



RAIFFEISEN

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As a responsible cooperative bank, Raiffeisen wants to make a contribution to mitigating climate change. In the disclosure of climate information, Raiffeisen shows how the banking group deals with climate change in terms of governance, strategy, risk management, key figures and targets. The disclosure of climate information is part of the non-financial report in the Annual Report of the Raiffeisen Group.

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Key abbreviations

Term/abbreviation	Definition
BCG	Boston Consulting Group
CHF	Swiss franc
CO ₂	Carbon dioxide
C-Sink	Carbon Sink
ECB	European Central Bank
eq	Equivalent
ESG	Environment, Social, Governance
FINMA	Swiss financial market supervisory authority
GHG emissions	Greenhouse gas emissions
GHG Protocol	Greenhouse Gas Protocol
GRI	Global Reporting Initiative
ISO	International Organization for Standardization
kg	Kilogram
km	Kilometre
KPI	Key performance indicator
KRI	Key risk indicator
kWh	Kilowatt-hour
LE	Large enterprise
m ²	Square metre
m ³	Cubic metre
million	Million

Term/abbreviation	Definition
n/a	Not available
NDC	Nationally determined contributions
NGFS	Network for Greening the Financial System
NOGA	Nomenclature Générale des Activités économiques (general methodology for economic sectors)
NZBA	Net Zero Banking Alliance
PACTA	Paris Agreement Capital Transition Assessment
PCAF	Partnership for Carbon Accounting Financials
PUOR	Project-based units of reduction
SBA	Swiss Bankers Association
SBT	Science-based targets
SBTI	Science Based Targets initiative
SDA	Sectoral decarbonisation approach
SME	Small and medium-sized enterprises
SNBS	Standard for Sustainable Building Switzerland
t	tonnes
TCFD	Task Force on Climate-related Financial Disclosures
UNEP FI	United Nations Environment Programme Finance Initiative
VCS	Verified Carbon Standard

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Unchecked greenhouse gas emissions will lead to serious consequences for humanity and the environment, through global warming in particular. The Raiffeisen Group causes greenhouse gas (GHG) emissions, which are the main driver of climate change, directly through its operating activities and indirectly through its financing and investment activities. As a responsible cooperative bank, it is important for Raiffeisen to make a contribution to mitigating climate change. This report shows how Raiffeisen is dealing with climate change, focusing on the topics of 1) governance, 2) strategy, 3) risk management and 4) key figures and targets. In addition, a transition plan is shown in section 5). The report thus also addresses the transparency provisions on climate issues in the Swiss Code of Obligations (Art. 964a et seq. CO), the Ordinance on Reporting on Climate Issues and the disclosure requirements in Annex 5 of FINMA Circular 2016/1 "Disclosure – Banks". The disclosure of climate information is part of the Annual Report of the Raiffeisen Group (**See also the chapter → "non-financial report" section in the Annual Report of the Raiffeisen Group**).

Stakeholder surveys and an impact analysis carried out as part of Raiffeisen's membership of the UNEP FI "Principles for Responsible Banking" (PRB) have confirmed the materiality of the topic for Raiffeisen. Due to the strategic importance of the topic, Raiffeisen supports various climate initiatives and organisations. These are listed in the following table "Importance of climate change":

Importance of climate change

Climate initiatives supported by Raiffeisen

Initiative	Member since
International	
Partnership for Carbon Accounting Financials (PCAF)	2020
Net-Zero Banking Alliance (NZBA)	2023
National	
Swiss Climate Foundation	2008
CEO4Climate	2021

1 Governance



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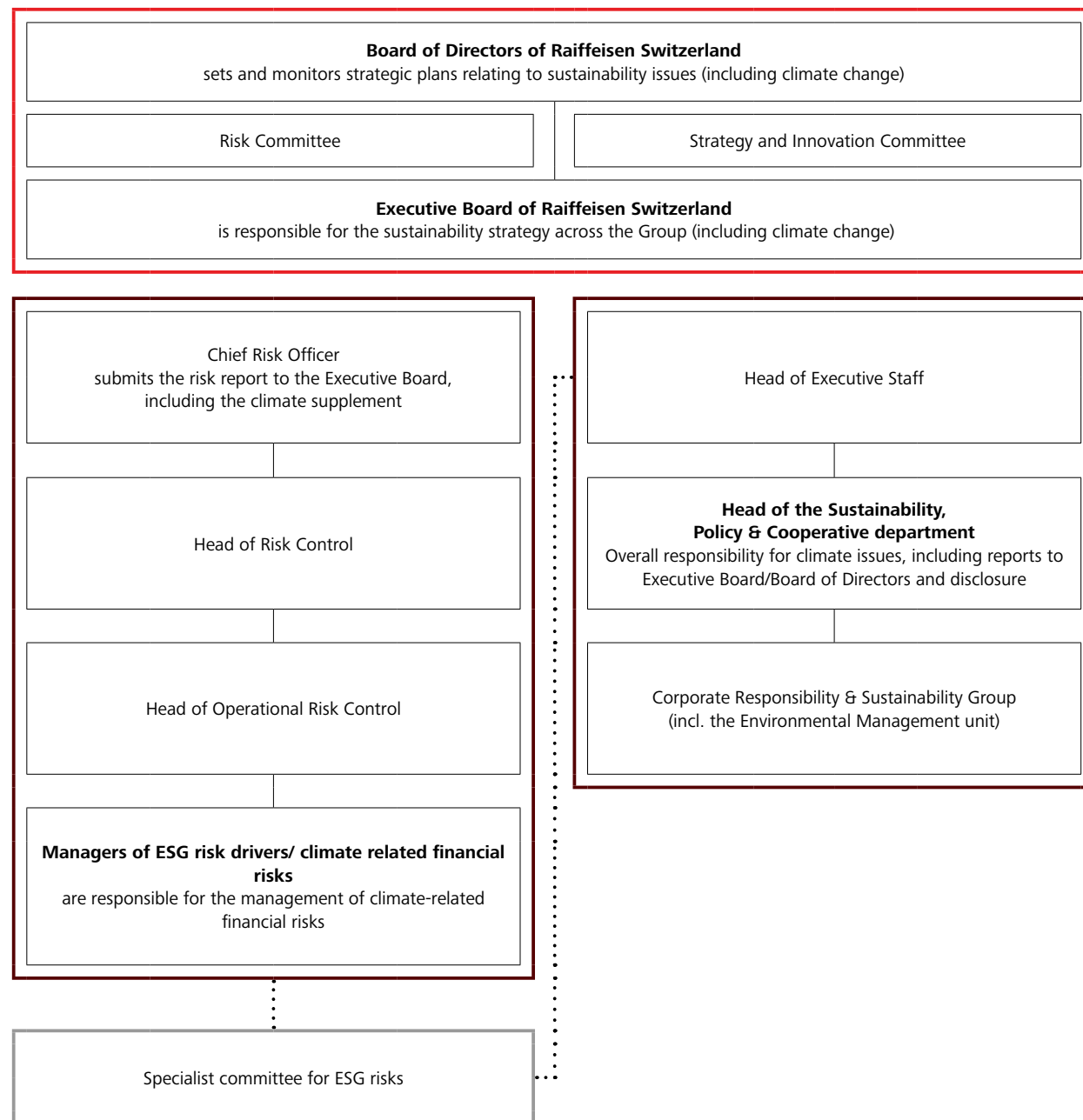
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Climate issues are
an integral part of
Group governance

Raiffeisen Switzerland is responsible for strategy and risk management at Group level. This responsibility includes strategic sustainability considerations. These cover climate change and the associated opportunities and risks **(see also the → “non-financial report” section in the Annual Report of the Raiffeisen Group, pages 157–158).**

The Board of Directors of Raiffeisen Switzerland sets and monitors strategic plans for climate change and other sustainability issues, including any related risks. These plans are implemented by the existing committees of the Board of Directors, with the Risk Committee and the Strategy and Innovation Committee primarily responsible for climate change. The policies of the Board of Directors are implemented by the Executive Board of Raiffeisen Switzerland with the support of the various departments. In this context, the Executive Board adopted a climate strategy for the Raiffeisen Group in 2020.

Governance structure of Raiffeisen Switzerland in relation to climate change


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The Sustainability, Policy & Cooperative department, which along with the Corporate Responsibility & Sustainability team, reports to the Chair of the Executive Board (Head of Executive Staff), assumes overall coordinating responsibility for climate-related issues within the Raiffeisen Group. It is responsible for strategic issues, provides leadership for greater climate compatibility at the level of the Raiffeisen Group through specific projects and acts as a key point of contact for operational issues. The department also includes the Environmental Management unit, which deals with operational climate-related issues. The members of the Executive Board and the Board of Directors' Strategy and Innovation Committee of Raiffeisen Switzerland receive a report twice a year on the implementation of sustainability at Group level. The report also addresses climate-related issues in the context of the focus topic "Mitigating climate change". Once a year, a report is submitted to the Board of Directors of Raiffeisen Switzerland. The disclosure of climate-related information is released annually by the Executive Board as part of the Annual Report, approved by the Board of Directors and submitted to the General Meeting of Raiffeisen Switzerland for approval as part of the [→ non-financial report](#).

The management of climate-related financial risks is integrated into the management of ESG risks¹ for the Raiffeisen Group. The Board of Directors of Raiffeisen Switzerland provides the conceptual and regulatory framework with the Group-wide risk policy and the principles of Group-wide risk management.

The risk control function, which is part of the Chief Risk Officer's remit, is responsible for the ongoing monitoring of the risk profile, taking into account the ESG risk factors. The function reports on ESG risks to the Executive Board and the Board of Directors at least once a year as part of regular internal risk reporting. The function is also responsible for the conceptual and methodological integration of ESG risks into the risk management framework and takes on a lead role in the risk management process. [See section 3 "Risk management", pages 22–26](#). The risk control function also supports the Sustainability, Policy & Cooperatives department in fulfilling disclosure obligations with regard to climate-related financial risks. Operational responsibility for ESG issues within the risk control function lies with the Operational Risk Control department.

The specialist committee for ESG risks is a body of experts that supports the risk management process, including risk identification, assessment and management. The members of this specialist committee are representatives of the Risk & Compliance units at Raiffeisen Switzerland and the Sustainability, Policy & Cooperative department. The specialist committee is led by the head of the Operational Risk Control department.

In the event of any acute developments and findings relating to climate issues, including climate-related financial risks, the Executive Board and the Board of Directors of Raiffeisen Switzerland would also be informed, including on an ad hoc basis where necessary. [See also the → "non-financial report" section in the Annual Report of the Raiffeisen Group, pages 157–158.](#)

Informing the Board of Directors, committees and Executive Board about climate topics as part of sustainability and risk reporting

Type of reporting	Frequency	Recipient(s)
Report on the implementation of the sustainability strategy, including climate matters at Group level	1 x per year	Board of Directors
	2 x per year	Board of Directors' Strategy and Innovation Committee
	2 x per year	Executive Board
"ESG risk drivers" supplement to the risk report, including climate-related financial risks	1 x per year	Board of Directors
	1 x per year	Risk Committee of the Board of Directors
Information on developments and findings of an acute nature relating to climate-related financial risks (if required) ¹	ad hoc	Board of Directors
	ad hoc	Risk Committee of the Board of Directors
	ad hoc	Executive Board

¹ Since the introduction of the disclosure of climate information, this has never been necessary.

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¹ ESG risks are events or conditions arising from environmental, social or governance areas that could negatively impact Raiffeisen. Climate-related financial risks are included in the environmental risk factor. Further information on ESG risks can be found in the [→ "non-financial report" of the Annual Report of the Raiffeisen Group, pages 170–171](#).

2 Climate strategy



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Five strategic areas

Mitigating climate change is part of Raiffeisen’s sustainability strategy. To achieve this objective, the Executive Board of Raiffeisen Switzerland issued a climate strategy for the first time in 2020, and has continually developed it ever since. The climate strategy pursues the overarching targets of net zero by 2050 and net zero in operations (Scope 1 and Scope 2) by 2030. The Board of Directors and the Executive Board of Raiffeisen Switzerland are thus committed to the targets of the Paris Climate Agreement. To reach these targets, action is taken in five subject areas:

Climate strategy

Strategic goals: net zero¹ in operations (Scope 1 and Scope 2) by 2030, net zero¹ overall by 2050

1 Measure	2 Disclose	3 Reduce	4 Offset	5 Commit
GHG emissions and climate change-related opportunities and risks are measured and assessed using best practices. This also includes emissions related to financing and investment.	Disclosure of climate information based on best practices	GHG emissions will be reduced systematically, with science-based climate targets indicating the appropriate paths to achieve this.	Remaining operational emissions (Scope 1 and 2) from the purchase of CO ₂ certificates or emission credits from climate protection projects.	Raiffeisen is involved in various initiatives for a climate-friendly Switzerland, such as the Swiss Climate Foundation and CEO4Climate.
GHG Protocol, PCAF, TCFD recommendations	TCFD recommendations, GRI standards	Reduction in line with science-based targets	Internationally recognised standards such as the Gold Standard, VCS, C-Sink, PUOR	Swiss Climate Foundation, CEO4Climate, NZBA

¹ Net zero means (1) reducing emissions as much as possible and (2) offsetting remaining emissions through carbon removals. Remaining emissions must be removed from the atmosphere naturally (e.g. reforestation) or using technology (e.g. carbon capture).

