



Luzerner
Kantonalbank

Sustainability Report 2025

Sustainability Report

Contents

03		Foreword
05		Principles: Commitment to responsible action
10		Managing sustainability
16		Approach and areas of focus
24		Material topics
24		Client satisfaction
27		Economic performance and shareholder value
32		Digitalisation, information security, data protection and privacy
40		Business ethics and compliance
54		Investment business
64		Lending business
74		Employer responsibility and attractiveness
103		Commitment to the region
109		Relations with suppliers and partners
111		Greenhouse gas emissions and climate protection
153		Other topics
160		Risk assessment in accordance with the Swiss Code of Obligations (CO)
162		About this Sustainability Report
165		Report on non-financial matters
174		GRI index
188		Annex

Foreword

Dear Readers

This Sustainability Report gives you an insight into how we at Luzerner Kantonalbank AG (LUKB) live up to our responsibility towards society and the environment. As in the previous year, the report was prepared in accordance with the non-financial reporting requirements set out in the Swiss Code of Obligations as well as in accordance with the GRI Standards and the recommendations on climate reporting made by the former Task Force on Climate-related Financial Disclosures (TCFD).

In the past year, we intensively examined LUKB's strategic development for the 2026 to 2030 strategy period. The Board of Directors and the Executive Board also discussed the strategic importance of sustainability for LUKB in the future. This is based on the basic understanding that a cantonal bank – regardless of its legal form – should always pay particular attention to the prosperity and value creation in its canton and is expected to show a greater sense of responsibility. For this reason, there is no doubt that LUKB must understand sustainability as a holistic concept. A concept in which the triad of the environment, social issues and corporate governance should always be considered.

We also see it as our responsibility to regularly question our own understanding of sustainability and our approach to sustainability and adapt it to current circumstances. In the run-up to this year's report, we therefore reviewed and selectively adjusted the material topics as required by the relevant frameworks. As usual, they form the structural element of this report (see '[Approach and areas of focus](#)' section).

It is important to us that our sustainability work is understood and that the expectations of the relevant stakeholders are met. The continued improvement in some of our [sustainability/ESG ratings](#) shows that we are consistently improving in this regard. The outstanding corporate governance rating awarded by Inrate (zRating study 2025) also confirms that we are on the right track: LUKB was once again one of the leading Swiss financial services providers in 2025.

Knowing the importance of external assessments and in times of increasing formal and regulatory requirements, it is important to us at LUKB to not lose sight of the actual purpose of sustainability work – the impact. Our employees are of the utmost relevance – also strategically. The outstanding results of the [employee survey 2025](#) are proof that we take our responsibility towards our workforce in the best possible way. This has a positive impact on more than just our employees.

Regarding the environment, we faced some political headwinds against climate protection in the reporting year, an area that previously enjoyed broad support. However, we remain consciously committed to climate protection and are sticking to our net-zero target for 2050 and our ambitious [Climate Roadmap](#). It is important to us to follow our path consistently. LUKB keeps the promises it makes.

The availability of reliable data will remain a challenge for the foreseeable future. However, we are confident that we will be able to further improve data quality through our network of specialist partners.

Sustainability affects us all. With our long-term mindset, regional roots and proximity to clients and other stakeholders, we want to continue to make a tangible contribution in the future. We look forward to continuing on this path together.

Yours sincerely



Markus Hongler
Chair of the Board of Directors



Daniel Salzmann
CEO

Lucerne, 12 March 2026

Principles: Commitment to responsible action

Identity

Since its founding in 1850, LUKB has pursued a long-term business policy with the aim of generating significant benefits for the people and economy of the Canton of Lucerne. This also includes value creation for the majority shareholder (Canton of Lucerne) and for the more than 33,000 other LUKB shareholders. A key aspect of this policy is sustainability: conserving limited resources, helping to shape a viable long-term society and furthering social justice. As the market leader in the Lucerne economic region and as a major employer, LUKB is conscious of its special responsibility and acts proactively and with a focus on the future as a result.

LUKB has therefore firmly embedded the topic of sustainability at an organisational level to ensure systematic sustainability management and appropriate reporting throughout the Group.

LUKB's commitment to long-term value creation is also reflected in its mission ('Purpose'):

*'With us, opportunities become reality.
Today and for future generations, we act responsibly
to create real value from financial opportunities.
For people, for companies, for our economic region.'*

Sustainability strategy

Sustainability was already a key component of the 'LUKB25' corporate strategy (strategy period 2020 to 2025) and remains firmly enshrined in the new 'LUKB30' overall bank strategy for the period 2026 to 2030. As part of the overarching strategy principles, the LUKB sustainability strategy forms the basis for responsible action and sustainable value creation in all business areas.

Strategy approach

Sustainability is managed within a clearly defined framework:

- **Stakeholder dialogue:** LUKB maintains an ongoing dialogue with its stakeholders to understand their expectations and needs.
- **Identification and management of material topics:** LUKB regularly analyses the sustainability topics of relevance to it and manages them in a targeted manner. Sustainability management is based on the reference framework below.
- **External reporting:** LUKB reports transparently in accordance with legal requirements, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the standards of the Global Reporting Initiative (GRI).

Strategic priorities

The strategic priorities for 2026 to 2030 ('LUKB30' strategy period) are:

- Assumption of **responsibility** towards society and the environment in all business activities
- Achievement of the defined **greenhouse gas reduction targets** and the **other environmental targets**
- Ensuring a high level of **attractiveness as an employer** and ongoing **employee promotion and development**. This includes measures to attract, retain and develop talent, as well as training and career development programmes.
- Further strengthening of **corporate governance** and **risk and compliance management**
- Ensuing the defined minimum ratings for all **sustainability/ESG ratings relevant to LUKB**

In 2025, LUKB continued various activities from the previous year and focused on the following areas:

- **Strategic development:** review and adjustment of LUKB's overall strategy for the 2026 to 2030 period, including the sustainability strategy
- **Maintenance of sustainability/ESG ratings:** ongoing management of sustainability/ESG ratings, including dialogue with rating organisations
- **Compliance with regulatory requirements:** implementation of the expanded FINMA reporting requirements on climate risks, start of implementation of FINMA Circular 2026/01 'Nature-related financial risks'
- **Further development of data sources and technologies:** further development of the database and technological infrastructure for effective and efficient sustainability management and reporting

Reference framework

LUKB bases its sustainability management and corporate responsibility on the following reference framework:

Statutory foundations

- Article 964a et seq. Swiss Code of Obligations (indirect counterproposal to the Responsible Business Initiative): provisions on reporting on non-financial matters, and on minerals and metals from conflict-affected areas and child labour. These have been in force since 1 January 2022. LUKB has once again implemented these requirements in this 2025 Sustainability Report. The [‘Report on non-financial matters’](#) section of this Sustainability Report shows which information is available in the different sections of the 2025 Sustainability Report and Annual Report.
- Ordinance on Climate Disclosures, on the basis of Article 964a et seq. of the Swiss Code of Obligations, including the safe harbour provision on the application of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). This Ordinance entered into force on 1 January 2024. This 2025 Sustainability Report once again contains the TCFD reporting in accordance with these requirements. LUKB implemented TCFD reporting for the first time in the 2024 Sustainability Report. The [‘Report on non-financial matters’](#) section of this Sustainability Report shows where the TCFD disclosures are included in the 2025 Annual and Sustainability Report.

Other relevant regulations

- [‘Guidelines for mortgage providers on the promotion of energy efficiency’](#) of the Swiss Bankers Association SBA.¹⁾ With a transitional period until 1 January 2024, these have been binding for the SBA member banks since 1 January 2023.
- [‘Guidelines for the financial service providers on the integration of ESG preferences and ESG risks and the prevention of greenwashing in investment advice and portfolio management’](#) of the Swiss Bankers Association SBA.¹⁾ Applying implementation deadlines, these have been binding for SBA member banks since 1 January 2023.
- [Self-regulation on transparency and disclosure for sustainability-related collective assets](#), published by the Asset Management Association Switzerland (AMAS)²⁾, which entered into force on 30 September 2023. An expanded version of this self-regulation entered into force on 1 September 2024 with transitional periods.

¹⁾ <https://www.swissbanking.ch/en>

²⁾ <https://www.am-switzerland.ch/en>

LUKB-specific reference framework

- [LUKB Act and Articles of Association](#)¹⁾
- [The 2025 Ownership Strategy of the Canton of Lucerne](#), which was approved and put into effect by the Government Council of the Canton of Lucerne on 17 April 2025 and replaces the previous 2021 Ownership Strategy²⁾ (in German)
- The climate and energy policy of the Canton of Lucerne with the goal of net-zero greenhouse gas emissions by 2050 and in particular the requirements derived from it in the [2025 Ownership Strategy](#) (Chapter B. III)²⁾
- [LUKB Code of Conduct](#)¹⁾
- [LUKB's mission statement on sustainability in the investment business](#)³⁾ (in German)
- 'LUKB30' strategy (see [LUKB 2025 Annual Report](#), 'Business model and strategy' in the 'About LUKB' section)
- [LUKB Supplier Code of Conduct](#)¹⁾

¹⁾ <https://lukb.ch/english-window>

²⁾ <https://lukb.ch/eignerstrategie>

³⁾ <https://lukb.ch/nachhaltig-anlegen>

Reference frameworks set by various sustainability initiatives

- UN Principles for Responsible Investment (PRI): United Nations Principles for Responsible Investment
- Climate Action 100+ targets
- Swiss Sustainable Finance (SSF) targets
- Swiss Stewardship Code targets, as published by the Asset Management Association Switzerland (AMAS)
- Selected goals of the United Nations 2030 Agenda for Sustainable Development (Sustainable Development Goals, or SDGs). Further information on the SDGs can be found in the [Annex](#) to this Sustainability Report.
- Global greenhouse gas accounting and disclosure standards for the financial industry of the Partnership for Carbon Accounting Financials (PCAF)

LUKB sustainability/ESG ratings

LUKB has the following sustainability/ESG ratings, which are part of LUKB's internal strategic target system (balanced scorecard):

		2023	2024	2025
MSCI	ESG risk ¹⁾	AA	AA	AA
Inrate	ESG impact ²⁾	B-	B	B
Inrate	Corporate governance (zRating) ³⁾	70	72	74
ISS	ESG impacts, risks & opportunities ⁴⁾	Not Prime D+	Not Prime D+	Prime C
Sustainalytics (Morningstar)	ESG risk ⁵⁾	Medium	Medium	Medium

¹⁾ Scale: AAA (best rating), AA, A, BBB, BB, B, CCC

²⁾ Scale: A+ (best rating), A, A-, B+, B, B-, C+, C, C-, D+, D, D-

³⁾ Scale from 100 points (best rating) to 1 point

⁴⁾ Scale: A+ (best rating), A, A-, B+, B, B-, C+, C, C-, D+, D, D-

⁵⁾ Scale: «Negligible ESG Risk» (best rating), «Low ESG Risk», «Medium ESG Risk», «High ESG Risk», «Severe ESG Risk»

LUKB has also been assigned a WWF rating on its environmental impact. This is based on a study carried out in 2024 by WWF Switzerland in collaboration with INFRAS Ltd and Inrate Ltd. In this study, LUKB - together with several other major Swiss retail banks - placed in the middle of the pack (with an 'average' rating). At the same time, the study confirmed that LUKB had made the greatest progress compared to the previous evaluation in 2021.

Managing sustainability

Organisation/governance

Sustainability is firmly embedded in the organisational structure of LUKB to ensure that it is managed systematically across the Group. Governance is rooted in the proven system of 'checks & balances' between management and supervisory functions, in a policy of transparent information, and in an unequivocal commitment from LUKB's highest governing and executive bodies to sustainable and responsible business conduct.



Figure: Organisation of sustainability management at LUKB

The Board of Directors

The Board of Directors (BoD) of LUKB has ultimate responsibility for the overall management, supervision and control of sustainability and sustainability risks. It sets and monitors the sustainability strategy, including the associated risks. It also monitors compliance with the relevant laws, rules and requirements that apply to sustainability topics and risks. It is responsible for external sustainability reporting and determines the general implementation framework. When exercising these duties, the BoD may call in internal and external experts to clarify matters and for further training if necessary.

Committees of the Board of Directors

The committees of the BoD support the BoD in its duties. With regard to sustainability and sustainability risks, the BoD committees have the following main duties:

Audit and Finance Committee (AFC-BoD)

- Preparing BoD resolutions and making implementation decisions
- Submitting proposals to the BoD for the implementation framework as a basis for sustainability reporting
- Conducting a critical assessment of the sustainability reporting and confirming proposals to the BoD
- Reviewing compliance with statutory and internal reporting stipulations/requirements
- Discussing the quality of the underlying reporting processes with the CEO and CFO and, if necessary, with the audit firm and the Head of Internal Audit
- Monitoring and assessing internal controls in the area of sustainability reporting
- Preparing and awarding audit mandates in relation to sustainability reporting

Risk and Strategy Committee (RSC-BoD)

- Preparing BoD resolutions and making implementation decisions
- With regard to the sustainability strategy, the Risk and Strategy Committee has the following duties:
 - Preparing the basis for decision-making regarding the sustainability strategy as part of the overall strategy for the attention of the BoD
 - Monitoring the implementation of the sustainability strategy
- With regard to sustainability risks including climate-related risks, the Risk and Strategy Committee has the following duties:
 - Completing the preparatory tasks delegated by the BoD relating to the framework concept for institution-wide risk management (risk policy) as well as monitoring activities in the area of risk control
 - Firming up risk policy requirements and adopting corresponding sub-policies
 - Critically assessing the risk exposure of the parent company and the Group; monitoring the implementation of risk strategies, particularly with regard to risk tolerance and risk limits
 - Monitoring and assessing the functionality and appropriateness of the internal control system (ICS), with the exception of external sustainability reporting, financial reporting and the Compliance function
 - Holding periodic discussions with the CEO, the CFO, the Head of Risk Control, Internal Audit and the audit firm

The other duties of the BoD committees are described in the '[Corporate Governance](#)' report in the LUKB 2025 Annual Report.

Executive Board

The LUKB Executive Board is responsible for the operational implementation of the sustainability strategy and defines the specific objectives and areas of focus for the entire Group. It is also responsible for the operational implementation of the relevant laws, rules and requirements that apply to sustainability topics and risks.

The Executive Board conducts an annual evaluation of sustainability management and sustainability risks in terms of their fitness for purpose and effectiveness, and ensures that the material and human resources needed for efficient management are in place. It discusses the internal reports on sustainability topics and makes decisions on relevant topics according to need and urgency. At Executive Board level, responsibility for sustainability lies with the CEO.

Sustainability Office

The Sustainability Office is the internal and external point of contact for questions related to sustainability and supports the dialogue with LUKB stakeholders. Working alongside the Executive Board, it prepares the Group-wide sustainability strategy. The Sustainability Office conducts regular (at least annual) reviews and assessments of material topics, targets, target achievement and the measures set out in the sustainability strategy. It also provides impetus for the ongoing development of sustainability management, and supports other LUKB organisational units across the Group as they implement sustainability measures.

Working together with the CFO and Communications, the Sustainability Office ensures that external sustainability reporting complies with the regulatory requirements and the Board of Directors' guidelines. In addition, it assists Communications with both internal and external sustainability-related communications. The Sustainability Office reports regularly to the Executive Board and Board of Directors. This includes internal reporting on sustainability to the Executive Board, the Risk and Strategy Committee of the Board of Directors (RSC-BoD) and the Board of Directors. This reporting is carried out at least once a year.

More broadly, the Sustainability Office's remit includes monitoring and analysing developments and new regulatory requirements in the area of sustainability. It supports relevant sustainability knowledge-building within the Group at all management levels, including the Board of Directors and the Executive Board (see '[Sustainability training](#)' in the '[Employer responsibility and attractiveness](#)' section of this Sustainability Report). The Sustainability Office also runs campaigns to raise employee awareness of sustainability issues.

Risk Control

The independent Risk Control function is responsible for monitoring the risk profile, taking into account sustainability/ESG risk factors (second line of defence). It reports quarterly in a risk report on the risk situation, compliance with risk tolerance and compliance with limits across all risk categories to the Executive Board, the Risk and Strategy Committee of the Board of Directors (RSC-BoD), and the Board of Directors. Sustainability risks, including climate risks, are not a standalone risk category, but rather a driver of default, market, liquidity, operational, compliance, strategic and reputational risks. Risk Control is also responsible for the conceptual and methodical integration of sustainability/ESG risks into the risk management framework.

Every year, Risk Control conducts a qualitative risk assessment of the impact of climate risks, including climate-related financial risks, as a driver for the risk categories of default, market, liquidity, operational, compliance, strategic and reputational risks with a first-line-of-defence expert committee. The first-line-of-defence expert committee consists of the Sustainability Office, Credit Risk Management, Finance & Investment Management Support and the Asset Management Sustainability Office. For specific portfolios with increased risk exposure to climate-related financial risks, quantitative scenario analyses are carried out periodically, where possible and appropriate.

Further information on climate risks can be found in the [‘Greenhouse gas emissions and climate protection’](#) section of this Sustainability Report. For information on corporate governance at LUKB, please refer to the [‘Corporate Governance’](#) report in the LUKB 2025 Annual Report. For information on the role and responsibilities of the Risk Control function, please refer to the [‘Financial Report’](#) section in the [‘Risk Management’](#) section of the notes to the [2025 LUKB Annual Report](#).

Reporting

LUKB has structured its internal and external reporting in the area of sustainability and sustainability risks as follows:

Type of reporting	Recipients	Frequency
External sustainability report (including climate report) based on: - Articles 964a to c of the Swiss Code of Obligations (non-financial matters), the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) - the Global Reporting Initiative (GRI) standards	- The public - Report approved by LUKB Board of Directors before publication - Report on non-financial matters pursuant to Art. 964a to c CO is approved annually by the LUKB Annual General Meeting	Once a year
Internal report from the Sustainability Office on sustainability, including implementation status of the sustainability strategy (including climate strategy and climate transition plan) ¹⁾	- Board of Directors (BoD) - Risk and Strategy Committee of BoD - Executive Board	At least once a year
Internal risk report of Risk Control (second line of defence) on the risk situation, compliance with risk tolerance and compliance with limits across all risk categories ²⁾	- Board of Directors (BoD) - Risk and Strategy Committee of BoD - Executive Board	Quarterly

¹⁾ Including assessment of the effectiveness of measures as well as significant trends and developments in the area of sustainability

²⁾ Sustainability risks, including climate-related financial risks, are not a standalone risk category, but rather a driver of default, market, liquidity, operational, compliance, strategic and reputational risks; at least once a year, the internal risk report is supplemented by an analysis of the climate-related financial risks identified for the attention of the Executive Board and the Risk and Strategy Committee of the BoD.

Memberships and initiatives

LUKB supports various initiatives and programmes relating to relevant sustainability topics and is guided by their standards, recommendations and objectives:

Association/initiative	Description	Role of LUKB
UN Sustainable Development Goals (SDG)	The United Nations (UN) 2030 Agenda contains 17 goals and 169 targets for sustainable development. The SDGs factor in three dimensions: economic, social and environmental.	LUKB is guided primarily by the seven SDGs that are relevant to it. Further information on the SDGs can be found in the Annex of this Sustainability Report.
UN Principles for Responsible Investment (PRI)	The Principles for Responsible Investment are an investor initiative supported by the United Nations.	LUKB voluntarily signed the UN PRI in 2019.
UN PRI «Spring»	«Spring» is a stewardship initiative of the UN PRI. It addresses the systemic risks of biodiversity loss in order to protect the long-term interests of investors. The initiative aims to contribute to the global goal of halting and reversing biodiversity loss by 2030.	LUKB has been voluntarily participating in the Spring initiative since 2024.
Climate Action 100+	Climate Action 100+ is an investor-led initiative. It aims to ensure that companies, including some of the world's largest greenhouse gas emitters, take appropriate action on climate change to mitigate financial risks and safeguard the long-term value of their assets. LUKB has been a part of this influential initiative since 2021.	LUKB has been voluntarily participating in the Climate Action 100+ initiative since 2021.
FAIRR	The FAIRR initiative was founded in 2015 and is an investor network that aims to raise awareness of material risks and opportunities in intensive animal agriculture and the global food sector. Together with investors, it carries out engagement activities with companies in the agriculture and food sector.	LUKB has been voluntarily participating in the FAIRR initiative since 2022.
Global Reporting Initiative (GRI)	GRI is an international organisation that provides cross-industry standards for sustainability reporting. These are applied by companies and other organisations in many countries.	LUKB voluntarily published its first report in accordance with the GRI Standards for the 2024 financial year.
Task Force on Climate-related Financial Disclosures (TCFD)	For several years, the TCFD was a global initiative led by the financial industry that published recommendations on the disclosure of opportunities and risks arising from climate change. In July 2023, the sponsoring organization, the Financial Stability Board (FSB), declared the TCFD's work complete. The TCFD's recommendations have been integrated into the new standards of the International Sustainability Standards Board (ISSB, Standards IFRS S1 and IFRS S2). As a result, the TCFD was dissolved in October 2023. The use of the TCFD recommendations remains voluntary, and some companies are still required to apply them. In Switzerland, the application of the TCFD recommendations enables the implementation of provisions of the Ordinance on Reporting on Climate Matters. The TCFD recommendations therefore remain authoritative for LUKB.	LUKB published its first report aligned with the TCFD recommendations for the 2024 financial year, fulfilling the requirements of the Federal Council's Ordinance on Climate Disclosures.
Partnership for Carbon Accounting Financials (PCAF)	PCAF is a global partnership of financial institutions that are jointly developing and implementing a harmonized approach to measuring and disclosing the greenhouse gas emissions associated with their loans, investments, and capital market transactions.	LUKB voluntarily joined PCAF in 2023. In its Sustainability Report 2024, LUKB published greenhouse gas emissions for the first time in accordance with the standard developed by the PCAF for calculating and disclosing 'financed emissions'.
Paris Agreement Capital Transition Assessment (PACTA)	PACTA is a climate compatibility test that is carried out in various countries. In Switzerland, it is carried out regularly under the direction of the Federal Office for the Environment (FOEN) in cooperation with the State Secretariat for International Finance (SIF). The PACTA method is used to examine the extent to which the investments and the lending portfolios of financial institutions are in line with the goals of the Paris Climate Agreement.	LUKB voluntarily participated in the PACTA climate compatibility tests for the third time in 2024. Further details can be found in the section ' Greenhouse gas emissions and climate protection ' of this Sustainability Report.
Swiss Sustainable Finance (SSF)	SSF is an association that aims to establish Switzerland as a leading centre for sustainable financial services. It advocates for the necessary framework conditions, involves stakeholders, provides information on practical approaches and scientific findings, and creates supportive tools.	LUKB has been a voluntary member since 2021 and continued to actively participate in the Regulatory Expert Group in 2025, which deals with regulatory developments in the field of sustainability in the financial industry.

Association/initiative	Description	Role of LUKB
öbu - Swiss Business Council for Sustainable Development	öbu is an association that supports companies in integrating sustainability into their strategy. It also offers information and training on sustainability issues. öbu's work is based on the 17 Sustainable Development Goals of the United Nations.	LUKB has been a voluntary member since 2007.
Central Switzerland Sustainability Network (NNZ)	NNZ is an association that aims to promote the implementation of the 17 Sustainable Development Goals of the United Nations in Central Switzerland.	LUKB voluntarily joined the NNZ charter in 2021.

In addition to these memberships and initiatives, LUKB is an active contributor to the sustainability-related work of the Swiss Bankers Association (SBA) and the Association of Swiss Cantonal Banks (ASCB). The subsidiary LUKB Expert Fondsleitung AG is also a member of the Asset Management Association Switzerland (AMAS).

Approach and areas of focus

Stakeholders

LUKB's work on sustainability centres around various stakeholders. These are part of its value chain or are affected directly or indirectly by its business operations. Stakeholders in the Lucerne economic region are particularly important here.

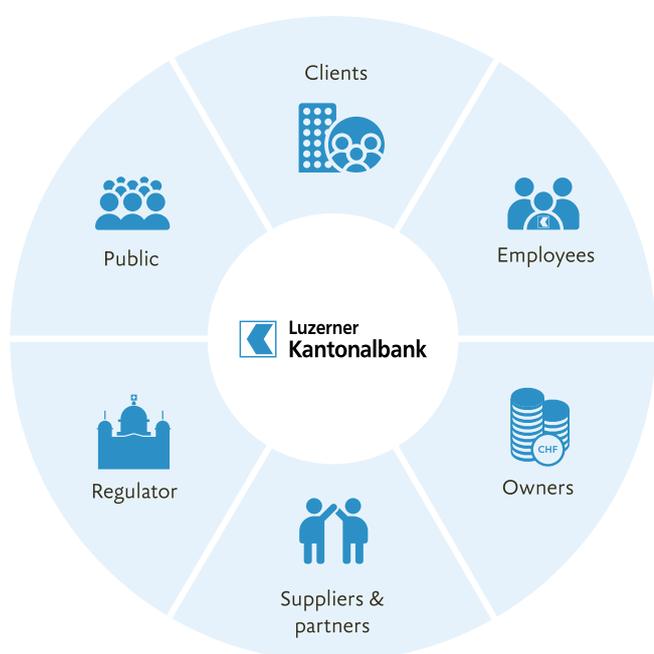


Figure: LUKB stakeholders

Engagement and dialogue with stakeholders

LUKB strongly believes in cultivating a close and regular dialogue with its stakeholders and in communicating transparently. This dialogue builds reciprocal trust. In addition, the needs, expectations and requirements placed on LUKB can be identified at an early stage and areas for improvement can be identified on the basis of these. The [‘Material topics in stakeholder engagement and dialogue’ table](#) provides an overview of LUKB's engagement and dialogue with its stakeholders.

Material topics

In order to determine the relevant priorities, LUKB reviews its material topics at least once a year. Material topics are those sustainability aspects that are particularly important for a company due to their impact on the environment and society or their financial relevance. The last review of the material topics was conducted in September 2025 by an interdepartmental working group of specialists.

The review was based on the requirements set out in the Swiss Code of Obligations for non-financial reporting, in particular the double materiality approach. This includes both financial materiality from an outside-in perspective (financial materiality for LUKB) and impact materiality from an inside-out perspective (environmental and social materiality). In addition, the requirements set out in the relevant reporting standard of the Global Reporting Initiative (GRI 3 'Material topics', 2021) were taken into account. The following were also used as a benchmark:

- LUKB strategy
- The LUKB Ownership Strategy of the Canton of Lucerne
- Information and findings from stakeholder engagement and dialogue
- Statutory and regulatory requirements and developments
- Relevant reporting standards and recommendations, particularly the standards set by the Global Reporting Initiative (GRI) and the climate reporting recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD)
- United Nations Sustainable Development Goals (SDGs)
- Sector analyses
- External sustainability/ESG ratings and studies
- Media reports

As a result of the review, the following ten topics were found to be material:

- Client satisfaction
- Economic performance and shareholder value
- Digitalisation, information security, data protection and privacy
- Business ethics and compliance
- Investing: investment policy, advice and products
- Lending: lending policy, advice and products
- Employer responsibility and attractiveness
- Commitment to the region
- Relations with suppliers and partners
- Greenhouse gas emissions and climate protection

The following materiality matrix shows the ten material topics, shown on the one hand according to financial materiality for LUKB (outside-in perspective, horizontal axis) and on the other hand according to materiality for the environment and society (inside-out perspective, vertical axis). The material topics are in the dark grey areas. Each material topic is covered individually in the following sections.



Figure: LUKB materiality matrix

Material topics in stakeholder engagement and dialogue

Stakeholder	Material topics	Engagement/dialogue	Sections in this Sustainability Report
Clients	<ul style="list-style-type: none"> - Client satisfaction - Digitalisation, information security, data protection and privacy - Business ethics and compliance - Investing: investment policy, advice and products - Lending: credit policy, advice and products 	<ul style="list-style-type: none"> - Ongoing dialogue with client advisors - Systematic management of client feedback (recorded, analysed, discussed at EB level, improvements actioned) - Client satisfaction surveys/analyses - Client events - Interaction via social media 	<ul style="list-style-type: none"> Client satisfaction Digitalisation, information security, data protection and privacy Business ethics and compliance Investment business Lending business
Employees	<ul style="list-style-type: none"> - Employer responsibility and attractiveness - Digitalisation, information security, data protection and privacy - Business ethics and compliance 	<ul style="list-style-type: none"> - Regular performance and development dialogue - Annual employee satisfaction survey - Vocational and continuing education, incl. the area of sustainability - Town halls, workshops and meetings with employees - Systematic occupational health management with internal contact persons and external point of contact - Regular awareness-raising on occupational health and safety, equal opportunities and a non-discriminatory working environment 	<ul style="list-style-type: none"> Employer responsibility and attractiveness Digitalisation, information security, data protection and privacy Business ethics and compliance
Owners	<ul style="list-style-type: none"> - Economic performance and shareholder value - Business ethics and compliance 	<ul style="list-style-type: none"> - Shareholder meetings (Annual General Meetings) - Ongoing dialogue with the canton as majority shareholder, and with other shareholders - Regular dialogue with financial analysts and financial media 	<ul style="list-style-type: none"> Economic performance and shareholder value Business ethics and compliance
Suppliers and partners	<ul style="list-style-type: none"> - Relations with suppliers and partners - Business ethics and compliance 	<ul style="list-style-type: none"> - Ongoing dialogue with suppliers and partners - Integration of the LUKB Supplier Code into contracts with suppliers 	<ul style="list-style-type: none"> Relations with suppliers and partners Business ethics and compliance
Regulator	<ul style="list-style-type: none"> - Digitalisation, information security, data protection and privacy - Business ethics and compliance - Investing: investment policy, advice and products - Lending: credit policy, advice and products 	<ul style="list-style-type: none"> - Ongoing dialogue with the regulatory authority FINMA and the external auditors - Engagement in boards of directors and various association working groups (e.g. Swiss Bankers Association [SBA/Swissbanking] or the Association of Swiss Cantonal Banks [VSKB]) 	<ul style="list-style-type: none"> Digitalisation, information security, data protection and privacy Business ethics and compliance Investment business Lending business

Stakeholder	Material topics	Engagement/dialogue	Sections in this Sustainability Report
Public	<ul style="list-style-type: none"> - Commitment to the region - Economic performance and shareholder value - Greenhouse gas emissions and climate protection 	<ul style="list-style-type: none"> - Regular Q&A sessions with the CEO - Ongoing dialogue with regional and national media and other important stakeholders from LUKB's market area - Employee engagement in various sporting, cultural and social organisations - Volunteer work as part of the responsible business programme 'Die LUKB engagiert sich persönlich' - Sponsorship of sport, culture, society and the arts in the canton of Lucerne 	<ul style="list-style-type: none"> Commitment to the region Economic performance and shareholder value Greenhouse gas emissions and climate protection

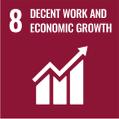
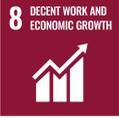
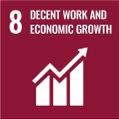
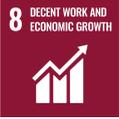
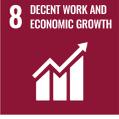
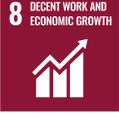
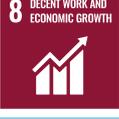
LUKB stakeholders and the UN SDGs

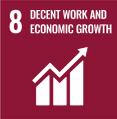
Of principal relevance to LUKB and its stakeholders are the seven United Nations Sustainable Development Goals (SDGs) shown below:

	4 QUALITY EDUCATION	5 GENDER EQUALITY	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
Clients						■	■
Employees	■	■		■			■
Owners			■	■			■
Suppliers and partners		■		■		■	■
Regulator	■					■	■
Public			■	■	■	■	■

LUKB has less of an influence over the remaining ten SDGs, although its lending and investment activities may still contribute directly or indirectly in these areas. Further information on the SDGs can be found in the Annex to this Sustainability Report.

Material topics for LUKB and the UN SDGs

Material topic	Corresponding Sustainable Development Goal (SDG)		Sections in this Sustainability Report
Client satisfaction	- SDG 8: Decent work and economic growth		Client satisfaction
Economic performance and shareholder value	- SDG 8: Decent work and economic growth - SDG 9: Industry, innovation and infrastructure - SDG 12: Responsible consumption and production	  	Economic performance and shareholder value
Digitalisation, information security, data protection and privacy	- SDG 8: Decent work and economic growth		Digitalisation, information security, data protection and privacy
Business ethics and compliance	- SDG 8: Decent work and economic growth		Business ethics and compliance
Investing: investment policy, advice and products	- SDG 8: Decent work and economic growth - SDG 9: Industry, innovation and infrastructure - SDG 12: Responsible consumption and production	  	Investment business
Lending: credit policy, advice and products	- SDG 8: Decent work and economic growth - SDG 9: Industry, innovation and infrastructure - SDG 12: Responsible consumption and production	  	Lending business
Employer responsibility and attractiveness	- SDG 4: Quality education - SDG 5: Gender equality - SDG 8: Decent work and economic growth	  	Employer responsibility and attractiveness

Material topic	Corresponding Sustainable Development Goal (SDG)		Sections in this Sustainability Report
Commitment to the region	- SDG 8: Decent work and economic growth		Commitment to the region
Relations with suppliers and partners	- SDG 8: Decent work and economic growth		Relations with suppliers and partners
Greenhouse gas emissions and climate protection	- SDG 13: Climate action		Greenhouse gas emissions and climate protection

Client satisfaction

Relevance of the topic

Client satisfaction and trust are key factors for the long-term success of a company, especially in the banking business. Trust forms the foundation of every client relationship and is closely linked to satisfaction. To reinforce both, it is critical to understand client needs and feedback. This lays the foundation for continual improvements and needs-based support in line with their financial situation. Satisfied clients not only remain loyal, but also actively recommend their bank – a direct driver of corporate success.

Principle

LUKB consistently aligns its offering with long-term client benefits and attaches particular importance to client proximity as well as convenience and efficiency through the use of digital solutions. Its offering also includes sustainable products and consulting services specifically tailored to current market needs.

Target

LUKB's client satisfaction, measured in terms of its clients' willingness to recommend the Bank to others, is above the average for all banks included in the private client and SME market studies conducted by the Association of Swiss Cantonal Banks (ASCB).

Status in 2025

LUKB has more than 300,000 client relationships, almost exclusively with clients domiciled in Switzerland. It is the leading bank in the Canton of Lucerne.

Recognition, image and recommendation

LUKB regularly takes part in the image evaluation carried out by the Association of Swiss Cantonal Banks (ASCB) for the private client segment. The results of the survey conducted in 2025 will be published in 2026. The results of the survey that was conducted in 2022 and published in 2023 were pleasing. In the Canton of Lucerne, LUKB enjoys by far the best reputation compared to its competitors. It stands out in particular in the areas of trust and service quality. Around half of all people with a banking relationship in the Canton of Lucerne are LUKB clients. This puts LUKB in second place in the survey when compared with its competitors. Client satisfaction remains at a very high and stable level, as does the willingness to recommend with a net promoter score (NPS) of 40.

Every two years, alternating with the private client survey, the ASCB also conducts a survey of corporate clients. The survey of companies with 1 to 249 employees carried out in 2025 and published in October 2025 shows that LUKB holds the highest market share in the Canton of Lucerne and continues to have the most client relationships (45 %). In addition, 53 % of larger SMEs are clients of LUKB. Overall satisfaction with LUKB as the main bank is very high. LUKB came second in this category. With an NPS of 45, LUKB also ranks among the top banks in terms of willingness to recommend the bank to others.

Proximity to clients: decentralised, digital and diversified

The combination of physical branches and digital channels gives LUKB clients the freedom to choose how they wish to carry out their banking transactions.

LUKB has a dense branch network of 22 locations in the Canton of Lucerne and one location in Zurich specialising in private banking and structured products. LUKB also has two sales offices for its structured products business in Lausanne and Lugano.

Many LUKB services can be used on a 24/7 basis via lukb.ch and the LUKB app. The digital channels (website, e-banking and the e-banking app) will be further expanded into service-oriented distribution channels and offer clients as many self-service options as possible. LUKB consistently focuses on user-centred design to develop digital solutions and improve existing offerings. This results in intuitive applications and a standardised client experience across all digital channels. LUKB continuously works to improve client journeys, i.e. the steps a client takes from the first contact to the use of a product. These optimisations are data-driven and are supported by the use of artificial intelligence (AI).

Access to financial services

The basic banking services – account management (savings, pension provision, payment transactions), cards for the bank's own services, custody account management and safe deposit boxes – are generally available to all population groups. There are no discriminatory exclusion criteria. The basic services are available to all clients at fair and transparent prices.

In 2023, LUKB completed the conversion of its branches into modern advisory banks. Unrestricted access for clients with limited mobility has been guaranteed at the latest since the redesign of the client areas.

Accessibility also means that digital content, applications and services are designed in such a way that they can be used by everyone regardless of visual, auditory, motor or cognitive limitations (digital accessibility).

In 2024, LUKB had its website [lukb.ch](https://www.lukb.ch) reviewed by the 'Access for all' foundation. The foundation operates as a competence centre for accessible technologies in Switzerland and neighbouring countries. LUKB used the analysis as a basis to implement targeted improvements to its website in 2024 and 2025. In doing so, the foundation and LUKB were guided by, among other things, the internationally recognised Web Content Accessibility Guidelines (WCAG 2.0) of the [World Wide Web Consortium \(W3C\)](https://www.w3.org)¹⁾. In addition, LUKB carried out automated internal tests last year to identify barriers at an early stage. The confirmed hurdles were systematically eliminated, gradually improving the digital accessibility of the website.

¹⁾ <https://www.w3.org>

In 2025, LUKB also raised awareness and knowledge of digital accessibility among its employees. A visit to the Google Discovery Accessibility Center in Zurich offered practical insights into technologies for people with disabilities. In addition, 25 employees from marketing, ICT and digitisation took part in a training course run by the 'Access for all' foundation. In addition to the theoretical basics, they experienced first-hand how a blind person uses the LUKB website and e-banking with a screen reader.

With these measures, LUKB has laid the foundation for continuously developing the digital accessibility of its website and e-banking services. Future adjustments to e-banking will be purposefully made to ensure complete accessibility and checked by means of accessibility tests carried out by a specialist company. The website is continuously checked for accessibility using internal, software-supported tests. Any hurdles identified are prioritised and eliminated step by step. If necessary, for example following major adjustments, LUKB also has the website checked by an external specialist.

Economic performance and shareholder value

Relevance of the topic

Ever since its foundation in 1850, Luzerner Kantonalbank has been synonymous with proximity to its clients, high quality of service and continuity. As an attractive employer and training institution, it also makes an important contribution to the regional economy and society.

Both the Act and the Articles of Association require LUKB to pursue a 'for-profit operation of a full-service bank that conducts the usual banking business in accordance with recognised banking principles. The bank pays particular attention to the needs of the people and the economy of the Canton of Lucerne.'

