives of the second line of defence, IT and operational areas.

**Key measures**

SZKB focused on the following measures in the area of responsible business conduct towards clients during the reporting year in the key area of «data protection/client data/privacy»:

- Raising employee awareness and providing training to employees
- Establishment of artificial intelligence (AI) governance

**2.1.2 «Client satisfaction»**

**Identifying client satisfaction**

Client satisfaction is assessed every two years. The 2024 client satisfaction survey was conducted online by an external institute.

Description	2025	2024
Proportion of clients who are satisfied or very satisfied with SZKB	Next due in 2026	95%
Clients perceive SZKB as a sustainable or very sustainable bank	Next due in 2026	79%

<sup>1</sup> As a complement to other security measures, bug bounty programs serve to identify, document and remedy any vulnerabilities within IT systems and applications, working in cooperation with ethical hackers. They comply with legal requirements and act with the consent of the parties involved.

**Processing complaints and client feedback systematically**

At SZKB, client complaints are taken seriously and systematically recorded and handled. Proper handling of complaints also provides an opportunity to improve products and services and to strengthen client loyalty.

Description	2025	2024
Number of complaints received	201	214

**Providing training and courses for clients**

To enhance client familiarity with banking topics and increase client satisfaction, SZKB offers information platforms, including client events. Clients are taught how to safely use digital banking services and are assisted with important topics in this way. SZKB has been continuing the Clever@SZKB series, through which the Bank offers the Schwyz community free talks on various topics in order to improve financial literacy. SZKB also uses various other channels to provide financial information, such as videos and radio streams with insights and analyses from the Chief Investment Officer, the SZKB podcast, regional newspapers, specialist articles in newspapers and magazines, the SZKB client magazine, newsletters and so on. This enables it to reach its clients via digital and physical channels.

**Driving forward product development**

SZKB is further developing its product range to cater to the needs of its clients as well as the requirements of a modern banking landscape. During the reporting year, several product developments were implemented to increase both efficiency and the client experience. These included the sustainability bonus as an incentive for responsible action, new commercial cards for corporate and commercial clients and the launch of foreign currency transfer and STU products. In addition, a venture capital module was created, enabling clients with a long investment horizon to participate via funds in exclusive, broadly diversified venture capital investment opportunities.

SZKB expanded its digital range with the introduction of contactless cash transactions at ATMs (NFC) and digital pensions in October 2025. Hybrid client onboarding, which has been available since 2025, enables efficient digital account opening. These further developments help to achieve a future-fit, user-friendly service design.

**2.1.3 «Data protection/client data/privacy»**

**Raising employee awareness and providing training to employees**

In 2025, all SZKB employees were obliged to complete IT system access training courses on information security and data protection. The awareness of SZKB partners with access to SZKB systems was raised by their responsible contact person at SZKB or the Security department. The signing of non-disclosure agreements also further raised awareness about the need to handle sensitive information in a responsible manner.

In order to enhance security awareness, SZKB has pursued, among other things, measures such as simulated phishing and smishing attacks as well as regular information campaigns via the intranet.

**Establishment of artificial intelligence (AI) governance**

SZKB has established company-wide AI governance arrangements. The use of artificial intelligence must be designed in such a way as to guarantee data protection and data security. The strategy sets out guidelines for the responsible use of AI. For the purpose of risk mitigation, the use of AI is subject to the expectations of the Swiss Financial Market Authority.

#### 2.1.4 Assessment of effectiveness

The action taken to improve client satisfaction and strengthen data protection has achieved positive results overall. By reducing the interval between surveys and systematically evaluating client feedback, SZKB can capture client needs more precisely and incorporate them into the future development of its product range in a targeted manner. The optimisation of the complaints process and the training of client advisors promote transparent and practical support. In addition, client events and information formats such as Clever@SZKB boost financial expertise and confidence in the Bank.

In the area of data protection, awareness-raising and training for all employees with IT system access have been systematically implemented. Security awareness has been noticeably increased through phishing tests, regular awareness campaigns and the requirement to conclude non-disclosure agreements. The rollout of company-wide AI governance also lays the foundation for the responsible usage of new technologies in a manner compliant with data protection law.

Overall, the combined measures significantly help to strengthen client satisfaction, data security and trust, and also support SZKB in its sustainability strategy.

#### Further development and next steps

Training focusing on sales dialogue and sales meetings is planned for the Sales Management staff. They also continue to actively support client discussions in order to specifically strengthen the advisory expertise of their employees. The next client satisfaction survey is planned for 2026.

The focus in 2026 will be on stepping up awareness-raising measures within the framework of the awareness concept 2.0. The project for replacing the access control system has been launched, and implementation will start in 2026. The content of the information security management system (ISMS) is being further developed with the aim of obtaining ISO 27001 certification in 2026. Third-party risk management (TPRM) will focus on stabilisation and targeted further developments, while further optimisations are planned in the area of business continuity management (BCM). In addition, it is planned to introduce a technical solution for classifying data.



## 2.2 Responsible business conduct towards employees

### 2.2.1 Relevance, objectives, management approach and measures

#### Relevance of the topic for SZKB and its objectives

As an employer, SZKB has the ability to shape the professional development of its employees in their work roles. This can have both negative and positive effects. Opportunities and risks relating to business conduct vis-à-vis employees can be divided into an inside-out perspective and an outside-in perspective:

- **Inside-out – the impact of SZKB on employees and society:** As a significant employer in the Canton of Schwyz, SZKB has a direct influence on the well-being, development and job satisfaction of its employees, thereby also having an impact on society. An open corporate culture strengthens identification with the Bank and promotes satisfaction, employee retention by the company and the positive perception of SZKB as a responsible employer (employer branding). At the same time, it is important to avoid negative effects such as harm to health, discrimination in the workplace or loss of employability. The aim is to create a working environment that supports health, equal opportunities and individual development.
- **Outside-in – the impact of external factors on SZKB:** Social changes, rising expectations in terms of employer responsibility and environmental challenges are increasingly influencing SZKB's HR strategy. Topics such as sustainable mobility, flexible working models and responsible remuneration policies are gaining in importance. The reduction of commuting emissions, as well as the design of a transparent, balanced remuneration policy, helps to fulfil environmental and social requirements while ensuring competitiveness on the labour market.

With this approach, SZKB identifies areas in which action is required, minimises risks and strengthens its role as a responsible employer and sustainable institution.

SZKB has defined «Diversity and integration», «remuneration of the highest governance bodies» and «commercial traffic/commuter traffic»<sup>1</sup> as key topics in the area of responsible business conduct towards employees and set the following targets (climate targets are presented in the Climate Report of Schwyzer Kantonalbank):

- SZKB fulfils its role as a training company by providing a number of apprenticeship and internship positions equivalent to a minimum of 5% of the workforce.
- SZKB acts as a socially responsible employer by providing job opportunities for individuals with disabilities, such as through reintegration programs or through the continued employment of employees with limited capacity, with at least 1% of its employees taking advantage of such opportunities.
- The number of sickness-related absence days per employee (FTE) is less than 5.0 days per year.
- The (unexplained) pay gap between the genders is no more than 2.5%.
- By 2030, there will be a minimum of 25% representation of both genders among employees at all levels, including the Executive Board.

<sup>1</sup> The key topics of «commercial traffic/commuter traffic» and «climate change» and the related targets are covered in Chapter 5 Climate Report and are not addressed in this chapter.

## Management approach

### Organisation

The strategic responsibility for human resources policy lies with the Bank Council, its Personnel Committee (PEA) and the Executive Board. These bodies perform central tasks in managing and monitoring the Bank's HR strategy and policy. The Human Resources department (HR) is responsible for the operational design and implementation of the human resources strategy. It reports directly to the CEO and is responsible for the development and implementation of the HR strategy. It covers the areas of digitalisation in HR, strategic HR projects (such as workforce planning), talent and leadership development, as well as an expanded range of apprenticeships, operational excellence (HR processes and workflows) and HR communication.

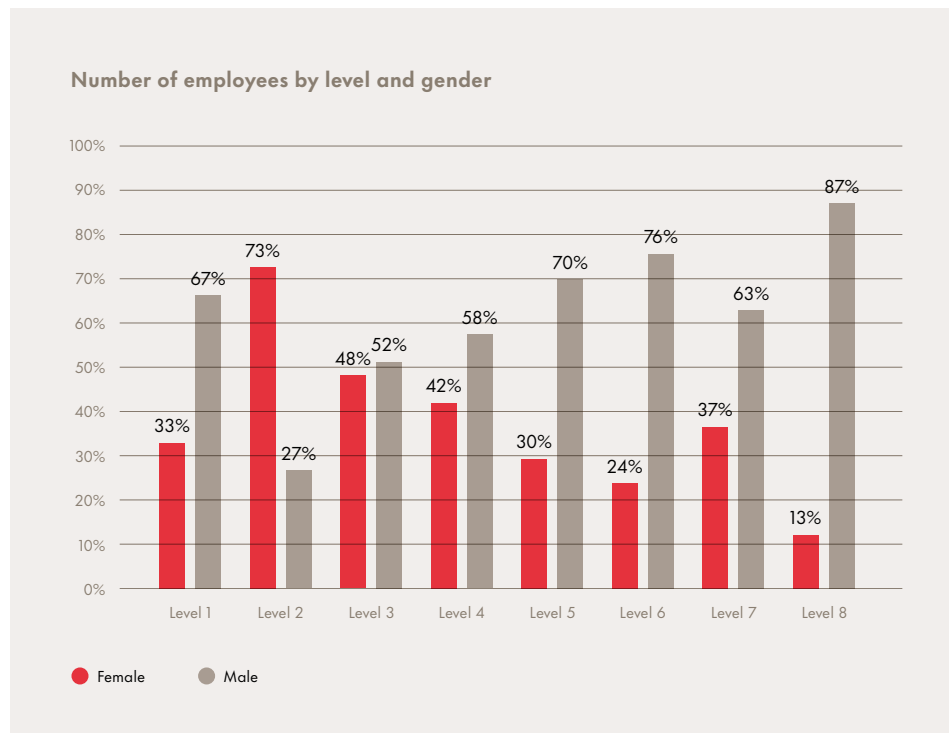
The Bank Council, in particular the Personnel Committee, is responsible for key decisions in the area of human resources policy. This includes the appointment and dismissal of members of the Executive Board and the Board of Inspectors, approval of the Remuneration and Personnel Regulations and the organisation and development of the compensation

model for the Executive Board or the Bank Council. These decisions are subject to supervision by the Cantonal Supervisory Commission and also include a determination of the fixed and variable elements of overall remuneration.

The Human Resources department is operationally responsible for the development and promotion of diversity, equality and integration within the organisation. It monitors compliance with relevant standards and implements measures that strengthen and further develop an inclusive corporate culture.

### Preventing discrimination

Sexual harassment, bullying and discrimination of any kind are not tolerated at SZKB. Appropriate provisions have been incorporated into the «Personal Regulations» for this purpose. The appropriate channels for lodging complaints are managers, the Human Resources department or the members of the Executive Board. In addition, the whistleblowing process can be used. Irrespective of this, employees can contact the board of the Bank's internal staff association for support and advice.



### Remuneration model

The structure of the SZKB remuneration model is based on clearly defined levels (1–8 for employees, 9–10 for the Executive Board) and includes the following rules:

- **Fixed remuneration:** Employees on levels 1 and 2 receive a fixed basic remuneration.
- **Variable remuneration:** On level 3 and above, variable remuneration is possible in addition to fixed remuneration, although there is no legal entitlement to it (even if it has previously been paid).
- **Variability criteria:** The amount of variable remuneration depends on the level, individual performance (results and behaviour) and the total amount available. This is determined on the basis of the Bank's adjusted business performance and is approved by the Bank Council.

The model reflects fair and performance-based remuneration and is adapted to and based on SZKB's business performance.

### People Days

Since 2022, «People Days» have been held each year, during which managers collectively calibrate the performance

of their employees and assess their potential. This results in a uniform and fair understanding of evaluation systems as the basis for pay progression. Human Resources analyses the results to identify any potential distortions (e.g. due to gender, age or level).

### Occupational safety and health

SZKB fosters a health-oriented corporate culture and minimises the risk of occupational illnesses. Its occupational health management is based on the pillars of prevention, intervention and integration. In the event of prolonged health-related absences, SZKB supports employees with professional advice in order to ensure a smooth reintegration or a transition to disability insurance (IV). In addition, external, independent care management provides support in the event of long-term illness or occupational overload.

### Key measures

- Expanding attractive employment conditions
- Ensuring equal opportunities and equal pay
- Holding exercise weeks
- Establishing employee satisfaction
- Education and training at SZKB

	2025	2024	Change <sup>1</sup>	2023	2022	2021 <sup>2</sup>
<b>Number of employees, employment relationship and employment level (GRI 2-7)</b>						
<b>Total number of employees</b>						
Number of personnel units (full-time equivalents) <sup>3</sup>	574	561	2.3%	548	525	
Number of employees (persons) <sup>4</sup>	666	647	2.9%	638	610	
thereof in the Executive Board	5	5	0.0%	5	5	
thereof per level: <sup>5</sup>						
Level 1–2	151	145	4.1%	159	162	
Level 3–4	216	209	3.3%	200	179	
Level 5–6	248	239	3.8%	231	220	
Level 7+	51	54	–5.6%	48	49	
thereof number of apprentices	34	29	17.2%	30	29	
thereof number of interns	7	5	40.0%	5	5	
Employees paid on an hourly basis <sup>6</sup>	41	36	13.9%	37	35	

<sup>1</sup> All changes are shown as percentages (relative change)

<sup>2</sup> No key figures are shown for 2021, as SZKB implemented a new HR system in 2022.

<sup>3</sup> Excluding employees paid on an hourly basis and banking authority employees, including apprentices and interns (included at 50% as per SNB requirements)

<sup>4</sup> Excluding employees paid on an hourly basis and banking authority employees, including apprentices and interns

<sup>5</sup> Explanations on the levels in chapter 2.2.1 Relevance, objectives, management approach and measures

<sup>6</sup> Hourly employees are not included in the other figures.

	2025	2024	Change <sup>1</sup>	2023	2022	2021 <sup>2</sup>
<b>Employees by employment relationship (permanent/temporary/hourly)<sup>7</sup></b>						
Permanent employees <sup>8</sup>	651	637	2.2%	628	603	
thereof women	266	271	-1.8%	269	268	
thereof men	385	366	5.2%	359	335	
Temporary employees <sup>9</sup>	15	10	50.0%	10	7	
thereof women	9	6	50.0%	4	2	
thereof men	6	4	50.0%	6	5	
Hourly employees <sup>10</sup>	41	36	13.9%	37	35	
thereof women	41	35	17.1%	36	34	
thereof men	0	1	-100.0%	1	1	
<b>Employees by employment level (full-time/part-time)<sup>11</sup></b>						
Full-time employees	432	396	9.1%	381	399	
Women in full-time employment (compared to total headcount)	18.2%	18.1%	0.6%	16.6%	19.3%	
Women in full-time employment (compared to all women)	44.0%	42.2%	4.3%	38.8%	43.7%	
Men in full-time employment (compared to total headcount)	46.7%	43.1%	8.4%	43.1%	46.1%	
Men in full-time employment (compared to all men)	79.5%	75.4%	5.4%	75.3%	82.6%	
Part-time employees <sup>12</sup>	234	251	-6.8%	257	211	
Women in part-time employment (compared to total headcount)	23.1%	24.7%	-6.5%	26.2%	24.9%	
Women in part-time employment (compared to all women)	56.0%	57.8%	-3.1%	61.2%	56.3%	
Men in part-time employment (compared to total headcount)	12.0%	14.1%	-14.9%	14.1%	9.7%	
Men in part-time employment (compared to all men)	20.5%	24.6%	-16.7%	24.7%	17.4%	
<b>New employee hires and employee turnover (GRI 401-1)</b>						
<b>New employees<sup>13</sup></b>						
Number of employees (persons)	82	71	15.5%	83	67	
thereof employees under 30 years	26	25	4.0%	33	29	
thereof employees under 30 years (in per cent)	31.7%	35.2%	-9.9%	39.8%	43.3%	
thereof employees between 30 and 50 years	41	32	28.1%	40	32	
thereof employees between 30 and 50 years (in per cent)	50.0%	45.1%	10.9%	48.2%	47.8%	
thereof employees over 50 years	15	14	7.1%	10	6	
thereof employees over 50 years (in per cent)	18.3%	19.7%	-7.1%	12.0%	9.0%	

<sup>7</sup> Excluding banking authority employees

<sup>8</sup> Apprentices and interns are counted as permanent employees. Excluding hourly employees.

<sup>9</sup> Excluding hourly employees

<sup>10</sup> Hourly employees are not included in the other figures.

<sup>11</sup> Excluding hourly employees and banking authority employees, including apprentices and interns

<sup>12</sup> Since 2025, apprentices have been counted as full-time employees (previously part-time employees).

<sup>13</sup> New employees with a fixed-term employment relationship are not included.