1. Measure: Emissions are measured and recognised in accordance with the methodology of the Greenhouse Gas Protocol (GHG Protocol) and the Partnership for Carbon Accounting Financials (PCAF). Raiffeisen follows the recommendations of the former Task Force on Climate-related Financial Disclosures (TCFD) when identifying opportunities and risks and disclosing climate-related information.

2. Disclose: Disclosure also complies with the requirements of the Global Reporting Initiative (GRI) on emissions (GRI 305). Raiffeisen constantly monitors the development of methods and data relating to the measurement and disclosure of GHG emissions as well as opportunities and risks related to climate change, and incorporates them as appropriate.

3. Reduce: Beyond accurate measurements, Raiffeisen is also committed to consistently reducing its greenhouse gas emissions. The two net-zero targets should also be understood in this context. In 2022, Raiffeisen calculated the science-based reduction targets and the associated reduction pathways using the methodology of the Science Based Targets Initiative (SBTi) for the first time (see chart “Assessment of the path to reduce emissions in the buildings financed by Raiffeisen”, page 35). In 2023, Raiffeisen recalculated the CO₂ reduction targets with a more up-to-date base year and an adjusted target horizon up to 2030. The reduction will be achieved through specific measures and attainment of the associated operational targets. More detailed information on this can be found in chapter 4 “Key figures and targets”, pages 27–38, and in chapter 5 “Transition plan”, pages 39–40.

4. Offset: Raiffeisen offsets the direct Scope 1 and 2 emissions caused by the operation of all Raiffeisen Group branches, which remain despite reduction efforts, by financing climate protection contributions. This offsetting takes the form of emission credits (CO₂ certificates) from climate protection projects. In addition to carbon avoidance projects, Raiffeisen has also been supporting projects to remove carbon dioxide from the atmosphere and store it using natural or technical solutions (removals) by purchasing CO₂ certificates since 2023.

5. Commit: Raiffeisen is a founding partner of the Swiss Climate Foundation. Through this commitment, the banking group is promoting climate protection in Switzerland and enhancing the country’s position as a business location. The Climate Foundation is a voluntary initiative “by business for business and the climate”. It promotes small and medium-sized enterprises (SMEs) in Switzerland and Liechtenstein that develop climate-friendly products and contribute to climate protection. By promoting resource efficiency and innovation among SMEs, the Climate Foundation also boosts their competitiveness. The Climate Foundation is funded through a “refund” of the statutory CO₂ incentive tax on fuels and through donations. Raiffeisen has already donated a total of around CHF 4.88 million to the Climate Foundation since the partnership began in 2008. In 2023, Raiffeisen also provided financial support to the Go for Impact association so that it can drive forward its activities to raise awareness among Swiss SMEs with regard to climate accounting and target setting. Politically, Raiffeisen is committed to an ambitious climate policy; for example, through the CEO4Climate initiative.

At the end of October 2023, Raiffeisen joined the Net-Zero Banking Alliance (NZBA), committing to the goal of reducing the greenhouse gas emissions of its loan and investment portfolio to net zero by 2050 at the latest. An important reason for Raiffeisen to join was the NZBA’s explicit recognition that the transition to net zero can succeed only if clients and all other stakeholders contribute their fair share. This approach helps prevent inflated expectations of the financial sector and places its responsibility realistically within the overall context.

Based on previous business practice, the Board of Directors of Raiffeisen Switzerland decided in 2020 not to finance any companies that mine the particularly emission-intensive energy sources of coal, oil or natural gas or that operate coal-fired power plants. This decision was integrated into the climate strategy. A due diligence process with the possibility of escalation to the management of Raiffeisen Switzerland, which is directly integrated into the banking application, ensures compliance with this principle. The due diligence process has applied to the entire Raiffeisen Group since autumn 2023.

As will be shown below, the climate strategy makes a significant contribution to taking advantage of the opportunities presented by climate change and to mitigating the risks associated with it. If the assessment of opportunities and risks changes, the climate strategy will be adjusted accordingly.

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Opportunities and risks

In this section, the opportunities and risks associated with climate change are derived mainly in qualitative terms and supplemented by quantitative findings in certain areas. In a second step, the effects of climate change on Raiffeisen's income, expenses and assets are presented as a whole and conclusions are drawn regarding any need to adapt Raiffeisen's business strategy and business model. These findings are described in **the section "Impact of climate-related risks and opportunities on the business, strategy and financial planning", page 20**. Lastly, the extent to which these conclusions apply to different scenarios of climate change is presented. The relevant statements represent the latest assessment based on current knowledge. They will be further developed and adapted if necessary.

Raiffeisen distinguishes between five main categories of opportunities (resource efficiency, energy sources, products and services, markets, resilience) and two main categories of climate-related risks (physical risks and transition risks). Climate-related risks and opportunities for the Raiffeisen Group were comprehensively derived and assessed for the first time as part of the further development of the climate strategy and the strengthening of the disclosure of climate information in 2021 and 2022. Since then, the assessment of climate-related financial risks has been discussed at least once a year by the ESG Risk Committee (**For details, see chapter 1 "Governance", page 8 and chapter 3 "Risk management", pages 22–26**). The assessment of climate-related financial opportunities and the Raiffeisen Group's impact on climate change are reviewed as part of the periodic update of the climate strategy carried out by the Corporate Responsibility & Sustainability department. Depending on the assessment results and any resulting need for adjustments, the Executive Board of Raiffeisen Switzerland may also be involved.

Because climate change is a relatively long-term phenomenon, it is particularly important to divide it into different time horizons when analysing the associated opportunities and risks for Raiffeisen. Given the long-term nature of climate-related challenges (including targets for 2050), time horizons tend to be longer. A short-term time horizon in the context of climate change, therefore, refers to a period of up to four years, the medium-term time horizon up to nine years, while the long-term time horizon covers 10 to 30 years.

Selected financing¹

Raiffeisen Group as at 31 December 2024	Years	Corporate client financing (other)	Mortgages ²
Storage limitation			
Short term	0-4	78%	62%
Medium term	5-9	17%	35%
Long term	10-30	5%	3%

¹ Breakdown by time horizon for climate-related assessments.

² Includes fixed-rate mortgages for private and corporate clients. Variable-rate and SARON mortgages are not included.

The extent to which a company has opportunities and risks resulting from climate change depends largely on its business model. **As shown in the table "Main sources of income, expenses and assets", page 12**, Raiffeisen presently operates almost exclusively in Switzerland and currently generates the majority of its income from the mortgage business (2024: of which interest income from the mortgage portfolio was CHF 3.55 billion). The second most important income category is the securities and investment business and the associated commission business (2024: CHF 0.44 billion). Accordingly, mortgage loans (31.12.2024: CHF 220.76 billion) are by far the largest item on Raiffeisen's balance sheet. On the expenses side, personnel expenses (2024: CHF 1.61 billion) is the largest item, although it is not significantly affected by climate change.

In line with the Group's Raiffeisen 2025 strategy, Raiffeisen's focus remains on the Swiss retail business. In addition to the mortgage business, the securities and investment business in particular will be further expanded. The importance of the above-mentioned sources of income and expenses is thus unlikely to change a lot going forward, and even then only slowly. Other key elements of the Group's Raiffeisen 2025 strategy are digitalisation and the use of new technologies. The climate intensity of Raiffeisen operations is likely to decrease due to associated effects, such as reduced operation of buildings or a decline in mobility. Overall, Raiffeisen has come to the conclusion that digitalisation and new technologies neither present any significant opportunities, nor pose any considerable risks for the Raiffeisen Group with respect to climate change.

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Based on its business model and strategy, Raiffeisen focuses primarily on the mortgage business and the securities and investment business when analysing the opportunities and risks associated with climate change ([see table below “Main sources of income, expenses and assets”](#)). The corporate client business (with corporate clients largely covered already by the mortgage segment) and Raiffeisen operations (e.g. branch offices) have a lower priority in terms of opportunities and risks. From an impact perspective, Raiffeisen’s own operations in particular should not be neglected, as Raiffeisen can directly influence at least certain emissions itself ([see section “Greenhouse gas emissions”, pages 27–29](#)). It should be emphasised that the climate strategy and the associated transition plan ([see section 5 “Transition plan”, pages 39–40](#)) serve as a mitigation strategy with the primary objective of mitigating climate change. Based on the opportunities and risks currently identified in connection with climate change – as shown in the following sections – there is no need for further action beyond the measures taken in the climate strategy (e.g. guidelines, budgets, action plans). Raiffeisen also does not currently consider it necessary to make any adjustments or to develop any relevant strategies.

Main sources of income, expenses and assets

CHF billion	2023	2024
Income (income statement)		
Interest income from mortgage loans	3.27	3.55
Commission income from securities trading and investment activities	0.40	0.44
Result from trading activities and the fair value option	0.26	0.26
Commission income from other services (account maintenance, payments, etc.)	0.40	0.42
Expenditure (income statement)		
Personnel expenses	1.53	1.61
Tax expenses	0.27	0.22
IT expenses	0.12	0.13
Office space expenses	0.10	0.10
	31.12.2023	31.12.2024
Assets (balance sheet)		
Mortgage loans	211.00	220.76
Amounts due from clients	11.59	12.27
Financial investments	10.85	12.26
Bank buildings and other real estate	2.45	2.50

Opportunities

Products, services and new markets

Climate change also necessitates investment to finance the transition to a more climate-friendly economy and society. According to a study by the Swiss Bankers Association (SBA) and the Boston Consulting Group (BCG) from 2021¹, the annual investment requirements for Switzerland from 2020 to 2050 total CHF 12.9 billion per year – mostly for light (CHF 5.7 billion) and heavy road transport (CHF 1.9 billion), buildings (CHF 2.1 billion), energy (CHF 1.2 billion) and international air transport (CHF 1.0 billion). In the building sector, for example, investment is needed in renovating building envelopes and replacing heating systems, with 67% of the measures being replacements. In total, the amount needed each year to make Switzerland’s building stock more climate-friendly (CHF 2.1 billion) is around 3% of Switzerland’s annual new mortgage business of CHF 75 billion mentioned in the SBA and BCG study. According to the SBA and BCG, banks can largely cover the financing requirements. With a market share of over 18.1%, Raiffeisen is a major mortgage lender in Switzerland. Of the above-mentioned CHF 2.1 billion required for climate financing, 18.1% corresponds to about CHF 380 million. Raiffeisen does not consider financing in this amount to be significant additional potential income in the mortgage business. Nevertheless, Raiffeisen has been sensitising its clients for many years to the potential for increasing the energy efficiency and climate compatibility of buildings with the aim of guaranteeing long-term value retention, increasing energy efficiency and thus also reducing financed GHG emissions. It integrates this topic consistently into home ownership advice and also supports the Swiss federal government’s “renewable heating” campaign. Raiffeisen pursues this commitment with the aim of working with its customers to develop prudent and optimised home financing solutions to secure the long-term value of properties ([see chapter → “non-financial report” in the Annual Report of the Raiffeisen Group, pages 172–175](#)). With the self-regulation “Guidelines for providers of mortgages to promote energy efficiency” of June 2022, the SBA also requires banks to address the topic of energy efficiency with mortgage clients. Raiffeisen implemented the relevant requirements in the year under review.

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Investment and pension clients in Switzerland are aware of climate change and increasingly want to align their own investment and retirement planning accordingly, based on risk considerations or personal values. A client survey conducted by Raiffeisen in 2021 showed that the topic of sustainability is important for investment and pension clients, and that the need for information is high. A study of bank clients in Switzerland conducted by the Lucerne University of Applied Sciences and Arts in 2024 also showed that 43% of respondents have a preference for sustainable solutions when investing. Some 32% are neutral or did not provide any information.³ As at the end of 2024, 89.7% of the investments made under mandates or on behalf of investment and pension funds were aligned with the Futura sustainability approach.² The Futura approach systematically takes ESG criteria into account, including climate compatibility criteria. Raiffeisen firmly believes that this alignment will generate added value for clients, and further strengthen Raiffeisen's position in the investment and pension business. A sustainable range of products and services is also in the interests of the sustainability and climate strategy. It promotes the reduction of GHG emissions in connection with financing and investments.

Raiffeisen issued a sustainability bond as early as 2019, aimed at institutional investors in particular, and set up a green bond programme in 2021. The proceeds from the issue of these bonds will be used for the refinancing of energy-efficient buildings in Switzerland. Due to the market environment, however, Raiffeisen has refrained from issuing green bonds in recent years. At the same time, Raiffeisen has noticed for some years now a growing interest in sustainable financing options, especially among larger corporate clients, and advises them on this as and when required.

Energy efficiency and renewable energy sources

By increasing the energy efficiency of its own banking operations, Raiffeisen will be able to reduce not only emissions, but also costs in the short and medium term. Previous experience with energy consulting, for example, has shown that a Raiffeisen bank with at least CHF 20,000 in annual energy costs can make savings of around 12% to 14% each year if it implements the measures identified during the consultation. An increase in the CO₂ levy to CHF 210, for example, would in turn result in additional costs of around CHF 600,000 to CHF 800,000 for the Raiffeisen Group. These additional costs would not be incurred if the approximately 380 (out of around 800) bank buildings that are currently still using fossil fuels were to be converted to renewable energy sources.