In addition to the Canton of Lucerne as the majority shareholder, more than 33,000 other shareholders also benefit from LUKB's sustained profitability. The benefits that LUKB creates for its shareholders are of major importance for the Lucerne economic region: 61.5 % of the shares in the bank are owned by the Canton of Lucerne. A further 38.5 % of the share capital is widely distributed among the public (free float). At the end of 2025, 80.4 % of this free float was owned by natural persons (60.9 %) and legal entities (19.5 %) domiciled in Switzerland. 47.4 % of the free float is held by natural persons and legal entities domiciled in the Canton of Lucerne. Detailed information on the shareholder structure can be found in '[LUKB share](#)' in the '[About LUKB](#)' section of the 2025 Annual Report.

Responsible and up-to-date corporate governance forms the basis for long-term economic success in line with ethical principles. Corporate governance comprises the principles and structures according to which the company is managed and supervised by its governing and executive bodies. These bodies of LUKB include the General Meeting, the Board of Directors, the Executive Board and the auditors. As the supreme management body, the Board of Directors is responsible for strategic management as well as for supervision and control. The Executive Board is responsible for the operational management of the company and ensures the implementation of the strategy set by the Board of Directors. Detailed information on LUKB's corporate governance can be found in the '[Corporate Governance Report](#)' of the LUKB Annual Report 2025.

Principle

By continuously and steadily generating value, LUKB plays a positive part in the sustainable development of Lucerne as a place to live and do business. In order to create long-term added value for its stakeholders, LUKB is guided by the principles of modern, efficient and responsible corporate governance.

It has an efficient organisational structure with clearly defined responsibilities, effective checks & balances between management and supervision, and a balanced composition of the top management bodies. This is complemented by market-oriented and moderate incentive systems as well as a transparent and reliable information policy.

With regard to the appropriation of profits, LUKB strives to strike an even long-term balance between self-financing and distributions to shareholders. The equity base is intended to ensure the sustainable growth and stability of the company at all times.

LUKB also maintains an ongoing and open dialogue with its shareholders.

Targets

As LUKB's principal shareholder, the Canton of Lucerne has formulated its objectives and expectations for LUKB in an [Ownership Strategy](#)¹⁾. This is revised every four years. The current Ownership Strategy was published in April 2025.

¹⁾ <https://www.lukb.ch/eignerstrategie> (in German)

As a broad-based full-service bank with regional roots, LUKB strives to achieve continuous growth in its business activities with as little volatility as possible. It attaches particular importance to a high level of financial stability. To implement this orientation, LUKB works with multi-year strategies and target systems with a five-year planning horizon. The bank discloses its long-term financial objectives transparently in advance and provides regular updates on the progress made towards achieving these objectives. Detailed information on the strategy and strategic objectives can be found in '[Business model and strategy](#)' in the '[About LUKB](#)' section in the 2025 Annual Report.

In the area of corporate governance, LUKB continues to pursue the goal of positioning itself in the top half of the ranking list of more than 160 Swiss publicly traded companies in the annual corporate governance rating of Inrate AG (zRating study).

Status in 2025

Value creation

The following value-added statement shows that LUKB's economic performance was once again outstanding in 2025. In 2025, LUKB increased its operating income by 6.2 % to 691 million Swiss francs.

Net value added in the 2024 financial year amounted to 558.3 million Swiss francs. Of this, 31.6 million Swiss francs came from the gain on the disposal of the real estate component of Fundamenta and 526.7 million Swiss francs from the ordinary operating business. In the 2025 financial year, the net value added from the operating business increased to 552.2 million Swiss francs (+ 25.5 million Swiss francs or + 4.8 %). Together with extraordinary value added of 0.2 million Swiss francs, net value added totalled 552.4 million Swiss francs in the 2025 financial year.

In accordance with the proposal submitted to the 2026 AGM, the amount of 133.9 million Swiss francs of the net value added will be distributed to shareholders. LUKB paid a total of 38.5 million Swiss francs in the form of direct taxes to the public sector (municipalities, cantons and the federal government) and an additional 11.2 million Swiss francs in the form of compensation for the state guarantee to the Canton of Lucerne. The total amount paid to the Canton of Lucerne and the municipalities of the Canton of Lucerne amounts to around 110 million Swiss francs for the 2025 financial year based on the proposal for the appropriation of profit to the 2026 AGM.

Out of the remaining 380.0 million Swiss francs, 218.4 million Swiss francs are comprised of personnel expenses and 161.6 million Swiss francs of the allocation to reserves and profit carried forward.

Consolidated value-added statement	Unit	2020	2021	2022	2023	2024	2025
Generation of value added							
Company performance (= operating income)	CHF thousand	531,092	581,303	585,722	614,856	650,517	690,972
General and administrative expenses	CHF thousand	- 71,092	- 70,897	- 75,456	- 80,187	- 86,770	- 96,771
Compensation for the state guarantee to the canton of Lucerne	CHF thousand	- 8,183	- 9,282	- 9,502	- 10,167	- 10,779	- 11,183
Extraordinary income	CHF thousand	4,400	0	4,281	0	31,580	212
Extraordinary expenses	CHF thousand	0	0	0	0	0	0
Gross value added	CHF thousand	456,217	501,124	505,045	524,502	584,547	583,231
Impairments of investments and depreciation and amortisation of property, plant and equipment and intangible assets	CHF thousand	- 26,208	- 38,055	- 33,554	- 35,443	- 28,913	- 30,349
Changes in provisions, other impairments and losses	CHF thousand	- 3,633	- 2,444	418	6,759	2,711	- 488
Net value added	CHF thousand	426,376	460,625	471,909	495,818	558,345	552,393
Distribution of value added							
Employees (personnel expenses)	CHF thousand	171,733	177,944	183,010	192,342	208,991	218,405
Shareholders	CHF thousand	106,122	106,075	106,116	123,364	128 917	133 875 ¹⁾
of which to the canton of Lucerne (majority shareholder)	CHF thousand	65,241	65,212	65,237	75,841	79 255	82 303 ¹⁾
Government (direct taxes)	CHF thousand	35,771	36,297	37,294	38,079	37,711	38,491
of which federal taxes	CHF thousand	18,304	18,355	18,996	18,690	18,692	21,323
of which cantonal taxes canton Lucerne	CHF thousand	7,838	7,944	7,659	8,139	8,002	7,276
of which municipal taxes canton Lucerne	CHF thousand	9,238	9,409	9,749	10,298	9,920	8,789
of which state and municipal taxes other cantons	CHF thousand	391	588	891	952	1,097	1,103
Addition to reserves and profit carried forward (self-financing; including allocation to reserves for general banking risks)	CHF thousand	112,750	140,309	145,489	142,033	182,725	161,622
Distributed value added	CHF thousand	426,376	460,625	471,909	495,818	558,345	552,393
Value-added metrics							
Gross value added per full-time equivalent	CHF thousand	438	472	468	474	504	489
Net value added per full-time equivalent	CHF thousand	410	434	437	448	481	464
Full-time equivalents (annual average)	FTE ²⁾	1,041.1	1,061.7	1,079.3	1,106.4	1,160.0	1,191.7

¹⁾ As proposed to the 2026 Annual General Meeting

²⁾ Full-time Equivalents, FTE

The above value-added statement does not include tax paid by LUKB employees or other indirect taxes and duties paid by LUKB.

Net value added

in TCHF

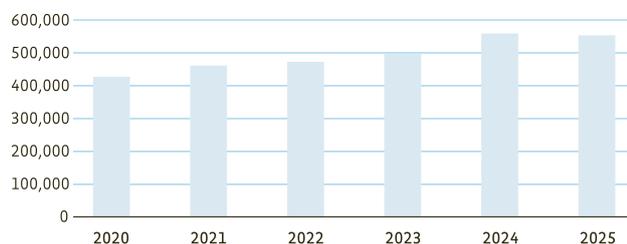


Figure: Net value added, 2020 to 2025

LUKB's comprehensive commitment to the region is described in detail in the '[Commitment to the region](#)' section. In 2025, as in the previous year, LUKB disbursed a total of around 1.9 million Swiss francs in sponsorships in support of sport, cultural events, social initiatives and art.

Further information can be found in the '[About LUKB](#)' section of the 2025 Annual Report.

Corporate governance

In the 2025 corporate governance ratings issued by Inrate Ltd (zRating study), LUKB scored 74 out of a possible 100 points (previous year: 72 out of 100 points) and was ranked 24th out of 162 Swiss public limited companies assessed (previous year: 32nd out of 164 companies). It has thus clearly achieved its rating target and is once again among the top companies in the financial services sector.

LUKB's corporate governance is described in detail in the '[2025 Corporate Governance Report](#)' of the 2025 Annual Report. The [notes to the consolidated financial statements](#) also contain detailed information on risk management at LUKB.

Digitalisation, information security, data protection and privacy

Relevance of the topic

Progress in digitalisation is fundamentally changing the financial sector and opening up new opportunities for innovative services and efficient processes. At the same time, the demands placed on the protection of sensitive data and the security of digital systems are increasing.

Due to their business activities, banks hold particularly sensitive data – especially personal data relating to identified or identifiable people. LUKB is obliged by Swiss bank-client confidentiality and data protection law to protect this data comprehensively.

Beyond adhering to the legal requirements, LUKB attaches great importance to protecting the privacy of clients, employees and business partners throughout the Group, as data protection forms the basis for long-term relationships built on trust.

With increasing connectivity and digitalisation, cybersecurity and information security are becoming increasingly important. Cyber attacks represent a mounting threat. Moreover, the growing complexity of modern information and communication technologies (ICT) and their deeply interconnected nature are further increasing the potential risks in the financial sector.

Principle

LUKB protects data and privacy in accordance with the Swiss Data Protection Act, the Swiss provisions on bank-client confidentiality as well as all applicable regulatory provisions. To this end, it maintains a responsible organisation, effective processes and a robust ICT infrastructure. Handling sensitive information responsibly involves not only protecting it from unauthorised access, but also being transparent about the purposes for which data is processed. By adopting a comprehensive data governance system, LUKB has also defined binding principles, responsibilities and control mechanisms for handling data.

Data protection and information security are integral components of risk management. Risks are systematically identified, evaluated, contained and reported to the offices responsible. LUKB takes a holistic approach to guarantee the integrity, availability and confidentiality of all data as well as secure banking operations. This is based on comprehensive internal guidelines, established standards, clear responsibilities and state-of-the-art protective mechanisms. Preventive measures include regular security reviews, penetration tests, contingency and recovery plans as well as practical implementation tests.

LUKB ensures that digital innovations, including applications based on artificial intelligence (AI), are always implemented responsibly and in compliance with the strictest security standards and data protection requirements.

Targets

By taking appropriate technical and organisational measures, LUKB can continue to avoid data incidents, information security breaches and operational outages. It protects the data and privacy of its clients, employees and other business partners and stakeholders in accordance with applicable laws and regulations. The current threat situation must always be kept in view. The company's own infrastructure needs to be tested for vulnerabilities on an ongoing basis and upgraded if necessary.

Status in 2025

Digitalisation

As part of its 'LUKB30' strategy, LUKB is further strengthening its technology and data expertise. Through the use of state-of-the-art technologies - including AI - and data-driven sales management, it aims to further improve its offerings, the client experience and efficiency. At the same time, it is further developing its online channel into an integrated sales, transaction and communication channel.

LUKB regulates responsibilities for digitalisation and the use of AI in the areas of development, integration, operations, awareness and training within the existing organisational units. AI is deployed in accordance with LUKB's existing policies, principles and strategies as well as the applicable laws and regulatory requirements.

AI is used as long as it is ethically justifiable, fair and non-discriminatory. LUKB provides information on the use of AI where this is relevant for individuals (clients, employees and applicants) and insofar as they interact directly with AI.

LUKB promotes the acquisition of application experience and the implementation of specific AI training courses (best practices, security, data protection, etc.) for its employees. This also includes the provision of tools such as instructions and points of contact through which support is available.

When using AI, the focus is on prevention, including training employees on how to use AI correctly. Employees must be regarded as an integral part of the development, implementation and operation of AI systems. Human monitoring, evaluation and error correction ensure transparent, (technically) correct, comprehensible and responsible AI-based decision making. This also involves critically questioning the use of AI tools.

LUKB strives to ensure that the content and predictions generated by AI are of a quality that is commensurate with the intended use. Within the ambit of AI projects, measures are implemented to ensure compliance with the information security protection objectives (confidentiality, availability and integrity).

The risks associated with AI are identified, assessed and monitored within the scope of the existing risk types (operational, compliance and reputational risks). LUKB only uses AI applications that it understands, and it must also be able to explain and control them. It ensures that data subjects can also exercise the right to access, the right to rectification and the right to object to AI services.

Information and cybersecurity

Governance and risk management

LUKB manages its information security and cyber risks using clearly defined responsibilities, international standards and a three-stage defence model. Strategic requirements and operational implementation are closely coordinated and are subject to strict internal controls.

In its role as the highest governing body, the Board of Directors is responsible for defining cyber risk and business continuity management (BCM) strategies as well as risk policy. The Risk and Strategy Committee of the Board of Directors specifies the requirements of the risk policy in corresponding sub-policies and monitors the implementation of the risk strategies. Overall operational responsibility for cyber risks lies with the Group Executive Board, which delegates implementation to the relevant operational units. Implementation, control and monitoring are implemented organisationally in the form of the three independent lines of defence according to [FINMA Circular 2017/01 'Corporate governance - banks'](#)¹⁾, whereby the Chief Information Security Officer (CISO) is assigned to the independent second line of defence.

Aligned with the objectives of the Group, ICT, BCM and cyber risk strategy, the risk policy defines the framework concept for institution-wide risk management as a tool for achieving the business policy objectives and ensuring the proper functioning of the institution. The operational risks sub-policy specifies the principles set out in the risk policy for managing LUKB's operational risks, in particular with regard to the cyber risks it incorporates. The corresponding security principles are defined at directive level based on the [NIST Cyber Security Framework](#)²⁾ and [ISO 27002:2022](#)³⁾ international standards. The security principles are specified in the LUKB Security Handbook with corresponding security requirements.

¹⁾ <https://www.finma.ch>

²⁾ <https://www.nist.gov>

³⁾ <https://www.iso.org>

The Board of Directors, the Risk and Strategy Committee of the Board of Directors (RSC-BoD) and the Group Executive Board are regularly informed about cyber risks as part of the reporting on operational risks (quarterly reporting by means of the risk report of the independent second line of defence and ad hoc if necessary) and are involved in decisions depending on the assessed risk.

Compliance with the regulatory requirements is periodically reviewed by the internal auditors and the external audit firm. As the regulatory supervisory authority, FINMA also carries out on-site inspections of its supervised entities.

Security measures

The following provides an overview of the implemented security measures relevant to LUKB. LUKB is guided by the NIST Cyber Security Framework (National Institute of Standards and Technology).

Identify: LUKB conducts regular risk analyses and risk assessments. The main ICT providers monitor selected systems for vulnerabilities on a 24/7 basis. LUKB has access to the information and reporting platform of the National Cyber Security Centre (NCSC) and thus receives timely alerts on cyber threats.

Protect: The main ICT providers have implemented customary baseline ICT protection, which is contractually guaranteed as part of ICT provider management. LUKB employees attend regular security awareness training. Operating in conjunction with internal and external security experts, LUKB monitors compliance with the guidelines on the protection of critical data by means of technical and organisational security measures. In addition, LUKB carries out regular penetration tests together with external experts in order to secure its ICT systems and check for any vulnerabilities.

Detect: The Security Operation Centres (SOC) of the main ICT providers monitor their own systems and the LUKB systems for cyber attacks on a 24/7 basis. Clients and employees are able to report security incidents (such as vulnerabilities) via the existing escalation processes.

Respond: The Security Operation Centres (SOC) of the main ICT providers react to any cyber attacks together with the LUKB ICT and security units. If necessary, they are supported by Swisscom's Computer Security Incident and Response Team (CSIRT). LUKB operates an internal crisis organisation and has prepared for serious, yet plausible scenarios by means of business continuity plans and regular exercises.

Recover: In an emergency, the main ICT providers restore the critical systems by means of disaster recovery plans (DRPs) as part of the agreed service level agreements (SLAs).

Relevant regulations and standards

The following list is a non-exhaustive overview of the relevant regulations and standards that are taken into account in governance and risk management in the area of information security and cybersecurity:

- Federal Act on Banks and Savings Banks (BankA)
- Federal Act on Data Protection (FADP)
- Federal Act on Information Security (ISA)
- Cybersecurity Ordinance (CSO)
- FINMA Circular 2017/01 'Corporate governance - banks'
- FINMA Circular 2018/03 'Outsourcing'
- FINMA Circular 2023/01 'Operational risks and resilience - banks'
- FINMA Guidance 05/2020
- FINMA Guidance 03/2024
- FINMA Guidance 08/2024
- ISO 27001 and ISO 27002:2022
- NIST Cyber Security Framework

Data protection

In 2023, LUKB implemented the new and updated provisions of the revised Swiss Federal Act on Data Protection (FADP) and took the resulting organisational, contractual and technical action required to guarantee compliance with data protection law. On 15 January 2024, the European Commission decided that the FADP is equivalent to the EU General Data Protection Regulation (GDPR) (equivalence decision).

LUKB provides transparent and detailed information on [data protection](#)¹⁾ and [information security](#)²⁾ on its website. In the case of current information security issues, information to protect clients and their assets is provided on a topical ad hoc basis.

¹⁾ <https://www.lukb.ch/ueber-uns/rechtliches/datenschutzerklaerung>

²⁾ <https://www.lukb.ch/ueber-uns/rechtliches/informations-und-cybersicherheit>

According to the applicable data protection law, clients, employees and third parties (including external staff) have the right of access as well as the rights to rectification and deletion, the right to restrict processing, the right to object and the right to data portability with regard to data concerning them. In addition, they have the right to lodge a complaint with the responsible data protection supervisory authority. LUKB seeks to comply with the principle of data minimisation, which means that only data that is absolutely necessary is collected and processed. The retention period is determined and data is deleted in line with legal requirements and based on the operational needs of the Bank. If personal data is no longer required, it is periodically deleted – as far as technically possible – unless temporary further processing or storage of the data is necessary for the fulfilment of statutory or regulatory retention obligations, for the assertion, exercise or defence of legal claims or for special retention regulations. If clients make use of their right of access as well as rights to rectification, deletion, restriction of processing, objection or data portability, LUKB shall provide the necessary information, rectify or delete the data, restrict its processing or transfer the data requested to the client or third parties commissioned by them, insofar as this is not restricted by law.

LUKB's outsourcing partners are contractually bound by the corresponding data protection obligations (technical and organisational measures to ensure compliance with data protection and data security). LUKB ensures that agreements can be made with the outsourcing partners as regards the storage of data in Switzerland wherever possible. The same data protection provisions apply to outsourcing partners as to LUKB itself. Compliance is checked within the scope of provider management.

Operational responsibilities and authorities for implementing legal data protection requirements are clearly defined. The Board of Directors (BoD) of LUKB is responsible for the overall management, supervision and control in the area of data protection. It monitors compliance with the relevant laws and regulations. The responsible committee of the BoD is the Audit and Finance Committee (AFC-BoD). The Executive Board of LUKB is responsible for operational implementation. The Head of Legal Services & Compliance assumes the legally prescribed duties as the internal data protection advisor. The Executive Board has issued internal directives on compliance with data protection, which are applicable to all employees. The Executive Board also conducts an annual evaluation of the management of data protection and data protection risks in terms of their fitness for purpose and effectiveness, and ensures that the material and human resources needed for efficient management are in place. The Executive Board deals with internal reports on data protection issues. At Executive Board level, responsibility for data protection lies with the CEO.

Compliance with data protection requirements is also monitored by the independent Compliance units. In addition, LUKB has a data protection advisor. The data protection advisor is the Head of Legal Services & Compliance. The data protection advisor serves as a point of contact for questions and requests for information in connection with data protection. The Compliance function, which reports directly to the CEO, reports annually to the Executive Board, the AFC-BoD and the BoD. It has the authority and remit to approach the Executive Board and the BoD directly in exceptional cases.

Regular awareness-raising campaigns and training courses on data protection and information security are run for all LUKB employees as needed, but at least once a year. This training is compulsory and participation is monitored.

LUKB is interested in long-term, partnership-based business relationships with clients, suppliers and service providers alike. Where service providers (including external staff) are engaged and services outsourced, LUKB obliges suppliers and service providers to uphold bank-client and business confidentiality and to comply with data protection law. These obligations are contractual in nature and compliance with them is checked regularly.

Employee misconduct and breaches of data protection are subject to disciplinary action. Depending on the severity of the misconduct, the sanctions range from a verbal warning to dismissal or even a report to the law enforcement authorities.

LUKB also ensures that internal and external audits are carried out to verify whether the legal requirements and the requirements set out by the supervisory authority are being complied with. The external auditors periodically review areas such as IT, including the handling of electronic client data. No internal or external audits explicitly focused on data protection compliance were carried out in 2025.

No relevant incidents involving client data were identified during the reporting year. Any scope for improvement identified is acted upon immediately.

LUKB did not record any significant complaints relating to data protection during the reporting year.

Business ethics and compliance

Relevance of the topic

Responsible and fair business practices in accordance with statutory and regulatory provisions and the recognised professional principles of the banking industry provide a foundation rooted in trust for cooperation between LUKB and its stakeholders, thereby helping to reduce LUKB's compliance and reputational risks.

Principle

LUKB is committed to responsible business practices and ensures sustainable, ethical corporate governance. It is committed to upholding human rights as well as the associated international standards and all applicable statutory and regulatory provisions. Legal and regulatory developments are continuously monitored in order to implement new requirements in a timely and consistent manner.

Target

LUKB remains free of reputational damage caused by failure to comply with applicable laws and regulations.

Status in 2025

Compliance management

LUKB has a central Compliance function for the Group that is independent of revenue-generating business activities. It reports directly to the CEO. Compliance supports the Executive Board and employees as they enforce and monitor compliance.

LUKB pursues the following compliance risk strategy:

- Legal, regulatory and internal regulations are complied with.
- Customary market standards and rules of professional conduct are observed.
- Managing compliance risks is an integral part of Group-wide risk management and is based on the risk appetite defined by the Board of Directors and the defined compliance risk tolerance. Compliance with risk appetite and risk tolerance is regularly reported to the Board of Directors.
- Central elements of the compliance culture are the Code of Conduct and the values of LUKB.

Compliance management encompasses a systematic set of internal rules, comprehensive training and development programmes, a systematic control system and consistent sanctions in the event of misconduct.

The Compliance function reports annually to the Executive Board, the Audit and Finance Committee of the Board of Directors (AFC-BoD), and the Board of Directors on its activities, its assessment of compliance risk and compliance with the defined risk tolerances. It has the authority to go straight to the Board of Directors where necessary. LUKB also has an independent Risk Control function.

LUKB's compliance and risk management systems fully cover all relevant compliance topics and risk types. They comprise the entire LUKB Group with its 23 branches and sales offices as well as its wholly owned subsidiary LUKB Expert Fondsleitung AG. All branches, sales offices and the wholly owned subsidiary are located in Switzerland. With the exception of the office in Zurich and the sales offices in French-speaking Switzerland and Ticino, all locations are in close proximity to each other in the Canton of Lucerne. The branches and sales offices do not have their own legal personality, but are integral parts of the parent company, Luzerner Kantonalbank AG, and are fully subject to its management structure and culture.

LUKB has systems in place to identify and monitor changes in the legal and regulatory environment. Relevant regulatory developments, their impact on LUKB and the status of implementation are periodically reported to the Executive Board, the Risk and Strategy Committee (RSC-BoD), and the Board of Directors and dealt with by these committees. The annual report of the Compliance function includes the current, amended and new standards relevant to LUKB and compliance with them, the implementation status in the business areas and the status of relevant behavioural and compliance topics, such as anti-money laundering, data protection, sanctions, market behaviour, marketing and sales as well as suitability. The latter refers to the suitability test required by law, which ensures that the financial products recommended correspond to the knowledge, experience, objectives and risk tolerance of the clients. LUKB consistently develops and sells its products and services in line with these guidelines.

All LUKB employees must attend mandatory compliance training on a regular basis. The training courses include, but are not limited to, the following topics:

- Combating money laundering and the financing of terrorism, including preventing aiding and abetting tax evasion
- Compliance with market behaviour rules
- Combating corruption
- Protection of personal data and information security
- Compliance with sanctions measures

As part of their induction, new employees are required to attend relevant training courses that are specific to their role or business area. The content and functionality of the products and services offered are also communicated, including the relevant marketing and sales aspects as well and the due diligence obligations to be observed in this context.

LUKB employees at all management levels are subject to specific policies setting out the principles and guidelines of LUKB. The values set out in the Group-wide [Code of Conduct](#)¹⁾ are regularly addressed and exemplified by the Board of Directors and the Group Executive Board.

LUKB expects the suppliers concerned to comply with the [Supplier Code of Conduct](#)¹⁾. This sets out standards for business integrity and ethics, social and environmental responsibility as well as the corresponding management systems. LUKB requires suppliers and subcontractors to comply at all times with the applicable laws as well as with supervisory provisions and guidelines. All forms of corruption and other criminal activities are prohibited.

Further details on the Compliance and Risk Control functions: see the [LUKB 2025 Annual Report, Group financial report, 'Risk management' section](#).

¹⁾ <https://www.lukb.ch/ueber-uns/english-window>

Compliance with due diligence obligations

LUKB undertakes, to the extent of its capability, to combat crime, corruption, money laundering and the financing of terrorism. To this end, it consistently implements national and global regulations and sanctions, for example by automatically comparing personal and payment transaction data with applicable sanctions lists in order to identify sanctioned individuals and entities and to prevent prohibited payments. Furthermore, LUKB does not enter into any business relationships that are not in line with its risk appetite. For example, LUKB does not enter into business relationships with clients from countries classified as high-risk jurisdictions by the [Financial Action Task Force \(FATF\)](#)¹⁾. It also applies special due diligence obligations to countries under increased monitoring.

¹⁾ <https://www.fatf-gafi.org>

Compliance with these requirements is ensured by an internal control system that complies with regulatory requirements. The effectiveness of the internal control system is regularly reviewed by the internal auditors and the external audit firm.

In line with the 'Know Your Client' (KYC) concept, LUKB identifies its contractual partners (including beneficial owners) in accordance with the [provisions set out in the Swiss Banks' Code of Conduct with Regard to the Exercise of Due Diligence \(CDB\)](#)¹⁾ and Swiss money laundering legislation. This includes checks and background enquiries (enhanced due diligence) in the case of client relationships or transactions involving greater risk, both when the business relationship is opened and while it is ongoing.

¹⁾ <https://www.swissbanking.ch/en>

LUKB does not open or maintain any business relationships with clients if KYC information is insufficient or if there is reason to assume that LUKB products or services are being or intended to be used for illegal purposes. Similarly, we do not open or maintain any relationships where there is too great a risk of financial crime or reputational damage.

LUKB monitors client relationships and transactions using a variety of systems that, among other things, automatically compare names with updated lists provided by a global data supplier. The measures provided for in law are taken if a potential link to crime is found. This applies in particular in connection with money laundering, terrorism, drug trafficking, corruption, the arms trade or human trafficking. Suspicious business relationships and transactions are reported to the competent authority in accordance with the applicable anti-money laundering or embargo legislation.

LUKB maintains directives, work instructions, manuals and processes defining due diligence obligations with regard to combating money laundering and the financing of terrorism, compliance with sanctions and other conduct topics such as market behaviour rules, suitability, product information and sales training. Compliance with these requirements is monitored by the line managers as part of the internal control system (ICS) and verified by the independent control bodies. In addition, the ICS is audited by the internal auditors and the external audit firm.

Responsibility in matters relating to tax

LUKB rejects any form of tax evasion and expects its clients and business partners to do likewise. It does not support its clients or third parties in avoiding the payment of taxes owed and rejects aggressive tax planning that is at odds with the spirit of the law and common practice.

Actively aiding tax evasion in any way is prohibited at LUKB. For example, new clients are required to provide confirmation of the tax compliance of the funds they entrust to the Bank. As a Swiss financial institution, LUKB fully implements its obligations under the [Automatic Exchange of Information \(AEOI\) based on the requirements of the OECD^{1\)}](#) and Swiss implementing legislation as well as the [Foreign Account Tax Compliance Act \(FATCA\)^{2\)}](#) of the United States of America.

¹⁾ <https://www.oecd.org>

²⁾ <https://www.irs.gov/businesses/corporations/foreign-account-tax-compliance-act-fatca>

The directives on tax compliance are intended to prevent undeclared funds from reaching LUKB. They are based on the premise that clients are responsible for preparing their tax returns, paying their taxes and complying with all other legal and regulatory requirements that apply to them. LUKB requires all new clients to submit a written declaration regarding their tax compliance.

LUKB meets the requirements of the OECD standard on the automatic exchange of financial account information in tax matters. LUKB complies with the Agreement between Switzerland and the United States of America on the Foreign Account Tax Compliance Act (FATCA). It constantly monitors the regulatory framework and updates its tax compliance directives, processes and documents as necessary.

LUKB also endeavours to make tax returns as easy as possible for its clients. Clients automatically receive a complete tax statement from LUKB.

Luzerner Kantonalbank AG (parent company) and its wholly owned subsidiary LUKB Expert Fondsleitung AG have their legal domicile in Switzerland and are therefore fully liable for taxation in Switzerland. In order to ensure legal certainty regarding the tax treatment of certain scenarios, binding information and agreements have been concluded with the competent tax authorities (tax rulings).

Combating market abuse and corruption

LUKB prohibits all employees (at all management levels, including members of the Executive Board) and all members of the Board of Directors from engaging in any market abuse. This includes the use of inside information (e.g. front, parallel or after-running), market and price manipulation as well as any other form of fraudulent activity.

These rules are set out in regulations and directives and also apply to market abuse by clients. There is also a separate directive on trading for the Trading department.

LUKB conducts regular training courses to ensure compliance. Employees of the Trading department complete these annually. LUKB also monitors the market behaviour of its employees and clients by means of the systems and controls it has in place. External employees and outsourcing partners are contractually obliged to comply with the corresponding obligations.

LUKB tolerates neither the offering nor the taking of bribes. These specifications are enshrined in binding directives and regulations. Acceptance of gifts above a defined threshold or in situations with conflicts of interest is prohibited. Compliance with these rules is systematically monitored. The combating of corruption is an integral part of LUKB's internal rules and regulations.

The corresponding standards are integrated into the procurement processes and are contractually defined. Compliance with these standards is taken into account when selecting and maintaining relationships with service providers, suppliers and third-party providers. Relationships with key suppliers are regularly reviewed and monitored. All suppliers are obliged to confirm compliance with the standards.

As in the previous year, no significant corruption risks were identified in the 2025 reporting year and no confirmed cases of corruption among LUKB employees or management bodies were identified.

Avoiding conflicts of interest

LUKB's Ownership Strategy requires the members of the Board of Directors to give top priority to the interests of LUKB. This is taken into account in the planning and composition of the Board of Directors.

Conflicts of interest are dealt with in accordance with the Swiss Code of Best Practice for Corporate Governance. Conflicts of interest must be disclosed transparently and assessed on a case-by-case basis. Any person who is subject to a permanent conflict of interest may not be a member of the Board of Directors. According to legal requirements, members of the Government Council of the Canton of Lucerne, which is the majority shareholder of LUKB, are likewise not permitted to be members of the Board of Directors. In addition, the Government Council of the Canton of Lucerne refrains from nominating or electing members of the Cantonal Council or the Audit Office to the Board of Directors.

In their business activities, all governing and executive bodies and employees must conduct themselves in such a way to prevent any and all personal dependence, obligation or influence. Situations that might result in a conflict of interest with clients, suppliers, employees and LUKB must be avoided.

If there is an irreconcilable conflict of interest on the part of suppliers or external employees, LUKB refrains from entering into a business relationship with the supplier or external employee concerned. If conflicts of interest nevertheless arise, they must be disclosed and rules of recusal must be observed.

The acceptance of gifts is also subject to restrictions under regulations. LUKB has issued specific regulations for this purpose, which form part of the Employee Regulations and directives. These also contain corresponding control systems.

The number of mandates held by members of the Board of Directors and the Executive Board is limited, and all mandates must be approved. Mandates and shareholdings as well as the external interests of the members of the Board of Directors and the Executive Board are published in the Annual Report, as are any significant loans granted to members of the governing and executive bodies. The same person cannot serve on multiple boards of directors of related companies. The mandates of other employees is also subject to restrictions under regulations and is conditional upon approval.

There are separate regulations for the Board of Directors regarding the avoidance of conflicts of interest and external mandates. Directives regarding market behaviour rules and proprietary transactions apply to all other employees.

Details concerning transactions concluded for their own account by members of the Board of Directors, the Executive Board and other employees are governed by internal regulations and policies.

Employees at all levels, as well as members of the Board of Directors, receive regular training in the relevant areas.

Any conflicts of interest vis-à-vis stakeholders are subject to business confidentiality and must be treated in confidence.

Responsible marketing and sales practices

LUKB ensures that products and services, including financial advice, are provided reliably and that its dealings with clients are open and transparent. It also examines the risk of greenwashing. Measures to ensure responsible marketing and sales practices include:

- LUKB has clear governance structures, directives and processes in place to ensure that advertising is carried out responsibly, transparently, objectively and in compliance with the applicable legal and compliance standards, including suitability standards. Decisions on brand evolution and the advertising concept are made by the Executive Board and the Board of Directors. Implementation is carried out by experienced marketing managers who are familiar with the bank's values, supported by external specialists, if necessary. In the case of legally relevant or risky content, the Legal department reviews the advertising.
- When advertising products, LUKB attaches great importance to truthful statements. Product information is formulated in such a way that it is clear and understandable for clients. Exaggerated or misleading statements, including in the small print, are excluded. The aim is to create transparency and give clients the assurance that they can rely on the communicated benefits and sustainability promises.
- In order to protect against over-indebtedness, LUKB takes precautionary measures, particularly when granting personal loans and bank cards. It also promotes its clients' financial literacy through regular, educational blog posts. Further information can be found in ['Promoting financial literacy' in the 'Commitment to the region' section](#).
- LUKB's client advisors receive regular training in informing clients of the financial risks associated with the various products and services.
- Clients can submit complaints or comments using the online contact form on the LUKB website, by email or by telephone. LUKB also provides information on its website about the right to consult the Swiss Banking Ombudsman – a free, independent information and mediation service for complaints against banks domiciled in Switzerland. The relevant contact details are also available there.

The following sections contain further measures that LUKB uses to ensure the quality and client focus of its products and services:

Product development and expansion of the range of services

When developing products and expanding its range of services, LUKB takes legal and regulatory requirements and industry-standard best practices into account. Binding legal standards and the applicable stringent ethical business standards are taken into account and adhered to as standard in development and sales. In doing so, LUKB is aware of its responsibility towards its clients and other stakeholders.

New product developments are initiated as part of a standardised product development process. In addition to the independent control bodies – namely the Risk Control and Compliance functions – other process and process execution managers, Credit Risk Management and Internal Audit must also be involved in the consultation processes. Your feedback is incorporated directly into the further design of the products.

The final approval of new products is carried out by the Executive Board. In the case of products with an increased risk potential, the approval of the Board of Directors is also required. New products may not be launched without these prior approvals.

Transparent fees

For years, the Bank has been publishing brochures in which the fees for its products and services such as accounts, credit and debit cards, investment advice and asset management are clearly presented. Clients will normally be notified at least 30 days in advance of any changes to fees or conditions.

Advice and information

Clients who open a custody account with LUKB are informed of the financial risks associated with investments. They receive a free digital copy – or a printed version upon request – of the [guide 'Risks Involved in Trading Financial Instruments'](#)¹⁾ issued by the Swiss Bankers Association (SBA).

¹⁾ <https://www.swissbanking.ch/en>

LUKB sees it as its duty to communicate the opportunities and risks associated with its financial offers fairly, comprehensibly and truthfully. Compliance with the legal and regulatory requirements for the protection of clients is anchored in binding internal guidelines and work instructions.

Client advisors receive the appropriate training and are externally certified to ensure high-quality advice. They are also supported by specialist knowledge, clear processes and state-of-the-art software solutions. The compensation of the sales staff is structured in such a way that there is no incentive to recommend unsuitable products or services.

Investment business

LUKB meets the requirements of the Swiss Financial Services Act (FinSA), which ensures the protection of clients of financial services providers. In the context of investment advice and asset management, LUKB uses specialist applications to continuously and automatically check whether its recommendations match the individual investment profile. Financial circumstances, objectives, knowledge and experience, the investment horizon and risk tolerance are taken into account in this process. The advisors receive regular training on the relevant rules and processes.

LUKB also complies with the 'Guidelines for the financial service providers on the integration of ESG-preferences and ESG-risks and the prevention of greenwashing in investment advice and portfolio management'¹⁾ issued by the Swiss Bankers Association (SBA). Clients are asked about their preferences as regards sustainable investments and have access to a wide range of solutions that meet their needs and follow widespread market practices in the sustainable investing space. The sustainability approaches applied by LUKB in its investment business are described in detail on the LUKB website.

¹⁾ <https://www.swissbanking.ch/en>

LUKB offers the right investment solution to meet every need. In the context of discretionary asset management, clients work with LUKB to determine the most suitable investment strategy. For investment funds in securities portfolios, LUKB takes into account the most advantageous share classes.

In terms of investment advice, LUKB recommends different investment universes depending on the investment solution. These comprise a balanced mix of LUKB's own products and external products that are selected on the basis of qualitative and quantitative criteria. The fee structure is based on an annual advisory fee, regardless of the number of transactions. This ensures that advice is provided objectively and free of sales incentives.

In the reporting year, no relevant irregularities were identified in product or service information that would have led to sanctions. Protecting clients in accordance with the Financial Services Act (FinSA) and preventing greenwashing are top priorities for LUKB.

LUKB is also a member of the FinanceMission association, which raises awareness among young people about how to handle money responsibly.

Human rights

Switzerland is a member of the United Nations (UN) and has signed all legally binding international human rights agreements based on the [Universal Declaration of Human Rights \(UDHR\)](#)¹⁾. The appreciation that there can be no lasting peace, security or economic development without the protection of human rights is reflected in the values and experience of LUKB. It is committed to complying with international human rights standards and identifies with the underlying values and concerns. The standards are implemented and put into practice by LUKB in the applicable HR regulations.

¹⁾ <https://www.ohchr.org/en/human-rights/universal-declaration/translations/english>

The Universal Declaration of Human Rights (UDHR) serves as a guide. The key aspects are integrated into business processes, including in particular in procurement, the investment and lending business as well as human resources management.

Switzerland, as the country of domicile of LUKB, has ratified 62 conventions and one protocol of the International Labour Organization (ILO), including all eight core conventions (i.e. core conventions 29, 87, 98, 100, 105, 111, 138 and 182). The current status of implementation of the conventions can be found on the [ILO website](#)¹⁾. Switzerland's national legislation implements ILO provisions accordingly, and is also binding for LUKB.

The principles relating to the prohibition of forced labour, compliance with minimum wages and maximum working hours are contractually imposed on LUKB's suppliers. LUKB itself complies with Swiss law, which is in line with international standards.

Due to the regional and national business activities of LUKB, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights are not of primary importance for LUKB. Swiss national legislation implements the OECD Guidelines and the UN Guiding Principles accordingly and is also binding for LUKB.