	2025	2024	Change <sup>1</sup>	2023	2022	2021 <sup>2</sup>
thereof women	29	26	11.5%	31	31	
thereof women (in per cent)	35.4%	36.6%	-3.3%	37.3%	46.3%	
thereof men	53	45	17.8%	52	36	
thereof men (in per cent)	64.6%	63.4%	1.9%	62.7%	53.7%	
<b>Employee departures<sup>14</sup></b>						
Annual fluctuation (net)	51	47	8.5%	40	59	
thereof employees under 30 years	13	15	-13.3%	16	10	
thereof employees under 30 years (in per cent)	25.5%	31.9%	-20.1%	40.0%	16.9%	
thereof employees between 30 and 50 years	26	25	4.0%	19	36	
thereof employees between 30 and 50 years (in per cent)	51.0%	53.2%	-4.1%	47.5%	61.0%	
thereof employees over 50 years	12	7	71.4%	5	13	
thereof employees over 50 years (in per cent)	23.4%	14.9%	57.0%	12.5%	22.0%	
thereof women	27	20	35.0%	25	28	
thereof women (in per cent)	52.9%	42.6%	24.2%	62.5%	47.5%	
thereof men	24	27	-11.1%	15	31	
thereof men (in per cent)	47.1%	57.4%	-17.9%	37.5%	52.5%	
<b>Turnover (in per cent)</b>						
Annual turnover rate (net) <sup>15</sup>	10.1%	9.2%	9.8%	8.0%	10.3%	
Annual turnover rate (gross) <sup>16</sup>	14.4%	15.5%	-7.1%	11.4%	14.5%	
<b>Diversity</b>						
<b>Governance bodies (GRI 405-1)<sup>17</sup></b>						
Number of members of the Bank Council:	9	9	0.0%	9	9	
thereof women	1	1	0.0%	1	1	
thereof women (in per cent)	11.1%	11.1%	0.0%	11.1%	11.1%	
thereof men	8	8	0.0%	8	8	
thereof men (in per cent)	88.9%	88.9%	0.0%	88.9%	88.9%	
Age structure of the Bank Council:						
Proportion of Bank Council members under 30 years	0.0%	0.0%	0.0%	0.0%	0.0%	
Proportion of Bank Council members from 30 to 50 years	22.2%	44.4%	-50.0%	44.4%	44.4%	
Proportion of Bank Council members over 50 years	77.8%	55.6%	39.9%	55.6%	55.6%	
Number of members of the Executive Board:	5	5	0.0%	5	5	
thereof women	1	2	-50.0%	1	1	
thereof women (in per cent)	20.0%	40.0%	-50.0%	20.0%	20.0%	
thereof men	4	3	33.3%	4	4	
thereof men (in per cent)	80.0%	60.0%	33.3%	80.0%	80.0%	

<sup>14</sup> Departures of employees with a fixed-term employment relationship and retired persons are not included.

<sup>15</sup> Number of departures of permanent employees (as a percentage of the total headcount at the end of the year)

<sup>16</sup> Number of departures (including retirements, deaths and terminations by the employer) (as a percentage of the total headcount at the end of the year)

<sup>17</sup> The governance bodies comprise the Bank Council and the Executive Board.

	2025	2024	Change <sup>1</sup>	2023	2022	2021 <sup>2</sup>
Age structure of the Executive Board:						
Proportion of Executive Board members under 30 years	0.0%	0.0%	0.0%	0.0%	0.0%	
Proportion of Executive Board members from 30 to 50 years	20%	60%	-66.7%	80.0%	100.0%	
Proportion of Executive Board members over 50 years	80%	40%	100.0%	20.0%	0.0%	
<b>Age structure (GRI 2-7)</b>						
Employees under 30 years <sup>18</sup>	24.1%	23.4%	3.0%	23.4%	23.6%	
Employees between 30 and 50 years	47.2%	47.6%	-0.8%	47.0%	46.4%	
Employees over 50 years	28.7%	29.0%	-1.0%	29.6%	30.0%	
<b>Levels (own standard)<sup>18 19</sup></b>						
Proportion of women level 1	33.3%	35.5%	-6.2%			
Proportion of men 1	66.7%	64.5%	3.4%			
Proportion of women level 2	73.0%	66.4%	9.9%			
Proportion of men 2	27.0%	33.6%	-19.6%			
Proportion of women level 3	48.4%	54.3%	-10.9%			
Proportion of men 3	51.6%	45.7%	12.9%			
Proportion of women level 4	42.2%	42.7%	-1.2%			
Proportion of men 4	57.8%	57.3%	0.9%			
Proportion of women level 5	29.6%	32.9%	-10.0%			
Proportion of men 5	70.4%	67.1%	4.9%			
Proportion of women level 6	24.1%	24.6%	-2.0%			
Proportion of men 6	75.9%	75.4%	0.7%			
Proportion of women level 7	36.8%	33.3%	10.5%			
Proportion of men 7	63.2%	66.7%	-5.2%			
Proportion of women level 8	12.5%	14.3%	-12.6%			
Proportion of men 8	87.5%	85.7%	2.1%			

<sup>18</sup> Including the Executive Board, excluding Bank Council members.

<sup>19</sup> Due to a change in the computational logic, figures are only available from 2024.

## 2.2.2 «Diversity and integration»

### Expanding attractive employment conditions

Switzerland offers a solid social network and fair employment law standards, which are also applied at SZKB.

- **Pension fund:** The entire annual salary, including the variable component and excluding the coordination deduction, is insured with the Pension Fund of the Canton of Schwyz. SZKB also enables employees to create additional retirement capital separately from their management pension plan, if desired as a retirement pension. Through voluntary supplementary savings contributions, retirement provision can be extended and additional protection obtained to cover death and disability.
- **Maternity:** Employees receive 100% of their salary (fixed and variable remuneration) for a period of four months without any reduction in holiday entitlement.
- **Child and family allowances:** SZKB pays a voluntary family allowance for each child in addition to child allowances for employees with children up to the age of 20.
- **Reconciling work commitments and family life:** Employees with at least a 50% workload (mothers or single fathers) receive financial support for external childcare as well as free advisory and brokerage services. These regulations also apply to part-time employees, adjusted on an FTE basis.
- **Compatibility of work commitments and private needs:** SZKB offers its employees a highly flexible working schedule. Working hours can be freely performed within an extended time window from Mondays to Saturdays between 6.00 a.m. and 11.00 p.m. This rule enables an optimal balance between work commitments and private needs and fosters a modern, performance-focused and employee-friendly work culture. Employees in the 58+ age group have had the option of partial retirement since 2025. They can reduce their workload by 20% without any financial losses under the pension scheme. These will be compensated by the Bank.

Parenthood (GRI 401-3)	2025	2024	Change	2023	2022	2021 <sup>1</sup>
<b>Returning to work after parental leave<sup>2</sup></b>						
Number of employees who returned to work	19	23	-17.4%	20	26	
thereof number of women	11	8	37.5%	13	14	
thereof number of men	8	15	-46.7%	7	12	
Return rate after the end of parental leave <sup>3</sup>	95.0%	92.0%	3.3%	95.2%	92.9%	
for women	91.7%	80.0%	14.6%	92.9%	93.3%	
for men	100.0%	100.0%	0.0%	100.0%	92.3%	
<b>Retention after returning to work<sup>4</sup></b>						
Retention rate for all employees	90.0%	90.5%	-0.6%	87.5%		
Retention rate for women	66.7%	85.7%	-22.2%	93.8%		
Retention rate for men	100.0%	100.0%	0.0%	81.3%		
Number of employees retained	18	19	-5.3%	28	22	
thereof number of women	6	12	-50.0%	15	14	
thereof number of men	11	7	57.1%	13	8	

<sup>1</sup> No key figures are shown for 2021, as SZKB implemented a new HR system in 2022.

<sup>2</sup> Returning to work refers to all employees who are taking or have taken parental leave during the reporting year.

<sup>3</sup> The figure shows the ratio of employees who took parental leave to those who continued working after the end of parental leave.

<sup>4</sup> Retention is measured one year after returning to work (after parental leave). It is not yet possible to report the figures up to and including 2022.

### Ensuring equal opportunities and equal pay

SZKB promotes equal opportunities and family-friendly policies with a focus on reconciling work commitments and private life. Flexible working models, the option of working from home and childcare allowances support employees, regardless of their childcare arrangements. With a rate of employment of 50% or above, employees who are mothers or single parents benefit from financial support. Part-time models are available to all genders. The internal women's network offers regular events and further training for professional and personal development. In addition, SZKB conducts a pay equality analysis every two years to ensure that any adjusted salary gap is lower than 2.5%.

### Holding exercise weeks

In spring 2025, SZKB held «exercise weeks» as part of its corporate health management plan. Employees at various locations were able to take advantage of free sports, lectures and workshops on topics such as health, nutrition and resilience. In addition, SZKB offers anonymous stress tests as an early warning system in conjunction with an external partner and provides individual coaching if needed.

### Establishing employee satisfaction

Every two years, SZKB conducts an employee satisfaction survey in cooperation with an external partner. The results of the survey are used to gain insights into employee needs, identify potential for improvement and derive targeted measures, such as with regard to working conditions or the corporate culture. SZKB also uses pulse checks (surveys carried out during the year) of the workforce as needed in order to review the effectiveness of the initiated measures.

The results are fed directly into strategic human resources development and support the Bank in maintaining and developing its attractiveness as a responsible employer.

Equal pay analysis	2025	2023
Adjusted salary gap	≥2.5%	≤2.5%

Employee satisfaction	2025	2023	Change	2021
Employee satisfaction at overall bank level (0 lowest value; 100 highest value)	76	77	-1.3%	78

Illness and accidents (GRI 403-9 and 403-10)	2025	2024	Change	2023	2022	2021 <sup>1</sup>
Days of absence per employee	4.5	5.2	-13.5%	4.8	4.7	
thereof sick days <sup>2</sup>	4.1	4.5	-8.9%	4.2	4.5	
thereof accident days	0.4	0.7	-42.9%	0.6	0.3	

<sup>1</sup> No key figures are shown for 2021, as SZKB implemented a new HR system in 2022.

<sup>2</sup> Long-term absences are included.

## Education and training at SZKB

SZKB attaches great importance to education and training for its employees in order to promote their employability and support lifelong learning.

- **Core training and fostering of young talent:** SZKB is actively involved in the education and promotion of young talent in order to create a solid basis for future specialists. Its commitment includes practical training programmes that prepare young talent in a targeted manner for the professional challenges ahead. SZKB offers various occupational profiles for core training. If necessary, new occupational profiles are created and introduced.
- **Talent and leadership programmes:** With an 18-month talent programme, the Bank supports potential beneficiaries in order to strengthen their leadership and cross-departmental expertise. Four women and seven men are taking part in the group, which started in 2024. Since 2021, a leadership programme has assisted in the further development of executives, which has continued in the form of «leadership circles» since 2023.
- **Training opportunities:** SZKB offers employees access to their own learning platform, an external learning library and support for part-time training.
- **Advisory certifications:** Client advisors are certified according to SAQ within 18 months in order to ensure high standards of advice. For employees who require an investment fund licence, this must be obtained within 6 to 12 months.
- **ESG training:** SZKB conducts ESG training courses. SAQ-certified training courses are offered in an e-learning format and are mandatory for all new entrants. Further training with a focus on ESG in advisory services is available for client advisors. In addition, SZKB has introduced certified external specialist courses for selected employees and managers, and refresher training for all employees is being prepared for the coming years.

Training and education (GRI 404-1)	2025	2024	Change	2023	2022	2021 <sup>1</sup>
Total employees in training	41	34	20.6%	35	34	
thereof apprentices	34	29	17.2%	30	29	
thereof interns	7	5	40.0%	5	5	
Employees engaging in external training and education alongside work (GRI 402-2)	66	34	94.1%	78	49	
Number of degrees at the tertiary level	15	22	-31.8%	33	31	
Number of SAQ certifications	19	2	850.0%	0	7	
Number of Banking Course completions	6	11	-45.5%	12	9	
<b>Training costs (own standard)</b>						
Total external training costs in CHF million	1.0	1.3	-23.1%	1.3	1.0	
Total external training costs as a percentage of human resource expenses	1.1%	1.4%	-21.4%	1.1%	1.2%	
Total external training costs, CHF per employee	1,452	2,028	-28.4%	1,611	1,591	

<sup>1</sup> No key figures are shown for 2021, as SZKB implemented a new HR system in 2022.

### **2.2.3 «Remuneration of the highest governance bodies»**

Information on the remuneration of the highest governance bodies is disclosed in the SZKB Annual Report.

### **2.2.4 Assessment of effectiveness and next steps**

#### **Assessment of effectiveness**

SZKB uses a wide range of measures to promote its employees and create a modern, supportive working environment. Programs for advanced training, flexible working time models and initiatives such as the SZKB women's network help contribute to skill enhancement and increased workforce satisfaction. Regular surveys ensure that the measures are effectively implemented and adapted continuously to the needs of employees. At SZKB, HR topics and processes are well anchored in the Bank Council, the Executive Board, the HR department and line management. Overall, SZKB considers the measures taken to have been effective.

SZKB has a comprehensive set of tools to promote equal treatment, employee satisfaction and personal development. Enhanced employment conditions, family-friendly benefits and flexible working models make a significant contribution to ensuring that work is compatible with private life and enhance employer attractiveness. Transparency in assessment and remuneration is ensured through equal pay analyses as well as structured formats such as the «People Days».

Initiatives such as the exercise weeks and the range of anonymous stress tests actively promote health and well-being. The regular employee survey provides valuable information for the development of the corporate culture. In addition, targeted education and training, talent programmes and ESG training courses enhance the skills and future adaptability of employees.

Overall, the effectiveness of the measures is reflected by a high employee identification with SZKB as well as sustainable staff turnover. Moreover, the action taken is considered to be meaningful and effective.

#### **Further development and next steps**

Additional new apprenticeships will be introduced in 2026.

## 2.3 Responsible business conduct towards the local environment

### 2.3.1 Relevance, objectives, management approach and measures

#### Relevance of the topic for SZKB and its objectives

SZKB is guided by its spirit and purpose, which is focused on intergenerational thinking and actions. As an institution with strong roots in the region, SZKB knows the needs and challenges of the people of the Canton of Schwyz at the various stages of their lives. On this basis, it is committed to local activities and engages in responsible and sustainable business conduct. The ownership of SZKB by the Canton, which means it is 100% owned by the people of Schwyz, also plays a role in this.

As a bank rooted in the region, SZKB has a wide range of interactions with its local environment and its community. There is potential for both positive and negative impacts. In accordance with Section 3(2) of the Schwyzer Kantonbank Act, SZKB must contribute to the balanced and sustainable development of the Canton of Schwyz, taking the needs of the general public, the economy and the public sector into account in particular. Opportunities and risks relating to business conduct vis-à-vis the local environment can be divided into an inside-out perspective and an outside-in perspective:

- **Inside-out – the impact of SZKB on the local environment:** Through its commitment to culture, society, sport and the environment, SZKB strengthens social cohesion and promotes vibrant regional development. This supports the preservation of local traditions, motivates voluntary commitments and bolsters trust in the Bank as a responsible partner. Nevertheless, this commitment entails some risks. The possibility of associations or institutions becoming dependent on funding can lead to challenges over the long term, especially if funds need to be reduced or prioritised. In addition, negative impacts could arise as a result of supporting initiatives or projects that are subsequently considered to be controversial or do not meet the expectations of the general public and lead to reputational risk.

- **Outside-in – the impact of the local environment on SZKB:** SZKB influences the local environment through social, economic and regulatory developments. Rising expectations in terms of social and environmental engagement by financial institutions are increasing pressure to take more comprehensive and visible action. At the same time, economic challenges in the region, such as an increase in unemployment or business closures, can increase demand for support services and also raise the financial burden on the Bank. Regulatory requirements relating to sustainability and the promotion of regional development can exert additional pressure, as can social debates that force the Bank to respond to new needs or criticisms.

Key topics from SZKB's sustainability strategy in the area of responsible corporate behaviour towards the local environment are «Generations and local commitment» and «Fostering the local community and economy». SZKB has the following objectives in this regard:

- Local commitment (sponsorship) of at least CHF 0.8 million per year.
- Increase in the number of financial literacy events held

#### Management approach

##### Sponsorship

The Sales and Market Management department is tasked with evaluating and approving sponsorship requests. This department reports directly to the CEO. SZKB places great importance to promoting a large number of projects and events that offer added value to the general public and are consistent with its spirit and purpose. When making commitments, SZKB has rules on the allocation of decision-making authority; these specify which decisions regarding commitments can be made at which level or which particular approval process is required. Internal control mechanisms exist to ensure compliance with these regulations.

### Memberships

To consolidate common interests, SZKB is involved in various organisations. The Bank is convinced that this will enable synergies to be exploited. SZKB has rules on the allocation of decision-making authority, which stipulate at which level decisions on whether to join organisations can be made and which approval processes must be followed when doing so.

### Financial literacy

SZKB places value on the promotion of financial literacy within the Canton of Schwyz community. It aims to expand knowledge concerning issues such as savings, financing, investing and pensions. In doing so, SZKB aims to help secure and enhance prosperity for future generations. As part of this mission, SZKB offers free events for its clients and the general public throughout the Canton.

### Key measures

- Promoting/Supporting the local community through sponsorship
- Leveraging synergies through memberships
- Enhancing social engagement and fostering financial literacy

## 2.3.2 «Generations and local commitment»

### Promoting the local environment through sponsorship

SZKB has strong roots in the region and is actively committed to the Canton of Schwyz. It promotes a large number of sponsorship commitments, taking various criteria into account. As a sign of its practical proximity to the region, it supports a wide range of local and regional projects and events that make a lasting contribution to regional added value in the areas of culture, customs, society, economy, tourism, sport and nature.

Sponsorship grants of up to CHF 2,000 are provided, either as cash or in-kind (promotional material). When auditing sponsorship commitments, SZKB pays particular attention to their environmental, social and societal impacts.

In 2025, SZKB awarded a total of CHF 0.8 million in sponsorship grants. This support benefited local associations and institutions throughout the Canton. SZKB ensures transparency by posting sponsorship conditions, application forms and details of the contact person on its website.

