



# Sustainability Report 2024

**Committed to  
the region for  
over 160 years.**



# That was 2024

Even more than 160 years after our founding, we are firmly rooted in Northwestern Switzerland and take responsibility for the region and its people. Thus the anniversary year 2024 was also characterised by many encounters with our clients and interaction with the local population.

## AA+

### Secure and sustainable

We are one of the most secure regional banks in Switzerland and Europe. The rating agency Standard & Poor's gives us an "AA+" rating and the outlook "stable". For our sustainability engagement, we again received an "AA" in the MSCI ESG rating. This makes us one of the best-rated companies in our sector in addressing the most important ESG risks and opportunities.



### BLKB bei uns ("BLKB with us")

Proximity to the local population is important to us. In 2024, we successfully continued the new form of certificate meeting introduced in the previous year, with public events in the municipalities of Aesch and Liestal. At these, BLKB also celebrated its 160th anniversary together with 13,000 people.



### Satisfied employees

Employees value BLKB as an employer. This could be seen from the regular internal surveys and external company evaluations in the year under review. Satisfied employees are a key success factor at BLKB.



### Promotion of young talent

The promotion of young people is very important at BLKB: In the year under review, the parent company employed 31 apprentices and 12 interns. At the same time, we are supporting the training of young people with the "Jobs for Juniors" debit card – with CHF 582,710 in 2024.



### Excellent provision of advice

BLKB supports and advises its clients with competence, integrity and a holistic approach. For this, it received several awards in the year under review – as the best bank for private clients in Northwestern Switzerland and for the best customer service in the banking and financial services sector in Switzerland.



### On the road to net zero

BLKB published its initial transition plan in April 2024. In this we describe the objectives, strategy and concrete measures on our way to achieving net zero CO<sub>2</sub> emissions by 2050.



### Added value for owners

The profit participation of the owners was increased again in 2024. The distribution to the Canton of Basel-Landschaft in the year under review amounted to CHF 72.8 million (+6%). Holders of Kantonalbank certificates receive a dividend of CHF 42 per certificate (+5%).



### Active ownership

In the year under review, we launched a partnership with Ethos for active ownership. With the support of Ethos, we are exercising the voting rights for our investment clients more systematically and engage in active dialogue with the investee companies. In 2024 radicant bank ag also implemented an active ownership strategy.

## No. 1

### Leader in real estate financing

BLKB is number one when it comes to the financing of residential property in Northwestern Switzerland. For this purpose, it attaches great importance to long-term sustainability, while at the same time promoting investments in energy efficiency through its offerings such as the energy mortgage and sustainability and renovation advisory services.



### Commitment to regional forests

In 2024, we expanded our commitment to the preservation of regional forests and local recreational areas. For example, together with Theater Basel and the Frenkentaler Forestry Association we launched the "Paradiesli" project to promote biodiversity in the area of the same name in Langenbruck.

# For competent and satisfied employees

**The financial world does not stand still and change is a feature of our day-to-day work. At BLKB, employees are the key to actively fashioning this change. We promote a culture of continuous learning. In this way we adapt to the changing conditions and keep pace with developments. At the same time, we specifically promote the prospects of our employees in the job market.**

Highly specialised experts are in high demand in the financial sector. To actively counter the shortage of skilled workers, for some time now BLKB has been focussing on building knowledge and skills in-house. It offers its employees targeted development programmes, individual training opportunities and supports a corporate culture that values continuous learning. We actively promote dialogue for personal development and offer exciting career prospects. In the year under review, we explicitly asked employees to examine their individual development plan in dialogue with their managers. Everyone benefits from this continuous development of skills and the resulting expertise: the employees themselves, BLKB as an employer – and the clients.

## Young talents: the future of BLKB

The promotion and development of trainees is of great importance at BLKB. As of 31 December 2024, the parent company employed a total of 31 apprentices and 12 interns. In addition to commercial training, we offer apprenticeships in the ICT fields IT and mediamatics (media and technology), which are coming to play an increasingly important role as digitalisation advances. We prepare young employees for entering the job market by means of practice-oriented projects and courses. For example, the apprentices build up skills in the areas of advice and client contact, attend to learning techniques and self-management, and develop resilience. BLKB strives to offer young professionals a permanent position towards the end of their training and to plan a long-term collaboration with them.

## Lifelong learning – for all ages

BLKB greatly values the experience and loyalty of its long-standing employees. They are important bearers of knowledge and their profound understanding of client needs ensures consistency and stability in banking operations. At the same time, changes and exploring new topics can be challenging for employees. In the year under review, with the awareness-raising campaign “Strengthening job market skills” we instilled a sense of how important it is to identify and build on one’s own strengths and to keep pace with developments. We also offered workshops on the topics of “Second half of the career” and “Preparing for retirement”.

Opportunities for training and continuing education are open to all employees at BLKB, regardless of age, experience or background.

Further information on training and development at BLKB can be found in the chapter [“Employee development”](#).



## Sustainability project week

A particular highlight for BLKB apprentices in the year under review was once again the project week on the topic of sustainability (see Amina Gegic during forest project work in the picture above). In their second year of training, the apprentices spend a week in autumn discovering the various facets of sustainability and its relevance for their profession and everyday life: during forestry work at the Frenkentäler Forestry Association, during workshops on renewable energies offered by Primeo Energie, during eventful courses involving cooking together outdoors at the Ökozentrum Liestal or during work with the charitable organisation Schweizer Tafel. Where? Naturally in our local region.