¹⁾ https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:11200:0::NO::P11200_COUNTRY_ID:102861

Equal opportunities, diversity and freedom from discrimination

The human resources policy at LUKB focuses on equal opportunities, freedom from discrimination, diversity and inclusion. In particular, this includes criteria such as gender, gender identity, age, marital status, religion, nationality, ethnic origin, skin colour, social background, physical limitations, sexual orientation, political beliefs as well as the recruitment of employees with different abilities. HR policy initiatives are governed by the Executive Board and by the Board of Directors' Nomination and Compensation Committee. In 2014, LUKB was the first bank in Switzerland to demonstrate in a recognised process that it provides equal pay regardless of gender. It reviews equal pay annually; see ['Equal pay' in the 'Employer responsibility and attractiveness' section](#).

Protection of the personal integrity of employees

LUKB pursues a zero-tolerance policy towards inappropriate behaviour, workplace bullying and sexual harassment. Those affected can approach internal contacts in Human Resources, who are able to take targeted action. This action may also include referral to external specialists. All persons involved are obliged to maintain absolute confidentiality.

LUKB places particular importance on ensuring compatibility between work and other areas of life. Accordingly, occupational health management (OHM), which addresses both physical health and mental well-being, is of major importance – particularly with regard to preventative and early detection measures. In addition, LUKB has designated internal contacts in Human Resources with whom employees seeking advice can contact in confidence in the event of problems of any kind. External specialists are involved as required. Further information on OHM can be found in [‘Occupational health and safety’ in the ‘Employer responsibility and attractiveness’ section](#).

Freedom of association

Freedom of association is guaranteed in Switzerland and enshrined in Article 23 of the Federal Constitution. Accordingly, every person has the right to form associations, to join or belong to associations and to participate in the activities of associations. No one may be forced to join or belong to an association.

LUKB guarantees its employees freedom of association. It allows them to join a trade union without hindrance. At events with employees and on the Intranet, it refers to the LUKB Personalverein (employee association) and the national industry employee organisation ([Swiss Bank Employees Association SBEA^{1\)}](#)). LUKB employees naturally have the right to form and join other employee organisations (trade unions, employee associations, employee councils, etc.) to promote professional interests.

¹⁾ <https://sbpv.ch/en/>

Social partnership

LUKB is committed to social partnerships and is in regular dialogue with the employee association. This enables it to identify any issues at an early stage and to find pragmatic solutions in consultation with the employee association. Further information on the LUKB Personalverein can be found in the [‘Employer responsibility and attractiveness’ section](#).

Political donations and other support

LUKB makes contributions to the parties represented in the Cantonal Council of the Canton of Lucerne in proportion to the distribution of seats. In 2024 and 2025, total contributions amounted to 60,000 Swiss francs per year; in the 2023 election year, 96,000 Swiss francs.

LUKB does not comment on political issues unless they relate to the bank's business activities or could have a material impact on its business environment. However, LUKB encourages its employees to get involved in the community, including in organisations of a political nature, and some employees hold public office in addition to their work at LUKB.

Critical concerns

Critical concerns can be raised with LUKB via a number of channels:

- **Reporting violations:** LUKB employees are obliged to report potential breaches of external or internal regulations to their line manager or one of the control functions. External employees can use the whistleblowing email address (see below). They can also contact their client within LUKB or the Head of Legal Services & Compliance at LUKB personally.
- **Whistleblowing:** A specially designated contact point for whistleblowing is available to employees and external persons (Head of Legal Services & Compliance, whistleblowing@lukb.ch). If desired, anonymous reports can also be submitted. The Head of Legal Services & Compliance assesses the information received confidentially. All further clarifications will also be treated confidentially. If necessary, the Head of Legal Services & Compliance will initiate further investigations in accordance with internal guidelines and directives. Any conflicts of interest are taken into account accordingly in these investigations. The Head of Legal Services & Compliance is obliged to refrain from disclosing the source of information at the request of the informant in order to protect their identity. Employees who file a report do not have to fear any adverse consequences ('zero tolerance for retaliation').
- **Violation of the personal integrity of employees:** Those affected can approach internal contacts in Human Resources, who are able to take targeted action. This action may also include referral to external specialists. All persons involved are obliged to maintain absolute confidentiality.
- **Clients:** In the event of questions, complaints or critical concerns, clients can contact their client advisor in person, by telephone, by post or by email or can contact LUKB via an e-banking message or using the contact form on the website. A predefined process establishes which client responses must be presented to other decision-makers. The Executive Board receives an evaluation of all complaints and concerns every six months and investigates any anomalies. Clients can also contact other bodies such as the Banking Ombudsman or the regulator.
- **Other stakeholders:** All other stakeholders have access to the public channels for communicating with LUKB, which can also be used by clients.

LUKB also provides information on [whistleblowing](#)¹⁾ on its website. The LUKB whistleblowing policy can also be found there.

¹⁾ <https://www.lukb.ch/ueber-uns/rechtliches/whistleblowing>

Client responses and complaints are systematically recorded and evaluated by LUKB. The sales units report on the results to the Executive Board on a quarterly basis. On this basis, the Executive Board decides on measures to improve services, where necessary.

The Board of Directors is informed about important matters relating to risk management as part of the regular internal reporting and escalation process. In addition, the Board of Directors is informed about important concerns within the ambit of annual Legal and Compliance reporting. The Head of Legal Services & Compliance also has authority to submit an extraordinary report to the Board of Directors directly in the event of any serious violations.

In addition, the Executive Board informs the relevant Board of Directors committee about any complaints and concerns raised by clients and other stakeholders as required and, in coordination with the committee, the Board of Directors as a whole if necessary.

Various types of critical concerns are brought to the attention of the Board of Directors, which must be addressed by the Board and its committees. The total number and nature of critical concerns communicated to the Board of Directors are subject to business confidentiality and are treated in confidence.

Investment business

Relevance of the topic

The investment business is part of LUKB's core business. It comprises investment advice, asset management, LUKB's own investment instruments as well as other custody account business. LUKB offers sustainable investment solutions in its asset management, advisory services and own investment funds.

Respect for the environment and society is a fundamental value for LUKB, i.e. for the parent company Luzerner Kantonalbank AG and the wholly owned subsidiary LUKB Expert Fondsleitung AG. At the same time, LUKB firmly believes that taking sustainability criteria into account is a prerequisite for successful investment decisions and helps to identify risks and opportunities at an early stage. Addressing the major challenges facing our society, in particular achieving the climate goals set out in the Paris Agreement as well as promoting more sustainable development in line with the United Nations Sustainable Development Goals (SDGs), are core priorities in this regard. An overview of the SDGs can be found in the [Annex](#) to this Sustainability Report.

Principle

In October 2019, LUKB signed up to the [United Nations Principles for Responsible Investment \(UN PRI\)](#)¹⁾. Having done so, it is committed to incorporating environmental, social and governance aspects into its investment decisions and thus contributing to a more sustainable global financial system.

¹⁾ <https://www.unpri.org>

Signatory of:



Figure: Principles for Responsible Investment (PRI) logo

LUKB has drawn up a mission statement for sustainability in its investment business that serves as a guideline for responsible investment. This is published in the document '[Investieren mit Weitsicht - Leitbild der LUKB zu Nachhaltigkeit im Anlagegeschäft](#)'¹⁾ on the LUKB website and explains the principles by which LUKB defines and implements sustainability in its investment solutions.

By joining the [Partnership for Carbon Accounting Financials \(PCAF\)](#)²⁾ in 2023, LUKB has also committed to measuring and disclosing indirect greenhouse gas emissions (Scope 3) in its investment and lending business.

¹⁾ <https://www.lukb.ch/private/anlegen/nachhaltig> (in German)

²⁾ <https://carbonaccountingfinancials.com>

Targets

Investment advice

In the context of investment advice, the LUKB client advisor advises the client throughout the entire investment process, from defining the investment strategy to implementation (investment proposals) as well as the monitoring of the portfolio. However, all investment decisions are always made by the investor.

Goals of LUKB:

- Recording its clients' sustainability preferences as part of its investment advisory services and offering appropriate advice
- Compliance with the '[Guidelines for the financial service providers on the integration of ESG preferences and ESG risks and the prevention of greenwashing in investment advice and portfolio management](#)¹⁾ of the Swiss Bankers Association (SBA) - taking into account the applicable implementation deadlines
- Engaging in dialogue with companies about initiatives and pools on ESG topics

¹⁾ <https://www.swissbanking.ch/en>

Asset management

In the case of asset management, the client delegates the individual investment decisions to the portfolio management specialists at LUKB once a strategy has been defined together.

Goals of LUKB:

- Sustainable management of all standard asset management mandates
- Compliance with the '[Guidelines for the financial service providers on the integration of ESG preferences and ESG risks and the prevention of greenwashing in investment advice and portfolio management](#)¹⁾ of the Swiss Bankers Association (SBA) - taking into account the applicable implementation deadlines
- Engaging in dialogue with companies about initiatives and pools on ESG topics

¹⁾ <https://www.swissbanking.ch/en>

LUKB's own investment funds

LUKB's own investment funds are investment instruments that give clients access to asset classes in line with their risk appetite. They are actively managed and are based on clearly defined investment strategies.

Goals of LUKB:

- Sustainable management of all [own investment funds \(LUKB Expert funds\)](#)¹⁾
- Compliance with the [‘Self-regulation on transparency and disclosure for sustainability-related collective assets’](#)²⁾ published by the Asset Management Association Switzerland (AMAS) - taking into account the applicable implementation deadlines
- Engaging in dialogue with companies about initiatives and pools on ESG topics
- Active and responsible exercising voting rights for the majority of equity holdings

¹⁾ <https://www.lukb.ch/private/anlegen/fonds> (in German)

²⁾ <https://www.am-switzerland.ch/en>

Status in 2025

Sustainability in the investment business

In 2022, LUKB systematically aligned its investment and fund business with sustainability criteria. With its investment solutions in asset advisory and asset management as well as with its own investment funds, LUKB strives to ensure compatibility with the following sustainability goals:

- LUKB invests in responsible companies, states and other issuers such as supranational organisations or public-sector entities as well as in sustainable collective investment schemes. LUKB follows a clearly defined sustainability approach when selecting securities for standard asset management mandates and in the management of LUKB Expert investment funds. The sustainability approach is also incorporated into asset advisory by taking account of clients' individual sustainability preferences and systematically monitoring their compliance.
- Through targeted stewardship activities, LUKB is committed to a more sustainable society and environment. This includes active company dialogue, including through direct participation in collective engagements, as well as the responsible exercise of voting rights with the LUKB Expert funds. LUKB engages specialist service providers for these tasks and is a member of relevant industry organisations.

Sustainability assessment by LUKB

LUKB assesses the sustainability of companies, states and other issuers on the basis of several factors:

- ESG ratings
- Business conduct (controversies)
- Exclusion criteria
- Risks and opportunities related to climate change
- Contribution to a more sustainable society (impact)

The sustainability assessment is divided into four categories: 'outstanding', 'solid', 'adequate' and 'unsatisfactory'. This is based on LUKB's own quantitative model that uses data from renowned providers such as MSCI ESG and ISS Governance. ESG ratings are the starting point when assessing sustainability. The ratings are adjusted according to business conduct, climate risks and impact. Issuers that violate the exclusion criteria are rated as 'unsatisfactory'.

Investment instruments classified as 'unsatisfactory' are not taken into consideration for LUKB's sustainable investment solutions. As a result, investments are excluded that exhibit inadequate ESG risk management, grossly violate international standards or whose business activities are environmentally or socially critical.

In the case of third-party sustainable funds, LUKB uses legally binding documents such as the fund prospectus to assess the credibility of the sustainability approach. The reference framework for this assessment is the AMAS 'Self-regulation on transparency and disclosure for sustainability-related collective assets'. In the case of funds from issuers that are not subject to this self-regulation, the assessment is based on the sustainability approaches applied in order to ensure appropriate and comparable implementation.

A detailed description of the assessment models and the criteria applied, including the exclusion criteria, can be found in the brochure '[Investieren mit Weitsicht - Nachhaltige Anlagen bei der Luzerner Kantonalbank](#)'¹⁾ on the LUKB website.

¹⁾ <https://www.lukb.ch/ueber-uns/rechtliches/nachhaltiganlegen>

Dialogue as a lever for sustainable transformation

In recent years, dialogue between investors and businesses on sustainability issues (engagement) has become an effective lever in transforming the economy. LUKB focuses on three main areas:

- **Adherence to global standards:** LUKB participates in a standards-based pool and seeks to enter into dialogue with companies in the event of human rights and labour rights violations, environmental scandals and incidents of corruption.
- **Climate-friendly orientation:** Within the limits of its resources, LUKB is committed to ensuring that companies become more climate-friendly.
- **Preservation of biodiversity:** LUKB calls on companies to improve their transparency with regard to biodiversity risks and their impact on nature as well as their strategy for managing nature-related risks.

LUKB focuses on joint engagements with other investors, known as investor-led initiatives or engagement pools. Escalations occur primarily within these activities - through repeated contact across different hierarchical levels.

If, despite intensive efforts, the dialogue is unsuccessful and expectations are not met, possible escalation steps will be examined on a case-by-case basis, including:

- Direct contact by LUKB in order to push dialogue
- Downgrading the company's LUKB sustainability assessment
- Adjusting voting behaviour at the next annual general meeting
- Selling the position as a last resort

Dialogue activities in 2025 included:

Adherence to global standards:

- Dialogue through the ISS standards-based engagement pool
- Supporting initiatives of the [FAIRR^{3\)}](#) investor network

Climate-friendly orientation:

- Participation in the '[Climate Action 100+^{2\)}](#) initiative
- Dialogue via the ISS 'Net Zero' engagement pool

Preservation and promotion of biodiversity:

- Dialogue via the ISS 'Biodiversity' engagement pool
- Supporting initiatives of the FAIRR investor network
- Participation in the '[Spring](#)' initiative of the UN PRI³⁾

In 2025, LUKB engaged in dialogue with various companies to discuss in excess of 500 issues, be it via initiatives or as part of a pool.

- More than 70 % of the dialogues related to environmental issues, with climate change accounting for the largest share.
- Around 130 cases dealt with social aspects such as labour and human rights as well as health.
- In 13 cases, the focus was on corruption.

¹⁾ <https://www.fairr.org>

²⁾ <https://www.climateaction100.org>

³⁾ <https://public.unpri.org/investment-tools/stewardship/spring>

The following chart shows the breakdown of dialogues by area in 2025:

Breakdown of around 500 dialogues by area

Year 2025

- Climate change 40 %
- Biodiversity 22 %
- Environment (other) 11 %
- Labour rights 9 %
- Human rights 14 %
- Health 2 %
- Corruption 2 %



Figure: Breakdown of dialogues by area for 2025

Sources: LUKB, ISS ESG, Climate Action 100+, FAIRR, UN PRI Spring

LUKB published its third [Stewardship Report](#)¹⁾ in 2025, which provides further details on the dialogue activities.

¹⁾ <https://www.lukb.ch/ueber-uns/rechtliches/nachhaltiganlegen> (in German)

Responsible exercise of voting rights

Investors can drive responsible corporate governance by actively exercising their voting rights at general meetings. LUKB Expert Fondsleitung AG did just that for the majority of LUKB Expert investment fund equity positions in 2025. It was supported in this by specialist service provider ISS Governance, which provided voting recommendations and acted as proxy at annual general meetings in particular. In addition to good corporate governance, the voting rights guidelines applied by LUKB Expert Fondsleitung AG explicitly include environmental and social aspects. In this respect, it takes into account the recommendations of the ISS Climate Proxy Voting Guidelines.

In 2025, LUKB Expert Fondsleitung AG attended 269 meetings on behalf of LUKB Expert investment funds, at which around 4,900 motions were discussed. At around 67 % of the meetings, LUKB Expert Fondsleitung AG voted against the recommendation of the Board of Directors (BoD) on at least one motion. In total, approximately 11 % of votes rejected the motions of the BoD. These concerned in particular compensation issues and the election of members of the Board of Directors. The proportion of votes against shareholder motions was approximately 50 %.

Voting behaviour for the LUKB Expert investment funds

Year 2025

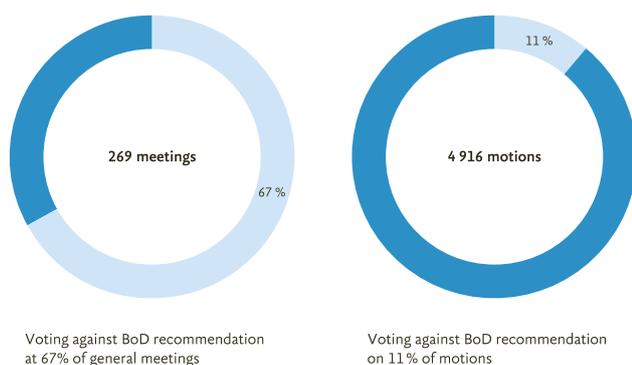


Figure: Voting behaviour for the LUKB Expert investment funds during 2025

Source: LUKB, ISS

LUKB published its third [Stewardship Report](#)¹⁾ in 2025, which provides further details on voting behaviour.

¹⁾ <https://www.lukb.ch/ueber-uns/rechtliches/nachhaltiganlegen> (in German)

Transparency

Transparency is key to providing clarity on how sustainability is defined and implemented. LUKB creates this transparency through clear assessment criteria, a systematic sustainability assessment and the provision of comprehensive ESG data – also on an aggregated basis at portfolio level in client reporting.

Detailed information is available for all investment instruments. The sustainability assessments for collective investments ('sustainable' or 'traditional') and individual securities ('outstanding', 'solid', 'adequate', 'unsatisfactory' or 'not covered') enable clients to check whether their sustainability objectives have been met – in particular, whether there are any securities classified as 'unsatisfactory'. Supplementary key figures on five detailed factors show how the classification is determined. In the case of collective investments, the sustainability approaches applied are also disclosed. This information is available at both the individual instrument level and the portfolio level.

Other key figures

	Unit	2023	2024	2025
Portfolio management mandates				
Number of portfolio management mandates	Number	1,685	1,959	2,498
Number of sustainable portfolio management mandates	Number	n. a.	1,878	2,420
Share of sustainable portfolio management mandates (by number)	%	n. a.	96%	97%
Volume of portfolio management mandates	CHF millions	3,071	3,620	4,124
Volume of sustainable portfolio management mandates	CHF millions	n. a.	2,254	2,716
Share of sustainable portfolio management mandates (by volume)	%	n. a.	62%	66%
LUKB investment funds				
LUKB investment funds excluding LUKB retirement funds				
Number of LUKB investment funds	Number	15	14	14
Number of sustainable LUKB investment funds	Number	15	14	14
Share of sustainable LUKB investment funds (by number)	%	100%	100%	100%
Volume in LUKB investment funds	CHF millions	3,988	4,506	5,075
Volume in sustainable LUKB investment funds	CHF millions	3,988	4,506	5,075
Share of sustainable LUKB investment funds (by volume)	%	100%	100%	100%
LUKB retirement funds				
Number of LUKB retirement funds	Number	4	4	4
Number of sustainable LUKB retirement funds	Number	4	4	4
Share of sustainable LUKB retirement funds (by number)	%	100%	100%	100%
Volume in LUKB retirement funds	CHF millions	977	1,211	1,443
Volume in sustainable LUKB retirement funds	CHF millions	977	1,211	1,443
Share of sustainable LUKB retirement funds (by volume)	%	100%	100%	100%
Elimination of double counting				
Volume of LUKB investment funds in portfolio management mandates	CHF millions	- 936	- 1,048	- 1,237

Data as of the reporting date 31 December

Greenhouse gas emissions

Once again, LUKB has disclosed greenhouse gas emissions for investments in LUKB Expert investment funds and standard asset management mandates for the 2025 financial year; see the 'Greenhouse gas emissions and climate protection' section.

Responsible and traceable gold

The LUKB Expert investment funds include physical gold from a major Swiss bank, which offers transparency and traceability along the entire supply chain. Gold is selected based on a restrictive selection of countries and mines. The origin of the gold is confirmed by a technology-based process with DNA markers and PCR tests. This also ensures that the gold is mined and produced in accordance with internationally recognised environmental and human rights standards.

In the field of asset management, a gold fund is used that invests exclusively in certified and traceable gold bars from responsible production.

External assessment of sustainability in the investment business

In 2024, WWF Switzerland analysed the fifteen largest Swiss retail banks as regards their efforts to protect the climate and biodiversity. LUKB is one of the leaders in the area of 'Saving, Investing & Pensions'.

LUKB also stands out by international standards: the UN PRI Assessment Report 2025 rates its performance in the 'Policy, Governance and Strategy' category with four out of five stars - an above-average result.

Lending business

Relevance of the topic

Lending remains LUKB's most important business area, in terms of both the financial volume and the contribution to operating income.

By granting mortgages and other loans, a bank has either a direct or an indirect impact on the environment and society. This also applies to the design of its range of financing and product offerings. For example, a bank's pricing can create incentives for owners to improve the energy efficiency and climate impact of their buildings in both construction and renovation projects.

At the same time, there is a risk that financial institutions might finance economic activities that are unsustainable. This includes lending transactions with companies that are, for example, involved in human rights abuses or that make a significant contribution to environmental pollution through their business operations.

Taking sustainability criteria into account within the lending business helps risks to be identified and managed at an early stage, thus contributing to the long-term stability of the Bank.

Principle

LUKB's lending business traditionally focuses on clients domiciled in Switzerland, and primarily on the Lucerne economic region. Approximately 60 % of the residential mortgage portfolio is made up by properties in the Canton of Lucerne. Transactions with borrowers situated abroad play a minor role and are limited internally as part of the risk policy. LUKB's borrowers are predominantly private individuals, small and medium-sized enterprises, large companies, collective investment entities, professional real estate firms and public-sector bodies.

LUKB does not provide consumer credit. It mainly grants mortgage loans to private individuals. In order to ensure that mortgage loans remain sustainable even when interest rates rise, LUKB takes into account a higher imputed interest rate when granting mortgage loans - irrespective of lower market interest rates. The aim of this is to ensure that mortgage financing is sustainable in the long term, regardless of the environment and personal life situation.

Structure of credit portfolio



Figure: Structure of loans, from 2021 to 2025, as at the balance sheet date of 31 December

Geographical distribution of mortgages (residential property)

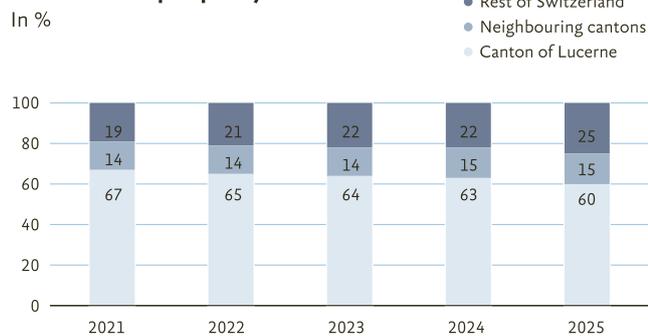


Figure: Geographical distribution of mortgages (residential property), from 2021 to 2025, as at the balance sheet date of 31 December

LUKB ensures compliance with ethical and environmental principles when granting loans and does not finance any business that is incompatible with its sustainable focus. For LUKB, successful business operations are inextricably linked to responsibility towards the environment and society.

LUKB supports the climate policy of the Swiss federal government and the Canton of Lucerne with the aim of achieving net zero by 2050. Moreover, it has set corresponding interim targets for reducing greenhouse gas emissions by 2030 (see the 'Greenhouse gas emissions and climate protection' section).

By joining the [Partnership for Carbon Accounting Financials \(PCAF\)](https://carbonaccountingfinancials.com)¹⁾ in 2023, LUKB also committed to measuring and transparently disclosing indirect greenhouse gas emissions (Scope 3) in its investment and lending business.

¹⁾ <https://carbonaccountingfinancials.com>

Targets

LUKB has set itself the following targets:

- Compliance with the sustainability criteria defined by the LUKB Board of Directors for the lending business (see the explanations below)
- Compliance with the 'Guidelines for mortgage providers on the promotion of energy efficiency'¹⁾, published by the Swiss Bankers Association (SBA). Based on these guidelines, long-term value preservation and thus also the energy efficiency of the building to be financed should be addressed within the context of lending advice for owner-occupied buildings, especially in relation to older properties or buildings in need of renovation. Renovation topics should be proactively addressed and possible measures discussed.
- Reduction of CO₂ emissions from own home, residential and commercial mortgages by at least 40 % per square metre of energy reference area compared to 2023 by 2030

¹⁾ <https://www.swissbanking.ch/en>

Status in 2025

Sustainability criteria in the lending business

Since 1 January 2025, all new on-balance-sheet and off-balance-sheet lending transactions have been subject to the following sustainability criteria, which were adopted by the LUKB Board of Directors in 2024. New loan transactions also include the roll-over and extension of existing expiring loan positions expiring at the contractual term, where the loan amount is increased and/or the existing repayment arrangements are reduced.

Within the framework of the general exclusion criteria, the following lending transactions are generally excluded for all borrowers at LUKB (no thresholds applied):

- Lending transactions involving the acceptance of illegal (ground) water pollution
- Lending transactions with persons and companies that adversely affect protected areas or areas with a high conservation value in Switzerland and abroad (e.g. virgin forests, endangered animal and plant species, wetlands, biotopes, cultural assets and world heritage sites)
- Lending transactions with persons and companies whose (business) activities violate relevant human rights and labour rights, specifically the international conventions on human rights and labour rights that have been ratified by Switzerland as well as other relevant Swiss law in this area
- Lending transactions with persons and companies that violate the rights of indigenous peoples or that are involved in serious instances of corruption

In addition, LUKB has defined the following specific exclusions, which also apply to all borrowers in general (no thresholds applied):

- Financing the mining/extraction of fossil fuels (oil, natural gas, coal). This also includes controversial processes for extracting oil and natural gas such as Antarctic/Arctic drilling, fracking, offshore oil projects, deepwater drilling and projects related to the exploitation of oil from tar sands.
- Financing projects for the construction of new fossil and nuclear power plants
- Financing uranium mining and other mining projects abroad
- Financing agriculture, forestry and fishing abroad; the exclusion covers in particular the financing of non-certified agriculture and forestry (e.g. no FSC or equivalent certificates available) and non-certified fishing (e.g. no MSC or equivalent certificates available). Financing of the production of non-certified palm oil is also excluded.
- Financing the development, manufacture and distribution (sale and trade) of problematic pesticides (e.g. neonicotinoids and organic chlorine compounds)
- Financing the release of genetically modified organisms (GMOs)
- Financing transactions related to the sale of and trade in critical products, including thermal coal, crude and heavy fuel oil, asbestos, uranium, non-certified precious woods, conflict diamonds and non-certified palm oil
- Financing the development, production, stockpiling and/or distribution of controversial weapons. Controversial weapons include, among others, cluster bombs, cluster munitions, anti-personnel and landmines, biological and chemical weapons, nuclear weapons, enriched uranium, blinding laser weapons and incendiary weapons.
- Financing gambling for which no licence has been granted by the [Federal Gaming Board \(FGB\)](#)¹⁾
- Financing persons and companies whose business activities involve the production of pornographic material or prostitution

¹⁾ <https://www.esbk.admin.ch/en>

In addition, exclusions relating to controversial business practices and high environmental, social and governance (ESG) risks have been in place for capital market-oriented borrowers since 1 January 2025. The assessment of controversial business practices is based on the following standards and conventions:

- Guidelines on the organisation for economic co-operation and development (OECD) for multinational enterprises, i.e. the OECD Guidelines for Multinational Enterprises
- Ten Principles of the United Nations Global Compact (UNGC)
- United Nations Guiding Principles on Business and Human Rights (UNGPR)
- Fundamental conventions of the International Labour Organization (ILO) and the ILO Declaration on Fundamental Principles and Rights at Work

The risk sub-policy for non-banks adopted each year by the Board of Directors' Risk Committee lists, among other things, the 'sustainability of the business model' as a criterion for assessing the creditworthiness of the Bank's clients within the section on 'basic principles'. If creditworthiness is deemed unsatisfactory, LUKB refuses lending.

Loans for the extraction of coal, oil and gas

As in the previous year, there were no lending transactions for the direct financing of coal, oil or gas extraction throughout the entire 2025 financial year. This also applies to lending transactions for the direct financing of activities in the field of unconventional oil and gas extraction, such as oil sands, shale oil and gas, Arctic oil and gas, liquefied natural gas (LNG) or ultra-deepwater (UDW) oil and gas extraction.

Promoting energy efficiency within mortgages

LUKB has incorporated the 'Guidelines for mortgage providers on the promotion of energy efficiency' published by the Swiss Bankers Association (SBA) into the advisory process for the financing of owner-occupied homes. These guidelines require the long-term value preservation and thus also the energy efficiency of the building to be financed to be addressed within the ambit of real estate financing advice. This applies in particular to older properties or those in need of renovation. Corresponding renovation topics should be addressed and renovation measures discussed.

To implement this, LUKB ensures that its advisors receive regular and appropriate training, both in terms of how to maintain the value and improve the energy efficiency of properties over the long term and how to finance corresponding measures.

Advisors systematically address sustainability-related issues with their clients during advisory sessions, focusing on the life cycle of the property in question. A renovation cost and carbon calculator supports the visualisation of costs and the carbon footprint for key topics that help to reduce CO₂ emissions, such as replacing the heating system, upgrading the building envelope and installing solar panels. This calculator has been available to LUKB clients free of charge within e-banking since 2021.

Where the client wishes to invest in improving energy efficiency, advisors point out possible subsidies and, if necessary, provide detailed checklists for the renovation of single-family homes, condominiums and multiple-family properties.

Energy-saving mortgage plus

With the 'energy-saving mortgage plus', LUKB offers low-interest mortgages for owner-occupied homes and multiple-family properties to finance the following investments:

- Energy-related renovations of existing properties, where energy-related measures must account for at least 60 % of the total renovation costs
- Solar and photovoltaic systems for own consumption, battery storage and electric charging stations
- Construction of new buildings requiring a building energy certificate (GEAK A/A/A), a Minergie certificate or an SNBS certificate (Standard Nachhaltiges Bauen Schweiz)

With this product, LUKB also provides easy access to its network of qualified, independent energy experts. These experts are on hand to provide their expertise, advice and support to clients in order to increase the energy efficiency of buildings and thus reduce CO₂ emissions.

For further information, please visit <https://www.lukb.ch/energiespar-hypothek> (in German)

Lending volume

The volume of credit products for the financing of environmentally sustainable construction measures has developed as follows:

	Unit	2020	2021	2022	2023	2024	2025
Credit products							
Energy-saving mortgages plus ¹⁾	CHF millions	n. a.	n. a.	n. a.	1.5	18.4	33.5
Energy-saving mortgages	CHF millions	2.6	7.6	14.1	19.0	18.4	15.0
Renovation mortgages ²⁾	CHF millions	16.1	12.0	8.9	5.8	4.5	3.1
Minergie mortgages ²⁾	CHF millions	182.2	145.8	107.8	76.7	49.8	27.0

Volumes as of the reporting date 31 December

¹⁾ The 'Energy-saving mortgage plus' ('Energiespar-Hypothek plus' in German) product was launched in October 2023 and replaced the previous energy-saving mortgage.

²⁾ These products have been discontinued since 31 July 2020.

'myky' sustainable own home

Together with 18 other cantonal banks, LUKB holds an indirect stake in the 'myky' platform. The platform aims to further establish sustainability for owner-occupied buildings. 'myky' is a one-stop shop offering comprehensive services and expertise in relation to all aspects of home ownership.

Further information: <https://www.myky.ch> (in German)

Services for real estate investors and corporate clients

In addition to financing solutions, LUKB offers real estate investors and corporate clients comprehensive and tailored real estate expertise over the entire life cycle of a property. LUKB's real estate experts provide clients with comprehensive support, from analysis and strategy to planning, implementation and financing. The consideration of ecology and sustainability is always a key part of this.

Further information: <https://www.lukb.ch/unternehmen/immobilien> (in German)

Reference guides and information for the general public and businesses

LUKB has extensive market knowledge and expertise as the leading provider of real estate financing and services in the Lucerne economic region. It makes this knowledge available to the public via free reference guides and newsletters on its website. Furthermore, LUKB regularly publishes a comprehensive report on the Lucerne real estate market with market figures, expert assessments, current developments, trends and challenges - including issues such as the shortage of housing supply.

Further information: <https://www.lukb.ch/private/immobilienfinanzierung/hilfsmittel/luzerner-immobilienmarkt> (in German)

In addition, LUKB regularly holds events such as specialist lectures and information events for the general public and the business community, and attends relevant trade fairs.

Data management

Since 2022, LUKB has been working to align the collection, management and analysis of data in relation to the financed building portfolio with the new requirements resulting from the enhanced reporting requirements in the areas of energy efficiency and climate protection. In recent years, the focus has been on integrating Federal Building Identifiers (EGID) into the Avaloq core banking system. As a result, LUKB has laid the foundations for supplementing building data in its lending portfolio with additional information in order to calculate energy efficiency and carbon emissions.

LUKB has also integrated data from the Federal Register of Buildings and Dwellings (RBDO) into its core banking system and advisory solution. This enables various aspects of buildings (e.g. heating information) to be taken into account when advising and informing clients. The data is updated twice a year.

Energy efficiency of the financed buildings

All buildings financed by LUKB receive an energy efficiency rating from A to G (A = best energy efficiency). The classification is based on the cantonal building energy certificate (GEAK). LUKB works with a Swiss data service provider specialising in real estate for the calculations and classifications.

The results of the sub-portfolios are presented as follows:

	31.12.2024		31.12.2025		Change from the previous year
	Number of buildings	Percentage of buildings	Number of buildings	Percentage of buildings	Number of buildings
Single-family homes					
Good energy efficiency ¹⁾	3,456	22 %	3,582	22 %	126
Average energy efficiency ²⁾	5,143	31 %	5,252	31 %	109
Poor energy efficiency ³⁾	7,768	47 %	7,904	47 %	136
Total	16,367	100 %	16,738	100 %	371

¹⁾ Rating classes A to C (0 to 120 kWh per m² energy reference area, ERA)

²⁾ Rating classes D and E (121 kWh to 200 kWh per m² ERA)

³⁾ Rating classes F and G (> 200 kWh per m² ERA)

	31.12.2024		31.12.2025		Change from the previous year
	Number of buildings	Percentage of buildings	Number of buildings	Percentage of buildings	Number of buildings
Condominiums					
Good energy efficiency	12,535	72 %	12,655	70 %	120
Average energy efficiency	4,304	24 %	4,659	26 %	355
Poor energy efficiency	745	4 %	823	4 %	78
Total	17,584	100 %	18,137	100 %	553

The same definitions apply to energy efficiency classes as for single-family homes (see table above).

Around 70 % of the condominiums are highly energy-efficient – a result that can also be attributed to the development history of condominiums. However, there is still a high need for investment in the case of single-family homes – almost 50 % have a poor energy efficiency rating.

	31.12.2024		31.12.2025		Change from the previous year
	Number of buildings	Percentage of buildings	Number of buildings	Percentage of buildings	Number of buildings
Multiple-family properties					
Good energy efficiency	1,408	20 %	1,558	21 %	150
Average energy efficiency	3,302	46 %	3,336	46 %	34
Poor energy efficiency	2,392	34 %	2,447	33 %	55
Total	7,102	100 %	7,341	100 %	239

The same definitions apply to energy efficiency classes as for single-family homes (see table above).

Around two-thirds of apartment buildings have a good or average energy efficiency rating. On average, buildings in rural areas perform worse than those in urban areas.

	31.12.2024		31.12.2025		Change from the previous year
	Number of buildings	Percentage of buildings	Number of buildings	Percentage of buildings	Number of buildings
Other buildings					
Good energy efficiency	1,022	51 %	1,007	50 %	- 15
Average energy efficiency	783	38 %	783	39 %	0
Poor energy efficiency	232	11 %	237	11 %	5
Total	2,037	100 %	2,027	100 %	- 10

The same definitions apply to energy efficiency classes as for single-family homes (see table above).

Commercial properties such as hotels, industrial and commercial buildings, and business properties achieve better energy efficiency values on average than residential properties. Here, too, the pattern is similar to that of apartment buildings. In urban areas, buildings tend to perform better than in rural areas.

Greenhouse gas emissions and climate protection

Further information on financed greenhouse gas emissions for residential and commercial buildings as well as corporate loans and the reduction targets for the mortgage portfolio are disclosed in the [‘Greenhouse gas emissions and climate protection’](#) section.

COVID-19 loans

Following the outbreak of the COVID-19 pandemic, LUKB quickly stepped up to the mark. As part of the federal government's COVID-19 loan programme, LUKB disbursed more than 1,700 loans worth a total of 250 million Swiss francs within just a few days in the spring of 2020. In addition, LUKB offered further liquidity assistance to SME clients on its own initiative, over and above the provision of federal government loans, and provided additional relief quickly by suspending contractual repayment schedules.

At the end of 2025, following repayments totalling 18.9 million Swiss francs during the 2025 financial year, LUKB still had 607 COVID-19 loans outstanding for a total of 26.2 million Swiss francs (end of 2024: 718 COVID-19 loans totalling 45.1 million Swiss francs). In the previous year, redemptions amounted to 25.2 million Swiss francs.

Employer responsibility and attractiveness

Relevance of the topic

Employees are a key success factor at LUKB. As a service provider, the quality of the services offered depends directly on the commitment, competence and motivation of its employees. A high level of attractiveness as an employer and targeted vocational education and training are therefore key levers for sustainable value creation.

In an increasingly competitive employment market, LUKB's strong position as an employer enables it to attract, develop and retain qualified specialists over the long term. This makes a significant contribution to the stability of the organisation, its ability to provide high-quality services as well as its innovative capacity and future viability. At the same time, LUKB's stakeholders expect responsible and forward-looking HR management. Consciously assuming social responsibility as an employer thus forms a key basis for sustainable corporate success and long-term competitiveness.

Principle

A positive and productive corporate culture is key to employee retention. Flexible working models, regular employee surveys, talent development programmes and targeted and generous investments in further education and training create an environment in which everyone feels valued and inspired. The promotion of young talent is especially important to LUKB: With its StartUp@LUKB programme, it gives young talents the opportunity to enter the world of banking.

Human Resources at LUKB's shapes and implements elements of HR strategy, drives organisational efficiency and promotes employee development. The aim is to have an agile, diversified and high-performing workforce that actively supports the corporate strategy.

Human Resources plays a key role in attracting, developing and retaining talent. LUKB uses employee initiatives and further education programme to enhance employee capabilities, enabling the bank to successfully face up to the challenges that arise in a changing business climate. The focus is on recruiting specialists and encouraging an inclusive culture that embraces diversity and collaboration.

In addition, HR sees itself as a strategic partner that actively supports the corporate vision and contributes to long-term competitiveness and sustainable growth. In an environment full of innovation and change, LUKB makes every effort to cater flexibly and proactively to both the needs of its employees and the demands of the market.

Targets

LUKB aims to remain one of the top employers in Central Switzerland. Target achievement is measured annually by surveying all employees on the aspects of 'commitment' and 'satisfaction'. The aim is to score at least 80 points on a scale of 1 to 100 for both aspects.