### Leveraging synergies through memberships

SZKB, or SZKB employees on its behalf, are members of the following organisations (annual membership fee of at least CHF 1,000):

- Arbeitgeberverband der Banken (Employer Association of Swiss Banks)
- Asset Management Association Switzerland (AMAS)
- Esisuisse
- fmpro Schweizerischer Verband für Facility Management und Maintenance (Swiss Association for Facility Management and Maintenance)
- Industrie- und Handelskammer Zentralschweiz IHZ (Chamber of Commerce and Industry of Central Switzerland)
- PCAF Partnership for Carbon Accounting Financials
- PPI Schweiz GmbH
- Schweiz. Bankiervereinigung/Swiss Banking
- Swiss GAAP FER
- Swiss Risk Association
- Swiss Sustainable Finance
- SwissDebitPay
- Venture Foundation
- Verein Institut für Finanzdienstleistungen Zug (Association Institute for Financial Services Zug, IFZ))
- Verein Unternehmens-Datenschutz (Association for Corporate Data Protection, VUD)

### 2.3.3 «Fostering the local community and economy»

#### Enhancing social engagement and fostering financial literacy

SZKB encourages employee social engagement by granting one paid day per year for charitable activities, through the «Change of Perspective» Initiative. Employees actively support local organisations and associations on site. Any secondary employment is approved by the Executive Board in accordance with internal requirements.

The Clever@SZKB series is aimed at the overall population of the Canton of Schwyz and is free of charge. It is an integral part of the SZKB event calendar, providing targeted support to various stakeholder groups. In 2025, twelve events took place with a total of 366 participants.

In 2025, SZKB organised two «Money Haxx Days» for young people aged between 16 and 26. At these events, the topics of saving, budgeting and investing were presented to young people in an engaging manner in addition to practical tips.

### 2.3.4 Assessment of effectiveness and next steps

#### Assessment of effectiveness

The action taken to promote the local environment has started to make its mark. Through sponsorship commitments and the sustainability guidelines, SZKB supports projects that benefit the region and foster both social and economic development in the Canton of Schwyz.

Through its active membership in relevant organisations, SZKB leverages synergies, promotes the sharing of knowledge and positions itself as a reliable partner in regional and specialist networks.

Initiatives such as the «Change of Perspective» and the «Clever@SZKB» series promote social commitment as well as financial education. These measures contribute to strengthening social cohesion, promoting financial literacy, and affirming the Bank's regional roots.

SZKB considers the measures taken to be appropriate and effective.

#### Further development and next steps

The Clever@SZKB series will continue, and the option of incorporating additional topics is currently being reviewed.

«Change of Perspective» will also continue in the future. The number of partners and projects will be gradually expanded over the coming years.



## 2.4 Responsible business conduct towards the environment

### 2.4.1 Relevance, objectives, management approach and measures

#### Relevance of the topic for SZKB and its objectives

SZKB's commitment to sustainability also includes its own operational ecology. SZKB's operations can have both a positive and a negative impact. Opportunities and risks relating to business conduct towards the environment can be divided into an inside-out perspective and an outside-in perspective:

- **Inside-out – the impact of SZKB on the environment:** SZKB's operations have a direct impact on the environment. The reduction of resource consumption, demand for environmentally and socially responsible products and services and support for biodiversity and the like can have an impact on the environment. SZKB focuses on reducing energy consumption and emissions, as well as efforts to save resources. Measures such as the transition to renewable energy, the installation of photovoltaic systems (PV) and the removal of fossil heating systems underscore the Bank's responsibility in this area.
- **Outside-in – the impact of external environmental factors on SZKB:** External factors such as rising energy prices, stricter regulatory requirements in terms of emission reductions or societal expectations in regard to sustainable business management have an impact on SZKB's business activities. These developments increase the need to implement energy-efficient and resource-saving solutions but can also create incentives for innovation and long-term cost savings.

SZKB has set the following targets for the key topic of «energy consumption and efficiency (greenhouse gas emissions)»<sup>1</sup>:

- By 2030, all bank buildings (solely) owned by SZKB will cease using oil or gas heating systems, provided that it is economically feasible and technically viable to do so.
- By 2030, SZKB will have installed photovoltaic systems on all bank buildings (solely) owned by SZKB, provided that it is economically feasible and technically viable to do so.
- Raising employee awareness of resource consumption (e.g. paper, heating, light and electricity).

#### Management approach

##### Technical maintenance

Technical maintenance of buildings is carried out by an in-house team of specialists, with the support of external third parties if necessary. SZKB raises employees' awareness regarding the use of resources through intranet messages, campaigns in the in-house newspaper and so on.

##### Carbon footprint according to ISO 14064-1

In order to measure its CO<sub>2</sub> emissions, SZKB calculates its carbon footprint each year in accordance with ISO 14064-1 and the Greenhouse Gas Protocol for Scope 1 and Scope 2, as well as parts of Scope 3. SZKB identifies appropriate action from the knowledge gained from this process.

##### Key measures

- Cutting CO<sub>2</sub> emissions associated with heat consumption
- Reducing paper and water consumption, as well as waste generated
- Using renewable electricity
- Avoiding refrigerant loss
- Sourcing sustainable advertising material

<sup>1</sup> The key topic of «climate change» and the related targets are covered in Chapter 5 Climate Report and are not addressed in this chapter.

## 2.4.2 «Energy consumption and efficiency (greenhouse gas emissions)»<sup>1</sup>

### Cutting CO<sub>2</sub> emissions associated with heat consumption

Emissions from heating systems (including water heating) at the headquarters and in the branches account for 85 tCO<sub>2</sub> (previous year 110tCO<sub>2</sub>), accounting for 9% of total CO<sub>2</sub> emissions.

In 2024, the CO<sub>2</sub> proportion of heating energy generated mainly from renewable energy sources was 53% (previous year: 67%).

At the end of 2025, six branches out of the 13 under sole SZKB ownership were still heated using fossil fuels (out of 19 with primary and/or secondary heating).

### Reducing paper and water consumption as well as waste generated

In recent years, SZKB has continuously reduced its paper and toner consumption. By default, clients receive transaction notifications as well as account and custody account statements as electronic documents.

The volume by weight of paper and printed matter increased by 9% in 2024 to 58 tonnes (previous year 53 t). The corresponding CO<sub>2</sub> emissions were estimated at 51 tonnes (previous year 48 t) or 6% of the total. SZKB systematically uses recycled paper in its business operations. SZKB only uses 100% recycled paper for information and advertising material. SZKB also minimises environmental impacts for all external print orders by offsetting the CO<sub>2</sub> emissions associated with printing and transportation. Only offsetting projects in Switzerland are supported. This cooperation takes place primarily with printers in the Canton of Schwyz. SZKB collects, separates and disposes of numerous consumable materials, including paper, cardboard, plastics/films, IT equipment, PET bottles, coffee capsules and household rubbish.

SZKB primarily generates paper waste (documents and waste paper) and household waste. Compared to 2023, the quantity of waste generated by SZKB in 2024 declined by 14% from 28 to 24 tonnes.

Bank-wide water consumption in 2024 was slightly higher at 5,435 m<sup>3</sup> than it was in the previous year but represents a relatively low level of CO<sub>2</sub> emissions of less than one tonne.

### Using renewable electricity

SZKB's electricity consumption totalled 2,378 MWh in 2024 (an increase of 4% compared to the previous year). Thanks to the lower share of mixed electricity at 16 tCO<sub>2</sub>, this resulted in a 6% reduction in greenhouse gases, corresponding to a share of 1.8% of all operational CO<sub>2</sub> emissions of SZKB. The carbon footprint takes into account the power consumption of the actual Bank premises (headquarters and branches), the external computer centre and the 13 cashpoints located at third-party sites.

A total of 99% (previous year: 97%) of the Bank's total electricity consumption comes from renewable energy sources, in particular from hydropower plants. Due to rental agreements at external cashpoint locations, the exact composition of the remaining percentage is not conclusively known.

### Avoiding refrigerant loss

SZKB services its cooling equipment and air conditioning systems at least once each year. Nevertheless, defects are liable to occur unexpectedly, leading to a loss of refrigerant. In 2024, no air conditioning system in a SZKB building lost any refrigerant of this type. As refrigerants are harmful to the climate, one kilogram of type R-134a refrigerant has, for instance, the effect of 1.4 tCO<sub>2</sub>.

### Sourcing sustainable advertising material

When it comes to promotional items and giveaways, SZKB prioritizes value and quality, with such items sourced exclusively from providers in Switzerland. Care is taken to ensure that the promotional items and gifts are manufactured in Switzerland or Europe. SZKB requires its suppliers to ensure that fair working conditions prevail during production and that resource-efficient materials are used. Where possible, SZKB works with institutions that offer employment opportunities to people with disabilities when producing advertising materials and uses regional partners for advertising campaigns.

<sup>1</sup> Each year, SZKB can only report on the previous year's emissions due to delays in the provision of data (internal and external dependence).

## Key figures on operational ecology

	Unit	2024 <sup>1</sup>	2023	Change	2021	Change compared to base year 2021
<b>Energy consumption (GRI 302-1)</b>						
Total energy consumption	MWh	3,153	3,163	-0.3%	3,322	-5.1%
thereof electricity <sup>2</sup>		2,378	2,283	4.2%	2,181	9.0%
thereof heating oil		52	100	-48.0%	146	-64.4%
thereof natural gas		166	192	-13.5%	285	-41.8%
thereof wood		39	84	-53.6%	72	-45.8%
thereof electric heat pump		133	131	1.5%	112	18.8%
thereof district heating		385	373	3.2%	526	-26.8%
<b>Energy intensity (GRI 302-3)</b>						
Consumption per energy reference area in m <sup>2</sup>	MWh	0.15	0.15	0.0%	0.16	-6.3%
Energy consumption per employee	MWh/FTE	5.6	5.8	-3.4%	6.4	-12.5%
<b>Paper consumption (including printing and toilet paper) (GRI 301-1)</b>						
Total paper consumption	kg	58,076	52,574	10.5%	61,326	-5.3%
thereof recycled paper		55,290	34,268	61.3%	3,891	1321.0%
thereof climate-neutral printing		9,373	1,646	469.4%	4,539	106.5%
Paper consumption per employee	kg/FTE	104	96	8.3%	118	-11.5%
<b>Water consumption (GRI 303-5)</b>						
Total water consumption	m <sup>3</sup>	5,435	5,062	7.4%	6,314	-13.9%
Water consumption per employee	m <sup>3</sup> /FTE	9.7	9.2	5.4%	12.1	-19.8%
<b>Waste (GRI 306-1)</b>						
Total waste	kg	23,940	27,941	-14.3%	17,029	40.6%
thereof recycled		7,315	12,347	-40.8%	8,767	-16.6%
thereof not recycled		16,625	15,594	6.6%	8,078	105.8%
thereof hazardous waste		0	0	0.0%	184	-100.0%
<b>Branches<sup>3</sup> (own standard)</b>						
Total branches incl. headquarters	Number	22	22	0.0%	22	0.0%
In sole ownership		13	13	0.0%	13	0.0%
thereof with primary and/or secondary fossil fuel heating		6	7	-14.3%	9	-33.3%
thereof with a PV system		4	4	0.0%	4	0.0%

<sup>1</sup> Each year, SZKB can only report on the previous year's emissions due to delays in the provision of data (internal and external dependence) and not those for the reporting year.

<sup>2</sup> Of which 99% from renewable energy sources in 2024.

<sup>3</sup> Position as of 31.12.2025

### 2.4.3 Assessment of effectiveness and next steps

#### Assessment of effectiveness

The following measures were implemented in 2025 to achieve targets:

- In spring 2025, an external engineering firm carried out an energy consumption analysis for the three office buildings at the headquarters in Schwyz. The insights gained from this culminated in a package of measures that SZKB will now gradually implement over the 2026–2028 period.
- The planned replacement of the heating systems in the two branch buildings in Küsnacht and Wollerau by the end of 2026 requires further study. An external energy partner has carried out the respective feasibility studies.
- SZKB will complete work on the construction of a new branch in Rothenthurm by mid-2027, which will be more environmentally friendly in terms of energy consumption. Ongoing planning includes a connection to the district heating network and the installation of a PV system.
- The previous diesel-powered bus has been replaced by an equivalent EV.
- Replacement of high-consumption light fittings in various bank buildings.

SZKB considers the measures taken to be appropriate and effective.

#### Further development and next steps

SZKB aims to achieve the defined environmental targets by continuing to pursue its chosen approach and also systematically taking advantage of its options for reducing its CO<sub>2</sub> emissions. For this purpose, SZKB will prioritise the implementation of the following measures over the coming years:

- Ongoing conversion according to the Masterplan 2030 to more environmentally friendly heating systems at branch properties (solely) owned by the Bank.
- Installation of photovoltaic systems according to the Masterplan 2030
- Implementation of the article on major consumers in the Canton of Schwyz based on the energy consumption analysis carried out in 2025. The measures for enhancing energy efficiency set out within it will be implemented over the next three years.

## 2.5 Responsible business conduct towards the financial sector

### 2.5.1 Relevance, objectives, management approach and measures

#### Relevance of the topic for SZKB and its objectives

Complying with regulations and fostering healthy growth that aligns with SZKB's risk profile are essential for maintaining SZKB's impeccable reputation. Responsible business conduct in and towards the financial sector has an impact on various sustainability issues, such as the environment, society and the economy.

- **Inside-out – the impact of SZKB on the financial sector:** SZKB influences environmental and social standards in the financial sector through its financing decisions. Supporting companies that meet sustainable criteria helps bolster trust in SZKB and achieve long-term economic stability. At the same time, there is a risk that the provision of financing to companies that do not comply with environmental regulations or social standards may result in reputational damage, regulatory consequences or financial losses.
- **Outside-in – the impact of external factors on SZKB:** External factors such as regulatory changes, climatic risks, societal expectations and environmental changes affect SZKB's business activities. Companies that are slow to adapt to new requirements can become more difficult to finance, increasing the risk of default and associated financial burdens for the Bank. Moreover, there is a risk of reputational damage or regulatory consequences in the event of non-compliance with regulatory requirements. Proactive risk management is therefore central to recognising any such developments at an early stage and strengthening the resilience of SZKB as well as its clients.

Responsible action helps to meet regulatory requirements, protect the Bank's reputation and gain the trust of clients and society. This fosters not only sustainable growth but also financial sector stability for SZKB. For these reasons, «regulatory compliance», «reputation» and «healthy growth» are key topics for SZKB in terms of responsible business conduct vis-à-vis the financial sector.

SZKB has not defined any specific targets in terms of responsible business conduct vis-à-vis the financial sector.

#### Management approach

##### Compliance management system

At SZKB, corporate governance requirements are implemented through regulations and directives. These are updated as part of a review process. In addition, compliance with corporate governance requirements and directives is ensured by means of risk management processes and the internal control system (ICS) and is verified by internal (Board of Inspectors) and external bodies (external auditor, FINMA).

The «Code of Conduct of Schwyzer Kantonalbank» outlines the fundamental principles necessary for successful and responsible business conduct at SZKB. This Code is issued by the Bank Council of SZKB and is applicable to all employees and governing bodies of the Bank. The Code of Conduct is available to the public. It aims to promote the corporate and compliance culture within SZKB and outlines the key rules of conduct that must be followed by all employees.

Ethics and the anchoring of ethical principles are ensured by the SZKB Code of Conduct as well as by the obligation for all employees to comply with regulations and internal requirements. SZKB establishes the responsibilities of the Compliance function and other business areas in the internal directive on «Compliance (adherence to standards)» and stipulates reporting obligations in relation to incidents.

### Whistleblowing

SZKB has established a reporting office to which employees and third parties, such as clients and suppliers, can report misconduct at any time by e-mail or in writing. Related information is made available to the public at [www.szkb.ch](http://www.szkb.ch). Information can also be provided anonymously and will be treated confidentially unless there is a legal obligation to disclose it. Provided that reports are submitted in good faith, SZKB will protect employees who report wrongdoing from any related sanctions. The handling of information received is governed by the «Whistleblowing Policy» issued by the Bank Council of SZKB, which is available internally.

Employees or third parties can also reach SZKB via public channels or contact other bodies such as the Banking Ombudsman or the Swiss Financial Market Supervisory Authority FINMA<sup>1</sup>.

### Compliance with market conduct rules

In the internal directive on «Market Conduct Rules», SZKB specifies the statutory provisions on compliance with market conduct rules and the relevant requirements of the supervisory authority. In order to avoid market abuse, guarantee the transparency and proper functioning of the securities markets and ensure equal treatment of investors, trading in securities should only take place on the basis of generally accessible or published information. The exploitation of insider information and market manipulation is prohibited.

### Managing conflicts of interest

SZKB complies with the requirements of the Swiss Criminal Code on corruption (bribery, granting of benefits, acceptance of benefits) and clearly rejects bribery and corruption. It has also adopted internal regulations on conflicts of interest and the management of conflicts of interest, which have been

approved by the Bank Council. This document describes in detail the forms that conflicts of interest can take, as well as what amounts to bribery and corruption, and establishes a monitoring mechanism to be operated by the Chief Compliance Officer.

### Combatting money laundering

There is an internal directive at SZKB on «Combatting Money Laundering (AMLA, AMLO-FINMA) and Specification of Due Diligence Obligations (CDB)». It defines the processes for preventing money laundering, responsibilities and the dedicated anti-money laundering unit. In all areas of business, SZKB does not accept employees engaging in illegal conduct or violating internal policies. In addition, SZKB uses databases (e.g. Dow Jones) to combat corruption and money laundering by identifying high-risk individuals and organisations. Both transactions and new clients are reviewed. If there is any suspicion of illegal activities such as money laundering, terrorism or corruption, this will be reported to the competent authorities. Audits and controls by supervisors, second-line units (in particular by Risk Management and the Compliance function) and the risk-based approach of the internal and external auditors ensure that the requirements are met.