# For a prosperous economic region

**BLKB is committed to enabling a prosperous and stable economic region of Northwestern Switzerland, and contributes to the continuous development of the corporate landscape. We are a reliable, forward-looking partner for companies, and were again in the year under review the clear number one among corporate clients in the Canton of Basel-Landschaft.**

## Promoter of innovation and entrepreneurship

For BLKB, it is of great importance that the Northwestern Switzerland economic region is further developed and enriched by new ideas and innovative business models. The region should be a location where young entrepreneurs would like to put their business ideas into practice. In particular, we support this attitude by participating in various projects (see [Annual Report 2024, p. 15](#)). These include "100 fürs Baselbiet" (100 for Basel Region), our joint initiative with the University of Applied Sciences and Arts Northwestern Switzerland and the Basel-Landschaft regional development agency. Since its launch in 2020, this has become an important pillar of innovation for the Northwestern Switzerland region. It currently supports 36 companies with a total amount of CHF 13.9 million, as well as through coaching and advice. The participating companies come from areas such as fintech and medtech, as well as from the manufacturing sector. BLKB also runs a competence centre for start-ups and SMEs at the BaselLink site in Allschwill with the aim of meeting companies at the point where innovation takes place.

## Promoting a healthy corporate landscape

By granting loans, BLKB contributes to the ongoing development of the regional corporate landscape. In the year under review, BLKB supported companies and public-sector entities with a credit volume of CHF 6.2 billion. It thus enabled investments in the value chain of regional companies and public institutions. We contribute to the development of companies throughout Switzerland through our participation in the direct lending platform swisspeers AG, which offers easily accessible and tailor-made financing solutions for SMEs. As a financial partner, we also support our corporate clients in financial matters throughout the company's development. For example, we assist clients in setting up companies, provide access to trading markets and provide prudent support in setting up succession arrangements. Since the year under review, our subsidiary BLKB Fund Management AG has also been offering strategic real estate advice for investment and commercial properties through its real estate advisory service.

More on BLKB's contribution to economic security and regional value creation can be found [from page 14 onwards](#).



## BLKB bei uns ("BLKB with us")

BLKB has deep roots in the region and brings the local population together. Since 2023, we have been organising the annual "BLKB with us" events in various municipalities. The new form of certificate meeting is accessible to the population and offers BLKB certificate holders various benefits. In August 2024, more than 13,000 people attended the festivals in Aesch and Liestal with their attractive supporting programmes featuring artists and other personalities from the region. In addition, there was a wide range of culinary offerings from more than 50 local clubs and restaurants. Together with BLKB, the visitors also celebrated the 160th anniversary of the Basellandschaftliche Kantonalbank.

# For a healthy environment – in the region and beyond

**BLKB is committed to the careful use of resources. It is dedicated to sustainable economic development in the region and promotes a climate-friendly financial sector. As part of our commitment, we published an initial transition plan in the year under review. In it, we outline our path to achieving the net-zero target by 2050.**

## Long-standing commitment to climate and sustainability

BLKB has been committed to the sustainable development of the region for many years and is promoting a climate-friendly financial sector. It joined the Energy Agency of the Swiss Private Sector (EnAW) 25 years ago and has steadily expanded its commitment since then (see chart [“Efforts with regard to sustainability and climate”](#)). Milestones along the way include the switch to renewable electricity for banking operations in 2012, the launch of products and services for energy-efficient renovations from 2020 onwards, and the offsetting of CO<sub>2</sub> emissions from banking operations in Northwestern Switzerland since 2021. In 2021 we also joined the international Net-Zero Banking Alliance (NZBA) – the first regional bank in Switzerland to do so. In doing so, we reaffirmed our commitment to achieving net-zero emissions by 2050 at the latest.

## Transition plan: our pathway to net zero

As part of its NZBA membership, BLKB published an initial transition plan in April 2024, outlining its path to net zero by 2050. From now on, the transition plan will be regularly updated and published as part of the Climate Report. The building sector, meaning here the mortgage business of a cantonal bank, plays a key role in decarbonisation. BLKB has therefore set CO<sub>2</sub> reduction targets for the year 2030 for the owner-occupied residential properties as well as for the investment and commercial properties in its portfolio. This is with a net-zero horizon by 2050 (see [Climate Report](#)).

To achieve this goal together with our clients, we are applying measures at various levels: With home2050, we are offering our private clients a holistic solution for the energy-efficient renovation of their properties. With our energy mortgage, they also benefit from particularly attractive terms. We support clients who have owner-occupied residential property with sustainability and renovation advice. We are also a strategic partner of the cantonal development programme Baselbieter Energiepaket.

Our corporate clients can benefit from the range of energy efficiency advisory services, with the aim of increasing the value of their commercial properties through sustainable renovation while at the same time protecting the climate and their wallet. In the year under review, we also held a heating replacement competition, with three grants of CHF 20,000 to invest in a renewable heating system.

More information on the environment and climate protection can be found in the chapter [“Environment”](#) and in the [Climate Report](#).



## Nature projects together with Theater Basel

In the year under review, Theater Basel and BLKB agreed to work even more closely together on the topic of sustainability, to share experience gained and develop appropriate measures. This is also in line with the principle that BLKB, in its sponsorship commitments, expects its partners to take sustainability into account in their operating processes. Thus Theater Basel further reduced its operational CO<sub>2</sub> emissions in 2024. Together with BLKB, it is now also supporting a regional forest project for CO<sub>2</sub> storage, as well as the “Paradiesli” project to promote biodiversity in the area of the same name in Langenbruck (see illustration above). The “Paradiesli” project will be presented in a visible way to theatre visitors with an artistic and attention-grabbing installation above the main entrance. With its joint sustainability measures, while furthering its long-standing partnership with Theater Basel, BLKB is also strengthening its commitment to preserving the region’s forests and local recreation areas (see [Annual Report 2024](#), p. 16).

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This version of the sustainability report is a translation of the original German sustainability report. In the event of inconsistencies between the English and the German versions, the German sustainability report shall prevail.

# Editorial

## Dear Readers

2024 was an anniversary year – 160 years of BLKB. We celebrated this at two public “BLKB with us” events in Liestal and Aesch with around 13,000 guests. More than 50 local clubs and restaurants provided a wide range of culinary offerings, while regional artists provided an attractive supporting programme. Highlight: the concerts of Baschi.