Raiffeisen implements a range of programmes and measures to reduce the CO₂ intensity of its core activities and in all relevant business areas. The Raiffeisen banks also have a set of possible energy-saving measures at their disposal, which were compiled by Raiffeisen Switzerland. These include optimising ventilation systems, switching off large screens outside counter opening hours,

and replacing electric boilers with heat pumps. Furthermore, Raiffeisen Switzerland developed an environmental management system for Raiffeisen banks. The aim is to gradually have the branches certified according to ISO 14001 with the assistance of Internal Auditing. ISO 14001 is the world's most established environmental management standard, representing professional environmental management. This motivates the Raiffeisen banks to take measures that save resources and reduce costs and emissions. Raiffeisen actively promotes the use of renewable energy for heating and electricity, and prefers them whenever possible. For example, the Raiffeisen Group obtains 100% of its electricity from renewable energy. Since 2017, Raiffeisen Switzerland has been supporting the Raiffeisen banks' operational measures to reduce CO₂ emissions and increase energy efficiency with financial contributions financed by a climate fund. Raiffeisen Switzerland uses this climate fund to promote the replacement of fossil-fuelled heating systems and the expansion of photovoltaic systems throughout the Raiffeisen Group in line with the relevant energy consumption (in Scope 1 and 2), in addition to targeted energy advice and the scaling of charging infrastructure for electric vehicles. For new buildings and conversions, attention is paid to climate compatibility and the Swiss Sustainable Building Standard (SNBS) for new buildings and conversions can be applied. Any new vehicles purchased must either comply with the statutory emission regulations (max. 95 grams of CO₂/km) or be fully electric. With these measures, Raiffeisen aims to continuously reduce its ecological footprint.

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1 SBA/BCG (2021): Sustainable Finance – investment and financing requirements for a climate-neutral Switzerland by 2050, See publication → [“Sustainable Finance”, Swissbanking](#)

2 For more information on the Futura sustainability approach, please visit → www.raiffeisen.ch/futura-regelwerk.ch

3 Of the Bank clients surveyed, 13% have a slight aversion to sustainability and 12% have a strong aversion to sustainability.

Further considerations on opportunities

— Resilience¹:

The opportunities and risks associated with climate change can only be recognised, used and managed if Raiffeisen consciously addresses climate change and knows how it affects the company. Raiffeisen has recognised this opportunity, and despite the limited earnings prospects, is convinced that taking measures to mitigate climate change is worthwhile. As a strategic sustainability issue with its own climate strategy approved by the Executive Board, the topic of climate change is given the necessary attention at Raiffeisen. Resilience is also strengthened in particular by the fact that climate-related financial risks are integrated into risk management.

— Reputation:

From a reputational perspective, the commitment to mitigating climate change represents an opportunity, as proactive measures are now expected and demanded from stakeholders across society. The efforts to mitigate climate change are also in line with Raiffeisen's objective of positioning itself as a responsible cooperative bank in the Swiss financial marketplace. By combining various measures, such as reducing operational emissions or continuously expanding the range of sustainable products and services, Raiffeisen is taking responsibility for climate change.

Physical risks

Acute and chronic risks

According to TCFD recommendations, physical risks caused by climate change can be "acute" due to a specific event, or "chronic" due to long-term changes in the climate. Both acute physical risks, such as extreme weather events, and chronic changes in climatic conditions can affect Raiffeisen's conventional risks through both microeconomic and macroeconomic pathways.

Causes of selected risks related to climate change

Acute physical risks are caused by...

too much or too little water, such as extreme rainfall, hail, floods, droughts or forest fires
temperature, such as heat waves
air, such as gale-force winds

Chronic physical risks are caused by...

too much or too little water, such as changing rainfall patterns, droughts or rise in sea level
temperature, such as a general rise in temperature or melting glaciers
land, such as landslides

Impact on credit risks

Raiffeisen is one of Switzerland's leading providers of mortgages. Acute and chronic physical risks can affect lending activities. In the mortgage business, they can initially influence the value of the mortgage collateral or the financed property. In addition, the affordability of borrowers' financing costs may also be affected. For example, a higher risk of flooding in a certain area could affect the value of real estate at that location. A specific flood event could in turn result in additional expenditure on repairing properties. Companies also face the latent risks of business disruption and possible supply chain problems, leading to income losses. Besides these microeconomic effects, a macroeconomic impact is also conceivable, caused by greater physical risks. This could cause an economic slowdown with changes in the labour market, affect consumer behaviour and stir up conflict.

The mandatory building insurance in most cantons (including natural hazards) for building damage has a risk-mitigating effect on Raiffeisen's mortgage business. In cantons without mandatory insurance, the insurance is clarified as part of a financing programme. Acute physical risks, such as floods, landslides, hail or storm winds, are therefore unlikely to have a significant impact on the value of buildings (collateral) and the guarantee of affordability by borrowers, as long as insurance premiums do not increase significantly. Switzerland's building and zoning regulations also ensure that construction is not permitted at highly exposed locations. In the case of companies, insurance covering business interruption would have an appropriate mitigating effect.

Additionally, extreme weather events often occur locally. Raiffeisen's credit portfolio in Switzerland, which is highly diversified geographically, would accordingly be affected by these events to a small extent. In events of this nature, state aid and other solidarity-based support payments in favour of the injured parties are also common, which further reduces the default risk for Raiffeisen. At this stage, however, it is not possible to assess the extent to which these compensation mechanisms will continue to function with an increasing number of extreme weather events.

Raiffeisen's lending activities, which focus on the Swiss mortgage market, can generally be classified as comparatively "stress-resistant" to physical climate risks in the short to medium term. To "quantify" physical risks, Raiffeisen has so far conducted two scenario analyses confirming the above assessments. Each of these cases looked at a flooding scenario. The focus on floods was chosen because they have been one of the main sources of physical risk in Europe in the past, according to the European Central Bank (ECB).

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¹ In this context, resilience means the ability to adapt to climate change and deal with its consequences.

In 2021, the scenario of a flood on the scale of the extraordinary 2005 flood in Switzerland and Europe was considered for the corporate client portfolio. Specifically, the impact of a flood disaster on the value of the collateral and on affordability in the corporate client business was examined in more detail. The calculations showed that the need for value adjustment would be low.

Flood scenario I – impact on expected loss

Portfolio: financing for corporate clients

Physical scenario	Pathway	Impact on risks	Summary
Occurrence of a serious natural hazard event on the scale of the floods in 2005. Fictitious scenario in which around 20% of corporate clients in 30 medium-sized small towns are affected.	<ul style="list-style-type: none"> – Damage repair: physical damage to fixed assets at directly affected companies – Reduction in sales: damage due to business interruption (for firms affected directly and indirectly). 	Change in value of collateral and change in affordability (determination of change in probability of default and in loss given default, and change in expected loss).	A small change in expected loss is anticipated.

In 2022, Raiffeisen simulated another scenario involving severe flooding throughout Switzerland. Based on a price shock specified by the ECB² (see table “Price shocks as defined by the ECB” in the column on the right), which varies depending on the flood risk level¹ of the location of the financed buildings, the impact of such a flood event on the loan-to-value ratio was determined. The calculations were carried out for three of the six climate scenarios at the time by the Network for Greening the Financial System (NGFS)³, each of which assumes different medium and long-term characteristics of the physical risk of flooding⁴ (see information box “Climate scenarios according to the NGFS”, page 21). After the price shock caused by the flooding, there would be negative equity in about a quarter to a third of the exposure in the mortgage business. In the case of the NGFS climate scenarios with high physical risks, the impact would be correspondingly higher.

For Raiffeisen, this would mean that the value of the buildings would decrease, resulting in the mortgages no longer being sufficiently covered by collateral. As a result, the credit risk, in particular the risk to the value of the collateral, would increase significantly. Due to the very high price shock defined by the ECB, the improbability of the scenario, and factors not taken into account such as normal price increases, building insurance cover or any public support payments, the result for Raiffeisen is consistent with expectations.

Risk level	Price shocks as defined by the ECB ¹	
	Commercial properties	Residential properties ²
Minor	-3%	-4%
Low	-8%	-10%
Moderate	-16%	-19%
High	-43%	-45%

¹ ECB, 2022 climate risk stress test, pages 17–18.

² www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.climate_stress_test_report.20220708-2e3cc0999f.en.pdf

³ The price shock is exerted depending on the real estate category and the risk category at the time when the scenario occurs.

¹ The risk maps for water as a natural hazard from geodienste.ch were used as a basis. Data imputations and assumptions were applied.

² The various NGFS climate scenarios were integrated into the scenario based on the data of the Climate Impact Explorer by means of a change in the risk level (climate-impact-explorer.climateanalytics.org). Data imputations and assumptions were applied.

³ The various NGFS scenarios were integrated into the scenario based on the data of the Climate Impact Explorer by means of a change in the risk level (climate-impact-explorer.climateanalytics.org). Data imputations and assumptions were applied.

⁴ According to Raiffeisen's financed portion regulations (version valid from 1 July 2021).

Flood scenario II – impact on loan-to-value ratio**Portfolio: mortgages**

Physical scenario	Pathway	Impact on risks	Summary
Flooding throughout Switzerland, with all properties affected at the same time.	Change in property value: price shock (as defined by the ECB) depending on the risk level at the location of the financed properties.	Change in value of collateral (calculation of change in collateralisation: if a property loses value, the loan-to-value ratio increases accordingly).	One quarter (for the NGFS Net Zero 2030 scenario) to one third (NGFS Current Policy 2050 scenario) of Raiffeisen's exposure would be subject to negative equity.

In addition to these model calculations, Raiffeisen Switzerland has carried out a situational ad hoc risk analysis in the event of extreme physical storm events in Switzerland. Based on this, Raiffeisen does not currently anticipate any significant additional risks.

Impact on operational risks

Extreme weather events could affect Raiffeisen's buildings, employees or suppliers, and restrict its ability to operate. As a result, Raiffeisen assets could lose value, while additional expenses may be incurred to repair the damage. Raiffeisen's approximately 800 bank buildings are all located in Switzerland, so they have the usual building insurance cover. They are also diversified geographically, which is why the expected loss for extreme weather events is classified as low from a Group viewpoint. The probability of a business interruption due to climate-related damage to the infrastructure (including IT) is low for the Raiffeisen banks, as the IT infrastructure is professionally operated by Raiffeisen Switzerland at a central location. It can also be expected that the risk of the data centre failing due to climate change is increased only to a limited extent. Even in the event of prolonged heat waves, procedures are in place to ensure that Raiffeisen's IT infrastructure, especially the data centres, are kept cool. On the other hand, a prolonged heatwave affects the health and therefore the productivity of employees if the offices in the Raiffeisen buildings cannot be cooled sufficiently. According to a rough estimate, it will cost around CHF 8 million to equip the Raiffeisen buildings with additional air conditioning systems. This amount would be manageable for the Group. In general, operational risk management and business continuity management ensure that Raiffeisen can maintain business-critical processes even in exceptional situations.

Impact on other risks

- **Market risks** Physical risks can have an impact on Raiffeisen's market risks via equity, foreign exchange or commodity prices or their revaluation. Raiffeisen's financial investments focus on Swiss mortgage bonds and public sector bonds. In addition, Raiffeisen's trading business is straightforward and in any case oriented towards the short term, with no investments particularly in commodity trading. The impact is assessed as low for these reasons.
- **Liquidity risks** may change as a result of physical risks due to an increase in client demand for liquidity (higher liquidity outflows) or due to a change in the buy-back policy of central banks. This is regarded as very unlikely for a bank located in Switzerland.
- **Reputational risks** Failure to deal responsibly with the physical risks resulting from climate change could cause reputational damage to Raiffeisen. As the risks associated with physical climate risks are classified as low for Raiffeisen overall, this reputational risk is also assessed as low.

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Transition risks

Policy and regulation, technological change and innovation, market sentiment

Climate change is already exerting an influence on legislation, regulations and other policies. Examples include bans on certain technologies and other requirements imposed on energy use and efficiency, and a levy on CO₂. Climate change also promotes innovation and the technological changes necessary for the shift to clean and energy-efficient technologies. Examples include renewable energy sources, energy storage through battery technology, energy-efficient buildings, low-emission means of transport, and technologies to remove greenhouse gas emissions from the atmosphere. Climate change can impact the market in that both consumers and investors change their behaviour and, for example, increasingly demand climate-friendly products and brands. For the financial market, this means that investors are increasingly including climate risk considerations in their decisions.

Impact on credit risks

Just like physical climate risks, transition risks caused by climate change could reduce the value of a property and the income of mortgage clients. It is conceivable, for example, that the value of a residential property could be reduced and higher operating costs incurred for a property heated by fossil fuels, due to a significant increase in the CO₂ tax or energy prices. A “climate-aware” market could exacerbate or accelerate the decrease in value. In the case of corporate clients, climate change may require business activities and production methods to be adapted or realigned, which in turn requires investment. If essential adjustments and investments are not made, assets could lose their value altogether (“stranded assets”). Following on from this, the transition to a low-carbon economy could change profitability expectations for companies.