LUKB takes part in the Swiss Arbeitgeber Award (Swiss Employer Award) every three years. This survey covers additional aspects such as 'attractive employer' and 'would recommend as an employer'. LUKB aims to be in the top third of companies with more than 1,000 employees.

Status in 2025

Further increase in headcount

LUKB further increased its headcount in the year under review and, at the end of 2025, employed a total of 1,425 people at Group level (end of 2024: 1,385 people), with a total of 1,206.2 full-time equivalents (end of 2024: 1,181.0). Full-time equivalents are adjusted for part-time positions and trainees are weighted at 50 %.

As at 31 December 2025, the workforce of the entire LUKB Group was made up of a total of 603 women (end of 2024: 593) and 822 men (end of 2024: 792). At the end of 2025, 353 women and 152 men were working part time (end of 2024: 333 women and 147 men).

This makes LUKB one of the biggest employers in the Canton of Lucerne.

Full/part-time working at Group level

As at 31 December 2025

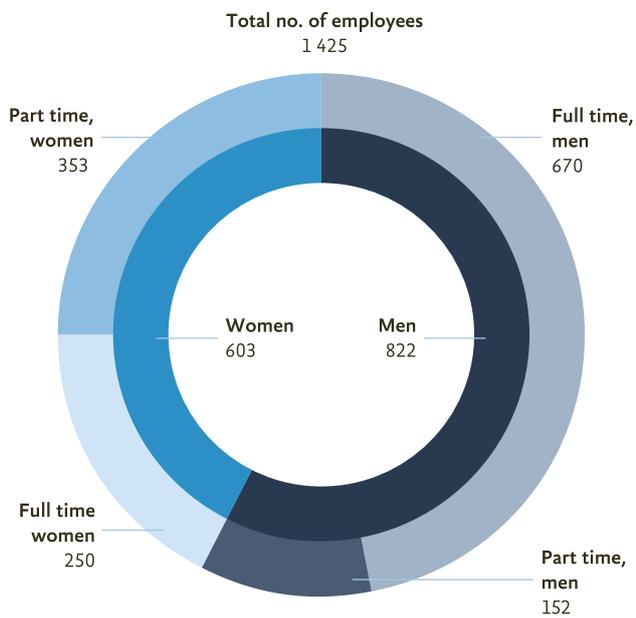


Figure: Full/part-time working at Group level as at 31 December 2025

Age structure at Group level

As at 31 December 2025 (including apprentices and trainees)



Figure: Employee age structure at Group level as at 31 December 2025 (including trainees and interns)

Low staff turnover

The net staff turnover rate (i.e. without taking into account retirements or departures for family reasons such as pregnancy and death) was 4.3 % in 2025, compared with 3.2 %. LUKB strives to ensure a balanced distribution of ages and genders within a team when recruiting.

High ethical standards in human resources policy

LUKB is committed to high ethical standards in its HR policy. It is actively committed to equal opportunities, non-discrimination and inclusion - regardless of gender, gender identity, age, marital status, religion, nationality, ethnic origin, skin colour, social background, physical limitations, sexual orientation or political beliefs. LUKB consciously promotes diversity, as it recognises the value of having employees with different backgrounds when it comes to challenging tasks. LUKB also has a zero-tolerance policy on inappropriate behaviour, workplace bullying and sexual harassment. Internal and external points of contact are available to those affected (see [‘Critical concerns’ in the ‘Business ethics and compliance’ section](#)).

Employee surveys

Every three years, LUKB takes part in the comprehensive employee survey conducted by the Swiss Arbeitgeber Award. The last survey was held in summer 2024. LUKB came second out of all companies with more than 1,000 employees. LUKB's results are consistently high in all of the relevant criteria (commitment, satisfaction, no resignation, attractive employer, would recommend employer). The response rate was 82 %.

In the intervening years, LUKB conducts a reduced Group-wide survey, most recently in November/December 2025. With a response rate of 89 %, the survey reached a new high in terms of participation. It provides a solid basis for substantiated information on employer attractiveness and corporate culture. The results show that LUKB also offers a stable and motivating working environment in the long term. The scores achieved in the key aspects of commitment, satisfaction and lack of resignation were even higher than in the previous year. These record figures illustrate the employees' high level of identification with LUKB and their long-term loyalty to the company. The results collected for the first time on team and leadership quality are slightly more critical than in the previous year, but are within the usual fluctuations in comparable surveys. They provide valuable impetus for the continuing development of leadership, collaboration and organisational resilience.

	Unit	2021: Swiss Employer Award survey	2022: Reduced internal survey at Group level	2023: Reduced internal survey at Group level	2024: Swiss Employer Award survey	2025: Reduced internal survey at Group level
Survey participation	%	87 %	86 %	81 %	82 %	89 %
Commitment	Value ¹⁾	84	85	86	84	86
Satisfaction	Value ¹⁾	76	76	79	78	79
Attractive employer	Value ¹⁾	81	n. a.	n. a.	82	n. a.
Would recommend employer	Value ¹⁾	92	n. a.	n. a.	93	n. a.

¹⁾ Scale from 1 to 100 (100 = best)

The results of the employee surveys are systematically evaluated and discussed at an Executive Board and division level. This results in prioritised fields of action. In areas or teams with more critical results, specific in-depth discussions are held in a targeted manner. As required, the support of HR is called in to develop suitable measures to improve management quality, team collaboration and work organisation.

Typical measures include, but are not limited to:

- Targeted management dialogue and structured feedback formats
- Individual or team-related development and coaching offerings
- Adjustments to processes, role clarification or internal communication
- Raising managers' awareness of motivation, psychological safety and sustainable performance

The defined measures will be implemented step by step and incorporated into existing management and HR governance. Responsibility for implementation lies with the respective managers, supported by HR. Progress is regularly reviewed by HR and is included in future surveys. In this way, LUKB ensures that the findings from the surveys are consistently translated into concrete improvements and continuously developed.

The majority of LUKB employees are voluntary members of the internal employee organisation, the 'Personalverein', and are thus able to raise their concerns directly. The Head of Human Resources engages in regular dialogue with the Personalverein to ensure that concerns are identified at an early stage and pragmatic solutions are found.

Attracting and retaining employees

One of the deciding factors in the success of any company is its ability to identify, recruit, develop and retain qualified employees. This factor has become all the more important in view of the shortage of specialist personnel. LUKB also took a close look at innovative talent management strategies during 2025 with the aim of attracting and retaining staff.

LUKB pursues a sustainable and equal-opportunity recruitment strategy that targets different demographic groups and promotes equal access to the employment market.

- **Trainee programmes for university graduates:** LUKB offers a structured introductory programme that is actively promoted at university fairs. It enables transparent, performance-based career entry in various specialist fields and supports the long-term development of young talents.
- **Internships for students and graduates:** Various internship formats provide practical insights into LUKB, facilitate the transition from education to the professional world and promote equal opportunities when starting a career.
- **Vocational training:** LUKB is committed to promoting the next generation of professionals through practical training programmes and entry-level formats that enable young people, regardless of their educational background, to enter the world of work.
- **Returning to work after interruption:** Returning to work after parental leave, unemployment or for other reasons is taken care of through regular recruitment and onboarding processes. In doing so, individual life situations are taken into account and equal opportunities are ensured in the application process.

Altogether, these measures make an important contribution to social sustainability, the promotion of diversity and the long-term retention of specialist and junior employees.

Talent management

In 2025, LUKB introduced the structured talent and succession process across the Group, which had been successfully tried and tested in the previous year. This process systematically identifies strategically relevant key positions and develops internal talents at an early stage. For example, long-term HR and succession planning is firmly enshrined in management and HR governance.

The process secures critical expertise, strengthens organisational competencies and reduces risks in key positions. At the same time, it promotes internal mobility, targeted development and the long-term retention of employees. The transparent and standardised approach ensures fair, objective talent identification and supports diversity and equal opportunities.

Through the continuous development of managers and key individuals, LUKB strengthens its organisational resilience and innovative strength. With the successful roll-out, LUKB is consistently pursuing the objectives defined in the previous year and ensuring the effectiveness of the process through regular reviews and further development.

Empowering and developing leaders

Continually empowering and developing leaders is a particular priority for LUKB. It firmly believes that well-trained and inspiring managers make a key contribution to business performance. Its investment in leadership development is designed to promote a culture of innovation, engagement and efficiency. To achieve this, LUKB has launched specific programmes to continually improve leadership skills and promote personal responsibility and self-management. By offering a wide range of courses, LUKB ensures that both inexperienced and experienced managers are able to acquire the necessary skills to effectively fulfil their role. This is achieved through the following programmes:

- **'Welcome to LUKB for managers':** A one-day onboarding session for new managers and those with no previous management experience. The focus is on LUKB's understanding of leadership and processes throughout the employee life cycle.
- **'Leadership basics':** A mandatory six-month learning journey for all new managers. The aim is to impart fundamental leadership knowledge and promote networking among managers within LUKB.
- **Mandatory leadership training:** One-day training sessions for all managers to expand their knowledge of specific topics.
- **'Leadership intensive programme':** A programme designed by LUKB for managers with high potential. Study under this scheme earns ECTS points at the Lucerne University of Applied Sciences and Arts (HSLU).
- **Senior management training:** Regular workshops on various leadership topics for senior managers.

The emphasis here is on practical training that draws on both established management principles and current sector trends. This not only ensures a internal employee development over the long term, but also encourages its management to identify with LUKB's corporate objectives.

Diversity, equity and inclusion (DEI) are an integral part of management development at LUKB. In development and professional training programmes, managers are made aware of their role in promoting equal opportunities, diversity and a respectful working environment in a targeted manner. In particular, the importance of fair decision-making processes, inclusive collaboration and appreciative leadership is addressed. By embedding DEI aspects in management development, LUKB ensures that these principles are put into practice sustainably in day-to-day management activities and contribute to an open, efficient and forward-looking corporate culture.

Employee development

LUKB attaches great importance to developing its employees and therefore offers a wide and comprehensive range of over 150 internal further education and training courses in the areas of specialist training, interdisciplinary skills, sales excellence and occupational health management. These training programmes focus on providing holistic and balanced advice to clients in all situations. Employees also attend practical workshops and take part in specialised basic and advanced training modules on financial products and services. The aim is to prepare employees for future professional challenges and to further develop their skills. Well-trained employees are key to the future of LUKB. LUKB also works with various external partners and educational institutions, such as the Bankenberatungszentrum (bbz), the Lucerne University of Applied Sciences and Arts (HSLU) and the University of Lucerne.

The performance and development dialogue framework, known by its German acronym LED, is an important tool for managers. In continuous dialogue, employee performance is assessed based on several criteria, while binding targets are also set and their progress in achieving these documented. Development measures are also agreed at least once a year and employees have the opportunity to provide feedback to their line managers in a full 360° approach. The process, which is managed by Human Resources, is used for all employees at all functional levels.

Investment in further education and training

LUKB is one of the largest employers in the Lucerne economic area and takes its responsibility as a training institution seriously. In 2025, employees invested a total of 14,261 working days in further education and training (previous year: 13,172), which equates to 11.8 days (previous year: 11.2) per full-time equivalent. In contrast to the previous year's report, these figures for both years also include the further education days of commercial apprentices without a Federal Vocational Baccalaureate. In total, as in the previous year, investment in further education and training measures (excluding internal costs) amounted to around 1,800 Swiss francs per full-time position. LUKB aims to strengthen the technical, managerial and social skills of its employees at all age and function levels through further education and training.

Around 90 vocational training positions

In 2025, LUKB employed 19 apprentices in business-related positions (previous year: 17 apprentices), 2 apprentices in IT (previous year: 2), one apprentice in the catering sector (previous year: 0), 10 interns under the 'Bankeneinstieg für Mittelschulabsolventen' (BEM) introductory banking programme for secondary school leavers (previous year: 9) and 1 intern from an IT secondary school (previous year: 2). Their courses will start in August 2026.

The intention is to continue employing as many apprentices and interns as possible after they have completed their training, and to help them develop with targeted training programmes, both internally and externally. LUKB has been running the 'StartUp@LUKB' programme since 2021 with the aim of attracting highly qualified talent to LUKB and preparing them specifically for future key roles. This strategically important development programme is aimed at university graduates and qualified people who are changing career paths, offering them a structured range of further training and continuing education opportunities. LUKB is thus not only creating attractive development prospects, but it is also strengthening its competency base and innovative strength in the long term. At the end of 2025, a total of 15 people received training as part of this programme (end of 2024: 16). LUKB offered a total of 87 training positions at the end of 2025 (end of 2024: 87).

Sustainability training

In the 2025 financial year, LUKB once again held information events, training courses and workshops on sustainability at the various management levels.

All new LUKB employees have to complete web-based basic training on ESG and sustainability during their induction.

Client advisors and assistants in the 'Private & Commercial Clients' and 'Corporate Clients & Private Banking' departments receive needs-based training on the following topics, among others:

Sustainable investing

- Basics and in-depth analysis of sustainability and ESG
- Sustainable investing in practice: approaches, criteria, ratings and products
- Regulatory requirements, including the relevant SBA guidelines and AMAS self-regulation
- ESG preferences and risks in investment advisory and asset management
- LUKB's investment-related dialogue and engagement activities
- ESG reporting and fact sheets for investment clients

Sustainable lending

- Basics and in-depth analysis of sustainability and ESG
- Principles of sustainable construction, remodelling and renovation
- Statutory and regulatory requirements and developments
- Sustainability topics in the advisory process and the corresponding adjustments to the advisory cockpit
- Renovation cost and carbon calculator
- Financing options and the 'Energiespar-Hypothek plus' energy-saving credit product
- Public- and private-sector support schemes
- Engagement of independent certified energy experts

LUKB introduced new online courses in 2025 to provide further practical basic knowledge of sustainability in the real estate sector. These were developed by a service company specialising in real estate and are mandatory for all client advisors who handle own-home financing.

In 2025, LUKB once again conducted advanced training courses on ecology and sustainability in the real estate sector for client advisors and assistants. Environmental and social aspects in the construction and real estate sectors were examined using concrete practical examples.

The SAQ 'Private Clients', 'Individual Clients', 'Affluent Clients' and 'Private Banking' certification programmes similarly include training on sustainability and ESG. More than 95 % of all client advisors at LUKB are currently SAQ-certified.

The topics of ecology and sustainability are also an integral part of the training courses for the Bank's apprentices.

Training in responsible advisory and sales practices

Through their advisory and sales practices, banks directly influence how transparent and factual the information their clients receive is, and how they access suitable products and services. LUKB therefore attaches great importance to training its client advisors in responsible advisory and sales practices.

Through targeted training programmes, LUKB imparts ethical standards, sustainable values, legal and regulatory requirements (e.g. the provisions of the Financial Services Act [FinSA] on obligations of conduct, due diligence and transparency) and other necessary expertise. The training covers the entire advisory process, including the analysis of client needs, the individual products and services as well as effective communication and conversation techniques.

LUKB employees must attend mandatory compliance training on a regular basis. This covers issues such as combating money laundering and the financing of terrorism, compliance with market behaviour rules and measures to combat corruption and protect personal data. As part of their induction, new employees are required to attend relevant training courses that are specific to their role or business area. Further information on compliance training can be found in the [‘Business ethics and compliance’](#) and [‘Digitalisation, information security, data protection and privacy’](#) sections of this report.

In addition, advisors attend further training and awareness-raising sessions on various sustainability topics (see the [‘Sustainability training’](#) section above).

With the aim of ensuring the quality, advisory philosophy, advisory experience and efficiency of each individual advisory service, LUKB has developed a digitally managed advisory process that supports client advisors in their preparation and follow-up work. The advisory process was developed with the involvement of clients and rolled out in all sales segments in spring 2023. Client advisors benefit from clear structures and reliable guidance. The digitally managed advisory process also helps to ensure that training course content is implemented in a standardised manner. This helps to ensure high-quality advice while strengthening client trust.

For further information, please refer to [‘Responsible marketing and sales practices’](#) in the [‘Business ethics and compliance’](#) section.

Occupational health and safety

LUKB pursues strategically enshrined occupational health management (OHM) with the following objectives:

- Sustained improvement of employees' physical and mental health
- Early identification and minimisation of work-related health risks
- Avoidance of occupational accidents

This is based on a holistic OHM concept that includes preventive measures, health promotion, awareness-raising and case management.

LUKB's OHM covers all employees at all Group locations and is based on the recognised guidelines of the Swiss National Accident Insurance Fund (SUVA), the Swiss Council for Accident Prevention (BFU) and the Federal Coordination Commission for Occupational Safety (FCOS).

OHM at LUKB is clearly organised and enshrined in the existing management and governance structures. Overall responsibility lies with the Executive Board, supported by the responsible specialist units. Managers have a central responsibility for implementing health and safety requirements in their day-to-day work.

Work-related risks and hazards are regularly identified and assessed, taking into account physical, ergonomic and psychological stress, including through risk analyses, employee surveys and the evaluation of relevant health and absence indicators. Preventive measures are developed and implemented on this basis.

Through targeted training and offerings on resilience, exercise, nutrition and ergonomics, LUKB helps to improve individual health literacy, achieve long-term performance and reduce absences.

LUKB is actively committed to reducing the stigma associated with mental health. This is achieved, among other things, through awareness-raising measures, training for managers (courses from the 'ensa'¹ programme) and an open culture of communication that promotes the responsible handling of psychological stress.

¹ <https://www.ensa.swiss/en/>

Employees are provided with support services to assist them in the event of psychological stress or challenging life situations. These services are confidential and are part of LUKB's holistic approach to healthcare.

The establishment and further development of relevant KPIs make it possible to monitor the effectiveness of the measures, track progress transparently and continuously develop OHM in an impact-oriented manner.

Defined reporting and investigation processes are in place for work-related accidents, health impairments and safety-related incidents. These enable a systematic investigation of the causes and the development of suitable preventive and improvement measures.

Health and safety topics are taken into account as part of internal controls and regular reviews. LUKB ensures that legal requirements are complied with and, if necessary, reviews its processes as part of internal audits.

LUKB line managers should create a culture of appreciation, open communication and support with the aim of promoting employee well-being and preventing psychosocial stress such as bullying and conflicts. Their ability to act as role models is crucial in this regard: they should exemplify healthy behaviour and thus send a strong message to their teams.

A healthy working environment ultimately starts with management: All LUKB line managers are systematically made aware of and trained in mental health, resilience and energy management in special management seminars. Processes such as 'absence management' support this. Employees who are absent for more than 30 days receive individual care and support as part of case management. LUKB works with external partners to find the best possible solutions and promote reintegration. Individual measures are planned and implemented in close coordination with Human Resources. If there are any problems, employees can contact their responsible HR Business Partner or external experts for a confidential discussion.

LUKB focuses on two key approaches to prevention:

1. **Awareness campaigns:** In 2025, the focus was on mental health. Monthly videos made by employees for employees raised awareness of the topic via the Intranet. There is also a focus on ergonomic workstations, both in the office and when working from home.
2. **Internal courses and initiatives:** LUKB offers courses on resilience and stress management, and supports campaigns that promote healthy behaviour such as 'bike to work'. Employees and retirees can join the sport and leisure organisation 'Sport und Freizeit', which promotes sporting activities and camaraderie. At the end of 2025, the association had 725 members.

The quality of OHM measures is reviewed at different levels:

- Assessment of the quality of the management seminars and OHM courses by participants
- Monitoring of early detection in the organisational units by the responsible HR Business Partners
- In case management, success is measured by reintegration. The low single-digit number of cases in case management allows LUKB to assess the quality of the measures for each individual case.

Employees who come into contact with clients are regularly trained in workplace security and what to do in the event of security threats (e.g. robberies). Regular drills are also held with the LUKB crisis team and evacuation drills are conducted at all locations. All employees are regularly informed about security issues via the intranet.

Regular security training is intended to make all employees aware of the correct behaviour in the event of incidents and to refresh their knowledge of security processes. The security measures are set out in policies and are regularly reviewed by Risk Control. Mandatory training sessions are held for all employees. Security officers support security management at all locations. All information on occupational health and safety is also available on the intranet.

The principles of health and safety also apply to external employees and service providers. When working with them, care is taken to ensure that LUKB's requirements are complied with and that a safe working environment is guaranteed.

Working time and holiday regulations

LUKB has clearly defined and binding working time models with a contractually stipulated working week of 42 hours. The aim of working time regulations is to ensure a sustainable workload, avoid overwork and protect the long-term health and performance of employees.

Compliance with working hours is the responsibility of managers and is supported by systems for the transparent recording of working hours. These allow for continuous monitoring of effective working hours and serve to identify overtime and structural workload peaks at an early stage. The majority of employees record their working hours.

Overtime is systematically recorded and evaluated. The focus is on preventive measures to reduce overtime as well as on prompt compensation. In the event of recurring or above-average overtime, managers are obliged to review and implement suitable organisational, procedural or personnel measures together with HR. In doing so, LUKB ensures that working time regulations are not only formally adhered to, but also actively contribute to promoting well-being, a good work-life balance and sustainable work performance.

LUKB's holiday entitlement is clearly defined and provides targeted support for employees' recovery, health and long-term performance. All employees have access to a contractually agreed annual holiday budget, the use of which is actively promoted and systematically monitored.

Managers regularly review holiday entitlement to ensure that holidays are actually taken and are not permanently postponed. Unused leave is subject to clear regulations. Through this control system, LUKB prevents overworking and promotes a good work-life balance.

Balancing family and career

LUKB has been pursuing a 'family and career at LUKB' policy since 2013: in doing so, it aims to create working conditions that enable employees with family commitments to achieve a good work-life balance. The new working and working hours models that LUKB introduced in January 2022 represent the next step in this approach. They include individual solutions such as job sharing, working from home, the ability to purchase additional days of leave, sabbaticals, working part-time even in management positions and the opportunity to work full-time over 4.5 days instead of 5. These solutions are developed in close consultation with employees.

At LUKB, both women and men receive two weeks more maternity or paternity leave than is required by law (women: 16 weeks instead of 14 weeks; men: 4 weeks instead of 2 weeks). LUKB also supports families financially with a voluntary additional child allowance. In 2025, it invested a total of 1,205,940 Swiss francs (previous year: 1,152,315 Swiss francs) in this allowance.

As part of its management development efforts, LUKB aims to sustainably increase the proportion of women in management positions. In this respect, LUKB adopts an equitable, performance- and potential-oriented approach that systematically integrates diversity, equality and fairness into all management, talent and succession processes. However, it does not apply rigid gender quotas at all operational management levels. On the other hand, a gender benchmark of 20 % applies at the Executive Board level (see [LUKB 2025 Ownership Strategy of the Canton of Lucerne^{1\)}](#)). In accordance with this requirement, LUKB must provide justification if each gender does not have at least 20 % representation on the Executive Board.

¹⁾ <https://www.lukb.ch/eignerstrategie>

At LUKB, equal development and career opportunities are ensured through transparent recruitment, talent and succession processes as well as through targeted development and promotion measures that are open to all employees regardless of gender or personal characteristics and are established as an integral part of HR management. When filling management positions, qualifications, performance and development potential are assessed on the basis of clearly defined and objective criteria. At the same time, it is ensured that all candidates have equal access to development and career steps.

Equal career opportunities are also supported by standardised selection procedures, clearly defined role and requirement profiles and by making managers aware of unconscious biases. These principles also explicitly apply to employees with disabilities, ethnic minorities and different demographic groups. LUKB thus promotes an inclusive corporate culture in which diversity is seen as a strength and individual potential is developed in a targeted manner regardless of personal characteristics.

Women in leadership positions

In numbers of individuals

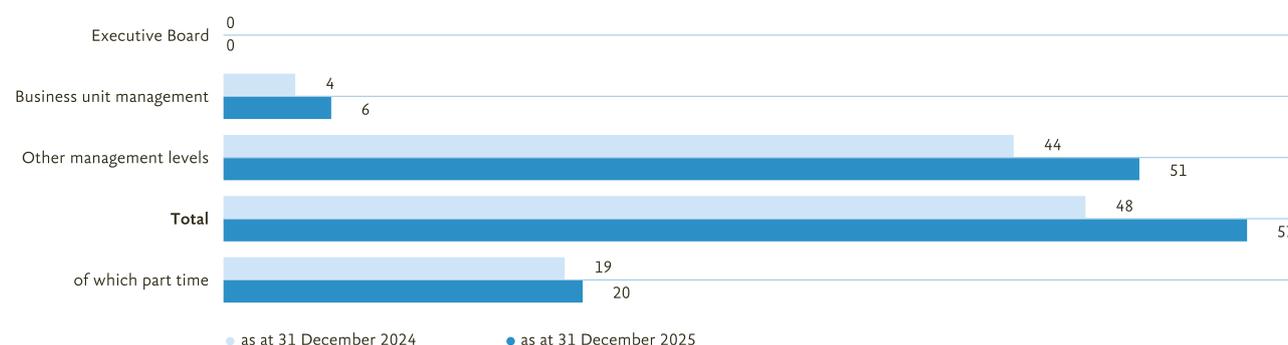


Figure: Women in leadership positions, comparison years: 2024 and 2025

Equal pay

At LUKB, fair and progressive working conditions form the basis for a successful employment relationship. This includes ensuring that men and women receive equal pay for work of equal value.

LUKB participated in the voluntary equal pay dialogue between Switzerland's social partners and the federal government as long ago as 2014, and was the first Swiss bank to successfully complete this process. LUKB fulfilled its obligation to conduct an equal pay analysis, which entered into force on 1 July 2020, with a comprehensive analysis for the period from 1 July 2020 to 30 June 2021. This was audited by PricewaterhouseCoopers AG (PwC). In its audit report dated 15 June 2022, PwC confirmed that the analysis met the regulatory requirements. The result shows that the LUKB - as has been the case since 2014 - is below the tolerated value of 5 % in terms of the wage gap between the sexes, thus ensuring equal pay.

LUKB emphasises the importance of this issue with the [awarding of the 'We Pay Fair' certificate^{1\)}](#) from the Competence Centre for Diversity, Disability & Inclusion CCDI of the University of St. Gallen in July 2023.

Since the survey began in 2014, LUKB has been using the recognised and legally compliant [Logib^{2\)}](#) instrument provided by the Swiss Confederation. With the exception of the salaries of apprentices and interns, all employee salaries are included in the calculation. The comparison is based on the salary components of basic salary, 13th month's salary and special payments.



¹⁾ <https://lukb.ch/lohnleichheit> (in German)

²⁾ <https://www.ebg.admin.ch/en/equal-pay-analysis-with-logib>

Active social partnership

At the end of 2025, 1,085 employees were voluntarily members of the 'Personalverein LUKB' internal employee association. The purpose of the association is to safeguard and promote the legal, economic and social interests of its members.

LUKB is clearly committed to the social partnership and maintains a regular dialogue with the employee association in order to address concerns at an early stage and develop solutions together. The association is entitled to nominate employee representatives for the Board of Trustees of the pension fund.

Senior figures in the association are involved in an advisory capacity on HR issues of high relevance to the workforce, such as adjustments to the Employee Regulations and directives or as part of the annual compensation review.

In addition, LUKB guarantees freedom of association, so that employees can also become involved in the Swiss Bank Employees Association (SBEA). Further information on the freedom of association at LUKB can be found in ['Freedom of association' in the 'Business ethics and compliance' section](#).

Other key figures

Number of employees

Staff numbers (GRI 2-7)	Unit	31.12.2023	31.12.2024	31.12.2025
Staff (including trainees and interns)	Individuals	1,326	1,385	1,425
Women	Individuals	568	593	603
Men	Individuals	758	792	822
Staff (including trainees and interns)	%	96 %	100 %	100 %
Women	%	41 %	43 %	42 %
Men	%	55 %	57 %	58 %
Staff by management level	Individuals	1,326	1,385	1,425
Executive Board	Individuals	5	5	5
Women	Individuals	0	0	0
Men	Individuals	5	5	5
Business unit management	Individuals	34	32	34
Women	Individuals	4	4	6
Men	Individuals	30	28	28
Other management levels	Individuals	178	191	199
Women	Individuals	33	44	51
Men	Individuals	145	147	148
No management position (excluding trainees and interns)	Individuals	1,038	1,090	1,115
Women	Individuals	499	518	519
Men	Individuals	539	572	596
Trainees and interns	Individuals	71	67	72
Women	Individuals	32	27	27
Men	Individuals	39	40	45
Staff by employment contract	Individuals	1,326	1,385	1,425
Permanent contract	Individuals	1,208	1,276	1,324
Women	Individuals	518	546	559
Men	Individuals	690	730	765
Fixed-term contract	Individuals	114	108	99
Women	Individuals	58	47	43
Men	Individuals	56	61	56
Individuals paid on an hourly basis with a target workload	Individuals	4	1	2
Women	Individuals	2	0	1
Men	Individuals	2	1	1
Workers with non-guaranteed working hours	Individuals	0	0	0
Women	Individuals	0	0	0
Men	Individuals	0	0	0

Staff numbers (GRI 2-7)	Unit	31.12.2023	31.12.2024	31.12.2025
Staff by employment relationship	Individuals	1,326	1,385	1,425
Full-time	Individuals	887	905	920
Women	Individuals	255	260	250
Men	Individuals	632	645	670
Part-time	Individuals	439	480	505
Women	Individuals	313	333	353
Men	Individuals	126	147	152
Staff by place of work	Individuals	1,326	1,385	1,425
Canton of Lucerne	Individuals	1,297	1,353	1,395
Other locations in Switzerland	Individuals	29	32	30
Outside Switzerland	Individuals	0	0	0
Staff by company	Individuals	1,326	1,385	1,425
Luzerner Kantonalbank AG (parent company)	Individuals	1,314	1,372	1,414
LUKB Expert Fondsleitung AG (100 % subsidiary)	Individuals	11	11	11
Refinum AG (previously a 100 % subsidiary)	Individuals	1	2	0
Staff numbers (GRI 2-7 continued)	Unit	2023	2024	2025
Staff adjusted for part-time positions at year-end	FTEs¹⁾	1,134.9	1,181.0	1,206.2
Women	FTEs	432.4	449.9	450.5
Men	FTEs	702.5	731.1	755.7
Staff adjusted for part-time positions, annual average	FTEs¹⁾	1,106.4	1,160.0	1,191.7
Women	FTEs	421.5	441.9	451.3
Men	FTEs	684.9	718.1	740.4
Staff adjusted for part-time positions by company, annual average	FTEs¹⁾	1,106.4	1,160.0	1,191.7
Luzerner Kantonalbank AG (parent company)	FTEs	1,095.1	1,147.9	1,181.9
LUKB Expert Fondsleitung AG (100 % subsidiary)	FTEs	10.3	10.0	9.8
Refinum AG (previously a 100 % subsidiary)	FTEs	1.0	2.1	0.0

¹⁾ Full-time equivalents - trainees at 50 % (full-time equivalents, FTEs)

Number of external employees

External staff (GRI 2-8)	Unit	2023	2024	2025
External staff¹⁾	Individuals	44	55	66
Women	Individuals	4	11	11
Men	Individuals	40	44	55
Share of staff who are not employed as a proportion of total staff	%	3.2 %	3.8 %	4.4 %

¹⁾ LUKB differs from GRI 2-8 in referring to 'workers who are not employees and whose work is controlled by the organisation' as 'external staff'. These are individuals who are employed by a third-party company but work at least 50 % for LUKB for at least six months during the calendar year.

In individual cases, LUKB engages external employees for specific work in the areas of IT (mainly development), project management and consulting. They work for LUKB as service providers. The year-on-year increase is attributable to additional consulting resources, primarily in connection with data-driven banking and the roll-out of Microsoft 365.

Employee turnover

New hires and staff turnover (GRI 401-1)	Unit	2023	2024	2025
Number of new staff during the reporting period, by age group	Individuals	187	173	185
Staff up to the age of 19	Individuals	34	40	30
Staff aged 20 to 29	Individuals	63	45	65
Staff aged 30 to 39	Individuals	43	41	35
Staff aged 40 to 49	Individuals	29	32	43
Staff aged 50 to 59	Individuals	16	13	9
Staff aged 60 and over	Individuals	2	2	3
Number of new staff during the reporting period, by gender	Individuals	187	173	185
Women	Individuals	80	78	77
Men	Individuals	107	95	108
Number of new staff during the reporting period, by management level	Individuals	187	173	185
Executive Board	Individuals	1	0	0
Business unit management	Individuals	1	2	4
Other management levels	Individuals	4	7	5
No management position (excluding trainees and interns)	Individuals	159	138	146
Trainees and interns	Individuals	22	26	30
Number of staff who left the company during the reporting period, by age group¹⁾	Individuals	59	66	56
Staff up to the age of 19	Individuals	2	0	1
Staff aged 20 to 29	Individuals	25	14	25
Staff aged 30 to 39	Individuals	14	16	12
Staff aged 40 to 49	Individuals	10	24	13
Staff aged 50 to 59	Individuals	8	12	4
Staff aged 60 and over	Individuals	0	0	1
Number of staff who left the company during the reporting period, by gender¹⁾	Individuals	59	66	56
Women	Individuals	27	32	25
Men	Individuals	32	34	31
Number of staff who left the company during the reporting period, by management level¹⁾	Individuals	59	66	56
Executive Board	Individuals	0	0	0
Business unit management	Individuals	1	1	0
Other management levels	Individuals	3	5	4
No management position (excluding trainees and interns)	Individuals	54	60	52
Trainees and interns	Individuals	1	0	0
Net staff turnover¹⁾	%	4.5 %	3.2 %	4.3 %
Gross staff turnover²⁾	%	7.9 %	6.5 %	7.8 %

New hires and staff turnover (GRI 401-1)	Unit	2023	2024	2025
Staff turnover, by age group¹⁾				
Staff up to the age of 19	%	2.1 %	0.0 %	1.3 %
Staff aged 20 to 29	%	12.2 %	6.3 %	10.3 %
Staff aged 30 to 39	%	5.7 %	6.1 %	4.3 %
Staff aged 40 to 49	%	2.9 %	7.0 %	4.3 %
Staff aged 50 to 59	%	2.4 %	3.4 %	1.1 %
Staff aged 60 and over	%	0.0 %	0.0 %	0.8 %
Staff turnover, by gender¹⁾				
Women	%	4.8 %	5.5 %	4.2 %
Men	%	4.3 %	4.4 %	3.8 %
Staff turnover, by management level¹⁾				
Executive Board	%	0.0 %	0.0 %	0.0 %
Business unit management	%	3.1 %	3.1 %	0.0 %
Other management levels	%	1.6 %	2.6 %	2.0 %
No management position (excluding trainees and interns)	%	5.2 %	5.2 %	4.7 %
Trainees and interns	%	1.4 %	0.0 %	0.0 %

¹⁾ Voluntary turnover (excluding retirements, fixed-term contracts, trainees, etc.)

²⁾ Total staff turnover including retirements, deaths, termination by employer, etc.

Parental leave

Parental leave (GRI 401-3)	Unit	2023	2024	2025
Number of employees taking maternity leave	Individuals	11	16	23
Number of employees returning after maternity leave	Individuals	10	14	22
Workload after maternity > 80 %	Individuals	2	0	0
Workload after maternity 61-80 %	Individuals	0	0	2
Workload after maternity 50-60 %	Individuals	4	5	10
Workload after maternity < 50 %	Individuals	4	9	10
Number of employees who were still employed at LUKB 12 months after returning to work	Individuals	10	12	n. a.
Percentage of employees who returned to LUKB after maternity leave	% ¹⁾	90.9 %	87.5 %	95.7 %
Percentage of employees who were still employed at LUKB 12 months after returning to work	% ¹⁾	100.0 %	85.7 %	n. a.
Number of employees taking paternity leave	Individuals	15	26	22

¹⁾ Calculated based on number of individuals

Illness and accidents

Ill health and accidents (GRI 403-9 / 403-10)	Unit	2023	2024	2025
Occupational accidents including minor accidents	Number	0.0	0.0	0.0
Number of days lost per staff member	Days	7.8	9.2	9.0
of which sick days	Days	7.0	8.1	8.0
of which accident days	Days	0.8	1.1	1.0
of which work-related accident days	Days	0.0	0.0	0.0

Training and education (GRI 404)

Staff in basic training	Unit	31.12.2024	31.12.2025
Staff in basic training, by gender	Individuals	87	87
Women	Individuals	33	28
Men	Individuals	54	59
Staff in basic training, by training type	Individuals	87	87
Commercial trainees	Individuals	46	47
ICT trainees	Individuals	6	6
Computer science secondary school	Individuals	1	2
Entry for secondary school leavers	Individuals	14	17
Entry for bachelor's and master's graduates (uni/uni of applied sciences)	Individuals	4	5
Other career changers	Individuals	16	10

VET and CPD for all staff (including trainees and interns)	Unit	2024	2025
Total VET and CPD days	Days	13,172	14,261
Total training days per FTE	Days	11.2	11.8
Total VET and CPD days, by gender	Days	13,172	14,261
Women	Days	5,081	5,363
Men	Days	8,091	8,898
Total VET and CPD days, by type of VET/CPD	Days	13,172	14,261
Specialist training	Days	10,573	11,879
Interdisciplinary skills	Days	1,351	1,124
Sales excellence	Days	836	600
Leadership	Days	384	557
Occupational health management (OHM)	Days	28	101
Total VET and CPD days, by age	Days	13,172	14,261
Staff up to the age of 19	Days	5,550	5,560
Staff aged 20 to 29	Days	3,865	4,383
Staff aged 30 to 39	Days	1,630	1,730
Staff aged 40 to 49	Days	1,223	1,370
Staff aged 50 to 59	Days	850	968
Staff aged 60 and over	Days	54	250
Total VET and CPD days, by management level	Days	13,172	14,261
Executive Board	Days	3	5
Business unit management	Days	92	145
Other management levels	Days	1,086	1,299
No management position (excluding trainees and interns)	Days	6,575	7,150
Trainees and interns	Days	5,416	5,662

Note: Compared to the Sustainability Report 2024, the training days of commercial apprentices (KV) without completion of the vocational baccalaureate are now also reported for both years.

Internal vs. external VET and CPD for all staff (including trainees and interns)	Unit	2024	2025
Total internal VET and CPD days	Days	4,742	4,515
Internal training days per FTE (women and men)	Days	4.0	3.7
Internal VET and CPD days, by gender	Days	4,742	4,515
Women	Days	1,825	1,641
Men	Days	2,917	2,874
External VET and CPD days	Days	8,430	9,746
External training days per FTE (women and men)	Days	7.1	7.9
External VET and CPD days, by gender	Days	8,430	9,746
Women	Days	3,256	3,722
Men	Days	5,174	6,024
External training costs, total, in CHF millions (including trainees)	CHF millions	2.09	2.17
as % of personnel expenses	%	1.01	1.02
in CHF per FTE	CHF	1,766	1,756

Notes: External VET and CPD courses of less than 10 days are not included in the above information. Compared to the Sustainability Report 2024, the training days of commercial apprentices (KV) without completion of the vocational baccalaureate are now also reported for both years.