Meeting each other, exchanging ideas, celebrating together: Proximity to the local population is very important to us. As well as a strong incentive to do our best each day in order to provide our clients with competent and comprehensive support. I am therefore delighted that in 2024 we received several awards for the quality of our advice and service. For the best customer service in Switzerland in the banking and financial services sector. And as the best bank for private clients in Northwestern Switzerland.

### Firmly rooted in the region

Now, more than 160 years after our founding, we are still firmly rooted in Northwestern Switzerland and take responsibility for the region and its population. Every year, more than CHF 200 million is invested in Northwestern Switzerland through orders, profit sharing, sponsorship and salaries. As one of the most secure regional banks in Europe – awarded the excellent “AA+” rating by Standard & Poor’s – we make a significant contribution to the economic stability and development of the Canton of Basel-Landschaft. At the same time, we support the regional corporate landscape with loans, and promote innovative start-ups and SMEs through the initiative “100 fürs Baselbiet” (100 for Basel Region). Now BLKB Fund Management AG is also offering strategic real estate advice for investment and commercial properties through its Real Estate Advisory service.

We take our responsibility for the region seriously, beyond our core business. With our sponsorship commitments, we support more than 300 institutions, events and associations – amounting to CHF 1.9 million in the year under review. The “Paradiesli” biodiversity project in Langenbruck, which we launched in 2024 together with Theater Basel and the Frenkentäler Forestry Association, is an example of our

holistic approach to achieving a lasting impact on the region. One confirmation of our comprehensive commitment to sustainability is provided by the “AA” rating for ESG awarded by MSCI. This makes us one of the best-rated companies in our sector in addressing ESG risks and opportunities. In April 2024 we published an initial transition plan outlining our pathway to net zero by 2050. Thanks to the new partnership with Ethos, we will be able to exercise the voting rights of our investment clients more systematically, and engage in active dialogue with the investee companies. In 2024 radicant bank ag also implemented an active ownership strategy.

For us, cultivating dialogue is also important in the 161st year of BLKB’s history. We are already looking forward to many inspiring encounters in 2025 – including at the “BLKB with us” events in Arlesheim, Birsfelden and Reigoldswil.

*B. Sidler*

**Béatrice Sidler**, Member of the Executive Board and Head of Wealth Management



# Portrait of the BLKB Group

**The parent company Basellandschaftliche Kantonalbank (BLKB) forms a Group together with the subsidiaries BLKB Fund Management AG and radicant holding ag. By opening up new markets and new business areas, BLKB is diversifying its income over the long term, and offering services tailored to the clients' requirements.**

## **BLKB parent company**

With around 1,000 employees, 23 branches and total assets of approximately CHF 36 billion, BLKB is the largest investment, pension and entrepreneurs' bank in the Basel region and one of the leading universal banks in Northwestern Switzerland. At the Kantonbank based in Liestal (BL), the focus is on client proximity and the sustainable development of the region. Sustainability is at the core of its public service mandate anchored in the law. It offers clients suitable financial products and comprehensive advice. With the "AA+" rating with a "stable" outlook from Standard & Poor's, BLKB is one of the most secure regional banks in Switzerland and in Europe.

## **BLKB Fund Management AG**

Founded in 2022, BLKB Fund Management AG, formerly BLKB Services AG, is a wholly owned subsidiary of BLKB based in Binningen (BL). In April 2024, BLKB Fund Management AG entered the market with its strategic real estate advisory services, Real Estate Advisory. Real Estate Advisory offers strategic real estate advice to owners of investment and commercial properties. The range of services on offer includes sustainability consulting, real estate analyses, location and market analyses, real estate transactions, real estate strategy and tailor-made mandate solutions for real estate portfolio and asset management. What is more, BLKB Fund Management AG was approved as a FINMA-regulated fund management company at the start of 2024 and is building up a sustainable real estate fund.

## **radicant holding ag**

The merger of radicant bank ag and Numarics AG was completed on 30 December 2024, giving rise to radicant holding ag domiciled in Liestal. This holds radicant bank ag, which was previously wholly owned by BLKB, and radicant business services ag. BLKB is the majority shareholder of radicant holding ag. The remaining shares are held by various investors. The aim of the merger is to provide an integrated offering for banking, financial investments and administration for private individuals and SMEs.

radicant bank ag, a digital financial services provider with its own banking licence, was established in 2021 as a strategic, operationally independent investment of BLKB. radicant business services ag (formerly Kreston Zürich AG) was founded in 2020 and is a fiduciary fintech specialising in the automation of administrative processes for SMEs in the Swiss market.

radicant bank ag has its own subsidiary in the form of the radicant innovation hub in Lisbon. radicant business services ag also has its own subsidiary, the radicant service hub in Pristina. Both companies provide supporting services.

Due to the late timing of the merger, reporting on radicant business services ag has not been included in this Sustainability Report ([see About this Report](#)).

More information on the Group structure can be found in the [Annual Report 2024](#), p. 32 and 33.

# Forward-looking approach

Since its founding in 1864, BLKB has received a public service mandate from its majority shareholder, the Canton of Basel-Landschaft, which guides its business activities. The owner strategy envisages for BLKB that it contributes to “the balanced economic and social development of the canton and the region of Northwestern Switzerland”. The focus here is on the benefits for the economy and the population. “Its entrepreneurial mindset and day-to-day actions will be based on sustainable and ethical principles.” The owner strategy thus anchors sustainability in the very identity of BLKB.

## Forward-looking approach

At the core of BLKB’s business activities and its responsibility as a cantonal bank there is the principle of thinking and acting in a sustainable and responsible manner. The bank has a holistic and comprehensive understanding of sustainability and focuses on what matters tomorrow. It speaks of a “forward-looking approach”, a fundamental attitude that should permeate all areas of the bank. Both the current Strategy 2023–2027 of the parent company, and the strategic targets of BLKB at Group level, underscore this objective (see [Annual Report 2024](#), p. 18).