### Prevention of tax evasion

SZKB does not provide any tax advisory services in connection with investment advice, asset management, M&A or offshore domiciling. As a member of the Swiss Bankers Association, SZKB fulfils the obligations arising from the Agreement on the Swiss banks' code of conduct with regard to the exercise of due diligence. Detailed provisions are stipulated in binding directives. Clients are evaluated with regard to the existence of qualified tax offences, and the tax compliance information they provide is checked. SZKB holds the FATCA status «Registered Deemed Compliant FFI – Local FFI» and implements the relevant restrictive FATCA rules with the support of an independent specialised consulting firm in some respects. In accordance with the applicable statutory provisions, SZKB strictly refuses to provide any active support for capital flight, tax evasion or similar actions. This ban has been firmly anchored in SZKB's principles for many years.

<sup>1</sup> The Swiss Banking Ombudsman operates as a source of information and a mediation body, without any judicial authority, for clients of member institutions of the Swiss Bankers Association (banking and financial service providers) as well as other institutions affiliated with the Swiss Bankers Association for this purpose.

As an independent institution operating under cantonal public law, SZKB is not subject to direct taxes on profits and capital at the federal, cantonal or municipal levels. The interest on the endowment capital provided by the Canton of Schwyz and the settlement of the state guarantee are based on the provisions of the publicly available «Law on the Schwyzer Kantonalbank».

### Due diligence in the supply chain

SZKB has a «Third-Party Management» directive that governs procurement, contract and partner management. On this basis, SZKB has implemented risk-appropriate measures to ensure compliance with its duties of due diligence and transparency with regard to minerals and metals from conflict regions and child labour:

- **Due diligence and transparency with regard to conflict minerals:** Confirmation from the counterparties for gold (Good Delivery Rules of the London Bullion Market Association (LBMA)) is obtained and documented annually.
- **Due diligence and transparency with regard to child labour:** An ESG risk assessment, including the risk of child labour, is carried out annually with suppliers, covering the entire supply chain identifiable through financial accounting. Suppliers considered to be high-risk must sign the SZKB sustainability agreement or an equivalent confirmation. In this document, the contracting parties confirm that their products and services comply with applicable regulations, laws and standards, such as those of the International Labour Organization (ILO) or the applicable standards in the countries in which they operate. All items distributed, such as cards, giveaways, and the like, must be manufactured in a country classified by UNICEF in its Children's Rights in the Workplace Index<sup>1</sup> as «Basic». Otherwise, the supplier must sign the SZKB sustainability agreement or submit an equivalent confirmation.
- **Supply chain management:** SZKB has implemented the defined due diligence processes within the supply chain. Based on the results of the ESG risk analysis covering the relevant supplier relationships, the areas of operations and administration, facility management, IT and technical services, as well as marketing and client retention, have been identified as potentially risky. Appropriate action has been taken in these areas. Employees with procurement tasks, especially in high-risk areas, receive targeted awareness training.

With regard to procurement activities, SZKB adheres to the following principles, among others: product-specific requirements, transparency and partnership-based cooperation, social compatibility, respect for human rights, environmental compatibility and cost-effectiveness.

### Key measures

- Ensuring ethical business conduct
- Fostering sustainable development

## 2.5.2 «Regulatory compliance»

### Ensuring ethical business conduct

SZKB has an independent Board of Inspectors, which reports to the Bank Council and performs the audit and monitoring tasks assigned to it in an independent manner. The Board of Inspectors is an independent entity and reports to the Audit Committee with regard to technical aspects but is answerable to the Chairperson of the Bank Council. Ethical incidents are duly escalated and reported to the Audit Committee or directly to the Chairperson of the Bank Council. The Board of Inspectors focuses its work on the binding elements of the International Standards for Professional Practice adopted by the IIA (Institute of Internal Auditors), that is, Global Internal Audit Standards (GIAS) and topical requirements, as well as the qualitative requirements of IIA Switzerland. The aim of the Board of Inspectors is to strengthen, protect and preserve the Bank's ability to create value by providing the Bank Council and the Executive Board with independent, risk-based and objective auditing certainty, advice, insights and perspective. The Board of Inspectors conducts a comprehensive risk assessment of the Bank at least once a year, taking due account of external developments and internal factors. Based on this analysis, the Board of Inspectors carries out audit planning using a risk-based approach. All areas are audited at least once every five years. Examinations relating to fraud and business ethics are integral components of the audits. In addition, an annual audit is carried out by the external auditor based on a questionnaire on fraud and business ethics. By applying the three-line model of the IIA, SZKB ensures that responsible and ethical business conduct is engaged in at SZKB by implementing various protection and control mechanisms within processes or through the ICS.

<sup>1</sup> Available at [www.childrensrighsatlas.org](http://www.childrensrighsatlas.org) (only in English)

Regular checks and audits by operational or controlling units, as well as the independent unit of the Board of Inspectors, have put in place numerous safeguards designed to protect the Bank from unethical business conduct. Ethical business conduct can be reflected by the Bank's healthy growth and the reduction of reputational risks, as responsible and ethical action is a key element of the decision-making process.

### **2.5.3 «Healthy growth»**

#### **Fostering sustainable development**

For SZKB, healthy growth means balancing economic success with environmental and social responsibility. The aim is to achieve a balanced combination of long-term stability, innovation and sustainable value creation. Healthy growth results from various measures adopted within the framework of the corporate and sustainability strategy. There are no stand-alone measures or objectives in this regard.

### **2.5.4 «Reputation»**

#### **Minimising reputational risks**

SZKB's reputation is a key component of its sustainability strategy and is largely responsible for its long-term success. The trust of clients, employees, business partners and the general public is earned through consistent transparency, reliability and responsible action. By launching new processes, such as the due diligence process in procurement, SZKB sets internal standards and minimises its reputational risks.

SZKB integrates ESG risk drivers into its bank-wide risk management system. As a result, the impact of a risk on its reputation is systematically assessed and, if necessary, minimised through appropriate action.

### **2.5.5 Assessment of effectiveness and next steps**

#### **Assessment of effectiveness**

The action taken to ensure ethical business conduct has been particularly effective. SZKB has a strong control and monitoring body in the form of the independent inspectorate, which reports directly to the Bank Council. Regular risk-based audits, as well as the integration of fraud and ethical issues into internal and external audits, ensure continuous review of the integrity of business conduct. The three-line model of IIA also ensures a clear distinction between responsibilities and increases the effectiveness of internal control mechanisms.

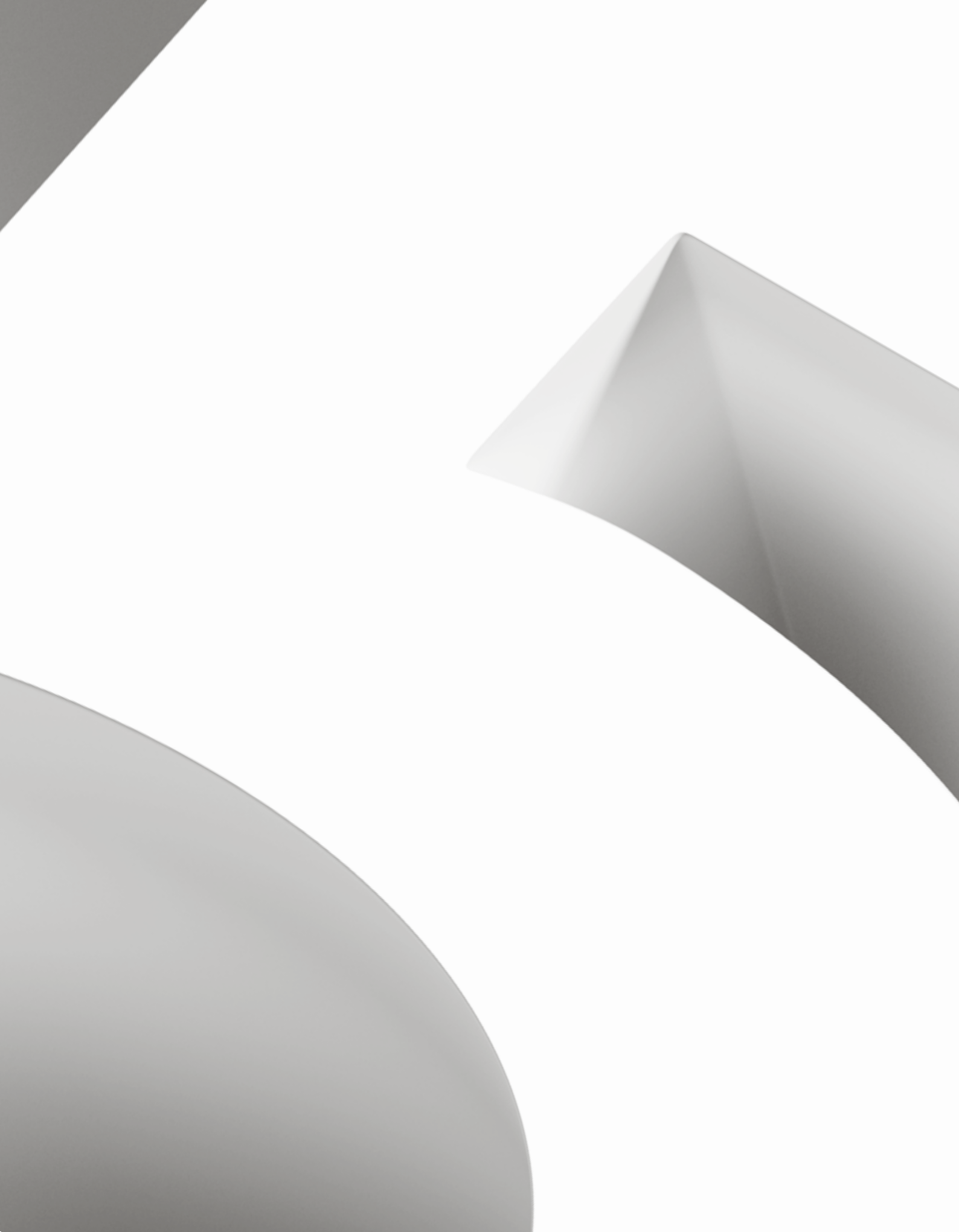
Implementing these structures strengthens trust in the organisation, reduces reputational risks and fosters stable, healthy growth. Ethical business conduct is firmly embedded in the Bank's management and control system and measurably contributes to the long-term stability and credibility of SZKB.

SZKB considers the measures taken to be appropriate and effective.

#### **Further development and next steps**

To ensure that it continues to meet all regulatory requirements in future, the Bank uses a regulatory radar scheme to proactively monitor current developments. Requirements in regard to sustainability (including those relating to greenwashing) are also taken into account. The Executive Board regularly reviews and discusses the regulatory radar. Any necessary internal bank adjustments are made on the basis of this work.

The Board of Inspectors has already conducted ESG reviews in the past. With ESG becoming increasingly integrated into business processes and with regulatory requirements increasing, the issue of ESG will continue to be an integral part of the auditing activities of the Board of Inspectors in the coming years.





# **Responsible financing**

# 3 Responsible financing

## 3.1 Relevance, objectives, concepts and measures

### Relevance of the topic for SZKB and its objectives

Opportunities and risks relating to business conduct vis-à-vis clients can be divided into an inside-out perspective and an outside-in perspective:

- **Inside-out: The impact of SZKB's financing activities on the environment:** SZKB's financing activities have a direct impact on environmental, social and economic aspects. Through targeted lending, the Bank can foster innovation, create jobs and support sustainable projects, for example. At the same time, it helps to positively structure regional and supra-regional developments by promoting responsible business practices. However, financing also entails risks such as high CO<sub>2</sub> emissions, poor working conditions or a loss of biodiversity.
- **Outside-in: The impact of external factors on SZKB's financing activities:** SZKB's financing activities are influenced by external ESG factors such as climate change, regulatory changes and societal trends. Climatic risks, such as physical damage to assets or interruptions in supply chains, can affect the creditworthiness of borrowers and thus increase the risk of credit defaults. In addition, stricter legal requirements in areas such as environmental and social standards have a direct impact on the economic stability of client companies.

For this reason, SZKB has defined «financing a sustainable property», «access to sustainable financial services» and «climate change» as key topics in the area of responsible financing<sup>1</sup>.

As part of its responsible financing strategy, SZKB has defined the following targets:

- Development of financing products that foster and support sustainable behaviour
- Raising awareness among clients
- Raising awareness among employees
- Creation of incentives, such as favourable interest rates, to facilitate a decrease in emissions intensity
- Support with the generational transfer of a property

Due to its balance sheet volume and its contribution to business income, the lending business will play an important role in SZKB's business model. The Bank focuses on business with private, commercial and corporate clients primarily in the Canton of Schwyz and neighbouring regions. Being the largest lender in the Canton, SZKB wields influence over the flow of funds through loans and investments. It therefore plays a key role in the sustainable development of the Schwyz economic region and assists private, commercial and corporate clients over generations.

<sup>1</sup> The key topic of «climate change» and the related targets are covered in Chapter 5 Climate Report and are not addressed in this chapter.

## Management approach

### A sustainable mortgage portfolio

As the leading bank in the Canton of Schwyz for private and corporate clients, SZKB is primarily active in the mortgage business and concentrates on its market area. This includes the Canton of Schwyz and neighbouring regions in which SZKB possesses extensive market expertise. The regional allocation is based on the location of the property for mortgage insurance and the debtor's domicile for all other types of insurance. The Schwyzer Kantonalbank Act limits the foreign assets of SZKB to a maximum of 5% of the balance sheet total. As a result of internal regulations, the financing business can account for a maximum of 0.5% of this. Mortgages are not granted to clients with covered properties outside Switzerland. Whenever a mortgage is granted, both affordability and the loan-to-value ratio are examined, including from a sustainable perspective.

The advice given to clients of owner-occupied properties considers ESG issues and raises their awareness at the same time. SZKB has made the topics of sustainability and energy efficiency an integral part of the consultations with private clients. With sustainable products, such as the «handshake mortgage», issues such as energy-efficient renovation are addressed in the consultation. A variety of tools, including the myky partner platform or factsheets, are used for illustration purposes. By partnering with myky, a property projection can be created for clients using an online application, which makes it possible to establish the energy status. For more detailed advice, clients are referred to external experts.

### Sustainable loan portfolio

SZKB manages the impact of responsible financing also through the credit products it offers and the established credit processes. To date, SZKB has not yet recorded any exclusions in internal documents or regulations in the lending sector. In future, it will complement established credit processes by incorporating sustainability aspects in the interests of the environment.

Special sectors:

- Due to the restriction on foreign engagement and sectoral composition, as of 31 December 2025; there is no direct financing in the following areas: Arctic drilling, oil sands/fracking, coal extraction, mining. SZKB operates regionally and therefore has minimal involvement with high-risk ESG practices or industries that cause significant environmental damage (e.g. deforestation, deep-sea fishing, mining).
- Agriculture in Switzerland, and in the Canton of Schwyz in particular, is dominated by small-scale farms. The average usable area per farm in the Canton of Schwyz is 16 hectares. SZKB does not have any exclusions in place for financing specific business sectors. The regulations of the Canton determine the maximum amount of financing available for the specific agricultural enterprise. Legislation sets out extensive requirements for land management (environmental protection, biodiversity, water protection, sustainable land use) and animal welfare. Control mechanisms have been put in place by the state. The financing of agricultural properties is regulated in an internal SZKB directive, which is based on the legal requirements laid down by the Federal Act on Agricultural Land Law (BGBB) as well as on the cantonal regulations.
- SZKB also provides financing for companies that produce renewable energy, specifically in the areas of district heating and hydropower. Furthermore, loans are provided to support smaller-scale solar power installations and energy-efficient renovations for private, commercial and corporate clients, as well as non-profit housing developers. SZKB also provides financing for hospitals, retirement and nursing homes and other social institutions and handles student loans granted by the Canton of Schwyz.

SZKB does not offer consumer credit.

## Sustainable financing products

### Financing solutions for the energy renovation

SZKB launched its «handshake mortgage» as a standardised product for financing energy-related renovations at the beginning of 2024. With this product, SZKB clients with owner-occupied properties in the Canton of Schwyz can benefit from subsidised loans up to a maximum of CHF 75,000, additional advice and a surety from the surety fund financed by SZKB for measures intended to increase the energy efficiency of their properties. Application and processing have been simplified for clients, and interest has been made extremely attractive in order to create additional incentives for energy-efficient renovations. The solution is free of charge and interest-free in the first year. The arrangement is also characterised by flexible use and processing. In addition, the sustainability bonus was introduced in spring 2025. In this way, all clients benefit from preferential terms on the financing of loans of up to CHF 500,000. The measures pursued under the aegis of the building program in the Canton of Schwyz, as well as the widely used sustainability certificates in Switzerland, are key factors taken into account by the Bank when awarding the sustainability bonus.

### Supporting clients throughout all phases

As a generational bank, SZKB supports its clients in the transfer of residential property within the family. For this purpose, with the multi-generation mortgage SZKB has developed a consulting solution that considers the individual circumstances and needs of clients. SZKB offers a tailored solution that is suitable for both current and future homeowners. For this purpose, individual circumstances are discussed, and the needs of all parties involved are examined in a personal meeting. The comprehensive expertise of client advisors in the areas of asset accumulation, asset management, financing and pensions is provided holistically to clients and their families before, during and after the transfer. In addition, a selection of proven financing products that are individually tailored to the respective situation are offered.