Transition risks, like physical risks in lending activities, also affect the counterparty solvency. In the case of mortgages, the value of the real estate serving as collateral is also impacted. Raiffeisen mortgage clients are not unduly affected by any climate-motivated regulations or market changes, at least in the Swiss context. According to a study commissioned externally in 2019, the buildings financed by Raiffeisen have slightly below-average emissions intensity in the context of Switzerland’s building stock. This is primarily because the buildings are newer and use fossil fuels to a lesser extent due to their respective locations. A study conducted in 2021 confirmed that the buildings financed by Raiffeisen have somewhat lower emissions intensity compared to Switzerland’s building stock. Raiffeisen finances 14.6% of the energy reference area of Switzerland’s building stock, but causes only 13.1% of Swiss building emissions. The proportion of financed Minergie-certified buildings is another indicator of the climate compatibility of the mortgage business. At around 19% in 2019, it roughly corresponded to Raiffeisen’s share of the Swiss mortgage market (18.1% market share in 2024).

Climate-related findings on the financed building stock

Aspects of the financed building stock analysed	Unit	2019
CO ₂ emissions from the building stock financed by Raiffeisen	Million t CO ₂	2.5
Minergie-certified buildings financed by Raiffeisen	Share in %	19
		2021
Financed energy reference area versus financed emissions as a percentage of the Swiss building stock		14.6 vs. 13.1

In addition, companies financed by Raiffeisen are not overly affected by technological change that is necessary for regulatory or other reasons, with a corresponding need for investment. Raiffeisen is traditionally an important lender to Swiss agriculture. The exposure of Raiffeisen corporate clients to other sectors that are particularly climate intensive according to the Paris Agreement Capital Transition Assessment (PACTA) (coal, oil, gas, electricity, automotive, cement, steel, aviation; excluding agriculture) is currently low, at around 3.0% of total corporate clients business. Similarly, Raiffeisen does not finance companies that extract fossil fuels or operate coal-fired power plants themselves.

In addition, the innovative strength in Switzerland is high, and Raiffeisen finances almost exclusively corporate and mortgage clients domiciled in Switzerland. Companies financed by Raiffeisen and private property owners should accordingly be able to face any necessary technological changes related to climate change. This can also be assumed for agriculture, which will have to adapt accordingly to future precipitation patterns and droughts, for example.

Exposure of corporate client business in energy-intensive sectors

Industry (according to NOGA code classification)	31.12.2023	31.12.2024
Proportion of industry in corporate clients business¹		
Operation of coal-fired power plants	0.0%	0.0%
Extraction of oil, natural gas, coal	0.0%	0.0%
Agriculture	10.1%	9.3%
Electricity	1.8%	1.8%
Other emission-intensive sectors (according to PACTA ²)	1.3%	1.1%

1 Calculation is based on credit limits.

2 PACTA = Paris Agreement Capital Transition Assessment.

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Moreover, the abrupt adoption of drastic climate-related legislation, regulations and other policies that significantly affect real estate values, the affordability of mortgages or lending to companies in general, is rather unlikely in Switzerland's political system of direct democracy. Switzerland is a functioning constitutional state in which political decisions are made in close consultation with stakeholders. The agricultural sector in particular, which plays an important role in Raiffeisen's corporate client business, has especially close links to politics in Switzerland and is supported with public funds. As a result, payment defaults due to abrupt, drastic new regulations are unlikely for corporate clients or mortgage clients. Raiffeisen expects relatively long-term political and regulatory processes in Switzerland, to which the economy and society can adapt.

Overall, the transition risks caused by climate change have a minor impact on Raiffeisen's credit risks over the short to medium term. Furthermore, Switzerland's building stock accounts for around 25% of the country's emissions, and Raiffeisen is a major mortgage lender. Even if there are currently no signs of sudden far-reaching political or regulatory measures, depending on developments (global warming, CO₂ targets, energy price increases), more far-reaching measures cannot be ruled out in the medium to longer term.¹

The currently low impact of transition risks on credit risks was confirmed in 2021 using the example of a rise in the CO₂ tax. The impact on the value of collateral and on affordability was examined. This assumed a realistic increase in the CO₂ tax, based on the new CO₂ Act submitted to the vote at the time, with the CO₂ revenues being redistributed by the Swiss government to the population and the economy. The calculations showed that the need for value adjustment would be low.

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Impact of the transition risk "CO₂-tax" on Raiffeisen

Transition scenario	Pathway	Impact on risks	Summary
Portfolio: mortgages for private clients			
Increase in CO ₂ tax Insufficient progress in CO ₂ -reduction leads to an increase in the CO ₂ tax of 96 CHF/t CO ₂ to 210 CHF/t CO ₂ over the next 5 years.	<ul style="list-style-type: none"> Change in income: scenario has an impact on household income. Change in property value: scenario results in need for renovation / property devaluation. 	Change in value of collateral and change in affordability (determination of change in probability of default and in loss given default, and change in expected loss).	A small change in expected loss is anticipated.
Portfolio: financing for corporate clients			
Increase in CO ₂ tax Insufficient progress in CO ₂ -reduction leads to an increase in the CO ₂ tax of 96 CHF/t CO ₂ to 210 CHF/t CO ₂ over the next 5 years.	<ul style="list-style-type: none"> Changes in the income statement: decrease in revenue and passing on of costs. Change in property value: scenario results in need for renovation / property devaluation. 	Change in value of collateral and change in affordability (determination of change in probability of default and in loss given default, and change in expected loss).	A small change in expected loss is anticipated. The risk with corporate clients is higher than with private clients.

¹ While no bans or levies that would have an impact on credit risk have been discussed as part of the current political discourse accompanying the CO₂ Act and the Climate and Innovation Act, this process is far from over at the end of 2024.

Impact on market risks

Transition risks can have an impact on Raiffeisen's market risk through securities prices, foreign exchange or commodity prices, or their revaluation. Raiffeisen's financial investments focus on Swiss mortgage bonds and public sector bonds. In these cases, it can be assumed the transitory risks will have a lower impact than, for example, for companies from polluting industries. Overall, the impact of climate-related transition risks on market risks relevant to Raiffeisen is therefore limited.

The results of the PACTA climate compatibility tests for 2020, 2022 and 2024 have affirmed the assessment that Raiffeisen's exposure to market risks is limited. These tests included examining the exposure of investments in sectors considered to be particularly climate-intensive, as well as analysing the extent to which corresponding investments will be made in companies that are planning to invest in climate-friendly technologies in the near future. Raiffeisen has had an analysis conducted on investments in equities and corporate bonds in which Raiffeisen Switzerland is responsible for the investment decision. In addition to the investments relevant to market risk in the context of liquidity management and proprietary trading, these also include investments in asset management mandates, in pension and investment funds, and in the context of the strategic portfolio. The 2020, 2022 and 2024 tests showed that Raiffeisen's overall exposure to climate-intensive sectors (coal, oil, gas, electricity, automotive, cement, steel, aviation) is low due to the equity and bond investments it controls. There is also potential to focus the relevant investments in climate-related sectors even more strongly on companies that are phasing out emissions-intensive technologies, building up low-emissions technologies, and committed to net-zero targets. The detailed results of the 2024 climate compatibility test are published on the Raiffeisen website → [raiffeisen.ch/nachhaltigkeit-offenlegung](https://www.raiffeisen.ch/nachhaltigkeit-offenlegung).

The result of a stress test also included in the 2020 test furthermore shows that if far-reaching climate policy measures were abruptly introduced, the carbon-intensive equity and bond investments subjected to the test by Raiffeisen would lose 22.0% and 3.0% in value, respectively. Overall, equity and corporate investments would lose 0.7% and 0.02%, respectively.

PACTA climate compatibility test¹

	2022	2024
Exposure to carbon-intensive sectors²		
Bonds held in carbon-intensive sectors	5.0	9.0
Bonds involving the production of coal, oil and gas ²	0.3	3.5
Equities in carbon-intensive sectors	3.0	4.0
Equities involving the production of coal, oil and gas ²	0.3	0.3

¹ PACTA = Paris Agreement Capital Transition Assessment. The analysis is carried out every two years. The figures were calculated by external service providers as part of the PACTA climate test. Any discrepancies compared to previous years are mainly due to methodological reasons. Raiffeisen has neither insight into nor influence on the chosen methodology.

² Figures as % of investment

Impact on other risks

— Liquidity risks

No pathways from climate-related transition risks to liquidity risk were identified.

— Operational risks

Any impact on operational risk (for example, compliance risks due to new climate-related regulations) is rated as low.

— Reputational risks

As the public, clients and other stakeholder groups become increasingly aware of the issue, expectations of sustainable, climate-friendly business practices are rising. The inherent risks of a loss of reputation increase accordingly. Reputation could be damaged, for example, if investment and pension products recommended by the Bank negatively impact climate change. This risk is low at Raiffeisen. As at the end of 2024, 89.7% of the investments within the scope of mandates or investment and pension funds were made in line with the Futura sustainability approach. A reputational risk could also arise if Raiffeisen or one of its key partners were to behave in a way that is obviously harmful to the climate. Given the climate strategy, it is unlikely that this would happen. The above-mentioned due diligence further reduces the relevant risk. Lastly, the current reputational risks caused by climate change also include greenwashing allegations in connection with Raiffeisen products or processes. The relevant risks are mitigated by various measures, especially in connection with the implementation of the new SBA "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". Raiffeisen's objective approach to communication on climate change and broader sustainability issues has a risk-mitigating effect. Taking into account the above-mentioned mitigation measures, the residual reputational risk is assessed as low.

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Impact of climate-related risks and opportunities on business, strategy and financial planning

Based on the current, predominantly qualitative status of analysis and knowledge, the opportunities and risks associated with climate change have only a minor or negligible overall financial impact on Raiffeisen's financial opportunities and risks.

Financial impact of climate-related opportunities and risks

	Short term	Medium term	Long term	Type of impact	Assessment of the impact
Opportunities					
Products/markets	x	x	x	Higher income	Low
Costs		x	x	Lower costs	Low
Physical risks					
Credit risks		x	x	Value adjustments	Low to moderate
Market risks		x	x	Value loss	Negligible
Operational risks		x	x	Higher costs, loss of value	Low
Transition risks					
Credit risks	x	x		Value adjustments	Low to moderate
Market risks	x	x		Value loss	Negligible
Operational risks	x	x		Higher costs, loss of value	Low

Income opportunities for Raiffeisen in connection with the need for financing and investment due to the transition to a more climate-compatible economy and society are classified as low at present, as well as over the medium and long term. Based on current knowledge, medium- and long-term income losses due to increased credit risks in connection with physical climate risks are also likely to be low, or at most moderate, and are taken into account in capital planning. The main reason for the overall low impact is Raiffeisen's business model (a retail banking group with a cooperative structure and focus on the Swiss market). The Group's Raiffeisen 2025 strategy does not represent any fundamental shift in this direction. Accordingly, no adjustments are required against the backdrop of the risks and opportunities caused by climate change. Significant additional expenditure is also not necessary. Upgrading the climate compatibility of the Bank's own infrastructure can be assured within the scope of the usual investments, for example. Raiffeisen's climate strategy, which reduces risks and promotes opportunities, remains an important aspect. Raiffeisen continuously reviews and develops the assumptions

made here concerning the impact of climate-related opportunities and risks, both qualitatively and quantitatively.

Resilience of the Raiffeisen strategy, taking various climate scenarios into account

Various indicators show that the climate is changing. It is currently unclear how severe climate change will turn out to be, or whether it can be slowed down by taking effective action.

The climate scenarios defined by the NGFS were updated and supplemented as part of phase 5 of the NGFS in November 2024. They also show that various physical risks and transition risks can materialise with varying degrees of intensity and possibly in parallel. At the same time, in phase 5, NGFS assumes significantly higher physical risks with corresponding economic losses and a higher CO₂ tax of, for example, around USD 300 per tonne from 2035 onwards. According to the NGFS, a substantial transformation of the economy is necessary to curb climate change. In connection with the scenarios, NGFS draws attention to the uncertainties and limits that still exist and the need for additional analyses. Also in the context of the NGFS scenarios, Raiffeisen concludes, based on the findings derived above, that the Raiffeisen Group is overall "stress-resistant" to climate change. Even if physical risks or transition risks associated with climate change materialise to a greater extent or if corresponding risks occur in parallel, Raiffeisen is at worst only moderately affected according to the current state of knowledge. Moderate (and not just minor) effects on credit risks could be caused by physical climate risks and transition risks, according to the overview table shown above and the qualitative and quantitative considerations.

One of the seven NGFS scenarios would simultaneously result in high physical risks and high transition risks (too little, too late). Accordingly, a cumulative effect on credit risks would have to be assumed here. This would be the worst-case scenario from Raiffeisen's perspective. The two NGFS hot house world scenarios and the two NGFS disorderly scenarios would also have a more negative impact on Raiffeisen than the two orderly transition scenarios. Raiffeisen consequently has an interest in ensuring that an effective climate protection policy is introduced at an early stage and gradually made more stringent. Both physical and transition risks are relatively low in the orderly scenario. For some time now, Raiffeisen has also been voicing this point of view in the political discussion of climate issues in Switzerland.

Raiffeisen will continue to review the updated and supplemented NGFS scenarios and disclose the corresponding results.