External educational qualifications earned	Unit	2023	2024	2025
Number of tertiary qualifications	Number	55	75	65
MAS and MBA	Number	12	8	8
DAS and CAS	Number	15	30	32
Bachelor, University of Applied Sciences	Number	2	7	7
Colleges of Higher Education	Number	6	7	4
Federal qualifications	Number	5	5	5
Certified Financial Advisor IAF and Financial Planner with federal VET diploma	Number	3	4	4
Various other higher qualifications	Number	12	14	5
Number of SAQ-certified client advisors	Number	311	322	328

Note: External VET and CPD courses of less than 10 days are not included in the above information.

Diversity

Diversity of governance bodies and staff (GRI 405-1)	Unit	31.12.2023	31.12.2024	31.12.2025
Board of Directors				
Individuals, by gender	Individuals	9	8	8
Women	Individuals	3	3	3
Men	Individuals	6	5	5
Individuals, by gender	%	100.0 %	100.0 %	100.0 %
Women	%	33.3 %	37.5 %	37.5 %
Men	%	66.7 %	62.5 %	62.5 %
Individuals, by age	Individuals	9	8	8
Up to 29 years old	Individuals	0	0	0
30 to 49 years old	Individuals	1	1	1
Over 50 years old	Individuals	8	7	7
Individuals, by age	%	100.0 %	100.0 %	100.0 %
Up to 29 years old	%	0.0 %	0.0 %	0.0 %
30 to 49 years old	%	11.1 %	12.5 %	12.5 %
Over 50 years old	%	88.9 %	87.5 %	87.5 %
Executive Board				
Individuals, by gender	Individuals	5	5	5
Women	Individuals	0	0	0
Men	Individuals	5	5	5
Individuals, by gender	%	100.0 %	100.0 %	100.0 %
Women	%	0.0 %	0.0 %	0.0 %
Men	%	100.0 %	100.0 %	100.0 %
Individuals, by age	Individuals	5	5	5
Up to 29 years old	Individuals	0	0	0
30 to 49 years old	Individuals	1	0	0
Over 50 years old	Individuals	4	5	5
Individuals, by age	%	100.0 %	100.0 %	100.0 %
Up to 29 years old	%	0.0 %	0.0 %	0.0 %
30 to 49 years old	%	20.0 %	0.0 %	0.0 %
Over 50 years old	%	80.0 %	100.0 %	100.0 %
Business unit management				
Individuals, by gender	Individuals	34	32	34
Women	Individuals	4	4	6
Men	Individuals	30	28	28
Individuals, by gender	%	100.0 %	100.0 %	100.0 %
Women	%	11.8 %	12.5 %	17.6 %
Men	%	88.2 %	87.5 %	82.4 %
Individuals, by age	Individuals	34	32	34
Up to 29 years old	Individuals	0	0	0
30 to 49 years old	Individuals	15	14	15
Over 50 years old	Individuals	19	18	19
Individuals, by age	%	100.0 %	100.0 %	100.0 %
Up to 29 years old	%	0.0 %	0.0 %	0.0 %
30 to 49 years old	%	44.1 %	43.8 %	44.1 %
Over 50 years old	%	55.9 %	56.3 %	55.9 %

Diversity of governance bodies and staff (GRI 405-1)	Unit	31.12.2023	31.12.2024	31.12.2025
Other management levels				
Individuals, by gender	Individuals	178	191	199
Women	Individuals	33	44	51
Men	Individuals	145	147	148
Individuals, by gender	%	100.0 %	100.0 %	100.0 %
Women	%	18.5 %	23.0 %	25.6 %
Men	%	81.5 %	77.0 %	74.4 %
Individuals, by age	Individuals	178	191	199
Up to 29 years old	Individuals	11	8	9
30 to 49 years old	Individuals	87	101	107
Over 50 years old	Individuals	80	82	83
Individuals, by age	%	100.0 %	100.0 %	100.0 %
Up to 29 years old	%	6.2 %	4.2 %	4.5 %
30 to 49 years old	%	48.9 %	52.9 %	53.8 %
Over 50 years old	%	44.9 %	42.9 %	41.7 %
No management position (excluding trainees and interns)				
Individuals, by gender	Individuals	1,038	1,090	1,115
Women	Individuals	499	518	519
Men	Individuals	539	572	596
Individuals, by gender	%	100.0 %	100.0 %	100.0 %
Women	%	48.1 %	47.5 %	46.5 %
Men	%	51.9 %	52.5 %	53.5 %
Individuals, by age	Individuals	1,038	1,090	1,115
Up to 29 years old	Individuals	230	245	254
30 to 49 years old	Individuals	495	495	500
Over 50 years old	Individuals	313	350	361
Individuals, by age	%	100.0 %	100.0 %	100.0 %
Up to 29 years old	%	22.2 %	22.5 %	22.8 %
30 to 49 years old	%	47.7 %	45.4 %	44.8 %
Over 50 years old	%	30.2 %	32.1 %	32.4 %
Trainees and interns				
Individuals, by gender	Individuals	71	67	72
Women	Individuals	32	27	27
Men	Individuals	39	40	45
Individuals, by gender	%	100.0 %	100.0 %	100.0 %
Women	%	45.1 %	40.3 %	37.5 %
Men	%	54.9 %	59.7 %	62.5 %

Part-time staff	Unit	31.12.2023	31.12.2024	31.12.2025
Share of staff working part-time	%	33.1 %	34.7 %	35.4 %
Part-time staff	Individuals	439	480	505
Executive Board	Individuals	0	0	0
Business unit management	Individuals	2	2	2
Other management levels	Individuals	18	24	30
No management position (excluding trainees and interns)	Individuals	419	454	473
Women working part-time	Individuals	313	333	353
Executive Board	Individuals	0	0	0
Business unit management	Individuals	1	1	1
Other management levels	Individuals	13	18	19
No management position (excluding trainees and interns)	Individuals	299	314	333
Men working part-time	Individuals	126	147	152
Executive Board	Individuals	0	0	0
Business unit management	Individuals	1	1	1
Other management levels	Individuals	5	6	11
No management position (excluding trainees and interns)	Individuals	120	140	140

Compensation policy

LUKB's compensation policy is described in the [2025 Compensation Report](#) (part of the 2025 Annual Report) and in Articles 21 and 24 of the Articles of Association. The achievement of specific sustainability targets is an integral part of LUKB's compensation system.

As in the previous year, the ratio between the highest annual total compensation and the median salary of other employees in 2025 was 8.52. The ratio of the percentage increase in the annual total compensation of the highest-paid person in the organisation to the average percentage increase in the annual total compensation of all other employees is 0.62 (previous year: 1.44).

Annual total compensation ratio (GRI 2-21)	Unit	2023	2024	2025
Ratio of highest annual total compensation to median salary of other employees	Factor	8.55	8.52	8.52
Ratio of the percentage change in the highest-paid person to the percentage change in the median salary of all other employees	Factor	0.18	1.44	0.62
Percentage change in highest salary compared to previous year	%	1.3 %	- 1.3 %	0.8 %
Percentage change in median salary compared to previous year	%	7.2 %	- 0.9 %	1.3 %

The highest annual total compensation consists of the base remuneration and the variable remuneration (cash and mandatory share component) of the CEO.

All remuneration is taken into account when calculating the median salary of the other employees, with the exception of that of the CEO and trainees. All salaries are extrapolated to a full-time position (100 %). The basis for this is the month of March, as this is the month in which the variable remuneration for the previous year is paid in addition to the fixed salary.

Commitment to the region

Relevance of the topic

LUKB is the market leader and a major employer in the Lucerne economic region. It is conscious of its special responsibility and fulfils it actively, holistically and with a focus on the future. It is committed to sustainable development in the region and underlines its social responsibility by providing significant support to local companies, institutions, associations and events in the areas of culture, sport, education and business. In doing so, it contributes to prosperity and quality of life in the region while strengthening its market areas.

Principle

LUKB encourages its employees to make a personal contribution to the region, and actively fulfils its role as sponsor and patron. It is also committed to promoting financial literacy among the population.

Targets

LUKB also plans to maintain its annual seven-figure sponsorship and patronage contributions, and to further establish the LUKB 'Zukunftspreis' award for innovative and sustainable projects, which was presented for the first time in 2022.

Status in 2025

Voluntary personal commitment to the region

In addition to its own engagement as an attractive employer in the Lucerne economic region, LUKB has been encouraging its employees to make their own personal contribution for many years already. LUKB's programme of personal commitment comprises the following key elements:

- Volunteering for non-profit organisations: ranging from work on programmes in the mountains and assisting with camps to caring for the elderly and people with dementia
- Responsible commitment: Employees choose and organise their volunteering assignments independently.
- Support through working hours: LUKB provides half a working day for volunteering assignments of up to two days and two working days for assignments of up to three days.

In 2025, a number of LUKB employees once again engaged in volunteering work for the benefit of the general public.



'Lozärn verbonde' – the anniversary gift to the public to mark the 175th anniversary of LUKB

In the past financial year, to mark its 175th anniversary LUKB thanked the people and businesses of the Canton of Lucerne under the motto 'Lozärn verbonde' (Lucerne brings people together) with five unique public events focusing on music, enjoyment, nature, culture and sport. All in all, 'Lozärn verbonde' offered around 30,000 Lucerne residents the opportunity to try out new things, find inspiration and connect with others. This was made possible by collaborating with around 40 Lucerne-based associations, 50 commercial enterprises and more than 1,500 volunteers, including many active and retired LUKB employees.

Sponsorship of 1.9 million Swiss francs

LUKB has a long tradition of sponsorship, showing its closeness and attachment to the market area and its people. In 2025, as in the previous year, LUKB disbursed a total of around 1.9 million Swiss francs in sponsorships in support of sport, cultural events, social initiatives and art.

Information on political donations and other forms of political support can be found in the [‘Business ethics and compliance’](#) section under the [‘Political donations and other support’](#) subsection of this report.

Partnership with the University of Lucerne

LUKB has been a partner of the University of Lucerne since 2022 and supports the further development of the university at a tertiary level with an annual contribution of 250,000 Swiss francs. Through a series of regular LUKB-sponsored lectures, the ‘LUKB Vorlesungsreihe’, the partnership gives the public regular access to academics who share their findings and comment on relevant social and economic issues. LUKB also benefits from access to the university's network and current research results, which provides valuable impetus for internal training and client events.



LUKB 'Zukunftspreis' worth a total of 150,000 Swiss francs

Every year since 2022, LUKB has supported projects in the Lucerne economic region that further sustainable social and environmental development. The LUKB 'Zukunftspreis'¹⁾, with 150,000 Swiss francs in prize money, was once again awarded in 2025 by public voting after a committee created a project shortlist. For the first time, the population was able to vote separately in the following three categories:

- Technology & Innovation
- Social Commitment
- Environment

The winners in each category receive up to 40,000 Swiss francs, and there is a jury prize of up to 30,000 Swiss francs.

First place in the 'Technology & Innovation' category went to the 'SendMeBag' project, a start-up for clever and environmentally friendly reusable packaging in online retail. The 'Fitness Integration Perspektive' project, which promotes the social integration of young asylum seekers, won in the 'Social Commitment' category. 'Lentl', a project promoting organic lentil cultivation in regional agriculture, won in the 'Environment' category. The jury prize was awarded to 'UpGrid', a start-up that makes renewable energies accessible via a digital platform.

LUKB will once again award the 'Zukunftspreis' in 2026, providing another 150,000 Swiss francs for sustainable and innovative projects in the economic region. The submission period runs from 2 February to 27 May 2026. Following pre-selection by the committee, nine projects will be presented for public voting from 12 to 26 October 2026. The award ceremony will take place on LUKB Entrepreneurs' Day on 23 October 2026.

¹⁾ <https://www.lukb.ch/zukunftspreis> (in German)

Promoting financial literacy

LUKB attaches great importance to financial literacy among young people. It is actively committed to training young people in money management and equipping them with the skills they need to make sound financial decisions. In doing so, LUKB believes it is particularly important to not offer any products that encourage consumer debt.

As a member of the Association of Swiss Cantonal Banks (ASCB), LUKB plays an active part in the 'FinanceMission' association. This association was founded in 2016 by the 23 cantonal banks and the teaching federations of German- and French-speaking Switzerland to teach young people about the importance of handling their finances responsibly and to improve their financial literacy.

FinanceMission provides an interactive and informative programme for school teaching that is tailored to the curriculum. At the heart of the offering is the 'FinanceMission World' e-learning environment, in which content on the cost of living, budgets, work and consumption, for example, is explained using a gamification approach. Young people, teachers, parents and anyone else who is interested can obtain the teaching materials free of charge at www.financemission.ch.

Since September 2021, the cantonal banks have been running the online magazine 'jugendbudget.ch', which offers parents ideas and help on how to discuss money issues with their children (www.jugendbudget.ch).

LUKB also holds annual budgeting advice sessions in schools in the Canton of Lucerne. The 'Lehrplan 21' curriculum has been in force in the Canton of Lucerne since the 2019/20 school year. This includes the following objective: 'Students are able to develop a responsible approach to money.' LUKB's budgeting advice is geared towards achieving this learning objective. The target group for budgeting advice is students who have completed upper secondary school or are attending bridge-year programmes in the Canton of Lucerne. Every year, around 90 to 100 school classes take advantage of LUKB's services and receive a 90-minute information session from selected client advisors on topics such as budget planning, debt and payment methods.

The 'MoneyHaxx' association helps young adults (18 to around 30 years old) master how to handle money - with practical and straightforward tips and tricks. MoneyHaxx events and learning videos explain key financial topics such as budgets, savings accounts, fund savings and pillar 3a in simple terms. The workshops are short, interactive and designed in the language of the target group. The first event was held in the LUKB flagship branch in Lucerne in 2024. Two further events followed in 2025, both of which were fully booked within a very short space of time. Two more events are planned for 2026. Further information: www.moneyhaxx.ch

National Future Day

National Future Day, which takes place every year in Switzerland, offers students in years 5 to 7 the opportunity to gain an insight into various professional fields. LUKB organises special programmes of supporting events and activities in which participants can find out about the world of banking.

On 13 November 2025, 70 students spent their Future Day at LUKB.

Collection of regional art

LUKB is committed to cultural diversity in central Switzerland – including beyond its sponsorship strategy. An internal art commission supports lesser-known artists in particular and has been building up a diverse collection of contemporary works since 1989. LUKB regularly invites visitors to opening events and exhibitions on its premises in order to make this art accessible to the general public.

Relations with suppliers and partners

Relevance of the topic

Responsible management does not start and end with the company; it also includes suppliers and partners. Together, they are responsible for sustainable value chains. LUKB supports the local economy through regional procurement. Purchasing environmentally friendly, socially responsible and regional products strengthens the bank's reputation as a sustainable company.

Principle

LUKB strives for long-term, trust-based business relationships with its suppliers and partners. It ensures that commissioned companies offer fair working conditions, for example through membership of sector-specific collective bargaining agreements.

LUKB contractually requires its suppliers to uphold bank-client and business confidentiality as well as data protection law. It requires compliance with its Supplier Code of Conduct or equivalent standards for new contracts and contract renewals. The [LUKB Supplier Code of Conduct](#)¹⁾ sets out the principles and standards for business integrity, ethics, social and environmental responsibility, and the corresponding management systems that are important for collaboration with suppliers. LUKB itself abides by the non-negotiable sustainability and cooperation requirements laid down in the Supplier Code of Conduct. These are also binding for all suppliers and apply equally to their own suppliers, subcontractors and other business partners.

¹⁾ <https://www.lukb.ch/ueber-uns/english-window>

Targets

LUKB abides by its internal sustainable procurement requirements, as well as the provisions of its Supplier Code of Conduct. It also aims to continue awarding more than 90 % of construction-related contracts to companies from central Switzerland.

Status in 2025

The main areas of procurement for LUKB are IT, data, services, marketing products and building infrastructure. The aim is to place as many orders as possible with local suppliers. The proportion of spending on local suppliers has been consistently high since 2020.

	2020	2021	2022	2023	2024	2025
Proportion of spending on local suppliers (GRI 204-1)	96 %	97 %	96 %	96 %	96 %	96 %

Local suppliers include suppliers in the canton of Lucerne, in the neighboring cantons and in the cantons in which LUKB has a branch (canton of Zurich) or a sales office (cantons of Ticino and Vaud). The figures refer to the entire Group.

Since 2011, LUKB has also kept statistics on construction contracts. The target of awarding more than 90 % of construction contracts to companies from central Switzerland was once again achieved in 2025:

	2020	2021	2022	2023	2024	2025
Construction contracts awarded to companies in the Central Switzerland region	96 %	96 %	96 %	96 %	97 %	97 %

Companies in the Central Switzerland region are defined as those whose legal domicile is in the cantons of Central Switzerland. The figures relate to the Group as a whole.

LUKB considers non-local suppliers in particular if services or products are not available from local providers on comparable terms.

LUKB also ensures that the companies it engages offer fair working conditions, for example through membership of sector-specific collective bargaining agreements. The Bank requires a contractual undertaking from each of its suppliers that they will uphold banking and business confidentiality and the applicable data protection regulations.

Greenhouse gas emissions and climate protection

Relevance of the topic

Curbing and adapting to climate change are among the greatest challenges the world currently faces. LUKB is aware that combating climate change demands a concerted effort from all actors.

The business activities of a bank also cause greenhouse gas emissions. On the one hand, such emissions are generated directly during its own business operations, such as heating its premises, making trips in company vehicles or purchasing electricity and heat from district heating plants.

On the other hand, most emissions are generated indirectly through financing for private individuals, companies and other organisations as well as through the investment of customer funds and own bank assets. For example, the buildings and companies that LUKB finances cause emissions. However, companies and countries that LUKB or its clients invest in also contribute to emissions. In the financial sector, these indirect emissions are referred to as 'financed emissions' in accordance with the international standards of the [Partnership for Carbon Accounting Financials \(PCAF\)](#)¹⁾.

Climate change entails both risks and opportunities for banks. Risks include physical damage from floods, storms, heat waves, etc. as well as transition risks, which can arise, for example, from new legal or regulatory requirements. Climate change also contributes to the loss of biodiversity, another potentially significant risk factor for the global economy.

As in the previous year, reporting on LUKB's climate-related risks and opportunities in this Sustainability Report is based on the recommendations of the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#)²⁾. The requirements of the Ordinance on Climate Disclosures are thus implemented.

This report on greenhouse gas emissions and climate protection also forms the basis for climate reporting to the Canton of Lucerne (the majority shareholder of LUKB) in line with its [2025 Ownership Strategy](#)³⁾.

¹⁾ <https://carbonaccountingfinancials.com>

²⁾ <https://www.fsb-tcfid.org>

³⁾ <https://www.lukb.ch/statuten> (in German)

Principle

LUKB contributes to climate protection by pursuing net-zero targets. Priority is given to reducing greenhouse gas emissions in its own operations and along the value chain. In the second place, unavoidable emissions are to be offset on the market through compensation measures (climate protection projects to remove CO₂ from the atmosphere, also known as negative emission approaches).

LUKB periodically assesses all risk categories throughout the Group. This also includes climate-related financial risks, which are treated as drivers for the risk categories of default, market, liquidity, operational, compliance, strategic and reputational risks and therefore form part of LUKB's systematic risk management.

Targets

Net-zero target by 2050

LUKB remains committed to the net-zero target for 2050 in line with:

- The climate strategy of the Swiss federal government and the Canton of Lucerne to implement the Paris Agreement, which Switzerland ratified in October 2017
- The Climate and Innovation Act (CIA), which Swiss voters adopted on 18 June 2023
- The requirements of the [2025 LUKB Ownership Strategy of the Canton of Lucerne](#), which were derived from the cantonal government's own climate strategy¹⁾

¹⁾ <https://www.lukb.ch/statuten> (in German)

Progress towards reaching these targets depends on various factors, which are partly outside the sphere of influence of LUKB. A key prerequisite here is the decarbonisation of the economy over the coming years. LUKB relies on the necessary political frameworks being put in place and on significant progress being made in the near future with processes and technologies that prevent and remove emissions. The uncertainties include macroeconomic developments, such as the effect of the economy and interest rates on the financial situation and thus on the affordability of decarbonisation measures by property owners and companies.

Scope 1 and Scope 2 of the net-zero target in 2030

In addition, LUKB aims to reach the net-zero target as early as 2030 with regard to its direct greenhouse gas emissions (Scope 1) and its indirect energy-related greenhouse gas emissions (Scope 2). The main means of achieving this will be a range of measures to further reduce Scope 1 and Scope 2 emissions. Secondly, residual greenhouse gas emissions should be offset.

Further interim targets are described in [‘Climate strategy/climate transition plan’](#) in this section.

Status in 2025

Greenhouse gas balance sheet

LUKB prepares an annual balance sheet of its greenhouse gas emissions (‘GHG emissions’). It shows the effectiveness of the measures taken and includes the following emissions:

- Scope 1 emissions: direct greenhouse gas emissions
- Scope 2 emissions: indirect energy-related greenhouse gas emissions
- Scope 3 emissions: other indirect greenhouse gas emissions that occur upstream or downstream along LUKB's value chain that include operational greenhouse gas emissions (e.g. due to employee business trips and commutes) as well as financed emissions caused elsewhere by LUKB's financing and investment activities

With the exception of financed emissions, the GHG balance sheet is prepared according to the industry standard ‘VfU key figures’ of the [Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V.](#)¹⁾, which uses the international standards of the [Greenhouse Gas Protocol \(GHG Protocol\)](#)²⁾.

Financed emissions are calculated and disclosed in accordance with the approaches of the industry standard of the [Partnership for Carbon Accounting Financials \(PCAF\)](#)³⁾ relevant to LUKB. LUKB joined the PCAF initiative in 2023 and is working with the PCAF and other PCAF member banks to improve its data quality, calculation methods and disclosure.

In accordance with the requirements of the GHG Protocol, LUKB has defined criteria to ensure the consistency and comparability of its GHG footprints over time. Historical emissions are recalculated if structural changes or methodological adjustments are made or if significant errors become known. Materiality principles are used to determine whether an adjustment to the base year or other historical emission values is needed.

GHG emissions are reported in terms of CO₂ equivalents (CO₂e), a unit of measurement for greenhouse gas comparability. The unit of measurement combines the different greenhouse gases in a common unit based on their Global Warming Potential (GWP) compared to carbon dioxide (CO₂). According to the GHG Protocol, 1 tCO₂e is the amount of a greenhouse gas that has the same warming effect as 1 tonne of CO₂ over a century.

The carbon footprint covers all locations within the Group.

¹⁾ <https://vfu.de> (in German)

²⁾ <https://ghgprotocol.org>

³⁾ <https://carbonaccountingfinancials.com>

Scope 1 and Scope 2 GHG emissions

LUKB's Scope 1 emissions are mainly caused by the oil and gas for heating its premises as well as by the fossil fuels for its vehicles and coolants.

The Scope 2 emissions mainly relate to the purchase of district heating, which means LUKB calculates the GHG emissions generated by external energy producers and suppliers pro rata as Scope 2 emissions in accordance with the GHG Protocol. All the electricity that LUKB purchases comes from renewable energy sources.

Numerous factors affect the level of greenhouse gas emissions. Significant examples here are the number of heating degree days, increase in employee numbers and changes in the use of building space and the interior design (e.g. a result of advances in digitalisation).

LUKB is well on the way to reaching its 2030 net-zero target for Scope 1 and Scope 2 greenhouse gas emissions.

Scope 1 emissions 385 tonnes of CO₂ equivalents (tCO₂e) in total in 2025, compared with 476 tCO₂e in the previous year. This corresponds to a 19 % reduction compared to the previous year and a 61 % reduction compared to 2014. The further year-on-year decline is mainly due to progress in the fossil-free heat supply of business premises. LUKB's head office in Lucerne currently still has gas heating and thus causes the most Scope 1 emissions. The switch to district heating has been planned for some time now. Project implementation has been delayed by the energy supplier and is now scheduled for the 2026/27 heating period.

Scope 2 emissions remained roughly constant year-on-year at 22 tCO₂e. The increase from 7 tCO₂e in 2014 to 22 tCO₂e in 2025 is mainly due to the switch from fossil heating to district heating at various locations, which significantly reduced Scope 1 emissions (see above), but increased Scope 2 emissions to a much lesser extent.

LUKB has cut its Scope 1 and Scope 2 greenhouse gas emissions by 59 % overall since 2014. It has done so mainly by switching to fossil-free heating, installing solar panels and implementing a range of energy-saving measures. This reduction was possible without purchasing climate offsets ('CO₂ certificates').

Except in the case of flights and print orders, LUKB does not currently use any comprehensive offsetting solutions. However, it actively monitors the market for negative emission approaches and has regular contact with various providers of corresponding solutions.

The following table shows the trend in Scope 1 and Scope 2 greenhouse gas emissions since 2014:

Scope 1 and 2 GHG emissions ¹⁾	Unit	2014	...	2024	2025	Change from 2014 to 2025
Scope 1	tCO ₂ e	984		476	385	- 61 %
Heating	tCO ₂ e	951		432	339	
Emergency power generators	tCO ₂ e	1		1	1	
Own vehicles	tCO ₂ e	30		29	28	
Refrigerants	tCO ₂ e	1		14	17	
Scope 2 - market-based	tCO ₂ e	7		22	22	218 %
Electricity	tCO ₂ e	0		0	0	
District heating/cooling	tCO ₂ e	7		22	22	
Total Scope 1 and 2	tCO₂e	991		498	406	- 59 %
Number of staff, annual average	FTEs	946.4		1,160.0	1,191.7	26 %
Intensity of Scope 1 and 2 GHG emissions	kgCO ₂ e/FTE	1,046.6		429.3	340.9	- 67 %
No. of heating degree days (HDDs)	HDDs	2,682		2,797	2,893	
Scope 1 and 2 GHG emissions per heating degree day (HDD)	tCO ₂ e/HDD	0.369		0.178	0.140	- 62 %
Scope 2 - location-based	tCO ₂ e	544		430	424	- 22 %
Electricity ²⁾	tCO ₂ e	537		408	402	
District heating/cooling	tCO ₂ e	7		22	22	

¹⁾ Base year: 2014

The reported greenhouse gas emissions are gross volumes in tonnes of CO₂ equivalents (tCO₂e). Gross means before deducting any climate offsets. There were no climate offsets for Scope 1 and 2 greenhouse gas emissions in the period shown.

Source of emission factors: 'Ecoinvent' database V 3.7.1 from October 2020 for 2014 to 2023, 'Ecoinvent' V 3.10 from October 2023 for 2024 onwards. The 'Ecoinvent' database has data on the following greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃).

Biogenic CO₂ emissions, i.e. direct CO₂ emissions from the combustion or biodegradation of biomass, are not material at LUKB.

Accounting is based on the Greenhouse Gas Protocol (GHG Protocol). Consolidation method: full consolidation of subsidiaries wholly owned by the parent company (see information on the scope of consolidation in the section «About this sustainability report»). Otherwise, there are no other investments to be consolidated.

The figures cover all locations within the Group.

For Scope 2 emissions, and unless stated otherwise, accounting follows the market-based approach. 'GHG Protocol Scope 2 Guidance' requires an organisation to report two different Scope 2 values: a location-based value and a market-based value. Location-based value: emissions based on the emission intensity of the local grid area where the electricity is consumed; market-based value: emissions based on the electricity LUKB has purchased under its contracts with its electricity suppliers (effective supplier mix).

Tools used: 'VfU-Kennzahlen 2022' calculation tool (version 1.1, update of 12.07.2022) for 2014 to 2023, 'VfU-Kennzahlen 2024' calculation tool from 2024 onwards (version 1.4 from 25.11.2024).

Other sources for calculation and disclosure: 'VfU-Kennzahlen' industry metric from the Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. and the standards of the Global Reporting Initiative (GRI).

²⁾ Correction of location-based emissions due to electricity consumption in 2024 based on effective billing for a property from 393 tCO₂e to 408 tCO₂e

Trend in Scope 1 and Scope 2 greenhouse gas emissions since 2014:

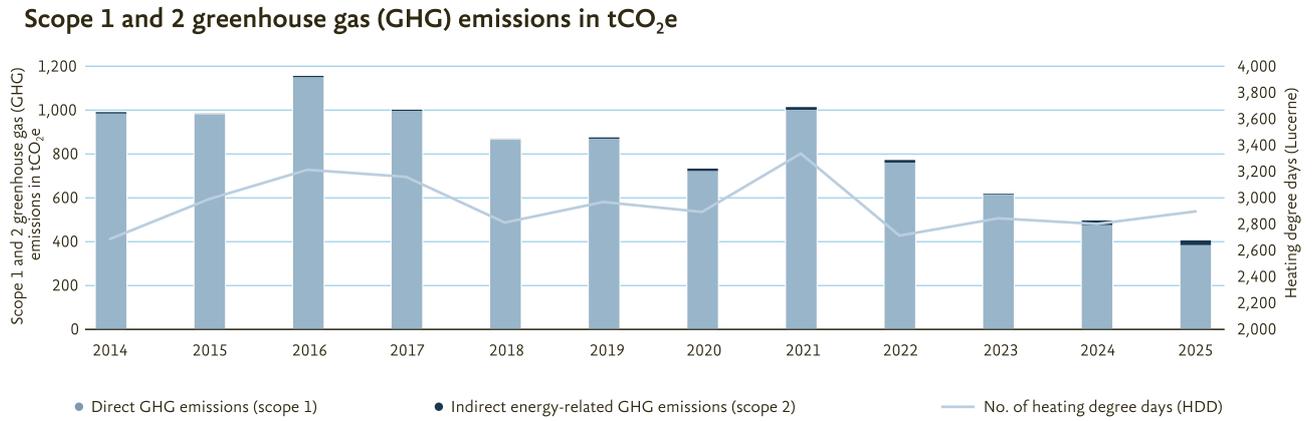


Figure: Scope 1 and Scope 2 greenhouse gas (GHG) emissions in tCO₂e from 2014 to 2025

Scope 3 greenhouse gas emissions

Scope 3 emissions include other indirect greenhouse gas emissions that occur upstream or downstream in LUKB's value chain. They are mainly financed emissions (Category 15 of the Greenhouse Gas Protocol). Measured in terms of their volume, other Scope 3 emissions are much less significant than financed emissions.

The table below lists the other Scope 3 GHG emissions for 2023 (base year), 2024 and 2025. The 'Financed emissions' in Category 15 can be found in tables further on.

Scope 3 GHG emissions (excluding category 15 'financed emissions') ¹⁾	Unit	2023	2024	2025	Change from 2023 to 2025
Purchased goods and services (category 1) ²⁾	tCO ₂ e	n. a.	92	70	n. a.
Paper ³⁾	tCO ₂ e	n. a.	90	68	
Water	tCO ₂ e	3	2	2	
Energy- and fuel-related activities (category 3) ⁴⁾	tCO ₂ e	175	254	226	29 %
Waste/wastewater (category 5)	tCO ₂ e	26	24	27	3 %
Waste	tCO ₂ e	24	23	26	
Wastewater	tCO ₂ e	2	1	1	
Business travel (category 6)	tCO ₂ e	51	48	45	- 12 %
Public transport ⁵⁾	tCO ₂ e	2	2	2	
Road traffic ⁵⁾	tCO ₂ e	49	43	37	
Air travel ⁶⁾	tCO ₂ e	0	3	6	
Commuting (category 7) ⁷⁾	tCO ₂ e	764	801	823	8 %
Working from home (category 7) ⁸⁾	tCO ₂ e	4	4	4	8 %
Leased residential and business premises (category 13)	tCO ₂ e	413	200	224	- 46 %

¹⁾ Base year: 2023

The reported greenhouse gas emissions are gross volumes in tonnes of CO₂ equivalents (tCO₂e). Gross means before deducting any climate offsets. All greenhouse gas emissions from air travel were fully offset in the years shown.

Source of emission and energy factors: 'Ecoinvent' database V 3.7.1 as at October 2020 for 2014 to 2023, 'Ecoinvent' V 3.10 as at October 2023 from 2024 onwards; mobitool v3.0 (update 2023) for business and commuter travel. The 'Ecoinvent' database V 3.10 includes the following greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃); mobitool's emission factors take into account all greenhouse gases that are relevant for the calculation of CO₂ equivalents in relation to road, rail and air transport.

Biogenic CO₂ emissions: CO₂ emissions from the combustion of biomass play an insignificant role in Scope 3 emissions in the company's own business operations. These emissions are therefore not reported separately.

Accounting is based on the Greenhouse Gas Protocol (GHG Protocol). Consolidation method: full consolidation of subsidiaries wholly owned by the parent company (see information on the scope of consolidation in the section «About this sustainability report»). Otherwise, there are no other investments to be consolidated.

The figures cover all locations within the Group.

Tools used: 'VfU-Kennzahlen 2022' calculation tool (version 1.1, update of 12.07.2022) for 2014 to 2023, 'VfU-Kennzahlen 2024' calculation tool from 2024 onwards (version 1.4 from 25.11.2024).

Other sources for calculation and disclosure: 'VfU-Kennzahlen' industry metric from the Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V., the GHG Protocol standards and the Global Reporting Initiative (GRI) standards. The categories listed in the table refer to the GHG Protocol. Categories not listed are immaterial for LUKB.

²⁾ The table does not include greenhouse gas emissions from data centre services purchased externally. LUKB conducted a survey of the relevant data centre service providers on this topic in 2024. It showed that the proportionately attributable greenhouse gas emissions are immaterial for LUKB. This is because the services are largely powered by renewable energy sources; moreover, residual emissions are already fully carbon offset by some providers.

³⁾ Includes copy and printer paper, envelopes, printed matter, forms, other office paper, cardboard products

⁴⁾ As a result of energy supply, power plant pre-stage processes and distribution and conversion losses

⁵⁾ Of which direct and indirect greenhouse gas emissions from energy supply in 2025 (Scope 1 and 2): 280 kgCO₂e public transport (previous year: 245 kgCO₂e), 27 563 kgCO₂e road traffic (previous year: 32 105 kgCO₂e); other indirect emissions for 2024 (Scope 3): 1 981 kgCO₂e public transport (previous year: 1 733 kgCO₂e), 9 090 kgCO₂e road traffic (previous year: 10 587 kgCO₂e); estimates based on SBB's 2023, 2024 and 2025 emissions reports ('SBB Business Travel') and expense reports, source of emission factors: mobitool v3.0 update 2023 (mobitool.ch) and SBB emissions reports.

⁶⁾ Scope 1 to 3 greenhouse gas emissions in 2025 totalling 5 891 kgCO₂e (previous year: 2 893 kgCO₂e), of which Scope 1 and 2 totalling 5 756 kgCO₂e (previous year: 2 827 kgCO₂e); total flight distance in 2025 of approx. 22 400 km (previous year: approx. 11 000 km); the carbon emissions of all flights taken in 2023, 2024 and 2025 were fully offset. Net greenhouse gas emissions from air travel are therefore zero in these years.

⁷⁾ Of which direct and indirect greenhouse gas emissions from energy supply in 2025 (Scope 1 and 2): 564 tCO₂e (previous year: 549 tCO₂e); other indirect emissions (Scope 3): 259 tCO₂e (previous year: 252 tCO₂e); estimates based on an employee survey on mobility behaviour conducted in July and August 2024; the next such survey will be conducted in the course of 2026; source of emission factors: mobitool v3.0 update 2023.

⁸⁾ Estimate based on an employee survey on mobility behaviour conducted in July/August 2024 and assumptions for electricity consumption per employee per day when working from home (basis for energy consumption and emission factors: 'VfU-Kennzahlen 2024'); the next such survey will be conducted in the course of 2026.

Category 1 - Paper: Total year-on-year paper consumption fell by 22 % and total envelope consumption by 9 % - see information about material consumption under '[Procurement and waste disposal](#)' in the '[Other topics](#)' section.

Category 3 - Energy and fuel-related activities: This item includes emissions from energy use, preliminary stages relating to power plants as well as losses from distribution and conversion. These emissions have decreased slightly year-on-year.

Category 7 - Commuting and working from home: The increase in emissions from commuting is solely attributable to the increase in average full-time employee numbers from 1,106.4 in 2023, to 1,160.0 in 2024, and to 1,191.7 in 2025. The underlying mobility behaviour over the three years is based on the same employee survey. Emissions from working from home are calculated using estimates that are also based on this survey. The next employee survey on mobility behaviour will be conducted in 2026.

Category 13 - Leased residential and business premises: Emissions have fallen by 46 % since 2023 as a result of switching from fossil heating to district heating and heat pumps.

Apart from emissions in Category 15 ('Financed emissions'; see section below), other Scope 3 emissions are of minor importance at LUKB.

Scope 3 greenhouse gas emissions – financed emissions

Lending business

LUKB uses the international Partnership for Carbon Accounting Financials (PCAF) standard when calculating and disclosing financed emissions from its lending business. In this connection, it applies the PCAF standards for mortgages on residences and commercial real estate and for business loans. LUKB has defined these three lending portfolios as follows in accordance with the PCAF requirements:

Lending portfolio	Definition
Mortgages	Lending to finance mostly owner-occupied residential properties. This mainly involves single-family homes, apartments, holiday homes and multiple-family properties with up to three apartments.
Commercial real estate mortgages	Lending to finance other land with buildings with a purpose of income generation. This relates primarily to multiple-family properties with more than three apartments, commercial properties, industrial properties, hotels and restaurants, and agricultural properties.
Business loans	Lending to finance premises that form the basis for a business's operations (e.g. hotel, running a garage, etc.) and companies without mortgage cover

The definitions of the three portfolios differ from those LUKB normally uses for these types of lending.

As at 31 December 2025, the three portfolios accounted for 93 % of all loans to clients. No PCAF calculation standards currently apply to the remaining 7 % of loans to clients (including loans for building land, public-sector loans and Lombard loans).

The following table shows the emissions for the three lending portfolios:

GHG emissions lending business ¹⁾	Unit	2023	2024	2025
Mortgages²⁾				
Lending volume at year-end	CHF thousand	13,633,875	14,210,326	14,866,357
Absolute Scope 1 and 2 GHG emissions ³⁾	tCO ₂ e	79,117	74,634	66,946
Scope 1 and 2 CO ₂ footprint ⁴⁾	tCO ₂ e/million CHF	5.8	5.3	4.5
CO ₂ intensity in relation to the energy reference area (ERA)	kgCO ₂ e/m ² ERA	30.3	29.5	26.8
Portfolio coverage in relation to calculated GHG emissions ⁵⁾	%	100 %	100 %	100 %
PCAF data quality score ⁶⁾	Scale 1.0 to 5.0	4.0	4.0	4.0
Commercial real estate mortgages²⁾				
Lending volume at year-end	CHF thousand	22,965,976	23,951,488	25,618,571
Absolute Scope 1 and 2 GHG emissions ³⁾	tCO ₂ e	165,278	143,508	137,288
Scope 1 and 2 CO ₂ footprint ⁴⁾	tCO ₂ e/million CHF	7.2	6.0	5.4
CO ₂ intensity in relation to the energy reference area (ERA)	kgCO ₂ e/m ² ERA	27.0	26.8	25.0
Portfolio coverage in relation to calculated GHG emissions ⁵⁾	%	100 %	100 %	100 %
PCAF data quality score ⁶⁾	Scale 1.0 to 5.0	4.0	4.0	4.0
Business loans⁷⁾				
Lending volume at year-end	CHF thousand	2,303,166	2,328,565	2,650,307
Total absolute GHG emissions ⁸⁾	tCO ₂ e	864,913	863,667	874,901
of which Scope 1 and 2	tCO ₂ e	332,656	331,218	289,882
of which Scope 3	tCO ₂ e	532,257	532,449	585,019
Scope 1 and 2 CO ₂ footprint ⁴⁾	tCO ₂ e/million CHF	144.4	142.2	109.4
Portfolio coverage				
Scope 1 and 2 emissions calculated ⁵⁾	%	100 %	100 %	100 %
Scope 3 emissions calculated ⁵⁾	%	93 %	95 %	94 %
PCAF data quality score ⁶⁾	Scale 1.0 to 5.0	3.7	3.6	3.6

¹⁾ Base year: 2023

²⁾ The financed greenhouse gas emissions of mortgages are calculated on the basis of the cut-off date of 31 December. For both reporting years, they were calculated in collaboration with an external Swiss data service provider specialising in real estate, which supplemented LUKB's database for the financed building portfolio with further data (e.g. energy reference areas, energy requirements, CO₂ emissions) where necessary and possible. Some of the energy- and climate-related inputs required for the calculations come from the Swiss Federal Register of Buildings and Dwellings (RBD). Where there was no data or data was subject to uncertainty, the calculation was based on own weighted average values at different levels (e.g. 'Property type and location of building', 'Property type only') or LUKB had to make further assumptions. To further improve the quality and completeness of data in the RBD, various measures are currently being implemented by the relevant public bodies.

