



(Incorporated in Switzerland 1967)

Habib Bank AG Zurich

ESG Report 2025

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Governance & Business Practices

Board Diversity

20%

Women

Code of Conduct Signed By

100%

Employees

People



26.5%

Women



8'254

Total Employees

Planet

Scope 1

5'334

tCO₂e

Scope 2

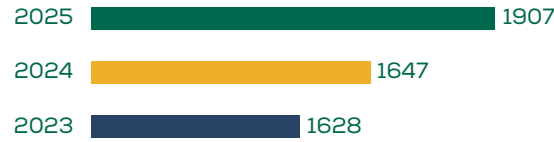
10'002

tCO₂e

Digital Transactions (%)



New Hires



30% Women of All New Hires in 2025

Business Air Travel (1'000) km



ESG Training Completed By

100% Board Members
97% Employees

47.9%
of under 30-year-old
Employees were Women

32
Employees with
Disabilities

Business Travel

7'800
tCO₂e

Investments

194'228
tCO₂e

Mandatory Trainings

Anti-Bribery & Corruption

98.8%

Anti-Money Laundering

97.9%

117k+
of Employees
Training Hours

0.75%
of Group Profit
Before Tax on
CSR Activities

Reduction in Scope
1 & 2 GHG Emissions
(Market-Based)

Absolute
7.9%

Intensity
11.8%

Information & Cybersecurity
Awareness Assessment

99.1%

Personal Data
Protection

98.6%

50+
Different
Nationalities

21.0%
of Employees with
10+ Service Years

Water
Usage

Absolute
219k
m³

Intensity
26.6
m³ / employee

SOLAR ENERGY



Over the first four months of 2025, solar farms generated an average of 25.3% of Pakistan's utility electricity supplies.

Rooftop Solar Panels in Pakistan

Introduction

Message from the Group CEO



As we look back on 2025, I am proud of the meaningful steps our organization has taken to strengthen our commitment to sustainability. Each year, our environmental, social and governance (ESG) journey becomes more embedded in how we operate, make decisions, and support the communities we serve. This year was no exception. We continued to refine our practices, broaden our understanding, and – most importantly – translate our ambitions into measurable progress.

The central theme of this year's report is renewable energy across our countries of operation. We chose this focus because renewable energy holds tremen-

dous promise – not only for reducing emissions, but also for building energy resilience and more sustainable local economies. As a financial institution, we have the privilege and responsibility to actively endorse the transition toward cleaner energy systems. Highlighting this theme motivates us to reflect on how we can contribute to a more sustainable energy future and help accelerate progress where it is needed most.

The United Nations Sustainable Development Goals serve as a shared language, helping organizations connect their internal priorities with broader global concerns. We continued to align our work with these goals, seeing them as more than mere reporting benchmarks – they are a reminder that our long-term success is closely tied to the well-being of the people, communities, and environments around us.

We further strengthened our lending policies by integrating more rigorous climate risk considerations and introducing an additional climate scenario into our risk assessment framework. This new scenario gives us a deeper understanding of how climate evolution could affect our business, inspiring more resilient strategic decisions.

Building a strong sustainability culture within our organization has also been a priority. In 2025, we

launched a new ESG learning module for employees, which has already helped raise awareness and spark meaningful engagement across departments and regions.

To support our operational climate goals, we invested in International Renewable Energy Certificates. This step reduces our Scope 2 emissions and reinforces our commitment to managing our environmental footprint responsibly.

We continued to listen closely to our clients. ESG-focused client surveys carried out in Pakistan and the United Kingdom gave us valuable insights into expectations, priorities, and opportunities to better serve our markets.

For the year ahead, our focus remains steady. We will continue refining our data collection processes, integrating climate considerations into our business decisions, and implementing practical measures that move us closer to our long-term sustainability goals. Progress does not happen all at once, but year after year, step by step. We are building a more resilient and responsible organization – together.

Mohamedali R. Habib
Group CEO

History, purpose, and vision

Our purpose, vision, and values are deeply anchored in the Habib family's long-standing banking heritage, which began with the establishment of the first Habib bank by Mahomedali Habib in 1941. This legacy – passed from father to son over generations – has been continually buttressing the foundations of the Group. In 1967, Mahomedali's son, Hyder, advanced this vision by founding Habib Bank AG Zurich in Switzerland. Today, the Bank remains privately owned by the founder's descendants – a rarity in contemporary finance and a testament to the constant strength and stability of our values.

Nearly six decades later, the spirit of Mahomedali's original vision continues to define our Group. It is actively upheld by our current leadership, including Mohamedali R. Habib, Group CEO and member of General Management, and Muhammad H. Habib, Member of the Board of Directors. Other members of the Habib family also serve in key roles across the organization as part of the Group's structured, organic succession approach.

At the heart of our business lie the long-lasting relationships we build with our clients

Headquartered in Zurich, with local operations in Switzerland, we maintain branch operations in Kenya and the United Arab Emirates (UAE), and subsidiaries in Canada, Hong Kong SAR, Pakistan, South Africa, and the United Kingdom (UK). Our global activities are further supported by dedicated service companies. As of 31 December 2025, the Group employed 8,270 staff across 599 offices worldwide.

Numbers and geography tell only part of our story. We provide not merely financial services, but continuity, stability, and long-term partnership. At the heart of our business lie the long-lasting relationships we build with our clients.

Our primary client base consists of family-owned small and medium-sized enterprises (SME), the families who lead them, and corporate organizations in selected industries. A significant portion of these clients are part of the South Asian diaspora. Clients in this segment have one key objective in common – to secure the continuity and growth of their family ventures across generations. We see it as our business to accompany and assist them on this journey.

We place a strong emphasis on offering our clients personalized service, guided by our vision of being the most respected financial institution based on trust, service, and commitment.

Our business model is strategically structured to deliver value across diverse markets through a comprehensive and multi-faceted approach. Our international operations span key presence countries where we focus on two core business pillars:

- **Financing SMEs, family-owned businesses, and selected corporate clients**
We contribute to economic development by providing tailored financial solutions that sustain growth, stability, and long-term value creation for our clients.
- **Local franchise / private clients**
Through our local franchises, we maintain a strong presence within the communities we serve. We address the distinct needs of private clients by offering personalized financial services aimed at building lasting and trusted relationships.

Within these pillars, our key business lines include:

- **Trade finance**
We enable and facilitate international trade by offer-

ing a comprehensive suite of trade finance services. Our capabilities support global transactions with enhanced risk sharing and risk mitigation structures, in collaboration with multilateral agencies.

- **Islamic banking**
We provide a broad range of Islamic banking products that meet the diverse requirements of our clients seeking ethical and Sharia-compliant financial solutions.
- **Wealth management**
Operating from Switzerland and the UAE, including the Dubai International Financial Centre (DIFC), our wealth management offering delivers holistic financial advisory and investment solutions designed to preserve and grow client wealth.

Our business model and strategy reflect our core values, which guide us in everything we do.

Our values	Description
Trust	Trust is at the heart of everything we do. We prioritize transparency and reliability in our interactions with clients and colleagues, ensuring trust remains the cornerstone of our relationships.
Integrity	Upholding high ethical standards is non-negotiable for us. With honesty and integrity as guiding principles, we always gear our actions and decisions toward protecting the best interests of our clients and the organization.
Respect	We believe in treating everyone with dignity and respect, fostering a culture of inclusivity and understanding. We encourage collaboration and creativity by valuing diverse perspectives and creating a respectful environment.
Responsibility	We take responsibility for the impact of our actions on all stakeholders, from clients to the broader community. By applying responsible business practices, we strive to make a positive difference in the lives of those we serve and the world around us.
Commitment	We are dedicated to excellence and delivering consistent and exceptional service. Our key priority is to meet our clients' needs and exceed their expectations every time.
Teamwork	Collaboration is the key to our success. We promote a strong sense of teamwork, where each individual's unique strengths and expertise contribute to collective achievements, enabling us to overcome challenges together.

Alignment with the Sustainable Development Goals

Sustainability encompasses a broad range of priorities, and the Sustainable Development Goals (SDG) provide a globally recognized framework for addressing the economic, social, and environmental dimensions of sustainable development. Comprising 17 goals and 169 targets, the SDGs offer a comprehensive blueprint for responding to the world's most urgent challenges. They are a universal call to action, focusing on critical issues such as climate change, social inequality, and the promotion of peace, justice, and strong institutions. The SDGs also serve as a catalyst for innovation, encouraging businesses to develop solutions and technologies that advance a more sustainable global future.

Although the SDGs were adopted by governments, their successful implementation depends on the active engagement of all stakeholders, including the private sector, civil society, academia, and international organizations. We strongly believe that our business activities enable us to contribute meaningfully to selected SDGs, as highlighted on the right. By aligning our strategy, operations, and stakeholder engagement with these goals, we seek to deliver a long-term positive impact for our clients, employees, shareholders, communities, and the environment.



Philanthropy

Philanthropy is more than an act of giving – it is a dedicated effort to create a lasting, meaningful impact. For us, it is not merely an initiative but an integral part of our identity. With a longstanding tradition of caring for the well-being of others, we have championed social progress long before it became a widespread focus of corporate responsibility.

We recognize a responsibility that extends beyond our core business activities – a responsibility to strengthen and uplift the communities in which we operate.



Our philanthropic focus is clear: advancing health, promoting education, strengthening community welfare, and responding to humanitarian needs and disaster relief. In 2025, we disbursed CHF 2.75 million – equivalent to 0.75% of our annual Group profit before taxes in 2024 – to sustain these essential initiatives. In addition to this, our employees dedicated many hours of volunteering to foster these initiatives. This dedication reflects our belief that progress must be inclusive and that collective effort amplifies the impact.

In 2025, we conducted client surveys in Pakistan and the UK to improve our understanding of community expectations and guide our future philanthropic initiatives. Responses were collected through multiple channels, including telephone interviews and submissions via our website. When asked to specify what they consider priority areas, respondents highlighted education and healthcare as their primary concerns, while a considerable number of participants also pointed to social welfare and environmental protection. We are using these insights now to outline the direction of our upcoming philanthropic programs.



The philanthropic projects we supported in 2025 included:

Health

Country	Recipient	Description
Canada	Scarborough Health Network Foundation	Donation for healthcare programs and community initiatives
	Canadian Cancer Society	Donation for cancer research, prevention initiatives, and patient support services
	Princess Margaret Cancer Foundation	Donation for cancer research, treatment innovations, and patient care
	Sick Kids Foundation	Donation for pediatric research, specialized care, and hospital programs for children
	Operation Smile Canada	Donation for safe surgical care and support for children with cleft lip and cleft palate
	EveryMind	Donation for community mental health services
Kenya	Faraja Cancer Support Trust – Be Bold Go Gold Race	Charity walk / run for childhood cancer foundation
	Algadhir Medical Centre	Donation for medical centers
	Safal MRM Foundation	Donation to support access to health care and education
Pakistan	Alleviate Addiction Suffering Trust (AAS Trust)	Support for addiction rehabilitation
	Anjuman Behbood-e-Samat-e-Atfal	Support for underprivileged deaf persons
	Habib Medical Trust	Donation for underprivileged patients
	Childlife Foundation	Support for children in emergency wards
	Shaukat Khanum Memorial Trust	Financial support for and gift distribution to cancer patients
	The Kidney Centre Post-Graduate Training institute	Donation for underprivileged patients
	Karachi Down Syndrome Program	Donation for underprivileged patients
	Healthcare and Social Welfare Association	Donation to provide artificial hands / limbs for underprivileged patients
	Memon Health & Education Foundation	Donation for enhancement of hospital premises for a surgical wing
	SIUT Trust	Donation for healthcare equipment related to heart surgery for children
	Khoja (Pirhai) Shia Isna Asheri Jamat (KPSIAJ)	Donation for the expansion of Fatimiyah Hospital
	Hussaini Haematology and Oncology Trust	Support for safe blood services and affordable medical care
	Aziz Tabba Foundation	Donation for underprivileged patients

Country	Recipient	Description
	Women’s Empowerment Group (Pink Ribbon)	Donation for the construction of Pakistan’s first dedicated breast cancer hospital
	The Indus Hospital & Health Network	Donation and fundraising for the construction of the Family Medicine Building
	Patients’ Aid Foundation	Support for underprivileged patients and to improve medical healthcare facilities and systems
	Lady Dufferin Hospital	Donation for underprivileged patients
	The Health Foundation	Donation for underprivileged patients
	The Patients’ Behbud Society for AKUH	Donation for underprivileged child patients
	Karwan-e-Hayat (Institute for Mental Health)	Donation for an institute for underprivileged psychiatric patients
	Al-Umeed Rehabilitation Association	Donation for underprivileged patients
South Africa	Muslim Aids Program	Donation of a vehicle to support the provision of medical assistance in remote and rural communities
	Saaberrie Chrishty Ambulance	Cash donation to fund essential medical supplies needed for the effective operation of an ambulance service
United Kingdom	Mind Charity (Mental Health Awareness)	Organised a fundraiser activity to support Mind, a charity dedicated to helping people experiencing mental health challenges.
	Step Up Challenge for Great Ormond Street Hospital for Children	Employees competed to outstep one another to raise money for the Great Ormond Street Hospital
	Pinktober Event for Breast Cancer Now Charity	Donation and fundraiser for raising public awareness for the importance of early detection, diagnosis, and treatment, as well as supporting those affected by breast cancer
	November – Prostate Cancer UK Charity	Donation and fundraiser for a health initiative focused on men’s health issues, including prostate cancer, testicular cancer, and mental health.
United Arab Emirates	Care packages for women	Care packages with health and sanitary items for underprivileged women
Switzerland	Blutspende Schweiz	Blood donation drive

Education

Country	Recipient	Description
Canada	Anjuman Sadat-e-Amroha Canada	Support for a charitable organization that helps provide education for underprivileged families
	Habib University Foundation Canada	Donation to support higher education and student development
	Max Scholarship Fund	Donation to provide scholarships for deserving students
Hong Kong SAR	City University of Hong Kong	Scholarships for City University of Hong Kong students and sponsorship of part of their academic fees and volunteering in underdeveloped countries
	The Boys Brigade, Hong Kong (Anchor Run)	Charity runs and walks to raise awareness for the developmental needs of children and teenagers
	HandsOn Hong Kong	World Literacy Day storytelling for SEN children through animal-assisted therapy
Kenya	Khadija Centre	Donation to a foundation supporting schools for underprivileged children
	Wema Centre	Donation to an NGO to support street-connected children
	Pwani One Community Development	Donation to a charitable organization to support education, poverty relief, healthcare, and environmental stability
	Family Care Mission	Donation to a foundation supporting schools for underprivileged children
	Cerebral Palsy (CP)	Donation to a foundation supporting schools for underprivileged children, books and assistive devices
Pakistan	Idara-e-Taleem-o-Aagahi Public Trust	Donation of a mobile library for underprivileged children
	Institute of Business Administration	Sponsorship for an undergraduate student for four years
	Institute of Business Management	Contribution to scholarships and financial assistance for students
	Lahore University of Management Sciences	Donation for Financial Inclusion for Islamic Training
	The Citizens Foundation	Educational support for underprivileged students and donation for school construction in Hyderabad
	Family Educational Services Foundation	Donation and fundraising event for a class of 15 students and for underprivileged deaf students
	Habib Girls' School Trust	Donation to a charitable organization to support education
	Habib Education Trust	Donation to a charitable organization to support education

Country	Recipient	Description
	Habib Charitable Trust	Donation to a charitable organization to support education
	Habib Public School	Donation to a charitable organization to support education
	Habib University Foundation	Donation for a university foundation
	Institute of Management Sciences	Donation for financial inclusion for Islamic training
	Orange Tree Foundation	Donation for education support
	Publican Alumni Trust	Donation for education support
	IDA Rieu Welfare Association	Donation for a class of underprivileged blind students
South Africa	Isipingo Secondary School and Simla Primary School	Donation of computer labs to schools in disadvantaged areas of Durban
	4 University level bursaries	Student bursaries for a Bachelor of Commerce, Bachelor of Education, Bachelor in Pharmacy and Bachelor of Commerce Accounting
	SM Jhavary Primary School	Donated a high-tech computer media room
	Ihsaan Girls College	Donated learners desks
	Siyakhula ECD Centre	Donated tables and chairs, along with educational toys and fantasy play materials
	Islamic Holistic School For Alternative Needs	Donated newly installed windows and a jungle gym to improve the facility and outdoor play area
	Forest Haven High School	Donation of printing paper for students' study materials
Vusukhanya Primary School	Donation of printing paper and ink cartridges for students' study materials	
United Kingdom	Book Trust and Merton Primary School	On World Literacy Day, donation was made to support 2'500 libraries reaching more than 60'000 children every year
Switzerland	The Citizen Foundation TCF	Donation to support a classroom

Community welfare

Country	Recipient	Description
Canada	Food Banks Mississauga	Sponsorship and volunteering to help provide for families in the community experiencing food insecurity
	International Society for Krishna Consciousness (ISKCON)	Donation to support community outreach and spiritual programs
	ISIJ of Toronto	Donation to support community services and charitable initiatives
	Lady Fatimah Foundation	Donation to support faith-based community, educational, and social programs
	MIAG Centre for Diverse Women & Families	Donation to support programs empowering diverse communities through outreach, training, and wellness services
	Ontario Zoroastrian Community Foundation (OZCF)	Donation to support preservation of Zoroastrian faith and culture through worship, education, and community events
	Sajjadiyya Trust	Donation to support medical, educational, and financial aid in developing regions
	The Apostles of Infinite Love	Donation to support a traditionalist Catholic order focused on preserving religious teachings
	The Riverwood Conservancy	Donation and volunteering to support environmental conservation and community nature programs
Hong Kong SAR	Run Hong Kong	Charity run to support refugees and asylum seekers
	HandsOn HK Ltd	Sponsorship and volunteering for community services and recycling programs
	Islamic Community Fund of Hong Kong	Donation of food boxes at Masjids as part of the Kowloon Masjid Iftar Fund
Kenya	Pwani One Community Development	Donation to a charitable organization to support education, poverty relief, healthcare, and environmental sustainability
Pakistan	Safaid Posh Dastarkhwan	Support for meal distribution for the underprivileged
	Al-Sayyeda Benevolent Trust	Support for the underprivileged
	Mohamedali Habib Welfare Trust	Support for the underprivileged
	Meethi Zindagi	Support for diabetic children
	Abdul Sattar Edhi Foundation	Support for the underprivileged
	The Hunar Foundation	Donation to support for vocational training for women
	Network of Organizations Working for People with Disabilities (NOWPDP)	Donation to support for vocational training for women

Country	Recipient	Description
	Comprehensive Disaster Response Services (CDRS)	Support for the underprivileged
	Pakistan Hindu Council	Donation to support underprivileged minorities for mass marriages
	World Wildlife Fund (WWF)	Donation for tree planting and beach cleaning activities
	Ghulamam-e-Abbas Educational & Medical Trust	Donation to support underprivileged communities
	Ayesha Chundrigar Foundation	Donation to support an animal shelter
	Health and Nutrition Development Society	Support for the underprivileged
	Dawat-e-Islami Trust	Support for the underprivileged
	Saylani Welfare International	Support for the underprivileged
	South Africa	Sunfield Home School
Siyakhula ECD Centre		Donated a Jojo tank for access to clean water
Tshelimnyama Primary School		Implemented a comprehensive plumbing and renovation initiative to rehabilitate all school ablution facilities, essential to ensuring an environment that upholds students' health, hygiene, and personal dignity
	Dalmany Primary School	Repaired collapsed ceilings, restored broken window and door frames, and repainted the school building to create a safer and conducive learning environment for all learners and staff
United Kingdom	St Christopher's Hospice	Donation to St Christopher's Hospice that provides palliative and end-of-life care for individuals and families during their most difficult moments, ensuring dignity, comfort, and support
United Arab Emirates	Ramadan drive	Distribution of food parcels, care packs, and Iftaar meals for the underprivileged
Switzerland	Entsorgung + Recycling Zürich (ERZ)	Local environment clean-up activity
	Foodsharing Zürich	Donation to support activities to reduce foodwaste in Zürich

Humanitarian causes

Country	Recipient	Description
Canada	International Development & Relief Foundation (IDRF)	Sponsorship of a foundation that supports people affected by wars, natural disasters, poverty, injustice, illiteracy, and preventable diseases
	Aga Khan Foundation	Donation to support their global work of reducing poverty and improving health, education, and economic resilience in vulnerable communities
	Covenant House	Donation to support critical services for youth experiencing homelessness, trafficking, or crisis
	Help Orphans and Promote Education Foundation	Sponsored eight orphans and supported relief programs for children in need
	Indian Residential School Survivors Society (IRSS)	Donation to support healing, counseling, and cultural services for Residential School Survivors and their families
	Muslim Welfare Canada	Donation to support food, shelter, and relief programs for vulnerable families
	Prosper Canada	Donation to support financial empowerment services for low-income Canadians
	Veterans Canada	Donation to support programs that assist Canadian veterans and military families
Hong Kong SAR	Green Power Ltd, Hong Kong	Sponsorship of events to promote environmental awareness and commitment, including the Green Impact Challenge and Green Power Hike
	HandsOn Hong Kong	Support for an NGO to participate in the Soap Recycling Activity (Community Service Week)
	WWF HK	Support to raise awareness for protecting the wetlands of Mai Po Nature Reserve
Kenya	Little Sisters of the Poor	Donation to a religious congregation dedicated to serving the elderly poor
Pakistan	Special Olympics Pakistan	Donation for underprivileged persons with disabilities (PWD)
	Islamic Relief	Support for underprivileged
	Habib Medical Trust	Donation to a medical trust
	Sahara Village Welfare Organization (Zahra Trust)	Support for underprivileged communities
	Zehra Homes (Zahra Trust)	Donation to a foundation that provides housing for girls attending Habib Girls' School

Country	Recipient	Description
	Masjid-e-Khurasan Trust	Support the welfare activities of the Masjid and its community services
	Disabled Welfare Association	Donation for underprivileged PWDs
	NJ Welfare Trust	Donation of sewing machines for women in Sindh and Karachi
	Pakistan Blind Cricket Council	Support for cricket for the blind
	Panah Trust	Donation for a charitable trust to provide shelter and support to women victims of domestic violence
South Africa	KZN Blind and Deaf Society	Donation for the facility's refurbishment, including fresh paint, improved ventilation, and new workbenches.
	Ramakrishna Mzamo Home	Donation of a Jojo tank for access to clean water, washing machines and a tumble dryer
	Cerebral Palsy Foundation of South Africa	Donation of a premium washing machine
United Kingdom	Save the Children Charity	Raised funds by hosting Christmas Jumper Day to support emergency relief in disasters, support maternal / newborn health, offer education, and advocate for child rights
Switzerland	Zurich Nomads Cricket Club	Sponsorship of a cricket team whose members consist of asylum seeker
	Red Cross Schweiz	Donation for supporting youth activities and work integration mentoring
	MSF Médecins Sans Frontières	Donation for supporting activities in the Zakat fund regarding Malaria in Niger
	Zharity	Book and toy drive for underprivileged children

Future focus

Our goal remains to drive steady improvement and systematically track progress as part of our ESG management approach. We are continually enhancing the quality, scope, and reliability of our internal data to ensure transparency, accountability, and meaningful reporting. The direction of our sustainability journey continues to be guided by the data we collect, analyze, and disclose.

Building on the foundations established in 2023 and the ambitions and targets defined in 2024, we further strengthened our ESG framework in 2025. We expanded our Group-wide reporting to include additional environmental indicators – most notably material usage, waste, and recycling data – thereby improving the comprehensiveness of our operational footprint assessment.

To reinforce a deeper understanding of sustainability across the organization, we introduced a bespoke ESG learning module for our employees

In parallel, we enhanced our lending policies with a stronger focus on climate risk considerations, embedding greater rigor into our risk management framework. To reinforce a deeper understanding of sustainability across the organization, we introduced a bespoke ESG learning module for employees, increasing awareness and promoting a stronger sustainability culture.

To further enhance the management of our operational emissions, we procured International Renewable Energy Certificates (I-REC), contributing to a reduction in our Scope 2 emissions and strengthening our progress on our climate ambitions.

Looking ahead, we will continue refining our data-collection processes, integrating climate considerations into business decision-making, and advancing practical measures that help us reach our long-term sustainability objectives.

Ambitions

Based on the impact of our business operations, we have identified the following areas as priorities:

- continuously improve environmental performance and take action to address climate change and transition to a low-carbon future
- integrate ESG considerations into our business model in order to develop sustainable finance goals for reducing our carbon footprint in the balance sheet
- give preference to renewable energy procurement in our operations
- reduce waste in order to minimize impact on the environment and protect human health
- drive initiatives for our employees and business to reach their full potential together
- raise awareness and action plans to offer our employees a healthy and inclusive work environment
- embed respect for human rights in all supplier relationships
- continue to uphold good governance and ethical conduct
- continually improve operational resilience and continuity
- embrace digital transformation and foster a culture of innovation

We recognize that there is more to do and we aim to phase in additional ambitions over time.

Targets

Given the diverse scale and scope of our business activities, the timelines for achieving our sustainability objectives may vary. In particular, progress on global decarbonization, reductions in greenhouse gas (GHG) emissions, and the achievement of related targets and ambitions is influenced by a range of external factors, many of which lie beyond our direct control.

Against this backdrop, we have defined the following targets:

- reduce GHG emissions (Scopes 1 and 2) by 35% by 2030, with 2024 as the base year
- donate up to 1% of Group profit before taxes to CSR initiatives each year
- reduce GHG emissions intensity (GHG emissions coverage: Scopes 1 and 2) per CHF million in our financial investments portfolio (Scope 3 – investments) by 25% by 2030, with 2024 as the base year
- appoint at least one female member to or ensure 20% female representation on all Boards of Directors by 2030
- make 80% of all transactions digital by 2030

Plans

We have identified individual plans that outline the steps required to achieve steady and measurable progress on our sustainability ambitions. These plans span key areas of environmental sustainability, social responsibility, governance, and climate-related financial disclosure. Together, they form a structured roadmap that guides our actions, strengthens accountability, and affirms our long-term commitment to responsible and transparent business practices.

Materiality assessment

Topics

ESG materiality is the process of identifying and evaluating potential ESG topics that impact our stakeholders and business. We apply a multidimensional approach to determining material topics to ensure that the priorities of our key stakeholders are appropriately reflected.

We have identified the following topics as being material:

Material topic	Description	Page(s)
Governance, compliance, and ethics	why robust corporate governance and a clear governance structure are essential for the long-term success of our organization	17–21
Anti-corruption	how we contribute to the fight against corruption, money laundering, and terrorist financing	21–23
Client privacy	how we protect personal data, maintain confidentiality, and safeguard privacy, and the mechanism in place to sanction any breach of respective laws and regulations	24–26
Digitalization and innovation	what we do to provide offerings across our digital channels, optimize the efficiency of our core banking solutions, and enhance the safety and overall user experience of our digital banking services	26–27
Operational resilience and continuity	how we identify and manage disruption risks that could impact our business and how we make sure our critical operations remain resilient and function reliably under such stress conditions	28–29
Procurement practices and supplier environment	how we monitor and manage environmental responsibility, human rights, labor practices, child labor, ethics, and corruption risks within our organization's supply chain	29–31
Products, services, and financial investments	how we embed ESG considerations in the characteristics of our products / services and in our financial investments to limit risk exposures and to make positive contributions	33–35
Talent management, compensation, and performance management	how we engage and motivate employees, attract new talent, train them, and upgrade their skills, and what we do to ensure that our compensation and performance management approach is fair, consistent, and competitive	37–39
Diversity, equal opportunity, and inclusion	what we do to promote a culture of equity and fairness, prevent discrimination, and embrace every individual irrespective of their personal characteristics, such as gender or ethnic origin	39–40
Climate change and decarbonization	how we can minimize our environmental impact and counteract the effects that our business operations have on the environment	40–43

Assessment

We have identified the topics relevant to the non-financial reporting requirements set forth in the Swiss Code of Obligations (CO), as well as those required under the standards defined by the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

We then examined topics generally applicable to financial institutions comparable to our organization and identified additional topics grounded in our core values, strategic plan, business model, and stakeholder expectations. As a final step, we consolidated and categorized all potential topics into a structured set of ESG themes.

This comprehensive list of potential topics was evaluated against two dimensions:

- **Impact materiality** – the significance of the impacts our business activities may have on sustainable development; and

- **Financial materiality** – the relevance of these topics to the long-term success and resilience of our organization.

This double-materiality assessment formed the foundation of our ESG Report. The evaluation process involved Group support functions, all Country Managers of branches, CEOs of subsidiaries, and General Management, as well as representatives of our shareholders and the Habib family.

The outcome was a list of 10 material topics in these areas:

- governance and business practices
- products, services, and financial investments
- people and planet

Our material topics were reviewed and approved by the Board of Directors in 2023 and again in 2024. In 2025, the 10 material topics were reassessed by the Group ESG Committee, applying the same criteria and involving the same stakeholder groups as in the previous year. Following this evaluation, the topics were subsequently approved again by the Board.