The multi-generation advisory solution is comprised of four pillars:

1. Clarifying the financial basis
2. Identifying targets in relation to the home
3. Finding the right solution
4. Transferring the property

### Financing regulations

SZKB defines general financing rules in an internal directive. Among other things, it states that creditworthiness and credit eligibility must be checked in relation to each commitment. SZKB is willing to support its clients even under challenging circumstances, also as part of its statutory mandate. SZKB supports clients throughout all phases and across generations. For this purpose, it has developed a consulting solution for the transfer of an owner-occupied property to the next generation that considers the individual circumstances and needs of clients.

The internal directive on non-performing commitments requires, among other things, that clients with higher default risks must receive specific support from a specialist recovery team. SZKB is committed to working with its clients to identify sustainable solutions whenever possible. It is also possible to make adjustments to the loan terms, taking into account the default risk. SZKB supports its clients with a practical approach and examines individual contributions to financial stabilisation. The aim is to cooperate with the aim of developing viable solutions that promote both client success and risk minimisation. Thus, provided that the client's renovation has a positive long-term effect and the client also makes a contribution, SZKB may consider measures such as repayment agreements, partial debt waivers or interest exemptions. The SZKB recovery team supports client advisors in relation to non-performing commitments and provides training for this purpose (recovery in situ: some of the information is the same for all sales units (what recovery does, general approach, etc.)). In addition, individual positions are discussed. The processes and guidelines are set out in an internal work instruction on mortgages and credit monitoring. The risks taken must always be quantifiable. Individual establishments or sectors are not kept on their feet simply for the sake of it.

SZKB also works with the Guarantee Fund of the Canton of Schwyz to provide clients with access to additional sources of financing. The Guarantee Fund is a cantonal institution with a legal personality, and its registered office is in Schwyz. The purpose of the fund is to provide guarantees for loans, credits and guarantees for natural and legal persons resident or domiciled in the Canton of Schwyz who prove to be creditworthy and trustworthy. The fund is used to guarantee loans, credits and guarantees for which no or no fully bankable cover can be provided and which are needed for the following purposes:

- a. For the acquisition, construction, maintenance and improvement of residential buildings, condominiums and commercial and agricultural real estate (real estate loans)
- b. For the construction, maintenance, improvement and expansion of service enterprises as well as commercial, industrial and agricultural businesses (operating loans)
- c. For start-up and venture financing of companies

SZKB is responsible for reviewing applications and processing such loans. With this instrument, Schwyzer Kantonalbank can provide additional clients with sustainable access to financing, which also supports the promotion of business activity in the Canton of Schwyz.

### Key measures

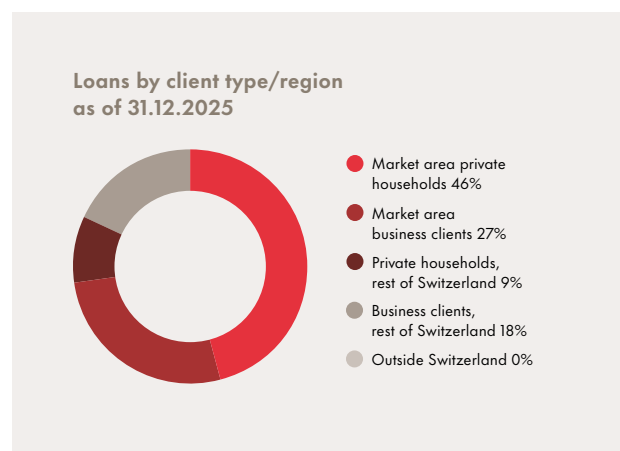
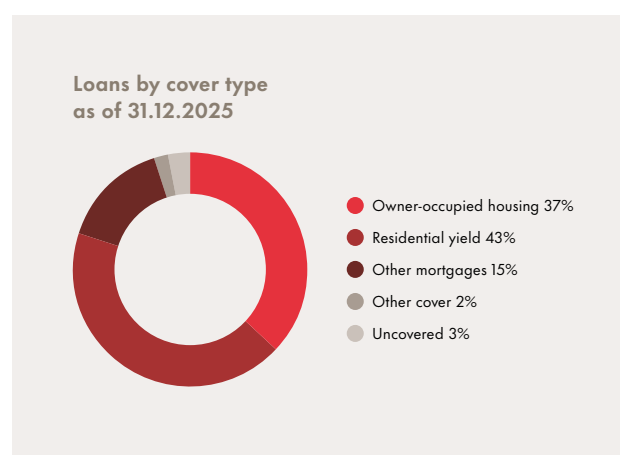
During the reporting year, SZKB focused on «financing a sustainable property» and «access to sustainable financial services» as key topics in the area of responsible financing:

- Developing a sustainable credit portfolio and improving its quality overall
- Providing energy-efficient renovation products and further developing them
- Raising awareness of employees and clients

## 3.2 «Financing a sustainable property»

### Developing a sustainable credit portfolio and improving its quality overall

SZKB is heavily active in the mortgage business and focuses on its core markets in the Canton of Schwyz and neighbouring regions. Thanks to its long-standing market knowledge and close client relationships, it is able to respond in a targeted and sustainable manner to the needs of its private and business clients. The regional allocation for mortgages and other types of financing is based on the location of the property for mortgage insurance and the debtor's domicile for all other types of insurance.



### **Providing energy-efficient renovation products and further developing them**

The SZKB introduced the sustainability bonus in 2025 with the aim of specifically promoting energy-efficient renovation as well as the sustainable construction of real estate. Clients with fixed-interest mortgages benefit from an interest rate reduction of 0.3 percentage points on a maximum loan principal of CHF 500,000. This creates a tangible financial incentive for the Bank to support investments in measures to improve energy efficiency and preserve value.

The sustainability bonus complements the existing range of financing products in the area of energy-efficient renovation and is being continuously reviewed and further developed in order to meet the increasing demands imposed by the market and regulations. With this initiative, SZKB is actively helping to reduce CO<sub>2</sub> emissions in the building sector and supporting its clients on the way to a sustainable property.

### **3.3 «Access to sustainable financial services»**

#### **Raising awareness of employees and clients**

SZKB has implemented the binding guidelines of the Swiss Bankers Association (SBA) on sustainable finance on time, which also requires long-term value preservation (in particular the need for energy-efficient renovation) to be addressed as part of the advisory process. Client advisers are specifically trained in SZKB's advisory philosophy. This means that sustainability, ESG aspects, and energy efficiency are integral parts of investment, asset management and mortgage advice, which also results in a greater awareness and appreciation of long-term value preservation and energy-efficient renovations. In addition, the Clever@SZKB series of talks improves the financial and sustainability knowledge of the local community in Schwyz, including the topic of «renovating your home» (see Chapter 2.1.2 «Client satisfaction», section «Providing training and courses for clients» and 2.3.3 «Fostering the local community and economy», section «Enhancing social engagement and fostering financial literacy»).

SZKB is seeking to improve the level of training and awareness of its employees in relation to sustainability through a wide range of training options. These include, among other things, a bank-wide ESG e-learning course covering topics such as energy-efficient renovations and sustainable investments for front-office employees, as well as certified external specialist courses for selected employees and managers (see Chapter 2.2.2 «Diversity and integration», section «Education and training at SZKB»).

### **3.4 Assessment of effectiveness and next steps**

#### **Assessment of effectiveness**

During the reporting year, the focus in the area of responsible financing lay on the implementation and further development of products as well as on raising employee and client awareness. SZKB has achieved the following milestones:

- SZKB made further progress on the sustainable alignment of its loan portfolio during the reporting year. Through targeted product developments and training measures, the integration of sustainability aspects into the core business was further enhanced. As such, SZKB is helping to preserve long-term value within regional real estate stock.
- In the area of lending, SZKB supports the sustainable development of its portfolio through careful risk and property analyses as well as a strong regional focus. This enables targeted support to be provided to clients in the financing of energy-efficient and future-fit properties. In addition, a roadmap for adopting a catalogue of ESG criteria as well as exclusion criteria for the financing process has been put in place. These requirements will start to be integrated gradually into the relevant processes over the coming year. Implementation is expected to result in further qualitative development of the loan portfolio over the coming years.
- The efficacy of the measures is reflected by the continuous development of the solutions offered as well as in the expansion of knowledge, processes and products. In 2025, numerous ambassadors from Sales received training and can now pass on their know-how within the organisation, thereby making an important contribution to the sustainable embedding of these topics.

SZKB considers the measures taken to be appropriate and effective.

**Further development and next steps**

In 2026, SZKB will further advance sustainability efforts through responsible financing in the following areas:

- Incorporation of external data to improve and supplement SZKB data for calculating emissions associated with the mortgage portfolio, as well as for the scenario calculation (with loss functions, etc.)
- Reviewing climate scoring for corporate client business
- Examining further sustainable financing products and further developing existing sustainable financing products.
- Developing the catalogue of ESG criteria for smooth integration into the financing process; implementing exclusion criteria for sectors the main activities of which include coal mining, oil and gas extraction or the mining of ores



# **Responsible investing**

# 4 Responsible investing

## 4.1 Relevance, objectives, concepts and measures

### Relevance of the topic for SZKB and its objectives

Investment decisions (e.g. investments or exclusions) can cause positive or negative environmental and social impacts. For example, climate change, regulatory changes or societal developments can affect the risk or return of an investment and thus have a direct impact on SZKB. In addition, investors are also affected by such effects on returns. Opportunities and risks relating to responsible investing can be divided into an inside-out perspective and an outside-in perspective:

- **Inside-out – the impact of investment business on the environment and society:** SZKB investment business can have environmental and social impacts. Investments may finance companies that implement measures relating to sustainable CO<sub>2</sub> reduction, for example. At the same time, there is a risk that problematic activities may be supported by investments in certain sectors. Positive effects include the fostering of innovation and the creation of jobs, while negative effects may include undesired CO<sub>2</sub> emissions. The investment business enables clients to systematically accumulate assets and thus increase private pensions, among other things.
- **Outside-in – the impact of ESG factors on investment business:** External ESG factors such as climate change, resource scarcity or regulatory requirements directly affect SZKB's investment business. These factors can alter the risks and return opportunities on investments, affecting both SZKB and its investment clients.

«Sustainable products and services» and «climate change» are key topics for SZKB in the area of responsible investments<sup>1</sup>.

SZKB has defined the following goals in the area of responsible investing:

- Consideration of controversial and/or environmentally harmful sectors in the investment decision-making process.
- Development of further investment products that foster sustainable behaviour and thus correspond to various ESG preferences
- Development of an engagement policy by 2025

After the financing business, the investment business is SZKB's second-largest segment.

### Management approach

#### Asset management and investment advice

As part of its asset management and investment advisory services, SZKB ensures that clients receive the right investment solutions. The investment horizon, risk tolerance, investment objectives and ESG preferences are recorded individually and taken into account in the investment recommendations. For all investment clients, ongoing checks are carried out in order to ensure that existing investments comply with the defined ESG preferences. Any discrepancies are identified and discussed with clients in order to ensure that they meet individual needs. No investor profiling and thus no review is carried out for execution-only clients who decide without any advice. The asset statement transparently indicates which ESG preference has been assigned to each investment.

<sup>1</sup> The key topic of «climate change» and the related targets are covered in Chapter 5 Climate Report and are not addressed in this chapter.

### Bank-wide processes and guidelines

Bank-wide processes, responsibilities and framework conditions are defined in internal requirements such as directives. The SZKB Investment Committee, which sets tactical asset allocations for various risk profiles on a monthly basis, is headed by a member of the Executive Board. The financial instruments for managed portfolios are selected according to clearly defined due diligence criteria, as set out in the directive «Investment Process in Asset Management and SZKB Fund Management».

In addition, an independent investment controlling system has been established. This ensures the ongoing monitoring of investment activities and also includes systematic monitoring of ESG investment risks.

### Recording of ESG preferences

SZKB records the ESG preferences through dialogue with clients. Sustainability is fully integrated into the investment advisory process, supported by a tool that enables ESG preferences to be recorded directly during the advisory consultation. SZKB has implemented on time the binding guidelines of the Swiss Bankers Association (SBA) as well as the self-regulation of the Asset Management Association Switzerland (AMAS) on sustainable finance. At SZKB, the follow-

ing four classifications are used for ESG preferences:

- Classic (exclusion of ESG extreme risks)
- Aware (compliance with moderate sustainability criteria)
- Focused (compliance with comprehensive and strict sustainability criteria)
- Effective (achievement of a specific, measurable sustainable benefit)

SZKB issues its own ESG rating for all securities based on the requirements set out in the internal document «ESG Rules», which operates as a sustainability policy. This set of rules defines, among other things, the process for creating and applying SZKB's ESG ratings. In 2025, the climate aspect in the «Focused» ESG rating was changed from 1.5 to below 2.0 degrees Celsius. Based on this explicit consideration of climate criteria, the global temperature increase should be limited to below 2.0 degrees Celsius.

### The application of exclusion criteria

As part of the investment advisory process, each transaction is checked (except in the case of execution-only clients) in order to establish whether the selected financial instrument corresponds to the respective client's sustainability preferences. In addition, financial instruments that could pose significant financial or reputational risks (referred to as extreme risks) are excluded from the SZKB investment universe in a manner comparable to a blacklist.

## Overview of SZKB exclusion criteria

### Sector-based criteria

	Classic	Aware	Focused
Alcohol			●
Arctic drilling	○	●	●
Oil sands/fracking	○	●	●
Genetically-modified food			●
Violent video games			●
Gambling			●
Nuclear power			●
Coal mining	○	●	●
Controversial weapons <sup>1</sup>	●	●	●
Military equipment & weapons		●	●
Fur production			●
Pesticides			●
Pornography			●
Stem cell research			●
Tobacco		○	●
Animal testing			●

### Standards-based criteria

	Classic	Aware	Focused
Labour law	○	●	●
Child labour	○	●	●
Human rights	○	●	●
Environmental behaviour	○	●	●
Controversial business practices	○	●	●

○ = moderate / ● = strict

### Notes

- Threshold values are applied for sector-based criteria.
- Threshold values are defined and reviewed by ISS ESG Research.
- Example: Animal testing = all tests in the consumer products industry; mandatory animal testing within the medical field is not affected by this exclusion criterion.

<sup>1</sup> Exclusion of companies involved in: biological weapons, chemical weapons, munitions made from depleted uranium, incendiary weapons, nuclear weapons (also under the Nuclear Non-Proliferation Treaty), white phosphorus. Exclusion of companies that generate more than 5% of their sales in relation to the production/servicing/sale of: civilian firearms, military equipment in conflict zones.

### Sustainable financial products

As part of its reviews and analyses of selected products, product management reviews the range of investment opportunities that take ESG considerations into account at least once a year and expands the range if necessary.

- **Ethical line:** SZKB successfully implemented its inaugural ethical mandate solution for a client in 2009 and has been providing clients with a variety of financial instruments that take ESG considerations into account since 2010. Specifically, this ethical line is based on a combination of comprehensive exclusion criteria (negative selection), a best-in-class approach (positive selection) and traditional financial analysis. In addition, climate risks have been explicitly taken into account since 2024, and the range has been further refined accordingly. Solutions from the ethical line (Ethical Funds) have the «Focused» SZKB ESG rating and comply with the relevant exclusion criteria.
- **ESG line:** In 2024, SZKB supplemented its product portfolio with two sustainable solutions, the investment fund «SZKB ESG strategy fund» and the asset management mandate «ESG core mandate». Both solutions have four risk classifications (income, balanced, growth, capital gain). With these global and diversified solutions, 10% of the bond component and 25% of the equity component are invested in global ESG topics (e.g. water, smart infrastructure, healthcare, climate transition). New solutions from the ethical line have the «Aware» SZKB ESG rating and comply with the relevant exclusion criteria.
- **Effective third-party funds:** SZKB uses third-party funds for clients with the «Effective» ESG preference. A careful review is carried out for this purpose, during which SZKB selects potential third-party providers from effective funds. These funds generate a specific, measurable sustainable benefit. By using third-party funds, SZKB can offer effective funds in all ESG areas.

### Specialist knowledge in the area of responsible investing

SZKB ensures that its employees have the necessary expertise in the area of sustainability. This is ensured through targeted training measures, such as online ESG learning provided throughout the Bank, which also covers ESG processes and products specific to SZKB, as well as certified external specialist courses for selected employees and managers (see Chapter 2.2.2 «Diversity and integration», section «Training and education at SZKB»).

#### Key measures

- Developing sustainable financial products
- Transparency in relation to SZKB investment funds
- Exercising shareholder voting rights
- Gold from fair trade
- Development of a financial investment strategy

## 4.2 «Sustainable products and services»

### Developing sustainable financial products

The «Dividend Equities Switzerland» category mandate was launched within the investment business segment, which is classified under the ESG preference «aware». It focuses on an ESG-aware selection of high-quality Swiss companies with a stable dividend policy and sustainable value creation.

In addition, the digital pension was launched in 2025. This enables clients to easily invest in the SZKB pension funds using a digitally guided process, taking into account their individual ESG preferences. This promotes access to sustainable investment solutions by SZKB also on a digital level.

#### Key figures in the investment sector

	2025	2024	Change
By the end of 2025, at least 20% of asset management mandates should have client preferences that are «Aware», «Focused» or «Effective», and by the end of 2030, this should increase to at least 50% of all asset management mandates.	36.7%	36.3%	1.1%
The proportion of SZKB investment funds with alignment with client preferences of «Aware» or «Focused» will be at least 20% of the total of all SZKB investment funds at the end of 2025, and this proportion will increase to at least 50% by the end of 2030. <sup>1</sup>	40.6%	43.3%	-6.2%

<sup>1</sup> This is a volume figure (AuM).