³⁾ The applicable PCAF standards only require the disclosure of Scope 1 and 2 emissions for mortgages and commercial real estate mortgages. A PCAF standard for calculating Scope 3 emissions from financed buildings is not yet available. Apart from CO₂ emissions, no other greenhouse gas emissions were taken into account in the mortgage data.

⁴⁾ Greenhouse gas emissions in tonnes of CO₂ equivalents (tCO₂e) per million francs of lending volume

⁵⁾ Volume-weighted

⁶⁾ The PCAF data quality score measures the quality and reliability of the data used to calculate financed emissions. The rating scale ranges from 1 to 5, with 1 being the highest quality and reliability and 5 being the lowest. The reported scores are volume-weighted averages for the relevant lending portfolio.

⁷⁾ The greenhouse gas emissions financed by business loans are also calculated on the basis of the cut-off date of 31 December. For emissions data with PCAF data quality scores 1 and 2, the calculations are based on greenhouse gas balance sheets reported by the companies, for data with PCAF data quality scores 3 and 4, the calculations are based on Exiobase sector-specific emission factors from the PCAF database.

⁸⁾ In the case of business loans, some of the reported greenhouse gas emissions are subject to greater uncertainty in estimation, in particular the companies' Scope 3 emissions. They can be strongly influenced by individual outliers, which can potentially lead to high volatility in the data over time.

LUKB aims to reduce the CO₂ intensity in relation to the energy reference area (kgCO₂e/m² ERA) by 40 % in its residential and commercial mortgages portfolios by 2030 compared with the base year 2023 (see the '[Climate strategy/ climate transition plan](#)' section). The degree of target achievement by the end of 2025 is shown below:

Mortgages: CO ₂ intensities - progress towards target achievement ¹⁾	Unit	2023	2024	2025	Change from 2023 to 2025
Mortgages					
CO ₂ intensity ²⁾	kgCO ₂ e/m ² ERA	30.3	29.5	26.8	- 11.6 %
Commercial real estate mortgages					
CO ₂ intensity ²⁾	kgCO ₂ e/m ² ERA	27.0	26.8	25.0	- 7.4 %

¹⁾ Base year: 2023

²⁾ Defined as the sum of CO₂ emissions Scope 1 and 2 per m² energy reference area (ERA)

The CO₂ emissions reported for mortgages are mainly based on publicly available information on the condition of the building from the Register of Buildings and Dwellings (RBD). Complete data on the energy efficiency of the financed buildings - e.g. renovations of façades, windows, roofs and basement ceilings - is currently lacking, and information about heating systems is often out of date. On a positive note, Canton Lucerne and its municipalities have intensified their updating of RBD data, which should further improve data quality in future.

An overview of the energy efficiency of the financed buildings based on the available data can be found in '[Energy efficiency of financed buildings](#)' in the '[Lending business](#)' section.

To enable more realistic emission estimates, LUKB has worked with a Swiss data service provider specialising in real estate to develop a model based on the federal government's PACTA climate compatibility test. The model takes into account the years of construction of the buildings and life cycles of components and assumes that renovation and replacement investments have been or will be made. Cantonal statutory requirements for renovations and assumptions for switching to climate-friendly heating systems are also included in the model. The values the model generates are used for validating the calculations internally and provide the basis for further measures.

The lending portfolio by emission-intensive sectors breaks down as follows:

Breakdown of lending portfolio by emission-intensive sectors	31.12.2023		31.12.2024		31.12.2025	
	Lending volume (CHF thousand)	Share in %	Lending volume (CHF thousand)	Share in %	Lending volume (CHF thousand)	Share in %
Total loans in the three loan categories	38,903,017	100.0 %	40,490,379	100.0 %	43,135,235	100.0 %
Mortgage portfolio	36,599,851	94.1 %	38,161,814	94.2 %	40,484,928	93.9 %
Mortgages	13,633,875	35.0 %	14,210,326	35.1 %	14,866,357	34.5 %
Commercial real estate mortgages	22,965,976	59.0 %	23,951,488	59.2 %	25,618,571	59.4 %
Business loans	2,303,166	5.9 %	2,328,565	5.8 %	2,650,307	6.1 %
Total emission-intensive sectors¹⁾	571,713	1.5 %	623,587	1.5 %	859,184	2.0 %
Energy	43,796	0.1 %	48,492	0.1 %	40,834	0.1 %
Oil and gas	0	0.0 %	0	0.0 %	0	0.0 %
Coal	0	0.0 %	0	0.0 %	0	0.0 %
Power generation	43,796	0.1 %	48,492	0.1 %	40,834	0.1 %
Transport	179,866	0.5 %	163,259	0.4 %	202,305	0.5 %
Aviation	0	0.0 %	370	0.0 %	320	0.0 %
Shipping	0	0.0 %	0	0.0 %	0	0.0 %
Rail transport	5,920	0.0 %	2,923	0.0 %	3,922	0.0 %
Road transport	78,592	0.2 %	52,876	0.1 %	48,332	0.1 %
Automotive industry	95,353	0.2 %	107,090	0.3 %	149,731	0.3 %
Construction and materials	293,762	0.8 %	311,011	0.8 %	506,226	1.2 %
Metals and mining including aluminium, iron and steel	95,970	0.2 %	92,163	0.2 %	60,891	0.1 %
Chemicals	85,968	0.2 %	83,418	0.2 %	101,582	0.2 %
Building materials including cement	69,856	0.2 %	64,641	0.2 %	57,449	0.1 %
Construction of real estate, real estate activities	41,968	0.1 %	70,789	0.2 %	286,303	0.7 %
Agriculture and forestry, food	54,290	0.1 %	100,825	0.2 %	109,820	0.3 %
Beverage industry	222	0.0 %	219	0.0 %	4	0.0 %
Agriculture	1,705	0.0 %	1,248	0.0 %	784	0.0 %
Foodstuffs	48,785	0.1 %	94,448	0.2 %	95,945	0.2 %
Forestry and forestry products	3,578	0.0 %	4,910	0.0 %	13,087	0.0 %

¹⁾ Emission-intensive sectors as per TCFD recommendations: energy, transportation, materials and buildings, agriculture, food and beverages, forest products (see TCFD Implementing Guidance, Part E: Supplemental Guidance for Non-Financial Groups, p. 56 et seqq., October 2021); loans are allocated to the individual sectors using NOGA codes, which classify the borrowers' operating sector.

Financial assets

The financial asset portfolio consists predominantly of bonds with the highest liquidity level that qualify as high-quality liquid assets (HQLA). Bond issuers can largely be attributed to the financial sector.

Financial assets ¹⁾	Unit	2023	2024	2025
Assets held at year-end (fair value)	CHF thousand	4,932,270	5,229,265	5,372,011
of which funds, structured products and money market papers	CHF thousand	- 279,042	- 337,443	- 333,220
Direct investments at year-end	CHF thousand	4,653,228	4,891,821	5,038,791
of which investments not covered by PCAF standards ²⁾	CHF thousand	- 1,082,665	- 860,565	- 720,820
Direct investments covered by PCAF standards at year-end	CHF thousand	3,570,563	4,031,256	4,317,971
of which listed equities	CHF thousand	157,749	125,947	146,046
of which corporate bonds	CHF thousand	3,386,615	3,873,144	4,104,505
of which government bonds	CHF thousand	26,200	32,165	67,420
Total absolute GHG emissions ³⁾	tCO ₂ e	233,128	149,199	164,498
of which Scope 1 and 2	tCO ₂ e	13,159	39,108	13,837
of which Scope 3	tCO ₂ e	219,969	110,091	150,661
Scope 1 and 2 CO ₂ footprint ⁴⁾	tCO ₂ e/million CHF	3.69	9.70	3.20
Portfolio coverage				
Scope 1 and 2 emissions calculated ⁵⁾	%	100.00 %	100.00 %	99.99 %
Scope 3 emissions calculated ⁵⁾	%	100.00 %	100.00 %	99.99 %
PCAF data quality score ⁶⁾	Scale 1.0 to 5.0	4.70	3.73	3.66
Total direct investments in the three most emission-intensive sectors^{7) 7)}	%	0.50 %	0.10 %	0.12 %
Energy ⁸⁾	%	0.00 %	0.00 %	0.00 %
Raw and basic materials ⁹⁾	%	0.15 %	0.09 %	0.11 %
Utilities ¹⁰⁾	%	0.34 %	0.01 %	0.01 %

¹⁾ Base year: 2023. Source of emission factors and tool used to calculate the emissions and PCAF data quality scores: MSCI Total Portfolio Footprinting Solution

²⁾ Mainly bonds issued by sub-sovereign borrowers (e.g. cantons, municipalities, provinces, etc.) and development banks

³⁾ Some of the greenhouse gas emissions are subject to greater uncertainty in estimation. They can be strongly influenced by individual outliers, which can potentially lead to high volatility in the data over time.

⁴⁾ Greenhouse gas emissions in tonnes of CO₂ equivalents (tCO₂e) per million francs of direct investment at year-end covered by PCAF standards

⁵⁾ As a % of direct investment at year-end covered by PCAF standards for calculation

⁶⁾ The PCAF data quality score measures the quality and reliability of the data used to calculate financed emissions. The rating scale ranges from 1 to 5, with 1 being the highest quality and reliability and 5 being the lowest. The reported scores are volume-weighted averages for the relevant investment portfolio. The scores shown here refer to the emissions reported for Scope 1 to 3.

⁷⁾ Most emission-intensive sectors (in descending order) according to a 2023 study by MSCI ESG Research. Securities holdings are allocated to individual sectors using the issuers' GICS (Global Industry Classification Standard) codes.

⁸⁾ Energy (GICS sector code 10 Energy): companies operating in the oil, gas, coal and other non-renewable fuels sectors. Excludes energy suppliers included in utilities.

⁹⁾ Raw and basic materials (GICS Sector Code 15 Materials): companies operating in the chemical, building materials, containers and packaging, metals and mining, paper and forest products sectors

¹⁰⁾ Utilities (GICS sector code 55 Utilities): electricity, gas and other utilities

Investments

Non-consolidated investments	Unit	2023	2024	2025
Carrying amount at year-end	CHF thousand	31,092	29,045	28,343
Total absolute GHG emissions ¹⁾	tCO ₂ e	264	252	427
of which Scope 1 and 2	tCO ₂ e	101	99	98
of which Scope 3	tCO ₂ e	163	153	328
PCAF data quality score ²⁾	Scale 1.0 to 5.0	4.7	4.7	4.7

¹⁾ Base year: 2023. The calculations are based on companies' greenhouse gas balance sheets (data quality scores 1 and 2) and Exiobase's sector-specific emission factors from the PCAF database (data quality scores 3 and 4). Cut-off date: 31 December.

²⁾ The PCAF data quality score measures the quality and reliability of the data used to calculate financed emissions. The rating scale ranges from 1 to 5, with 1 being the highest quality and reliability and 5 being the lowest. The reported scores are volume-weighted averages for the relevant investment portfolio.

The year-on-year increase in GHG emissions is due to the increased availability of Scope 3 emissions data for an investment.

Own investment funds (LUKB Expert Fund)

LUKB Expert Funds ¹⁾	Unit	2023	2024	2025
Investments at year-end (market values)	CHF thousand	4,964,941	5,717,230	6,518,015
of which cash, third-party funds, precious metals, derivatives and structured products	CHF thousand	- 861,822	- 1,010,252	- 1,212,035
Direct investments at year-end	CHF thousand	4,103,119	4,706,978	5,305,980
of which investments not covered by PCAF standards	CHF thousand	- 319,583	- 256,551	- 112,899
Direct investments covered by PCAF standards at year-end	CHF thousand	3,783,536	4,450,427	5,193,081
of which listed equities	CHF thousand	2,115,847	2,685,057	3,010,314
of which corporate bonds	CHF thousand	1,371,897	1,311,668	1,711,686
of which government bonds	CHF thousand	295,791	453,702	471,080
Total absolute GHG emissions	tCO ₂ e	1,166,017	1,488,360	1,730,704
of which Scope 1 and 2	tCO ₂ e	231,858	269,404	243,186
of which Scope 3	tCO ₂ e	934,159	1,218,955	1,487,518
Scope 1 and 2 CO ₂ footprint	tCO ₂ e/million CHF	61.28	60.53	46.83
Portfolio coverage				
Scope 1 and 2 emissions calculated	%	99.57 %	98.58 %	99.62 %
Scope 3 emissions calculated	%	99.57 %	98.42 %	99.62 %
PCAF data quality score	Scale 1.0 to 5.0	2.90	2.65	2.66
Total direct investments in the three most emission-intensive sectors	%	7.69 %	6.89 %	7.07 %
Energy	%	1.64 %	1.46 %	1.19 %
Raw and basic materials	%	3.97 %	3.79 %	3.96 %
Utilities	%	2.09 %	1.64 %	1.92 %

¹⁾ The same explanations and notes apply with regard to data sources, calculation tools and definitions as for financial assets (see table above).

Portfolio management (standard and individual mandates)

Portfolio management¹⁾	Unit	2023	2024	2025
Assets under management (AuM) at year-end (market values)	CHF thousand	3,071,000	3,620,268	4,124,431
of which cash, funds, precious metals, derivatives and structured products	CHF thousand	- 2,433,189	- 2,832,033	- 3,254,948
Direct investments at year-end	CHF thousand	637,811	788,235	869,483
of which investments not covered by PCAF standards	CHF thousand	- 53,398	- 208,441	- 23,853
Direct investments covered by PCAF standards at year-end	CHF thousand	584,413	579,794	845,630
of which listed equities	CHF thousand	165,572	283,379	451,931
of which corporate bonds	CHF thousand	411,966	296,415	386,672
of which government bonds	CHF thousand	6,875	0	7,027
Total absolute GHG emissions	tCO ₂ e	90,885	120,595	380,698
of which Scope 1 and 2	tCO ₂ e	20,798	20,006	19,179
of which Scope 3	tCO ₂ e	70,086	100,590	361,520
Scope 1 and 2 CO ₂ footprint	tCO ₂ e/million CHF	35.59	34.50	22.68
Portfolio coverage				
Scope 1 and 2 emissions calculated	%	99.84 %	99.07 %	99.83 %
Scope 3 emissions calculated	%	99.84 %	99.07 %	99.83 %
PCAF data quality score	Scale 1.0 to 5.0	3.47	2.50	2.59
Total direct investments in the three most emission-intensive sectors	%	5.93 %	8.45 %	6.86 %
Energy	%	0.67 %	0.00 %	0.01 %
Raw and basic materials	%	2.05 %	5.92 %	4.27 %
Utilities	%	3.21 %	2.53 %	2.58 %

¹⁾ The same explanations and notes apply with regard to data sources, calculation tools and definitions as for financial assets (see table above).

Climate compatibility tests

In 2024, the Federal Office for the Environment (FOEN) carried out the climate compatibility test for the Swiss financial centre for the fourth time in collaboration with the State Secretariat for International Finance (SIF). The standardised Paris Agreement Capital Transition Assessment (PACTA) method was again applied in the 2024 test. The test is intended to show how climate friendly the portfolios are of the participating Swiss financial institutions. The previous tests were conducted in 2017, 2020 and 2022. Participation in 2024 was once again voluntary for the financial institutions. LUKB took part for the third time in 2024. A total of 146 institutions from the financial sector took part, including 34 banks.

The 2024 evaluation consisted of two quantitative modules and one qualitative survey. One quantitative module analysed exposure to listed equities and corporate bonds in climate-relevant sectors and assessed their alignment with global climate scenarios. The other quantitative module assessed the compliance of Swiss real estate and mortgage portfolios with national climate targets. The qualitative survey covered additional climate-relevant strategies and activities in the different business areas of the participating financial institutions.

No climate compatibility test was carried out in 2025.

Risks and opportunities

As in the previous year, LUKB follows the recommendations of the former [Task Force on Climate-related Financial Disclosures \(TCFD\)](#)¹⁾ for the next section of the report on the risks and opportunities of climate change.

¹⁾ <https://www.fsb-tcfd.org>

Climate-related risks

Climate-related risks are part and parcel of LUKB's Group-wide risk management. Over the past two years, key basic documents have been drawn up to determine the organisational, methodological, procedural and governance procedures for managing climate-related risks.

LUKB does not regard climate risks as an additional category but as a risk driver. It influences the default, market, liquidity, operational, compliance, strategic and reputational risk categories through various potential events.

To identify and assess these effects, LUKB compiled a comprehensive risk inventory of climate risks in 2024, which it expanded and updated in 2025. The risk assessment distinguishes between physical and transition climate risks in accordance with the TCFD recommendations.

Physical climate risks

Physical risks result from the physical effects of climate change and the associated impairment of ecosystem services. Physical risks can be acute or chronic or both. Acute physical risks result from extreme events such as floods, storms, droughts, wildfires, landslides and pandemics. Chronic physical risks result from permanent natural changes such as rising average temperatures, changes in precipitation patterns, rising sea levels, pollution of air, water or soil; deforestation, species extinction, and the spread of invasive species.

Transition climate risks

Transition climate risks, also known as transition risks, arise from switching to a climate-friendly economy - in particular in connection with decarbonisation, e.g. through changes in climate and environmental policy, technological developments, revision of laws, and changes in the behaviour of market participants.

The long-term nature of climate change makes distinguishing between different timescales especially important when assessing risk. LUKB has assessed its climate-related financial risks based on the following timescales:

- Short term: 0 to 4 years
- Medium term: 5 to 15 years
- Long term: 16 to 30 years

According to its current assessment, LUKB expects the risks associated with climate change to have only a limited effect on its business and financial performance. The effects of climate change depend heavily on the business model. In line with the Canton of Lucerne's Ownership Strategy, LUKB acts as a full-service bank, primarily for the people and economy of the Canton of Lucerne. Geographically, its activities are limited to Switzerland. Only a few clients are domiciled abroad. LUKB's income and financial risks are broadly diversified.

The table below shows the assessment made in 2025 of the short-, medium- and long-term effects of climate-related risks on LUKB:

	Short-term	Medium-term	Long-term
Physical climate risks			
Default risks	low	low	low
Market risks	low	low	low
Operational risks	low	low	low
Other risks	low	low	low
Transition climate risks			
Default risks	low	medium	medium
Market risks	low	low	low
Operational risks	low	low	low
Other risks	low	low	low

Rating scale: (1) low risk, (2) medium risk, (3) high risk

There are currently no high risks in the climate risk inventory. The risk analyses indicate a low climate-related risk for LUKB in the short term. This applies to both transition and physical risks. In the medium to long term, however, LUKB expects climate-related risks to become more important, primarily with regard to the potential effects of climate change on default risks. Compared to other non-climate-related risks and measured against LUKB's own funds; however, these climate-related risks are also currently rated as relatively low.

Effects of physical risks on default risks

Physical risks may cause the value of loan collateral (e.g. for mortgages, the value of financed properties) and/or the affordability of financing costs to decrease. For example, a higher risk of flooding can negatively effect the value of property in an area. A flood can also result in high repair costs. Businesses can suffer a loss of income due to business interruptions and supply chain issues.

In addition to these microeconomic effects, macroeconomic effects are also a possibility. Higher physical risks can, for example, weaken the economy and influence supply and demand in the markets.

In terms of value, the majority of the properties financed by LUKB are located in the Canton of Lucerne and in neighbouring regions of the Swiss Plateau. By comparison, the proportion of financed properties in mountain regions that are particularly affected by physical risks (e.g. due to landslides and rockfalls) is low.

Building damage caused by natural hazards (e.g. floods, storms, landslides, rockfalls) is covered by mandatory building insurance in most cantons in Switzerland. In cantons without mandatory building insurance, LUKB requires similar cover from private insurers. As long as insurance premiums do not rise sharply, acute physical risks should therefore not have a significant effect on the value of buildings and the affordability of mortgages. In addition, Switzerland's building and zoning regulations ensure that construction is not generally carried out in areas at high risk.

In 2025, LUKB calculated the effects of a flood scenario on the mortgage portfolio based on the cantonal flood hazard maps (intensity maps). This quantitative analysis examined the effect on the value of the collateral and the need for specific value adjustments:

Scenario	Flooding in the cantons of Lucerne, Aargau, Bern, Basel-Stadt, Zug and Zurich
Portfolio	Mortgages and commercial real estate mortgages. More than 85 % of the value of the real estate collateral in LUKB's mortgage portfolio is situated in the above cantons.
Transmission channel	Changes in property prices in line with the 2022 Climate Stress Test of the European Central Bank (ECB), depending on the risk levels of financed property locations. No account was taken of any additional precautions in the form of structural measures to prevent flooding, which would provide additional protection to the value of the properties in question.
Impact on risks	Change in value of collateral: if the value of a property falls, the loan-to-value ratio increases correspondingly. The higher loan-to-value ratio potentially leads to a higher specific impairment requirement.
Result of the analysis	The additional specific impairment required based on the updated scenario analysis would be easily manageable for LUKB.

acute physical consequences of climate change (e.g. floods, storms, landslides) can cause damage to company buildings and equipment and lead to business interruptions. Such events are usually geographically limited, meaning that only a small part of LUKB's lending portfolio would be affected. In addition, business interruption insurance (if any) would mitigate the risks.

Chronic developments (e.g. water scarcity, soil degradation and biodiversity loss) can put clients' business models at risk. LUKB does not expect any significant effect on its business lending portfolio in the short to medium term. Based on its current assessment, LUKB does not anticipate any significant risks in the longer term either, as it does not have a particularly high proportion of financing in potentially more heavily affected sectors and its lending portfolio is broadly diversified.

Overall, LUKB does not expect any significant increase in loan defaults due to physical risks in the short to medium term. In the long term, climate risks could become more important due to rising insurance premiums and potential real estate depreciation. However, based on the current assessment, these developments are unlikely to have any material effect on LUKB's lending portfolio. LUKB will monitor further developments in this area and take action early on as needed.

Effect of transition risks on default risks

Like physical climate risks, transition climate risks can also affect credit risks. Examples include the depreciation of properties heated using fossil fuels or higher operating costs due to rising CO₂ taxes or energy prices. Companies may need to adapt their business activities and production processes, which involves a high level of investment. Without these adjustments, assets may lose value. In this respect, the transition to a low-emission economy can have a significant effect on the profitability of companies.

Rising carbon taxes and energy prices can lead to lower sales and/or higher operating costs, which can result in collateral depreciation and loan defaults. However, simulations of such scenarios show that LUKB would be able to manage these effects well – even if CO₂ taxes were to rise sharply. LUKB only has low lending volumes in emission-intensive sectors (see table above in the ‘[Scope 3 greenhouse gas emissions – financed emissions](#)’ section). As a result, rising taxes on greenhouse gas emissions have only a moderate effect on credit default risk for most corporate clients. Even if there are sharp price increases, the simulations do not show any significant effect on the lending portfolio.

in 2025, LUKB again calculated a scenario of a significant increase in CO₂ taxes over the next five years. It based it on the updated scenarios of the Network for Greening the Financial System (NGFS) – an association of central banks and supervisory authorities that analyses the effects of climate change on the global financial system. Since last year’s scenario analysis, these scenarios have been significantly refined. For the following quantitative analysis, LUKB used the new assumptions and examined the effect on the creditworthiness of the financed companies, the value of the mortgage guarantees and the need for specific valuation allowances in the loan portfolio:

Scenario	Significant increase in carbon taxes in Switzerland over a period of five years
Portfolio	Entire lending portfolio
Transmission channel	Two transmission channels were considered: <ul style="list-style-type: none"> - Impact on the income statements of financed companies depending on the sector's emission intensity: <ul style="list-style-type: none"> - Change in sales depending on industry intensity - Higher cost of goods due to increase in carbon taxes - Higher financing costs for high-risk sectors - Decline in real estate prices depending on property type and GHG emission class
Impact on risks	Downgrades to company ratings and a decline in the value of mortgage collateral could potentially lead to increased specific impairment requirements.
Result of the analysis	The additional specific impairment required in the NGFS adverse ‘Delayed Transition’ scenario would be easily manageable for LUKB based on the updated scenario analysis and low compared to the annual Bank-wide stress test. Even in an unexpected highly negative stress scenario with deliberately more negative assumptions than in the NGFS adverse scenario, the specific impairment would be easily manageable for LUKB.

LUKB also assumes that restrictive climate-related laws and regulations with an abrupt effect on lending are unlikely in the Swiss political system, in which direct democracy is a key element. Under the rule of law in Switzerland, political decisions are made in close consultation with stakeholders. Such processes are generally designed so that the economy and society can adapt to major changes and that appropriate hardship measures are implemented in particularly serious cases. As a result, significant defaults of mortgage and corporate clients due to new, abrupt regulatory changes are unlikely.

LUKB also assessed any technological risks arising from climate change. LUKB expects innovation cycles for corporate clients to become even shorter in the future, leaving less time for companies to react. The risk driver could potentially present affected companies with challenges that threaten their very existence. However, LUKB does not expect any significant effects on its default risks in the longer term either, as it assumes that this risk only affects part of its lending portfolio and that LUKB has a broadly diversified business lending portfolio. LUKB will also closely monitor further developments in this area and take action early on where necessary.

Overall, LUKB does not expect any significant increase in loan defaults over any timescale due to transition risks.

Effect on market risks

Market risk refers to the loss potential resulting from unfavourable changes in interest rates, share prices, foreign exchange and cryptocurrency rates and real estate prices as well as other relevant market parameters such as volatilities. Market risks are present in both LUKB's banking and trading books. Physical and transition risks can lead to unexpected changes in these market parameters and thus influence market risk.

LUKB invests its financial assets mainly in Swiss mortgage bonds and bonds issued by public-sector borrowers. These companies are less affected by market risks than, for example, companies in emission-intensive sectors. The effects of climate-related risks on market risks affecting the financial asset portfolio is therefore limited for LUKB.

Market risks in the trading book are significantly limited by short holding periods, appropriate volume and risk limits and corresponding hedging transactions. As a result, the effects of climate change on market risks in the trading book is low.

Effect on operational risks**Transition risks in banking operations**

Increasing awareness of climate issues and new legal and regulatory requirements place additional demands on LUKB, for example in terms of data collection, reporting and advisory services. This increases LUKB's operational risk, particularly as a result of growing compliance risks. LUKB therefore has an ongoing interest in the development of legal and regulatory requirements and, if necessary, adapts its internal requirements and climate risk management. Overall, LUKB classifies the risks as low.

Physical risks for banking operations

Climate change increases operational risks due to physical events such as flooding, which can cause damage to the Bank's buildings or critical infrastructure. All buildings that LUKB uses for its operations are located in Switzerland and have standard building insurance cover. LUKB also takes physical measures to protect itself (e.g. against floods). Unavoidable risks are largely insured.

Operational risk management and business continuity management (BCM) ensure that LUKB can maintain business-critical processes even in extraordinary situations, minimise potential damage and ensure that operations are resumed quickly in the event of an emergency.

Overall, LUKB believes its operations have little exposure to climate risks.

Effect on other risks

Other risks include, in particular, strategic and reputational risks. Due to its business model, LUKB considers the strategic risks posed by climate change to be low. As awareness among the general public, clients and other stakeholders increases, expectations of sustainable business practice grow. This also increases the risk of reputational damage. Sustainability therefore is a key element of LUKB's strategy. As LUKB attaches great importance to sustainability and provides transparent information; it considers the overall reputational risk to be low.

Climate-related opportunities

In accordance with the TCFD recommendations, LUKB distinguishes among five categories of opportunities: markets, products and services, resource efficiency, energy sources, and resilience.

Markets, products and services

Climate change is associated with a high level of investment needed to finance the transition to a more climate-friendly economy and society. In the building sector, for example, significant further investments must be made in renovating the building envelope and replacing the heating system. It can therefore be assumed that demand from property owners and companies for financing to improve climate compatibility will continue to increase in the future to meet Switzerland's climate targets. This opens up opportunities to support clients with such financing projects.

LUKB already supports real estate clients with measures to preserve long-term value and improve the energy efficiency of real estate. An overview of LUKB's approach and the corresponding products and services can be found in the ['Lending business'](#) section.

In addition, LUKB already responded to clients' need for sustainable investment and pension products in 2022 and systematically aligned its investment and fund business with sustainability criteria (ESG criteria; environment, social, governance). An overview of the products and services can be found in the ['Investment business'](#) section.

Resource efficiency

LUKB's aim is to use natural resources carefully and efficiently in its banking operations and to gradually reduce the potential negative effect on the environment as far as possible, thereby also cutting costs. As banking operations are not particularly energy intensive, the effect of this opportunity on the Bank's financial results is considered to be relatively low.

An overview of the measures in the area of energy efficiency can be found below. In addition, ['Procurement and waste disposal'](#) in the ['Other topics'](#) section has further information on measures relating to waste as well as material and water consumption.

Energy sources

Sustainable and renewable energy sources enable LUKB to cut both operational emissions and costs. It already obtains all of its electricity from renewable energy sources and produces energy from solar panels at various business locations. In the coming years it plans to further expand its electricity production potential (see the explanations below).

Resilience

By taking a conscious approach to climate change, LUKB can take preventative measures to strengthen its resilience in the long term. Sustainability and climate change are firmly embedded in the corporate strategy. Integrating climate-related financial risks into risk management also increases resilience. As the market leader in the Lucerne economic region and as a major employer, LUKB is aware of its responsibility and acts proactively and with a focus on the future as a result.

Risk management

As a financial institution, LUKB is confronted with various bank-specific risks: these include default, market, liquidity, operational, compliance, strategic and reputational risks. Sustainability risks and their climate-related financial risks are not a standalone risk category but rather a driver of these risk categories.

The 'Risk management' section in the notes to the Group financial report contains further information about the risk policy, the organisation and governance of risk management, the individual risk categories and how risks are managed.

Every year the Risk Control function, together with an expert committee from the first line of defence, carries out a qualitative assessment of the effects of climate risks as drivers for the risk categories default, market, liquidity, operational, compliance, strategy and reputational risks. The first-line-of-defence expert committee consists of the Sustainability Office, Credit Risk Management, Finance & Investment Management Support and the Asset Management Sustainability Office.

The overall risk management process with regard to climate risks at LUKB is as follows:

a) Identification

This process step involves identifying climate-related physical and transition risks. Physical and transition climate risks are explained in the section above.

The aim of this step is to identify and understand the potential risks to which LUKB is exposed. This step takes into account, among other things, developments in the environment, politics, regulation, technology and markets.

The individual risks are documented in a risk inventory.

b) Measurement and assessment

The aim of this process step is to assess the effects of climate change on LUKB's risk profile. The evaluation is mainly qualitative. First of all, possible transmission channels for individual risks are assessed, such as property damage, loss of income, additional expenses, changes in assets and market changes.

On this basis, the materiality of the risks is assessed, taking into account risk exposures. The sources of income and expenses, assets and possible risk mitigations (e.g. insurance policies, behaviour of stakeholders, public-sector measures) are taken into account. Finally, the extent of the effect on the defined risk categories and their sub-categories is assessed. Risk assessment classes ('materiality levels') are defined and applied for this purpose.

For specific portfolios with increased risk exposure to climate-related financial risks, quantitative scenario analyses are carried out periodically where possible and appropriate.

c) Management

Risk management aims to steer and manage climate risks effectively and efficiently throughout the Group. The risk management measures are defined and implemented by the respective risk owners within the existing risk categories.

As climate risks are currently classified as low ('low' to 'medium' according to LUKB's climate risk inventory; see the explanations above), no need for additional measures beyond the current ones was identified in the 2025 financial year.

d) Control and reporting

The risk assessment is updated at least once a year by the Risk Control function in collaboration with the above-mentioned first-line-of-defence expert committee.

In its quarterly internal risk report, the Risk Control function reports on the risk situation, compliance with risk tolerance and compliance with limits in all risk categories to the Executive Board, the Risk and Strategy Committee of the Board of Directors and the Board of Directors. An analysis of the identified climate-related financial risks is added to the internal risk report at least once a year and submitted to the Executive Board and the Risk and Strategy Committee of the Board of Directors. Further details on reporting can be found in the '[Managing sustainability](#)' section.

Further developments

FINMA data collection 2025

LUKB falls within FINMA supervisory Category 3. In 2025, FINMA conducted another survey on climate-related financial risks for institutions in Categories 1 to 3. This included a comprehensive data collection as at 31 December 2024 (quantitative part) and a supplementary questionnaire (qualitative part). The survey served as the basis for FINMA's report on climate risks, which was published in the [FINMA Risk Monitor 2025](#)¹⁾ in November 2025.

FINMA Circular 2026/01 'Nature-related financial risks'

In December 2024, FINMA published [Circular 2026/01 'Nature-related financial risks'](#)¹⁾. It specifies the requirements for risk management, internal documentation, and the internal control system with regard to climate- and other nature-related financial risks. As a FINMA Category 3 institution, LUKB is currently implementing these requirements.

¹⁾ <https://www.finma.ch/en/>

Climate strategy / climate transition plan

The Federal Council's Climate Reporting Ordinance, based on Article 964a et seq. of the CO (section on non-financial reporting), requires the preparation and publication of a climate roadmap (known as the 'transition plan') that is comparable to the Swiss climate targets. It is designed to set the targets and measures with which the reporting company contributes to climate protection.

LUKB's climate transition plan is an integral part of its sustainability strategy and is in line with its overall strategy. It includes specific and time-bound targets as well as measures for the transition to the net-zero target by 2050 in accordance with the requirements of the Climate and Innovation Act (CIA) and the climate strategy of the Canton of Lucerne.

The transition plan was approved by the LUKB Board of Directors in 2024. The Executive Board is responsible for its implementation. The Board of Directors' Risk and Strategy Committee reviews and updates the transition plan at least once a year, most recently in the fourth quarter of 2025 as part of internal sustainability reporting. The climate transition plan is published annually in the Sustainability Report and appeared for the first time in 2024.

Defining and implementing the transition plan comes with risks and uncertainties. Progress towards reaching these targets depends on various factors, which are partly outside the sphere of influence of LUKB. A key prerequisite here is the decarbonisation of the economy over the coming years. LUKB is reliant on the necessary political framework conditions being put in place and further significant progress being made in the next few years with processes and technologies that prevent and remove emissions.

The uncertainties include macroeconomic trends, such as the effects of the economy and interest rates on the financial situation and thus on the affordability of decarbonisation measures by property owners and companies. Changes in climate policy or in laws and regulations may require adjustments to the transition plan. Another uncertainty relates to the greenhouse gas balance sheet on which the transition plan is based. It is currently still largely based on assumptions (see the explanations provided above). LUKB aims to create a better data basis by continuously improving data quality.

Targets

LUKB has set itself the following greenhouse gas targets:

Net-zero target 2050 in line with the Climate Strategy of the Federal Government and Canton Lucerne as well as the Climate and Innovation Act.

Interim targets

Scope	Area	Measurement	Base year	Base value	Interim targets
1 and 2	Direct and indirect energy-related emissions	Absolute GHG emissions	2014	991 tCO ₂ e	Net-zero target by 2030: reduce greenhouse gases by around 80 % compared to 2014 levels to around 200 tCO ₂ e by 2030; offset remaining greenhouse gas emissions from 2030 at the latest
1 and 2	Direct and indirect energy-related emissions	Share of purchased electricity from renewable energy sources	2023	100 %	100 % share of purchased electricity from renewable energy sources over the years 2025 to 2030
3	Mortgages	Scope 1 and 2 CO ₂ emissions per m ² energy reference area (ERA)	2023	30.3 kgCO ₂ e/m ² ERA	At least -40 % compared to 2023 by 2030 (at most 18.2 kgCO ₂ e/m ² ERA in 2030)
3	Commercial real estate mortgages	Scope 1 and 2 CO ₂ emissions per m ² energy reference area (ERA)	2023	27.0 kgCO ₂ e/m ² ERA	At least -40 % compared to 2023 by 2030 (at most 16.3 kgCO ₂ e/m ² ERA in 2030)

The 2030 net-zero target for Scope 1 and Scope 2 emissions also meets the requirements of the Canton of Lucerne (majority shareholder of LUKB) in the 2025 Ownership Strategy (cantonal expectation: net-zero by 2040 for Scope 1).

For the time being, LUKB refrains from publishing explicit quantitative interim targets for Scope 3 emissions of the business loan portfolio, as the majority of emissions can, due to a lack of more precise data, currently be calculated only by using sector-based assumptions. At present, relatively few companies still publish data on their greenhouse gas emissions. LUKB also has a relatively small share of business loans in emission-intensive sectors (see the '[Scope 3 greenhouse gas emissions - financed emissions](#)' section). LUKB grants loans only to companies that have their registered office in Switzerland and are subject to the binding sector-specific indicative targets for greenhouse gas reduction by 2040 and the net-zero target for 2050 in accordance with the Climate and Innovation Act (Art. 4 and 5 CIA) (indicative targets: Buildings sector: -82 % by 2040, -100 % by 2050; transport sector: -57 % by 2040, -100 % by 2050; industry sector: -50 % by 2040, -90 % by 2050). LUKB is therefore guided by these indicative targets.

Action areas and measures

LUKB has defined the following six action areas and derived specific measures from these:

Scope	Action area	Measures
1 and 2	1 Replace heating in own properties with fossil-free alternatives	1.1 Convert heating systems in own properties to fossil-free operation (if possible given planning regulations) 1.2 Those buildings that are not wholly owned by LUKB will be assessed to determine whether heating systems might be run on renewable energies by 2025
1 and 2	2 Make energy savings and expand renewable energies	2.1 Energy savings 2.1.1 Reduce energy consumption both at company level and per employee 2.1.2 Implement universal target agreement with the act cleantech agency and ewl energy provider to optimise energy consumption at head office (energy efficiency measures) 2.2 Expand renewable energies 2.2.1 Use the power generation potential of own buildings and facilities 2.2.2 As far as possible, vehicle fleet to be electric by 2030
3	3 Climate-friendly procurement, including a reduction in paper, envelope and water consumption, and waste volumes	See ‘Other topics’/‘Procurement and waste disposal’ section
3	4 Climate-friendly mobility	4.1 Climate-friendly mobility options for business travel 4.2 Climate-friendly mobility options for commuting
3	5 Investment and lending policy, as well as advisory services and products, that factor in environmental criteria	5.1 See ‘Lending business’ section 5.2 See ‘Investment business’ section
1 to 3	6 Training and awareness-raising for employees	See ‘Employer responsibility and attractiveness’ , ‘Sustainability training’ section

The following pages describe the status of the individual action areas and measures.