Stakeholder engagement

We sought to identify the key stakeholder groups that contribute to the success of our organization and those that are influenced by our activities. In the next step, we assessed their relevance to our business and examined the nature of our engagement with each group.

As part of our client survey in 2025, our Pakistan and UK subsidiaries – which account for nearly 82% of our Group’s headcount – integrated targeted questions on material ESG topics to gain deeper insights into client satisfaction and expectations across key areas. The insights we gained are instrumental in how we will shape our ongoing improvement efforts.

Stakeholder group	Example of engagement
Clients	Clients are served by dedicated relationship managers. They have regular personal access to our client relationship officers and key account managers. We have a comprehensive client complaint process to help us maintain good relationships and manage any errors appropriately to avoid any detrimental impact on clients. In 2025, our operations in Pakistan, Kenya, and the UK conducted client surveys, which will be reiterated annually.
Shareholders	Representatives of our shareholders and executive management exchange views regularly. Such dialogs are welcome avenues for sharing thoughts and experiences, and to agree on planned actions. When necessary, external experts or consultants may be invited to join these discussions.
Employees	Employees receive regular updates on business developments and changes through several channels, including (digital) events such as town halls, e-mail announcements, newsletters, and intranet. In 2024, we conducted a Group-wide survey to strengthen employee engagement.
Regulators	We engage regularly with our regulators in the course of business, to provide updates and to meet our notification and reporting obligations to the regulatory bodies in our jurisdictions.
Internal and external audit	The Board Audit Committee works closely with our internal and external auditors to ensure the adequacy and effectiveness of our internal control system. The Chairman of the Board Audit Committee and the lead partner of the external auditor convene at least once a year. The external auditor has direct access to the Board Audit Committee at all times.

HYDRO ENERGY

Renewables accounted for approximately 79% of Switzerland's electricity mix in 2024, with hydropower remaining the dominant source at about 59.5%.

Emosson Dam Switzerland

Governance and business practices



Governance, compliance, and ethics

We recognize that strong governance is essential to protecting the interests of all our stakeholders. Good governance and ethical conduct are firmly embedded in our code of conduct and necessitate compliance with applicable laws and regulations, as well as transparent and constructive relationships with supervisory authorities.

Board of Directors

Good corporate governance, supported by an effective Board of Directors (Board), is essential to creating long-term shareholder value and safeguarding shareholder rights. Strong governance provides clear strategic objectives, reinforces organizational purpose, and establishes a framework that empowers our employees. It also promotes fairness and contributes to a positive working environment, thereby enhancing employee satisfaction, engagement, and loyalty.

Transparency strengthens trust among clients, enhances our reputation, and supports stable and responsible relationships with suppliers, while encouraging fair and ethical business conduct throughout our value chain. An effective Board also considers the broader societal implications of its decisions and ensures that our organization meets its social responsibilities, including environmental sustainability, philanthropy, and community development.

Adherence to sound governance principles requires full compliance with legal and regulatory obligations, reducing the risk of litigation and financial penal-

ties. It also fosters community trust and supports constructive relationships with public authorities and regulatory agencies.

Good governance is essential to creating long-term shareholder value and safeguarding shareholder rights

Poor governance and unethical conduct at Board level present significant risks to the organization. Reputational damage is among the most critical concerns, as the erosion of ethical standards undermines trust among clients, investors, regulators, and the broader community. Weak governance structures can also expose the organization to heightened regulatory scrutiny, legal action, and financial penalties. In addition, shareholder value may be jeopardized through financial mismanagement, fraud, or strategic misalignment.

The impact extends to employees, where poor governance can lead to disengagement, reduced morale, and increased talent attrition, ultimately weakening the organization's competitiveness and resilience. Addressing governance shortcomings is therefore essential to safeguarding our reputation, ensuring regulatory compliance, and maintaining the trust of all stakeholders.

Our Board consists of five Directors who oversee our operations, protect the interests of stakeholders, approve our strategic objectives and policies, monitor the performance of business units, and provide guidance to General Management. An overview of all Board members and their profiles is presented in our Annual Report 2025.

The Board's composition is reviewed every three years. The requirements for the selection, nomination, and re-election of Directors are defined in our internal policy. All candidates for nomination or election must be acknowledged by the Swiss Financial Market Supervisory Authority (FINMA). All five members of the Board serve as non-executive Directors, with none holding an employment contract with our organization or any of its subsidiaries or affiliated entities. Our Articles of Association require that at least one third of the Board be independent. In 2025, the Board met the independence standards defined by FINMA and our Articles of Association.

Our Board possesses expertise in strategic planning, corporate governance, finance, audit, accounting, risk management, ESG-related matters, compliance, and information technology. Directors participate in ongoing training to ensure their knowledge and qualifications remain aligned with the evolving needs of the organization. Board members also engage regularly with subject matter experts and senior management on specialized topics, and they seek advice from independent external professionals when necessary. All members of our Board have completed specialized ESG training, which includes GRI Standards, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and our material topics.

Directors and members of General Management are required to disclose any external engagements to the Board, which assesses whether such activities conflict with their duties or determines appropriate measures to mitigate potential risks. Any transaction in which a Director or related party may have an interest is subject to prior approval by the Board with

a declared interest are excluded from related discussions and are not permitted to vote on the matter.

The remuneration framework for the Board of Directors is subject to approval at the General Meeting of Shareholders and is designed to promote ethical and responsible decision-making. Directors receive a fixed remuneration, with no provision for variable compensation, sign-on bonuses, or recruitment-related incentive payments. Furthermore, there are no arrangements for termination payments or clawback provisions. Directors are also not entitled to any retirement benefits beyond those available under standard pension schemes. This approach ensures transparency, simplicity, and alignment with good governance practices.

The Board is responsible for overseeing and approving the remuneration of General Management.

In 2025, the Board had two permanent committees:

- Risk & Control Committee (RCC)
- Audit Committee (AC)

Membership in the Board committees is determined on the basis of qualification and suitability, ensuring that each committee has an appropriate combination of skills, experience, and knowledge to effectively discharge its responsibilities. The Board receives regular and detailed updates on committee activities and key business developments. Committee composition is reviewed in parallel with the periodic review of the Board's overall composition. In 2025, the Board and its committees met 15 times.

The Board and its committees conduct formal annual self-assessments to constructively identify strengths and areas for improvement. Committee effectiveness is evaluated based on diligence, responsiveness, and

the extent to which responsibilities have been fulfilled in accordance with the Articles of Association, organizational regulations, Board responsibility charter, and specific priorities for the year ahead. The assessment is carried out using a structured self-evaluation questionnaire approved by the Board.

ESG governance

Effective governance forms the foundation of our climate risk management and broader sustainability strategy. We recognize that robust governance structures are essential for integrating climate related risks and opportunities into our global business model. Without strong ESG governance, the organization would be exposed to a range of adverse consequences, including heightened sustainability related risks, reputational damage that could erode client loyalty, potential legal and financial penalties, and a reduced ability to meet evolving ESG expectations.

By embedding climate considerations into our long-term strategy, decision making processes, and risk management frameworks, we strengthen our financial resilience and reinforce our commitment to sustainable growth, stakeholder trust, and regulatory compliance. The table on the next page outlines the key duties and responsibilities of the Board, along with the functions that support General Management in monitoring climate risk and implementing our sustainability strategy.

In 2025, the Group ESG Committee convened eight times. During the year, the Committee reviewed the existing ESG plans – most of which were derived from the commitments outlined in our ESG Report 2023 – and updated the actions and timelines to reflect the evolving ESG landscape. These revised plans were

subsequently approved by the Board. Each plan is assigned to a designated owner at Group level, who is responsible for implementation at Group or entity level, monitoring progress against defined targets, and reporting regularly to the Group ESG Committee.

In 2025, we also issued a new internal policy governing credit assessment through an ESG lens. The policy defines the process for identifying, assessing, and integrating climate related risks into our credit decision making framework.

Our Group's ESG strategy, including our climate strategy, is defined by the Board. In line with its responsibility charter, all relevant ESG matters are included in the Board's meeting agenda and ongoing oversight. The Board reviews progress against our defined ESG objectives on an annual basis.

The Board delegates responsibility for implementing the business strategy, the ESG strategy, and the climate risk management framework to General Management, which reports back to the Board at least once a year. General Management oversees implementation in accordance with the Board's guidance and submits key ESG related decisions to the Board for review and approval.

Our ESG objectives, which are non-financial in nature, are derived from the materiality assessment and may include climate-related goals. ESG matters are typically presented to the Board during its September meeting, unless circumstances require earlier or additional discussions. Any key sustainability- and climate-related element with strategic relevance is submitted to the Board, reviewed, and formally approved by this body.

Board of Directors

Has ultimate responsibility for the strategy and the success of our organization and for delivering sustainable shareholder value. Oversees overall direction, supervision, and control of our organization and its management and supervises regulatory and legal compliance. Approves and monitors ESG strategy and approves and submits our ESG Report to the General Meeting of Shareholders.

Risk & Control Committee (RCC)

Supports the Board in fulfilling its duty through the respective responsibilities and authorities pertaining to ESG matters. Oversees risk management in the context of ESG.

Audit Committee (AC)

Supports the Board in fulfilling its duty through the respective responsibilities and authorities pertaining to ESG matters. Oversees the control framework underpinning ESG metrics and reviews ESG disclosures.

General Management

Develops the Group strategy and supports the Board in fulfilling its oversight duties with respect to ESG strategy, ambitions, and effectiveness, and is responsible for day-to-day operational management in the context of ESG. Manages our full risk profile and is responsible overall for establishing and implementing Group-wide risk management and control. Reviews progress against strategy and the associated targets at least once per year.

Group ESG Committee

Defines our sustainability and impact strategy and develops objectives in agreement with General Management. Supervises and supports all ESG-related matters such as strategy, risk assessments, and disclosures. Assesses the sustainability of our business and oversees the preparation of the ESG Report.

Group Sustainability Officer

Acts as the senior executive responsible for coordinating, steering, and overseeing the Group's ESG and sustainability agenda at Group level. Provides subject matter expertise on ESG strategy, climate-related risks, regulatory developments, and disclosures. Ensures consistent implementation of the sustainability strategy across the Group and supports General Management and the Board in fulfilling their ESG oversight responsibilities.

Group Chief Risk Officer

Oversees ESG risk drivers across all risk classes.

Group Financial Control

Compiles data and reports on metrics that help assess ESG performance, and supports ESG disclosure.

Group Governance & Communication

Compiles the Group ESG Report.

Branch Country Managers and Subsidiary CEOs

Drive and execute the sustainability strategy locally. They are accountable for local implementation and performance, and has a responsibility for regulatory compliance at entity level. Provide information necessary for the Group ESG Report.

Group Support Functions

Drive and execute the sustainability strategy in their areas of responsibility. Provide information necessary for the Group ESG Report.

ESG Champions

Main point of contact at local entity level for all technical questions relating to GRI Standards. Help identify and review material topics and monitor progress on ESG objectives. Monitor ESG-related external developments relevant for their jurisdiction and oversee the local collection of ESG-related data.

Each year in April, the Board approves the ESG Report as part of the Group’s overall annual reporting process. The Report is then submitted to the General Meeting of Shareholders for approval and published on our Group website together with our financial disclosures.

The Board is supported by its RCC and AC, which carry out the tasks and responsibilities outlined in the table above.

General Management is responsible for the duties and responsibilities presented in the table above and delegates specific tasks to the Group ESG Committee. All members of General Management serve on the Group ESG Committee to ensure a quorum. Other functions within the Group are assigned clearly defined responsibilities, as set out in an internal policy, and support General Management and the Group ESG Committee in fulfilling their respective obligations.

The composition of the Group ESG Committee is presented in the table below:

Function	Role
Head of Shared Services	Chairman
Group Chief Risk Officer	Member & Deputy Chairman
Group CEO	Member
Head of Asian Markets & Canada	Member
Head of Group Financial Control	Member
Head of Group Governance & Communication	Member
Chief Executive Officer, HBZ Services	Member
Group Chief Human Resources Officer	Member
Group Sustainability Officer	Member & Secretary

The Group ESG Committee supervises and supports all ESG-related matters, including strategy, risk assessments, and disclosures. Its primary responsibilities are to evaluate the sustainability of our business model and to oversee the preparation of the ESG Report. The Committee’s terms of reference are defined in an internal policy that sets out its composition, roles, and responsibilities. The Group ESG Committee generally convenes at least four times a year.

One designated member of the Board ensures that ESG considerations are fully integrated into the Board’s oversight. This Director assists in monitoring and evaluating the Group’s ESG strategy and initiatives, oversees ESG-related risk drivers and compliance, reports progress and issues to the Board, undertakes specialized ESG training as needed, and participates as a guest in at least one Group ESG Committee meeting each year.

Two members of General Management hold specific ESG-related responsibilities. The Head of Shared Services serves as Chairman of the Group ESG Committee and is responsible for monitoring day-to-day ESG-related operational matters and overseeing progress across all Group-wide ESG initiatives. The Group Chief Risk Officer defines the processes for identifying, assessing, and managing ESG-related risk drivers across all risk classes and ensures that these processes are integrated into the overall risk management framework. He also proposes the Group’s ESG-related objectives and risk appetite. The Group Chief Risk Officer serves as the Committee’s Deputy Chairman.

Responsibilities for implementing our ESG initiatives are allocated to specific functions at Group level. These functions report to the Group ESG Committee on progress against the objectives defined for each initiative, following a structured reporting process.

They also coordinate implementation efforts with their counterparts on a regional level.

The Group Sustainability Officer supports General Management and the Board in carrying out their ESG oversight responsibilities and serves as the central point of reference for all ESG-related matters at Group level. This includes ensuring alignment with the GRI Standards, the recommendations of the TCFD and the SDG. Our Group Financial Control and Group Human Resources functions provide high-quality and increasingly granular quantitative information to support our non-financial reporting. Designated ESG Champions act as primary points of contact at the local entity level for all technical questions.

Together, these functions promote the integration of sustainability considerations into our core operations. This enhances our ability to manage risks effectively, address emerging challenges proactively, and adapt to evolving industry expectations. In this ESG Report 2025, we present insights into our ESG initiatives and performance.

Workplace conduct

In our corporate culture, employees are expected to uphold a professional, civil, and respectful demeanor at all times. We provide a safe workplace and a supportive working environment free from bias, discrimination, harassment, and violence, where all employees treat one another in accordance with our core values. Our comprehensive framework of human resources policies governs workplace conduct and promotes a healthy and inclusive working environment. Strong workplace governance fosters productivity, morale, team spirit, collaboration, and underpins our reputation as an employer of choice. Conversely, inadequate governance can undermine all of these elements and may expose employees,

Directors, and the organization to legal and financial liabilities.

We scrutinize the effectiveness of various aspects of our workplace governance annually across all jurisdictions through our automated internal control system. This includes controls related to workplace conduct, compliance with local health and safety regulations, and the confidentiality of employee information.

Code of conduct

Our code of conduct is grounded in our core values of trust, integrity, respect, responsibility, commitment, and teamwork. It defines the principles and standards of behavior that are binding on all employees. The code requires strict adherence to applicable laws and regulations, fairness in business dealings, proper management of conflicts of interest, the prevention of financial crime, and the prohibition of all forms of bribery and insider trading. It further mandates the safeguarding of confidential information, the maintenance of strong client relationships, effective teamwork, transparent communication, and social and environmental responsibility. These conduct rules are captured in a comprehensive framework of internal policies.

All employees are expected to formally acknowledge their commitment to comply with the Group's code of conduct on an annual basis.

Conflicts of interest

We take the necessary precautions to prevent conflicts of interest across our business and to manage those that cannot be avoided. Employees have to take care to avoid a conflict between their personal

and their responsibilities toward the organization and its clients. In particular, they must fully disclose and obtain executive management approval before entering into any work-related transaction, negotiation, or contract involving an entity in which they, or persons closely associated with them, hold an interest. These requirements are governed by our internal policies, including our code of conduct and anti-bribery and corruption policy.

We take the necessary precautions to prevent conflicts of interest across our business

Conflicts of interest may arise in various contexts, including recruitment, the selection of service providers, the provision of advice to clients, and market conduct. These situations are subject to rigorous controls and oversight. In 2025, no unresolved conflicts of interest were recorded within the Group.

Grievance management

We maintain a safe and respectful work environment, which is free from discrimination and harassment. Employees are encouraged to report any instances of misconduct and are supported by human resources officers who are trained to handle such matters with sensitivity, discretion, and confidentiality. We have a formal grievance management procedure in place across all countries in which we operate. We invite our employees to bring material grievances to the attention of the responsible human resources officer and, where appropriate, to their respective branch Country Manager or subsidiary CEO.

Whistleblowing program

Employees are prompted to report – immediately and without fear of retaliation – any conduct they reasonably believe may violate regulations or ethical and professional standards. The identity of any reporting employee is kept strictly confidential. Confidentiality is guaranteed for all legitimate whistleblowers throughout the inquiry process and thereafter, should further action be necessary.

Our whistleblowing framework is designed to ensure that employees feel safe to speak up and draw management's attention to their concerns. This permits us to detect patterns, tighten internal controls, implement improvements, and address behavioral or procedural issues before they escalate. It also helps management identify where additional resources may be needed to mitigate risks.

The framework – supported by clearly defined reporting channels, established procedures, and policies implemented at both Group and regional levels – is rooted in the principle of protecting employees who raise concerns in good faith.

Anti-corruption

Anti-bribery and corruption

Our anti-bribery and corruption policy promotes integrity, transparency, and compliance with legal and ethical standards. Bribery and corruption can have serious adverse impacts on the social and economic development of countries, as well as for other businesses that do not engage in such crimes. Such behavior undermines trust in our institution, erodes stakeholder confidence, and may result in significant financial penalties and reputational damage.

A strong anti-bribery and corruption framework delivers clear benefits: it strengthens relationships with clients and business partners, mitigates the risk of shareholder exposure to financial crime, and protects client interests by ensuring their assets are managed with fairness and integrity. It also contributes to higher employee engagement and productivity by engraining a culture of ethical conduct throughout the organization.

We prohibit any form of bribery or corruption and remain committed to being a trusted financial institution in the markets we serve

Furthermore, robust anti-bribery and corruption practices can indirectly support positive social and economic outcomes by fostering a transparent and ethical banking environment.

Fairness, respect, and integrity are essential to the way we operate. In this context, we prohibit any form of bribery or corruption and remain committed to being a trusted financial institution in the markets we serve. We take the reputational and financial risks associated with bribery and corruption extremely seriously and continue to implement robust measures to mitigate these risks.

We have established a range of policies that set out our approach to preventing bribery and corruption, including our code of conduct, anti-bribery and corruption policy, and whistleblowing policy. Employees are strictly prohibited from offering or paying bribes, accepting or soliciting bribes, or authorizing or instructing third parties to engage in such practices. We expect all employees to demonstrate integrity

and exercise appropriate due diligence in the performance of their professional duties.

We have identified several areas that present heightened corruption risks. These include jurisdictions with weak anti-corruption governance, certain types of trade finance transactions where employees may be incentivized to accept improper payments, third-party providers or intermediaries who may offer compensation in exchange for business mandates, service providers who extend gifts, entertainment, or hospitality to influence business decisions, and recruitment procedures that bear risks of favoritism against more capable talents. Moreover, in light of the elevated corruption risks involved, we abstain entirely from making political donations.

Internal controls implemented across all jurisdictions play a critical role in reducing the risk of corruption within our organization. These controls include a firm approval process for accepting gifts, the application of the four-eye principle when signing contracts with suppliers, independent specialist assessments of legal agreements, and the centralization of critical processes. Employees found to be liable for bribery are subject to rigorous disciplinary action, including referral to local authorities.

Employees are required to complete an annual anti-bribery and corruption e-learning module. In 2025, 99% of employees completed this training; the remaining 1% reflects departures, retirements, parental leaves, and other legitimate absences.

In 2025, we assessed Group-wide bribery and corruption risk based on data submitted by our entities. Our assessment focuses on the significant risk areas outlined above, as well as additional areas with less exposure, such as interactions with public officials or changes in business activities that may elevate corruption risk. We conduct this assessment annually

and regularly monitor and review the effectiveness of our anti-corruption measures. In doing so, we draw on guidance from recognized international standards and organizations, including the Wolfsberg Group, the Organization for Economic Cooperation and Development (OECD), and Transparency International. Based on the nature of our business activities and the strength of our internal governance, the residual risk of bribery and corruption within the Group is considered low.

Anti-money laundering and combatting the financing of terrorism

The governance of anti-money laundering (AML) and combatting the financing of terrorism (CFT) involves establishing and implementing robust policies, procedures, and controls designed to prevent illicit activities—such as money laundering and terrorist financing—within the financial system.

A robust AML & CFT framework delivers significant positive impacts. It supports full compliance with regulatory requirements, tightens risk management, and enhances transparency and accountability across the organization. Collectively, these elements help safeguard the integrity of the financial system.

Conversely, involvement in money laundering or terrorist financing can have far-reaching and severe negative consequences that extend far beyond the financial sector. Weak governance in this area can undermine the integrity of the financial system, facilitate organized crime and acts of terrorism, erode tax revenues, exacerbate social inequality, compromise national security, and contribute to corruption and political instability. It can also distort legitimate economic activity by channeling illicit funds into the formal economy, artificially inflating asset prices, distorting market competition, and creating unfair

advantages for individuals and businesses engaged in criminal activities.

While the governance of AML & CFT plays a critical role in safeguarding the integrity and stability of the financial system, it also calls for a careful balance between regulatory compliance, operational efficiency, and cost considerations. By adopting a risk-based approach and investing in a robust governance framework, we can effectively mitigate the risks associated with money laundering and terrorist financing while preserving the trust and confidence of our stakeholders.

We clearly expect our employees to take all steps necessary to combat money laundering and terrorist financing. This reflects our firm and uncompromising stance on preventing financial crime. This approach demands strict regulatory compliance from all internal and external stakeholders and supports the integrity of the global financial system. We recognize that an effective AML & CFT framework is essential to retaining the trust of our clients, employees, shareholders, and regulators.

We maintain a comprehensive framework of AML & CFT policies at Group and regional levels that establishes minimum compliance standards for our organization. Within our AML & CFT risk management framework, we have policies that define client due diligence requirements, criteria for higher-risk clients and transactions, and controls for transaction monitoring and adherence to global financial sanctions.

Our AML & CTF program was audited by our external auditor in accordance with our 2025 audit strategy, which was submitted to and approved by FINMA. AML & CFT topics were reviewed both from a single-entity perspective and under consolidated supervision as part of our risk assessment. In 2025, we continued to devote particular attention to high-

er-risk client files and politically exposed persons and implemented a Group-wide vessel and container tracking process to further mitigate sanctions-related risks.

We conducted reviews of client files and transaction alerts during oversight visits to subsidiaries and branches and established a new Quality Assurance Team tasked with periodically examining adherence to Group standards on client due diligence and trade-based money laundering. Our sustained focus on AML & CFT and know-your-client processes was confirmed by auditors in 2025.

We clearly expect our employees to take all steps necessary to combat money laundering and terrorist financing. This reflects our strong and uncompromising stance on preventing financial crime

Through these Group-wide efforts, we strengthened compliance, enhanced the harmonization of AML & CFT processes, and improved oversight and governance across our subsidiaries and branches.

We have a legal obligation to detect and report any suspicious transactions and any instances of money laundering to the relevant regulatory authorities. Failure to report suspected money laundering constitutes a criminal offense in all jurisdictions in which we operate. We therefore identify, monitor, and seek to mitigate the legal and reputational risks associated with money laundering and terrorist financing across all our operations.

Through our internal control system, we have implemented a series of risk-based controls that

address money-laundering and sanctions-related risks. By operating these controls on a continuous basis, our compliance units ensure that we meet the global requirements defined in our AML & CFT policy framework.

Examples of our quarterly AML & CFT-related internal controls include client due diligence sample checks, trade finance AML quality checks, and the review of our monthly turnover limits for professional banknote dealers, compliance monitor threshold adequacy, compliance monitor configuration, and outstanding transactional monitoring alerts. Other effectiveness evaluations include half-yearly reviews of new correspondent and network banking relationships and annual examination of relationships with higher-risk clients and politically exposed persons.

All control results are reported to Group Legal & Compliance for assessment, challenge, and approval. In addition, all subsidiaries and branches undergo annual inspections by Group Legal & Compliance into their AML & CFT controls, including on-site sample checks of individual client relationships.

We ask of all our employees to complete a mandatory AML & CFT e-learning training each year. In 2025, 98% of employees completed this training; the remaining 2% were attributable to employee departures, retirements, parental leaves, and other legitimate reasons.

Overall, the effectiveness of our AML & CFT measures in 2025 was satisfactory and we remain confident that these measures position us on the right path. Looking ahead to 2026, we intend to further intensify our system-based client monitoring and sanctions-screening capabilities by introducing new technological solutions and expanding the functionalities of existing tools.

Client privacy

Our client privacy governance framework encompasses banking secrecy, data protection, and cybersecurity. It is designed to safeguard sensitive information and uphold the privacy rights of our stakeholders. A strong framework delivers multiple positive impacts, including the protection of personal and financial information, enhanced trust and confidence from clients, improved data security, more effective risk management, and the preservation of the integrity and reputation of the banking sector.

Conversely, inadequate banking secrecy, data protection, or cybersecurity measures can have severe negative consequences for clients, employees, shareholders, business partners, and society at large. These risks include data breaches, erosion of trust and reputational harm, financial fraud, identity theft, regulatory fines and penalties, legal and compliance exposure, loss of intellectual property and trade secrets, as well as broader social and psychological impacts.

For these reasons, we place particular emphasis on implementing tight privacy and cybersecurity controls to protect sensitive information, preserve stakeholder confidence, and mitigate the adverse impacts associated with privacy breaches or security incidents.

Banking secrecy

Our organization is headquartered in Switzerland and is subject to the banking secrecy requirements set forth in the Swiss Federal Act on Banks and Savings Banks. Banking secrecy also remains a core pillar of the financial sector in many of the jurisdictions in which we operate. Recent international legislative developments – such as the Foreign Account

Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS) – and their implementation in Switzerland and numerous other countries have reframed banking secrecy obligations within the broader context of preventing tax evasion and illegitimate tax avoidance. As a result, combating tax evasion and elevating tax compliance standards have become fundamental principles of the Swiss banking sector.

Despite these developments, the core elements of banking secrecy remain valid and relevant. Our employees are bound by both contractual and legal confidentiality obligations and must keep all client information strictly confidential, except where disclosure is authorized by the client or required by law. We uphold client confidentiality and protect client information through defined data security standards and procedures designed to prevent unauthorized access, use, modification, or destruction. Internally, client information is shared with appropriate discretion and strictly on a need-to-know basis.

The assessment of effectiveness of banking secrecy is contained in the “Personal data protection” and “Information security” sections of this Report.

Personal data protection

A data breach can have serious consequences for our clients, employees, shareholders, and business partners. Such incidents can lead to financial loss, emotional distress, identity theft, service disruption, and adverse impacts on creditworthiness. For these reasons, we place the highest importance on establishing and maintaining the security and confidentiality of personal data.

Our procedures and controls are designed to ensure full compliance with all regulatory and legal data

protection requirements. These measures aim to safeguard personal data, uphold confidentiality, and minimize the risk of data breaches.

In our 2025 client survey conducted in Pakistan, respondents expressed strong confidence in our data security and privacy measures, reflected in a satisfaction rate of 94%. Any concerns raised are being carefully analyzed, and the relevant teams are taking appropriate actions to ensure we continue to deserve the trust our clients place in us. This section of the survey received 738 responses, gathered through telephone interviews and online submissions.

We place the highest importance on establishing and maintaining the security and confidentiality of personal data

Our personal data protection program is subject to continuous review and annual upgrades. We maintain a comprehensive set of policies governing data protection, including our personal data framework policy and data breach incident policy. These policies are updated at least every three years to ensure their continued relevance and effectiveness.

We maintain separate personal data inventories for each jurisdiction, mapping the full lifecycle of all personal data under their authority. These inventories are developed and maintained by dedicated data protection working groups formed of representatives from key organizational units.

We ask of our employees to complete a mandatory annual e-learning module on data protection. In 2025, 99% of employees completed this training; the remaining 1% were attributable to employee

departures, retirements, parental leaves, and other legitimate reasons.

Data privacy notices for clients are available on our websites, while employee privacy notices are accessible on our intranet. These notices outline data subject rights, accountability requirements, rules governing international data transfers, and the relevant points of contact for data protection matters.

We have appointed Data Protection Officers in all jurisdictions with applicable data protection legislation. In addition, we have an IAPP-certified Group Data Protection Officer (CIPP/E, CIPP/C, CIPT, CIPM, and FIP).

We have reviewed and updated our third-party data processing agreements to ensure compliance with regulatory requirements across jurisdictions. We contractually require third-party service providers to implement appropriate technical and organizational security measures, comply with data breach notification obligations, and apply equivalent data protection standards to any sub-processors they engage.