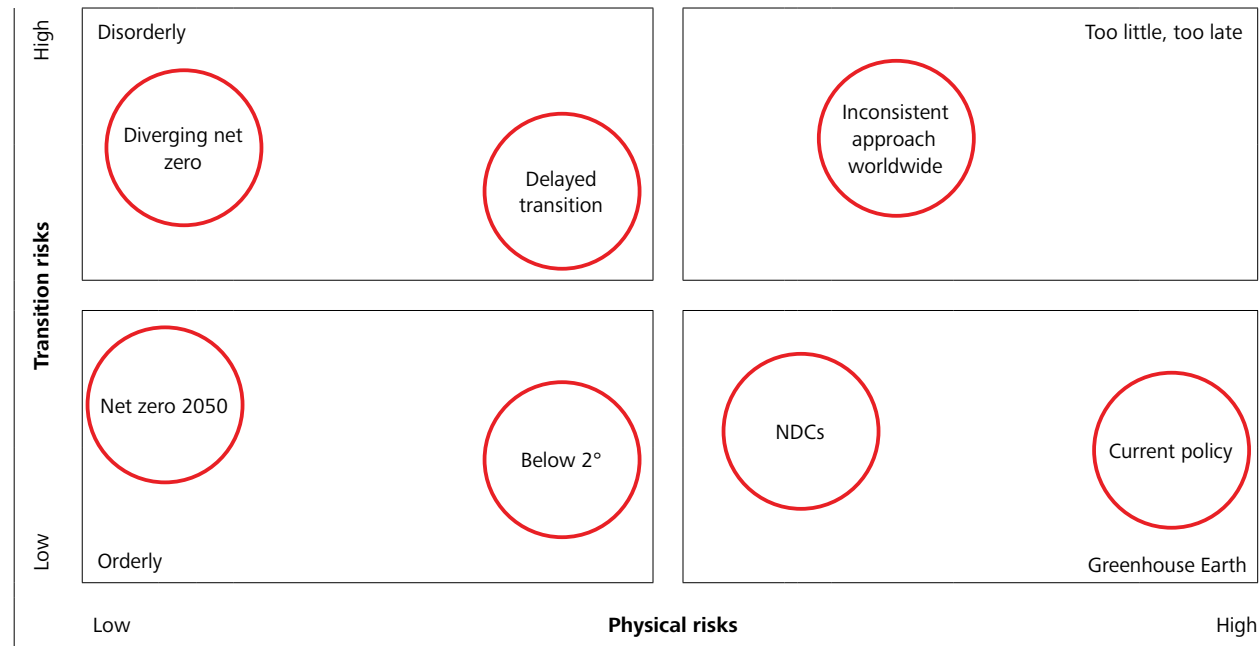
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Climate scenarios according to the Network for Greening the Financial System (NGFS)

NGFS defines seven climate scenarios, which are classified into the following four approaches:

- Three orderly scenarios assume climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued.
- One disorderly scenario assumes a higher transition risk due to climate protection policies being delayed or divergent across countries and sectors.
- Two hot house world scenarios assume that some climate policies are implemented in some jurisdictions, but global efforts are insufficient to halt significant global warming. The scenarios result in severe physical risk including irreversible impacts like sea-level rise.
- One scenario assumes high transition risks and simultaneously high physical risks because climate measures are implemented too late and too uncoordinatedly and are therefore not sufficiently effective (too little, too late).

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The seven NGFS scenarios with different physical and transition risks

Source: NGFS Scenarios for Central Banks and Supervisors, 2022, page 7

3 Risk management



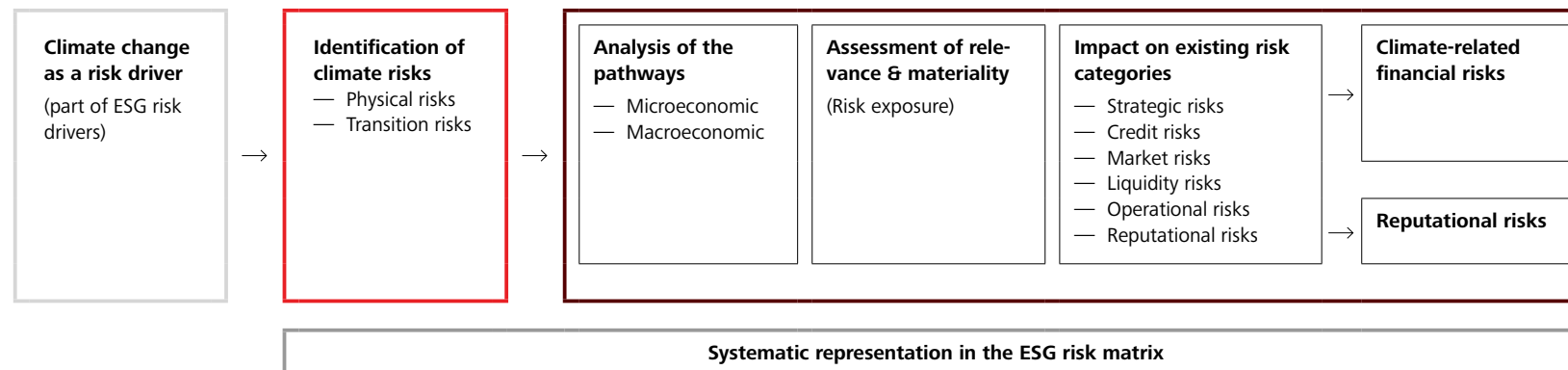
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Integration of climate-related financial risks into overall risk management

Raiffeisen operates a comprehensive risk management system that is aligned both with the high regulatory requirements for an institution of Raiffeisen's size and complexity, and with common standards applicable in the market. The risks associated with climate change are not recognised as a separate risk category, but rather as a risk driver of the existing risk categories as part of ESG risk management and are therefore integrated into the existing risk management framework **(see also the → "non-financial report" in the Annual Report of the Raiffeisen Group, pages 169–170).**

To this end, climate risks are periodically analysed along the entire cause-effect chain. This analysis is based on available climate scenarios. It takes into account the physical and transition risks as well as their microeconomic and macroeconomic pathways to the existing risk categories. The aim is to assess the relevance and materiality of the risk driver based on the current risk exposure in each of the risk categories. For example, it analyses whether and to what extent credit risks could potentially change as a result of physical natural hazards caused by climate change, such as flooding. Reputational risks are also taken into account, in addition to the financial impact of climate-related financial risks.

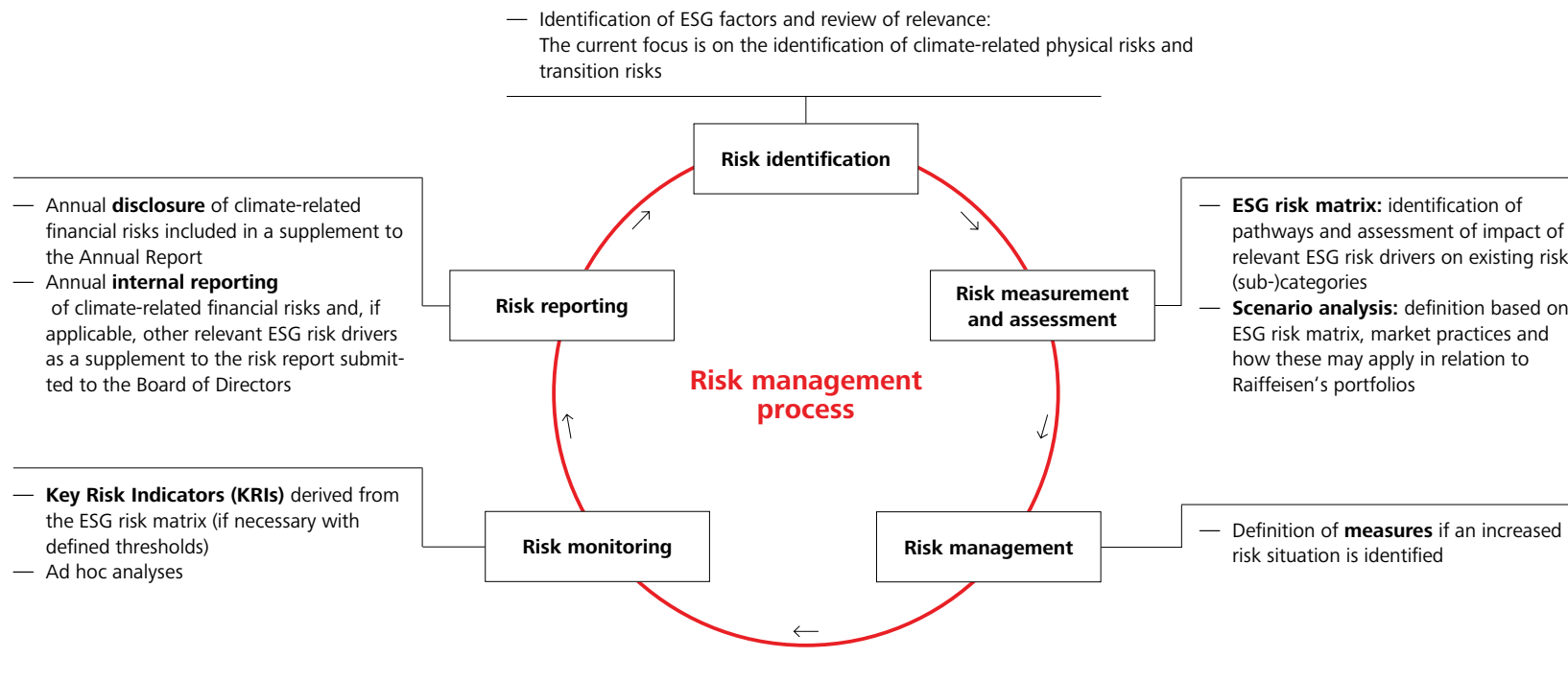
Analysis of climate risks along the cause-effect chain



The management of climate-related financial risks is integrated into the defined ESG risk management process. This covers the steps of identification, measurement and evaluation, management, monitoring and reporting.

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Management of climate-related financial risks along the risk management process



The methods and processes for managing climate-related financial risks are continuously developed, taking into account new findings, requirements or standards.

The new FINMA Circular 2026/01 “Nature-related financial risks” also covers climate-related financial risks. It was published on 17 December 2024 and is to be implemented in stages from 1 January 2026. Raiffeisen has analysed the new requirements in detail and will continue to develop the management of climate-related financial risks in a targeted manner on this basis.

Identification of climate-related financial risks

The purpose of identification is to recognise and understand the relevant risk drivers in terms of the risks to which Raiffeisen is exposed. To identify risks, considerations include environmental trends, policy and regulatory developments, technological change, and market sentiment.

The risk identification is documented together with the risk assessment (see chapter “Measurement and assessment of climate-related financial risks”, page 25) in a comprehensive ESG risk matrix, updated at least once a year and reviewed by the internal experts in the specialist committee for ESG risks.

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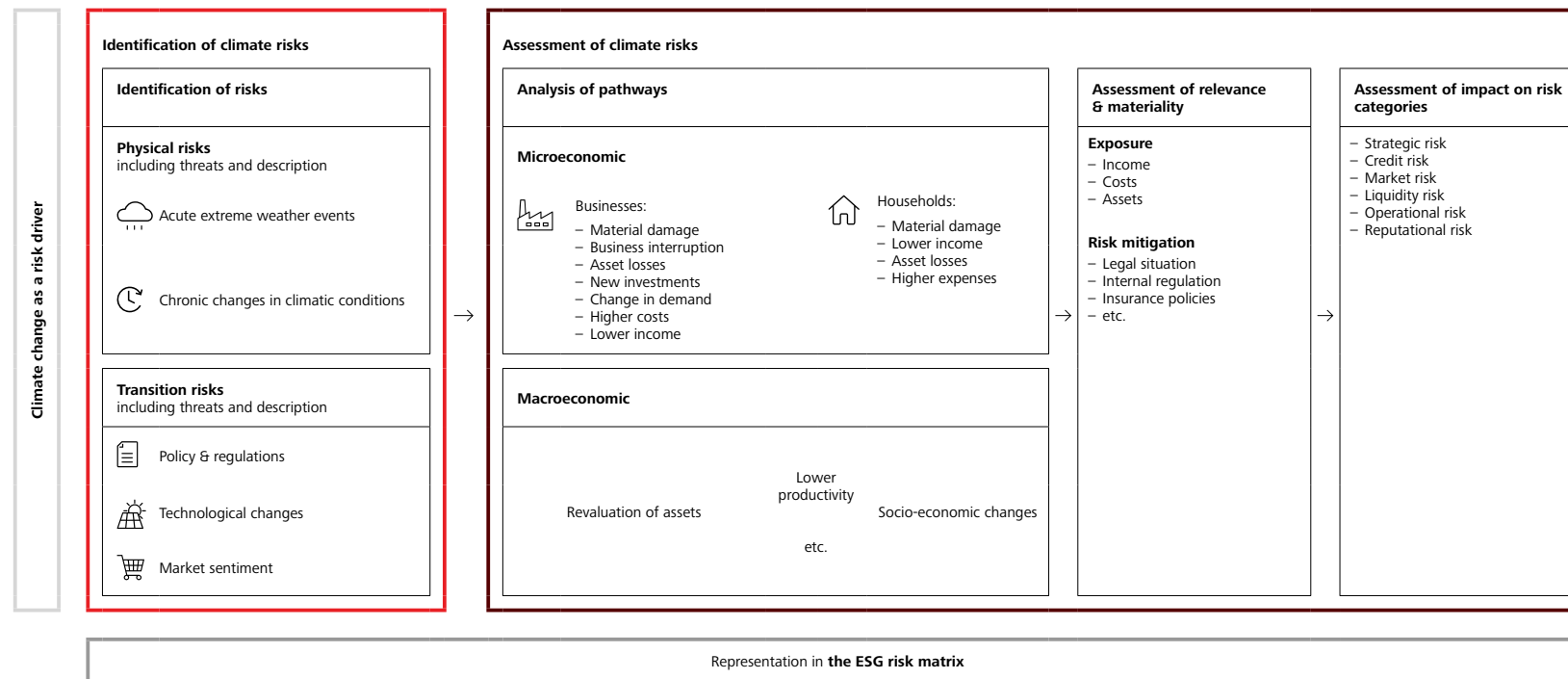
Measurement and assessment of climate-related financial risks

Measurement and assessment aims to evaluate the impact of climate change on Raiffeisen's existing risk profile.