Action Area 1: Replace heating in own properties with fossil-free alternatives

Customer proximity is a key element of the LUKB business model. For this reason, to serve its clients in person LUKB operates a close network of branches at 22 locations in the Canton of Lucerne and one in Zurich, with two sales offices in French- and Italian-speaking Switzerland (Lausanne and Lugano, respectively). In addition, the Bank offers a major share of its services 24/7 via electronic channels such as the [lukb.ch](https://www.lukb.ch) website and its app for smartphones.

The following map shows LUKB properties as at 31 December 2025, distinguished by ownership structure:



Figure: LUKB properties as at 31 December 2025

LUKB wholly owns 17 buildings and partially owns six as condominiums. The remaining branch offices are in leased premises. In most cases, LUKB properties are either classic bank buildings or mixed-use real estate.

In addition to its automated banks at Grendelstrasse (Lucerne), at the Schönbühl Centre (Lucerne), the Emmen Centre (Emmenbrücke), the Mall of Switzerland (Ebikon), in Sursee Oberstadt and in the Surseepark (Sursee), LUKB has a dense network of ATMs throughout the canton. LUKB rents the space it requires for these ATM locations.

Action Area 1 of this part of the report does not cover any rented space. The following describes the measures taken by LUKB for each sphere of action.

Measure 1.1: Conversion of heating systems in own properties to fossil-free operation by 2025 (if possible given planning regulations)

For historical reasons, most LUKB properties are heated with fossil fuels. LUKB has been working since 2014 towards running its own properties fossil-free by 2025.

Status of wholly owned LUKB properties as at 31 December 2025:

Location	Building status	LUKB target ¹⁾	Work progress
Beromünster, Fläche 15	Heat pump	Heat pump	Implemented
Ebikon, Zentralstrasse 14	District heating (waste heat)	District heating (waste heat)	Implemented
Emmenbrücke, Gerliswilstrasse 4	Fossil fuel	District heating (waste heat)	Connection to district heating is planned for the 'METROPOOL' newbuild project. The construction permit for the new building is not yet final
Hochdorf, Hauptstrasse 30	District heating (wood)	District heating (wood)	Implemented
Horw, Gemeindehausplatz 2/3	District heating (wood)	District heating (lake water)	Provider has started work on changing the energy source. Due to delays on the part of the energy supplier, implementation is now planned for the 2026/2027 heating period.
Kriens, Schachenstrasse 6	Heat pump	Heat pump	Implemented
Lucerne, Grendelstrasse 5	Fossil fuel	Exploratory stage	None of the alternatives discussed with the energy supplier can be implemented.
Lucerne, Hirschmattstrasse 12/14	Fossil fuel	District heating (lake water)	The plan was to connect to district heating in autumn 2024. Due to delays on the part of the energy supplier, implementation is now planned for the 2026/2027 heating period.
Lucerne, Pilatusstrasse 12/14	Fossil fuel	District heating (lake water)	The plan was to connect to district heating in autumn 2024. Due to delays on the part of the energy supplier, implementation is now planned for the 2026/2027 heating period.
Lucerne, Theaterstrasse 5	Fossil fuel	District heating (lake water)	The plan was to connect to district heating in autumn 2024. Due to delays on the part of the energy supplier, implementation is now planned for the 2026/2027 heating period.
Meggen, Hauptstrasse 52	Fossil fuel	Heat pump	Discussions with the owners of the neighbouring plots, which operate a single heating system with LUKB, led to the decision to replace the existing system with a heat pump. The hot water supply has already been implemented and the date for the heating changeover has not been set yet.
Reiden, Hauptstrasse 48	Fossil fuel	District heating (wood)	According to the energy supplier, the property will be connected to district heating in summer 2026.
Rothenburg, Flecken 23	Heat pump	Heat pump	Implemented
Schüpfheim, Hauptstrasse 31	Heat pump	Heat pump	Implemented
Sempach, Stadtstrasse 2	District heating (wood)	District heating (wood)	Implemented
Weggis, Seestrasse 6	District heating (lake water)	District heating (lake water)	Implemented
Willisau, Vorstadt 11	Heat pump	Heat pump	Implemented

¹⁾ The 'LUKB target' column shows the heating system targeted by the end of 2025. The actual timing of implementation is set for each building individually.

Among other things, there are plans for 2026/27 for the existing energy supplier to switch from fossil fuel-based energy to lake water for the head office and two other locations in the city of Lucerne. LUKB also intends to realise the METROPOOL project at Seetalplatz in Emmenbrücke over the next few years (building permit not yet legally binding as

of 31 December 2025). LUKB will be able to make further greenhouse gas savings when this Minergie®-certified building has been completed.

Measure 1.2: Buildings not wholly owned by LUKB will be assessed to determine whether heating systems might be run on renewable energies by 2025

LUKB actively fulfils its responsibility as condominium owner and is a vocal advocate of replacing fossil energies with renewables.

Status of properties in condominium ownership as at 31 December 2025:

Location	Building status	LUKB target ¹⁾	Work progress
Lucerne (Littau), Fanghöfli 6	District heating (waste heat)	District heating (waste heat)	Implemented
Root, Bahnhofstrasse 16	District heating (waste heat)	District heating (waste heat)	Implemented
Ruswil, Hellbühlerstrasse 10	Fossil fuel	District heating (wood)	New district heating centre in preparation, implementation date tbd
Sörenberg, Rothorn-Center 3	Heat pump	Heat pump	Implemented
Sursee, Bahnhofstrasse 33, Christoph-Schnyder-Strasse 2/2a (Dreiklang)	District heating (waste heat, biogas)	District heating (waste heat, biogas)	Implemented
Wolhusen, Menznauerstrasse 11	District heating (wood)	District heating (wood)	Implemented

¹⁾ The 'LUKB target' column shows the heating system targeted by the end of 2025.

LUKB remains with the above targets for buildings it owns fully or as condominiums over the next few years and is pursuing their implementation consistently. An alternative version is being developed for the Grendelstrasse 5 location in Lucerne.

Action Area 2: Make energy savings and expand renewable energies

At present, producing and consuming electrical energy contributes to the pollution of the environment and climate in Switzerland. This is primarily due to the use of fossil fuels such as coal, oil or gas to generate power. The exploration of renewable sources of energy may also conflict with the environment, natural world and countryside conservation, however. With this in mind, LUKB has defined a series of measures for a sustainable energy policy.

Action Area 2.1: Energy savings

Measure 2.1.1: Reduce energy consumption both at company level and per employee

LUKB has set itself the goal of steadily reducing its energy consumption. This overall target relates to both power use in general and building energy (electricity, gas/oil, other fuels) in particular. The power required by LUKB's buildings is heavily weather-dependent.

The trend in LUKB's total energy consumption is as follows:

Energy consumption in business operations ¹⁾	Unit	2023	2024	2025
Total energy consumption	GJ²⁾	22,150	22,047	21,493
of which renewable	GJ	13,936	14,084	15,234
Share of renewable energy	%	63 %	64 %	71 %
Total electricity consumption	GJ	11,779	12,292	12,013
of which renewable	GJ	11,779	12,292	12,013
Share of renewable	%	100 %	100 %	100 %
Electricity purchased	GJ	11,779	12,292	12,013
of which renewable	GJ	11,779	12,292	12,013
Share of renewable	%	100 %	100 %	100 %
Electricity produced in-house³⁾	GJ	0	0	0
of which renewable	GJ	0	0	0
Share of renewable	%	n. a.	n. a.	n. a.
Heating energy consumption⁴⁾	GJ	2,096	1,872	1,929
of which renewable	GJ	2,061	1,601	1,792
Share of renewable	%	98 %	86 %	93 %
Cooling energy consumption	GJ	0	191	1,429
of which renewable	GJ	0	191	1,429
Share of renewable	%	n. a.	100 %	100 %
Steam consumption	GJ	0	0	0
of which renewable	GJ	0	0	0
Share of renewable	%	n. a.	n. a.	n. a.
Combustibles and fuels	GJ	8,274	7,692	6,122
of which renewable	GJ	96	0	0
Share of renewable	%	1.2 %	0.0 %	0.0 %
Natural gas	GJ	6,574	5,866	4,677
Heating oil	GJ	1,214	1,431	1,066
Petrol	GJ	212	237	213
Diesel	GJ	179	159	165
Wood	GJ	96	0	0
Number of employees (annual average, full-time equivalents)	FTEs⁵⁾	1,106.40	1,160.00	1,191.70
Total internal energy consumption per employee	GJ/FTE	20.0	19.0	18.0
Heating degree days (HDDs) Lucerne	HDDs	2,840	2,797	2,893

¹⁾ Source: Consumption figures from energy suppliers in kWh

Basis for disclosure: Global Reporting Initiative (GRI) standards

The figures cover the company's own energy consumption at all locations within the Group. These figures do not include energy consumption in externally leased space (see separate table).

²⁾ GJ: gigajoules

³⁾ The electricity produced by solar panels is not consumed by the company itself, but sold. It is therefore not recorded separately within electricity consumption.

⁴⁾ Correction of thermal energy consumption in 2024 due to effective billing for a property by +193 GJ

⁵⁾ FTEs: full-time equivalents

The table below also shows energy consumption in externally leased space:

Energy consumption - leased space ¹⁾	Unit	2023	2024	2025
Total energy consumption	GJ²⁾	8,431	5,530	4,222
of which renewable	GJ	1,129	1,962	1,208
Share of renewable energy	%	13 %	35 %	29 %
Total electricity consumption	GJ	n. a.	n. a.	n. a.
of which renewable	GJ	n. a.	n. a.	n. a.
Share of renewable	%	n. a.	n. a.	n. a.
Electricity purchased	GJ	n. a.	n. a.	n. a.
of which renewable	GJ	n. a.	n. a.	n. a.
Share of renewable	%	n. a.	n. a.	n. a.
Electricity produced in-house	GJ	n. a.	n. a.	n. a.
of which renewable	GJ	n. a.	n. a.	n. a.
Share of renewable	%	n. a.	n. a.	n. a.
Heating energy consumption	GJ	1,266	2,427	1,503
of which renewable	GJ	1,034	1,702	1,208
Share of renewable	%	82 %	70 %	80 %
Cooling energy consumption	GJ	0	259	0
of which renewable	GJ	0	259	0
Share of renewable	%	n. a.	100 %	n. a.
Steam consumption	GJ	0	0	0
of which renewable	GJ	0	0	0
Share of renewable	%	n. a.	n. a.	n. a.
Combustibles and fuels	GJ	7,165	2,843	2,718
of which renewable	GJ	96	0	0
Share of renewable	%	1.3 %	0.0 %	0.0 %
Natural gas	GJ	6,465	2,485	2,515
Heating oil	GJ	700	358	203
Petrol	GJ	0	0	0
Diesel	GJ	0	0	0
Wood	GJ	0	0	0
Heating degree days (HDDs) Lucerne	HDDs	2,840	2,797	2,893

¹⁾ Source: Consumption figures from energy suppliers in kWh

Basis for disclosure: Global Reporting Initiative (GRI) standards

The electricity consumption of leased space is not recorded, as tenants are responsible for purchasing their own electricity.

²⁾ GJ: gigajoules

Since 2014, LUKB has gradually raised its strategic targets for energy consumption per employee, aiming for 5,500 kWh equivalents per employee from the end of 2020 to 2025 (2015: 9,517 kWh / for 2020: 7,315 kWh). This target figure refers to electricity, heating and cooling energy consumption as well as to combustibles and fuels.

LUKB has reached its consumption target of 5,500 kWh equivalents per employee. Energy consumption per employee was 5,379 kWh in 2024 and 5,129 kWh in 2025. The further decline is primarily attributable to the reduction in the consumption of fossil fuels.

The following graph shows the trend in energy consumption per LUKB employee since 2014:

Energy consumption per LUKB employee

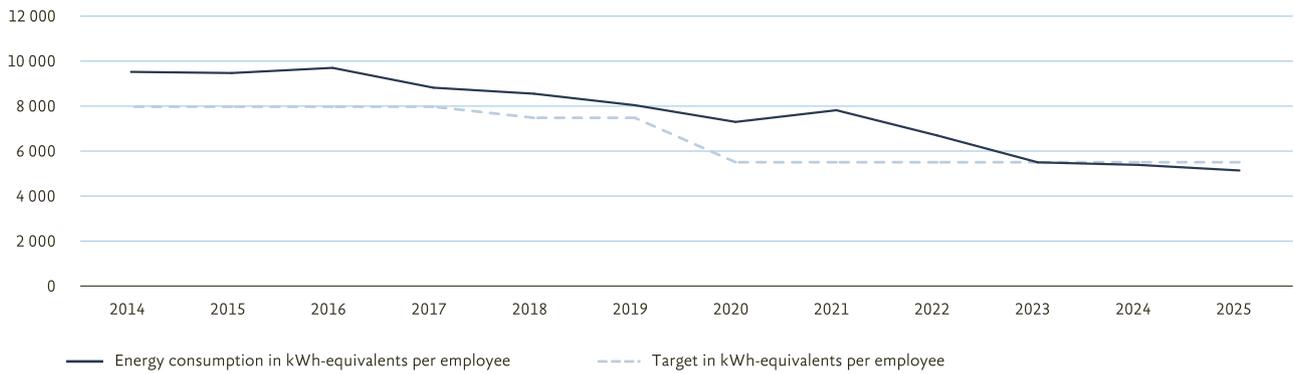


Figure: Trend of energy consumption per LUKB employee since 2014

The drivers of this sharp drop in energy consumption are:

- Renovate own properties (Minergie®-certified new builds and remodelling of numerous branch offices) as needed
- Replace building systems and other technologies regularly

Measure 2.1.2: Implement the provisions of the universal target agreement with the ‘act’ and ‘ewl’ utilities to optimise energy consumption at the head office (energy efficiency measures)

At LUKB, only the head office in Lucerne is a major buyer of electricity. In accordance with the statutory requirements, LUKB aims to reduce power consumption at its head office by at least 10 % per year. The federal government has mandated the ‘act’ utility (cleantech agency Switzerland) to enforce climate and energy legislation. The ‘act’ utility advises organisations and other entities about cantonal enforcement instruments.

By entering into the universal target agreement for the head office in 2018, LUKB committed to achieving financially profitable energy goals within ten years. Following a close analysis, the energy specialist of the ‘ewl’ utility proposed efficiency measures tailored specifically to LUKB. Beginning in 2020, progress towards the targets has been measured using a weighted overall energy efficiency indicator.

The ‘act’ and ‘ewl’ utilities report annually on their monitoring activities. The currently available report is for 2024. It states that LUKB is on course to meet its overall energy efficiency targets. The value for 2024 was 116 %, with an annual target of 121 %.

Weighted overall energy efficiency

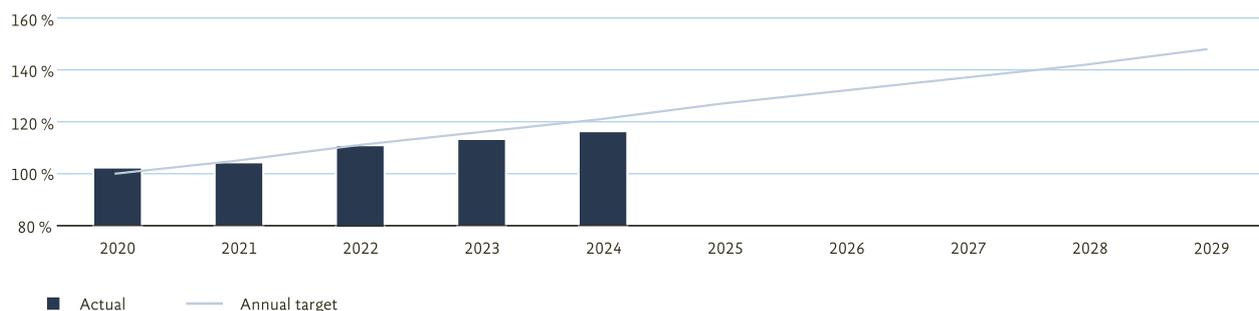


Figure: Weighted overall energy efficiency since 2020

Action Area 2.2: Expand renewable energies

Measure 2.2.1: Use the power generation potential of own buildings and facilities

LUKB has a great interest in making its buildings fossil-free by harnessing renewable energies. In its assessment, solar and wind power are viable ways of meeting its power needs. As stated in the introduction to Action Area 2, the construction and operation of renewable energy sources may cause conflict. LUKB planning must therefore incorporate the widest variety of conditions, such as building zone regulations, the requirements of the Inventory of Swiss Heritage Sites (ISOS), and restrictions on changes to historical buildings and monuments. Furthermore, condominium ownership limits LUKB's options significantly more than sole ownership.

Status of wholly owned properties as at 31 December 2025:

Location	Building status	Work progress
Beromünster, Fläche 15	No PV	Result of review by ISOS: not feasible (listed building)
Ebikon, Zentralstrasse 14	PV	Implemented
Emmenbrücke, Gerliswilstrasse 4	No PV	PV already planned for 'METROPOOL' newbuild project
Hochdorf, Hauptstrasse 30	PV	Implemented
Horw, Gemeindehausplatz 2/3	PV	Implemented
Kriens, Schachenstrasse 6	PV	Implemented
Lucerne, Grendelstrasse 5	No PV	Result of review by ISOS: not approved
Lucerne, Hirschmattstrasse 12/14	No PV	Not implemented due to cost-benefit considerations
Lucerne, Pilatusstrasse 12/14	PV	Solar panels on roof of building
Lucerne, Theaterstrasse 5	No PV	Will be implemented when building is renovated, date to be decided
Meggen, Hauptstrasse 52	PV	Implemented
Reiden, Hauptstrasse 48	PV	Implemented
Rothenburg, Flecken 23	No PV	Result of review by ISOS: not feasible (listed building)
Schüpfheim, Hauptstrasse 31	PV	Implemented
Sempach, Stadtstrasse 2	No PV	Result of review by ISOS: not feasible (listed building)
Weggis, Seestrasse 6	No PV	Not implemented due to cost-benefit considerations
Willisau, Vorstadt 11	No PV	In planning, implementation scheduled for 2026

Status of properties as condominiums as at 31 December 2025:

Location	Building status	Work progress
Lucerne (Littau), Fanghöfli 6	No PV	LUKB has no own space for PV, must be examined with the condominium owner association (date tbd)
Root, Bahnhofstrasse 16	No PV	LUKB has no own space for PV, must be examined with the condominium owner association (date tbd)
Ruswil, Hellbühlerstrasse 10	No PV	LUKB has no own space for PV, must be examined with the condominium owner association (date tbd)
Sörenberg, Rothorn-Center 3	No PV	LUKB has no own space for PV, must be examined with the condominium owner association (date tbd)
Sursee, Bahnhofstrasse 33, Christoph-Schnyder-Strasse 2/2a (Dreiklang)	PV	Implemented
Wolhusen, Menznauerstrasse 11	No PV	LUKB has no own space for PV, must be examined with the condominium owner association (date tbd)

Measure 2.2.2: As far as possible, vehicle fleet should be electric by 2030

LUKB has its own fleet of vehicles. In recent years, LUKB has switched a range of services for its local branch offices, including ATMs, into in-house operations again. It therefore normally relies on its fleet of electric vehicles to provide these services. Old vehicles will generally be replaced with ones that have an alternative power source.

Status as at 31 December 2025:

- The LUKB fleet has 12 vehicles.
- Half of these are fully electric.
- Three vehicles have a hybrid drive system.

Action Area 3: Climate-friendly procurement, including lower paper, envelope and water consumption and waste volumes

As a service provider, LUKB focuses mainly on providing offerings to its clients. The procurement of tangible assets and goods is only secondary. LUKB's regular purchases comprise primarily paper and office supplies. After energy consumption, LUKB's use of paper is of second-greatest relevance environmentally. LUKB is taking a range of measures to guide employee and client behaviours to steadily reduce the volume of paper the Bank consumes.

For further information, please refer to ['Procurement and waste disposal'](#) in the ['Other topics'](#) section.

Action Area 4: Climate-friendly mobility

Measure 4.1: Climate-friendly mobility for business travel

LUKB does most of its business in the Lucerne economic region. It therefore has little need for long-distance travel, except for couriers and business trips mainly within central Switzerland.

Air travel plays a negligible role at LUKB: In 2025, air travel came to approx. 22,400 kilometres (previous year: approx. 11,000). The distances travelled mainly involved a business trip to East Asia. As in the previous year, the CO₂ emissions of the reported kilometres travelled were fully compensated.

Status as at 31 December 2025:

- The internal expense policy follows the principle of keeping expenses for business-related travel as low as possible and within budget.
- LUKB employees are already able to order paperless single and multiple-trip tickets for travel on public transport digitally via the SBB Mobile portal. Costs are directly allocated to the individual divisions.
- Business travel by car is recorded centrally. LUKB has taken measures (such as the promotion of video conferences) to reduce the number of trips and kilometres covered.
- Any air travel must be approved centrally by LUKB Human Resources. As a rule, CO₂ emissions from approved flights will be fully offset.
- Mobility sharing schemes are available at a number of locations, such as head office in Lucerne or at Dreiklang in Sursee, and include nextbike cycle hire, and car-sharing from Mobility and Share Birrer in Sursee.

LUKB also creates incentives for customer appointments to be as climate-friendly as possible. Bank clients want an individual service, including personal meetings with an advisor. LUKB has a range of measures in place to ensure that it can accommodate specific client needs.

Status as at 31 December 2025:

- As part of its digitalisation strategy, LUKB now offers its clients a videoconferencing option as standard for meetings.
- LUKB is continually expanding its online offers, including mobile services. The aim is for clients to be able to do their day-to-day banking independently 24/7, regardless of their location, and have their often more complex needs discussed in face-to-face meetings.

Measure 4.2: Climate-friendly mobility options for commuting

In 2024, LUKB conducted a mobility survey among all employees. The survey results formed the basis for calculating the GHG emissions from commuting (see the table above on Scope 3 emissions in the 'Scope 3 greenhouse gas emissions') section and for further internal analyses. LUKB will continue to conduct such surveys regularly, the next time in 2026, and will decide on further measures if necessary.

Status as at 31 December 2025:

- LUKB encourages its employees to use public transport to commute to work. It therefore contributes towards annual season tickets each year. As an employer, it paid 138,600 Swiss francs to promote public transport use in 2025 (previous year: approx. 124,000 Swiss francs). See table below.
- Employee parking is reviewed periodically with respect to local facilities. There is a limited number of parking spaces in the city of Lucerne and the surrounding area. The availability of parking spaces is one way in which LUKB can directly influence its employees' mobility.
- Progressive rules apply to working from home and remote working.
- Employees can use the internal staff restaurant or eat at subsidised local venues. This reduces the need for mobility at mealtimes.
- LUKB supports its employees with very attractive offers from Reka. The maximum amount depends on the person's marital status and/or on the number of children.
- Within the limits of the available capacity, LUKB provides its employees with free cycle and motorcycle parking spaces that are covered wherever possible.
- With more than 100 employees, LUKB took part in the 'bike to work' programme and the 'Luzernmobil Challenge 2025' in 2025.

Spending on encouraging public transport usage	Unit	2023	2024	2025
Promotion of public transport to commute to work				
Number of staff who received a public transport subsidy	Number	428	423	504
Public transport subsidy for staff	CHF	116,100	124,000	138,600
Environmental benefit of using public transport - business travel and commuting ¹⁾				
CO ₂ savings (in tonnes of CO ₂ equivalents)	tCO ₂ e	421	490	n. a.
Energy savings (in gigajoules)	GJ	8,177	9,512	n. a.
Environmental benefit of using public transport - business travel only ²⁾				
CO ₂ savings (in tonnes of CO ₂ equivalents)	tCO ₂ e	19	24	30

¹⁾ Source: SBB emissions reports 2023 and 2024. The two figures for 2025 are no longer available in the SBB emissions report 2025. Reason: Change in the report content by the SBB.

²⁾ Source: SBB emissions reports 2023 to 2025

Action Area 5: Investment and lending policies, as well as advisory services and products, that factor in environmental criteria

As a key player in the lending and investment business, including property finance, LUKB is aware of the significant influence it has on climate protection in its economic region. It therefore aims to address the interests of the environment as well as of its stakeholders. LUKB reports on its principles, objectives and measures in the [‘Investment business’](#) and [‘Lending business’](#) sections.

LUKB also uses sustainability principles when managing its financial investments. Further information can be found under [‘Sustainability principles for managing financial investments’](#) in the [‘Other topics’](#) section.

Action Area 6: Training and awareness-raising for employees

Please refer to [‘Sustainability training’](#) in the [‘Employer responsibility and attractiveness’](#) section for more details.

Other topics

Sustainability principles for managing financial investments

LUKB also applies sustainability principles when managing financial assets. Besides liquidity, profitability and security objectives, the investment process considers ecological and social aspects as well as environmental, social and governance (ESG) criteria. This is based on the internal sustainability ratings of LUKB's financial analysis, which takes account of the ESG rating, exclusion criteria, business conduct, climate and effect factors for individual securities. The sustainability criteria of the LUKB financial analysis also apply to collective financial investments. Further information on how that is done can be found in the ['Investment business'](#) section.

Investments in individual securities or collective investments with an unsatisfactory sustainability rating must be justified internally by the CFO (reported to the Risk Function and the Sustainability Office) and reported regularly to the Executive Board. In addition, such investments are strictly limited under the risk policy.

Issue of sustainability-related bonds in the capital market sector

In 2025, LUKB supported joint lead mandates for the issue of green bonds totalling 395 million Swiss francs:

- 0.74 % Crédit Agricole next bank (Suisse) S.A., tenor until 24 January 2028, volume 100 million Swiss francs (ISIN CH1383924722)
- 1.35 % Mobimo Holding AG, tenor until 28 March 2031, volume 120 million Swiss francs (ISIN CH1405472056)
- 1.10 % Mobimo Holding AG, tenor until 27 August 2032, volume 175 million Swiss francs (ISIN CH1471403787)

In the previous year, LUKB participated in issuing five green bonds in the amount of 817 million Swiss francs and one sustainable bond in the amount of 145 million Swiss francs. The year-on-year decline is attributable to the drop in the general issuing of green and sustainable bonds on the Swiss capital market in 2025.

Procurement and waste disposal

LUKB aims for lasting improvements in the environment-related aspects of banking operations, such as energy, paper and water consumption, and waste generation. It attaches particular importance to a sustainable procurement and waste disposal policy, the aim being to conserve resources:

- Primary aim: avoid consumption
- Secondary aim: reduce consumption

By observing sustainability requirements when procuring products and services, LUKB aims to directly and indirectly promote environmentally friendly and socially responsible value chains.

The following overarching principles apply to all LUKB procurement processes:

- Cost-effectiveness
- Social compatibility, including respect for human rights
- Environmental compatibility
- Transparency and partnership
- Business integrity and ethics
- Product-specific requirements

The product-specific requirements (i.e. the specific procurement criteria for the relevant product groups) are laid out in the directive on sustainable procurement. A key component of this directive is the [Supplier Code](#)¹⁾. Further information can be found in the 'Relations with suppliers and partners' section.

¹⁾ <https://www.lukb.ch/ueber-uns/english-window>

Consumption of supplies

LUKB focuses primarily on providing banking services and products to its clients. Procurement of physical goods is therefore of minor importance. LUKB's regular purchases are primarily paper and office supplies. After energy consumption, LUKB's use of paper is of second-greatest relevance environmentally. LUKB aims to help employees and clients to steadily reduce the consumption of paper. It also makes an effort to use 'clean' paper (chlorine-free with the FSC label) as often as possible and to keep printing carbon-neutral.

At the start of 2021, LUKB set itself the goal of reducing paper consumption to 50 tonnes by 2025 and reducing keeping envelope use to 2 million.

The paper consumption target of 50 metric tons was reached in the 2024 financial year. In 2025, however, consumption - measured in terms of the volume of paper purchased - was above the target, as the inventories built up during the COVID pandemic had been depleted by 2024 and additional amounts had to be purchased during the reporting year.

The target of keeping envelope consumption to 2 million units was nevertheless reached. LUKB was able to further reduce its consumption significantly in the past financial year, supported by the decision to no longer send annual reports by post.

Despite a marked increase in business volume, LUKB now uses 66 % less paper and 64 % fewer envelopes than in 2010.

	Unit	2023	2024	2025	Change in % on previous year
Paper use	tonnes	53.6	48.7	75.3	55 %
Use for notifications/statements	tonnes	23.7	20.1	20.2	1 %
Other usage ¹⁾	tonnes	29.8	28.6	55.1	93 %
Envelope use	1 000s	1,933	1,878	1,612	- 14 %
Use for notifications/statements	1 000s	1,421	1,245	1,189	- 4 %
Other usage ²⁾	1 000s	512	633	423	- 33 %

¹⁾ Copy paper and other note paper

²⁾ Envelopes for mailings

LUKB will set new targets for paper and envelope consumption in the course of the 2026 financial year.

Total consumption, including paper and envelopes for publications, is shown in the table below. The decision to stop printing annual reports as of 2025 has significantly reduced paper consumption (under 'Other consumption').

The proportion of recycled paper used is 74 % for paper and 87 % for envelopes.

	Unit	2024	2025	Change in % on previous year
Total paper use (GRI 301-1)	tonnes	100.2	77.9	- 22 %
Use for notifications/statements	tonnes	20.1	20.2	1 %
Other usage ¹⁾	tonnes	80.1	57.7	- 28 %
Share of standard paper	%	13 %	18 %	
Share of recycled paper (GRI 301-2)	%	76 %	74 %	
Share of FSC paper	%	11 %	8 %	
Total envelope use (GRI 301-1)	1 000s	1,899	1,728	- 9 %
Use for notifications/statements	1 000s	1,245	1,189	- 4 %
Other usage ²⁾	1 000s	654	539	- 18 %
Share of standard paper	%	0 %	1 %	
Share of recycled paper (GRI 301-2)	%	81 %	87 %	
Share of FSC paper	%	19 %	12 %	

In addition: consumption of shrink-wrap for the dispatch of a periodical publication totaling around 25 kilograms in the course of the 2025 financial year (previous year: approx. 38 kilograms)

¹⁾ Copy paper, other note paper and paper for publications

²⁾ Envelopes for mailings and for sending publications

Waste

Digitalisation has enabled LUKB to significantly reduce its volume of waste, particularly since 2018. Waste paper consists mainly of newspapers, printed material that is no longer required, and internal printer paper. The highest security standards apply during waste disposal. LUKB aims to recycle a large proportion of its waste (e.g. paper, cardboard, PET, electronic waste) and keep the volume of waste low. Since 2010, the volume of waste per employee has decreased by 51 % or 107 kilograms. The target of 100 kg of waste per employee by 2025 set at the start of 2021 could not be fully met.

	Unit	2023	2024	2025	Change in % on previous year
Total waste generated (GRI 306-3)	tonnes	118	140	131	- 6 %
Waste for recycling (paper, cardboard, PET, electronic waste, etc.) (GRI 306-4) ¹⁾	tonnes	72	91	81	- 11 %
Waste for incineration (residual waste) (GRI 306-5) ²⁾	tonnes	46	49	50	2 %
Waste sent to landfill (GRI 306-5)	tonnes	0	0	0	n. a.
Special waste (batteries etc.) (GRI 306-5)	tonnes	0	0	0	n. a.
Recycling rate	%	61 %	65 %	62 %	
Number of employees (annual average, full-time equivalents)	FTE ³⁾	1,106.4	1,160.0	1,191.7	
Waste per employee	kg/FTE	107	121	110	- 9 %
Waste for recycling (paper, cardboard, PET, electronic waste, etc.)	kg/FTE	65	78	68	- 13 %
Waste for incineration (residual waste)	kg/FTE	42	42	42	- 1 %
Waste sent to landfill	kg/FTE	0	0	0	n. a.
Special waste (batteries etc.)	kg/FTE	0	0	0	n. a.

¹⁾ Restatement of the prior year figures for 2023 and 2024 following review of the detailed accounts as part of internal controls during the reporting process for the 2025 Sustainability Report.

²⁾ Restatement of the prior year figure for 2024 following review of the detailed accounts as part of internal controls during the reporting process for the 2025 Sustainability Report.

³⁾ Full-time Equivalents, FTE

In the course of the 2026 financial year, LUKB will analyse the trend in waste generation, introduce further measures as needed and set new targets for waste generation for the coming years.

Water

LUKB uses water primarily for sanitary facilities, cleaning and irrigating plants and lawns. Water is also required for heat pumps. Some locations use energy from lakes for heating and cooling. This takes place in a closed loop, and heat and cold extraction takes place by means of heat exchangers. LUKB obtains the water from the municipality in which the building is located. Its operational effluents are discharged to the wastewater treatment plants (WTPs) via the municipal drainage system. Apart from the water used in the buildings, LUKB does not discharge any other effluents.

Water consumption per full-time equivalent remained virtually unchanged compared to the previous year.

	Unit	2023	2024	2025	Change in % on previous year
Total water consumption (GRI 303-5)	m³	7,547	7,988	8,247	3 %
Share of drinking water	%	100 %	100 %	100 %	
Number of employees (annual average, full-time equivalents)	FTEs ¹⁾	1,106.4	1,160.0	1,191.7	
Water consumption per employee	m³/FTE	6.8	6.9	6.9	0 %

¹⁾ Full-time Equivalents, FTE

Energy

Details on the purchase and consumption of energy can be found in the '[Greenhouse gas emissions and climate protection](#)' section.

Transparency on minerals and metals from conflict-affected areas and child labour

Under Article 964j para. 1 CO, companies whose head office or principal place of business is in Switzerland must comply with and report on their due diligence obligations in their supply chains if they:

1. Process or place in free circulation in Switzerland minerals containing tin, tantalum, tungsten or gold or metals from conflict-affected and high-risk areas; or
2. Offer products or services that can reasonably be suspected to have been made or procured using child labour.

Minerals and metals from conflict-affected areas (Art. 964j para. 1 no. 1 CO)

The corresponding requirements under the CO do not apply to LUKB because it does not import or process minerals or metals from conflict-affected or high-risk areas. LUKB purchases precious metals such as gold and silver exclusively from domestic, FINMA-regulated financial institutions which themselves comply with the regulatory requirements. For more information, please refer to [‘Responsible and traceable gold’](#) in the [‘Investment business’](#) section.

Child labour (Art. 964j para. 1 no. 2 CO)

The Swiss Code of Obligations requires companies to assess, as part of the procurement process, whether child labour might have played a part in supply chains. LUKB has defined procurement criteria for more sustainable products, in particular for promotional items and client gifts, which its local suppliers must comply with. When selecting products, LUKB usually chooses a manufacturer from Switzerland, the EU or the EEA. This enables it to theoretically reduce the risk of a breach of the ban on child labour in a product's supply chain. For all items produced in a country on the list of the Bureau of International Labor Affairs (United States Department of Labor), LUKB confirms annually during purchasing that such items were not made using child labour. The most recent review for 2025 revealed that no such items were purchased.

For more information on working with suppliers and partners, see the [‘Relations with suppliers and partners’](#) section.

Risk assessment in accordance with the Swiss Code of Obligations (CO)

LUKB regularly carries out an appropriate assessment of all types of risk across the Group. This includes sustainability risks, which comprise potential incidents relating to environmental, social and employee matters and corporate governance. It also includes risks associated with respect for human rights and combating corruption.

LUKB does not treat sustainability risks as a standalone risk category, but as a driver of default, market, liquidity, operational, compliance, strategic and reputational risks.

The assessment incorporates both risks from its own business operations and its own products and services, as well as those that might arise in the LUKB value chain.

Systematic risk management enables LUKB to identify and manage risks at an early stage. This can have a positive impact on the Bank's earnings, financial stability and reputation, while also building trust among its different stakeholders.

The section entitled '[Risk management](#)' in the notes to the Group financial report contains further information on the risk policy, the organisation and governance of risk management, the individual risk categories and how risks are handled.

LUKB's approaches and measures to respect human rights and combat corruption are described in the '[Business ethics and compliance](#)' section.

This Sustainability Report also includes reporting on climate-related risks and opportunities in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). LUKB is thus implementing the requirements of the Federal Council's Ordinance on Climate Disclosures. Information on the four areas of governance, strategy, risk management as well as key figures and targets can be found in the '[Managing sustainability](#)' and '[Greenhouse gas emissions and climate protection](#)' sections. In the latter, LUKB describes in detail the climate risks it has identified and how it is handling them. As a basis for this, LUKB has incorporated climate-related risks into its Group-wide risk management. There are various basic supporting documents for this purpose that define the organisational, methodological and procedural approach as well as the governance for managing climate-related risks. In order to identify and assess the impacts of climate risks on existing risk categories, LUKB maintains a risk inventory of climate risks and has carried out further quantitative scenario analyses for the risks of a flood event or a significant increase in CO₂ emissions.

Based on its Group-wide risk assessment, LUKB classifies its sustainability risks as at 31 December 2025 with regard to environmental, social and employee matters, as well as respect for human rights and combating corruption, as insignificant overall.

LUKB pursues a long-term business policy aimed at creating a high degree of value for the people and economy of the Canton of Lucerne. As the market leader in the Lucerne economic region and a major employer, LUKB is conscious of its special responsibility and fulfils it actively, holistically and in a future-oriented manner. LUKB always ensures a balanced relationship between risk and return, and manages risk actively.

At LUKB, lending policy and activities are traditionally concentrated on Swiss-domiciled clients and primarily on the Lucerne economic region. Compliance with ethical and environmental principles is a prerequisite when LUKB lends to clients. Sustainability criteria that must be adhered to throughout the Group for all new on-balance-sheet and off-balance-sheet lending transactions apply to lending. Further information on the principles and criteria applied can be found in the [‘Lending business’](#) section.

In LUKB's asset management business, investment funds and standard asset management mandates are managed according to a sustainable approach. Investment advice takes sustainability preferences into account. Further information can be found in the [‘Investment business’](#) section.

Sustainability criteria and the use of regional suppliers and partners where possible are also considered when purchasing products and services. Further information can be found in the [‘Relations with suppliers and partners’](#) and [‘Other topics’](#) sections.

In its risk management, risk monitoring and compliance management, LUKB adheres to strict and clearly defined requirements for internal controls and due diligence checks (see in particular the [‘Business ethics and compliance’](#) section of this Sustainability Report and the [‘Risk management’](#) section of the Group Financial Report).

About this Sustainability Report

Reporting standards

As was also the case in the previous year, LUKB has prepared its 2025 Sustainability Report in accordance with the **GRI standards** (see '[GRI index](#)').