All potential agreements that involve processing of personal data are subject to privacy impact assessments (PIA). These assessments are critical for the identification and mitigation of privacy risks, embedding data protection considerations into system and design processes, and ensuring compliance with global regulatory requirements.

Several of these measures are supported by our internal control system, which evaluates their effectiveness. This includes annual controls covering PIAs, -data subject access requests, third-party data processing agreements, and electronic data obfuscation annual maintenance. In addition, all personal data inventories undergo bi-annual reviews and updates.

In late 2025, we were alerted to an unauthorized external access to our data center by a financially-motivated threat actor. In line with our data breach notification policy, all relevant data protection and banking authorities in our countries of operation were promptly informed. A public notification was also posted on our website. Employees were updated through local town hall meetings and internal communications, customers were informed in accordance with applicable local requirements, and key third-party service providers were duly notified. The Board was kept regularly apprised of developments throughout the incident. Further details regarding the remediation measures taken are provided in the "Information Security" section of this Report.

We consider information security as a critical measure for mitigating operational risks and prioritize the protection of information assets against evolving security threats

By promoting early, continuous awareness, education, and engagement, we aim to foster a strong data-privacy culture in which the protection of personal data becomes an integral part of our employees' mindset.

Information security

Information security threats can arise from a wide range of sources, including computer-assisted fraud, industrial espionage, sabotage, vandalism, and cyberattacks. When operating through digital networks, we face risks such as computer viruses, unethical hacking, and distributed denial-of-service

(DDoS) attacks. These threats can lead to service disruptions, theft of personal data, and misappropriation of assets, with potentially serious consequences for our clients, employees, and business partners.

From an organizational perspective, Group Information Security continues to oversee our information security program. We remain subject to numerous information security and data privacy laws and regulations across the jurisdictions in which we operate, including FINMA Circular 2023/1, "Operational risks and resilience – banks". We consider information security as a critical measure for mitigating operational risks and prioritize the protection of information assets against evolving security threats. All personal and other sensitive data entrusted to us is safeguarded through a multi-layered security architecture. The primary objective of these controls is to identify, assess, and mitigate threat vectors across our digital infrastructure.

We have implemented a combination of targeted measures designed to mitigate information security risks associated with specific threat vectors.

ISO 27001 is an international standard for information security management systems and covers governance, technical, physical, and legal controls relevant to information risk management, including cybersecurity and data privacy protection. In 2025, both Group Information Technology and Group Information Security were fully compliant with the ISO 27001:2022 standard.

The Payment Card Industry Data Security Standard (PCI DSS) is a mandatory certification for banks that issue or process credit cards. This certification is renewed annually and affirms that card-related data is processed securely across our systems. In 2025, all jurisdictions with card operations and data

centers were successfully re-certified under PCI DSS v4.0.1.

Our Group Information Security team member certifications include:

- Certified Information Systems Security Professional (CISSP)
- Certified Information Security Manager (CISM)
- ISO 27001 Lead Implementer, Offensive Security Certified Professional (OSCP), and
- Certified Forcepoint DLP Administrator.

We employ a comprehensive set of measures designed to mitigate information security risks across specific threat vectors. To protect our digital infrastructure from DDoS attacks, we subscribe to specialized DDoS mitigation services that continuously analyze and filter suspicious inbound traffic. In addition, we deploy web application firewalls and next-generation firewalls to provide robust protection for our online services and applications.

Annual security assessments of our infrastructure include vulnerability assessments as well as internal and external penetration testing to identify and remediate security weaknesses across our systems and network environment. In addition, we perform red-team scenario exercises that simulate real-world attack techniques to evaluate the organization's overall detection, response, and coordination capabilities.

To reduce the risk of cyberattacks, we regularly update our data protection infrastructure to safeguard our databases from both external and internal threats. All premises are secured through controlled physical access, and system access is granted strictly on a need-to-know basis. We also leverage Managed Detection and Response (MDR) services to proactively identify and address potential threats. In 2025, our cybersecurity posture was further strengthened

through the deployment of advanced threat protection technologies.

Once we were alerted of the cyber event mentioned in the "Personal data protection" section, we immediately activated our incident response procedures and engaged a leading cybersecurity specialist to conduct a forensic investigation and support additional remediation measures. In parallel, we tightened our system protections and monitoring capabilities and established dedicated client support channels, including a hotline and email contact point. Together with the cybersecurity specialist, we identified and implemented further remediation actions to enhance the resilience of our network security and operations. Throughout the incident, the Group's banking services were not affected and remained fully operational across our international network.

Adopting digital transformation and fostering a culture of innovation are essential to sustaining competitiveness, driving growth, and creating lasting value

We promote a culture of vigilance and accountability to bolster our defenses against cyber threats and earn the trust our clients place in us. Employee awareness remains a critical component of our cybersecurity framework. We ask of all our employees to complete mandatory annual e-learning on information security and cybersecurity. In 2025, 99% of employees completed this training; the remaining 1% was attributable to legitimate reasons such as departures, retirements, parental leaves, and other legitimate reasons. In addition, we launch regular awareness campaigns on social engineering, phishing, and related cybersecurity risks.

Digitalization and innovation

Adopting digital transformation and fostering a culture of innovation are essential to sustaining competitiveness, driving growth, and creating lasting value. Digitalization and innovation continue to reshape the financial industry, transforming operational processes, service delivery, and client engagement. These advancements enhance the client experience, broaden market access, enable sophisticated product development, and sustain risk management and compliance capabilities.

Our digital transformation strategy extends beyond cost efficiency and operational effectiveness, delivering measurable value to all stakeholders. Clients benefit from secure and user-friendly digital channels that allow for personalized financial solutions. Employees gain from streamlined processes, higher productivity, and advanced opportunities for professional development. Shareholders see improved profitability, higher returns, and more robust long-term competitive edge. Business partners and society at large benefit from collaborative innovation and sustainable progress.

Conversely, failing to embrace digitalization and innovation turns these advantages into risks – diminished client interest, weaker employee engagement, lower shareholder value, and increased regulatory exposure due to outdated infrastructure. It also limits the potential for strategic partnerships and impedes responsiveness to evolving market conditions.

In our comprehensive Pakistan client survey in 2025, our digitalization initiatives – including alternative distribution channels – received an average satisfaction score of 80%, with ratings ranging from 70% to 89% across the various survey touchpoints. Feedback on areas with room for improvement has been communicated to the relevant teams, who are working on

respective solutions. A total of 884 responses were collected through automated calls, telephone interviews, and online submissions.

Digitalization strategy and core objectives

The Group's strategic objective is to process 80% of its transactions digitally by 2030. This underscores our commitment to operational efficiency and client convenience. In 2025, we reached a digital transaction share of 84% and will continue to strive to maintain this level above 80% in the coming years.

Each digitalization initiative begins with identifying key stakeholders, understanding their needs and integrating these at an early stage of development.

The overarching objective is to deliver secure, user-friendly, and fully functional banking solutions that meet client expectations while ensuring full compliance across all jurisdictions.

As part of this strategy, a range of projects has been implemented to enhance client capabilities, streamline internal processes, and strengthen overall operational efficiency. These initiatives are guided by client expectations, established banking practices, and the Group's strategic priorities.

At the heart of this approach is hPLUS, the Group's proprietary core banking system. Non-essential components are outsourced, which allows the organization to focus its resources on the constant development and optimization of hPLUS. All efforts are structured around three strategic pillars:

- **Enhancing client experience:** key initiatives include the redesign of the Group's website, upgrades to online banking and mobile applications, and the automation of internal processes to support straight-through processing

- **Facilitating seamless external connectivity:** integration with payment gateways, third-party service providers, and client systems has been strengthened to ensure smooth, efficient, and secure digital interactions
- **Maintaining regulatory compliance:** regular enhancements are rolled out across critical functions such as name screening, transaction monitoring, sanctions list management, and vessel tracking to ensure robust adherence to regulatory requirements

Additionally, a dedicated digital platform supports the wealth management business, which ensures efficient delivery of high-quality services in strict regulatory compliance.

Key initiatives in 2025

Significant progress was made in advancing the digitalization agenda during 2025, with innovative solutions further highlighting the Group's dedication to continuous improvement and long-term stakeholder value:

- **Corporate website modernization:** The Group's websites were modernized to enhance digital presence and security, including the launch of an Arabic language version of the UAE site, search engine optimization improvements, security upgrades, and the introduction of a client feedback survey platform in South Africa with a testimonial section. These enhancements have expanded our digital outreach, improved client engagement, and amplified cyber resilience.
- **hHUB intranet portal enhancements:** New sections were introduced for operational risk awareness, marketing updates, and country-specific content, as well as a dedicated career opportunities board to support internal mobility. These enhancements

stimulate collaboration and streamline information access across the organization.

- **Trade finance:** In 2025, we strengthened our trade finance operations through three key IT initiatives – a digital archiving upgrade permitting comprehensive electronic recording of all import and guarantee documentation; integration with the AKSIQ system to automate price verification and dual-use goods monitoring; and the implementation of a Trade-Based Money Laundering module that analyzes historical data to identify high-risk patterns and generate automated risk ratings, thereby enhancing operational resilience and compliance controls.
- **South Africa:** In 2025, we advanced the digital transformation in our South African subsidiary with two key innovations: a fully automated digital account opening process that streamlines the end-to-end client onboarding procedure, and the implementation of PayShap, a real-time digital payment system aligned with South African Reserve Bank objectives. These new features lead to operational efficiency gains, accelerated transaction speed, and an overall better client experience.
- **Hong Kong SAR:** Clients can now submit export-related requests directly through digital channels, which increases transparency as well as service efficiency.

With these initiatives, we have improved operational efficiency across the organization, client experience, and employee engagement, while reducing risk and contributing to our sustainability objectives.

Operational resilience and continuity

Our operational resilience remains a core element of our risk management and sustainability strategy. Our framework is designed to anticipate, withstand and recover from disruptive events while ensuring the continuity of services essential to our clients, the organization, and the proper functioning of financial markets.

We classify these events into four scenario types:

- natural disasters
- technology failures
- supply chain and third-party disruptions
- socio-political risks

Our business continuity management (BCM) program is aligned with the ISO 22301 standard and is implemented across all entities through a network of business continuity managers and coordinators. The program supports the uninterrupted delivery of critical operations, safeguards stakeholder interests, and ensures compliance with both international and local regulatory requirements.

Our operational resilience remains a core element of our risk management and sustainability strategy

An effective operational resilience framework delivers significant benefits for our stakeholders, including enhanced business continuity, tighter risk management, higher stakeholder confidence, and closer regulatory compliance. Conversely, inadequate operational resilience can lead to substantial negative consequences for both the organization and its stakeholders, including financial losses, reputational harm, legal and regulatory exposure, client attrition, employee dissatisfaction, and disruptions across the supply chain.

In our 2025 client survey conducted in Pakistan, 83% of respondents reported uninterrupted access to our services during the month preceding the survey, while 17% experienced service disruptions. Feedback related to these instances has been duly noted, and remedial measures are being implemented to further enhance service reliability. A total of 740 responses were collected through telephone interviews and online submissions.

In 2025, we achieved an overall BCM readiness score of 95% across the Group, reflecting a strong level of preparedness within our operational units. The assessment covered scenario identification, recovery strategies, testing activities, and employee awareness.

Key outcomes included:

- 23 BCM areas supported by 46 business continuity plans, including technology recovery plans
- 27 disruption scenarios assessed at Group level, with residual risk remaining low to moderate
- 14 critical applications and services successfully tested from Group data centers, covering core banking, telecommunications, power supply, and third-party dependencies
- Continuity testing conducted across 194 organizational units, validating alternative work locations, remote working capabilities, data-recovery arrangements, and communication procedures

In line with FINMA Circular 2023/1 and the findings of FINMA's 2024 industry survey, we have defined four critical functions. This is consistent with the range typically observed across the Swiss financial sector (median of two to four) and reflects a focused and strategic approach. These critical functions are clearly distinguished from the internal processes and underlying resources that support them.

Processes—such as regulatory reporting or back-office activities and resources – such as the core banking system, IT infrastructure, or telephony – are documented separately in our resilience inventory, together with their internal and third-party dependencies. This structure provides an end-to-end understanding of the prerequisites for maintaining each critical function during a disruption.

In developing these scenarios, we challenged underlying recovery assumptions, reviewed existing mitigating controls, and evaluated our overall state of readiness

Oversight of operational resilience – including information and communication technology (ICT) risk, cyber resilience, critical data management, third-party risk, and BCM – remains with the Board Risk & Control Committee and the Board. In 2025, disruption tolerances for each critical function were reviewed and formally approved. These tolerances reflect the organization's appetite for potential client impact, continuity of operations, and market stability, rather than solely its existing recovery capabilities. Where monitoring or testing identifies performance outside the approved tolerances, corrective measures are initiated and tracked through established governance processes.

During the year, we introduced a comprehensive threat and vulnerability assessment to enhance our understanding of severe but plausible disruption scenarios. In cooperation with an external specialist, we identified 11 new threats and evaluated their potential impact on our critical functions. The scenarios considered included business disruption resulting from a cyber-attack, a material outage at our data

center, the failure of a critical third-party service provider, geopolitical instability, and severe weather or climate-related events.

In developing these scenarios, we challenged underlying recovery assumptions, reviewed existing mitigating controls, and evaluated our overall state of readiness. We will continue to strengthen this approach and maintain a trajectory of ongoing improvement to ensure alignment with regulatory expectations and leading practices in the financial sector.

Selected employees with defined responsibilities within the BCM program receive annual training and participate in ongoing awareness sessions. These measures ensure that employees understand their roles during a disruption and are equipped to respond effectively when required. We also ensure that our critical third-party suppliers are familiar and comply with our business continuity standards, including the requirement for annual testing.

In 2025, we advanced our strategic initiative to integrate operational risk management with ICT and information security, cyber resilience, BCM, third-party risk management, and emergency planning into a coordinated operational resilience framework. This integration enables structured information-sharing and the use of common indicators – such as system availability, major incident trends, vulnerability remediation timeliness, adherence to recovery objectives, and key outsourcing performance metrics – to monitor resilience in a consistent manner. These indicators are regularly reported to senior management and the Board, ensuring clear oversight and supporting independent assessment.

All core banking systems continued to operate normally throughout the cyber incident, and no service disruptions occurred and no unusual fraudulent

activity was detected. We responded swiftly by reinforcing system protections and initiating targeted enhancements to relevant continuity and operational resilience processes. The cyber event remains under investigation with the support of external specialists.

Looking ahead, we will continue to strengthen our operational resilience framework by expanding scenario coverage, embedding lessons learned, and further enhancing our preparedness for severe but plausible disruptions. Our strategic focus remains on ensuring uninterrupted services to our clients, safeguarding critical operations, and upholding the trust placed in us by our stakeholders.

Procurement practices and supplier environment

Our third-party management framework is founded on the principles of transparency, fairness, and accountability. We aim to ensure that our sourcing practices contribute to operational resilience, cost efficiency, and sustainable value creation across all markets in which we operate. Responsible supplier management directly supports the stability of our operations, the integrity of our supply chain, and the confidence of our stakeholders.

Positive impacts include strengthened risk management of supplier relationships, enhanced efficiency and cost savings, improved compliance with regulatory and industry standards, and greater transparency and accountability in the procurement process. Effective governance of procurement practices also enables sustainable sourcing and social responsibility within the supply chain by prioritizing partners with strong environmental and social performance, while mitigating the reputational risks associated with unethical third-party practices.

Our principal supply chain risks arise from the nature of our business relationships and span economic, environmental, political, ethical, and cyber domains. These include risks such as supplier bankruptcies, economic downturns, natural disasters, political instability, child labor, human rights concerns, and exposure to cyber threats. Such risks can affect not only our operational performance and reputation but also the well-being of workers within our supply chain.

To mitigate these risks, we have implemented a structured due-diligence process designed to identify, assess, and reduce vulnerabilities across our supplier network. This review process is subject to ongoing evaluation and enhancement to ensure that our practices remain effective, responsible, and aligned with evolving regulatory expectations and stakeholder standards.

Risk assessment

We assess the risks associated with our suppliers and subject every supplier relationship to structured due diligence, compliance verification, and periodic performance monitoring. Key supply chain risks include economic and political stability, environmental and ethical practices, and cybersecurity resilience, all of which are evaluated through systematic assessments. We have also established processes designed to minimize operational disruption, reputational harm, and regulatory infringements throughout the lifecycle of each supplier relationship.

Supplier risk assessments are performed in proportion to the criticality of each product or service. Before onboarding a supplier, we evaluate their technical capacity, financial strength, regulatory compliance, and alignment with our ethical and sustainability standards. Ongoing reviews are conducted every three to five years, depending on the sensitivity

and strategic importance of the service, to confirm that the supplier continues to meet our requirements and that no material changes have occurred since initial onboarding.

We review our business relationships at intervals of three to five years, depending on their criticality to our operations. These reviews confirm that products and services continue to be delivered as agreed, that the supplier remains in a sound financial position, and that any material changes since onboarding are appropriately identified and addressed. In addition, we carry out half-yearly and annual internal control assessments to evaluate the ongoing effectiveness of our suppliers and to ascertain that they still adhere to our standards.

Privacy assessment

Depending on the nature of the service, the processing of personal data by third-party service providers can pose risks to our clients, employees, shareholders, and business partners. Any data breaches or mishandling of personal data could adversely affect our operations and reputation, and may result in regulatory sanctions and financial penalties.

Before entrusting a third-party service provider with the processing of any significant volume of personal data, we conduct a thorough PIA to identify and address potential risks at the outset. The PIA assesses the categories and volume of data in scope, frequency of collection, number of data subjects affected, the purpose and nature of processing, internal data transfers, involvement of subcontractors, data-centre locations, access controls, technical and organizational security measures, audit evidence, breach-notification obligations, and other safeguards.

The PIA identifies key risks and recommended actions, which allows us to evaluate the potential impact of the proposed processing before personal data is handled. Its conclusions are incorporated directly into supplier contract negotiations to ensure that data handling practices, security controls, and operational processes comply with applicable privacy laws, regulatory requirements, and our internal policies. Privacy and security risks continue to be monitored throughout the lifecycle of the third-party relationship.

Code of conduct for suppliers

We conduct our business in an ethically sound manner and in line with regulatory requirements. In our code of conduct for suppliers, we set out our expectation that they uphold the same standards, and we require them to ensure that their subcontractors also comply. More specifically, the key principles of this code of conduct include:

- Ethical business conduct, including honesty, integrity, and the prevention of corruption, bribery, and fraudulent practices.
- Compliance with applicable laws and regulations, covering areas such as labor standards, anti-money laundering, data protection, procurement rules, and industry-specific requirements.
- Respect for human rights, including a strict prohibition of child labor across all jurisdictions and supply-chain relationships.
- Fair labor and working conditions, ensuring non-discrimination, safe working environments, and protection of workers' rights.
- Environmental responsibility, including sustainable sourcing and practices that minimize environmental impact.
- Accountability for subcontractors, requiring suppliers to impose these standards throughout their own supply chains.

We require our suppliers to maintain written policies, governance structures, and oversight mechanisms that ensure their own operations – and those within their supply chains – adhere to the principles set out in our supplier code of conduct. We also demand immediate notification of any actual or suspected child labor-related concerns. When violations of the code occur, suppliers are expected to submit and implement a clearly defined improvement plan without delay. If a supplier is unable to implement an appropriate remedy within a reasonable timeframe, we may specify the appropriate corrective measures, responsibilities, and milestones to reduce potential risks. We also reserve the right to terminate relationships with business partners who repeatedly or knowingly fail to comply with our code of conduct for suppliers.

Strengthening third-party oversight

We have been implementing a series of enhancements to refine our information handling and the oversight of technology and security-related service providers following the cyber incident. These measures include clearer differentiation between resellers and underlying service providers, strengthened due diligence requirements for technology vendors supporting critical functions, closer alignment with FINMA Circular 2023/1, and additional oversight of contractual and access-related safeguards. Collectively, these improvements will help foster a more resilient, transparent, and responsibly managed third-party ecosystem across the Group.

Data privacy, cybersecurity and third-party risk

In 2025, we continued to tighten our oversight of data-privacy and cybersecurity risks associated with third-party providers. PIAs were conducted for suppliers handling personal data to ensure compliance with applicable data-protection regulations and our internal security requirements. Follow-up reviews and testing confirmed that controls were operating effectively, and identified enhancement opportunities were integrated into our ongoing third-party monitoring processes. This approach supports a more robust and proactive management of privacy and cybersecurity risks across our supplier community.

Child labor

Child labor deprives children of their childhood and exposes them to conditions that are harmful to their physical and mental development. When a company's goods or services are linked to child labor, it signals either direct involvement in such practices or a connection through its business relationships and supply chain dependencies. Key factors contributing to child labor include inadequate enforcement of labor laws, weak social protections, limited access to quality education, endemic poverty, weak rule of law, insufficient workplace compliance systems, large informal economies, and underdeveloped rural infrastructure.

We maintain a strict zero-tolerance policy toward child labor across our entire network. Our due-diligence process assesses country-of-origin risks, supplier assurances, and recognized third-party certifications to identify and mitigate potential exposure. In 2025, we intensified this approach by enhancing our Group-wide child labor risk management plan, which consolidates data and assessments to evaluate the effectiveness of the mitigation measures in place. Over the course of the year, we identified and addressed several areas of improvement – including enhanced suspicion checks and firmer follow-up review requirements – to prevent, detect, and eliminate any potential child-labor infringements within our supply chain.

Our ongoing commitment

With these measures, we continue to strengthen transparency, ethical sourcing, cybersecurity preparedness, and supply chain sustainability across the Group. This ongoing work underscores our commitment to responsible business practices, regulatory compliance, and the long-term trust of our stakeholders.

SOLAR ENERGY



Hong Kong's adoption of solar equipped electric buses reflects the city's wider plan to introduce 700 electric buses by 2027.

Solar Panels on Electric Buses in Hong Kong

Products, services, and financial investments



In recent years, market trends and client behavior have evolved significantly, with awareness increasingly shifting toward ESG-compatible practices. Individuals and organizations are placing greater emphasis on recycling, waste reduction, and the selection of sustainable products, while favoring businesses that demonstrate responsible conduct.

Within sustainable finance, these preferences are influencing investment decisions. Both private and institutional investors who consider ESG factors seek to allocate capital to organizations that mirror their own ESG-related values. This approach balances traditional investment priorities – typically focused on financial returns – with the integration of ESG considerations. It aims to create long-term value by broadening the definition of performance to include risks associated with ESG factors, which may also translate into financial risks.

Products, services – including lending activities – and financial investments can generate positive effects when aligned with the principles of balanced development and responsible investing

Products, services – including lending activities – and financial investments can generate positive effects when aligned with the principles of balanced development and responsible investing. ESG-focused investments favor organizations that demonstrate sound environmental stewardship, such as GHG emissions, conserving natural resources, and supporting climate mitigation initiatives. They also give preference to companies that uphold human rights,

promote diversity and fair labor practices, and protect the health and safety of their employees and the communities in which they operate. Such products generally offer greater transparency, accountability, and proactive management of ESG-related risks.

ESG products, services and financial investments can contribute to long-term value creation for shareholders by identifying organizations with a strong sustainability performance that may, in turn, benefit from improved access to capital at more favorable terms. However, these offerings may also present potential drawbacks for investors and other stakeholders. These include reduced portfolio diversification due to more limited investment options, potentially lower financial returns compared with traditional investments, risks of greenwashing arising from overstated ESG claims, higher management fee premiums, increased due diligence costs, risks of speculation, lack of standardization across ESG products and methodologies, market distortions linked to preferential ESG weighting, elevated market volatility, and compliance risks or legal exposures due to intensified regulatory scrutiny.

In 2025, we ran a comprehensive client survey in Pakistan. The section of the survey covering products, services and financial investments received 9,580 responses collected through automated calls, telephone interviews, and online submissions. Overall, clients were highly satisfied with our products and services, with an average positive rating of 85% across key categories (ranging from 78% to 93%). Areas of lower satisfaction have also been identified, and targeted action plans are being implemented to address these findings.

Islamic banking

We conduct our Islamic banking business through Islamic banking windows in Switzerland, the UK, the UAE, South Africa and Pakistan. In these jurisdictions, we operate dedicated business units that provide Shariah-compliant financial services.

Sirat, an Arabic term meaning “path” or “direction,” reflects our commitment to guiding clients toward their financial success

We market our Islamic products and services under the SIRAT brand. Sirat – an Arabic term meaning “path” or “direction” – reflects our commitment to guiding clients toward their financial success. It also embodies our aspiration to be a trusted partner – an integral element of our core values and long-term vision.

We pay close attention to ensuring that our Islamic banking business fully complies with Shariah law. Our Group Islamic Banking Committee supervises the business and strategy of our Islamic banking window, while oversight of specific issues related to Shariah compliance are handled by local Shariah Boards and Shariah Advisors. In addition, we have specialized officers for Shariah compliance, Shariah risk control, and internal Shariah audit.

Through our Islamic banking services, we provide clients with Shariah-compliant financial solutions. This also helps us align our employees’ personal and ethical values with the Group’s business objectives,

offers shareholders meaningful opportunities for business expansion, and contributes to the development of progressive and inclusive financial products and services across our markets.

Islamic finance represents more than a set of financial products – it is a values-based framework for conducting business in the public interest.

Islamic finance seeks to avoid investment in activities that are socially or environmentally harmful. The principles of Islamic banking and ESG are similar, for instance:

- A clear ethical framework rooted in fairness and justice
- Commitment to human rights, social welfare, and environmental stewardship
- Focus on shared prosperity by promoting risk sharing and connection with real-economic activity
- Providing long-term sustainability by avoiding excessive leverage and speculative activities
- Transparency and clarity in contractual arrangements, with fully disclosed structures and intentions
- Established global governance standards complemented by independent oversight

Our ESG-relevant Islamic banking initiatives in 2025 included:

- **SIRAT Studio:** we launched SIRAT Studio, a structured content platform designed for employees, clients, and industry participants. SIRAT Studio provides competence building, education, and thought leadership in Islamic banking, anchoring our reputation as a responsible and inclusive global provider of Shariah-compliant financial services.
- **Shariah governance of SIRAT policy:** we issued the policy “Shariah Governance of SIRAT” that establishes a consistent standard of Shariah governance across the Group and ensures that

all SIRAT-branded products comply with Shariah principles at all times and in every jurisdiction where they are offered.

Progress we made with our Islamic banking plans in 2025 included:

- **Shariah summit – Shariah Beyond Borders:** we successfully hosted a Shariah summit bringing together the chairpersons and members of Shariah Boards from Pakistan and the UAE. The summit focused on “Governance Best Practices Across Different Geographies,” with the objective to enhance service quality and advance Shariah excellence across the Group.
- **Islamic banking e-learning:** In February 2025, we launched a Group-wide Islamic banking e-learning program accessible to employees in all of our SIRAT markets to expand their understanding of Islamic banking principles. In total, 219 employees across all SIRAT jurisdictions had completed the training, in a total of approximately 328 training hours.
- **Introduction of the Islamic Banking Risk Dashboard:** we developed the Islamic Banking Risk Dashboard to enhance the ongoing monitoring of Shariah compliance across SIRAT markets. The dashboard creates more transparency and facilitates oversight of Shariah-related risks. Moreover, it aligns Islamic banking governance with the Group’s broader risk management and ESG frameworks.

Community impact of credit activities

A significant proportion of our clients are family-owned and family-managed SMEs, as well as the families who own them. These traditionally mercantile communities are recognized for their entrepre-

neurial drive and business acumen, yet they are often underserved by conventional financial institutions.

Trade finance is one of our core strengths. Many of our SME clients engage in cross-border trade both within the jurisdictions in which we operate and across other emerging markets. We provide these businesses with the credit facilities they need to grow. This includes working capital financing and a broad range of trade finance solutions – such as import and export letters of credit and the facilitation of project-related finance.

We have specific expertise in facilitating trade flows with emerging markets – an area where many Swiss banks have limited experience

Given our Swiss-based organization’s longstanding ties with South Asia, we have specific expertise in facilitating trade flows with emerging markets – an area where many Swiss banks have limited experience. This positioning enables us to support our clients’ international business activities effectively and sustainably.

Through our trade finance activities, we assist family-owned and small-to-medium enterprises as they engage in cross-border trade, while facilitating access to essential goods in developing economies. We facilitate the export of critical commodities – including food and base materials such as grain and sugar – to countries such as Pakistan, Bangladesh, and India. These activities contribute to food security and support local populations. More broadly, they stimulate economic development by enabling trade flows, income generation, and infrastructure invest-

ment, all of which combined lead to improved living standards.

In select regions, we support the transition to low-carbon energy through our participation in green-energy project finance. Our focus includes solar energy solutions for underserved communities, as well as larger-scale infrastructure projects designed to reduce greenhouse gas emissions, particularly in power transmission. In Pakistan, where the electricity grid remains reliant on fossil fuels, we provide preferential financing to agricultural sector clients for solar-based power generation, which helps reduce energy costs and emissions, and promotes more sustainable farming practices.