The assessment is carried out qualitatively in the ESG risk matrix for the identified risks and the existing risk categories. The assessment is also updated annually and reviewed by the specialist committee for ESG risks.

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Qualitative assessment of climate risks (ESG risk matrix)



To carry out a qualitative assessment in the ESG risk matrix, the relevance of the risks along the pathways and in terms of risk exposure is first assessed to exclude any non-relevant risks. Next, the materiality of the risks is assessed, factoring in risk exposures, in particular, in relation to sources of income and expenses, assets, and considering potential risk mitigation strategies. Finally, the extent of the impact on the existing risk categories and their respective sub-categories is assessed, using defined qualitative risk assessment categories.¹

For more in-depth analyses and to strengthen the qualitative assessment, quantitative scenario calculations are carried out for individual hazards (see **"Opportunities and risks" section, pages 11–19**), which also take the climate scenarios into account (see **information box "Climate scenarios according to NGFS", page 21**).

¹ Range: negligible, low, moderate, material and critical

Management of climate-related financial risks

The aim of risk management is to keep climate-related financial risks under effective and efficient control throughout the Group.

The individual risk management measures for climate-related financial risks are generally defined and implemented using existing risk categories.

In addition, the existing measures for climate-related financial risks are compared with the risk assessments in the ESG risk matrix to identify any necessary action and to make risk strategy decisions. This takes place periodically in the specialist committee for ESG risks and is also part of the reporting to the Executive Board and the Board of Directors of Raiffeisen Switzerland.

The existing risk management measures are essentially the measures set out in the climate strategy as well as internal guidelines and processes, **which are listed in detail in “Opportunities and risks”, pages 11–19.**

As climate-related financial risks are currently classified as low to moderate, no need for additional measures beyond the existing measures has been identified so far. If the situation is reassessed, management measures may need to be defined, which would then be implemented by the risk manager.

Monitoring of climate-related financial risks

For the monitoring of climate-related financial risks, the main consideration is that exposure to business areas that are more strongly affected by climate change, and are riskier as a result, should not increase significantly. To this end, key risk indicators (KRIs) were derived from the risk matrix and the climate strategy (**see chapter 4 “Key figures and targets”, pages 36–37**). As the climate-related financial risks are still considered to be low to moderate, Raiffeisen has not yet defined any thresholds for these KRIs, but is monitoring their development.

Monitoring specifically involves updating the ESG risk matrix at least once a year with input from the specialist committee for ESG risks, which also reviews risk management and the KRIs.

Reporting of climate-related financial risks

Every year, the Board of Directors of Raiffeisen Switzerland receives information about the impact of climate-related financial risks on Raiffeisen’s risk profile as part of ESG risk reporting. The report also contains information on the need for further action. If there are any significant and acute developments or findings associated with climate-related financial risks, the Executive Board and the Board of Directors of Raiffeisen Switzerland will be notified during the year as part of regular risk reporting (**more on this in chapter 1 “Governance”, pages 6–8**).

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Raiffeisen has been collecting data on its operational greenhouse gas emissions (GHG emissions) for many years in accordance with the methodology of the GHG Protocol, and it discloses these figures in the Annual Report. Since 2021, Raiffeisen has also been using the PCAF methodology to collect data on its GHG emissions related to financing. Raiffeisen formulated reduction targets on the basis of the SBTi method. Various metrics are used to assess and manage the risks and opportunities caused by climate change. The metrics are collected and disclosed at least once a year, and are partly based on the reduction targets defined by Raiffeisen. The reported key climate figures currently have no influence on the remuneration of the members of the Board of Directors and the Executive Board or on that of all other employees. Raiffeisen Switzerland pays all employees an annual variable remuneration in the form of a collective profit-sharing element. The collective profit-sharing element is a voluntary, variable benefit provided by Raiffeisen Switzerland as the employer. Apart from financial performance, Raiffeisen also takes into account sustainability criteria when determining the bonus. The criteria for determining the profit-sharing element are primarily applied by Raiffeisen Switzerland, but can also be adopted voluntarily by the Raiffeisen banks.

Greenhouse gas emissions

The **disclosure of** Scope 1 to Scope 3 emissions for the operation of infrastructure and related activities, as presented below, is based on the GHG Protocol. The disclosure has also been audited every year by external consulting firms since 2021, and then further enhanced on that basis. In 2023, a new method was introduced to improve the recording and calculation of operational emissions.¹

In the year under review, total operational emissions fell by 5.6% compared to the previous year.²

CO₂-emission intensity in connection with the operation of infrastructure and related activities has been continuously reduced over the past few years. Compliance with standards that regulate energy, mobility, resources and procurement has made an important contribution to achieving this target.

In 2024, Raiffeisen's operational greenhouse gas emissions fell by 5.6%.²

¹ The method of recording the operational infrastructure has been significantly improved by the systematic recording and referencing of floor space instead of full-time equivalents. Since 2022, the company has recorded data on company vehicles, heating system types and construction, and refrigerant leaks for each building. These improvements increase the data quality of Scope 1 and 2. For 2022, the values were recalculated and adjusted retrospectively based on the improved method.

² This reduction is to be understood in the context of the usual fluctuations.

Direct and indirect operational greenhouse gas emissions¹

Category	Unit	2022 ²	2023	2024 ³	Change to previous year in %	per FTE ⁴
Greenhouse gas emissions from energy, transport, paper and water⁵	t CO ₂ eq	12'700	10'700	10'100	-5.6	0.964
Direct GHG emissions (Scope 1)	t CO ₂ eq	6'600	4'600	4'200	-8.7	0.401
Indirect GHG emissions (Scope 2)	t CO ₂ eq	1'100	1'100	1'100	0.0	0.105
Other indirect GHG emissions (Scope 3) ⁶	t CO ₂ eq	5'000	5'000	4'800	-4.0	0.458

1 All figures in this table have been rounded to the nearest hundred. This may result in rounding discrepancies.

2 The year 2022 is the base year for the purposes of GRI.

3 The operational greenhouse gas emissions of Scopes 1 and 2 (5,300 tonnes of CO₂-equivalent) are offset by purchasing CO₂ certificates or emission credits from climate protection projects that meet internationally recognised standards.

4 Per personnel unit means in this context per average full-time equivalent (2024: 10 474). Data basis: key figures in the Annual Report 2024.

5 The important emissions sources are recorded, based if possible on consumption data and, where necessary, on estimated figures. The three system limits are as follows.

Scope 1 (78% estimated figures, 22% recorded figures): Direct greenhouse gas emissions from stationary sources in the company itself, in this case, oil and gas heating, own vehicles and refrigerant leakage.

Scope 2 (63% estimated figures, 37% recorded figures): Indirect greenhouse gas emissions from energy generation outside the company, in this case, electricity and district heating.

Scope 3: Other indirect greenhouse gas emissions outside the company from upstream and downstream processes, such as business travel by rail or upstream processes involved in supplying energy.

The organisational system limits are defined based on the principle of control, i.e. data is recorded about relevant emissions resulting from activities over which Raiffeisen can exercise operational control, in other words the buildings of the fully consolidated Group companies Raiffeisen Switzerland Cooperative and Raiffeisen Immo AG.

The metrics are collected monthly for all Raiffeisen business properties and external ATMs. Data gaps are filled with master data stored in the system (e.g. floor area, heating system, etc.) and default figures (consumption per square metre of floor area).

The emission factors used for calculating greenhouse gas emissions were defined in conjunction with partners specialising in environmental performance and checked by external parties.

6 The Scope 3 operational emissions disclosed here include the categories as defined in the GHG Protocol: "Fuel and energy-related emissions", "Transport and distribution", "Waste" and "Business travel" as well as "Paper and water consumption". Financed emissions are not included here. For financed emissions, see table "Financed CO₂ emissions according to the PCAF standard", pages 33–34.

As shown in the following table (see table **"Operational environmental indicators"**, page 29), water and paper consumption are comparatively low. Any impact made by climate change on water and paper consumption is therefore unlikely to cause any material risks for Raiffeisen. Raiffeisen regularly reviews the energy and resource efficiency of all relevant processes in its banking operations, and raises awareness among its employees accordingly.

The number of kilometres travelled on business trips has fallen slightly compared to previous years. On a positive note, it should be emphasised that there is a general upward trend in the use of public transport. Raiffeisen remains committed to increasing the use of public transport.

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Operational environmental indicators¹

Category	Unit	2022 ²	2023	2024	Change to previous year in %	per FTE ³
Building energy	kWh	63'443'000	62'464'000	63'923'000	2.3	6'103
Electricity ⁴	kWh	36'652'000	36'023'000	37'994'000	5.5	3'627
Heating energy ⁵	kWh	26'791'000	26'441'000	25'929'000	-1.9	2'476
Business travel	km	18'815'000	18'616'000	18'383'000	-1.3	1'756
Public transport (rail, bus, tram)	km	3'079'000	3'909'000	4'579'000	17.1	437
Road transport	km					
Private cars	km	2'234'000	2'400'000	2'511'000	4.6	240
Company cars	km	3'218'000	2'210'000	2'028'000	-8.2	194
Courier deliveries	km	9'778'000	9'523'000	8'823'000	-7.4	842
Passenger transport by air	km	19'000	25'000	7'000	-72.0	1
Air freight	km	487'000	549'000	435'000	-20.8	42
Paper and water consumption						
Paper consumption	t	698	639	624	-2.3	0.06
Water consumption	m ³	348'000	364'000	405'000	11.3	39

¹ All figures in this table have been rounded to the nearest thousand. This may result in rounding differences.

² The year 2022 is the base year for the purposes of GRI.

³ Per personnel unit means in this context per average full-time equivalent (2024: 10 474). Data basis: key figures in the Annual Report 2024.

⁴ Only purchased electricity is included in electricity consumption. Electricity generated by the company's own photovoltaic systems is not included.

⁵ In the case of oil-fired heating systems, the delivery quantities are recorded. These may differ slightly from actual consumption.

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When calculating and disclosing GHG emissions related to financing and investments, Raiffeisen uses the Global GHG Accounting and Reporting Standard for the Financial Industry, developed by PCAF.

Raiffeisen discloses the financed emissions relating to its main financing and investment activities. Emissions associated with the mortgage business (residential property and commercial real estate), business loans and unlisted participations are relevant to the Raiffeisen Group. These categories are disclosed in the table below. Other PCAF categories are not taken into account, as they are either not offered by the Group, or represent an insignificant percentage of the business volume. The figures shown must be interpreted in the light of imprecise data and the fact that this is a new type of standard.

Calculation of CO₂ emissions using PCAF methodology

The calculation of CO₂ emissions is based on the asset class-specific methods defined in the PCAF standard. In the first step, Raiffeisen financing is allocated to the PCAF asset classes. GHG emissions of the asset classes residential property and commercial real estate are calculated using CO₂ emission factors that are tailored to the Raiffeisen building portfolio. These CO₂ emission factors were developed by a specialist consulting firm based on the characteristics of properties such as the year of construction and the type of building, such as single-family homes or commonhold ownership, as well as location-specific metrics such as the energy source mix. Where necessary, the internally available data are supplemented with public data from the Register of Buildings and Dwellings. The CO₂ emissions per building are equal to the product of the energy reference area and the respective emission factor. The sum of the CO₂ emissions of all buildings in an asset class, weighted by the loan-to-value, is in line with financed emissions. For the asset classes of corporate loans and non-listed equity investments, the CO₂ emissions are calculated as the product of the outstanding amounts and the NOGA code-specific emission factors. These emission factors in the PCAF emissions database are based on sectoral average values.