The mission statement (see illustration below) serves as a compass for the commitment of the parent company. With a focus on people, society and the environment, it focuses on areas where BLKB would like to have a positive impact and assume responsibility: for employees, clients and business partners in the region of Northwestern Switzerland and in relation to the environment.

## “What matters tomorrow”

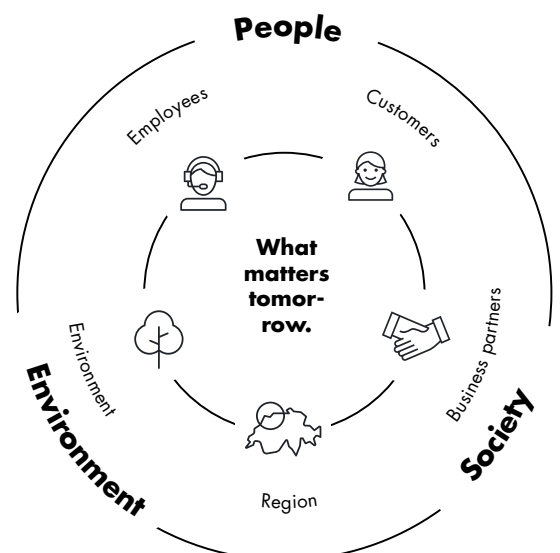
With the marketing claim of “What matters tomorrow”, the parent company positions itself as a forward-looking bank. Together with regional partners, BLKB aims to further expand its sustainable advice, products and services for private individuals and companies. It wants to help shape the discourse on sustainable development in the region and play an active role in promoting a responsible financial sector – for example through active participation in industry associations and interest groups as well as membership in initiatives. BLKB selects sponsorships carefully. For example, projects and events have to meet specific sustainability criteria. The bank places particular emphasis on continuously developing the sustainability skills of its employees and reducing CO<sub>2</sub> emissions.

## Mission statement

We are Switzerland’s forward-looking bank. We are strongly committed to ensuring sustainable development for all. We act responsibly for the people who put their trust in us, for the society in which we live, and for the environment that makes life possible.

- Our employees show respect and appreciation in their dealings with one another as well as with others, encourage diversity and variety, and excel at what they do.
- Our clients can trust us. Every day, they inspire us to do new things while preserving what works.
- Our convictions and values are shared with our local and global business partners.
- The region in which we live can count on our local roots and our commitment to wider society.
- Protecting the environment is the basis of our activity.

We are guided by this mission statement and focus our business strategy and actions accordingly.



## Stakeholder dialogue and material topics

BLKB's forward-looking approach is based on 13 material topics, identified on the basis of relevant industry and reporting standards, external sustainability ratings and studies, and international developments. The topics were

defined more clearly during the stakeholder dialogue in 2022 (see [Sustainability Report 2023, p. 6](#)). The material topics thus form the basis of the Detailed report which follows from page 11 onwards. Detailed information on climate aspects can also be found in the Climate Report in the appendix to this Sustainability Report.

Material topic	Brief description
<b>1. Economic security</b>	<ul style="list-style-type: none"> <li>– Stability of the financial system as a key element of a modern economy</li> <li>– Ensuring solvency</li> <li>– Balanced risk/return ratio</li> </ul>
<b>2. Regional value creation</b>	<ul style="list-style-type: none"> <li>– Providing financial services for the region</li> <li>– Contributing to development of regional economy and society</li> <li>– Creating and ensuring local jobs</li> <li>– Sponsorship and charitable activities beyond the core business</li> <li>– Employees' commitment to wider society</li> </ul>
<b>3. Digital innovation and transformation</b>	<ul style="list-style-type: none"> <li>– Business model innovation</li> <li>– Innovativeness</li> <li>– Strategic partnerships</li> <li>– Ensuring long-term success of the business</li> </ul>
<b>4. Corporate governance</b>	<ul style="list-style-type: none"> <li>– Supervisory role of Board of Directors</li> <li>– Ensure independence and responsibilities of Board of Directors</li> <li>– ESG criteria in remuneration</li> </ul>
<b>5. Risk management, compliance and integrity</b>	<ul style="list-style-type: none"> <li>– Conformity with regulatory requirements</li> <li>– Ethical principles of business activity</li> <li>– Risk policy and management (incl. in upstream and downstream parts of value chain)</li> </ul>
<b>6. Integrative and motivational management and work culture</b>	<ul style="list-style-type: none"> <li>– Behaviour and working together</li> <li>– Relationship between employees and managers</li> <li>– Employment conditions</li> <li>– Integrative corporate culture</li> <li>– Promotion of equity and equal treatment of employees in terms of all diversity criteria (incl. age, education, background and gender)</li> <li>– Observance of human rights and due diligence</li> </ul>
<b>7. Employee development</b>	<ul style="list-style-type: none"> <li>– Recruitment</li> <li>– Training and development</li> <li>– Staff employability</li> </ul>
<b>8. Workplace health</b>	<ul style="list-style-type: none"> <li>– Physical and mental integrity</li> <li>– Safety at work</li> </ul>
<b>9. Quality and customer satisfaction</b>	<ul style="list-style-type: none"> <li>– Compliance with statutory requirements for product design</li> <li>– Product intelligibility</li> <li>– Financial stability and financial well-being of customers</li> <li>– Customer interviews on sustainability preferences</li> <li>– Measurement of customer satisfaction and resulting action; continuous optimisation of the tailoring of processes, systems and new developments to customer requirements</li> </ul>
<b>10. Data protection</b>	<ul style="list-style-type: none"> <li>– Data security</li> <li>– Protecting the IT system</li> </ul>
<b>11. Transparency towards external stakeholders and dialogue with them</b>	<ul style="list-style-type: none"> <li>– Honest communication</li> <li>– Dialogue with officials, associations, media and other interest groups</li> </ul>
<b>12. Responsible products and services</b>	<ul style="list-style-type: none"> <li>– Impact of core business on economy, society and environment</li> <li>– Promotion of sustainability through financing (e.g. mobility, infrastructure, real estate and projects contributing to the circular economy)</li> <li>– Measurement of CO<sub>2</sub> footprint of products</li> <li>– Integrity of loan and investment recipients</li> <li>– Risk management in lending operations and investment business</li> <li>– Human rights due diligence in products</li> </ul>
<b>13. Climate change, use of resources and emissions</b>	<ul style="list-style-type: none"> <li>– Internal environmental management</li> <li>– Consumption of natural resources (in particular energy and waste)</li> <li>– Climate protection (greenhouse gas emissions)</li> </ul>