### Transparency in relation to SZKB investment funds

SZKB offers its clients product-independent reporting according to the metrics defined in the value proposition. These metrics vary depending on the ESG rating, and the scope and content of the respective reporting to clients differ accordingly.

For example, SZKB publishes a transparency report concerning all risk considerations relating to the ethical line, which provides information concerning the sustainability aspects of the investment solution. It transparently discloses the companies/issuers in which the investment solution is invested as of the reporting date. SZKB also prepares a Climate Report with information on the fund's environmental footprint. In this way, SZKB helps investors more effectively evaluate the ESG impact of their investments.

### Exercising shareholder voting rights

Voting rights (proxy voting) are actively exercised for all SZKB Ethical Funds, taking into account ESG criteria based on the proposals of an independent voting rights advisor. The applied voting policy, the voting directives and the specific voting behaviour are published transparently on the SZKB website. Other active ownership approaches such as engagement solutions have been examined, although these are currently not applicable for SZKB. Given the size of the investment volume and the predominantly indirect investment through collective investment vehicles, independent engagement is currently considered impractical. Sustainability aspects are also considered by the respective fund managers.

### Gold from fair trade

As a global hub in the refining and trading of gold, Switzerland has a special role to play in this market. SZKB focuses on gold from fair trade. Since 2021, gold bars weighing between one and twenty grams have been sold exclusively with the Fairtrade seal of approval from the Max Havelaar Foundation (Switzerland).

SZKB purchases gold bars weighing 20 grams or more exclusively from Swiss banks. The banks have provided written assurance to SZKB that all bars delivered by them adhere to the relevant rules of the London Bullion Market Association (LBMA)<sup>1</sup> for proper delivery, also known as Good Delivery.

### Development of a financial investment strategy

A financial investment strategy was developed in 2025. New transactions must now have at least one «classic» SZKB ESG rating. In doing so, SZKB ensures that new investments meet fundamental ESG criteria (exclusion of extreme ESG risks).

## 4.3 Assessment of effectiveness and next steps

### Assessment of effectiveness

- The range of sustainable investment solutions has been specifically enhanced with the launch of the «Dividend Equities Switzerland» category mandate and the digital pension, which takes account of individual ESG preferences. This means that clients can have easy access to responsible investments.
- Periodic and transparent reporting through ESG reports, transparency and climate reports strengthens investor trust and allows for a more effective assessment of the ecological and social impact of their investments. By actively exercising voting rights (proxy voting) in relation to SZKB Ethical Funds, the Bank systematically accepts its responsibility as an investor.
- SZKB ensures responsible procurement with the exclusive sale of Fairtrade gold bars up to 20 grams and adherence to LBMA standards for larger bars.
- A «classic» SZKB ESG rating (exclusion of extreme ESG risks) is used as part of the financial investment strategy for new contracts. This approach supports basic risk management.

Overall, SZKB considers the measures taken to have been effective and targeted. They have helped expand the range of sustainable financial products, increase transparency towards clients and promote responsible investment practices.

### Further development and next steps

SZKB has planned the following measures for 2026 and subsequent years: expansion of key ESG figures within performance statements for investment portfolios.

<sup>1</sup> The London Bullion Market Association (LBMA) is the leading trade association for the global over-the-counter trade in gold and silver. Its rules, in particular the «Responsible Sourcing Guidance», set standards for responsible procurement, transparency and sustainability within the supply chain in order to protect human rights and comply with environmental standards.



# **Climate Report**

# 5.1 Introduction

## 5.1.1 Relevance, objectives and management approach

### Relevance of the topic for SZKB and its objectives

Sustainability, with climate as a key component, holds significant strategic importance for SZKB. The Bank Council has adopted SZKB's sustainability strategy, which covers the three dimensions of Environment (E), Social (S) and Governance (G), abbreviated to ESG.

SZKB's climate reporting is based on the requirements of Swiss legislation (non-financial matters as per Articles 964a and following of the Swiss Code of Obligations (CO)) and the regulatory requirements of the Swiss Financial Market Supervisory Authority (FINMA). As part of this process, SZKB prepares its climate reporting in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which have been incorporated into the new IFRS Sustainability Disclosure Standards of the International Sustainability Standards Board (ISSB).

SZKB's climate targets are listed on the right. All climate targets, including in particular quantitative CO<sub>2</sub> emissions targets, are aligned with the objectives of the Swiss Climate Strategy (Federal Office of Energy FOE: Energy Perspectives 2050).

### Management approach

#### Governance

Governance at Schwyzer Kantonalbank is based on the national, cantonal and internal requirements, which are explained in the following sub-chapters. Climate reporting focuses on the role of the Executive Board and the role of the Bank Council in managing climate-related risks and opportunities.

#### Strategy

With its sustainability strategy, SZKB has laid the foundation for integrating environmental, social and governance factors into the company's business practices. The strategy focuses on ensuring the company's long-term resilience to climate-related risks and opportunities, which are specifically addressed by the TCFD framework. The aim is to create transparency and promote responsible management of climate-related risks and opportunities in order to inform the company's stakeholders (e.g. investors, clients, employees and regulatory authorities) and to generate long-term value.

#### Risk management

SZKB has developed and integrated an ESG risk management system into its overall risk management framework. All three dimensions (E, S and G) form an integral part of SZKB's risk management. A special focus is also placed on climate-related financial risks. SZKB follows the recommendations of the TCFD, thereby ensuring a transparent, consistent and strategic approach to climate risks and opportunities while enhancing its resilience to the challenges posed by climate change.

#### Key figures and targets

An essential part of the Climate Report is the transition plan, which serves as a long-term roadmap for decarbonisation and adapting to climate-related challenges. The plan includes key metrics, such as CO<sub>2</sub> emissions reductions, and outlines objectives for integrating climate and sustainability considerations into SZKB's business models and financial products. The transition plan also includes strategic targets, timeframes and necessary adjustments or measures.

Climate targets under the sustainability strategy<sup>1</sup>

Focus	Sustainability ambitions and objectives
<b>Responsible business conduct</b>	<b>Sustainability ambition:</b> «We are committed to being a responsible company that acts with integrity and in alignment with our values. As a bank, we acknowledge our responsibility to our stakeholders. We strive to enhance overall trust in the financial sector and ensure the satisfaction of our clients and employees through our responsible operating practices, which reflect the results of specific measures taken. It is also important for us to recognise and reduce our negative impacts on the environment. Ultimately, we want to support local projects in making a positive contribution to society.»
8 ...towards our employees	By 2030, reduction in greenhouse gas emissions from transportation (Scope 3) in accordance with Switzerland's climate strategy (reduction of 21% compared to reference year 2021).
13 ...towards our environment	By 2027, SZKB will reduce its operational CO <sub>2</sub> emissions by 15.8%, or 145 t (base year 2021), to 770 t.
<b>Responsible financing</b>	<b>Sustainability ambition:</b> «We promote sustainable financing. As a bank, we recognise our role within society as an enabler of the development of sustainable activities. We are committed to expanding access to sustainable financial services for private and professional clients while integrating environmental and social criteria into our financing solutions. We aim to reduce the greenhouse gas emissions of our financing portfolios and achieve net-zero emissions by 2050.»
17 Sustainable mortgage portfolio	The emissions intensity of mortgages <sup>2</sup> financed will be reduced by a minimum of 42% by 2030 compared to the 2022 base year.
18 Sustainable mortgage portfolio	By 2030, the emissions intensity of commercial real estate financed will be reduced by a minimum of 40% compared to the 2022 base year.
<b>Responsible investing</b>	<b>Sustainability ambition:</b> «We promote sustainable investments. As a bank, we recognise our duty to manage our clients' assets responsibly with a long-term focus. We are committed to systematically incorporating sustainability aspects into the development of all our portfolios in order to manage sustainability risks. At the same time, we want to offer our clients sustainable products that align with their ESG preferences and expectations. Ultimately, we see ourselves as representatives of our clients in regard to all investment recipients and seek to work towards more sustainable business development on their behalf.»
25 Sustainable financial products	By the end of 2025, at least 20% of asset management mandates should reflect client preferences that are classified as «Aware», «Focused» or «Effective», and by the end of 2030, this should increase to at least 50% of all asset management mandates.
26 Sustainable financial products	The proportion of SZKB investment funds with alignment with client preferences of «Aware» or «Focused» will be at least 20% of the total of all SZKB investment funds at the end of 2025, and this proportion will increase to at least 50% by the end of 2030.

## Additional climate targets for the transition plan

	Sustainability ambitions and objectives
Investing	Funds with «Focused» preference (Ethical Funds): <ul style="list-style-type: none"> <li>• 2030: adherence to the 2°C climate target in the Ethical Fund</li> <li>• 2050: adherence to the 2°C climate target in the Ethical Fund</li> </ul>
Investing	AM mandates with «Focused» preference (ethical core mandate) <ul style="list-style-type: none"> <li>• 2030: Adherence to the 2°C climate target for asset management mandates with a «Focused» preference</li> <li>• 2050: Adherence to the 2°C climate target for asset management mandates with a «Focused» preference</li> </ul>
Operations	Reduction of operating CO <sub>2</sub> e emissions: <ul style="list-style-type: none"> <li>• 2030: 841.2 tCO<sub>2</sub>e</li> <li>• 2040: 678.1 tCO<sub>2</sub>e</li> <li>• 2050: 414.4 tCO<sub>2</sub>e</li> </ul>

<sup>1</sup> All climate targets, including in particular quantitative CO<sub>2</sub> emissions targets, are aligned with the objectives of the Swiss Climate Strategy (Federal Office of Energy FOE: Energy Perspectives 2050).

<sup>2</sup> Financed mortgages include single-family houses and individual flats.

## 5.2 Governance

### 5.2.1 Sustainability governance at SZKB

SZKB's sustainability governance ensures that ESG-related risks or opportunities are incorporated into the corporate strategy and risk management. SZKB has made commitments to various aspects of sustainability. Topics relating to climate and climate change form an integral and essential part of SZKB's sustainability strategy and sustainability governance.

#### **Bank Council with Strategy Committee**

As part of the company-wide establishment of sustainability, SZKB has established responsibility for the sustainability strategy and governance, and thus also for climate-related risks and opportunities, in the Competence Regulations. These vest responsibility for the sustainability strategy and governance in the Bank Council. The Competence Regulations are approved by the Bank Council.

#### **Sustainability Committee**

The SZKB Sustainability Committee operates as a steering and decision-making body for sustainability-related issues. It focuses on planning, managing and coordinating cross-departmental measures and activities in the area of sustainability, as well as monitoring ESG risk drivers and key figures from the sustainability strategy. The Sustainability Committee includes the entire Executive Board, members of other SZKB committees, and representatives from relevant departments. The powers of the Sustainability Committee are set out in the internal directive on the SZKB Sustainability Committee.

#### **Sustainability Office**

The SZKB Sustainability Office, part of the Corporate Development department, supports the Executive Board and Bank Council in defining the strategic sustainability focus and developing the sustainability strategy. It coordinates bank-wide and department-specific activities for implementing the sustainability strategy and organises the Sustainability Committee.

## 5.3 Strategy

Sustainability is at the core of Schwyzer Kantonalbank's mission and purpose. This is derived, among other things, from the Schwyzer Kantonalbank Act, which states that SZKB must contribute to the balanced and sustainable development of the Canton. The SZKB sustainability strategy comprises all dimensions of E, S and G. Climate change is addressed and embedded in the Bank's sustainability strategy by means of appropriate objectives and measures.

### 5.3.1 Sustainability strategy

Climate change is a growing challenge for the financial sector. Climate risks or nature-dependent financial risks in general can affect credit portfolios and investments, while sustainable financing opens up new business opportunities. Regulatory requirements, increasing stakeholder expectations and long-term profitability make it necessary to integrate climate issues into the strategy. The SZKB sustainability strategy considers climate change to be of material significance and takes account of climate issues as well as other sustainability aspects.

### 5.3.2 Assessment of climate risks and opportunities: The impact of climate-related risks and opportunities on SZKB

SZKB recognizes climate change as a risk driver that impacts existing risk categories, including credit, market, liquidity, operational, and strategic risks. In accordance with the recommendations of the TCFD, SZKB distinguishes between physical climate risks and transition climate risks.

Physical risks typically arise from climate-related acute events (e.g. natural disasters) or long-term changes (e.g. shifts in vegetation zones, snowfall boundaries, or permafrost thawing). Transition risks stem from political changes, such as regulatory interventions (e.g. carbon taxes or technology bans) or social changes (e.g. shifts in consumer behavior).

With the specific involvement of other internal employees, the Sustainability Office conducts an annual assessment of ESG risk drivers, which is reviewed by the Risk Management department and approved by the Sustainability Committee. The main ESG risk drivers are then allocated to the existing risk categories. As part of the annual risk assessments, these risk drivers are then incorporated into the risk assessment of the risk categories, ensuring that the drivers are taken into account. SZKB has identified ESG drivers in the area of the environment (including climate). In terms of physical risks, climate-related developments such as increased natural events are prominent. Transition risks are shaped in particular by regulatory adjustments, changing demand or technological developments. In addition, climate data availability and quality operate as drivers for the appropriate integration of climate-related aspects into internal processes.

### 5.3.3 Risk assessment

#### Climate-related risks

SZKB evaluates climate-related opportunities and risks over three distinct time horizons: short-term, medium-term, and long-term.

Short-term	0 to 5 years
Medium-term	5 to 10 years
Long-term	10 to 30 years

SZKB is fundamentally exposed to physical and transition ESG risks across all risk categories. Natural events can increase credit and liquidity risks, while CO<sub>2</sub> regulations, technological change and rising social expectations can influence

credit, liquidity, operational and strategic risks. In addition, there are transition-related challenges such as regulatory uncertainty and possible greenwashing risks in the operational area. Overall, however, SZKB considers the ESG risk drivers identified across all risk categories to be non-material and not to have any substantial impact on its risk situation.

SZKB expects physical risks to become increasingly significant over the long term as the effects of climate change become increasingly more apparent, with transition risks becoming less relevant.

#### Climate-related opportunities

SZKB has identified a number of potential climate-related opportunities arising from social change, new regulatory requirements and technological developments.

Opportunity	Description
New business areas and products	Tackling climate change opens up a wide range of opportunities for SZKB to tap into new business areas and products. In particular, the development and offering of «green» loans, sustainable investment products and ESG funds offer the Bank an opportunity to generate additional sources of income. In the building sector, the potential will arise through the financing of building renovations and the replacement of fossil-fuel heating systems. These measures not only support the energy transition but also bolster SZKB’s position.
Energy efficiency and cost reduction	Investments in energy-efficient buildings, technologies and processes will enable SZKB to reduce its operating costs over the long term. The increasing use of renewable energy not only helps to cut costs but also raises environmental awareness within the workforce and underscores the Bank’s commitment to sustainable business.
Fostering sustainable entrepreneurship	SZKB sees further opportunities as we move towards sustainable production methods and processes. Companies will increasingly invest in sustainable innovations, such as recycling or other circular business models. SZKB is currently examining whether and to what extent targeted financing could be considered for projects or companies that potentially offer social or environmental benefits. Such measures have not yet been implemented, although in future they could strengthen the position of SZKB as a trusted partner for sustainable financing, thereby attracting new clients and consolidating existing client relationships. At the same time, financing according to social and environmental criteria makes an important contribution to social and ecological transformation.

### **5.3.4 The strategy's resilience to climate scenarios**

As part of the risk inventory, a qualitative assessment of ESG risk drivers was carried out. The assessment is supplemented by scenario analyses and calculations for the risk category with the greatest exposure. Due to increased relevance, in 2023 and 2024 SZKB engaged more with credit risk in relation to clients and carried out a scenario analysis in the areas of mortgage business and corporate clients concerning the transition risk «carbon tax on client loans». The other risk categories were comparatively less affected, and as a result, no further scenario analyses were carried out. The results of the scenario analyses demonstrate that expected losses increase only marginally. The materiality of the scenarios must be classified in such a way that the realisation of the scenario would have a tangible effect on SZKB but would not pose an existential risk. As SZKB's credit portfolio has not changed significantly, the same approach will also be applied for 2025. For assessments of long-term developments, initial tests were carried out using quantitative scenario analyses, although further analyses and clarifications will be carried out in future in order to validate these and increase their reliability.

### **5.3.5 The impact of climate-related risks and opportunities on the business strategy**

SZKB recognises climate-related risks and opportunities as key drivers that affect both strategic orientation and financial planning. The targeted integration of sustainable approaches not only creates the potential to set the Bank apart from its competitors but also makes it possible to effectively reduce long-term risks and proactively address rising regulatory and social requirements.

In order to take climate-related risks into account systematically, SZKB is continuing to develop its risk management processes so as to capture and quantify these risks more precisely. This may require an increased creation of provisions as well as the consideration of prospective future market fluctuations and regulatory requirements in liquidity planning. At the same time, growth forecasts in the area of sustainable products are opening up promising prospects, which are actively integrated into strategic decision-making processes.