We recognize that certain trade flows we facilitate may have negative environmental impacts – for example, financing oil exports to Pakistan. However, fossil fuels continue to play a significant role in the economies of many developing countries, and our partnership in these activities remains crucial to meeting current local energy needs. We continually assess our involvement in such transactions in light of evolving regulatory requirements and potential adverse effects, ensuring that such transactions are appropriately monitored and managed.

We provide further details on our climate-related financing initiatives for 2025 in the “TCFD Report” section.

Group financial investments

We manage a substantial financial investment portfolio, predominantly composed of debt securities, with the primary objective of transforming liabilities into liquid assets. This portfolio forms an integral component of our Group-wide liquidity contingency planning and is managed in accordance with clearly defined criteria, including credit quality, market liquidity, and alignment with approved risk parameters. Our overarching goal is to ensure that sufficient liquidity is held at our depositors’ disposal when contractually due, while protecting the Group’s capital through prudent and conservative investment selection and ongoing portfolio monitoring.

ESG considerations are integrated into the investment decision-making process for corporate bond exposures, supporting closer alignment with responsible investing principles

We take a particular focus on credit quality and invest only in financial instruments with a low probability of default. This is essential for safeguarding the Group’s financial health and stability. Adequate market liquidity is equally important, as it directly affects our ability to convert investments into cash at short notice when needed. We therefore place significant importance on monitoring the adequacy

of our liquid assets to meet both expected and unexpected depositor demands, applying a broad range of liquidity management techniques – such as the liquidity coverage ratio, net stable funding ratio, and depositor coverage ratio – to maintain a prudent liquidity position.

We also rely on robust internal controls to evaluate the effectiveness of our Group financial investment operations. These include quarterly, half-yearly, or annual reviews of our issuer exposures, maximum permissible exposures for individual positions, investment limits for financial institutions, and applicable country limits for issuers. Across all reviews conducted in 2025, we were satisfied with their effectiveness and did not identify any need to modify our processes.

The majority of our investment portfolio consists of local-currency sovereign bonds issued by national governments. While a portion of these holdings includes Sukuk and other Islamic bonds in Pakistan, our selections across all jurisdictions are driven primarily by credit quality and liquidity characteristics. ESG considerations are part of our investment decision-making process for corporate bond exposures, aiming for closer alignment with responsible investing principles. In parallel, we have gradually increased our allocation to green bonds within the portfolio. Further information on ESG ratings, emissions intensity, and green-bond exposures for the 2025 investment portfolio is provided in the “TCFD Report” section.

WIND ENERGY



In 2024, wind (both onshore and offshore) generated 29.5% of all UK electricity.

Offshore UK Wind Farm

People and planet

Talent management, compensation, and performance management

Effective talent management, compensation, and performance management practices contribute significantly to our organization's success. They help us attract and retain high-performing employees, foster high levels of engagement and morale, enhance productivity, and ensure alignment with our strategic goals and values. Strong people practices also reinforce our competitiveness and form a solid basis for innovation.

Conversely, weak or inconsistent practices in these areas can adversely affect key stakeholders. Negative outcomes may include declining employee satisfaction and engagement, reduced productivity, loss of critical talent and institutional knowledge, damage to our employer brand and reputation, heightened legal and compliance risks, and erosion of stakeholder trust and confidence.

By cultivating positive and forward-looking employment practices, we continue to strengthen our brand, nurture a high-performing and inclusive workforce, and position the Group for sustainable growth and long-term success in an increasingly competitive environment.

Our employees' talent and knowledge are fundamental drivers of our organization's success. We therefore select our talent with care and provide a supportive, stimulating, and inspiring work environment where they can thrive and develop their talents. Beyond the technical aspects of their roles, we foster an inclusive and open-minded culture that offers



equal opportunities for every employee, irrespective of their personal characteristics.

Employment-related matters and processes – including recruitment, code of conduct, performance management, compensation and benefits, and training and development – are governed by our human resources policy framework. This framework is further complemented by regional policies that reflect specific local regulatory requirements and practices across our various jurisdictions. All such policies apply to every employee and are available on our intranet.

We take a holistic approach to talent management, giving our employees tangible opportunities to grow, develop their skills, and build long-term careers within the organization

We also maintain internal controls to evaluate the effectiveness of our talent and performance management processes, including learning and development activities and performance appraisal mechanisms. These controls are applied systematically across the Group, with ongoing monitoring and review confirming their effectiveness and positive contribution to our overall governance approach.

Employment terms and benefits

The financial industry is highly regulated and intensely competitive, with an institution's reputation playing a decisive role in its ability to attract and retain talent. To build and maintain a reliable and

sustainably successful business, it is essential that we engage highly competent professionals who demonstrate strong principles of integrity.

Reflecting the diverse requirements of our roles and operating environments, we offer a range of employment arrangements, including full-time and part-time positions, permanent and fixed-term contracts, and hybrid work models. Across all jurisdictions, our employment packages are designed to remain competitive. Moreover, we regularly update the role benchmarking to ensure alignment with local market conditions.

In addition to their agreed compensation, our employees benefit from a range of offerings that vary according to location, role, and contract type.

For permanent employees, these benefits generally include:

- support for skills development through both in-house training and external professional courses
- opportunities for international mobility across our global locations, including relocation assistance and allowances
- paid time-off entitlements, including annual leave, parental leave, and other types of statutory or discretionary leave
- preferential discounts on selected banking and insurance products, offered both internally and through designated external partners
- end-of-service benefits, including pensions, provident funds, and gratuities, in line with local regulatory requirements and market practice.

Talent management

We take a holistic approach to talent management, offering our employees tangible opportunities to grow, develop their skills, and build long-term careers within the organization. By investing in their professional advancement and long-term employability, we build both individual capabilities and the overall resilience of our workforce. At the same time, this effort leads consistently to high service quality for our clients and reinforces our reliability as a trusted and competent partner to all external stakeholders.

Last year we launched our first Group-wide employee experience survey, HBZ Voice, designed to assess key dimensions of employee engagement, performance, and job satisfaction. The survey had high Group-wide participation rates and delivered valuable insights into how employees experience their work environment. Overall, the results were very positive, with scores exceeding financial sector benchmarks in several categories, including clarity of the Group’s goals and objectives, brand perception, and sustainable engagement.

Following the Group-wide communication of the survey results, planned targeted actions to address identified priority areas were implemented in 2025 and will be followed through in 2026. These initiatives are intended to further enhance the employee experience and strengthening the organization as a workplace where people can thrive and contribute to its long-term success.

In response to the survey outcome, a range of initiatives were developed and implemented locally across the Group. These initiatives were primarily aimed at enhancing employee wellbeing, fostering inclusion, ensuring fair pay and performance transparency, and enhancing communication and engagement. These efforts were complemented by increased par-

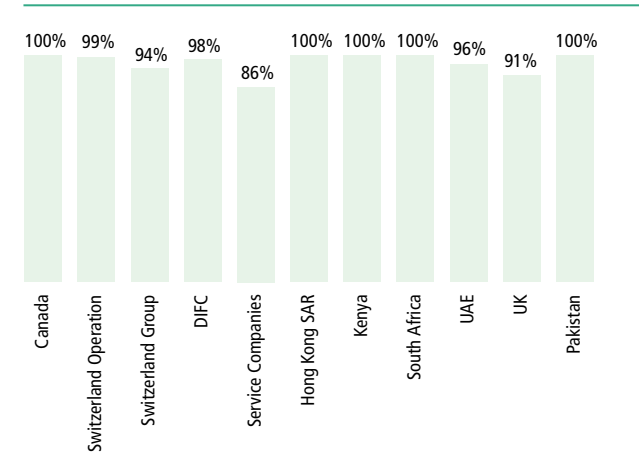
ticipation in corporate social responsibility activities. Actions included the rollout of wellbeing programs, compensation benchmarking, clearer career development pathways, expansion of employee engagement and recognition initiatives, and targeted follow-ups with specific employee groups to address feedback identified through survey results. All initiatives were tailored to local needs and executed in line with Group-wide employee engagement principles, ensuring a consistent and continuous enhancement of the employee experience.

All employees undergo a structured annual performance review, during which their achievements are appraised against the quantitative and qualitative objectives agreed at the beginning of the year. These evaluations provide an important basis for identifying talent, supporting career development, and determining potential successors for key leadership roles.

Following the launch of our online performance management system, our focus in 2025 has been on embedding a consistent discipline of cascading objectives throughout the organization and ensuring regular, constructive feedback between managers and employees. This has increased transparency, alignment with strategic priorities, and the overall effectiveness of our performance culture.

Targeted training and upskilling form an important part of our employee development offering for individuals demonstrating relevant talent, motivation, and ambition. In addition to a wide range of internal learning opportunities, we also support carefully selected external training – such as post-graduate study modules – to help employees update and enhance their professional expertise. We apply internal controls to evaluate the effectiveness of our recruitment and selection processes, our learning and development programs, and our management of critical key positions.

Course completion rates for all training modules



In 2025, we launched a proprietary, bespoke ESG training module on our e-learning platform. Developed in line with the Group’s ESG guidelines, the module was designed as a comprehensive program rather than a short awareness course, incorporating structured learning supported by videos, graphics, and assessments. It was initially rolled out to employees at AVP level and above and approximately 97% of the in-scope staff completed the training by year-end. Following the broad engagement and positive uptake, the Group is considering expanding access to a broader employee population in future years.

Staff engagement in soft-skills and functional development across the service companies was identified as a priority area for improvement. During the reporting year, participation in discretionary learning activities declined, largely due to increased operational demands. In response, several measures are being introduced, including enhanced human resources follow-up on the completion of training needs analyses, increased manager accountability for employee development, and rollout of Group-wide communications to raise awareness of

available learning programs. In addition, learning and development-related KPI's will be introduced to track and measure the effectiveness of employee development initiatives.

Diversity, equal opportunity, and inclusion

Diversity, equal opportunity, and inclusion are essential drivers of organizational strength and long-term success. They are the source of innovation and creativity, better decision-making and problem-solving. They also have a positive influence on employee engagement and motivation, the range of recruitment opportunities, client satisfaction and loyalty, retention, the organization's legal and ethical compliance, and our corporate reputation and brand value.

Conversely, insufficient or ineffective diversity and inclusion practices can lead to significant challenges, including restricted access to talent, fading employee morale and engagement, higher attrition rates and loss of institutional knowledge, increased legal and regulatory exposure, reputational damage, diminished innovation, weaker client relationships, and missed opportunities for business growth.

By fostering a culture rooted in diversity, fairness, and inclusion, we aim to create equitable, productive, and sustainable workplaces that benefit employees, clients, and stakeholders alike. In our view, the best outcomes are achieved with a workforce characterized by a wide range of backgrounds, perspectives, and experiences.

We therefore adhere to the principles of equal opportunity, with a strong emphasis on diversity and inclusion. We have made it our strategic priority to

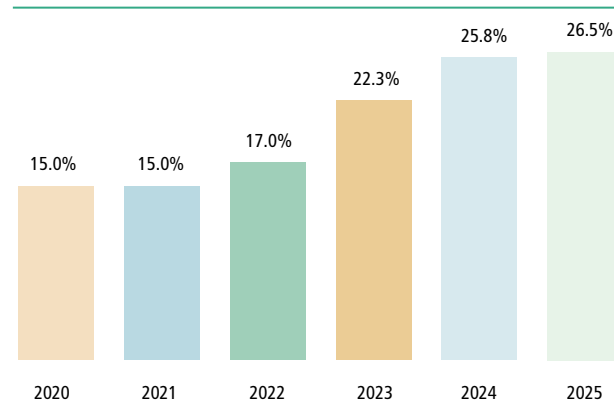
create a work environment where all interactions – whether among employees or with clients and external stakeholders – are respectful of each person's individual characteristics and entirely free from discrimination.

These principles form part of our business philosophy and are reflected in our codes of conduct and human resources policies at both Group and regional levels.

Group Human Resources continually monitors our hiring practices to ensure that diversity aspects are considered alongside the assessment of talent, skills, and qualifications. We are committed to providing equal opportunities throughout the entire employment lifecycle, including recruitment, talent management, career development, and compensation. Through these efforts, we promote a workplace culture founded on mutual respect, trust, and collaboration.

Across all jurisdictions in which we operate, we maintain a comprehensive framework of human resources policies that empowers employees to report any incidents of discrimination they experience or witness. In 2025, no such incidents were reported.

Female employment rates at Habib Bank AG Zurich



The proportion of female employees in our organization has been rising steadily over the recent years. Women accounted for 26.5% of our total workforce at the end of 2025, compared with 25.8% in 2024. While we welcome this steady progress, we continue to focus on making further improvements and reducing the gender imbalance in executive management roles.

More than 50 nationalities are represented in our global workforce

Our age distribution reflects our commitment to fostering career opportunities across all generations. With all working age groups represented throughout the organization, we benefit from a balanced combination of fresh perspectives and deep experience, enhancing the quality and resilience of our operations and processes.

In 2025, more than 50 nationalities were represented in our global workforce. This rich diversity of cultures, viewpoints, and ways of working reinforces our dedication to maintaining an open and inclusive environment where differences are not only respected but actively valued and supported.

As an equal-opportunities employer, we are committed to offering employment to individuals whose physical abilities differ from the general mainstream, recognizing that such roles can foster mutually beneficial professional relationships. In 2025, we employed 32 persons with disabilities across the Group.

In our ongoing assessment of diversity and equal-opportunity matters within our workforce, we have developed targeted initiatives to further consolidate our efforts. These initiatives include collecting and reporting gender pay ratio data and promoting

gender diversity across the Group. The progress we have achieved to date is encouraging and we are determined to stay on this positive trajectory for the years ahead.

Climate change and decarbonization

GHG emissions contribute to climate change, resulting in a range of environmental risks such as extreme weather events, rising sea levels, wildfires, and ecosystem disruptions. These developments can heighten exposure to climate-related risks, affecting property values, livelihoods, and overall economic stability. Growing awareness of the environmental impacts of emissions has also led to more stringent regulatory requirements. Businesses operating in high-emission sectors may therefore face legal and regulatory risks, including fines and penalties, with potential implications for their financial stability. In addition, climate change can trigger social and community disruptions, including population displacement and competition for scarce resources, particularly affecting vulnerable regions.

Every business has a role to play in mitigating climate change by reducing GHG emissions and minimizing waste. We believe that climate-related risks can be addressed by lowering the environmental impact of economic activity. Consequently, we have made this an integral part of our long-term ambition, aiming to reduce our ecological footprint and improve the energy efficiency of our operations.

The management of our environmental impact begins with the efficient use of resources, particularly energy consumption and overall resource utilization. Improved energy efficiency not only contributes to environmental stewardship but also supports cost reduction across our operations. Our Group ESG Committee oversees and guides the implementa-

tion of our ESG strategy. One of the Committee's key responsibilities is to embed operational environmental management across the organization and to promote awareness, compliance, and implementation of our environmental policies.

We aim to decrease energy consumption from heating, cooling, and lighting across our offices through targeted efficiency measures and responsible resource management practices

Over the past three years, we have systematically advanced our environmental management framework, transforming foundational data collection into meaningful action. In 2023, we established a standardized Group-wide reporting structure covering energy consumption, emissions, business travel, and water usage. Building on this baseline, 2024 marked a strategic shift as we defined clear ambitions, targets, and measurable reduction pathways across these areas. In 2025, we progressed from planning to tangible implementation: we began tracking major material consumption and initiated the measurement of waste and recycling across our operations. Most notably, we took a decisive step toward reducing our carbon footprint by procuring renewable energy certificates for our operations in Pakistan, where the majority of our emissions occur.

Through this journey – from data to strategy to action – we continue to embed sustainability deeper into our operations and are making measurable progress toward our environmental goals.

Energy consumption and emissions

We track and report our energy consumption to establish appropriate control mechanisms that help us reduce usage and limit our contribution to global warming. We aim to decrease energy consumption from heating, cooling, and lighting across our offices through targeted efficiency measures and responsible resource management.

Scope 1 and 2 GHG emissions

We recognize that monitoring and reducing the GHG emissions generated by our operations is essential to mitigating the progression of climate change. We continue to strengthen our environmental reporting framework to gain a more comprehensive understanding of our current impacts and to refine our reduction targets and corresponding measures.

In 2025, we maintained our disciplined approach to measuring and tracking Scope 1 and 2 GHG emissions, reinforcing our commitment to transparency and continuous improvement. Having set an ambitious target in 2024 to reduce these emissions by 35% by 2030, we translated this commitment into actionable, entity-specific reduction goals.

To support the transition to a low-carbon economy and to account for our renewable energy usage, we procured I-RECs from the Sapphire Wind Power Project in Pakistan. This 52.8 MW wind farm, developed by the Sapphire Group in the Jhimpir Wind Corridor, supplies clean energy to the national grid, displacing fossil fuel-based electricity generation. Beyond its environmental contribution, the project delivers meaningful social benefits to surrounding communities, such as operating state-of-the-art medical facilities, running primary schools, and providing access to potable water. By supporting

this project, we are directly contributing to SDGs 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), and 13 (Climate Action).

One year into this journey, we have not only met but slightly exceeded our first-year milestone. Using the market-based calculation method, we achieved a 7.9% reduction in Scope 1 and 2 emissions, surpassing our initial target of 6.9%. This early progress reflects the effectiveness of our targeted initiatives and gives us faith that we are able to achieve our 2030 ambition.

Our location-based Scope 1 and 2 GHG emissions rose by 7.1% in 2025, driven mainly by operational expansion in Pakistan, where higher headcount and branch openings led to a 12.0% increase in emissions. Robust efficiency measures in the UAE, South Africa, the UK, and Hong Kong SAR partially mitigated the overall impact, with each of these operations outperforming their annual reduction targets.

We operate in several countries where energy production is less environmentally friendly than in Switzerland. Additionally, the climate in some of these jurisdictions – specifically Hong Kong SAR, Pakistan, the UAE, Kenya, and South Africa – is considerably warmer, resulting in higher energy consumption, especially for office cooling. As a result, our sustainability initiatives to reduce our environmental impact vary across regions, reflecting local conditions and opportunities for improvement.

Our operations in Pakistan account for approximately 83% of our total location-based Scope 1 and 2 GHG emissions. Reducing these emissions presents significant challenges due to a combination of infrastructural and environmental factors. Pakistan's electricity grid remains heavily dependent on fossil fuels – primarily natural gas and coal – which limits the availability of cleaner energy sources and compli-

cates efforts to lower Scope 2 emissions. In addition, many of our branches are located in multi-tenanted buildings or lack the physical space required for on-site solar installations.

Our sustainability initiatives to reduce environmental impact vary across regions, reflecting local conditions and opportunities for improvement

Extreme temperatures and frequent electricity outages further increase reliance on air conditioning and backup power systems, contributing to higher energy consumption. Our operations in Pakistan are also expanding: in 2025, we opened 11 new branches as part of our broader growth strategy. This extensive network includes many locations in remote or underserved areas where access to reliable electricity and renewable energy sources is inconsistent, making uniform emission reductions particularly challenging.

In 2025, our Pakistan operations made significant progress in reducing Scope 1 and 2 emissions through a combined focus on energy efficiency and renewable energy adoption. By year-end, solar energy systems had been installed at 24 branches, directly reducing reliance on grid-based electricity. Looking ahead to 2026, we have allocated a budget to expand solar installations to an additional 16 owned premises, further increasing our on-site renewable energy capacity.

We are also integrating sustainability considerations into our infrastructure development. Three new buildings currently under construction in Faisalabad, Sialkot, and Karachi are being designed to achieve Leadership in Energy and Environmental Design (LEED) or equivalent Green Building certifi-

cation upon completion, with operations expected to commence in 2026. In parallel, our facilities and operations teams accelerated the transition to energy-efficient technologies during the year, including the widespread rollout of LED lighting and inverter-based systems across our premises.

Together, these initiatives underscore our commitment to systematically reduce our carbon footprint in Pakistan while contributing to the country's broader transition toward a more sustainable energy future.

Pakistan is a signatory to the Paris Agreement and ranks among the 10 countries most vulnerable to climate change. The country has not yet announced a specific net-zero target year. In September 2025, Pakistan submitted its updated Nationally Determined Contribution (NDC 3.0), setting a target to reduce 50% of its projected GHG emissions by 2035 compared to a business-as-usual scenario—17% unconditionally and 33% conditional on international financial support. This commitment is reflected in a range of mitigation initiatives, including the transition toward renewable energy, restrictions on coal-fired power plants, hydropower development, land use and forestry programs, and the introduction of an electric vehicle (EV) policy.

In line with these national priorities and the evolving regulatory landscape, we remain determined to reduce our GHG emissions in Pakistan and supporting the country's broader transition toward a more sustainable future.

In 2025, entities across the Group implemented targeted initiatives to reduce Scope 1 and 2 GHG emissions, guided by country management and facilities teams. For Scope 1, efforts focused on lowering direct emissions from fuel consumption. Key actions included the strategic downsizing of vehicle fleets, with the UAE reducing the number of its

bank-owned vehicles from 24 to 13 – achieving lower emissions compared with 2024 – and planning a further reduction to six vehicles by 2026. Selected markets also introduced electric vehicles, including the UAE, as part of the transition toward lower-emission transport. In Kenya and South Africa, enhanced monitoring of fuel usage for generators and company-owned vehicles was implemented, alongside improved generator maintenance practices in Kenya to optimize combustion efficiency. South Africa recorded significantly lower diesel consumption due to reduced load-shedding activity, further contributing to Scope 1 reductions.

For Scope 2, initiatives centered on energy efficiency and the adoption of renewable energy to reduce indirect emissions from purchased electricity. Facilities and sustainability teams advanced the replacement of conventional lighting with LED fixtures and installed motion sensors in low-occupancy areas to limit unnecessary energy use. Hybrid work practices were further embedded, lowering overall office energy demand. Comprehensive energy reviews conducted in locations including the UAE, Canada, service companies, and South Africa identified inefficiencies in lighting, HVAC systems, and electrical wiring, guiding targeted remediation measures. In Canada, smart thermostats were installed to improve heating system performance, while Kenya prioritized the procurement of energy-efficient IT equipment. Collectively, these measures contributed to measurable reductions in electricity consumption and associated emissions across several regions.

Looking ahead, our UK operations has secured a new renewable energy supplier commencing in March 2026. Under this newly signed contract, management expects a significantly improved energy mix and more favorable emission factors beginning in the second quarter of 2026, further supporting our Scope 2 reduction trajectory.

Scope 3 GHG emissions – business travel

We generally prefer virtual meetings over physical travel. However, given our business presence across four continents, air travel remains necessary at times – particularly for our semi-annual summits, leadership offsites, and client engagements.

In 2025, Scope 3 emissions from business travel totaled 7'800 tCO₂e, covering air and non-air travel as well as hotel stays. Our operations in Pakistan accounted for 89% of these emissions, driven largely by the fuel allowance provided to employees. This allowance is a standard industry practice in Pakistan and forms an important component of the overall remuneration package.

Paper

We encourage all employees to reduce office printing in order to promote responsible paper use for tree conservation, and help lower our carbon footprint. In addition to reducing paper consumption, these efforts also decrease emissions associated with archival storage, document distribution, and document destruction, while improving the overall efficiency of internal processes. With enhanced digital capabilities and platforms, we have continued to reduce paper usage through initiatives such as e-statements, mobile applications, and the expansion of digital service channels.

Water consumption

Since 2023, we have been monitoring water consumption across our premises. As our business continues to grow and given our significant presence in countries with high average temperatures, overall consumption has increased over time. In

2025, water-reduction efforts across Group entities were driven through a combination of infrastructure upgrades, preventive maintenance, and behavior-led conservation initiatives.

In the UAE, water-efficient fixtures were installed, supported by employee awareness programs and vendor engagement. In Switzerland, routine leakage inspections were conducted, despite limited opportunities for further efficiency upgrades. The UK launched employee awareness campaigns and continued regular leakage monitoring. In Hong Kong SAR, behavior-based conservation measures were promoted, while Canada completed drainage piping replacements to enhance system efficiency. South Africa focused on maintenance-led leak prevention, Pakistan expanded the installation of sensor taps and automated controls to optimize water usage, and Kenya introduced awareness signage in washrooms and kitchen areas to encourage responsible consumption.

Material consumption

In 2025, we formally launched Group-wide material consumption tracking following the establishment of a standardized list of in-scope materials across all entities, including paper, drinking water, and electronic equipment. ESG Champions in each country were trained on the reporting methodology and data submission protocols, and entities began quarterly reporting using a centralized template. The primary focus during this first year was to streamline data collection processes and improve reporting consistency across the Group.

Waste and recycling

In 2025, we operationalized Group-wide waste tracking by defining standardized waste categories. ESG Champions received training on waste segregation principles and reporting procedures, the respective offices initiated structured waste segregation and submitted their respective numbers on a quarterly basis. During this initial year, the primary focus was on improving data completeness and embedding consistent segregation practices across entities. Overall, the year was dedicated to streamlining internal processes and ensuring reliable and consistent waste management reporting across all jurisdictions.

SOLAR ENERGY



In 2024, South Africa generated about 8% of its electricity from solar power and was the country's largest clean electricity source.

Solar Panels in South Africa

TCFD Report

Climate change represents both a significant risk and a strategic opportunity for the global financial system. We recognize that transparent climate-related disclosures are essential for strengthening resilience, supporting informed decision-making, and safeguarding long-term value for our stakeholders. Guided by the recommendations of the TCFD, we integrate climate considerations into our governance structures, risk management frameworks, and strategic planning processes to ensure our organization remains resilient in a rapidly evolving environment.

We continue to play an increasingly active role in addressing the challenges and adverse effects of climate change. In 2024, we reached an important milestone with the publication of our first climate-related financial risk and opportunity disclosures in line with the recommendations of the TCFD. Building on this foundation, we further enhanced our climate-related disclosures in 2025 by refining our reporting processes, refining data quality, and enabling more robust, transparent, and decision-relevant insights. These disclosures are designed to provide all stakeholders with comprehensive and standardized information on the financial risks and opportunities associated with climate change.

The TCFD has issued structured recommendations for managing and reporting climate-related risks and opportunities, with the objective of promoting transparency and accountability. We focus on four key areas—governance, strategy, risk management, and metrics and targets. These areas form the foundation of our Group-wide climate-related initiatives and reporting, which help us align with global best practices and meet stakeholder expectations for consistent and measurable progress.

We place strong emphasis on transparency and consistency in reporting our climate-related goals and performance. We adhere to the relevant disclosure requirements set out in the CO and the Swiss Ordinance on Climate Disclosures (OCD). In doing so, we help stakeholders assess, measure, and compare our sustainability initiatives in a clear and reliable manner.

Although we have taken meaningful steps to embed sustainability, particularly decarbonization, into our operations, we recognize that we are still at the early stages of a long-term journey. A key challenge we currently face is the limited availability and reliability of climate-relevant data from our counterparties. However, we are confident that the quality and accessibility of such data will improve steadily as global regulations and reporting standards continue to mature. As this evolution progresses, our disclosures will become increasingly precise and granular, enabling us to refine our strategies and broaden the impact of our contribution to a more sustainable future.

Governance

Our Board and General Management play a pivotal role in overseeing climate-related financial risks and ensuring alignment with global regulatory frameworks and industry best practices. Additional information on our governance of TCFD-related matters is provided in the "Governance, Compliance, and Ethics" section of this report.

Strategy

Climate-related strategy

In our ESG strategy, we prioritize the identification and management of climate-related risks and opportunities, which we will integrate into the design of our products and services. With this approach, we can address climate-related challenges in a meaningful way and embed sustainability across various aspects of our operations. Consequently, climate change considerations form part of our strategic framework.

A key milestone of our climate strategy is the reduction of our Scope 1 and Scope 2 GHG emissions. As outlined in the Financial Sector Science-Based Targets Guide published by the Science Based Targets initiative (SBTi), financial institutions are encouraged to adopt the Absolute Contraction approach when setting emissions-reduction targets for these scopes. This method assumes a uniform reduction rate in absolute emissions across all financial institutions and is regarded as the most straightforward and transparent approach for aligning reduction targets with the well-below 2°C and 1.5°C climate pathways.

Under the Absolute Contraction approach, a minimum annual linear reduction of 2.5% in absolute emissions must remain aligned with the well-below 2°C pathway. For the 1.5°C pathway, the SBTi mandates a minimum annual absolute reduction of 4.2%, equating to an approximate 23% reduction in absolute emissions between 2025 and 2030.

We began recording and monitoring carbon emissions across all operational activities in 2023 and will continue this practice going forward. Systematic

emissions tracking enables us to assess performance, identify areas for improvement, and implement corrective actions where necessary. To achieve our reduction target, we are adopting energy-efficient technologies, raising internal awareness, procuring I-RECs, and aligning with prevailing industry best practices.

In our lending activities, we are designing products that help our clients and communities reduce their own carbon footprints. In 2025, we expanded our environmental data coverage by beginning to calculate the volume of material consumption and waste across all jurisdictions. Over time, we will broaden our Scope 3 emissions tracking beyond business travel and financed emissions from the investment portfolio to include additional relevant categories, reflecting our ongoing commitment to transparency and accountability.