# Detailed report

# Key data on the forward-looking approach

Unless otherwise stated, the key figures for 2023 and 2024 include both the parent company and also BLKB Fund Management AG and radicant bank ag (see About this Report). As the key figures for 2022 only cover the parent company, comparability is limited.

## Key figures in the area of “society”

Factor	Data quality	GRI Standard	Unit	2024	2023	2022
Distribution to the Canton of Basel-Landschaft	High (3)	201-1	CHF m	72.8	68.7	60.3
Mortgage lending, total	High (3)	201	bn CHF	24.4	23.8	23.1
Mortgage lending, Northwestern Switzerland catchment area	High (3)	201	Per cent	90.3	89.8	89.7
Other lending, Northwestern Switzerland catchment area (incl. loans to companies)	High (3)	201	bn CHF	1.8	1.9	2.0
Other lending, Northwestern Switzerland catchment area (incl. loans to companies)	High (3)	201	Per cent	49.6	43.7	47.9
Volume of in-house, sustainably managed funds <sup>1</sup> and structured products <sup>1</sup> (parent company)	High (3)	Supp.	bn CHF	3.9	2.8	2.2
Volume of sustainable asset management mandates <sup>1</sup> (parent company)	High (3)	Supp.	bn CHF	3.6	3.4	2.5
Contracts awarded in Northwestern Switzerland (parent company)	High (3)	204-1	CHF m	33.6	32.2	30.4
Sponsorship commitments (parent company)	High (3)	201	CHF m	1.9	1.7	2.1
Commitment via BLKB Foundation for Culture and Education	High (3)	413	CHF	530,050	470,000	480,000

## Key figures in the area of “people”

Factor <sup>2</sup>	Data quality	GRI Standard	Unit	2024	2023	2022
Headcount, incl. hourly-paid employees <sup>3</sup>	High (3)	2-7	Number	1,073	1,089	936
Full-time equivalents (FTE) <sup>3</sup>	High (3)	2-7	Number	941	952	809
Proportion of women	High (3)	405-1	Per cent	41.0	41.5	44.3
Proportion of women, Board of Directors	High (3)	405-1	Per cent	37.5	28.6	28.5
Proportion of women, Executive Board (parent company)	High (3)	405-1	Per cent	16.7	16.7	16.7
Proportion of women in function levels 6–7 <sup>4</sup> (parent company)	High (3)	405-1	Per cent	17.9	16.9	11.4
Proportion of women in function levels 4–5 <sup>4</sup> (parent company)	High (3)	405-1	Per cent	37.4	36.6	37.4
Proportion of women in function levels 1–3 <sup>4</sup> (parent company)	High (3)	405-1	Per cent	63.5	64.6	67.9
Women in part-time positions <sup>5</sup> (rel. to total headcount)	High (3)	405-1	Per cent	20.1	20.5	22.7
Women in part-time positions <sup>5</sup> (rel. to all women)	High (3)	405-1	Per cent	48.2	46.2	51.3
Men in part-time positions <sup>5</sup> (rel. to total headcount)	High (3)	405-1	Per cent	7.0	6.2	5.4
Men in part-time positions <sup>5</sup> (rel. to all men)	High (3)	405-1	Per cent	12.1	10.5	9.7
Proportion of employees below age 30	High (3)	405-1	Per cent	19.6	22.2	21.9
Proportion of employees aged 30–50	High (3)	405-1	Per cent	51.3	50.0	47.5
Proportion of employees aged 50-plus	High (3)	405-1	Per cent	28.8	27.6	30.6
Number of trainees	High (3)	404	Number	31	33	32
Number of interns	High (3)	404	Number	15	16	11
New hires of women	High (3)	401-1	Number	43	66	56
New hires of men	High (3)	401-1	Number	54	138	85
Recruitment of employees below age 30	High (3)	401-1	Number	26	74	51
Recruitment of employees aged 30–50	High (3)	401-1	Number	58	110	77
Recruitment of employees aged 50-plus	High (3)	401-1	Number	13	20	13
Absences due to sickness	High (3)	403	No. of days	6,170	5,859	6,683
Absences due to accident at work (headcount)	High (3)	403	No. of days	56	49	8
Absences due to non-occupational accident (headcount)	High (3)	403	No. of days	499	398	630
Turnover <sup>6</sup>	High (3)	401-1	Per cent	6.1	7.5	6.3