## 5.4 Risk management

### 5.4.1 ESG-related risk management

#### ESG-related risk management process

The management of ESG risks, including climate-related risks, is an integral part of the SZKB risk management process. Sustainability aspects are systematically integrated into this process, which consists of five phases:

1. Continuous identification of pertinent risks and risk drivers
2. Assessment of identified risks
3. Ongoing management of risks in everyday business operations
4. During monitoring, applicable standards and control mechanisms are subject to review or quality assurance
5. Reporting provides all hierarchical levels with a transparent and current overview of the underlying risk profile and the respective risk position

Each year SZKB updates its ESG risk inventory, which it is constantly expanding to cover the dimensions of E, S and G. Climate risks are part of the environmental dimension and are divided into physical and transition risks that are acute or chronic in nature. Key ESG risk drivers and their transmission channels to risk categories and portfolios are defined and described in detail. The assessment is based on exposure, likelihood and impact, from which a score is derived. This score helps identify key transmission channels. The qualitative assessment includes gross and net risks and takes into account SZKB's regional circumstances (e.g. for individual topics, hazard maps of the Federal Office for the Environment (FOEN)). The analysis is complemented by an assessment of long-term trends. A defined threshold identifies key ESG risk drivers, which are assigned to the relevant risk categories and risks and are regularly adjusted. As a result of this allocation, ESG risk drivers are taken into account within the risk assessments carried out on an annual basis and are incorporated into the risk management process.

The annual risk inventory of ESG risk drivers is prepared for the Sustainability Committee on an interdisciplinary basis under the aegis of the Sustainability Committee in conjunction with experts from areas such as Risk Management.

## 5.5 Key figures and targets

SZKB has addressed the topic of climate change and anchored the topic in its sustainability strategy with specific objectives. In addition, metrics have been developed and targets defined to assess climate-related risks and opportunities in accordance with the sustainability strategy and risk management process. All climate targets, including in particular quantitative CO<sub>2</sub> emissions targets, are aligned with the objectives of the Swiss Climate Strategy (Federal Office of Energy FOE: Energy Perspectives 2050).

### 5.5.1 Measuring greenhouse gas emissions

Emissions were calculated based on the global standards of the Greenhouse Gas Protocol (GHG) and the Partnership for Carbon Accounting Financials (PCAF), which SZKB adhered to in 2024. Primarily four business fields or areas within SZKB have been identified to calculate greenhouse gas emissions and their reduction targets, with further subdivision into fund business and asset management (AM) in the investment sector.

SZKB owns investment properties. There has not yet been any systematic collection and reporting of associated CO<sub>2</sub> emissions.

### Financed emissions and key figures in the area of financing

SZKB has calculated the greenhouse gas emissions on its financing portfolio (Mortgage and credit area) (Scope 3, Category 15) as of 30 June 2025 (previous period 30 June 2024). The calculated values are used as the basis for measuring the emission intensity objectives.

SZKB allocated its financing portfolio to the following PCAF classes (this subdivision differs from the SZKB definitions used internally):

- Mortgages (owner-occupied residential property and condominiums)
- Commercial properties (outstanding mortgage financing with mortgage liens)
- Corporate financing (other loans)

#### Matrix for emissions calculations

Business/area	Financing business	Financial assets	Fund business	Assets under management	Direct and indirect operational greenhouse gas emissions
Description	<ul style="list-style-type: none"> <li>• Mortgage portfolio</li> <li>• Commercial property</li> <li>• Corporate loans</li> </ul>	Financial assets	Own funds	<ul style="list-style-type: none"> <li>• Custody account assets for advisory mandates</li> <li>• Custody account assets for discretionary mandates</li> </ul>	<ul style="list-style-type: none"> <li>• Direct emissions (Scope 1)</li> <li>• Indirect emissions from purchased energy (Scope 2)</li> <li>• Upstream and downstream value (Scope 3)</li> </ul>
Measurement	Yes	Yes	Funds with «Focused» preference (ethical funds)	Yes, AM mandates with a «Focused» preference	Yes
Objective	Yes, without corporate loans	No	Yes	Yes	Yes

Following its adherence to the PCAF, SZKB has reviewed the calculation methodology and implemented the following methodological changes:

- Blank örK financing from corporate financing excluded (PCAF does not have emission factors for cantons, districts or municipalities but currently only at the state level).
- Mortgage financing of agricultural real estate will now be allocated to commercial real estate (previously to corporate loans). Operating loans remain under corporate loans. This is in line with the approach to commercial financing.
- For holding companies, financing has been divided up among the operating companies wherever possible.

- By adhering to the PCAF, SZKB has access to its emission factors. According to the PCAF recommendation, figures for «advanced economies» are adopted at the sectoral level.

In cases where values were missing, external public data sources were used for the calculation and, if necessary, average figures and estimates were derived from known values. The PCAF Data Quality Score reflects the average quality of the data used.

The emissions intensity shown pertains to the Scope 1 and Scope 2 emissions from financing. The PCAF also provides companies with emission factors for Scope 3. These are reported separately.

Financing <sup>1</sup>	30/06/2025	30/06/2024	Change	31.12.2022 (base year)	Change during reporting year compared to base year
<b>Volume/share of portfolio (CHF million)</b>					
Mortgages	8,502.3	8,139.2	4.5%	7,658.4	4.5%
Commercial property	9,524.7	9,113.5	4.5%	7,801.7	4.5%
Corporate financing	481.4	463.6	3.8%	899.9	3.8%
<b>Absolute emissions Scope 1 and 2 (ktCO<sub>2</sub>e)</b>					
Mortgages	24.8	24.8	0.0%	24.8	0.1%
Commercial property	45.6	46.1	-1.1%	44.8	-1.0%
Corporate financing	47.9	55.5	-13.7%	52.2	-13.7%
<b>Carbon footprint Scope 1 and 2 (tCO<sub>2</sub> per CHF million financed volume)</b>					
Mortgages	2.9	3.0	-3.3%	3.2	-4.2%
Commercial property	4.8	5.1	-5.9%	5.7	-5.3%
Corporate financing	99.5	119.7	-16.9%	58.1	-16.9%
<b>Emissions intensity Scope 1 and 2</b>					
Mortgages (kgCO <sub>2</sub> per m <sup>2</sup> financed area)	24.2	24.3	-0.4%	24.2	-0.1%
Commercial real estate (kgCO <sub>2</sub> per m <sup>2</sup> financed area)	23.2	23.3	-0.4%	23.3	-0.2%
Corporate financing (tCO <sub>2</sub> per million CHF sales)	107.4	113.1	-5.0%	123.0	-5.1%
PCAF data quality score (Scope 1 and 2) <sup>2</sup>	4.0	4.0		4.0	
<b>Absolute emissions Scope 3 (ktCO<sub>2</sub>e)</b>					
Corporate financing <sup>3</sup>	101.5	114.0	-11.0%	95.3	-10.9%
PCAF data quality score (Scope 3) <sup>2</sup>	4.3	4.2			

<sup>1</sup> Outstanding amounts are selected and aggregated based on the PCAF standard. The subdivision into the asset classes of mortgages (residential properties) and mortgages (commercial properties) differs from the definitions commonly used by SZKB.

<sup>2</sup> Weighted score.

<sup>3</sup> PCAF requires Scope 3 disclosure only for the categories of corporate financing and unlisted investee companies (not relevant for SZKB).

The financed emissions for the mortgages and commercial properties have been calculated using the emission factors in kgCO<sub>2</sub>/m<sup>2</sup> (PCAF score 4, in an analogous manner to the previous year) for 2020 provided by PCAF. Financed corporate financing emissions have been calculated using the PCAF emission factors for «advanced economies» at the sectoral level (figures for 2019 in EUR, currency and inflation adjusted according to PCAF's requirements as of the reference date). If no turnover or accounting data was available for the companies, the emissions were computed using the PCAF factors for score 5.

Emissions are calculated according to unchanged emission factors for residential and commercial real estate. SZKB only has actual consumption data in a few isolated cases. SZKB expects that emission factors will decrease over the years with the replacement of fossil-fuel heating systems or energy-efficient renovations.

Emission factors for companies do not sufficiently reflect the source of energy in Switzerland. Due to the application of PCAF emission factors for «advanced economies» at the sectoral level, emissions tend to be higher because these factors do not take into account the specific clean electricity mix prevailing in Switzerland.

### Corporate financing

Sector name <sup>1</sup>	30/06/2025			30/06/2024		
	Financing volume (CHF million), sectors	Financed emissions (t CO <sub>2</sub> e Scope 1 and 2), sectors	Financed emissions (t CO <sub>2</sub> e Scope 3), sectors	Financing volume (CHF million), sectors	Financed emissions (t CO <sub>2</sub> e Scope 1 and 2), sectors	Financed emissions (t CO <sub>2</sub> e Scope 3), sectors
Agriculture, forestry and fishing	51.1	1,370.4	1,898.1	32.5	1,007.4	1,272.0
Manufacturing/production of goods	37.6	9,201.5	21,810.0	43.6	7,607.8	24,908.4
Energy supply	8.7	9,597.7	1,163.7	16.4	15,884.2	1,926.0
Water supply; sewage, waste disposal and decontamination	29.8	10,006.8	1,732.5	9.6	10,460.9	1,550.3
Building trade/construction	23.6	1,692.8	19,873.8	28.3	1,869.5	21,949.2
Trade, maintenance and repair of motor vehicles	108.4	7,268.9	39,614.5	122.8	8,463.8	46,126.9
Transport and warehousing	7.6	5,436.2	3,026.6	9.0	6,598.7	3,673.8
Catering/accommodation and gastronomy	2.5	128.5	700.5	3.5	227.0	1,237.4
Information and communication	2.6	68.0	278.9	3.0	128.7	443.6
Provision of financial and insurance services	111.6	739.5	4,185.6	107.9	799.0	4,522.8
Real estate and housing	14.0	50.6	286.5	8.9	61.4	347.7
Provision of freelance, scientific and technical services	18.6	613.3	3,459.8	18.7	405.5	2,277.7
Provision of other business services	0.7	176.3	241.8	1.2	420.3	463.0
Education and teaching	0.2	8.7	18.4	0.2	11.9	25.1
Health and social services	8.2	513.7	1,081.5	6.8	604.1	1,271.7
Art, entertainment and recreation	0.2	24.4	51.4	0.4	74.0	155.8
Provision of other services	55.8	996.8	2,111.3	50.7	870.4	1,851.5
<b>Overall result</b>	<b>481.4</b>	<b>47,894.2</b>	<b>101,535.0</b>	<b>463.6</b>	<b>55,494.9</b>	<b>114,002.8</b>

<sup>1</sup> According to the general classification of economic activities of the Federal Statistical Office (NOGA classification). This relates corporate financing according to PCAF classification and thus does not include, among other things, the financing of commercial real estate.

### Financed emissions and key figures in the area of financial investments

As of the end of December 2025, SZKB had a financial investment portfolio totalling CHF 1,513 million, with the majority being highly liquid bonds that are qualified as high-quality liquid assets (HQLA). The portfolio consists of corporate bonds, mortgage bonds, and public sector bonds.

Emissions are calculated in accordance with the PCAF standard, taking into account only securities for which CO<sub>2</sub> data has been lodged<sup>1</sup>. This means that the reported emissions account for 58% (previous year 61%) of SZKB's financial investment portfolio (table below).

The reduction in emissions associated with financial investments compared to the previous year was mainly due to the significant fall in emissions for the counterparty with the highest emissions figures within the portfolio.

SZKB uses data from the sustainability specialist ISS ESG to assess sustainability indicators, with a focus on climate metrics in the area of financial investments and the investment business.

Financial investments <sup>2</sup>	2025	2024	Change
Volume (CHF million)	877	928	-5.5%
Absolute emissions Scope 1 and 2 (ktCO <sub>2</sub> e)	1.9	3.1	-38.7%
Carbon footprint Scope 1 and 2 (tCO <sub>2</sub> per CHF million financed volume)	2.1	3.3	-36.4%
Emissions intensity Scope 1 and 2 (tCO <sub>2</sub> e per million turnover, known as WACI)	5.6	5.5	1.8%
PCAF data quality score (Scope 1 and 2) <sup>3</sup>	1.9	1.1	
Absolute emissions Scope 3 (ktCO <sub>2</sub> e)	56	57	-1.8%

### Small and medium-sized enterprises<sup>4</sup>

#### Total volume of outstanding loans that the company has granted to small and medium-sized enterprises (SMEs)

Date	Outstanding loans to SMEs (in CHF million)
31/12/2025	6,389.1
31/12/2024	6,256.5
31/12/2023	5,836.2
31/12/2022	5,193.7

#### Total volume of all outstanding loans of the company

Date	Total volume of outstanding loans (in CHF million)
31/12/2025	19,557.9
31/12/2024	19,039.3
31/12/2023	17,938.4
31/12/2022	16,970.7

<sup>1</sup> There is no standard according to the PCAF for municipalities, cantons and multilateral organisations.

<sup>2</sup> For the overview, only securities for which CO<sub>2</sub> data has been lodged were taken into account. Coverage: 58%.

<sup>3</sup> Weighted score.

<sup>4</sup> Loans to small and medium-sized enterprises (SMEs), including real estate financing

### Financed emissions and key figures in the area of investments

SZKB reviews the climate-relevant data for SZKB Ethical Funds and mandates on a quarterly basis. These only contain individual securities for which it is easier to assess climate-relevant data due to better data availability than

for collective investments. SZKB offers ethical products with four different risk characteristics (ratio of equities to fixed-income securities): Income, Balanced, Growth, Capital Gain. Each type of risk is analysed separately in relation to greenhouse gases, and the findings are published in the specific climate report for that product.

Fund business <sup>1</sup>	2025	2024	Change
<b>Volume (CHF million)</b>			
SZKB Ethical Fund Income	27.5	29.6	-7.1%
SZKB Ethical Fund Balanced	214.7	255.0	-15.8%
SZKB Ethical Fund Growth	34.9	31.5	10.8%
SZKB Ethical Fund Capital Gain	199.4	197.3	1.1%
<b>Absolute emissions Scope 1 and 2 (ktCO<sub>2</sub>e)</b>			
SZKB Ethical Fund Income	0.1	0.2	-50.0%
SZKB Ethical Fund Balanced	0.2	1.3	-84.6%
SZKB Ethical Fund Growth	0.1	0.2	-50.0%
SZKB Ethical Fund Capital Gain	0.7	1.1	-36.4%
<b>Carbon footprint Scope 1 and 2 (tCO<sub>2</sub> per million CHF invested)</b>			
SZKB Ethical Fund Income	3.3	6.4	-48.4%
SZKB Ethical Fund Balanced	3.5	5.0	-30.0%
SZKB Ethical Fund Growth	3.2	5.3	-39.6%
SZKB Ethical Fund Capital Gain	3.6	5.8	-37.9%
<b>Emissions intensity Scope 1 and 2 (tCO<sub>2</sub>e per million turnover, known as WACI)</b>			
SZKB Ethical Fund Income	9.9	9.3	6.5%
SZKB Ethical Fund Balanced	10.5	9.7	8.2%
SZKB Ethical Fund Growth	9.8	10.2	-3.9%
SZKB Ethical Fund Capital Gain	10.9	10.1	7.9%
PCAF data quality score (Scope 1 and 2) <sup>2</sup>	1.2	1.2	
<b>Absolute emissions Scope 3 (ktCO<sub>2</sub>e)</b>			
SZKB Ethical Fund Income	21.7	9.7	123.7%
SZKB Ethical Fund Balanced	204.3	83.2	145.6%
SZKB Ethical Fund Growth	36.9	11.6	218.1%
SZKB Ethical Fund Capital Gain	265.8	121.9	118.0%

<sup>1</sup> For the overview, only securities for which CO<sub>2</sub> data have been lodged were taken into account. Coverage of SZKB Ethical Funds: Income 90.3%, Balanced 92.7%, Growth 95.9%, Capital Gain 100%)

<sup>2</sup> Weighted score.

<b>Asset management (AM mandates with a «Focused» preference (ethical mandates))<sup>1,2</sup></b>	<b>2025</b>	<b>2024</b>	<b>Change</b>
<b>Volume (CHF million)</b>			
Core mandate Ethical Income	13.4	1.5	793.3%
Core mandate Ethical Balanced	78.8	81.4	-3.2%
Core mandate Ethical Growth	16.5	16.1	2.5%
Core mandate Ethical Capital Gain	16.7	13.1	27.5%
<b>Absolute emissions Scope 1 and 2 (ktCO<sub>2</sub>e)</b>			
Core mandate Ethical Income	0.0	0.0	0.0%
Core mandate Ethical Balanced	0.3	0.4	-25.0%
Core mandate Ethical Growth	0.1	0.1	0.0%
Core mandate Ethical Capital Gain	0.1	0.1	0.0%
<b>Carbon footprint Scope 1 and 2 (tCO<sub>2</sub> per million CHF invested)</b>			
Core mandate Ethical Income	3.2	6.2	-48.4%
Core mandate Ethical Balanced	3.7	5.0	-26.0%
Core mandate Ethical Growth	3.8	5.3	-28.3%
Core mandate Ethical Capital Gain	4.2	5.8	-27.6%
<b>Emissions intensity Scope 1 and 2 (tCO<sub>2</sub>e per million turnover, known as WACI)</b>			
Core mandate Ethical Income	9.8	9.1	7.7%
Core mandate Ethical Balanced	10.6	9.5	11.6%
Core mandate Ethical Growth	10.9	10.2	6.9%
Core mandate Ethical Capital Gain	11.6	10.2	13.7%
<b>PCAF Data Quality Score (Scope 1 and 2)<sup>3</sup></b>	<b>1.2</b>	<b>1.2</b>	
<b>Absolute emissions Scope 3 (ktCO<sub>2</sub>e)</b>			
Core mandate Ethical Income	22.8	0.5	4460.0%
Core mandate Ethical Balanced	127.3	26.7	376.8%
Core mandate Ethical Growth	24.8	6.0	313.3%
Core mandate Ethical Capital Gain	23.6	8.2	187.8%

<sup>1</sup> Data includes both mandate types (legal entities and natural persons)

<sup>2</sup> For the overview, only securities for which CO<sub>2</sub> data have been lodged were taken into account. Coverage of core mandate Ethical (4 strategies): Income 83.5%, Balanced 89.1%, Growth 93.7%, Capital Gain 100%

<sup>3</sup> Weighted score.