Our climate strategy is structured around five key pillars:

Action	Description
Measure	We quantify emissions using robust methodologies such as the Greenhouse Gas Protocol (GHG Protocol) and the Partnership for Carbon Accounting Financials (PCAF). This ensures consistent and accurate tracking of our environmental impact across all our operations.
Disclose	Our disclosures are in line with the TCFD recommendations and comply with the GRI Standards. This ensures our stakeholders have access to clear, reliable, and comparable climate-related information.
Communicate	We believe in transparent communication with stakeholders, emphasizing the progress and challenges in achieving our sustainability goals. We specifically engage with our employees and create awareness through informative videos and posts.
Reduce	We are implementing measures to lower our GHG emissions, by raising employee awareness, driving operational efficiencies and adopting green energy, and we intend to support our clients in reducing their footprint.
Offset	For emissions that cannot be reduced, we will invest in certified carbon offset projects.

We have set a voluntary target to reduce Scope 1 and Scope 2 GHG emissions by 35% by 2030, using 2024 as the baseline year. While this Group-wide target is not subject to a specific legal reduction obligation, it reflects our targeted efforts to lower the operational carbon footprint across our international network. This goal is grounded in a thorough analysis of operational data, regulatory expectations, and industry benchmarks, and reflects an ambition that is both meaningful and achievable. Progress toward this target will be driven by a combination of operational upgrades, investments in renewable energy, and Group-wide efforts to improve energy efficiency.

The core requirement of the Climate and Innovation Act is that Swiss companies must reach net-zero Scope 1 and Scope 2 GHG emissions by 2050. In this context, we aim to follow a credible decarbonization trajectory for our Swiss operations. Where reductions achieved through operational improvements and energy transition measures are not sufficient to fully meet our trajectory, we may voluntarily utilize high-quality carbon credits to offset remaining emissions at the Group level. For our Swiss operations, should a material gap arise against the planned reduction pathway, we will procure high-quality carbon credits in order to achieve our climate objectives.

Our financial investment strategy aligns with our sustainability objectives, particularly decarbonization, by limiting exposure to high-carbon-intensity sectors and prioritizing investments in environmentally responsible issuers. Wherever possible, we are progressively integrating ESG considerations into our investment decisions and embedding sustainability principles into our portfolio construction, while continuing to manage liquidity and meet financial performance expectations.

Our lending strategy is similarly focused on sustaining the transition to a low-carbon economy. We are working to reduce exposure to high-polluting sectors, introduce loan products that help clients advance their own sustainability objectives, and promote green financing solutions such as electric vehicles, solar energy systems, and environmentally efficient real estate, whether through new mortgages or upgrades to enhance building performance. In 2026, we will formally begin integrating ESG considerations into our lending decisions.

We are working to reduce exposure to high-polluting sectors, introduce loan products that help clients advance their own sustainability objectives, and promote green financing solutions

We are adopting international standards and proactively promoting ESG awareness across our organization. This holistic approach fosters a culture of accountability and sustainability, enabling us to meet our objectives while contributing to a more sustainable future for the communities we serve.

Climate-related risks and opportunities

We assess the opportunities and risks associated with climate change primarily in qualitative terms, supplemented where possible with quantitative insights. These assessments are based on the latest available data and are refined and updated annually.

Given the long-term nature of climate change, it is essential to evaluate risks and opportunities across defined time horizons. The timeframes used in our assessment reflect our strategic planning cycles.

In this report, the short-term horizon extends up to five years, the medium-term horizon up to 10 years, and the long-term horizon spans 11 to 25 years. This structure provides a clearer understanding of the evolving implications of climate change for our business.

Our evaluation of climate-related risks and opportunities is informed by scenarios developed by the Network for Greening the Financial System (NGFS). The NGFS designs climate scenarios to help financial institutions assess both transition and physical risks in a consistent and forward-looking manner.

These scenarios fall into four broad categories:

- **Orderly:** timely and coordinated climate action that limits global warming to 1.5–2°C.
- **Disorderly:** delayed or abrupt policy shifts that create economic volatility.
- **Hot House World:** insufficient climate action leading to severe warming above 3°C.
- **Too Little, Too Late:** late and uncoordinated transition efforts that fail to prevent significant physical and transition risks.

For our 2025 risk assessment, we evaluated two climate scenarios:

- **Nationally Determined Contributions (NDCs) scenarios**, which fall under the Hot House World category. These scenarios assess how countries implement their existing Paris Agreement commitments, each with varying timelines and climate targets.
- **Net Zero 2050 scenario**, which falls under the Orderly Transition category. This scenario models a coordinated and predictable global transition necessary to limit global warming to 1.5°C by mid-century.

Although other NGFS scenarios – such as the Below 2°C (orderly) or Delayed Transition (disorderly) pathways – are widely referenced, we selected the NDCs and Net Zero 2050 scenarios because they provide a critical dual lens for strategic planning. The NDCs scenarios help identify near-term risks under current climate policies, while the Net Zero 2050 scenario sets out the long-term pathway needed to align with a 1.5°C transition. Together, they offer a balanced framework that supports both immediate risk assessment and long-term strategic alignment.

Our climate-policy ambition is shaped by the differing regulatory capacities and socio-economic priorities across the developed and developing markets in which we operate

Our climate-policy ambition is shaped by the differing regulatory capacities and socio-economic priorities across the developed and developing markets in which we operate. As a result, the NDCs scenarios provide a pragmatic benchmark for our assessments. They reflect the actual promises made by governments today, enabling us to evaluate risks and opportunities arising from the current, fragmented policy landscape rather than from hypothetical or idealized transitions. This approach strikes a balance between credibility, because it is anchored in concrete national pledges, and regional relevance, which is essential for tailoring strategies to markets with varying decarbonization trajectories and exposure to physical climate risks.

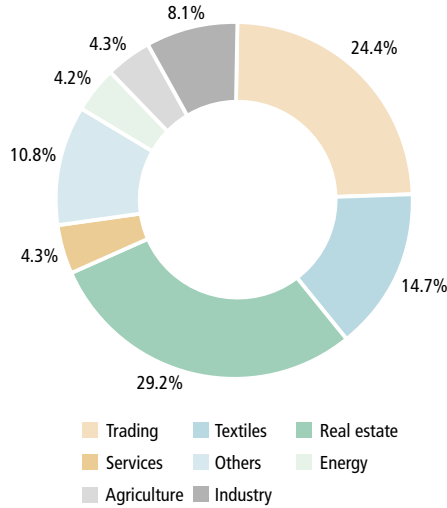
In parallel, we apply the Net Zero 2050 scenario to assess the implications of a more ambitious and orderly transition pathway aligned with the goals of the Paris Agreement. This scenario offers a forward-looking reference point for understanding the potential effects of accelerated policy action, rapid technological advancement, and evolving market behavior necessary to achieve net-zero emissions by mid-century. By considering this pathway, we can test the resilience of our business model and risk profile under a more stringent transition environment, identify longer-term strategic risks and opportunities, and keep our planning robust in the event of faster-than-anticipated decarbonization across key markets.

The extent to which an organization faces risks, or can capitalize on opportunities, arising from climate change depends significantly on its business model. Operating across four continents, we derive the majority of our income from our financial investment and treasury activities, which generated CHF 539 million in 2025, compared with CHF 705 million in 2024. Our second-largest source of income is the client lending business, which contributed CHF 348 million in 2025, unchanged from CHF 411 million in 2024. Accordingly, financial investments and lending activities form the focus of this section, given their centrality to our business model and their relevance to climate-related risks and opportunities. Looking ahead, the relative importance of these income sources is expected to remain stable, with any shifts anticipated to occur gradually over time.

Loan portfolio

Our consolidated balance sheet included client lending totaling CHF 4.00 billion.

Group credit exposure CHF 4.00 bn



Of our existing loan book, 68.3% is outstanding to obligors in three key industry sectors: trading (24.4%), real estate (29.2%), and textiles (14.7%). More than half of our credit exposure to the trading sector is booked in the UAE, with Hong Kong SAR also representing a major location for lending to this sector. This concentration aligns with our Group-wide ambition to be a trusted global provider of trade-related credit solutions.

Within the real estate sector, our main exposures are in the UK (67.0% of total real estate exposure), the UAE (14.5%), and Canada (11.2%), all secured by residential and commercial property in their respective markets. As a result, more than 78.2% of our real estate collateral is located in countries with tightening regulatory and building standards.

In the UK, the government continues to tighten Energy Performance Certificate (EPC) standards for rental properties. EPCs assess energy efficiency on a scale from band A (most efficient) to band G (least efficient). They are mandatory when selling or renting out a property, with a minimum band E currently mandated for rentals – unless a valid exemption applies. Commercial properties are expected to meet at least band C from 2027/2028, increasing to band B by 2030, while all private rented homes must achieve a minimum band C rating by 1 October 2030. Assets that fail to meet these standards may become unlettable, and landlords face potential penalties.

Similarly, in Canada, various provincial and municipal regulations, as well as voluntary programs and certification standards, address energy efficiency in buildings, especially in new construction and major renovations. These evolving standards have increasing implications for the long-term value, liquidity, and risk characteristics of real estate collateral in these markets.

Almost 97.5% of our textile-sector exposure is in Pakistan, a country with a large textile industry that is heavily dependent on exports. As most of our clients supply textiles to developed markets, they must meet stringent ESG compliance standards imposed by international buyers. Nevertheless, we aim to reduce our exposure to the textile sector in Pakistan due to its significant concentration within the local credit portfolio. In 2025, we reduced our Group-wide exposure to the textile sector by nearly 18.6% compared with the previous year.

Investments

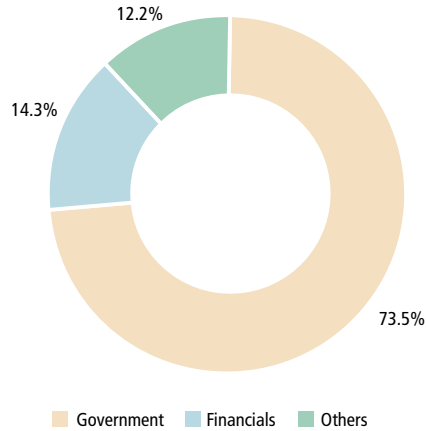
We manage a robust and diversified financial investment portfolio of CHF 4.9 billion, predominantly composed of debt securities, with the primary objective of converting liabilities into liquid assets. This investment strategy supports effective Group-wide liquidity contingency planning while adhering to key criteria such as credit quality, market liquidity, and the creditworthiness of selected issuers. Our overarching goal is to always hold liquidity available to depositors when due, with minimal risk to capital.

Our investment approach aims to balance risk and return while maintaining strong liquidity discipline. When investing in bonds, we assess a wide range of factors, including credit spreads, credit curves, interest rates, credit ratings, asset liquidity, sector exposure, country risk, and diversification metrics. A significant portion of our investment portfolio consists of sovereign bonds issued in local currencies – primarily in Pakistan, the UAE, Kenya, Canada, Switzerland, and South Africa – held chiefly for liquidity-contingency purposes. Investing in local-currency sovereign instruments helps us comply with domestic regulatory requirements, manage jurisdiction-specific risks, and capture market-appropriate opportunities.

We recognize the growing importance of ESG considerations and are actively integrating them into our day-to-day investment decisions. Beginning in 2025, we progressively incorporated ESG factors into our non-local sovereign and corporate bond investments to enhance our risk assessment framework and strengthen our commitment to responsible investing practices.

The sector allocation of our investment portfolio as of 31 December 2025:

Investment portfolio / sector CHF 4.9 bn



in CHF bn

Total investment portfolio	4.9
Local currency sovereigns	3.4
Pakistan equities and other securities	0.1
Remaining investment portfolio	1.4
Investment portfolio with ESG rating	0.4
Investment portfolio with GHG emissions (Scopes 1 and 2)	1.1

As of 31 December 2025, 28.6% of our investment portfolio (excluding local-currency sovereign securities and all securities in Pakistan) was covered by Morgan Stanley Capital International (MSCI) ESG ratings. MSCI ESG ratings assess how effectively companies manage material ESG risks and opportunities, with scores ranging from AAA (highest) to CCC (lowest), reflecting each issuer's performance relative to its industry peers.

Based on MSCI's classification criteria, 66% of our rated investment-portfolio exposures were categorized as Leader, 28% as Average, and 6% as Laggard. This distribution demonstrates a strong overall ESG profile within the rated portion of our portfolio.

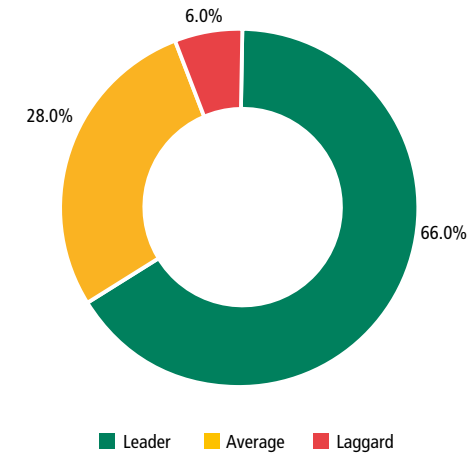
Based on MSCI's classification criteria, 66% of our rated investment-portfolio exposures were categorized as Leader

From 2024, we have started measuring the emission intensity of our investment portfolio, excluding local currency sovereign and securities in Pakistan. Whereas emissions data is unavailable for local currency sovereign bonds, which play a crucial role in our liquidity contingency planning, 79% of the remaining investment portfolio reported emissions data. The rest of this section relates to this CHF 1.1 billion portfolio.

MSCI ESG rating scale:

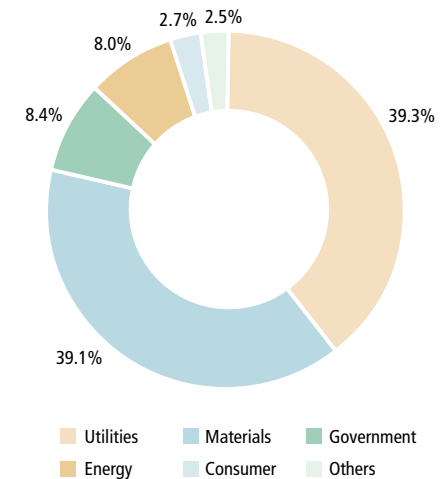
Leader A company leading its industry in managing the most significant ESG risks and opportunities	AAA
	AA
Average A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	A
	BBB
	BB
Laggard A company lagging its industry based on its high exposure and failure to manage significant ESG risks	B
	CCC

Investment portfolio with ESG rating CHF 0.4 bn



This portfolio has an average PCAF score of 2.5 (1 being the highest and 5 the lowest score). The PCAF score measures the data quality of Scope 1 and 2 GHG emissions data for the instruments as defined by the PCAF. As per 31 December 2025, the average carbon intensity of this portfolio was 171 tCO₂e per CHF 1 million invested.

Investment portfolio with GHG emissions (Scopes 1 and 2) / sector CHF 1.1 bn



We aim to reduce the average GHG emissions intensity of our investment portfolio by 25% by 2030, using 2024 as the base year. Under the SBTi framework, financial institutions following a 1.5°C pathway have to achieve a minimum annual reduction of 4.2% in financed-emissions intensity. Applying this rate from a 2024 baseline results in a cumulative reduction requirement of approximately 23% by 2030. Our target of 25% therefore aligns with the goals of the Paris Agreement and exceeds the minimum expectations set by the SBTi. We will review this target annually to ensure its continued feasibility and alignment with industry developments and evolving regulatory expectations.

In 2025, the GHG emissions intensity of our investment portfolio increased by 30%, primarily due to purchases of green bonds. Many issuers of green bonds operate in high-emitting sectors where transition finance is essential. These instruments are specifically designed to fund capital-intensive decarbonization projects – such as carbon-abatement technologies or process electrification – that deliver long-term emissions reductions. While such investments may temporarily raise reported operational emissions during the construction or implementation phases, they are designed to lead to significant emissions reductions over the lifetime of the underlying assets. Considering the maturity profile of the investment portfolio, we are confident to achieve our 2030 emission intensity targets.

To strengthen our approach, we aim to deepen our understanding of how climate change affects our core income streams and major assets. By integrating these insights into our overarching sustainability strategy, we will be better equipped to adapt to evolving climate-related challenges while capturing opportunities that serve our long-term vision.

Climate-related opportunities

By increasing the energy efficiency of our own banking operations, we can reduce emissions as well as associated costs in the short and medium term. Efforts in this regard include switching off unnecessary electrical and electronic equipment outside business hours, replacing conventional lighting with LED fixtures, and implementing sensor-based lighting solutions across our premises.

As of 2025, 24 branches in Pakistan were equipped with rooftop solar panels. For 2026, we have budgeted the installation of solar panels in an additional 16 owned premises to expand the share of electricity generated from renewable sources. We are also assessing other suitable locations where such installations are viable and cost-effective. These measures will help lower our long-term energy costs and reduce our carbon-tax exposure.

By increasing the energy efficiency of our own banking operations, we can reduce emissions as well as associated costs in the short and medium term

In parallel, we have launched initiatives to measure and reduce water and paper consumption, as well as to improve waste management and recycling practices across our operations. We provide further information on these initiatives in the “Climate change and decarbonization” section.

In 2024, we participated in several climate-related financing initiatives across our key markets. In Pakistan, we financed large-scale projects, including a Sustainable Aviation Fuel (SAF) financing transaction worth USD 121.2 million, in which we acted as the onshore security agent alongside the Asian Development

Bank and the International Finance Corporation. The Pakistan subsidiary continues to serve as the onshore security agent for this landmark transaction. In addition to SAF financing, we are actively promoting the development of renewable-energy infrastructure by funding solar energy solutions for commercial, industrial, and residential buildings, as well as providing financing for wind-power facilities.

As part of our efforts to aid the low-carbon transition, we provided financing for a project to connect Abu Dhabi’s National Oil Company’s (ADNOC) offshore oil rigs to the UAE’s onshore electricity grid. This financing of the ADNOC grid connection project represents a tangible climate opportunity. By enabling the replacement of offshore generators with cleaner onshore grid power, the project is expected to reduce emissions by approximately 41% – from 645 gCO₂/kWh to 353 gCO₂/kWh. This translates to an estimated 2.8 million tonnes of CO₂ avoided annually, and nearly 97 million tonnes over the project’s 35-year lifetime. The transaction demonstrates how targeted financing can drive meaningful decarbonization even within conventional energy infrastructure, delivering measurable environmental impact alongside robust risk-adjusted returns.

Supporting the real economy, particularly SMEs and the agriculture sector, remains a priority. We continue to finance agricultural and SME clients, including the provision of solar-powered irrigation systems and solar installations for residential properties.

In order to satisfy the regulatory requirements of the State Bank of Pakistan, our Green Banking Office within the Risk Management Division operates as an advisory platform, helping educate corporate clients and local communities on environmental and social risk-mitigation practices and regulatory compliance.

We already offer preferential financing rates for EVs in the UAE. In 2025, we had planned to introduce green auto-loan products in additional jurisdictions; however, as auto loans are not offered in other markets, our green auto-financing focus will, for the time being, remain limited to the UAE and Pakistan.

We are also evaluating opportunities to introduce green mortgages in the UK and Canada – markets that collectively account for 77.9% of our total mortgage portfolio. Given the strategic significance of these regions for our business, we are taking a balanced and responsible approach to ensure that any future green-mortgage offering delivers tangible and quantifiable benefits to borrowers, while contributing toward the broader transition to more energy-efficient real estate.

We aim to encourage our clients to make climate-conscious choices. This includes offering incentives for the purchase of energy-efficient properties with superior insulation, as well as for sustainability upgrades such as solar panels, heat pumps, and other environmentally friendly improvements that enhance the performance of existing properties. By aligning our mortgage incentives with climate-positive actions, we seek to promote meaningful behavioral change and reinforce our commitment to sustainable finance and responsible lending.

We also intend to gradually increase the share of green bonds in our investment portfolio, in line with the growing availability of sustainable debt instruments. Investing in green bonds enables us to diversify our portfolio, gain exposure to emerging sustainability-focused markets, and strengthen our brand reputation. As the universe of high-quality green bond offerings continues to expand, we will further enhance our allocation strategy toward environmentally responsible investing while optimizing risk-adjusted returns.

This proactive approach positions our portfolio to contribute to the transition toward a low-carbon economy and supports our broader sustainability and financial objectives. As at December 2025, our green bond holdings increased to CHF 72 million, up from CHF 30 million in June 2025. This represents 125% growth over the period and marks a significant step forward in advancing the decarbonization of our portfolio, reinforcing our long-term climate efforts.

Climate-related risks

Climate-related risks fall into two primary categories: physical risks and transition risks. Understanding and effectively addressing both is essential to safeguarding our long-term resilience and sustainable growth.

Physical risks

According to the TCFD recommendations, physical risks arising from climate change can be classified as acute or chronic.

Acute physical risks – characterized by sudden, climate-induced events such as extreme weather or natural disasters – pose multifaceted challenges to our global operations, infrastructure, workforce, and client base. These risks have the potential to jeopardize business continuity, damage physical assets, affect employee safety, impair client solvency, and destabilize the overall credit portfolio.

Events such as severe flooding can disrupt critical systems, damage facilities, delay transaction processing, and force temporary branch closures, directly affecting service delivery. Natural disasters may endanger employees, restrict access to workplaces, or displace local teams, reducing workforce availability, productivity, and morale – particularly in high-risk regions. Clients, especially SMEs operating in vulnerable areas, may face abrupt operational shutdowns, resulting in cash-flow impairment and reduced capacity to meet debt obligations.

Large-scale borrower distress arising from these events can lead to elevated default rates and higher loan-loss provisions.

Chronic physical risks, including rising global temperatures and sea levels, and prolonged periods of drought, can also significantly affect our operations, premises, clients, and their business models. These long-term climate trends may contribute to asset depreciation, higher operating costs, and declining economic activity in the most affected regions, ultimately influencing our financial performance.

For example, real estate assets and collateral in areas exposed to rising sea levels may depreciate over time, negatively affecting the value of our loan portfolios and asset-backed securities. Persistent increases in temperature can drive up cooling costs for office buildings and data centers, raising operating expenditures. Additionally, sectors reliant on agriculture may face reduced productivity due to prolonged drought conditions, which could weaken the financial stability of clients and increase our credit risk exposure.

The following aspects of our products and services offering are reviewed for the assessment of the climate-related physical risks:

- **Mortgages:** physical damage to residential properties caused by extreme weather events – such as floods, hurricanes, or cyclones – can lead to an immediate decline in collateral value. This may result in increased insurance premiums or exclusions in high-risk areas and can contribute to higher default rates among borrowers. According to our internal assessments, approximately 21.7% of our mortgage exposure is in countries that are less resilient to physical risks.
- **Business loans secured by property collateral:** properties located in areas exposed to chronic climate risks may experience sustained depreciation.

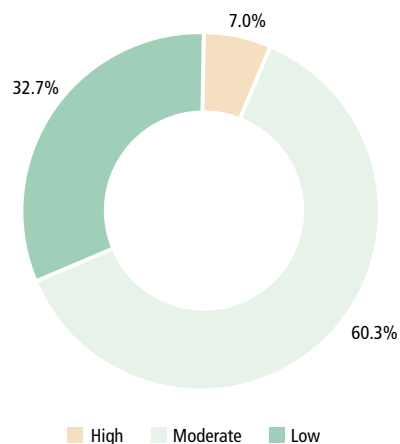
When such properties serve as collateral for business loans, their diminished value can impair our ability to recover funds in the event of borrower default. Currently, 10.6% of our business loans are collateralized by property.

- **Other business loans:** climate-related disruptions – such as supply-chain interruptions, operational shutdowns, economic migration, or reduced household and business income – can impair repayment capacity across multiple sectors. These impacts may weaken clients’ financial resilience and increase the credit risk within our loan portfolio.

With our focus on trade and commercial banking, 75% of our commercial lending portfolio consists of short-term exposures – i.e., loans with a maturity of less than 12 months. By being this agile, we can manage climate-related risks more effectively by adjusting our positions frequently, leveraging real-time data, and obtaining earlier warning signals, thereby minimizing long-term uncertainties. Short-term lending structures allow us to reassess and recalibrate our portfolio rapidly, enhancing our responsiveness to emerging climate risks, whether physical (e.g., floods, wildfires) or transition-related (e.g., shifts toward low-carbon economies).

This agility enables us to reallocate resources away from high-risk sectors or geographies more swiftly, reducing potential losses from climate-related events. Ultimately, this flexibility strengthens our resilience to regulatory changes, market developments, and physical climate risks, supporting long-term sustainability in the face of a rapidly changing climate.

Credit portfolio Moody’s rating – Physical risks



To assess our credit portfolio, we use Moody’s Environmental Risk Heat Map, which identifies five environmental factors most critical to credit quality: carbon transition, physical climate risks, water management, waste and pollution, and natural capital. In line with TCFD recommendations – which prioritize climate-related considerations – our evaluation focuses exclusively on carbon transition and physical climate risks.

According to Moody’s analysis, which covers 90 sectors globally, only 7% of our lending portfolio is exposed to sectors classified as having high physical risk. This slight increase from prior periods is attributable to our lending activities in the energy sector in Pakistan. The remaining 93.0% of our exposure relates to sectors with moderate or low physical-risk profiles. Over time, we aim to further enhance this distribution by increasing the proportion of exposures assigned low or moderate risk ratings.

By analyzing two NGFS long-term climate scenarios, we developed well-founded assumptions about how different climate pathways may affect our business model. This analysis enhances the resilience of our strategy under uncertain future conditions and allows a more proactive approach to identifying and managing climate-related risks.

The results of the assessment by climate scenario are presented on the next page.

Physical risk

Risk classes	Net Zero 2050						NDCs					
	Short-term		Medium-term		Long-term		Short-term		Medium-term		Long-term	
	Probability	Impact	Probability	Impact	Probability	Impact	Probability	Impact	Probability	Impact	Probability	Impact
Liquidity risk	Possible	Negligible	Unlikely	Negligible	Rare	Insignificant	Possible	Insignificant	Possible	Negligible	Possible	Moderate
Market risk	Possible	Negligible	Possible	Negligible	Unlikely	Negligible	Possible	Negligible	Possible	Negligible	Likely	Negligible
Credit risk	Possible	Negligible	Possible	Negligible	Unlikely	Negligible	Possible	Negligible	Possible	Moderate	Likely	Moderate
Operational risk	Possible	Negligible	Possible	Negligible	Unlikely	Insignificant	Possible	Negligible	Possible	Negligible	Likely	Moderate
Legal, compliance and tax risk	Possible	Negligible	Possible	Negligible	Unlikely	Negligible	Possible	Negligible	Possible	Negligible	Likely	Negligible
Reputation risk	Possible	Insignificant	Possible	Insignificant	Unlikely	Negligible	Possible	Insignificant	Possible	Insignificant	Likely	Negligible

Risk level (Probability / Impact)

- Rare / Insignificant
- Unlikely / Negligible
- Possible / Moderate
- Likely

In 2025, we conducted a comprehensive climate risk assessment across our sector portfolio. One of the major outcomes of this deep-dive analysis was the refinement of our List of Excluded Sectors. The list was revised at a more granular level and aligned with our defined Target Market using the North American Industry Classification (NAICS) classification system. This enhanced level of precision strengthens our risk management approach and prevents the blanket exclusion of sub-sectors that are not materially significant from a climate risk perspective.

Impact of physical risk drivers on credit risk

Physical climate-related risks are mitigated through measures embedded across our risk management framework. We reduce climate-related concentration risk in our mortgage portfolios by ensuring broad geographic diversification. Additionally, we demand comprehensive property insurance coverage for all mortgaged properties, limiting potential financial losses arising from natural disasters. A conserva-

tive loan-to-value ratio provides a further layer of protection.

We reduce climate-related concentration risk in our mortgage portfolios by ensuring broad geographic diversification

We also diversify credit exposure across sectors to avoid concentration in areas that may be more vulnerable to climate-related physical risks.

Overall, physical climate-related credit risk is assessed as low in the short term across both scenarios analyzed. Under a Net Zero 2050 pathway, it remains low in the medium term, while under the NDCs scenario, it increases to medium in the medium term.

Impact of physical risk drivers on market risk

Physical risks may influence market risk by affecting equity valuations, foreign exchange rates, and concentration vulnerabilities across specific sectors or geographic regions. A significant portion of our business is concentrated in the textile and trading sectors and centered within key markets such as the UAE and Pakistan, which may heighten our exposure to localized climate-related events. Investments in corporates or sovereigns that are exposed to acute or chronic physical climate risks may experience valuation pressures, potentially resulting in direct or indirect financial losses. Climate-related events can disrupt critical inputs, impair production capacity, and weaken the financial resilience of affected sectors, corporates, and sovereigns – factors that are incorporated into our investment decision-making process.