**Key figures in the area of “environment”**

Factor	Data quality	GRI Standard	Unit	2024	2023	2022
Number of heating degree days (parent company)	High (3)	302-1	HGT	2,512	2,457	2,495
Energy consumed in buildings (total) <sup>7</sup>	High (3)	302-1	MJ/FTE	15,545	15,036	18,626
– Electricity	High (3)	302-1	MJ/FTE	8674	8512	10,706
– Heating energy	High (3)	302-1	MJ/FTE	6,870	6,524	7,920
Business travel	Good (2)	302-2	km/FTE	914	937	1,062
Direct and indirect greenhouse gas emissions, operations (total) <sup>7,8</sup>	Good (2)	305	kg CO <sub>2</sub> e/FTE	515	573	737
– Direct greenhouse gas emissions (Scope 1)	Good (2)	305-1	kg CO <sub>2</sub> e/FTE	69	178	250
– Indirect greenhouse gas emissions (Scope 2)	Good (2)	305-2	kg CO <sub>2</sub> e/FTE	124	119	152
– Other indirect greenhouse gas emissions (Scope 3)	Good (2)	305-3	kg CO <sub>2</sub> e/FTE	323	276	335
Direct and indirect greenhouse gas emissions, operations (total) <sup>8</sup>	Good (2)	305	t CO <sub>2</sub> e	488	547	596
– Direct greenhouse gas emissions (Scope 1)	Good (2)	305-1	t CO <sub>2</sub> e	65	170	202
– Indirect greenhouse gas emissions (Scope 2)	Good (2)	305-2	t CO <sub>2</sub> e	117	114	123
– Other indirect greenhouse gas emissions (Scope 3)	Good (2)	305-3	t CO <sub>2</sub> e	306	263	271
Financed emissions (total, Scope 3) <sup>9</sup>	Good (2)	Supp.	t CO <sub>2</sub> e	550,141	598,879	644,472
– Mortgage business <sup>9</sup>	Good (2)	Supp.	t CO <sub>2</sub> e	126,446	130,146	218,023
– Commercial loans <sup>9</sup>	Good (2)	Supp.	t CO <sub>2</sub> e	87,114	88,159	91,991
– Investment business <sup>9</sup>	Good (2)	Supp.	t CO <sub>2</sub> e	336,581	380,574	334,458
Volume of waste (total, parent company)	High (3)	306	kg/FTE	95	127	135
– Recycling (parent company)	High (3)	306-4	kg/FTE	44	58	63
– Incineration (parent company)	High (3)	306-5	kg/FTE	51	69	72
– Landfill (parent company)	High (3)	306-5	kg/FTE	0	0	0
– Special waste (parent company)	High (3)	306-5	kg/FTE	0	0	0
Paper purchased (total, parent company)	High (3)	306-3	kg/FTE	68	76	93
– Recycling (parent company)	High (3)	306-3	kg/FTE	62	70	82
– Fresh fibre ECF, TCF (parent company)	High (3)	306-3	kg/FTE	6	6	11

<sup>1</sup> According to description of the investment processes in “Investment and asset management business”.

<sup>2</sup> Key figures in the area of “people” are based on the headcount (HC) as at 31 December of the reporting year.

<sup>3</sup> In the Sustainability Report 2023, headcount and full-time equivalents for all years presented were reported for the first time as at 31 December. The previous sustainability reports presented the average values for the respective year under review.

<sup>4</sup> Level system: 1–3 = lower function levels; 4–5 = mid function levels; 6–7 = higher function levels. The level system is only applicable to the parent company.

<sup>5</sup> Working week of 85% or less.

<sup>6</sup> Turnover excludes termination by employer, retirement, pregnancy and death.

<sup>7</sup> Key operational ecology figures for energy used in buildings and GHG emissions are based on headcount (FTE) as at 31 December of the reporting year.

<sup>8</sup> Greenhouse gas emissions are calculated based on the guidelines of the [Association for Environmental Management and Sustainability in Banks, Savings Banks and Insurance Companies](#) (VfU key data, version 2022.1.1) as well as the Greenhouse Gas Protocol (GHG Protocol). Hence, not only the direct emissions of greenhouse gases (Scope 1) are recorded, but also those produced by power stations or in district heating plants (Scope 2) and those produced in upstream or downstream preparation and disposal stages (Scope 3). Besides business travel (car, rail, plane), other indirect greenhouse gas emissions (GRI 305-3) also take account of emissions in connection with paper and water consumption, waste and working from home. Greenhouse gas emissions are stated as CO<sub>2</sub>e.

<sup>9</sup> The values for 2022 and 2023 were retroactively aligned for the Sustainability Report 2024. For the reasons, as well as details about the financed emissions, see [Climate Report](#).

**Definition of data capture quality based on VfU 2022:**

(3) Data based on exact measurements

(2) Data based on extrapolations

(1) Data based on estimates

# Economy

## Economic security

### Sustainable and ethical principles

Banks play a pivotal role in the economy. This means that business activities and the way in which banks conduct them have a profound impact on the well-being of the economy and society. Accordingly, the owner strategy of the Canton of Basel-Landschaft states: "The focus of the activities of BLKB shall be on benefiting the economy and people of the canton. Its entrepreneurial mindset and day-to-day actions will be based on sustainable and ethical principles." As a prerequisite for fulfilling this strategy, BLKB ensures a healthy business performance and a good long-term economic track record.

### A secure regional bank

By means of solid risk management, BLKB ensures a balance between risk and return so that its solvency is guaranteed at all times. In 2024 its overall capital ratio at Group level, at 19.6%, significantly exceeded the minimum statutory requirements. In the event of a crisis, the canton guarantees BLKB's liabilities should the bank's own funds be insufficient (state guarantee). BLKB is one of the most secure regional banks in Switzerland and Europe. It has received an outstanding rating from Standard & Poor's: "AA+" with "stable" outlook (see [Annual Report 2024, p. 27](#)). BLKB continues to pursue its business policy geared towards continuity and stability, thus contributing to the economic stability of the Canton of Basel-Landschaft and the entire Northwestern Switzerland region.

## Regional value creation

### Public service mandate

The owner strategy of the Canton of Basel-Landschaft instructs BLKB to ensure basic banking services in the canton and the region of Northwestern Switzerland, and to promote their economic and social development. The most important principles are: stability, sustainability, risk awareness and regional focus.

### Contribution from the core activities

BLKB has a dense network of 23 branches for basic banking services. Added to this, the online and telephone advice service is being continually expanded, as well as the digital channels for easy access to financial services and advice, regardless of location and time. As a partner for companies and in particular by granting loans, BLKB indirectly creates jobs and contributes to the attractiveness of Northwestern Switzerland as a prosperous business location.