### Direct and indirect operational greenhouse gas emissions

Each year, SZKB calculates its climate footprint in accordance with ISO 14064-1 and the Greenhouse Gas Protocol for Scope 1 and 2 as well as parts of Scope 3 in conjunction with the consulting company Swiss Climate. An external auditing company conducted an audit of the carbon footprint and awarded the «Certified CO<sub>2</sub> optimised by Swiss Climate» label. The certification guidelines for this «Silver Label» require not only an annual survey and audit of the company's own carbon footprint but also the establishment of a target path and measures to reduce CO<sub>2</sub> emissions.

A carbon footprint for the 2024 financial year was prepared in 2025. Each year, SZKB can only report on the previous year's emissions due to delays in the provision of data (internal and external dependence).

Since the 2024 financial year, SZKB has been making climate protection contributions for Scope 1, Scope 2 and operationally related components of Scope 3 emissions. In doing so, it supports the regional forest conservation project of Oberallmeindkorporation Schwyz (OAK).

Direct and indirect operational greenhouse gas emissions (tCO <sub>2</sub> )	2024 <sup>1</sup>	2023	Change	Base year 2021
Scope 1: Direct GHG emissions	51	123	-58.5%	98
Scope 2: Indirect GHG emissions	16	16	0.0%	16
Scope 3: Other indirect GHG emissions	841	912	-7.8%	803
Total operational GHG emissions	908	1,051	-13.6%	917
Operational GHG emissions in tCO <sub>2</sub> e per employee	1.6	1.9	-15.8%	1.8

<sup>1</sup> Each year, SZKB can only report on the previous year's emissions due to delays in the provision of data (internal and external dependence).

## 5.5.2 Transition plan to reduce greenhouse gas emissions

SZKB is committed to reducing greenhouse gas emissions and achieving the target of climate neutrality («net zero») by 2050 at the latest. It has set clear reduction targets that will be pursued as part of its transition plan. These targets are reviewed regularly (at least annually) using relevant metrics and key performance indicators (KPIs) to evaluate progress in meeting the targets. SZKB focuses on Switzerland's climate strategy when setting its climate targets. However, achieving these targets requires not only a commitment by the financial industry and SZKB itself through the provision of education, advice and financing but also the creation of appropriate political framework conditions. In order to implement them successfully, it is crucial for Switzerland to pursue its net-zero target systematically and support the economy with the necessary incentives and regulatory measures.

## Transition plan for financed emissions in the financing business

### Achievement of objectives

As part of the transition plan to reduce financed emissions in the financing business, SZKB has set clear targets in order to play its part in achieving climate targets. Although initial measures have already been implemented, such as promoting a sustainable financing solution («handshake mortgage»), the emissions intensity in the portfolio has not yet been significantly reduced. This is due to factors that include structural, sector-specific conditions that require long-term adjustments. There has been no change in intensity for real estate, as emission factors are calculated using 2020 emission factors. SZKB only has actual consumption data in a few isolated cases. Due to the fact that renovations are constantly being carried out in the loan portfolio (third-party and self-financed), there will be further reductions in this area in the coming years.

### Transition plan for financed emissions in the financing business

Financing	Targets	Methodology and data	Base year	Base value	30/06/2025	Measures
Mortgages Residential buildings	2030: Reduction of the emissions intensity of financed mortgages by 42%	<b>Method:</b> PCAF Scope 3, cat. 15 <b>Scenario:</b> Energy Perspectives 2050+; Zero basis scenario <b>Metric:</b> Intensity (kgCO <sub>2</sub> per m <sup>2</sup> financed area) (Scope 1+2)	2022	24.2 kgCO <sub>2</sub> /m <sup>2</sup> (Scope 1+2)	24.2 kgCO <sub>2</sub> /m <sup>2</sup> (Scope 1+2)	<ul style="list-style-type: none"> <li>• Introduction of mandatory ESG training courses for all employees as well as training courses for sales employees and managers</li> <li>• Introduction of «handshake mortgage» as a mortgage for energy-efficient renovation</li> <li>• Raising awareness of mortgage clients concerning the energy efficiency of their property and supporting them in increasing the energy efficiency of their property</li> <li>• Integration of sustainability risks into risk management</li> </ul>
Mortgages Commercial property	2030: Reduction of the emissions intensity of financed commercial property by 40%	<b>Method:</b> PCAF Scope 3, cat. 15 <b>Scenario:</b> Energy Perspectives 2050+, Zero basis scenario <b>Metric:</b> Intensity (kgCO <sub>2</sub> per m <sup>2</sup> financed area) (Scope 1+2)	2022	23.3 kgCO <sub>2</sub> /m <sup>2</sup> (Scope 1+2)	23.2 kgCO <sub>2</sub> /m <sup>2</sup> (Scope 1+2)	<ul style="list-style-type: none"> <li>• Bank-wide ESG training for all employees and advanced training in sustainable finance or ESG in the financial sector for sales employees and managers</li> <li>• Introduction of the mortgage for energy-efficient renovation, including for commercial clients</li> <li>• Integration of sustainability risks into risk management</li> </ul>

## Transition plan for financed emissions in the fund business and in asset management

### Achievement of objectives

As part of the transition plan for the investment and fund business, SZKB is pursuing compliance with the Paris Climate Agreement within the climate aspect of its ethical line, meaning that all investment instruments must follow

the reduction path to net-zero CO<sub>2</sub> emissions by 2050 and implicitly ensure global warming of «only» less than 2.0 degrees according to the current state of scientific knowledge.<sup>1</sup> SZKB is on track to achieve the climate targets set using targeted measures, such as the expansion and strengthening of sustainable fund products. The progress made so far shows that the strategic focus is having an effect.

### Transition plan for financed emissions in the fund business and in asset management

Fund business	Targets	Methodology and data	Base year	Base value	31/12/2025	Measures
Funds with an «Aware» or «Focused» preference	The proportion of SZKB investment funds with alignment with client preferences of «Aware» or «Focused» as a total of all SZKB investment funds amounts to: 2025 at least 20% 2030 at least 50%	Method: SZKB profiling Metric: Share (volume size) in % Scenario: –	N/A	N/A	40.6%	<ul style="list-style-type: none"> <li>Building of a systematic, independent investment controlling system as a second line of defence in planning</li> <li>Integration of sustainability risks into risk management</li> </ul>
Ethical Fund	2030 & 2050: adherence to the 2°C climate target in the Ethical Fund <sup>2</sup>	Provider: NGFS Model: REMIND – MAgPIE Metric: Implied temperature rise (target)	N/A	Compliance with the ITR per investment instrument <2.0°C	Compliance with the ITR per investment instrument <2.0°C	No specific measures
Asset management	Targets	Methodology and data	Base year	Base value	31/12/2025	Measures
AM mandates with an «Aware», «Focused» or «Effective» preference	The number of asset management mandates with client preferences «Aware», «Focused» or «Effective» out of the total of all asset management mandates amounts to: 2025 at least 20% 2030 at least 50%.	Method: SZKB profiling Metric: number of AM mandates in % Scenario: –	N/A	N/A	36.7%	<ul style="list-style-type: none"> <li>Building of a systematic, independent investment controlling system as a second line of defence in planning</li> <li>Integration of sustainability risks into risk management</li> </ul>
Core mandate Ethical	2030 & 2050: Adherence to the below 2°C climate target for asset management mandates with a «Focused» preference <sup>2</sup>	Provider: NGFS Model: REMIND – MAgPIE Metric: Implied temperature rise (target)	N/A	Compliance with the ITR per investment instrument <2.0°C	Compliance with the ITR per investment instrument <2.0°C	No specific measures

<sup>1</sup> Absolute CO<sub>2</sub> emissions may also be higher than the benchmark over time. Furthermore, 10% of investment instruments do not have to fulfil this requirement (trash ratio). Applies to funds and, from 2027, also to AM. This is for practical reasons (in particular, reduction in the number of transactions and the related costs).

<sup>2</sup> In previous years, the target was below 1.5°C.

### Transition plan for direct and indirect operational greenhouse gas emissions (Scope 1 to 3)

SZKB has resolved to pay climate protection contributions for unavoidable operational CO<sub>2</sub> emissions starting for the first time in 2025, covering CO<sub>2</sub> emissions from the 2024 reporting year.

### Achievement of objectives

SZKB's operational CO<sub>2</sub> emissions fell by 143 t from 1,051 t in 2023 to 908 t in 2024. This is mainly due to a reduction in emissions from the areas of procurement of IT equipment, business trips and oil/gas heating systems, but also, in particular, the lack of any refrigerant losses in 2024. Assuming

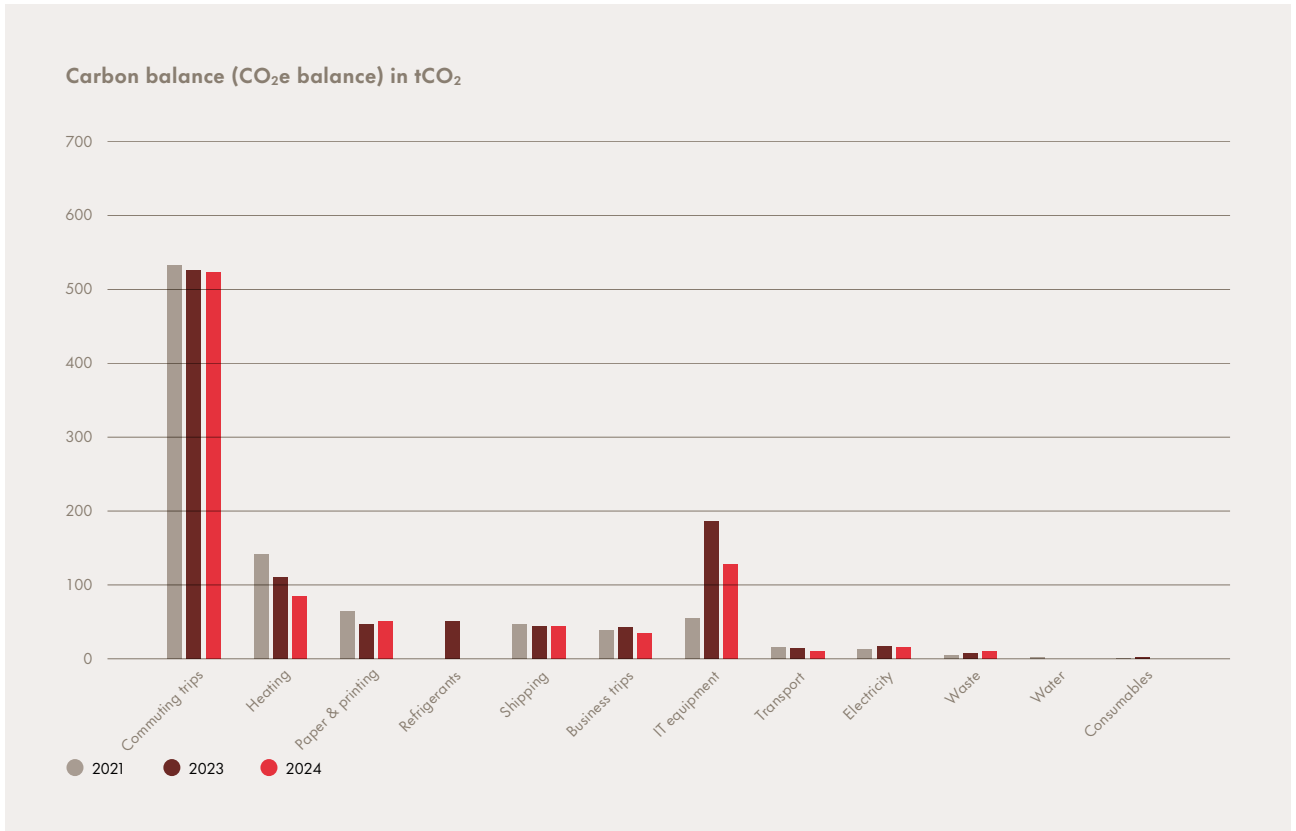
### Transition plan for direct and indirect operational greenhouse gas emissions (Scope 1 to 3)

Operations	Targets	Methodology and data	Base year	Base value	2024 <sup>1</sup>	Measures
Operational CO <sub>2</sub> emissions (Scope 1, 2, 3)	2027: Reduction of operational CO <sub>2</sub> emissions by 145.0 t to 770.0 tCO <sub>2</sub> . 2030: 841.2 tCO <sub>2</sub> 2040: 650.9 tCO <sub>2</sub> 2050: 357.5 tCO <sub>2</sub>	<b>Method:</b> GHG Protocol/Swiss Climate: direct and indirect operational emissions (Scope 1, 2, 3) <b>Metric:</b> absolute tCO <sub>2</sub> (Scope 1, 2, 3) <b>Scenario:</b> own calculations based on assumptions	2021	917 tCO <sub>2</sub>	908 tCO <sub>2</sub>	<ul style="list-style-type: none"> <li>• Energy efficiency analysis at the headquarters in Schwyz and implementation of the resulting measures</li> <li>• Usage of photovoltaic installations and replacement of fossil heating systems</li> </ul>
KPI Scope 1:	2030: 60.1 tCO <sub>2</sub> 2040: 30.1 tCO <sub>2</sub> 2050: 0 tCO <sub>2</sub>	See operational CO <sub>2</sub> emissions (Scope 1, 2, 3)	2021	98 tCO <sub>2</sub>	51 tCO <sub>2</sub>	See operational CO <sub>2</sub> emissions (Scope 1, 2, 3)
KPI Scope 2:	2030: 20.8 tCO <sub>2</sub> 2040: 10.4 tCO <sub>2</sub> 2050: 0 tCO <sub>2</sub>	See operational CO <sub>2</sub> emissions (Scope 1, 2, 3)	2021	16 tCO <sub>2</sub>	16 tCO <sub>2</sub>	See operational CO <sub>2</sub> emissions (Scope 1, 2, 3)
KPI Scope 3:	2030: 760.3 tCO <sub>2</sub> 2040: 610.4 tCO <sub>2</sub> 2050: 357.5 tCO <sub>2</sub>	See operational CO <sub>2</sub> emissions (Scope 1, 2, 3)	2021	802 tCO <sub>2</sub>	840 tCO <sub>2</sub>	See operational CO <sub>2</sub> emissions (Scope 1, 2, 3)
Means of transport (Scope 3) <sup>2</sup>	2030: Reduction of CO <sub>2</sub> emissions for means of transport (Scope 3) by 123.3 tCO <sub>2</sub>	<b>Method:</b> GHG Protocol/Swiss Climate: direct and indirect operational emissions (Scope 3) <b>Metric:</b> Absolute tCO <sub>2</sub> (means of transport Scope 3) <b>Scenario:</b> Energy Perspectives 2050+	2021	852 tCO <sub>2</sub>	565 tCO <sub>2</sub>	Preparation of preliminary study for a mobility concept for reducing CO <sub>2</sub> emissions associated with means of transport

<sup>1</sup> Each year, SZKB can only report on the previous year's emissions due to delays in the provision of data (internal and external dependence).

<sup>2</sup> Means of transport Scope 3 comprises: commuter journeys, transportation, business trips, although without vehicles owned by the company.

that the reduction pathway for the 2027 target for operational CO<sub>2</sub> emissions (Scopes 1, 2 and 3) is linear, CO<sub>2</sub> emissions in 2024 would have had to be 853tCO<sub>2</sub>. At 908tCO<sub>2</sub>, the actual figure was 55tCO<sub>2</sub> or 6% above the target under the reduction pathway.



### 5.5.3 Assessment of effectiveness and next steps

#### Assessment of effectiveness

- SZKB reports climate-related financial risks in accordance with the TCFD recommendations.
- Switzerland's climate strategy emphasises the importance of reducing CO<sub>2</sub> emissions in the building sector. To meet the targets outlined in the Swiss climate strategy, it is crucial to elevate the renovation rate for existing properties in particular. SZKB aims to reduce CO<sub>2</sub> emissions in the real estate sector by developing financing products (in addition to raising awareness among property owners) that foster and support sustainable behaviour on the part of mortgage borrowers.
- Data retention and improving data quality are still important, and SZKB will continue to make efforts on these fronts in the years to come.
- The development of a catalogue of ESG criteria for future integration into the financing process has been completed. This is intended to ensure that ESG aspects are taken into account within the process. In addition, exclusion criteria have been defined for certain sectors, the activity of which includes coal mining, oil and gas extraction or the mining of ores; these will be implemented gradually.
- The SZKB transition plan is periodically reviewed to assess progress and take into account new scientific findings and regulatory requirements.

SZKB considers the measures taken to be appropriate and effective.

#### Next steps

Switzerland's climate strategy emphasises the importance of reducing CO<sub>2</sub> emissions in the building sector. To meet the resulting goals, it is necessary to elevate the renovation rate for existing properties in particular. SZKB sees actively contributing to the reduction of CO<sub>2</sub> emissions in the real estate sector as its mission.

Another focus is on maintaining and continuously improving data quality. This remains a key factor in order to achieve progress in climate reporting and control. Over the coming years, SZKB will work specifically on expanding underlying data and optimising data quality.

SZKB will review and further develop its sustainability strategy in 2026. As part of this process, existing topics, objectives and measures will be assessed for their effectiveness and continuing relevance, and will be adjusted if necessary.



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