However, we maintain a trading portfolio that is predominantly short term in nature and highly manageable, and we avoid exposure to inherently volatile

segments such as commodity trading. This strategic orientation, combined with prudent portfolio diversification, helps mitigate the potential impact of physical risks. As a result, the overall market risk exposure arising from physical climate factors is assessed as low in the short and medium term under both scenarios.

Impact of physical risk drivers on liquidity risk

Physical risks may influence liquidity risk by increasing client demand for immediate liquidity, potentially leading to higher-than-expected outflows. Following a natural disaster, households and businesses may withdraw deposits or draw on credit lines to cover emergency expenses, accelerating the depletion of the Group's liquidity buffers. At the same time, damage to infrastructure and disruptions to supply chains may force businesses to seek urgent financing for recovery and continuity efforts, further intensifying the demand for cash. This scenario is particularly relevant in several of the jurisdictions in which we operate.

We maintain a trading portfolio that is predominantly short term in nature and highly manageable, and we avoid exposure to inherently volatile segments such as commodity trading

These considerations underscore the rationale for the Group's strategic maintenance of a low advances-to-deposit ratio and substantial high-quality liquidity reserves. These measures are designed to ensure that unexpected stress events can be absorbed without compromising the Group's resilience. Consequently, the overall liquidity risk associated with physical climate risks is assessed

as low over the short and medium term under both scenarios.

Impact of physical risk drivers on operational risk

We conduct scenario analyses to assess climate-related risks and develop mitigation strategies, which are evolving with the passage of time. The outcomes of these scenario analysis are used to evaluate business vulnerabilities to extreme heat, flooding, and supply chain disruptions. By regularly stress testing our IT and infrastructure resilience we make sure our operations can continue to function amid climate-related challenges.

Severe weather events pose risks to our physical assets, employees, and supply chains, potentially disrupting our operations. Such events may lead to asset devaluation and additional costs related to repairs, temporary adjustments to operations, or continuity measures.

We operate from more than 600 buildings, all of which are covered by standard building insurance to mitigate financial exposure to extreme weather events. The broad geographic distribution of these facilities – both globally and within individual countries – further reduces concentration risk. As a result, our anticipated financial loss from severe weather events is considered low.

We continue to integrate climate-related risks into our operational resilience and business continuity frameworks. Through targeted infrastructure investments, continuous climate risk monitoring, and full adherence to regulatory requirements, we aim to safeguard long-term operational sustainability. Our business continuity plans now include response measures for prolonged climate-related events.

To bolster these efforts, we conduct comprehensive scenario analyses to assess climate-related risks

and develop appropriate mitigation strategies. We use climate modelling to evaluate vulnerabilities to extreme heat, flooding, and potential supply chain disruptions. Additionally, we regularly stress-test our IT systems and infrastructure to keep our critical operations functional during any climate-related challenges.

Our business continuity plans now include response measures for prolonged climate-related events

Securing our IT resilience is of critical importance. Our IT infrastructure (excluding Pakistan) is managed centrally from Switzerland and backed up by a robust disaster-recovery site designed to withstand extreme climate conditions. Our data centers in Switzerland are equipped with energy-efficient cooling systems and sustainable architectural features that help ensure uninterrupted functionality, even during prolonged heatwaves.

However, prolonged heatwaves may also affect employee health and productivity, particularly in regions with consistently high temperatures. Adequate cooling in office buildings is therefore essential. In addition, smog prevalent in certain regions, can pose respiratory health risks and affect employee performance. Ensuring proper air-quality controls in office spaces and providing protective measures for employees in smog-affected areas remain critical to maintaining productivity and well-being.

We closely monitor and comply with evolving regulatory requirements, particularly as climate-related financial regulations become increasingly stringent. The UK's Financial Conduct Authority mandates climate risk disclosures, while the EU's Sustainable Finance Disclosure Regulation and FINMA circulars in

Switzerland require financial institutions to integrate climate risks into their governance and risk management frameworks. In emerging markets such as Pakistan, Kenya, and the UAE, regulatory expectations are also developing, prompting us to adapt our risk management practices accordingly.

To meet these expectations, we are strengthening our climate risk assessment and stress testing frameworks. These evaluations help quantify the potential financial impacts of extreme climate events, including increased operational expenditures, asset devaluation risks, and rising insurance costs. Through these efforts, we keep our technology platforms, infrastructure, and operational capabilities resilient in an environment shaped by accelerating climate change.

As stakeholders, particularly clients, and regulators, increasingly scrutinize the environmental impact of financial institutions, our ability to maintain trust and brand equity depends on our commitment to climate-conscious lending and investment practices

We continue to progressively integrate climate risks into our operational resilience and business continuity frameworks. As climate risks evolve, ongoing scenario analyses and strategic adaptations will strengthen our resilience and ensure that we can operate effectively under increasingly challenging environmental conditions. Consequently, our overall operational-risk exposure related to physical climate risks is assessed as low over the short and medium term in both scenarios.

Transition risks

Transition risks are the financial and operational challenges that arise as economies shift toward a low-carbon future. These risks may stem from regulatory changes, market transformations, reputational considerations, and technological developments – all of which can have significant implications for financial institutions with meaningful exposure to lending, trade finance, and investment activities.

As governments strengthen carbon-pricing mechanisms, such as increasing carbon-tax rates, high-emission industries including manufacturing, energy, and transportation may face rising operating costs. This could reduce profitability for clients operating in these sectors and impair their ability to meet debt obligations, thereby increasing the credit risk within our lending portfolio.

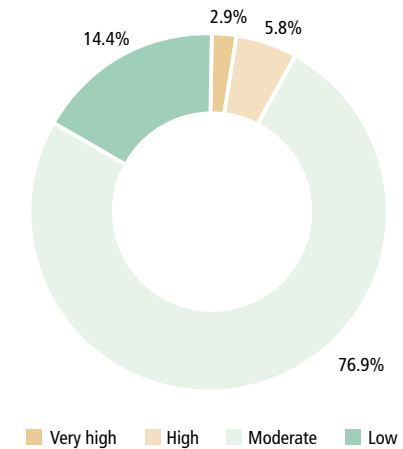
From an investment perspective, market preferences continue to shift rapidly toward green technologies and sustainable assets. As a result, high-carbon assets may experience devaluation, exposing us to potential losses in parts of our investment portfolio. This transition dynamic reinforces the importance of adjusting our investment strategies to capture emerging opportunities in sustainable finance while mitigating downside risks.

Reputational risk is also a growing consideration. As stakeholders, particularly clients, and regulators, increasingly scrutinize the environmental impact of financial institutions, our ability to maintain trust and brand equity depends on our commitment to climate-conscious lending and investment practices. Adopting global ESG standards is now essential for sustaining stakeholder confidence and long-term loyalty.

We proactively manage these transition risks to safeguard the financial stability of our organization

while advancing our sustainability objectives. By refining our lending policies, diversifying our investment strategies, and expanding our engagement in sustainable finance, we aim to convert these risks into long-term opportunities and strengthen our role as a responsible financial partner in the markets and sectors we serve.

Credit portfolio Moody's rating – Transition risks



Only 2.9% of our lending portfolio is exposed to sectors with very high transition risk, while 5.8% is exposed to sectors with high transition risk. The remaining 91.3% of our portfolio is allocated to sectors with moderate or low transition risk profiles. We aim to strengthen this distribution over time by further reducing exposure to high-risk sectors and increasing the share of lower-risk segments.

In 2025, we continued to explore opportunities to assist our clients through transition-linked financing. These efforts are intended to enhance clients' preparedness for climate-related challenges while underpinning our commitment to responsible banking and long-term sustainability.

The results of the assessment by climate scenario are presented below.

Risk classes	Transition risk											
	Net Zero 2050						NDCs					
	Short-term		Medium-term		Long-term		Short-term		Medium-term		Long-term	
	Probability	Impact	Probability	Impact	Probability	Impact	Probability	Impact	Probability	Impact	Probability	Impact
Liquidity risk	Unlikely	Negligible	Possible	Negligible	Possible	Moderate	Unlikely	Insignificant	Unlikely	Negligible	Possible	Negligible
Market risk	Unlikely	Negligible	Possible	Negligible	Likely	Moderate	Unlikely	Insignificant	Unlikely	Negligible	Possible	Moderate
Credit risk	Possible	Negligible	Possible	Negligible	Possible	Negligible	Unlikely	Moderate	Possible	Negligible	Possible	Moderate
Operational risk	Possible	Negligible	Possible	Negligible	Unlikely	Moderate	Unlikely	Insignificant	Possible	Negligible	Possible	Moderate
Legal, compliance and tax risk	Possible	Negligible	Unlikely	Negligible	Unlikely	Negligible	Unlikely	Negligible	Possible	Negligible	Possible	Negligible
Reputation risk	Possible	Negligible	Possible	Negligible	Unlikely	Negligible	Unlikely	Negligible	Unlikely	Moderate	Possible	Moderate

Risk level (Probability / Impact)

- Rare / Insignificant
- Unlikely / Negligible
- Possible / Moderate
- Likely

Impact of transition risk drivers on credit risk

Policy, market, and reputational risk drivers can influence several aspects of our lending activities. For example, the mortgage business may be affected if underlying properties rely on inefficient energy sources, have inadequate insulation, or become subject to rising carbon-related taxes. Such factors can make these properties less attractive or more costly for borrowers, potentially affecting both demand and credit performance.

Similarly, business loans secured by property collateral may be adversely affected if the underlying properties fail to meet evolving energy-efficiency or climate-related compliance standards. Other business loans may also carry heightened risk, as borrowers in carbon-intensive sectors experience increased costs from carbon taxes or greater competition from more sustainable and innovative alterna-

tives. Our exposure to sectors defined by Moody's as climate-intensive presents additional challenges, as these industries are increasingly subject to regulatory scrutiny and rapid market shifts.

The highest transition risk exposure is likely to arise in business lines with significant lending to high-carbon sectors or properties that do not meet emerging sustainability requirements. To mitigate these risks, we began implementing targeted measures in 2025, including reviewing lending practices, integrating climate-related criteria into credit risk assessments, and offering incentives for clients to adopt greener practices. In parallel, we are diversifying our investment portfolio to reduce reliance on carbon-intensive industries and expanding financing for environmentally sustainable projects.

At present, there are no indications of abrupt policy changes. As a result, the overall credit risk exposure associated with transition risk is assessed as low in both the short and medium term under the two scenarios considered. Nonetheless, we remain vigilant to the possibility of more stringent regulatory measures driven by global warming, tightening carbon-reduction targets, or rising energy prices.

Impact of transition risk drivers on liquidity risk

Over the long term, policy changes or market shocks associated with the climate transition may increase client demand for liquidity, as households and businesses need cash to absorb unexpected compliance costs or finance recovery efforts. An uncoordinated or unclear transition approach across the jurisdictions in which we operate could also heighten market volatility. Such volatility may adversely affect the liquidity profile of assets held on the Group's balance

sheet, making it more challenging to convert certain holdings into cash when needed.

To mitigate these risks, the Group maintains investment policies that prioritize high-liquidity assets, calibrated to the anticipated timelines and uncertainties of the transition period. As a result, the overall liquidity risk exposure arising from transition risks is considered low in both the short and medium term under the two scenarios assessed.

Impact of transition risk drivers on market risk

Transition risks can influence our market risk profile by affecting the pricing of our investments, foreign exchange dynamics, and exposures to specific sectors or regions. Over the longer term, the Group may face heightened exposure as investment strategies evolve to align with the transition toward a low-carbon economy. This shift may create valuation pressures and increased price volatility, particularly in carbon-intensive sectors, and could also affect sovereign bond yields in jurisdictions with greater transition exposure. As markets reprice assets to reflect transition risks, holdings that are more vulnerable to policy, technological, or market-driven shifts may experience sustained declines in value. Consequently, long-term transition risk considerations are

becoming increasingly important for effective market risk management.

While a significant portion of our operations is located in climate-conscious regions such as the UK, Hong Kong SAR, and Canada, transition risks remain material. However, our trading portfolio is primarily concentrated in short-term assets with limited exposure to climate-sensitive areas such as commodity trading. This strategic positioning reduces the potential impact of transition-related market volatility. As a result, market risk exposure stemming from transition risks is assessed as low in both the short and medium term under the scenarios considered. We nevertheless continue to monitor emerging risks to keep our market risk management frameworks robust and adaptable.

Impact of transition risk drivers on reputational risk

As awareness of climate issues increases among the public, clients, investors, regulators, and other stakeholders, expectations for businesses to adopt sustainable and climate-aligned practices continue to rise. This heightened scrutiny brings growing demands for accountability and transparency. Institutions perceived as lagging in their climate risk management or sustainability performance may face

reputational damage, eroding client trust and stakeholder confidence.

Key areas of concern include lending to or investing in climate-intensive sectors or clients, which may expose us to criticism for supporting activities that are misaligned with global climate goals. Additionally, the risk of greenwashing, where sustainability claims may be perceived as overstated or misleading, represents a significant reputational challenge. To mitigate these risks, we continue to strengthen our due-diligence processes, enhance transparency in our reporting, and apply sustainability criteria consistently across our lending and investment portfolios. As a result of these measures, our overall reputational risk exposure arising from transition risk drivers is assessed as low in both the short and medium term.

An overarching heatmap has been developed based on the results of the individual climate-scenario assessments, providing a clear visual representation of how the assessed climate-related risks affect each corporate risk class. This heatmap consolidates risk impacts across the two scenarios – Net Zero 2050 and NDCs – and across the short-, medium-, and long-term time horizons.

Risk classes	Net Zero 2050						NDCs					
	Transition risks			Physical risks			Transition risks			Physical risks		
	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
Liquidity risk	Low	Low	Medium	Low	Low	Very low	Very low	Low	Low	Low	Low	Medium
Market risk	Low	Low	Medium	Low	Low	Very low	Very low	Low	Low	Low	Low	Medium
Credit risk	Low	Low	Low	Low	Low	Very low	Very low	Low	Low	Low	Low	Medium
Operational risk	Low	Low	Low	Low	Low	Very low	Very low	Low	Low	Low	Low	Medium
Legal, compliance and tax risk	Low	Low	Low	Low	Low	Very low	Very low	Low	Low	Low	Low	Medium
Reputation risk	Low	Low	Low	Low	Low	Very low	Very low	Low	Low	Low	Low	Medium

Risk level
■ Very low
■ Low
■ Medium

Risk management

We have established a risk management framework that adheres to widely accepted market standards. Rather than treating climate change as a standalone risk class, we recognize it as a critical driver that influences all existing risk classes.

Our objective is to embed climate considerations into our established risk management framework, enabling a robust and proactive response to the evolving spectrum of climate-related financial risks

In 2024, we conducted a detailed analysis of climate-related risks for the first time. This covered both physical and transition risks and examined how these risks manifest at both the microeconomic and macroeconomic levels. We also evaluated how

climate-related risks affect other established risk classes, including credit, market, liquidity, operational, legal and compliance, and reputational risks. In addition, the study assessed the materiality of climate-related risks based on our current exposure within each risk class.

For example, we assessed the potential impact of natural hazards on credit risk by evaluating how climate-related events could impair our borrowers' ability to meet their repayment obligations. We also examined transition risks, including reputational risks, recognizing that climate-related exposures can have significant non-financial implications. Our objective is to embed climate considerations into our established risk management framework, enabling a robust and proactive response to the evolving spectrum of climate-related financial risks.

In 2025, we further enhanced this analysis by expanding the range of climate scenarios assessed and incorporating more granular, risk-relevant data to increase the depth and reliability of our evaluations. These enhancements provided greater insight into the potential impacts of climate risks across our portfolios and business activities. In parallel, we delivered targeted user training on climate-scenario analysis and climate risk management to strengthen internal expertise and support the consistent integration of climate-related considerations into our risk management processes.

Identification and assessment

We have implemented a framework to guide our risk identification and assessment processes. This framework sets out a structured and consistent approach to understanding climate-related risks across the organization.

We continually refine how we identify and assess the impact of physical risks on our operations and portfolio. Under our climate risk management strategy, we use NGFS long-term climate scenarios alongside localized data from government agencies and independent research institutions to evaluate comprehensively the physical risks posed by climate change to our operations and lending portfolio. This dual approach enables a robust, forward-looking assessment that aligns global climate pathways with regional realities.

The purpose of our identification process is to systematically recognize and understand the key risk drivers relevant to our exposures. These drivers include policy and legal developments, technological advancements, market dynamics, reputational considerations, and both acute and chronic physical changes resulting from climate impacts. All identified risks are documented in a comprehensive risk matrix, together with their respective assessments. The Group Chief Risk Officer reviews this matrix annually to ensure it remains aligned with evolving risk conditions.

Since 2024, we have been identifying and updating key climate-related risks annually that could have significant financial or non-financial impacts on our business. By proactively recognizing these risks, we are better positioned to mitigate potential adverse effects and to integrate sustainability considerations into our broader risk management strategy.

The measurement and assessment phase of the risk management process is designed to evaluate the potential impact of climate change on our existing risk profile. This step involves a comprehensive assessment using both qualitative and quantitative methods.

We use NGFS long-term climate scenarios alongside localized data from government agencies and independent research institutions to evaluate comprehensively the physical risks posed by climate change to our operations and lending portfolio

We integrate climate-related risks into our existing risk classes to ensure a clearer and more holistic evaluation, which is reviewed annually in line with our internal policies. We also use a transmission channel diagram to visualize how climate-related risks may propagate across our organization. This approach enhances our understanding of potential vulnerabilities and areas of impact.

Our assessment process combines both top-down and bottom-up perspectives, providing a comprehensive view of the climate-related risks facing our business. This dual methodology ensures that all

relevant viewpoints are considered when determining potential financial and non-financial impacts and when shaping our resilience strategies.

At Group level, we evaluate forward-looking risks and the resilience of our business with respect to climate change, assessing how our operations, financial stability, and reputation may be affected by the transition to a low-carbon economy and by intensifying physical risks. This assessment is conducted top-down by the relevant risk controllers responsible for their respective domains. The bottom-up assessment involves engaging local teams through workshops and consultations to identify specific climate-related risks affecting their portfolios and operations, as well as the potential financial implications. The outcomes of these workshops are incorporated into the Group-wide risk assessment process to ensure a comprehensive and aligned view.

The results of the qualitative and quantitative assessments, together with the scenario analyses, are reviewed, validated, and discussed with the relevant stakeholders during dedicated workshops. The final assessment is presented by the Group Chief Risk Officer, endorsed by the Group ESG Committee, and approved by the Risk & Control Committee to ensure alignment with the Group's broader sustainability and risk management objectives.

Climate risk drivers	Transition risk drivers				Physical risk drivers	
	Policy and legal	Technology	Market	Reputation	Acute	Chronic



Transmission channels	Micro channels (Group-specific)		Macro channels (economy-wide)
	<p>Commercial loans:</p> <ul style="list-style-type: none"> – Cash flow impact – reduced income, higher operating costs and change in demand – Balance sheet impact – repriced assets, property damage & collateral depreciation – Business model impacts – new capital expenditures, relocation of economic activity, and operational disruption 	<p>Mortgages:</p> <ul style="list-style-type: none"> – Higher insurance and maintenance costs – Reduced household income – Repricing and depreciation of collateral – Increased probability of default due to physical events 	<p>Group’s operations:</p> <ul style="list-style-type: none"> – Macroeconomic conditions – Lower labor productivity – Structural changes in supply/demand and prices – Socio-economic changes – Financial conditions – Changes in interest rates and FX rates – Capital depreciation, – Sovereign credit rating downgrades – Demographic and structural shifts – Population migration – Regional economic decline
	<p>Financial investments:</p> <ul style="list-style-type: none"> – Market repricing due to transition risk – Increased volatility and valuation uncertainty – Concentration risk in carbon-intensive sectors – Forced or disorderly asset sales 	<p>Group’s operations:</p> <ul style="list-style-type: none"> – Damage to assets and infrastructure – Business continuity disruption – Health and safety impact on staff – Carbon pricing, taxes and regulatory penalties – Greenwashing and disclosure-related risks 	



Existing risk classes	Credit	Market	Liquidity	Operational	Reputational	Legal and compliance
	<ul style="list-style-type: none"> – Increased client defaults due to transition or physical impacts – Collateral depreciation in climate-exposed regions – Heightened concentration risk 	<ul style="list-style-type: none"> – Repricing of investments due to transition risk – Potential for disorderly or forced asset sales 	<ul style="list-style-type: none"> – Increased cash outflows during stress events – Reduced availability or expensive funding due to changes in investor sentiment – Increased margin calls in volatile market conditions 	<ul style="list-style-type: none"> – Business disruption due physical events – Damage to physical assets leading to forced facility closure – Cost associated with health and safety for employees 	<ul style="list-style-type: none"> – Loss of trust from clients due to perceived misalignment between climate commitments and actual practices – Negative public opinion, NGO campaigns 	<ul style="list-style-type: none"> – Increased exposure to climate-related litigation – Risk of penalties – Fines or sanctions due to non-compliance with evolving ESG laws – Legal risks associated with greenwashing

Management

Climate risk management focuses on monitoring, controlling, and mitigating climate-related financial risks across the Group. We have begun measuring and reporting our exposure to high-risk sectors, enabling us to gain a clearer understanding of the organization’s climate risk profile and the potential financial impacts on our operations, credit portfolio, and investment activities.

The overarching goal of our risk management approach is to keep climate-related financial and non-financial risks within acceptable levels. Respective risk-class controllers define and implement measures to manage these risks by leveraging the Group’s existing risk management structures. These measures are designed to address both transition and physical climate risks and are fully integrated into our broader risk management framework.

We periodically compare our climate risk management measures against the latest assessments in the risk matrix to ensure they remain effective and identify areas where additional action or adjustments may be required. In 2024, the Group Chief Risk Officer, together with the relevant business-line managers, initiated these periodic reviews to determine whether strategic updates were needed. These ongoing reassessments ensure the Group remains responsive and resilient to emerging climate-related risks.

In 2025, our climate-related financial and non-financial risks were assessed as very low to low in both the short and medium term under the two NGFS long-term climate scenarios, with one exception: under the NDCs scenario, the impact of transition risk on credit risk was evaluated as medium in the medium term. Given our current risk profile, we do not foresee an immediate need for additional

management measures beyond those already in place. However, we remain vigilant in monitoring the evolving climate risk landscape. Should conditions change, we will reassess our approach and introduce appropriate risk-mitigation strategies as necessary. In such instances, the Group Chief Risk Officer will oversee the definition and implementation of these new measures.

In line with our commitment to sustainability and responsible investment practices, we carefully consider climate-related risks and opportunities when evaluating creditworthiness and investment prospects. This includes analyzing the potential impacts of climate change on borrowers, sectors, and individual projects. By integrating climate-related considerations into our credit and investment assessments, we ensure that our portfolio remains aligned with our long-term sustainability objectives. This proactive approach enables us to manage exposure to climate-related financial risks while promoting investments that support the transition to a low-carbon economy.

During the monitoring phase, we tracked and assessed the Group’s exposure to climate-related financial risks, with specific attention to business areas and sectors that are particularly vulnerable to climate impacts. As part of our ongoing monitoring activities, we will continue to update the climate risk matrix at least annually to ensure that it reflects the latest developments, changes in exposure, and newly emerging risks.

Through this structured and proactive monitoring process, we maintain strong oversight of climate-related financial risks. This allows us to keep our exposure within acceptable levels and ensures that appropriate risk-mitigation measures are in place at all times.

Metrics and targets

Metrics

As part of our commitment to transparency and sustainability, we use the GHG Protocol to measure and report our Scope 1, Scope 2, and Scope 3 (business travel) emissions. This globally recognized framework enables us to quantify our direct and indirect GHG emissions with consistency and accuracy.

- Scope 1 emissions comprise direct emissions from sources owned or controlled by the organization, such as fuel and gas consumption in company-owned facilities and vehicles.
- Scope 2 emissions include indirect emissions from purchased electricity used in our operations.
- Scope 3 emissions cover indirect emissions resulting from employees’ business travel, including air travel, other modes of transportation, and hotel accommodation, thereby reflecting our broader carbon footprint beyond direct operations.

Further details are provided in the “ESG KPIs” section under “Basis of reporting for consumption and GHG emissions.”

In addition to operational emissions, we assess the financed emissions associated with our investment portfolio using the PCAF methodology. This approach allows us to quantify the climate impact of our financial activities by calculating emissions linked to selected financial investments. Our financed-emissions assessments include Scope 1 and Scope 2 emissions data—either company-reported or, where unavailable, estimated using sector-specific emission factors. A corresponding PCAF data-quality score is assigned to each exposure.

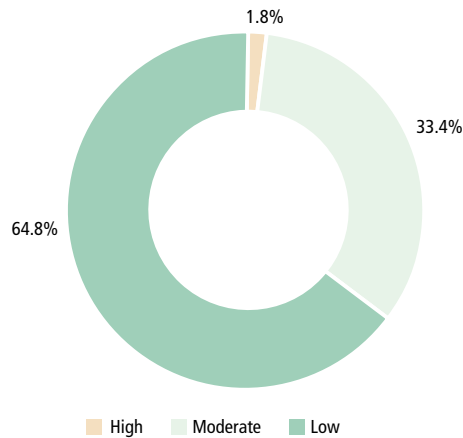
We incorporate MSCI ESG ratings as a key metric in our investment analysis, to assess ESG-related risks

within the investment portfolio. By favouring higher-rated issuers and limiting exposure to lower-rated counterparts with elevated unmanaged ESG risks, we support the integration of climate and sustainability considerations into our financial investment portfolio management and long-term value creation objectives.

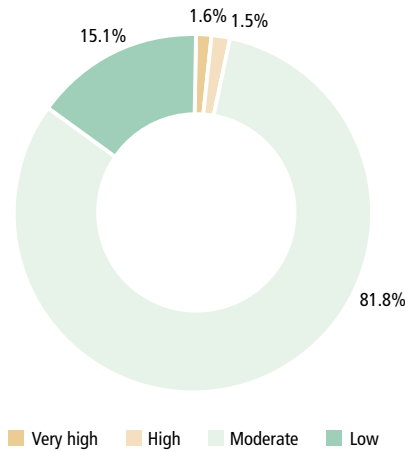
We also disclose Moody’s Environmental Risk Heat Map results for our lending business in the “ESG KPIs” section under “Planet.”

Our UAE branch has limited exposure to higher physical and transition risks, as its lending book is concentrated in the trading sector. Consequently, most exposures mature within 12 months, allowing us to adjust our lending strategy rapidly in response to changes in the market environment.

Credit portfolio – UAE CHF 1.08 bn Moody’s rating – Physical risks

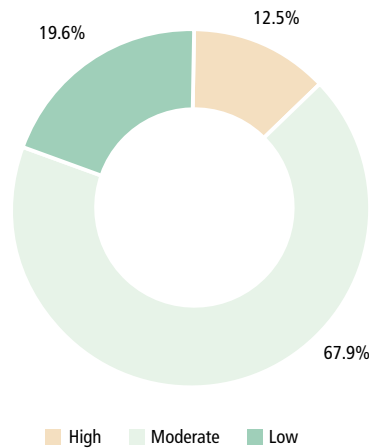


Credit portfolio – UAE CHF 1.08 bn Moody’s rating – Transition risks

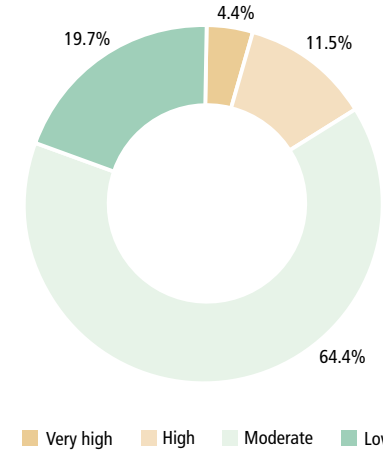


Our Pakistan subsidiary’s lending book is primarily geared toward the manufacturing sector, a concentration reflected in the distribution of physical and transition risks within the portfolio. Given the strong emphasis on trade finance and the working-capital nature of these loans, the portfolio comprises predominantly short-term exposures.

Credit portfolio – Pakistan CHF 1.51 bn Moody’s rating – Physical risks



Credit portfolio – Pakistan CHF 1.51 bn Moody’s rating – Transition risks



This positions us well to realign and adjust our lending activities in response to emerging climate-related risks, ensuring continued resilience in a rapidly evolving environment.

GHG emissions

We provide the following information in the “ESG KPIs” section under “Planet”:

- Scope 1 and 2 GHG emissions
- Scope 3, category 6 business travel GHG emissions
- Scope 3, category 15 investments GHG emissions

Targets

Area	Target	Base year
Own operations Scopes 1 and 2	2030: Reduction by 35%	2024
Financial investments Financed emissions Scope 3 – category 15	2030: Reduction by 25% in GHG emissions intensity per CHF million in financial investments portfolio bearing GHG emissions Coverage: Scopes 1 and 2	2024

GEO THERMAL

ENERGY

In the 2024/25 financial year, geothermal accounted for 39.51% - the largest share - of Kenya's total electricity supply.