BLKB supported companies and public-law entities with a credit volume of CHF 6.2 billion in the year under review (previous year: CHF 6.3 billion). As part of its initiative "100 for Basel Region", BLKB currently supports 36 innovative start-ups and SMEs with a total amount of CHF 13.9 million, as well as coaching and consulting.

BLKB also supports companies on their way to a more sustainable future – for example as a founding partner of the "Swiss Triple Impact" platform in the Basel region. In particular, the service offers support to SMEs in the development and implementation of sustainability targets.

BLKB is one of the most important employers in the canton: In 2024, the parent company employed an average of 974 people (FTEs: 846). The distribution of earnings also makes a significant contribution to the Canton of Basel-Landschaft every year. In the year under review, BLKB distributed CHF 72.8 million to the canton.

### Sponsorship

Beyond its core business, BLKB sees itself as a partner to the region and has sponsorship commitments to promote an attractive living space and a strong society in Northwestern Switzerland. With its sponsorship commitments, it supports more than 300 institutions, events and associations. In accordance with the [Sponsorship conditions](#), these commitments meet BLKB's sustainability criteria, create benefits for the general public and have a regional focus. There are also further sustainability criteria that apply to events with more

than 500 participants. In the year under review, BLKB invested a total of around CHF 1.9 million in its sponsorship commitments. New projects that have been taken up in the area of art and culture – the second main subject area alongside nature and leisure – include the following (see [Annual Report 2024, p. 16](#)):

- Kunsthaus Baselland: BLKB is a partner of one of the leading exhibition centres for regional, national and international art in the Basel area.
- Elefantehuus: BLKB is partnering with the new Liestal event venue with a diverse cultural programme.
- Theater Arlecchino: As a cultural partner, BLKB supports the Arlecchino theatre for children and the whole family, and also organises the traditional BLKB “Märli” (fairy tale) there.

The new form of the BLKB certificate meeting introduced in the previous year took place in summer 2024: Two public events in Aesch and Liestal brought together 13,000 people, who also celebrated the bank’s 160th anniversary (see [Focus topics](#)). In its partnership with Theater Basel, BLKB strengthened its collaboration on the topic of sustainability in the year under review. For example, Theater Basel and BLKB are now jointly supporting a regional forest project for CO<sub>2</sub> storage, as well as the “Paradiesli” project to promote biodiversity in the area of the same name in Langenbruck (see [Focus topics](#)). Additionally, in 2024 the BLKB Foundation for Culture and Education contributed around CHF 530,050 to the Northwestern Switzerland region (see [Annual Report 2024, p. 16](#)).

### Regional procurement

One of BLKB’s principles is to give preference to regional suppliers and service providers in order to support the local economy and reduce any procurement risks. The volume of orders placed with regional suppliers amounted to CHF 33.6 million in the year under review. “Region” means the Cantons of Basel-Landschaft, Basel-Stadt, Aargau and Solothurn.

## Digital transformation and innovation

### Strategic objectives

Since 2019, BLKB has been investing in competitive digital products and services for regional clients, as well as in digital products for the commission business throughout Switzerland through subsidiaries and strategic holdings and partnerships. A strategy has been drawn up for the 2023–2027 strategy period that includes both the parent company and the strategic orientation of the subsidiaries. At the heart of this strategy are the three objectives of sustainable growth, diversification of earnings, as well as efficiency and the advisory experience (see [Annual Report 2024, p. 18](#)).

### Digital transformation

As part of the digitalisation of its processes, BLKB has modernised its core processes in the mortgage business in 2024: Both the client advisory service and the process and document handling are now digitally supported. Internal data processing procedures were also optimised in the investment business. Since the year under review, all clients residing in Switzerland who receive bank statements electronically have received their tax statement free of charge via e-banking. In August, BLKB introduced “Instant payment” for the immediate receipt of incoming transfers. Since the end of 2024, it has also been possible to withdraw cash from BLKB ATMs via NFC (mobile payment). Ongoing projects include the digitalisation of the client opening and change processes and the further expansion of the Online Advisory team.

BLKB is confident that partnerships will have a positive impact in supporting the further development of its business model and its capacity for innovation. The bank has therefore expanded its collaboration with strategic partners in recent years, for example with the digital asset manager True Wealth AG, with which it has a multi-year partnership. In the year under review, the parent company laid the foundations for True Wealth AG to expand its range of services with investment solutions for young people and children. The account is managed by adults, but the beneficial owners are children and young people.

### Innovations at the subsidiaries

Since April 2024, BLKB Fund Management AG has been offering strategic real estate advice for investment and commercial properties through its Real Estate Advisory service. An important objective here is to support the “Long-term climate strategy for Switzerland” approved by the Federal Council, in the real estate sector. To this end, BLKB Fund Management AG advises its clients on energy-efficient

refurbishment. It contributes to the development and implementation of sustainability strategies for real estate portfolios, and offers services in the area of real estate transactions.

BLKB Fund Management AG is currently developing a sustainable real estate fund that follows a holistic sustainability approach based on the ESG model. This approach ensures that environmental and social criteria, as well as aspects of good corporate governance, are taken into account in the control and decision-making processes relating to all aspects of real estate. For the fund, which is allocated to Northwestern Switzerland and neighbouring economic regions, KPIs have been defined for all aspects of ESG to monitor the achievement of targets. The portfolio is affiliated to the Swiss Sustainable Real Estate Index (SSREI).

In 2024 radicant bank ag also pushed ahead with further product innovations. For example, it has launched a comprehensive range of products for Pillar 3a with a 3a account and a 3a investment account. These are based on its own investment solutions. What is more, radicant bank ag has launched a product with a "saveback" function. This allows clients to automatically expand their investment portfolio when paying with the radicant debit card. Further, radicant bank ag also started a partnership with the swisspeers direct lending platform, launching a joint SDG label, in the year under review. The specially developed SDG impact rating is used on the swisspeers platform to check the business models of SMEs that have applied for a corporate loan.