The Sustainability Report also once again complies with the legal requirements of the Swiss Code of Obligations (CO) on non-financial reporting (Art. 964a to c CO) as well as the provisions set out in the Ordinance on Climate Disclosures.

In accordance with Article 2 of the Ordinance on Climate Disclosures, LUKB continues to follow the **recommendations of the former Task Force on Climate-related Financial Disclosures (TCFD)**; see '[Report on non-financial matters](#)'.

As stipulated in Articles 4 and 5 of this ordinance, LUKB has also published the report sections on climate disclosures in a machine-readable, internationally recognised electronic format for the first time. In the absence of specific requirements and standards for Switzerland, the implementation of the machine readability requirement was based on elements of the XBRL taxonomy proposed by EFRAG for the European Sustainability Reporting Standards (ESRS)¹⁾. The corresponding [iXBRL file](#)²⁾ is available on the LUKB website.

¹⁾ <https://www.efrag.org>

²⁾ <https://www.lukb.ch/ueber-uns/investoren/berichte-praesentationen> (in German)

Period covered and frequency of reporting

Unless stated otherwise, all information refers to the period from 1 January to 31 December 2025 or the balance sheet date of 31 December 2025. The reporting period therefore corresponds to that of the Annual Report, including the Group and parent company financial reports.

The report is published annually.

The Sustainability Report forms part of the 2025 Annual Report published on 20 March 2026. LUKB's separate 2025 Disclosure Report also contains the information required by FINMA Circular 2016/01 'Disclosure - banks'.

These reports are available in German and English; the reports in English are translations of the original German version and are for information purposes only. In the event of discrepancies or ambiguities between the English and German versions, the German version takes precedence.

System limits

The 2025 Sustainability Report covers the entire LUKB Group. As of 31 December 2025, it comprises the following companies: Luzerner Kantonalbank AG (LUKB parent company) and LUKB Expert Fondsleitung AG. These companies form the scope of consolidation of the Group Financial Report and the Sustainability Report. Refinum AG ceased operating activities in 2024 and was integrated into the parent company in the course of 2025 as part of an absorption merger.

The parent company Luzerner Kantonalbank AG, headquartered at Pilatusstrasse 12 in 6003 Lucerne, is a public limited company under private law and is listed on the SIX Swiss Exchange (Valor: 125 293 061, ISIN number: CH1252930610).

The subsidiary LUKB Expert Fondsleitung AG is fully consolidated in the Sustainability Report, in line with the Group Financial Report.

Unless stated otherwise, the figures published in the Sustainability Report always refer to the entire Group.

The report was prepared taking into account the principle of materiality in relation to the topics and expectations of the various stakeholders.

Corrections and restatements of information

- GRI 404 Training and education: Correction of the number of training and education days (see [the 'Training and education' table in 'Other key figures' in the 'Employer responsibility and attractiveness' section](#))
- GRI 305 Emissions: Correction of location-based Scope 2 emissions in 2024 based on the actual electricity bill for a property (see ['Scope 1 and Scope 2 GHG emissions' in the 'Greenhouse gas emissions and climate protection' section](#))
- GRI 302 Energy: Correction of thermal energy consumption in 2024 based on the actual billing for a property (see [Section 'Greenhouse gas emissions and climate protection', subsection 'Action Area 2.1: Energy savings'](#))
- GRI 306 Waste: Restatement of the previous year's figures for recycling and incineration waste (see ['Waste' in the 'Procurement and waste disposal' subsection of the 'Other topics' section](#))

External audit

The 2025 Sustainability Report was not audited externally.

The Financial Reports of the Group and the parent company were audited by the external audit firm PricewaterhouseCoopers AG (see 2025 Annual Report, [‘Report of the statutory auditor on the consolidated financial statements’](#) and [‘Report of the statutory auditor on the financial statements of the parent company’](#)).

Contact

Luzerner Kantonalbank AG
Erich Felder
Head of the Sustainability Office
nachhaltigkeit@lukb.ch

2025 report on non-financial matters pursuant to Articles 964a to c of the Swiss Code of Obligations

In this 2025 Sustainability and Annual Report, LUKB publishes the report on non-financial matters in accordance with the requirements of **Articles 964a to c of the Swiss Code of Obligations (CO)**. Non-financial matters include environmental, social and employee-related topics, as well as respect for human rights and the fight against corruption.

As part of its reporting on environmental matters, LUKB examines in detail climate matters based on the legal provisions of the **Ordinance on Climate Disclosures** and the **recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)**.

CO index

The following table shows the sections in LUKB's 2025 Sustainability Report and Annual Report with information pursuant to Articles 964a to c of the Swiss Code of Obligations (CO).

Provision in the Swiss Code of Obligations		Sections in the Annual Report and Sustainability Report 2025
The report on non-financial matters provides an account of ...		
Art. 964b para. 1	... environmental matters , in particular the CO ₂ goals	<ul style="list-style-type: none"> Principles: Commitment to responsible action Managing sustainability Approach and areas of focus Investment business Lending business Relations with suppliers and partners Greenhouse gas emissions and climate protection Other topics Procurement and waste disposal Risk assessment in accordance with the Swiss Code of Obligations (CO)
Art. 964b para. 1	... social issues	<ul style="list-style-type: none"> Principles: Commitment to responsible action Managing sustainability Approach and areas of focus Client satisfaction Economic performance and shareholder value Digitalisation, information security, data protection and privacy Business ethics and compliance Investment business Lending business Commitment to the region Relations with suppliers and partners Other topics Procurement and waste disposal

Provision in the Swiss Code of Obligations		Sections in the Annual Report and Sustainability Report 2025
		disposal Risk assessment in accordance with the Swiss Code of Obligations (CO)
Art. 964b para. 1	... employee-related issues	Principles: Commitment to responsible action Managing sustainability Approach and areas of focus Digitalisation, information security, data protection and privacy Business ethics and compliance Employer responsibility and attractiveness Commitment to the region Risk assessment in accordance with the Swiss Code of Obligations (CO)
Art. 964b para. 1	... respect for human rights	Principles: Commitment to responsible action Managing sustainability Approach and areas of focus Digitalisation, information security, data protection and privacy Business ethics and compliance Investment business Lending business Relations with suppliers and partners Other topics Procurement and waste disposal Risk assessment in accordance with the Swiss Code of Obligations (CO)
Art. 964b para. 1	... combating corruption	Principles: Commitment to responsible action Managing sustainability Approach and areas of focus Business ethics and compliance Investment business Lending business Relations with suppliers and partners Other topics Procurement and waste disposal Risk assessment in accordance with the Swiss Code of Obligations (CO)
The report contains the information required to understand ...		
Art. 964b para. 1	... business performance	Annual Report Annual review Annual Report Group Financial Report Annual Report Financial Report of the Parent Company
Art. 964b para. 1	... the business result	Annual Report Annual review Annual Report Group Financial Report Annual Report Financial Report of the Parent Company
Art. 964b para. 1	... the state of the undertaking	Annual Report Annual review Annual Report Group Financial Report Annual Report Financial Report of the Parent Company
Art. 964b para. 1	... the effects of its activity on environmental matters	See the sections listed above in connection with environmental matters
Art. 964b para. 1	... the effects of its activity on social issues	See the sections listed above in connection with social matters
Art. 964b para. 1	... the effects of its activity on employee-related issues	See the sections listed above in connection with employee-related matters
Art. 964b para. 1	... the effects of its activity on respect for human rights	See the sections listed above in connection with respect for human rights

Provision in the Swiss Code of Obligations

Art. 964b para. 1 ... the effects of its activity on **combating corruption**

**Sections in the Annual Report and
Sustainability Report 2025**

See the chapters listed above in connection
with combating corruption

Provision in the Swiss Code of Obligations		Sections in the Annual Report and Sustainability Report 2025
The report includes in particular ...		
Art. 964b para. 2.1	... a description of the business model	Annual Report About LUKB Business model and strategy Annual Report About LUKB LUKB share Annual Report Annual review Annual review Annual Report Annual review Future prospects Principles: Commitment to responsible action Managing sustainability Approach and areas of focus Client satisfaction Economic performance and shareholder value Digitalisation, information security, data protection and privacy Business ethics and compliance Investment business Lending business Commitment to the region Relations with suppliers and partners
Art. 964b para. 2.2	... a description of the policies adopted in relation to environmental matters as referred to in paragraph 1, including the due diligence applied	Principles: Commitment to responsible action Managing sustainability Approach and areas of focus Investment business Lending business Greenhouse gas emissions and climate protection Other topics Procurement and waste disposal Risk assessment in accordance with the Swiss Code of Obligations (CO)
Art. 964b para. 2.2	... a description of the policies adopted in relation to social issues as referred to in paragraph 1, including the due diligence applied	Principles: Commitment to responsible action Managing sustainability Approach and areas of focus Digitalisation, information security, data protection and privacy Business ethics and compliance Investment business Lending business Commitment to the region Relations with suppliers and partners Risk assessment in accordance with the Swiss Code of Obligations (CO)
Art. 964b para. 2.2	... a description of the policies adopted in relation to employee-related issues as referred to in paragraph 1, including the due diligence applied	Principles: Commitment to responsible action Managing sustainability Approach and areas of focus Digitalisation, information security, data protection and privacy Business ethics and compliance Employer responsibility and attractiveness Relations with suppliers and partners Other topics Procurement and waste disposal Risk assessment in accordance with the Swiss Code of Obligations (CO)

Provision in the Swiss Code of Obligations		Sections in the Annual Report and Sustainability Report 2025
Art. 964b para. 2.2	... a description of the policies adopted in relation to respect for human rights as referred to in paragraph 1, including the due diligence applied	<p>Principles: Commitment to responsible action</p> <p>Managing sustainability</p> <p>Approach and areas of focus</p> <p>Digitalisation, information security, data protection and privacy</p> <p>Business ethics and compliance</p> <p>Employer responsibility and attractiveness</p> <p>Relations with suppliers and partners</p> <p>Other topics Procurement and waste disposal</p> <p>Risk assessment in accordance with the Swiss Code of Obligations (CO)</p>
Art. 964b para. 2.2	... a description of the policies adopted in relation to combating corruption as referred to in paragraph 1, including the due diligence applied	<p>Principles: Commitment to responsible action</p> <p>Managing sustainability</p> <p>Approach and areas of focus</p> <p>Business ethics and compliance</p> <p>Investment business</p> <p>Lending business</p> <p>Employer responsibility and attractiveness</p> <p>Relations with suppliers and partners</p> <p>Other topics Procurement and waste disposal</p> <p>Risk assessment in accordance with the Swiss Code of Obligations (CO)</p>
Art. 964b para. 2.3	... a presentation of the measures taken to implement these policies and and an assessment of the effectiveness of these measures in relation to environmental matters	<p>Principles: Commitment to responsible action</p> <p>Managing sustainability</p> <p>Approach and areas of focus</p> <p>Investment business</p> <p>Lending business</p> <p>Greenhouse gas emissions and climate protection</p> <p>Other topics Procurement and waste disposal</p> <p>Risk assessment in accordance with the Swiss Code of Obligations (CO)</p>
Art. 964b para. 2.3	... a presentation of the measures taken to implement these policies and and an assessment of the effectiveness of these measures in relation to social issues	<p>Principles: Commitment to responsible action</p> <p>Managing sustainability</p> <p>Approach and areas of focus</p> <p>Digitalisation, information security, data protection and privacy</p> <p>Business ethics and compliance</p> <p>Investment business</p> <p>Lending business</p> <p>Commitment to the region</p> <p>Relations with suppliers and partners</p> <p>Risk assessment in accordance with the Swiss Code of Obligations (CO)</p>
Art. 964b para. 2.3	... a presentation of the measures taken to implement these policies and and an assessment of the effectiveness of these measures in relation to employee-related issues	<p>Principles: Commitment to responsible action</p> <p>Managing sustainability</p> <p>Approach and areas of focus</p> <p>Digitalisation, information security, data protection and privacy</p> <p>Business ethics and compliance</p> <p>Employer responsibility and attractiveness</p> <p>Relations with suppliers and partners</p> <p>Other topics Procurement and waste disposal</p> <p>Risk assessment in accordance with the Swiss Code of Obligations (CO)</p> <p>Annual Report Compensation Report</p>

Provision in the Swiss Code of Obligations		Sections in the Annual Report and Sustainability Report 2025
Art. 964b para. 2.3	... a presentation of the measures taken to implement these policies and an assessment of the effectiveness of these measures in relation to respect for human rights	Principles: Commitment to responsible action Managing sustainability Approach and areas of focus Digitalisation, information security, data protection and privacy Business ethics and compliance Employer responsibility and attractiveness Relations with suppliers and partners Other topics Procurement and waste disposal Risk assessment in accordance with the Swiss Code of Obligations (CO)
Art. 964b para. 2.3	... a presentation of the measures taken to implement these policies and an assessment of the effectiveness of these measures in relation to combating corruption	Principles: Commitment to responsible action Managing sustainability Approach and areas of focus Business ethics and compliance Employer responsibility and attractiveness Relations with suppliers and partners Other topics Procurement and waste disposal Risk assessment in accordance with the Swiss Code of Obligations (CO)
Art. 964b para. 2.4	... a description of the main risks related to the matters referred to in paragraph 1 and how the undertaking is dealing with these risks. In particular, it shall cover risks: - a. that arise from the undertaking's own business operations, and - b. provided this is relevant and proportionate, that arise from its business relationships, products or services	Risk assessment in accordance with the Swiss Code of Obligations (CO) Annual Report Group Financial Report Consolidated notes
Art. 964b para. 2.5	... the main performance indicators for the undertaking's activities in relation to environmental matters	Investment business Lending business Greenhouse gas emissions and climate protection Other topics Procurement and waste disposal Risk assessment in accordance with the Swiss Code of Obligations (CO)
Art. 964b para. 2.5	... the main performance indicators for the undertaking's activities in relation to social issues	Investment business Lending business Commitment to the region Relations with suppliers and partners Risk assessment in accordance with the Swiss Code of Obligations (CO)
Art. 964b para. 2.5	... the main performance indicators for the undertaking's activities in relation to employee-related issues	Employer responsibility and attractiveness Relations with suppliers and partners Risk assessment in accordance with the Swiss Code of Obligations (CO) Annual Report Compensation Report
Art. 964b para. 2.5	... the main performance indicators for the undertaking's activities in relation to respect for human rights	Digitalisation, information security, data protection and privacy Business ethics and compliance Investment business Lending business Employer responsibility and attractiveness Relations with suppliers and partners Other topics Procurement and waste disposal Risk assessment in accordance with the Swiss Code of Obligations (CO)
Art. 964b para. 2.5	... the main performance indicators for the undertaking's activities in relation to combating corruption	Business ethics and compliance Investment business Lending business Employer responsibility and attractiveness

Provision in the Swiss Code of Obligations

Sections in the Annual Report and
Sustainability Report 2025

Relations with suppliers and partners
Other topics | Procurement and waste
disposal

Risk assessment in accordance with the Swiss
Code of Obligations (CO)

Climate reporting/TCFD index

The table below shows the sections of LUKB's 2025 Sustainability Report and Annual Report with information pursuant to the requirements of the Ordinance on Climate Disclosures and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Provision in the Ordinance on Climate Disclosures		Section in the 2025 Annual Report and Sustainability Report ²⁾
The climate disclosures, which are based on 'Recommendations of the Task Force on Climate-related Financial Disclosures', June 2017 version, and the annex 'Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures', October 2021 version, consist of implementing the recommendations on the following topics in particular:		
Art. 3 para. 1 lit. a	Governance	See information on governance below
Art. 3 para. 1 lit. b	Strategy	See information on strategy below
Art. 3 para. 1 lit. c	Risk management	See information on risk management below
Art. 3 para. 1 lit. d	Metrics and targets	See information on metrics and targets below
Implementation of the recommendations pursuant to Art. 3 para. 1 lit. b (strategy) includes in particular ...		
Art. 3 para. 3 lit. a	... a transition plan that is comparable with Switzerland's climate targets	Climate targets Climate strategy/climate transition plan
Art. 3 para. 3 lit. b	... where possible and appropriate disclosures in quantitative form and disclosure of the basic assumptions needed for comparability and the methods and standards used	Greenhouse gas emissions and climate protection
Where possible and appropriate, implementation of the recommendations pursuant to Art. 3 para. 1 lit. d (metrics and targets) includes in particular ...		
Art. 3 para. 4 lit. a	... quantitative CO₂ targets and, where applicable, targets for other greenhouse gases	Climate targets Climate strategy/climate transition plan
Art. 3 para. 4 lit. b	... disclosure of all greenhouse gas emissions	Scope 1 and Scope 2 GHG emissions Scope 3 greenhouse gas emissions Scope 3 greenhouse gas emissions - financed emissions
Art. 3 para. 4 lit. c	... disclosures in quantitative form and disclosure of the basic assumptions needed for comparability and the methods and standards used	Scope 1 and Scope 2 GHG emissions Scope 3 greenhouse gas emissions Scope 3 greenhouse gas emissions - financed emissions Climate strategy/climate transition plan
Art. 3 para. 5	Consideration of the sector-specific guidance for financial institutions when implementing the recommendation under Art. 3 para. 1 lit. d includes forward-looking, scenario-based climate compatibility analyses .	Climate compatibility tests Climate-related risks
Art. 3 para. 6	The effectiveness of the measures taken by the company on climate matters can be demonstrated by means of a qualitative or quantitative overall assessment .	Scope 1 and Scope 2 GHG emissions Scope 3 greenhouse gas emissions Scope 3 greenhouse gas emissions - financed emissions Energy savings Environmental benefit of using public transport

Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) **Section in the 2025 Annual Report and Sustainability Report¹⁾**

The TCFD recommends the following main content:

Governance		
Recommendations p. 19, a. Governance, disclosure a)	Board of Directors oversight of climate-related risks and opportunities	Managing sustainability Board of Directors Managing sustainability Committees of the Board of Directors Managing sustainability Reporting
Recommendations p. 19, a. Governance, disclosure b)	Role of the Executive Board in assessing and managing climate-related risks and opportunities	Managing sustainability Executive Board Managing sustainability Reporting
Strategy		
Recommendations p. 20, b. Strategy, disclosure a)	Climate-related risks and opportunities the organisation has identified over the short, medium and long term	Risks and opportunities
Recommendations p. 20, b. Strategy, disclosure b)	Impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	Risks and opportunities
Recommendations p. 21, b. Strategy, disclosure c)	Resilience of the strategy to different climate scenarios (including 2°C or lower scenario)	Risks and opportunities
Risk management		
Recommendations p. 21, c. Risk management, disclosure a)	The organisation's processes for identifying and assessing climate-related risks	Climate risk management
Recommendations p. 21, c. Risk management, disclosure b)	Organisation's processes for managing climate-related risks	Climate risk management
Recommendations p. 22, c. Risk management, disclosure c)	How processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Climate risk management Managing sustainability Risk Control Managing sustainability Reporting

The TCFD also recommends the following disclosures:

Metrics and targets		
Recommendations p. 22, d. Metrics and targets, disclosure a)	Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Scope 1 and Scope 2 GHG emissions Scope 3 greenhouse gas emissions Scope 3 greenhouse gas emissions - financed emissions Risks and opportunities
Recommendations p. 22, d. Metrics and targets, disclosure b)	Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas emissions and the related risks	Scope 1 and Scope 2 GHG emissions Scope 3 greenhouse gas emissions Scope 3 greenhouse gas emissions - financed emissions Risks and opportunities
Recommendations p. 22, d. Metrics and targets, disclosure c)	Targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Climate targets Climate strategy/climate transition plan

¹⁾ Unless otherwise stated, the information refers to the 'Greenhouse gas emissions and climate protection' section in this Sustainability Report.

GRI index

LUKB once again prepared its Sustainability Report for the 2025 financial year in accordance with Global Reporting Initiative (GRI) standards. The GRI standards are the world's most widely used sustainability reporting standards across different industries.

The table below shows the sections of the 2025 Sustainability Report and Annual Report and other publicly available LUKB documents in which the report content in accordance with the GRI standards can be found.

GRI 1: Foundation 2021

GRI standard	Disclosure	Location	Additional comments and omissions
1 (R7-R8)	Statement of use	About this Sustainability Report Reporting standards About this Sustainability Report Period covered and frequency of reporting	LUKB has reported in accordance with the GRI Standards for the period from 1 January 2025 to 31 December 2025.
1 (R7)	GRI 1 used		GRI 1: Foundation 2021
1 (R7)	Applicable GRI sector standards		None
1 (R7)	List of material topics	Approach and areas of focus	LUKB has identified the following topics as material: <ul style="list-style-type: none"> - Customer satisfaction - Economic performance and shareholder value - Digitisation, information security, data protection and privacy - Business ethics and compliance - Investing: Investment policy, advice, and products - Lending: Credit policy, advice, and products - Employer responsibility and attractiveness - Commitment to the region - Relations with suppliers and partners - Greenhouse gas emissions and climate protection

GRI 2: General Disclosures 2021

GRI standard	Disclosure	Location	Additional comments and omissions
The organisation and its reporting practices			
2-1	Organisational details	Annual Report Corporate Governance	<ul style="list-style-type: none"> - Legal name of the organisation: Luzerner Kantonalbank AG - Legal form: Public limited company under private law pursuant to Article 620 et seqq. CO - Ownership structure: 38.5 % of the shares float freely, 61.5 % are owned by the canton of Lucerne. - Headquarters: Pilatusstrasse 12, 6003 Lucerne, Switzerland - Countries where the organisation operates: LUKB's branches are all in Switzerland: 22 locations in the canton of Lucerne, 1 in Zurich and 2 sales offices in French- and Italian-speaking Switzerland (Lausanne and Lugano). In line with LUKB's basic strategy, we generally approach relationships with clients domiciled abroad on a reactive basis.
2-2	Entities included in the organisation's sustainability reporting	About this Sustainability Report System limits	
2-3	Reporting period, frequency and point of contact	Annual Report Corporate Governance About this Sustainability Report Period covered and frequency of reporting About this Sustainability Report Contact	
2-4	Restatements of information	About this Sustainability Report Corrections and restatements of information	
2-5	External audit/assurance	About this Sustainability Report External audit	

GRI standard	Disclosure	Location	Additional comments and omissions
Activities and employees			
2-6	Activities, value chain and other business relationships	Annual Report About LUKB Annual Report Annual Review	<p>Industry: Banks (GICS Industry Code 401010)</p> <p>Activities, products, services: Distribution of banking products and provision of financial services as a full-service bank. LUKB's core business includes real estate and corporate finance, pensions, asset management and advisory services. It has 23 branches (22 in the canton of Lucerne, 1 in Zurich). Many LUKB services can also be accessed 24/7 via lukb.ch and the LUKB app.</p> <p>Value chain: In order to provide its services, LUKB procures a range of products and services from external suppliers and partners, primarily:</p> <ul style="list-style-type: none"> - Information and communication technology (ICT) products and services - Services for processing payments - Financial market data/information - Securities administration services - Rental of business premises and building maintenance services and products <p>Other relevant business relationships/network partners: cf. Annual Report About LUKB</p> <p>Significant changes in activities, in the value chain and in relevant business relationships: no material changes during the reporting period</p>
2-7	Employees	Employer responsibility and attractiveness Number of employees	<p>Definitions used by LUKB:</p> <ul style="list-style-type: none"> - 'Employees': Staff in an employment relationship with LUKB - 'Permanent employees': Staff with permanent contracts - 'Temporary employees': Staff with fixed-term contracts - 'Employees with non-guaranteed working hours': Staff with non-guaranteed working hours - 'Full-time employees': Full-time staff - 'Part-time employees': Part-time staff <p>There were no significant fluctuations in the number of staff during the reporting period or between the reporting periods.</p>
2-8	Workers who are not employees	Employer responsibility and attractiveness Number of external employees	<p>Definition used by LUKB: External staff</p>

GRI standard	Disclosure	Location	Additional comments and omissions
Governance			
2-9	Governance structure and composition	Annual Report Corporate Governance Board of Directors Managing sustainability Organisation/governance	
2-10	Nomination and selection of the highest governance body	Annual Report Corporate Governance Board of Directors	
2-11	Chair of the highest governance body	Annual Report Corporate Governance Board of Directors	
2-12	Role of the highest governance body in overseeing the management of impacts	Annual Report Corporate Governance Board of Directors Annual Report Group Financial Report Consolidated notes Managing sustainability Organisation/governance Board of Directors Approach and areas of focus	In the interests of responsible and successful corporate governance, all management functions at LUKB, including the Board of Directors, always address the changing needs of their stakeholders. LUKB is committed to transparent communication and regular and close exchange with all stakeholders. The role of stakeholders and engagement and dialogue with them is discussed in the section «Approach and areas of focus».
2-13	Delegation of responsibility for managing impacts	Managing sustainability Organisation/governance	
2-14	Role of the highest governance body in sustainability reporting	Managing sustainability Organisation/governance	
2-15	Conflicts of interest	Business ethics and compliance Avoiding conflicts of interest	
2-16	Communication of critical concerns	Business ethics and compliance Critical concerns	
2-17	Collective knowledge of the highest governance body	Managing sustainability Organisation/governance	
2-18	Evaluation of the performance of the highest governance body	Annual Report Corporate Governance Board of Directors	
2-19	Remuneration policy	Annual Report Compensation Report Act and Articles of Association ('Gesetz und Statuten'): https://lukb.ch/english-window	LUKB's compensation policy is described in the Compensation Report and in Art. 21 and 24 of the Articles. The achievement of specific sustainability targets is an integral part of LUKB's compensation system.

GRI standard	Disclosure	Location	Additional comments and omissions
2-20	Process for determining remuneration	<p data-bbox="638 315 975 336">Annual Report Compensation Report</p> <p data-bbox="638 371 975 450">Act and Articles of Association ('Gesetz und Statuten'): https://lukb.ch/english-window</p> <p data-bbox="638 486 975 613">Agenda items, minutes of resolutions and outcome of the Annual General Meetings (in German): https://www.lukb.ch/ueber-uns/investoren/generalversammlung</p>	<p data-bbox="999 315 1442 365">Compensation of the Board of Directors and Executive Board:</p> <p data-bbox="999 371 1442 920">Art. 21 of the Articles of LUKB determines the key components of the compensation of the Board of Directors, while Art. 24 of the Articles covers the key points of the compensation and employment conditions of members of the Executive Board. These articles also stipulate that the AGM approves, on the proposal of the Board of Directors, the total compensation to be paid to the Board of Directors for the period since the last General Meeting, the fixed compensation to be paid to the Executive Board for the current financial year and the variable compensation to be paid to the Executive Board for the past financial year. The compensation policy and the procedure for determining compensation are described in the Compensation Report of LUKB. The agenda items, minutes of resolutions and outcome of the Annual General Meetings, including the results of votes on the individual agenda items relating to compensation, are published on the LUKB website.</p> <p data-bbox="999 956 1442 1144">Compensation of other employees: The LUKB Board of Directors is responsible for Group-wide compensation policy and systems. Annual compensation (including base salary adjustments and variable pay) is approved by the Personnel and Compensation Committee of the Board of Directors.</p>
2-21	Annual total compensation ratio	<p data-bbox="638 1167 959 1211">Employer responsibility and attractiveness Compensation policy</p>	

GRI standard	Disclosure	Location	Additional comments and omissions
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	<p>Foreword</p> <p>Principles: commitment to responsible action Sustainability strategy</p> <p>Approach and areas of focus</p>	
2-23	Policy commitments	<p>Managing sustainability Organisation/governance</p> <p>LUKB reference framework: Principles: Commitment to responsible action</p> <p>Memberships and initiatives: Managing sustainability Memberships and initiatives</p> <p>LUKB Code of Conduct: https://lukb.ch/english-window</p> <p>Procurement and waste disposal, LUKB Supplier Code: https://lukb.ch/english-window</p> <p>Commitment to the net-zero target for 2050 and the net-zero interim target for Scope 1 and 2 in 2030: Greenhouse gas emissions and climate protection</p>	
2-24	Embedding policy commitments	<p>Responsibilities for implementation: Managing sustainability Organisation/governance</p> <p>Business ethics and compliance</p> <p>LUKB Code of Conduct: https://lukb.ch/english-window</p> <p>Procurement: Other topics Procurement and waste disposal</p> <p>Training: Employer responsibility and attractiveness Sustainability training</p> <p>Employer responsibility and attractiveness Training in responsible advisory and sales practices</p>	
2-25	Processes to remediate adverse impacts	<p>Business ethics and compliance Critical concerns</p>	
2-26	Mechanisms for seeking advice and raising concerns	<p>About this Sustainability Report Contact</p> <p>Managing sustainability Organisation/governance Sustainability Office</p> <p>Business ethics and compliance Critical concerns</p>	
2-27	Compliance with laws and regulations		<p>Restrictions imposed by a duty of confidentiality: Significant breaches of laws and ordinances that must be published under stock exchange rules are made public via the designated publication</p>

GRI standard	Disclosure	Location	Additional comments and omissions
2-28	Membership associations	Managing sustainability Memberships and initiatives	channels. No reportable events had to be published in the reporting year.

GRI standard	Disclosure	Location	Additional comments and omissions
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Approach and areas of focus	
2-30	Collective bargaining agreements		<p>There are no workers or employees in the entire LUKB Group who are subject to a collective bargaining agreement.</p> <p>LUKB's employment conditions are subject to the Agreement on Conditions of Employment for Bank Employees (VAB). The VAB stipulates a number of provisions that must be in the employment contract. These include, for example, provisions on duties of loyalty, working hours, holidays, salary and continued payment of salary. It also governs the co-determination of individual employees, employee representatives (staff committees) and social partners, as well as the procedures for bank closures and redundancies. The VAB applies to all of LUKB's employment contracts with a term of over three months, with the exception of those for members of the Executive Board and the Board of Directors. The VAB is supported by social partners the Swiss Bank Employees Association, Arbeitgeber Banken (the banking employers' association) and the Swiss Association of Commercial Employees.</p>

GRI 3: Material Topics 2021

GRI standard	Disclosure	Location	Additional comments and omissions
Disclosures on material topics			
3-1	Process for determining material topics	Approach and areas of focus Material topics	
3-2	List of material topics	Approach and areas of focus Material topics	
3-3	Management of material topics	Approach and areas of focus Material topics	See the explanations on each material topic in this sustainability report

Economic performance and shareholder value

GRI standard	Disclosure	Location	Additional comments and omissions
GRI 3: Material Topics 2021			
3-3	Management of material topics	Economic performance and shareholder value	
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	Economic performance and shareholder value Value creation	
201-2	Financial implications and other risks and opportunities due to climate change	Greenhouse gas emissions and climate protection Risks and opportunities	

Digitalisation, information security, data protection and privacy

GRI standard	Disclosure	Location	Additional comments and omissions
GRI 3: Material Topics 2021			
3-3	Management of material topics	Digitalisation, information security, data protection and privacy	
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and loss of customer data	Digitalisation, information security, data protection and privacy Data protection	

Business ethics and compliance

GRI standard	Disclosure	Location	Additional comments and omissions
GRI 3: Material Topics 2021			

3-3	Management of material topics	Business ethics and compliance	
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	Business ethics and compliance Compliance management	
		Business ethics and compliance Combating market abuse and corruption	
205-2	Communication and training on anti-corruption policies and procedures	Business ethics and compliance	
205-3	Confirmed incidents of corruption and actions taken		Restrictions imposed by a duty of confidentiality: Significant breaches of laws and ordinances that must be published under stock exchange rules are made public via the designated publication channels. No reportable events had to be published in the reporting year.
GRI 206: Anti-competitive Behaviour 2016			
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices		Restrictions imposed by a duty of confidentiality: Significant breaches of laws and ordinances that must be published under stock exchange rules are made public via the designated publication channels. No reportable events had to be published in the reporting year.

Employer responsibility and attractiveness

GRI standard	Disclosure	Location	Additional comments and omissions
GRI 3: Material Topics 2021			
3-3	Management of material topics	Employer responsibility and attractiveness	
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Employer responsibility and attractiveness Employee turnover	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Siehe Kommentar	Employees are granted the usual company benefits. The same rules apply to part-time employees as to full-time employees. Employees with fixed-term contracts of less than 12 months do not receive preferential terms on mortgages.
401-3	Parental leave	Employer responsibility and attractiveness Parental leave	
GRI 402: Labour/Management relations 2016			
402-1	Minimum notice periods for operational changes	Siehe Kommentar	LUKB informs its employees as early as possible of significant operational changes, such as adjustments to the organisational structure. For contractual changes, the notice periods set out in the contractual agreements are adhered to at a minimum.
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Employer responsibility and attractiveness Occupational health and safety	
403-2	Hazard identification, risk assessment and incident investigation	Employer responsibility and attractiveness Occupational health and safety	
403-3	Occupational health services	Employer responsibility and attractiveness Occupational health and safety	
403-4	Employee participation, consultation and communication on occupational health and safety	Employer responsibility and attractiveness Occupational health and safety	Due to its low importance, there are no specific occupational health and safety committees. The LUKB Personalverein (staff association) represents the interests of employees on these matters vis-à-vis LUKB's management bodies.
403-5	Employee training on occupational health and safety	Employer responsibility and attractiveness Occupational health and safety	
403-6	Promotion of employee health	Employer responsibility and attractiveness Occupational health and safety	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	Employer responsibility and attractiveness Occupational health and safety	

GRI standard	Disclosure	Location	Additional comments and omissions
403-8	Employees covered by an occupational health and safety management system	Employer responsibility and attractiveness Occupational health and safety	External staff (i.e. those who are not employees but whose work and/or workplace is controlled by LUKB, see GRI 2-8) are not covered by occupational health management (OHM). However, these workers are covered by LUKB's management system for occupational safety.
403-9	Work-related injuries	Employer responsibility and attractiveness Illness and accidents	
403-10	Work-related illnesses	Employer responsibility and attractiveness Illness and accidents	
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	Employer responsibility and attractiveness Training and education	
404-2	Programmes for upgrading employee skills and transition assistance programmes	Employer responsibility and attractiveness Training and education	
404-3	Percentage of employees receiving regular performance and career development reviews	Employer responsibility and attractiveness Employee development	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Employer responsibility and attractiveness Diversity	
405-2	Ratio of basic salary and remuneration of women to men	Employer responsibility and attractiveness Equal pay	
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	Siehe Kommentar	LUKB is not aware of any incidents of discrimination in the reporting period.

Relations with suppliers and partners

GRI standard	Disclosure	Location	Additional comments and omissions
GRI 3: Material Topics 2021			
3-3	Management of material topics	Relations with suppliers and partners	
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	Relations with suppliers and partners Status in 2025	

Greenhouse gas emissions and climate protection

GRI standard	Disclosure	Location	Additional comments and omissions
GRI 3: Material Topics 2021			
3-3	Management of material topics	Greenhouse gas emissions and climate protection	
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	Greenhouse gas emissions and climate protection Measure 2.1.1: Reduce energy consumption both at company level and per employee	Table 'Energy consumption in business operations'
302-2	Energy consumption outside the organisation	Greenhouse gas emissions and climate protection Measure 2.1.1: Reduce energy consumption both at company level and per employee	Table 'Energy consumption - leased space'. This takes account of the heating and cooling energy consumption of leased space. The electricity consumption of leased space is not recorded, as tenants are responsible for purchasing their own electricity and it is outside LUKB's operational control.
302-3	Energy intensity	Greenhouse gas emissions and climate protection Measure 2.1.1: Reduce energy consumption both at company level and per employee	
302-4	Reduction of energy consumption	Greenhouse gas emissions and climate protection Action areas and measures	
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Greenhouse gas emissions and climate protection Scope 1 and Scope 2 GHG emissions	
305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse gas emissions and climate protection Scope 1 and Scope 2 GHG emissions	
305-3	Other indirect (Scope 3) GHG emissions	Greenhouse gas emissions and climate protection Scope 3 greenhouse gas emissions	
305-4	GHG emissions intensity	Greenhouse gas emissions and climate protection Scope 3 greenhouse gas emissions - financed emissions	
305-5	Reduction of GHG emissions	Greenhouse gas emissions and climate protection Scope 1 and Scope 2 GHG emissions Greenhouse gas emissions and climate protection Scope 3 greenhouse gas emissions Greenhouse gas emissions and climate protection Scope 3 greenhouse gas emissions - financed emissions	

The following topic of procurement and waste disposal is not a material topic for LUKB. Nevertheless, it has based its reporting on material and water consumption as well as waste on the corresponding GRI standards 301, 303 and 306:

Procurement and waste disposal

GRI standard	Disclosure	Location	Additional comments and omissions
GRI 301: Materials 2016			
301-1	Materials used by weight or volume	Other topics Procurement and waste disposal Consumption of supplies	
301-2	Recycled input materials used	Other topics Procurement and waste disposal Consumption of supplies	
GRI 303: Water and wastewater 2018			
303-1	Interactions with water as a shared resource	Other topics Procurement and waste disposal Water	
303-5	Water consumption	Other topics Procurement and waste disposal Water	
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	Other topics Procurement and waste disposal Waste	
306-3	Waste generated	Other topics Procurement and waste disposal Waste	
306-4	Waste diverted from disposal	Other topics Procurement and waste disposal Waste	
306-5	Waste sent for disposal	Other topics Procurement and waste disposal Waste	

Annex

Sustainable Development Goals (UN SDGs)

A brief explanation of the 17 Sustainable Development Goals (SDGs) of the United Nations (UN).

Highlighted in colour: Sustainable Development Goals (SDGs) of primary relevance to LUKB.

	<p>SDG 1: End poverty in all its forms everywhere</p>		<p>SDG 10: Reduce inequality within and among countries</p>
	<p>SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>		<p>SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable</p>
	<p>SDG 3: Ensure healthy lives and promote well-being for all at all ages</p>		<p>SDG 12: Ensure sustainable consumption and production patterns</p>
	<p>SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>		<p>SDG 13: Take urgent action to combat climate change and its impacts</p>
	<p>SDG 5: Achieve gender equality and empower all women and girls</p>		<p>SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>
	<p>SDG 6: Ensure availability and sustainable management of water and sanitation for all</p>		<p>SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>
	<p>SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all</p>		<p>SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>
	<p>SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>		<p>SDG 17: Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development</p>
	<p>SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation</p>		

Imprint

Luzerner Kantonalbank AG
Pilatusstrasse 12
6003 Luzern
Phone +41 (0) 844 822 811
info@lukb.ch
lukb.ch

Concept and editing

Luzerner Kantonalbank AG
Corporate Communications
Phone +41 (0) 844 822 811
kommunikation@lukb.ch

Imagery

The imagery of the 2026 shareholder publications lets us look back with the people of Lucerne on the anniversary year in which LUKB celebrated its 175th anniversary. Five major public events were held to thank the population as part of the anniversary project "Lozärn verbonde" (Lucerne brings people together).

Cover image: Nicole Frank, Lucerne

Portraits of the Board of Directors and Executive Board: Maria Schmid, Ingenbohl

This report is a translation of the original German version and is provided for informational purposes only. In the event of differences or ambiguities between the English and the German version of this report, the German version shall prevail.

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Luzerner Kantonalbank

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**Luzerner
Kantonalbank**

Luzerner Kantonalbank AG

Pilatusstrasse 12

6003 Lucerne

Phone +41 (0) 844 822 811

info@lukb.ch

lukb.ch