Kenya Geothermal Plant

About this report

General information

The scope of this ESG Report includes Habib Bank AG Zurich with the branches, subsidiaries, service companies and representative offices identified in our Annual Report 2025 and on our website www.habibbank.com.

The reporting period is from 1 January to 31 December 2025 and is the same as the Annual Report of Habib Bank AG Zurich. Both reports are available on our website as of 30 April 2026.

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We have not obtained any external assurances regarding this ESG Report.

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Member of General Management /
Head of Shared Services



Jonathan Seal
Head of Group Governance & Communication



Adeel M. Butt
Group Sustainability Officer

Our visual story

The images featured in this report are an intentional reflection of how we see the future taking shape. For an international bank, the global energy transition carries significance far beyond the environmental imperative. Wind and solar projects increasingly represent some of the most stable long-term investment opportunities available, offering a hedge against the volatility that has historically defined fossil-fuel markets. When energy prices fluctuate unpredictably, national budgets come under pressure and corporate planning becomes less certain. Renewables provide a pathway out of that instability.

Our interest in this sector extends beyond portfolio resilience. The shift to cleaner energy is also reshaping economic structures. Unlike the centralized, extractive model of the past, modern renewable-energy systems are inherently decentralized. A rooftop solar installation in one community and a wind farm in another do more than generate electricity—they foster participation. They transform consumers into contributors, stimulate local employment, and distribute economic benefits more broadly.

We emphasize this theme not as a sectoral update, but as a conviction: a sustainable global economy must ultimately be powered by resources that do not deplete. The images in this report therefore capture more than technology—they capture transformation.

Digital accessibility and machine-readability

This report has been prepared as a searchable PDF and includes navigation features that allow readers to move easily between sections, including direct links to the home page and the table of contents, thereby enhancing accessibility and usability.

In accordance with the requirements of the OCD, issued under Article 964c of the CO, companies are expected to publish climate-related disclosures in a machine-readable electronic format. At present, however, no dedicated or widely accepted XBRL taxonomy specifically aligned with the OCD is available. After reviewing existing taxonomies and relevant international frameworks, we were unable to identify a taxonomy that adequately reflects the structure and content of climate disclosures required under the OCD.

Given these limitations, the Group has published this report in a digitally searchable format with enhanced navigational functionalities to support accessibility and transparency, while continuing to monitor regulatory developments and the potential emergence of a suitable taxonomy for future machine-readable reporting.

Restatement of information

In the process of reviewing and improving our data accuracy, the following restatement has been made to the previous data, which are reflected in this report:

Habib Metropolitan Bank Ltd.: An error in the calculation of the training hours and employee headcount was identified in the 2024 data. The revised data is incorporated and restated in this report.

Industry associations

The Group and its foreign branches and subsidiaries are members of several industry associations.

Country	Industry association
Switzerland	Swiss Bankers Association
	Association of Foreign Banks in Switzerland
	Swiss Risk Association
Canada	Canadian Bankers Association
Hong Kong SAR	Hong Kong Association of Restricted License Banks and Deposit-taking Companies
Kenya	Kenya Bankers Association
Pakistan	Pakistan Banks Association
South Africa	Banking Association of South Africa
United Arab Emirates	UAE Banks Federation
United Kingdom	Association of Foreign Banks in the United Kingdom

100% of Swiss employees (representing 1.5% of our total number of employees) up to and including executive management are covered by the Swiss employment regulation, which is based on the principles of the Agreement on Conditions of Employment for Bank Employees (Banken VAB).

49% of our employees in Kenya (representing 0.62% of our total number of employees) are members of a Collective Agreement. We have no collective bargaining agreements in any other jurisdiction.

Swiss reporting context

Our organization is subject to the consolidated supervision by FINMA. Moreover, we cooperate closely with the relevant regulatory bodies and central banks in the countries in which we operate.

According to art. 2 lit. c of the Swiss Auditor Oversight Act, financial institutions that are supervised by FINMA and required to be audited by an approved external audit firm must also publish a report on non-financial matters annually. As our organization fulfills the regulatory financial institution size requirement, our report on non-financial matters must also include any subsidiaries to the extent that this information is needed to understand our business operations, financial performance, and the effects of our business activities on non-financial matters. These are mandatory requirements in accordance with the CO.

Consequently, this report on non-financial matters is a consolidated Group report.

This ESG Report is intended to provide transparency on how our organization contributes or aims to contribute to sustainable developments and report in accordance with the GRI Standards (adopted on a voluntary basis) for the 2023 reporting year onward.

In addition, the Swiss Federal Council enacted the OCD regarding the implementation of non-financial reporting (art. 964a-964c CO) with respect to climate. The core provision of the OCD is art. 2 para 1, which establishes the presumption that the obligation to report on climate matters is fulfilled if the report is based on the recommendations of the TCFD. We follow the climate-related financial disclosure recommendations issued by the TCFD and TCFD-based reporting on climate matters that have become mandatory for our organization for the 2024 reporting year onward.

Abbreviations

Abbreviations we frequently use in this report

Abbreviation	Definition
AML	anti-money laundering
BCM	business continuity management
Board	Board of Directors
CFT	combatting the financing of terrorism
CIPM	Certified Information Privacy Management
CIPP/C	Certified Information Privacy Professional / Canada
CIPP/E	Certified Information Privacy Professional / Europe
CIPT	Certified Information Privacy Technologies
CISM	Certified Information Security Manager
CISSP	Certified Information Systems Security Professional
CO	Swiss Code of Obligations
DDoS	distributed denial of service
DIFC	Dubai International Financial Centre
DLP	data loss prevention
EPC	Energy Performance Certificate
ESG	environmental social and governance
EV	electric vehicle
FINMA	Swiss Financial Market Supervisory Authority
FIP	Fellow Information Privacy
FMCG	fast-moving consumer goods
GHG	greenhouse gas
GJ	gigajoule
GRI	Global Reporting Initiative
HBZP	HBZ Services (Private) Limited, Pakistan
HBZU	HBZ Services FZ-LLC, UAE

Abbreviation	Definition
hPLUS	proprietary core banking system of Habib Bank AG Zurich
IAPP	International Association of Privacy Professionals
I-REC	International Renewable Energy Certificate
kWh	kilowatt-hours
LED	light-emitting diode
MSCI	Morgan Stanley Capital International
NAICS	North American Industry Classification System
NBFI	non-banking financial institutions
NDCs	Nationally Determined Contributions
NGFS	Network for Greening the Financial System
OCD	Swiss Ordinance on Climate Disclosures
OECD	Organization for Economic Co-operation and Development
OSCP	Offensive Security Certified Professional
PCAF	Partnership for Carbon Accounting Financials
PCI DSS	payment card industry data security standard
PIA	privacy impact assessment
PWD	persons with disabilities
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SME	small and medium-sized enterprise
TCFD	Task Force on Climate-Related Financial Disclosure
tCO ₂ e	tonnes of CO ₂ equivalents
UAE	United Arab Emirates
UK	United Kingdom

SOLAR ENERGY



The UAE aims to reach 14.2 GW of renewable energy capacity by 2030, including widespread rooftop solar installations.

**Terra Sustainability Pavilion
at the EXPO 2020 Built for EXPO 2020**

ESG KPIs

Scope of reporting

Unless stated otherwise, information and data in this section relate to Habib Bank AG Zurich and its subsidiaries, branches, representative offices, and service companies as listed in the table below:

Head office and operation:	
Switzerland	Habib Bank AG Zurich
Branches:	
Kenya	Habib Bank AG Zurich
United Arab Emirates	Habib Bank AG Zurich
United Arab Emirates / DIFC	Habib Bank AG Zurich
Banking subsidiaries:	
Canada	Habib Canadian Bank
Hong Kong SAR	Habib Bank Zurich (Hong Kong) Ltd.
Pakistan	Habib Metropolitan Bank Ltd.
	Habib Metropolitan Financial Services Ltd.
	Habib Metro Exchange Services Ltd.
	Habib Metropolitan Modaraba Management Company (Private) Ltd.
South Africa	HBZ Bank Ltd.
United Kingdom	Habib Bank Zurich Plc
Service companies:	
Switzerland	HBZ Services AG
Pakistan	HBZ Services (Private) Ltd.
United Arab Emirates	HBZ Services FZ-LLC
Representatives offices:	
Bangladesh	Habib Bank AG Zurich
China	Habib Bank AG Zurich
Hong Kong SAR	Habib Bank AG Zurich
Pakistan	Habib Bank AG Zurich
Türkiye	Habib Bank AG Zurich

Basis of reporting for employee data

The employee head count is reported as of 31 December 2025. All tables reflect the number of permanent and temporary employees together unless stated otherwise. Employee training data comprises internal and external training programs.

Basis of reporting for consumption and GHG emissions

Our reporting for energy consumption and GHG emissions covers all operations of Habib Bank AG Zurich, including all our branches, subsidiaries, and service companies worldwide for the period from 1 October 2024 to 30 September 2025. Due to the disproportionate administrative effort required to collect operational data from three standalone small representative offices with a total headcount of 8 –which contributed only 0.12% of the Group’s combined Scope 1 and 2 GHG emissions in 2024–the Group will implement an extrapolation methodology moving forward. Under this approach, primary data will be collected from offices with more than 10 employees to determine intensity rates, which will then be used to calculate emissions for non-reporting offices.

The measurement and reporting of GHG emissions data involve a degree of estimation due to a variability in the data and because some of our operations are based in multiple jurisdictions. In cases where multiple entities use office space within the same building, emissions have been attributed to the entity based on building ownership.

We report emissions arising from activities for which we were responsible under category Scopes 1 and 2. Under Scope 3, we report GHG emissions data related to business travel and our financial investments. The business travel data includes travel by air and road and hotel accommodation.

Consumption and emission methodology

Category	Scope	Method
Transportation fuel	Consumption and emissions from company-owned or rented vehicles used for business. If data was unavailable for a particular instance, relative estimations are calculated.	Fuel consumption— separated by petrol and diesel – for the company-owned or rented vehicles was recorded in liters using billed invoices. Where fuel quantity data was unavailable, the cost was converted into volume of fuel in liters based on the price per liter in local currency, or by converting the mileage into liters of fuel based on data provided by Foundation myclimate ¹ . The emissions from the use of fuel (in liters) were calculated using the emission data provided by Foundation myclimate.
Energy fuel	Consumption and emissions from the use of backup generators for electricity and heating in our premises.	Fuel consumption for our backup generators for electricity in Pakistan and South Africa, and for heating at one location in Switzerland was recorded in liters using billed invoices. The emissions from the use of this fuel in liters were calculated using the emission data provided by the UK Government's GHG Conversion Factors for Company Reporting ² .
Energy gas	Consumption and emissions for the use of heating in our premises. If data was unavailable for a particular building, appropriate estimations were calculated.	Gas consumption for heating was recorded in kWh using billed invoices. In Canada, gas was invoiced in cubic meters and has been converted to kWh for consolidation purposes. The emissions from the use of this gas in kWh were calculated using the emission data provided by the UK Government GHG Conversion Factors for Company Reporting. In Switzerland, the emission factor was determined by the local service provider.
Electricity	Consumption and emissions from electricity consumed in our owned or rented properties. If data was unavailable for a particular building, appropriate estimations were calculated.	The electricity emission factors in Switzerland, HBZ Services AG, Hong Kong SAR and the UAE were defined by the local service providers. For the remaining locations, emission factors were used as per the IFI Dataset of Default Grid Factors ³ .
Air travel	Business travel by air undertaken by our employees worldwide.	Flight details for business travel by air were obtained from employee expense records in our systems for each jurisdiction. These details include cities of departure and arrival, travel class, stopovers, and connecting flights. Mileage and emissions were calculated using the International Civil Aviation Organisation's Carbon Emissions Calculator ⁴ .
Non-air travel	Business travel by land undertaken by our employees worldwide. This includes travel by taxi, tram, train, and private and rented car.	The distance in kilometers traveled for business was calculated from employee expense records in our systems for each jurisdiction. Where information on distance was unavailable, it was calculated using external sources. The mileage and emissions related to business travel by tram and train were calculated using EcoPassenger ⁵ . Missing mileage and complete emissions of the business travel by road were calculated using Foundation myclimate. We assumed all vehicles to be mid-sized, and differentiated between petrol and diesel consumption in most cases. For Kenya, the distance (in kilometres) is obtained from the monthly report provided by the third-party cab-hailing provider, "Little Ltd." The report specifies the distance covered for each trip as well as the consolidated total distance for the month.
Hotel accommodation	Hotel accommodation for our employees worldwide during business travel.	Hotel accommodation for our employees during business trips was calculated based on the number of nights from our full-detail expenses records. Emissions were calculated using Hotel Footprinting Tool ⁶ . For simplicity of calculation, we ignored the hotel category and considered average emission factors for each of our jurisdictions.
Water	Consumption of water in the organization. Estimations were calculated where data was unavailable.	Water consumption was recorded in cubic meters using billed invoices. In some of our jurisdictions, different units were used for the calculation of the water consumption. They were all converted to cubic meters for ease of consolidation. If data was missing for any months in a jurisdiction, an estimate was extrapolated for such periods from the data that was available for other months. In some of our locations, water was included in the office rental and actual consumption data was therefore unavailable. In such cases, we used an estimation of 50 liters per employee per working day as explained by South Staffs Water ⁷ .
Investments	Financial investments bearing emissions data.	The GHG emissions for financial investments provide Scope 1 and 2 emissions intensity measured in metric tonnes of CO ₂ equivalent (CO ₂ e) per million of the company's enterprise value. The data follows a waterfall methodology to determine emissions data, prioritizing: 1) Reported Scope 1 and 2 emissions (directly disclosed by the company). 2) Direct CO ₂ emissions (if full Scope 1 and 2 data are unavailable). 3) Estimated Scope 1 and 2 emissions, derived from an industry intensity model when no reported data is available. Based on this methodology, PCAF score is assigned, ensuring a standardized and consistent approach to emissions reporting.

¹ https://co2.myclimate.org/en/car_calculators/new

² Reference <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023>

³ <https://unfccc.int/documents/437880>

⁴ <https://icec.icao.int>

⁵ <https://ecopassenger.org/>

⁶ <https://www.hotelfootprints.org/>

⁷ <https://www.south-staffs-water.co.uk/media/1509/waterusebusiness.pdf>

People

Employees

Employees by jurisdiction and gender

	2025			2024			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total	2'187	6'067	8'254	2'042	5'888	7'930	1'705	5'924	7'629
Switzerland	34	87	121	32	80	112	31	81	112
Kenya	38	66	104	36	65	101	29	68	97
United Arab Emirates	225	313	538	207	317	524	196	319	515
Canada	17	32	49	18	30	48	20	29	49
Hong Kong SAR	38	40	78	35	42	77	35	36	71
Pakistan	1'649	5'103	6'752	1'546	4'966	6'512	1'229	5'059	6'288
South Africa	89	51	140	86	60	146	86	56	142
United Kingdom	48	114	162	44	111	155	48	110	158
Service companies	47	251	298	36	208	244	29	155	184
Representative offices	2	10	12	2	9	11	2	11	13

Employees by employment type and employment contract

	2025			2024			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Permanent employees	2'010	5'747	7'757	1'784	5'583	7'367	1'446	5'534	6'980
Temporary employees	177	320	497	258	305	563	259	390	649
Full-time employees	2'172	6'061	8'233	2'030	5'886	7'916	1'698	5'920	7'618
Part-time employees	15	6	21	12	2	14	7	4	11
Workers who are not employees	2	885	887	2	895	897	–	885	885

Permanent employees by jurisdiction and gender

	2025			2024			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Switzerland	32	82	114	30	73	103	30	72	102
Kenya	37	59	96	35	56	91	29	57	86
United Arab Emirates	221	302	523	196	301	497	193	307	500
Canada	14	30	44	14	28	42	16	29	45
Hong Kong SAR	32	36	68	31	35	66	27	29	56
Pakistan	1'489	4'829	6'318	1'305	4'707	6'012	993	4'729	5'722
South Africa	89	49	138	86	58	144	84	52	136
United Kingdom	47	107	154	42	110	152	43	101	144
Service companies	47	246	293	43	209	252	29	151	180
Representative offices	2	7	9	2	6	8	2	7	9

Temporary employees by jurisdiction and gender

	2025			2024			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Switzerland	2	5	7	2	7	9	9	1	10
Kenya	1	7	8	1	9	10	11	–	11
United Arab Emirates	4	11	15	4	10	14	12	3	15
Canada	3	2	5	4	2	6	–	4	4
Hong Kong SAR	6	4	10	4	7	11	7	8	15
Pakistan	160	274	434	241	259	500	330	236	566
South Africa	–	2	2	–	2	2	4	2	6
United Kingdom	1	7	8	2	1	3	9	5	14
Service companies	–	5	5	–	5	5	4	–	4
Representative offices	–	3	3	–	3	3	4	–	4

Full-time employees by jurisdiction and gender

	2025			2024			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Switzerland	21	81	102	21	78	99	24	79	103
Kenya	38	66	104	36	65	101	29	67	96
United Arab Emirates	225	313	538	200	311	511	196	319	515
Canada	17	32	49	18	30	48	20	29	49
Hong Kong SAR	38	40	78	35	42	77	35	36	71
Pakistan	1'649	5'103	6'752	1'546	4'966	6'512	1'229	5'059	6'288
South Africa	89	51	140	86	60	146	86	55	141
United Kingdom	46	114	160	43	111	154	48	110	158
Service companies	47	251	298	43	214	257	29	155	184
Representative offices	2	10	12	2	9	11	2	11	13

Part-time employees by jurisdiction and gender

	2025			2024			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Switzerland	13	6	19	11	2	13	7	2	9
Kenya	–	–	–	–	–	–	–	1	1
South Africa	–	–	–	–	–	–	–	1	1
United Kingdom	2	–	2	1	–	1	–	–	–

Workers who are not employees – by jurisdiction and gender¹

	2025			2024			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Pakistan	2	885	887	2	895	897	–	885	885

¹ Habib Bank AG Zurich used the services of third-party non-clerical employees based on various types of contractual agreement. Examples of roles in this scope include messengers, drivers, support services, receptionists, etc.

Hires and Turnover

New employee hires

	2025		2024		2023	
	Number of employees	Percent	Number of employees	Percent	Number of Employees	Percent
Total	1'907		1'647		1'628	
By Gender						
Female	573	30.0%	694	42.1%	597	36.7%
Male	1'334	70.0%	953	57.9%	1'031	63.3%
By age group						
Under 30 years	747	39.2%	799	48.5%	706	43.4%
30-50 years	1'100	57.7%	797	48.4%	857	52.6%
Over 50 years	60	3.1%	51	3.1%	65	4.0%
By region						
Switzerland	26	1.4%	22	1.3%	26	1.6%
Kenya	12	0.6%	15	0.9%	19	1.2%
United Arab Emirates	84	4.4%	59	3.6%	54	3.3%
Canada	7	0.4%	10	0.6%	6	0.4%
Hong Kong SAR	20	1.0%	13	0.8%	12	0.7%
Pakistan	1'622	85.1%	1'388	84.3%	1'372	84.3%
South Africa	14	0.7%	22	1.3%	28	1.7%
United Kingdom	25	1.3%	17	1.0%	55	3.4%
Service companies	95	5.0%	101	6.1%	54	3.3%
Representative offices	2	0.1%	–	0.0%	2	0.1%

Employee turnover¹

	2025		2024		2023	
	Number of Employees	Percent	Number of Employees	Percent	Number of Employees	Percent
Total	1'583	19.6%	1'510	19.4%	1'268	17.0%
By Gender						
Female	427	20.2%	385	20.5%	280	18.1%
Male	1'156	19.3%	1'125	19.0%	988	16.7%
By age group						
Under 30 years	437	26.6%	456	29.5%	385	31.2%
30-50 years	1'027	19.1%	935	17.9%	792	15.0%
Over 50 years	119	11.2%	119	12.0%	91	9.5%
By region						
Switzerland	17	14.6%	22	19.6%	17	15.8%
Kenya	9	8.8%	11	11.1%	8	8.7%
United Arab Emirates	70	13.2%	50	9.6%	32	6.3%
Canada	6	12.4%	11	22.7%	4	8.3%
Hong Kong SAR	19	24.5%	7	9.5%	7	10.2%
Pakistan	1'382	20.8%	1'329	20.8%	1'120	18.2%
South Africa	20	14.0%	18	12.5%	17	12.5%
United Kingdom	18	11.4%	20	12.8%	27	18.8%
Service companies	41	15.1%	41	19.2%	35	20.1%
Representative offices	1	8.7%	1	8.3%	1	8.0%

¹ Permanent and temporary employees (voluntary and involuntary turnover). Turnover % = number of leavers divided by average headcount during the year.

Parental leave¹

Group	2025		2024		2023	
	Female	Male	Female	Male	Female	Male
Employees who took parental leave	90	26	83	23	68	15
Employees who returned to work in the reporting period after parental leave ended	61	26	82	23	53	15
Employees who returned to work for at least 12 more months after parental leave	20	14	53	15	N/A	N/A
Rate of employees who returned to work after parental leave	68%	100%	99%	100%	78%	100%
Retention rate for employees who took parental leave	24%	61%	100%	100%	N/A	N/A

¹ All employees who were eligible took their parental leave in the corresponding year.

Training hours

	2025		2024		2023	
	Total	Average per employee	Total	Average per employee	Total	Average per employee
By Gender						2025
Female	33'701	15	24'214	12	54'046	32
Male	83'359	14	65'082	11	87'249	15
By rank category						
Executive management	1'767	12	1'029	9	4'344	46
Middle management	52'509	19	40'294	14	62'900	27
Non-management	62'784	12	47'973	10	74'051	15
By region						
Switzerland	676	6	713	6	761	7
Kenya	956	9	454	4	2'341	24
United Arab Emirates	13'015	24	3'644	7	44'936	87
Canada	932	19	489	10	163	3
Hong Kong SAR	1'874	24	1'128	15	1'606	23
Pakistan	93'982	14	73'042	11	74'562	12
South Africa	2'856	20	4'559	31	14'177	100
United Kingdom	2'398	15	1'116	7	2'216	14
Service companies	371	1	4'151	17	533	3

Performance and career development review¹

	2025		2024		2023	
	Female	Male	Female	Male	Female	Male
Total	2'013	5'730	1'554	5'372	1'348	5'478
By rank category						
Executive management	8	102	4	100	4	84
Middle management	443	2'332	451	2'294	321	2'128
Non-management	1'562	3'296	1'099	2'978	1'023	3'266
By region						
Switzerland	28	67	27	76	29	74
Kenya	38	66	33	63	28	65
United Arab Emirates	166	280	173	296	172	308
Canada	14	28	14	26	19	29
Hong Kong SAR	28	37	32	39	35	33
Pakistan	1'565	4'867	1'116	4'526	917	4'682
South Africa	89	51	84	56	79	52
United Kingdom	44	105	44	110	44	93
Service companies	39	219	29	171	23	132
Representative offices	2	10	2	9	2	10

¹ For employees whose employment started before 1 July of the corresponding year.

Diversity in workforce¹

Employee structure	2025						2024						2023					
	Female	Female %	Male	Male %	Total	Total %	Female	Female %	Male	Male %	Total	Total %	Female	Female %	Male	Male %	Total	Total %
By gender	2'187	26.5%	6'067	73.5%	8'254	100.0%	2'042	25.8%	5'888	74.2%	7'930	100.0%	1'705	22.3%	5'924	77.7%	7'629	100.0%
By age group																		
Under 30 years	759	9.2%	826	10.0%	1'585	19.2%	824	10.4%	879	11.1%	1'703	21.5%	557	7.3%	836	11.0%	1'393	18.3%
30–50 years	1'282	15.5%	4'311	52.2%	5'593	67.8%	1'072	13.5%	4'107	51.8%	5'179	65.3%	1'018	13.3%	4'277	56.1%	5'295	69.4%
Over 50 years	146	1.8%	930	11.3%	1'076	13.0%	146	1.8%	902	11.4%	1'048	13.2%	130	1.7%	811	10.6%	941	12.3%
By rank category																		
Executive management	13	0.2%	136	1.6%	149	1.8%	5	0.1%	104	1.3%	109	1.4%	4	0.1%	91	1.2%	95	1.2%
Middle management	413	5.0%	2'320	28.1%	2'733	33.1%	401	5.1%	2'379	30.0%	2'780	35.1%	37	4.5%	2'252	29.5%	2'289	34.1%
Non-management	1'761	21.3%	3'611	43.7%	5'372	65.1%	1'636	20.6%	3'405	42.9%	5'041	63.6%	1'354	17.7%	3'581	46.9%	4'935	64.7%
By service tenure																		
Under 1 year	282	3.4%	705	8.5%	987	12.0%	621	7.8%	787	9.9%	1'408	17.8%	534	7.0%	837	11.0%	1'371	18.0%
1–5 years	1'413	17.1%	2'831	34.3%	4'244	51.4%	900	11.3%	2'410	30.4%	3'310	41.7%	693	9.1%	2'547	33.4%	3'240	42.5%
6–10 years	241	2.9%	1'049	12.7%	1'290	15.6%	270	3.4%	1'136	14.3%	1'406	17.7%	246	3.2%	1'037	13.6%	1'283	16.8%
11–20 years	190	2.3%	984	11.9%	1'174	14.2%	199	2.5%	1'047	13.2%	1'246	15.7%	183	2.4%	1'051	13.8%	1'234	16.2%
Over 20 years	61	0.7%	498	6.0%	559	6.8%	52	0.7%	508	6.4%	560	7.1%	49	0.6%	452	5.9%	501	6.6%

¹ All percentages relate to the total number of employees (8,254 = 100%).

Diversity in workforce¹(continued)

Employee structure	2025						2024						2023					
	Female	Female %	Male	Male %	Total	Total %	Female	Female %	Male	Male %	Total	Total %	Female	Female %	Male	Male %	Total	Total %
By nationality																		
Pakistani	1'712	20.7%	5'514	66.8%	7'226	87.5%	1'601	20.2%	5'345	67.4%	6'946	87.6%	1'281	16.8%	5'388	70.6%	6'669	87.4%
Indian	52	0.6%	172	2.1%	224	2.7%	53	0.7%	168	2.1%	221	2.8%	53	0.7%	161	2.1%	214	2.8%
Emirati	168	2.0%	13	0.2%	181	2.2%	141	1.8%	15	0.2%	156	2.0%	131	1.7%	10	0.1%	141	1.8%
South African	89	1.1%	51	0.6%	140	1.7%	85	1.1%	52	0.7%	137	1.7%	85	1.1%	54	0.7%	139	1.8%
British	38	0.5%	95	1.2%	133	1.6%	34	0.4%	94	1.2%	128	1.6%	36	0.5%	97	1.3%	133	1.7%
Kenyan	38	0.5%	66	0.8%	104	1.3%	36	0.5%	62	0.8%	98	1.2%	29	0.4%	65	0.9%	94	1.2%
Swiss	23	0.3%	46	0.6%	69	0.8%	22	0.3%	44	0.6%	66	0.8%	23	0.3%	46	0.6%	69	0.9%
Chinese	27	0.3%	16	0.2%	43	0.5%	27	0.3%	23	0.3%	50	0.6%	28	0.4%	23	0.3%	51	0.7%
Canadian	2	0.0%	32	0.4%	34	0.4%	9	0.1%	32	0.4%	41	0.5%	8	0.1%	27	0.4%	35	0.5%
Others	38	0.5%	62	0.8%	100	1.2%	34	0.4%	53	0.7%	87	1.1%	31	0.4%	53	0.7%	84	1.1%
By disabilities	14	0.2%	18	0.2%	32	0.4%	15	0.2%	19	0.2%	34	0.4%	11	0.1%	23	0.3%	34	0.4%

¹ All percentages relate to the total number of employees (8,254 = 100%).

Gender pay ratio

Basic Salary

Country	2025			2024			2023		
	Executive management	Middle management	Non-management	Executive management	Middle management	Non-management	Executive management	Middle management	Non-management
Basic Salary¹									
Switzerland	0.64	0.79	1.05	0.79	0.80	0.94	0.72	0.80	0.85
Kenya		1.02	1.09		1.02	1.09		0.72	0.97
United Arab Emirates	0.91	0.97	0.99		0.78	1.09		0.83	1.12
Canada		0.72	0.95		0.62	0.99		0.66	1.01
Hong Kong SAR		0.88	0.80		0.69	1.02		0.64	0.99
Pakistan	0.93	0.88	0.61	1.06	0.91	0.61	0.68	0.90	0.87
South Africa	0.72	0.77	0.88		1.01	0.91		0.86	0.83
United Kingdom	0.85	0.84	0.94		0.96	0.96		0.97	0.97
Service companies	0.99	0.97	1.02	0.85	0.99	1.02	0.89	0.99	1.04

¹ Gender pay ratio calculation is based on grade-to-grade basic salary comparison in each employment category within each of our entities.