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Financed Emissions according to the standard of the Partnership for Carbon Accounting Financials (PCAF)

Asset class	Outstanding amount ¹ (in CHF million)	Scope 1 and 2 emissions (t CO ₂ eq)	Scope 3 emissions ² (t CO ₂ eq)	Emission intensity ³ (t CO ₂ eq /CHF million)	Coverage (%)	Data quality score (1 = high, 5 = low)
2023						
Mortgages (residential property)	125'796	522'900	n/a	4,2	100	4
Mortgages (commercial property)	83'979	550'400	n/a	6,6	95	4
Loans to corporate clients ⁴	10'256	251'200	848'900	107	100	5
Mining and extraction of stones and earth	3	400	400	266		
Coking and mineral oil processing	0	0	0	0		
Production of chemical products	69	300	8'200	123		
Manufacture of food products, beverages and tobacco products	144	3'800	44'000	332		
Manufacture of textiles, apparel, leather and related products	3	100	400	174		
Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials, paper and paper products, printing and service activities related to printing, reproduction of recorded media	75	6'300	12'900	258		
Manufacture of basic pharmaceutical products and pharmaceutical preparations	38	200	4'500	122		
Manufacture of rubber and plastics products, manufacture of other non-metallic products	62	10'200	20'200	487		
Manufacture of basic metals, manufacture of fabricated metal products, except machinery and equipment	92	8'700	21'600	329		
Manufacture of computer, electronic and optical products	44	500	19'000	446		
Manufacture of electrical equipment	47	500	20'000	439		
Manufacture of machinery and equipment n.e.c.	49	1'200	6'700	160		
Manufacture of motor vehicles, trailers and semi-trailers, and other transport equipment	8	100	1'800	238		
Manufacture of furniture, other goods, repair and installation of machinery and equipment	97	2'100	36'100	395		
Construction of buildings, civil engineering, specialised construction activities	432	7'400	70'800	181		
Transportation and storage	165	1'300	3'000	27		
Services to buildings and landscape activities	32	400	2'000	73		
Unlisted participations ⁵	253	61	410	2	100	5

1 Selection and aggregation of outstanding amounts based on the PCAF standard. Mortgage loans are accordingly divided into the asset classes "mortgages (residential property)" and "mortgages (commercial property)". This division differs from the definitions usually used by Raiffeisen.

2 PCAF requires Scope 3 disclosure only for the categories "loans to corporate clients" and "unlisted participations".

3 The emission intensity for mortgages (residential property and commercial property) relates to Scope 1 and 2; in the case of loans to corporate clients and unlisted participations, to Scope 1, 2 and 3.

4 In line with the General Classification of Economic Activities of the Federal Statistical Office (NOGA classification). The emission factors were updated by PCAF in 2023. A plausible emission factor for NOGA code 3530 is not available at the time of preparing this report. It can be assumed that the emissions calculated on that basis are too low. We reserve the right to update the calculation if a more accurate emission factor becomes available. In addition, the sectors shown here comply with PCAF disclosure requirements and are therefore not exhaustive.

5 Covers non-consolidated participations.

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Financed Emissions according to the standard of the Partnership for Carbon Accounting Financials (PCAF)

Asset class	Outstanding amount ¹ (in CHF million)	Scope 1 and 2 emissions (t CO ₂ eq)	Scope 3 emissions ² (t CO ₂ eq)	Emission intensity ³ (t CO ₂ eq /CHF million)	Coverage (%)	Data quality score (1 = high, 5 = low)
2024						
Mortgages (residential property)	129'400	529'500	n/a	4.1	100	4
Mortgages (commercial property)	90'733	576'600	n/a	6.4	95	4
Loans to corporate clients ⁴	10'714	267'200	862'000	105	100	5
Mining and extraction of stones and earth	3	500	300	309		
Coking and mineral oil processing	0	0	0	0		
Production of chemical products	84	400	9'900	123		
Manufacture of food products, beverages and tobacco products	126	3'500	40'300	348		
Manufacture of textiles, apparel, leather and related products	2	100	300	174		
Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials, paper and paper products, printing and service activities related to printing, reproduction of recorded media	135	7'500	28'800	270		
Manufacture of basic pharmaceutical products and pharmaceutical preparations	42	200	5'000	122		
Manufacture of rubber and plastics products, manufacture of other non-metallic products	33	3'000	16'100	583		
Manufacture of basic metals, manufacture of fabricated metal products, except machinery and equipment	89	9'000	21'000	336		
Manufacture of computer, electronic and optical products	69	700	30'300	447		
Manufacture of electrical equipment	36	400	15'700	442		
Manufacture of machinery and equipment n.e.c.	45	1'100	6'100	160		
Manufacture of motor vehicles, trailers and semi-trailers, and other transport equipment	8	100	1'800	235		
Manufacture of furniture, other goods, repair and installation of machinery and equipment	89	2'000	33'300	397		
Construction of buildings, civil engineering, specialised construction activities	366	6'300	60'100	181		
Transportation and storage	181	1'300	3'800	28		
Services to buildings and landscape activities	28	300	1'700	73		
Unlisted participations ⁵	282	85	552	2	100	5

1 Selection and aggregation of outstanding amounts based on the PCAF standard. Mortgage loans are accordingly divided into the asset classes "mortgages (residential property)" and "mortgages (commercial property)". This division differs from the definitions usually used by Raiffeisen.

2 PCAF requires Scope 3 disclosure only for the categories loans to corporate clients and unlisted participations.

3 The emission intensity for mortgages (residential property and commercial property) relates to Scope 1 and 2; in the case of loans to corporate clients and unlisted participations, to Scope 1, 2 and 3.

4 In line with the General Classification of Economic Activities of the Federal Statistical Office (NOGA classification). The emission factors were updated by PCAF in 2023. A plausible emission factor for NOGA code 3530 is not available at the time of preparing this report. It can be assumed that the emissions calculated on that basis are too low. We reserve the right to update the calculation if a more accurate emission factor becomes available. In addition, the sectors shown here comply with PCAF disclosure requirements and are therefore not exhaustive.

5 Cover non-consolidated participations.

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Targets

As mentioned above ([see chapter 2 “Climate strategy”, page 9](#)), Raiffeisen – like Switzerland – is pursuing the climate target of net zero by 2050 at a strategic level. In Scope 1 and Scope 2 of operational GHG emissions, net zero is to be achieved by 2030. These targets were set in the context of the Group’s Raiffeisen 2025 strategy and the sustainability and climate strategy. In 2022, Raiffeisen calculated science-based reduction targets based on the net-zero targets for the first time. These are reviewed periodically and adjusted if necessary. In 2023, Raiffeisen recalculated the CO₂ reduction targets with a more up-to-date base year and an adjusted target horizon up to 2030. These objectives are complemented by key performance indicators (KPIs), operational objectives and measures, which are summarised in a “transition plan” ([see chapter 5 “Transition plan”, pages 39–40](#)). The reduction targets cover operational emissions in Scope 1 and Scope 2, and emissions from Raiffeisen’s mortgage-lending activities. This line of business covers more than 70% of total assets. For the time being, Raiffeisen is not setting further reduction targets in connection with loans to corporate clients or investments in corporate bonds. This is because, due to a lack of more precise data, emissions in this case can be calculated only using sector-based assumptions. Raiffeisen is also monitoring trends in this business area based on various KPIs, defining operational targets and implementing measures.

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Reduction targets

Topics	Targets	Figures for base year 2022	Method
Financed buildings	Reduction in GHG emissions (kg CO ₂ eq) by 2030		Sectoral Decarbonization Approach ²
	- for mortgages (commercial property) by 61% per m ²	- Mortgages (commercial property): ¹ 19.8 kg CO ₂ eq per m ²	
	- for mortgages (residential property) by 45% per m ²	- Mortgages (residential property): ¹ 17.1 kg CO ₂ eq per m ²	
Operations ³	Reduction in GHG emissions (tonnes of CO ₂ eq) Scope 1 and Scope 2 by 42% by 2030	7,878 tonnes of CO ₂ eq	Absolute contraction ⁴

¹ In the case of the asset class mortgages (residential property), 100% of the mortgage volume can be evaluated; for mortgages (commercial real estate), the figure is 94%. The calculation was also retroactively adjusted and the intensities are now calculated on the basis of the financed square metres.

² The Sectoral Decarbonization Approach (SDA) is a method of setting physical intensity targets that uses convergence of emissions intensity. An intensity target is defined by a reduction in emissions relative to a specific business metric, such as production output of a company (e.g. metric tonnes of CO₂ eq per tonne of product produced). The SDA assumes global convergence of key sectors’ emissions intensity by 2050.

³ To drive its own energy management, Raiffeisen Switzerland is also a member of the voluntary corporate initiative Energy Model Zurich. The initiative has agreed with the federal government to increase energy efficiency by 14% and reduce emissions by 20% by 2030 (base year 2020). As part of this membership, Raiffeisen Switzerland is subject to an annual external audit by Energy Model Zurich.

⁴ The approach requires an annual linear reduction in absolute emissions of at least 4.2% for the 1.5°C targets.

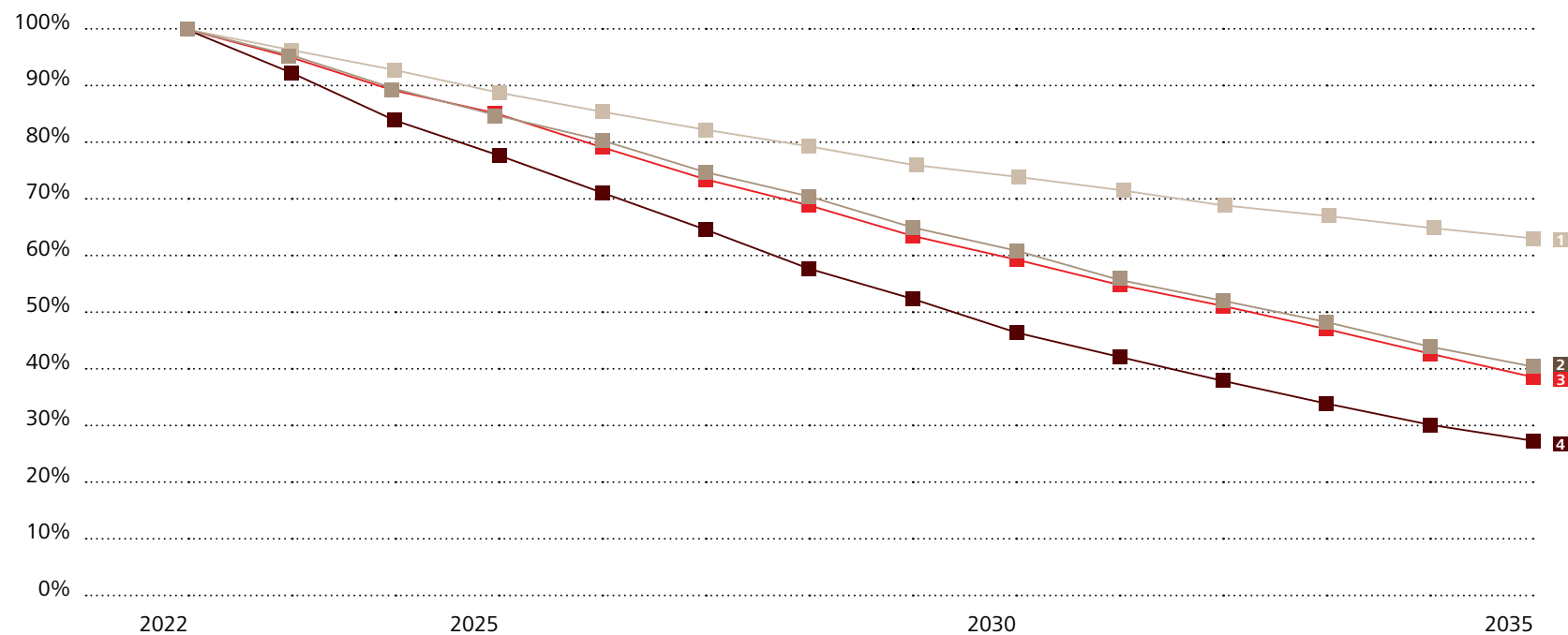
Raiffeisen arranged for an external consulting firm to assess the extent to which achieving the targets for financing buildings is realistic. This involved comparing the emission reductions of the buildings financed by Raiffeisen as required by the SBT method with a “business as usual” and a “net zero” scenario based on Energy Perspectives 2050+. The “net zero” scenario represents energy system development that is compatible with net-zero GHG emissions by 2050, while also ensuring that the energy supply is secure (**see chart “Assessment of the path to reduce emissions in buildings financed by Raiffeisen”, page 35**).

The chart shows that the reduction required by SBT to limit global warming to below 2 °C (Raiffeisen SBT 2 °C) roughly corresponds to the “net zero” scenario based on the Energy Perspectives 2050+. On the other hand, the path to reduce emissions in the buildings financed by Raiffeisen would be clearly below the “net zero” scenario if a 1.5 °C reduction pathway is calculated for only some of these buildings, namely the commercial real estate (Raiffeisen SBT partial 1.5 °C). According to the assessment of the external consulting firm, it would then be very challenging for Switzerland to develop its building stock in such a way that an ambitious 1.5 °C reduction pathway could be realised.

Raiffeisen will nevertheless continue to compare the actual GHG intensity of the commercial properties it finances through mortgages with the 1.5 °C reduction pathway calculated in line with the SBT method. Raiffeisen will also continue the steps it is taking to reduce GHG emissions in the building stock it finances. Among other things, this includes the political commitment to effective CO₂ regulations. In view of the various dependencies, however, Raiffeisen considers it unrealistic that the 1.5 °C reduction pathway calculated using the SBT method can be achieved with the building stock financed by Raiffeisen via mortgages.