Remuneration

Country	2025			2024			2023		
	Executive management	Middle management	Non-management	Executive management	Middle management	Non-management	Executive management	Middle management	Non-management
Remuneration¹									
Switzerland	0.64	0.77	1.06	0.76	0.78	0.95	0.68	0.78	0.90
Kenya		1.00	1.07		1.00	1.07		1.10	1.15
United Arab Emirates	0.93	0.96	1.01		0.79	1.08		0.76	1.12
Canada		0.73	0.94		0.63	0.98		0.60	0.98
Hong Kong SAR		0.87	0.79		0.72	0.97		0.63	1.00
Pakistan	0.94	0.88	0.61	0.92	0.90	0.59	0.56	0.92	0.83
South Africa	0.63	0.70	0.90		0.94	0.91		0.88	0.85
United Kingdom	0.85	0.84	0.94		0.96	0.96		0.97	0.97
Service companies	0.92	0.90	1.03	0.82	1.05	1.03	0.90	1.00	1.06

¹ Excluding variable compensation and insurance related components

Planet

Group credit exposure

Sector	Group		Heatmap	
	Funded exposure CHF m	% of Funded exposure	Transition risk	Physical risk
AGRICULTURE & ALLIED INDUSTRIES	172	4.3%		
Agriculture	15	0.4%	2	2
Commodities-Warehousing & Storage	95	2.4%	3	2
Feed & Rice Mills	59	1.5%	2	2
Fertilizers	3	0.1%	3	3
CONGLOMERATES	11	0.3%	1	1
CONSTRUCTION	23	0.6%	3	2
ENERGY	168	4.2%		
Oil Marketing Companies	15	0.4%	4	3
Petroleum Refining	61	1.5%	4	3
Power Generation & Distribution	92	2.3%	2	3
FAST MOVING CONSUMER GOODS	115	2.9%		
Edible Oil	50	1.3%	2	2
Fast Moving Consumer Goods (FMCG)	4	0.1%	3	3
Food, Beverages & Consumer Products	61	1.5%	2	2
INDIVIDUALS	1	0.0%	2	1
INFORMATION, COMM. & TECH	36	0.9%		
Information Technology	7	0.2%	2	1
Telecommunications	29	0.7%	1	1
LARGE SCALE MANUFACTURING	49	1.2%		
Cement	13	0.3%	2	1
Steel & Other Metals	36	0.9%	3	1

Note: GISC level scoring is based on average score of GISS under each GISC

- Low
- Moderate
- High
- Very high

Sector	Group		Heatmap	
	Funded exposure CHF m	% of Funded exposure	Transition risk	Physical risk
MEDIA	3	0.1%	1	1
MEDIUM SCALE INDUSTRY	138	3.5%		
Machinery & Equipment	73	1.8%	2	1
Sugar	8	0.2%	2	1
Others	57	1.4%	1	1
NBFI	211	5.3%	1	1
REAL ESTATE	1'169	29.2%	2	1
SERVICES	171	4.3%	2	1
SMALL SCALE INDUSTRY	136	3.4%		
Chemicals & Pesticides	106	2.7%	3	1
Others	30	0.8%	2	1
TEXTILES	590	14.8%	2	1
TRADING	976	24.4%		
Electronics & Electrical Equipment Trading	119	3.0%	2	1
Food & Agriculture Trading	149	3.7%	2	1
General Trading	312	7.8%	2	1
Metals, Minerals & Scrap Trading	185	4.6%	3	1
Retail Trading	97	2.4%	2	1
Others	114	2.9%	2	1
TRANSPORTATION & LOGISTICS	29	0.7%		
Automobiles & logistics	24	0.6%	2	1
Transportation	5	0.1%	3	1
	3'998	100.0%		

Energy consumption

	2025	2024	2023
Energy intensity (GJ/employee)	18.38	18.06	18.12
Total energy consumption (GJ)	151'739	142'725	138'018
Total electricity consumption (1'000 kWh) ¹	23'232	21'441	19'625
Total fuel consumption			
Total fuel consumption for transportation (1'000 liters)	370	294	250
Total fuel consumption for heating/electricity (1'000 liters) ²	1'450	1'404	1'389
Total natural gas consumption (1'000 kWh)	314	271	161

¹ Excludes on-site solar generation; reflects grid-purchased electricity only.

² 99% of the fuel consumption was for electricity.

Mobility

	2025	2024	2023
Business travel intensity (km/employee)	3'228	2'885	2'789
Total business travel (1'000 km)	26'644	22'807	21'243
Total air travel (1'000 km)	6'088	6'284	5'786
Total non-air travel (1'000 km)	20'556	16'523	15'457
Total hotel footprint (number of nights)	3'950	2'906	3'889

Water consumption

	2025	2024	2023
Water consumption (1'000 m ³)	219	209	208
Water intensity (m ³ /employee)	26.56	26.39	27.25

GHG emissions Scope 3 – investments (portfolio with GHG emissions)

Sector	Value CHF m	GHG emissions Scope 1 tCO ₂ e	GHG emissions Scope 2 tCO ₂ e	GHG emissions Scopes 1 & 2 tCO ₂ e	GHG emissions intensity tCO ₂ e per CHF m	Average PCAF score
Communications	69.44	307	797	1'104	15.90	3.3
Consumer Discretionary	84.82	2'737	931	3'668	43.24	2.1
Consumer Staples	43.48	1'199	429	1'628	37.45	3.0
Energy	51.72	13'989	1'475	15'464	298.99	2.0
Financials	518.30	589	802	1'391	2.68	2.6
Government	84.18	15'629	623	16'252	193.07	3.1
Health Care	46.94	89	49	137	2.93	1.5
Industrials	50.64	1'410	605	2'016	39.80	3.6
Materials	65.50	61'027	14'890	75'917	1'159.11	2.0
Technology	43.21	50	237	287	6.65	1.2
Utilities	76.19	73'916	2'447	76'363	1'002.30	2.6
Total	1'134	170'944	23'284	194'228	171.21	2.5

GHG emissions Scopes 1 and 2

	2025	2024	2023
GHG emissions Scopes 1+2 (tCO ₂ e) (market-based)	15'337	16'660	15'493
GHG emissions Scopes 1+2 (tCO ₂ e) (location-based)	17'845	16'659	15'493
GHG emissions Scope 1 (tCO ₂ e)	5'335	4'924	4'763
GHG emissions Scope 2 (tCO ₂ e) (market-based) ¹	10'002	11'735	10'730
GHG emissions Scope 2 (tCO ₂ e) (location-based)	12'510	11'735	10'730
GHG emissions intensity Scopes 1+2 (tCO ₂ e/employee) (market-based)	1.86	2.11	2.03
GHG emissions intensity Scopes 1+2 (tCO ₂ e/employee) (location-based)	2.16	2.11	2.03

¹ market-based approach is used because in 2025 we bought I-RECs in Pakistan

GHG emissions Scope 3

	2025	2024	2023
GHG emissions Scope 3 – business travel (tCO ₂ e)	7'800	6'397	5'944
Employee business travel – air (tCO ₂ e)	661	675	587
Employee business travel – non-air (tCO ₂ e)	6'977	5'611	5'251
Hotel stay (tCO ₂ e)	162	111	106
GHG emissions Scope 3 – investments (tCO ₂ e) ¹	194'228	156'374	–
GHG emissions intensity Scope 3 – business travel (tCO ₂ e/employee)	0.94	0.81	0.78
GHG emissions intensity Scope 3 – investments (tCO ₂ e/employee) ¹	23.53	19.78	–
GHG emissions intensity Scope 3 – investments (tCO ₂ e/CHF million) ¹	171.21	131.97	–

¹ Calculation of GHG emissions for investments commenced in 2024.

Materials and waste¹

	2025	2024	2023
Materials (absolute)			
Paper (t)	175	–	–
Drinking water (1,000 l)	3'060	–	–
Electronic equipment (t)	18	–	–
Waste (t)	223	–	–
General waste (t)	203	–	–
Recyclable waste (t)	20	–	–

¹ Materials and waste data collection commenced in 2025. Data from representative offices and subsidiaries of Habib Metropolitan Bank Ltd. are not included in this table.

Energy consumption by jurisdiction

		2025	2024	2023
Switzerland	Total electricity consumption (1'000 kWh)	173	172	188
	Total fuel consumption (1'000 liters)	8	12	12
Kenya	Total electricity consumption (1'000 kWh)	176	170	120
	Total fuel consumption (1'000 liters)	5	5	5
United Arab Emirates	Total electricity consumption (1'000 kWh)	3'449	3'857	3'713
	Total fuel consumption (1'000 liters)	43	85	76
Canada	Total electricity consumption (1'000 kWh)	202	185	130
	Total fuel consumption (1'000 liters)	–	–	–
Hong Kong SAR	Total electricity consumption (1'000 kWh)	130	139	125
	Total fuel consumption (1'000 liters)	–	–	–
Pakistan	Total electricity consumption (1'000 kWh)	16'470	14'771	13'259
	Total fuel consumption (1'000 liters)	1'758	1'588	1'541
South Africa	Total electricity consumption (1'000 kWh)	555	672	665
	Total fuel consumption (1'000 liters)	4	6	4
United Kingdom	Total electricity consumption (1'000 kWh)	420	452	438
	Total fuel consumption (1'000 liters)	–	–	–
Service companies	Total electricity consumption (1'000 kWh)	1'634	1'008	986
	Total fuel consumption (1'000 liters)	0	–	1

GHG emissions by jurisdiction (market-based)

		2025	2024	2023
Switzerland	GHG emissions Scopes 1+2 (tCO ₂ e)	42	44	44
	GHG emissions Scope 3 - business travel (tCO ₂ e)	191	178	170
Kenya	GHG emissions Scopes 1+2 (tCO ₂ e)	120	114	87
	GHG emissions Scope 3 - business travel (tCO ₂ e)	41	59	74
United Arab Emirates	GHG emissions Scopes 1+2 (tCO ₂ e)	1'555	1'886	1'873
	GHG emissions Scope 3 - business travel (tCO ₂ e)	179	215	195
Canada	GHG emissions Scopes 1+2 (tCO ₂ e)	118	108	67
	GHG emissions Scope 3 - business travel (tCO ₂ e)	20	22	5
Hong Kong SAR	GHG emissions Scopes 1+2 (tCO ₂ e)	81	99	89
	GHG emissions Scope 3 - business travel (tCO ₂ e)	41	36	19
Pakistan	GHG emissions Scopes 1+2 (tCO ₂ e)	12'246	13'168	12'103
	GHG emissions Scope 3 - business travel (tCO ₂ e)	6'955	5'627	5'267
South Africa	GHG emissions Scopes 1+2 (tCO ₂ e)	659	739	754
	GHG emissions Scope 3 - business travel (tCO ₂ e)	147	102	84
United Kingdom	GHG emissions Scopes 1+2 (tCO ₂ e)	160	172	168
	GHG emissions Scope 3 - business travel (tCO ₂ e)	5	6	13
Service companies	GHG emissions Scopes 1+2 (tCO ₂ e)	339	310	308
	GHG emissions Scope 3 - business travel (tCO ₂ e)	214	150	117

Water consumption by jurisdiction

	2025	2024	2023
Water consumption (m³)			
Switzerland	631	841	721
Kenya	1'525	1'237	947
United Arab Emirates	7'878	15'209	17'876
Canada	498	423	792
Hong Kong SAR	935	861	867
Pakistan	200'390	180'797	180'393
South Africa	2'344	4'279	2'644
United Kingdom	1'730	1'867	751
Service companies	3'089	2'864	2'575

Governance

Board of Directors

Age group	2025				2024				2023			
	Female	Female %	Male	Male %	Female	Female %	Male	Male %	Female	Female %	Male	Male %
Board of Directors												
Under 30 years	–	0.0%	–	0.0%	–	0.0%	–	0.0%	–	0.0%	–	0.0%
30–50 years	–	0.0%	–	0.0%	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Over 50 years	1	20.0%	4	80.0%	1	20.0%	4	80.0%	1	20.0%	4	80.0%

General Management

Age group	2025				2024				2023			
	Female	Female %	Male	Male %	Female	Female %	Male	Male %	Female	Female %	Male	Male %
General Management												
Under 30 years	–	0.0%	–	0.0%	–	0.0%	–	0.0%	–	0.0%	–	0.0%
30–50 years	–	0.0%	–	0.0%	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Over 50 years	–	0.0%	4	100.0%	–	0.0%	6	100.0%	–	0.0%	6	100.0%

Code of conduct

	2025			2024			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Employees who have formally acknowledged compliance with the code of conduct	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Mandatory training

Group

	2025			2024			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Anti-bribery and corruption	35.4%	63.4%	98.8%	33.7%	62.4%	96.1%	34.5%	63.5%	98.0%
Anti-money laundering	35.3%	62.6%	97.9%	33.7%	62.3%	96.0%	33.9%	64.2%	98.1%
Information and cybersecurity awareness assessment	35.6%	63.5%	99.1%	33.5%	61.6%	95.2%	34.4%	62.7%	97.1%
Personal data protection	34.9%	63.7%	98.6%	34.1%	63.0%	97.1%	33.2%	62.1%	95.2%

Switzerland

	2025			2024			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Anti-bribery and corruption	28.0%	72.0%	100.0%	28.4%	69.6%	98.0%	27.2%	71.7%	98.9%
Anti-money laundering	28.0%	68.0%	96.0%	28.4%	69.6%	98.0%	26.9%	71.0%	97.8%
Information and cybersecurity awareness assessment	30.0%	70.0%	100.0%	26.5%	70.4%	96.9%	26.4%	72.5%	98.9%
Personal data protection	30.0%	70.0%	100.0%	27.8%	71.1%	99.0%	26.4%	72.5%	98.9%

Kenya

	2025			2024			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Anti-bribery and corruption	35%	65.0%	100.0%	34%	66.0%	100.0%	31.0%	69.0%	100.0%
Anti-money laundering	35%	65.0%	100.0%	34%	66.0%	100.0%	31.0%	69.0%	100.0%
Information and cybersecurity awareness assessment	35%	65.0%	100.0%	36%	63.0%	99.1%	31.0%	69.0%	100.0%
Personal data protection	35%	65.0%	100.0%	34%	66.0%	100.0%	31.0%	69.0%	100.0%

United Arab Emirates

	2025			2024			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Anti-bribery and corruption	39.4%	60.0%	99.4%	36.3%	60.5%	96.8%	37.0%	62.2%	99.2%
Anti-money laundering	40.1%	59.3%	99.4%	36.4%	60.7%	97.0%	37.0%	62.1%	99.1%
Information and cybersecurity awareness assessment	39.6%	60.0%	99.6%	36.2%	60.8%	97.0%	37.0%	62.0%	99.0%
Personal data protection	39.6%	59.6%	99.2%	36.8%	60.7%	97.5%	37.0%	62.0%	99.0%

Canada

	2025			2024			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Anti-bribery and corruption	34.0%	66.0%	100.0%	32.6%	67.4%	100.0%	31.0%	64.0%	95.0%
Anti-money laundering	34.0%	66.0%	100.0%	32.6%	67.4%	100.0%	31.0%	64.0%	95.0%
Information and cybersecurity awareness assessment	34.0%	66.0%	100.0%	31.7%	68.3%	100.0%	31.0%	64.0%	95.0%
Personal data protection	34.0%	66.0%	100.0%	32.6%	67.4%	100.0%	31.0%	64.0%	95.0%

Hong Kong SAR

	2025			2024			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Anti-bribery and corruption	48.7%	51.3%	100.0%	43.8%	56.2%	100.0%	54.4%	44.1%	98.5%
Anti-money laundering	48.7%	51.3%	100.0%	43.8%	56.2%	100.0%	53.8%	44.6%	98.5%
Information and cybersecurity awareness assessment	48.7%	51.3%	100.0%	43.2%	55.4%	98.6%	52.9%	44.1%	97.1%
Personal data protection	48.7%	51.3%	100.0%	43.8%	56.2%	100.0%	52.9%	44.1%	97.1%

Pakistan

	2025			2024			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Anti-bribery and corruption	26.0%	74.0%	100.0%	20.5%	79.2%	99.7%	21.6%	76.2%	97.8%
Anti-money laundering	26.0%	74.0%	100.0%	17.0%	82.4%	99.5%	18.0%	81.0%	99.0%
Information and cybersecurity awareness assessment	25.0%	75.0%	100.0%	19.8%	77.8%	97.5%	21.2%	75.5%	96.7%
Personal data protection	20.0%	80.0%	100.0%	16.5%	80.3%	96.8%	17.8%	79.2%	97.0%

South Africa

	2025			2024			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Anti-bribery and corruption	62.5%	37.5%	100.0%	61.0%	38.3%	99.3%	60.5%	39.5%	100.0%
Anti-money laundering	62.0%	38.0%	100.0%	60.3%	38.3%	98.6%	60.5%	38.7%	99.2%
Information and cybersecurity awareness assessment	62.0%	38.0%	100.0%	61.3%	38.7%	100.0%	61.7%	38.3%	100.0%
Personal data protection	62.0%	38.0%	100.0%	61.0%	38.3%	99.3%	61.0%	39.0%	100.0%

United Kingdom

	2025			2024			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Anti-bribery and corruption	30.0%	70.0%	100.0%	29.1%	69.0%	98.1%	30.6%	69.4%	100.0%
Anti-money laundering	30.0%	70.0%	100.0%	28.9%	69.2%	98.1%	29.9%	68.7%	98.6%
Information and cybersecurity awareness assessment	30.0%	70.0%	100.0%	29.1%	70.9%	100.0%	32.2%	67.8%	100.0%
Personal data protection	30.0%	70.0%	100.0%	29.1%	69.0%	98.1%	22.2%	66.7%	88.9%

Service Companies

	2025			2024			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Anti-bribery and corruption	15.0%	75.0%	90.0%	11.8%	77.0%	88.7%	13.0%	81.5%	94.5%
Anti-money laundering	14.0%	72.0%	86.0%	11.8%	76.8%	88.7%	12.6%	83.4%	96.0%
Information and cybersecurity awareness assessment	16.0%	76.0%	92.0%	10.6%	71.0%	81.6%	14.0%	76.4%	90.4%
Personal data protection	15.0%	73.0%	88.0%	12.6%	79.9%	92.5%	8.3%	66.7%	75.0%

WIND ENERGY



Total installed capacity of wind, solar and storage in Canada is expected to increase by 32% by 2029 and double by 2035.

Wind Farm in Southeastern Alberta, Canada

Content index

GRI content index

Statement of use Habib Bank AG Zurich has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2025.

GRI 1 used GRI 1: Foundation 2021

GRI Standard	Disclosure	SDGs	Page(s)
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details		6, 64, 68
	2-2 Entities included in the organization's sustainability reporting		64, 68, 69
	2-3 Reporting period, frequency and contact point		64
	2-4 Restatements of information		65
	2-5 External assurance		64
	2-6 Activities, value chain and other business relationships		6
	2-7 Employees	8 10	68, 70–72
	2-8 Workers who are not employees	8	68, 72
	2-9 Governance structure and composition	5 16	17–20, AR 2025
	2-10 Nomination and selection of the highest governance body	5 16	17
	2-11 Chair of the highest governance body	16	17
	2-12 Role of the highest governance body in overseeing the management of impacts	16	17–20
	2-13 Delegation of responsibility for managing impacts		18–20
	2-14 Role of the highest governance body in sustainability reporting		18–20
	2-15 Conflicts of interest	16	17, 18, 21
	2-16 Communication of critical concerns		17, 20, 21
	2-17 Collective knowledge of the highest governance body		17
	2-18 Evaluation of the performance of the highest governance body		18
	2-19 Remuneration policies		17, 18
	2-20 Process to determine remuneration		18

GRI Standard	Disclosure	SDGs	Page(s)
GRI 2: General Disclosures 2021	2-21 Annual total compensation ratio		omission
	2-22 Statement on sustainable development strategy	13	5
	2-23 Policy commitments	16	7, 8, 13–15, 20–23, 30, 31
	2-24 Embedding policy commitments	13 16	18–26, 28–31, 89–93
	2-25 Processes to remediate negative impacts		21
	2-26 Mechanisms for seeking advice and raising concerns	16	21
	2-27 Compliance with laws and regulations		20–26, 28–31
	2-28 Membership associations		65
	2-29 Approach to stakeholder engagement		15
	2-30 Collective bargaining agreements	8	65
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics		15
	3-2 List of material topics		14
Governance, compliance, and ethics			
GRI 3: Material Topics 2021	3-3 Management of material topics	8 16	17–21
Non-GRI			
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	16	21–23
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	16	22, 23, 68
	205-2 Communication and training about anti-corruption policies and procedures	16	17, 21–23
	205-3 Confirmed incidents of corruption and actions taken	16	22, 23
Client privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	16	24–26
GRI 418: Client Privacy 2016	418-1 Substantiated complaints concerning breaches of client	16	24, 25
Digitalization and innovation			
GRI 3: Material Topics 2021	3-3 Management of material topics	8	26, 27
Non-GRI			
Operational resilience and continuity			
GRI 3: Material Topics 2021	3-3 Management of material topics	16	28, 29
Non-GRI			

GRI Standard	Disclosure	SDGs	Page(s)
Procurement practices and supplier environment			
GRI 3: Material Topics 2021	3-3 Management of material topics	8 16	29–31
Non-GRI			
Products, services, and financial investments			
GRI 3: Material Topics 2021	3-3 Management of material topics	8	33–35
Non-GRI			
Talent management, compensation, and performance management			
GRI 3: Material Topics 2021	3-3 Management of material topics	4 8	37–39
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	4 5 8 10	76
	404-2 Programs for upgrading employee skills and transition assistance programs	8	37, 38
	404-3 Percentage of employees receiving regular performance and career development reviews	5 8 10	77
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	5 8 10	73, 74
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	3 5 8	37
	401-3 Parental leave	5 8	75
Diversity, equal opportunity, and inclusion			
GRI 3: Material Topics 2021	3-3 Management of material topics		39, 40
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	5 8 10	78, 79, 89
	405-2 Ratio of basic salary and remuneration of women to men	5 8 10	80, 81
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	5 8	39
Climate change and decarbonization			
GRI 3: Material Topics 2021	3-3 Management of material topics	7 13	40–43
GRI 302: Energy 2016	302-1 Energy consumption within the organization	7 13	68, 69, 83, 86
	302-3 Energy intensity	7 13	68, 83
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	13	68, 69, 84, 87
	305-2 Energy indirect (Scope 2) GHG emissions	13	68, 69, 84, 87
	305-3 Other indirect (Scope 3) GHG emissions	13	68, 69, 84, 85, 87
	305-4 GHG emission intensity	13	68, 69, 84, 85

GRI Standard	Disclosure	Omission / information
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	There were no reportable critical concerns in 2025.
	2-21 Annual total compensation ratio	Remuneration data is confidential.
	2-23 Policy commitments	All policy commitments are included in this report.
	2-27 Compliance with laws and regulations	Confidentiality constraints.
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Employees have access to all policies on the Group-wide intranet.

Swiss Code of Obligations content index

This ESG Report contains non-financial disclosure as required by the Swiss Code of Obligations (CO).

The following CO reference table is used to allocate the material topics to non-financial disclosure in accordance with art. 964b (para. 1 and 2) CO.

Non-financial matters according to art. 964b (para. 1) CO		
	Material topic(s)	Page(s)
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Social issues	Client privacy	24–26
	Products, services, and financial investments	33–35
Employee issues	Talent management, compensation, and performance management	37–39
	Diversity, equal opportunity, and inclusion	39, 40
Respect for human rights	Procurement practices and supplier environment	29–31
Combating corruption	Governance, compliance, and ethics	21
	Anti-corruption	21–23
Non-financial matters according to art. 964b (para. 2, no. 1) CO		
	Place of disclosure	Page(s)
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	ESG Report	6, 8
Non-financial matters according to art. 964b (para. 2, no. 2–4) CO		
	Material topic(s)	Page(s)
Climate matters	Climate change and decarbonization	40–43
Social issues	Client privacy	24–26
	Products, services, and financial investments	33–35
Employee issues	Talent management, compensation, and performance management	37–39
	Diversity, equal opportunity, and inclusion	39, 40
Respect for human rights	Procurement practices and supplier environment	29–31
Combating corruption	Governance, compliance, and ethics	21
	Anti-corruption	21–23

Non-financial matters according to art. 964b (para. 2, no. 5) CO	Place of disclosure	Page(s)
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	Client privacy	24–26
Employee issues	ESG KPIs – disclosure metrics	38, 39, 70–81
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Combating corruption	Anti-corruption	21–23, 89–93

TCFD Disclosure content index

The following table outlines the TCFD recommendations for effective climate disclosures

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Management's role in assessing and managing climate-related risks and opportunities	18–20, 45
Strategy	
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Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	53–58
Resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	46, 47, 53–58
Risk Management	
Organization's processes for identifying and assessing climate-related risks	58–60
Organization's processes for managing climate related risks	61
How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	58–61
Metrics and targets	
Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management processes	48–50, 52, 55, 61, 62, 69, 82
Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	46, 47, 62, 68, 69, 84, 85, 87
Targets used by the organization to manage climate-related risks and opportunities	62

Ordinance on Climate Disclosures content index

Additional requirements according to Article 3 para 3 lit. a of the Ordinance on Climate Disclosures

Topic	Page(s)
Transition plan that is comparable with the Swiss climate goals	45, 46, 50

Index for SDGs

SDG	Example of our action	SDG	Example of our action	SDG	Example of our action
 <p>1 NO POVERTY</p>	<ul style="list-style-type: none"> – Supporting humanitarian causes aligns with addressing poverty. – Philanthropic investments in humanitarian causes and disaster relief directly contribute to resilience in vulnerable communities. – Our goal is to spend up to 1% of our Group profit before tax on CSR activities. 	 <p>3 GOOD HEALTH AND WELL-BEING</p>	<ul style="list-style-type: none"> – We invest in CSR initiatives that promote accessible and quality healthcare for communities we serve. – Over the course of last few years, our CSR programmes have included health camps, medical screenings, and partnerships with local organisations to improve preventive care and health awareness. – Through various initiatives, we contribute to healthier communities and help strengthen the resilience and well-being of vulnerable populations. 	 <p>4 QUALITY EDUCATION</p>	<ul style="list-style-type: none"> – We promote lifelong learning through continuous professional development, including in-house training and support for postgraduate studies. – In 2025, we strengthened our commitment by launching a bespoke mandatory ESG module on our digital learning platform, complementing existing courses on governance and compliance. – Beyond our workforce, quality education is a core principle of our philanthropic philosophy, with a particular focus on supporting access to learning opportunities in underdeveloped regions. – We foster a safe, inclusive, and high-performance workplace with competitive benefits, talent development, and robust employee engagement.
 <p>5 GENDER EQUALITY</p>	<ul style="list-style-type: none"> – Our workforce now comprises 26.5% women, up from 22.3% in 2023, reflecting our commitment to growing female representation at all levels. – Equal opportunity is embedded in our hiring, career planning, and compensation practices, with targeted plans to address gender imbalance in executive leadership. – In 2025, we recorded zero discrimination incidents – a testament to our inclusive culture, which also spans 50+ nationalities and individuals with diverse abilities. 	 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<ul style="list-style-type: none"> – We are advancing access to sustainable energy by investing in on-site solar generation across our branches, implementing energy efficiency measures such as LED lighting and smart sensors, and planning the transition of our fleet to electric and hybrid vehicles. – In markets, where grid reliance on fossil fuels and high cooling demand pose unique challenges, we are actively reducing our energy footprint by procuring renewable energy certificates. 	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> – We drive economic opportunity by supporting SME growth, facilitating trade finance to developing markets, promoting financial inclusion through Islamic banking, and embedding responsible labor practices across our supply chain. – Our digitalization strategy further reinforce our commitment to sustainable and inclusive economic progress.
 <p>10 REDUCED INEQUALITIES</p>	<ul style="list-style-type: none"> – We are committed to reducing inequality through inclusive employment practices and ethical financial solutions. – Our global workforce spans over 50 nationalities, and we maintain a zero-discrimination workplace with 26.5% female representation—while actively addressing gender balance in leadership. – Beyond our walls, our Shariah-compliant banking services promote economic inclusion by providing ethical, risk-sharing financial solutions that broaden participation and prevent wealth concentration. 	 <p>13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> – We are taking urgent climate action by committing to reduce Scope 1 and 2 GHG emissions by 35% by 2030 (from a 2024 baseline), with entity-level targets ensuring accountability. – In 2025, we reduced our Scope 1 and 2 GHG emissions by 7.9% mainly due to procurement of I-RECs and infra-structural improvements. – Standardized Group-wide reporting enables us to measure and manage emissions, energy, and water consumption, while our focus on digital channels and waste tracking supports resource efficiency. 	 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<ul style="list-style-type: none"> – Our zero-tolerance approach to corruption, coupled with strong Board oversight and confidential whistleblowing mechanisms, ensures accountability and access to justice within our organization. – By enforcing rigorous AML frameworks and safeguarding client data with zero reportable breaches, we uphold the rule of law and build the trusted, inclusive institutions fundamental to peaceful societies.

Annual Report 2025



Basel IV Annual Disclosure 2025



ESG Report 2025



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