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Assessment of the path to reduce emissions in buildings financed by Raiffeisen



1 "Business as usual" scenario Reduction in emissions intensity of buildings financed by Raiffeisen with continuation of the existing energy and climate policy measures.

2 Net zero scenario Reduction in emissions intensity of buildings financed by Raiffeisen if the Swiss target of net zero greenhouse gas emissions is achieved by 2050 (representation of all future trends in technological development that are foreseeable at this time, as well as a major increase in energy efficiency at an early stage).

3 Raiffeisen SBT 2°C Reduction in emissions intensity of buildings financed by Raiffeisen by 40% by 2030 / by 59% by 2035.

4 Raiffeisen SBT partially 1.5°C Reduction in emissions intensity of buildings financed by Raiffeisen by 53% by 2030 / by 73% by 2035.

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Key figures

To monitor implementation of the climate strategy and the risk situation, the metrics listed in the following table “Indicators for monitoring climate strategy implementation and risk situation” are collected and observed. The metrics cover the reduction targets mentioned above and other topics related to GHG emissions and climate risks. The indicators thus perform the role of key performance indicators (KPIs) and key risk indicators (KRIs).

As KPIs, the metrics show the extent to which Raiffeisen is achieving its specific reduction targets and strengthening climate compatibility. As KRIs, the metrics can provide an indication of a changed risk situation. For example, if the proportion of buildings in high-risk zones rises, this could increase the impact on Raiffeisen of a physical climate event such as flooding. Or if financing in CO₂-intensive sectors increases, transition risks may have a greater impact on Raiffeisen, as companies in the relevant sectors are likely to adapt more in the future. If the KRIs were to develop in a negative direction, an appropriate need for action or control would be analysed and discussed from a risk viewpoint.

The trend in the CO₂ intensity or CO₂ carbon footprint of Raiffeisen funds, financial investments and the trading book is calculated and reported, but Raiffeisen does not define any target figures at this time, due to various methodological challenges in these areas.

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Indicators for monitoring climate strategy implementation and risk situation

Topic/Indicator	Unit	31.12.2022	31.12.2023	31.12.2024	Deviation from- previous year
Financed buildings (mortgages)					
Emission intensity for mortgages					
residential properties ¹	kg CO ₂ eq /m ²	17.1	17.1	17.1	0%
commercial properties ¹	kg CO ₂ eq /m ²	19.8	19.8	19.7	-0.5%
Deviation from the reduction path of CO ₂ emissions for financed					
residential properties ²	%	0.0	7.6	14.8	n/a
commercial properties ²	%	0.0	11.8	23.3	n/a
Proportion of buildings at high risk level ³	%	10.3	10.7	11.4	0.7%
Corporate loans					
Emission intensity of the loans					
Scope 1 and Scope 2	t CO ₂ eq /million CHF	76.0	24.5	24.9	1.8%
Scope 3	t CO ₂ eq /million CHF	93.0	82.8	80.5	-2.8%
Loans to large companies with science-based climate targets in relation to total lending to large companies	%	0.0	4.3	9.3	5.0%
Proportion of financing in CO ₂ -intensive sectors ⁴	%	3.2	3.2	3.0	-0.2%
Corporate bonds					
Emission intensity of corporate bonds held					
financial investments, Scope 1 and Scope 2 ⁵	t CO ₂ eq /million CHF	0.31	0.31	0.04	-87%
financial investments, Scope 3 ⁵	t CO ₂ eq /million CHF	0.06	0.23	4.61	1'904%
Investments in bonds of companies with science-based climate targets in relation to total investments(financial investments)	%	0.0	0.0	0.0	0.00%
Operations⁶					
Change in absolute emissions for Scope 1 and Scope 2 compared to previous year ⁶	%	15.5	-26.0	-7.0	n/a
Deviation from the reduction path of CO ₂ emissions in operations ²	%	0.0	-22.6	-23.8	n/a
Other					
Average CO ₂ footprint of Raiffeisen funds ⁷	t CO ₂ eq /invested CHF million	159.1	278.6	223.0	-20.0%
Average CO ₂ intensity of Raiffeisen funds ⁷	t CO ₂ eq /CHF million in sales	596.3	873.0	946.9	8.5%

1 The emission intensities for residential property and commercial real estate are to be regarded as estimates, due to the existing data quality and the use of emission factors. The emission factors that were used were kept constant for calculation of the years 2022 to 2024. Raiffeisen generally assumes that the emission factors will decline over the years. This is due to the replacement of fossil heating systems, higher electricity consumption from renewable sources, and additional energy-efficient renovation. The intensities are calculated on the basis of the financed square metres.

2 Negative number = reduction target exceeded; positive number = reduction target missed. A deviation from the previous year is not shown as the figures are difficult to interpret due to changing reference values.

3 The risk maps for water as a natural hazard from geodienste.ch were used as a basis, if available and licensed. In 2024, data from the cantons of Grisons and Ticino could also be used. The inclusion of these cantons, which have a higher natural hazard risk as mountain cantons, explains more than half of the increase from 2023 to 2024.

4 In 2023, the emission factors were updated by PCAF. This results in a reduction in the calculated emissions compared to the emission factors that were previously used.

5 Calculation based on credit limits and including mortgages. According to the PACTA sectors: coal, oil, gas, electricity, automotive, cement, steel, aviation.

6 The emission intensities for corporate bonds are to be regarded as an initial approximation, due to the existing data quality. Appropriate measurement and disclosure is nevertheless the first important step in analysing the financed GHG emissions in more depth. The classification is based on the SBTi method.

7 As the method was developed and defined with more precision in 2022 and 2023, the reported figures are not directly comparable.

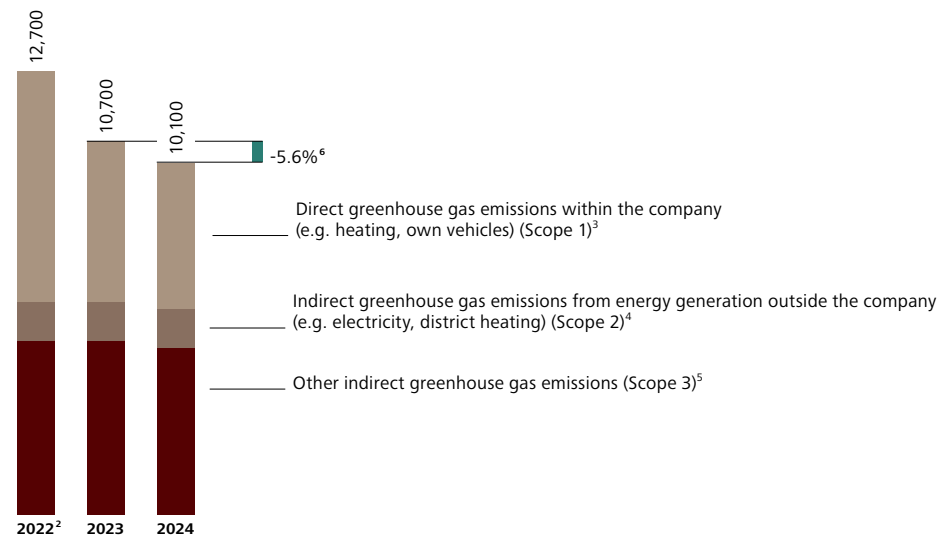
8 Excluding gold and real estate funds. The deviation between 2022 and 2023 is due to an adjustment in the emission factors used by external partners. Further information on footprint and intensity is available at: raiffeisen.ch/rch/de/privatkunden/anlegen/nachhaltigkeit/nachhaltigkeitsreporting.html. Additional sustainability metrics for the Futura funds are shown in the respective fund factsheets. Further information on the Futura funds can be found at www.raiffeisen.ch/futura-regelwerk.

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1 Greenhouse gas emissions from energy, transport, paper and water consumption¹

in tonnes of CO₂ equivalent (t CO₂ eq)



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1 All figures in this table have been rounded to the nearest hundred. This may result in rounding discrepancies. The Scope 3 operational emissions disclosed here include business travel and transportation, as well as paper and water consumption. Financed emissions are not included here. **For financed emissions, see table “Financed emissions according to the PCAF standard”, pages 31–32.**

2 The year 2022 is the base year according to GRI.

3 Scope 1: (78% estimated values, 22% collected values): Direct greenhouse gas emissions from stationary sources in the company itself, such as oil and gas heating systems, own vehicles and refrigerant leakage.

4 Scope 2: (63% estimated values, 37% collected values): Indirect greenhouse gas emissions from energy generation outside the company: in this case, electricity and district heating.

5 Scope 3: Other indirect greenhouse gas emissions outside the company from upstream and downstream processes, such as business travel by rail or upstream processes involved in supplying energy.

6 The reduction in 2024 is to be understood in the context of the usual fluctuations.

5 Transition plan



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5 Transition plan

The climate transition plan sets out which KPIs Raiffeisen uses to measure and meet its strategic net zero targets and the reduction targets derived from them. In addition, operational targets are set and measures are defined that are to be implemented to achieve these targets. The current version of the transition plan reflects the current status of the measures implemented.

Due to the time-limited data collection, the data situation that still needs to be improved and the associated limited possibility of assessing the impact and success of the defined measures, adjustments to the transition plan can be expected in the coming years. Accordingly, the transition plan will be continuously reviewed in line with the climate strategy and adjusted if necessary. Compared to last year's version, for example, an operational target value in connection with investments in corporate bonds has been omitted. Following the pilot funding of an awareness-raising initiative by the Go for Impact association in 2023 (see chapter 2 "Climate strategy", page 9), the target value defined at the time proved to be unsuitable. Furthermore, building certification continues to be listed as a measure to reduce operational emissions. However, compared to 2023, this measure will no longer be financed and supported by the Climate Fund. Since 2024, the resources of the Climate Fund have been used more specifically for replacing heating systems.

Finally, it should be mentioned in this context that Raiffeisen, as a financial services provider, cannot achieve the defined net zero targets in isolation. In particular, an appropriate political and regulatory framework and measures implemented on the client side are crucial.

Reduction in GHG emissions by 61% by 2030 per m² for mortgages (commercial properties) and 45% per m² for mortgages (residential properties) compared to 2022

KPI	Operational targets	Measures
<ul style="list-style-type: none"> – Emissions intensity (kg CO₂ eq/m²) for mortgages (residential real estate) and mortgages (commercial real estate) 	<ul style="list-style-type: none"> – Awareness of climate compatibility raised among more than 3,000 additional homeowners per year 	<ul style="list-style-type: none"> – Initiatives to raise clients' awareness of the potential for increasing the climate compatibility of their own homes (e.g. modernisation advice, support for the "renewable heating" campaign) – Initiatives to raise awareness among corporate clients of the potential to increase climate compatibility – Political commitment to climate protection, including an effective buildings programme – Further development of eco-mortgages

Reduction of GHG emissions for companies financed via loans (no reduction target defined)

KPI	Operational targets	Measures
<ul style="list-style-type: none"> – Loans to large companies with science-based climate targets in relation to total lending to large companies (%) – Emissions intensity (tCO₂ eq/million CHF) of loans (Scope 1, Scope 2, Scope 3) – Share of financing in CO₂ intensive sectors 	<ul style="list-style-type: none"> – No investment in companies that mine coal, extract oil or natural gas, or operate coal-fired power plants – Less than 6% financing in climate-damaging sectors excluding agriculture 	<ul style="list-style-type: none"> – Defined exclusions of climate-intensive sectors – Support for an ambitious climate policy

Reduction in GHG emissions in connection with investments in corporate bonds (no reduction target defined)

KPI	Operational targets	Measures
<ul style="list-style-type: none"> – Investments in companies with science-based climate targets in relation to total investment in corporate bonds (financial assets) (%) – Emissions intensity (tCO₂ eq/million CHF) of corporate bonds held (financial investments, Scopes 1 and 2, Scope 3) 		<ul style="list-style-type: none"> – Raising companies' awareness of the potential for increasing climate compatibility in their operations and for science-based climate targets

Reduction in GHG emissions in operations by 42% by 2030 compared to 2022

KPI	Operational targets	Measures
<ul style="list-style-type: none"> – Reduction in absolute emissions (tonnes of CO₂ eq) Scope 1 and Scope 2 according to defined reduction pathway compared to the previous year (%) 	<ul style="list-style-type: none"> – 7% annual renewal rate for roughly 380 (of around 800) fossil-fuel heated Raiffeisen buildings – 15% annual renewal rate for the vehicle fleet (225 vehicles) with vehicles below the CO₂ threshold specified by the Swiss government – 100% electricity from renewable energy – 2% reduction in energy consumption per year 	<ul style="list-style-type: none"> – Raising awareness and financial support for heating replacement and installation of photovoltaic systems through internal climate fund – Purchase of "renewable electricity" guarantees of origin – Promotion of low-emission business travel – Promotion of climate-friendly construction through compliance with relevant standards (SNBS, Minergie)

Disclosure of climate information
Introduction to the disclosure of climate information
1 Governance
2 Climate strategy
3 Risk management
4 Key figures and targets
5 Transition plan

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All publications are also available online at:

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