# Governance

## Corporate governance

### Organisational details

BLKB is a public-law entity with its own legal personality owned by the Canton of Basel-Landschaft. The BLKB Group consists of the parent bank, the subsidiaries BLKB Fund Management AG and radicant holding ag, and the subsidiaries of the latter, radicant bank ag and radicant business services ag. A report on radicant business services ag has not been included in this Sustainability Report ([see About this Report](#)). Corporate management is described in the [Annual Report 2024](#) from page 29 onwards, and the Group structure on page 32.

### Comprehensive sustainability management

Through its organisation, BLKB seeks to facilitate effective sustainability management. Sustainability forms part of the corporate strategy and is clearly expressed in the mission statement. This strategy and the mission statement were approved by the Board of Directors. The Executive Board is responsible for implementing them for the parent company, under the supervision of the Board of Directors.

The Executive Board and other appointed units regularly report to the Board of Directors and its committees. As part of the strategy audit, the Strategy and Executive Committee is updated at least once a year on the progress made in implementing the overall strategy and achieving the sustainability objectives.

The Sustainability department in the Wealth Management business area is working closely with the Chief Sustainability Officer (Head of Wealth Management), the CEO and the Executive Board, to drive this issue forward. It develops and coordinates measures and is the first point of contact for queries and suggestions. For climate-specific responsibilities within sustainability management, see the chapter [“Governance”](#) in the Climate Report.

### Sustainability Advisory Committee

BLKB has an external Sustainability Advisory Committee consisting of four members. Led by the sustainability officer, these four experts support BLKB on strategic and operational issues while also producing recommendations on all aspects of sustainability. The committee has a purely advisory role, and acts independently of the Board of Directors and the Executive Board. In this way, BLKB works hard to systematically anchor its [forward-looking approach](#) within its business

policy, in products and services, in processes, in the corporate culture, as well as in internal and of external communications.

### Sustainability management in the business units

In addition to topics of corporate sustainability, the Sustainability department also focuses on sustainable finance issues, that is to say the integration of sustainability criteria for BLKB's products and services. What is more, the department is working with various specialist sections to implement a multi-year project on BLKB's net-zero targets. This is in accordance with the requirements of the Federal Council's "Ordinance on Climate Disclosures" and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Net-Zero Banking Alliance ([see Climate Report](#)).

BLKB works with an ESG network to anchor the forward-looking approach in the various business units. This consists of experts within the parent company as well as the subsidiaries who promote ESG topics in various specialist areas. Working in partly cross-functional teams, they assume responsibility for sustainability topics. The measures are implemented by flexible work and project groups.

In the investment business, a Sustainable Investment Committee (SIG) was set up in 2024, which is responsible for the sustainability strategies of BLKB's investment solutions. The SIG also makes the final decisions on overrulings in the areas of exclusions and ESG scores for individual investments as well as on the exercise of voting rights ([see Investment and asset management business](#)).

### Sustainability-related risk management

In terms of sustainability-related risk management, the Sustainability department, together with the employees tasked with implementation, constitutes the first line of defence. The second and third lines of defence are the risk control functions and the internal audit. The key processes and responsibilities in sustainability management are defined and assigned in the internal controls system.

### Memberships and cooperations

BLKB uses its memberships in relevant initiatives and associations to further develop its commitment to sustainability. The following are of the utmost importance for the bank's efforts to anchor sustainability in its core business and expand its knowledge accordingly: The Association of Swiss Cantonal

Banks, the Net-Zero Banking Alliance, Swiss Sustainable Finance, and the United Nations Principles for Responsible Investment (PRI). A list of BLKB's main memberships can be found on the [website](#).

### **Governance of radicant bank ag**

radicant bank ag meets all the requirements of the supervisory authorities, in particular with regard to investor and creditor protection, corporate governance, risk management, data protection and data security as well as combating corruption and money laundering. The most important principles are set out in the risk policy and the associated regulations and directives. The key principles are contained in the [Code of Conduct](#). It is mandatory for all employees. The sustainable corporate management of radicant bank ag means that it not only measures itself by financial performance, but also adheres to sustainability targets. Sustainability aspects are enshrined in its internal directives on procurement, business travel and partner management.

## **Integrity, compliance and risk management**

### **Compliance**

Compliance is one of the basic duties in the banking business. Society and politicians have high expectations of a bank's internal risk management in general and with regard to corruption and money-laundering risks in particular. In accordance with the owner strategy of the Canton of Basel-Landschaft, BLKB pursues a prudent risk policy with the aim of securing cautious risk exposure for the canton and ensures appropriate risk management. BLKB places high demands on itself when it comes to integrity in business conduct.

The key legal frameworks for BLKB include the Kantonbank Act, the Swiss Federal Banking Act, the provisions of FINMA and the Swiss Bankers Association, as well as the rules laid down by the SIX Swiss Exchange. One key legal framework is the Agreement on the Swiss Banks' Code of Conduct with regard to the exercise of due diligence (CDB). BLKB has its own internal directives on money laundering, staff banking transactions and breaches of policies and rules, which contribute effectively to legal compliance and conforming to rules for combating money laundering and addressing conflicts of interest. BLKB presents its approach to business ethics issues in a transparent manner. There were no confirmed cases of corruption in the year under review. Nor

were any other significant corruption risks identified. Established processes, controls and training contribute to the integrity of employees.

BLKB attaches great importance to impeccable corporate governance (see [website](#)). The [BLKB Code of Conduct](#) contains all the principles governing the business activities of BLKB. It states that the bank is committed to combating money-laundering and the financing of terrorism as well as the avoidance of conflicts of interest and corruption. The Code prohibits anti-competitive behaviour and assistance in capital flight and tax evasion.

BLKB employees are obliged under their employment contracts to comply with the statutory provisions, industry-standard self-regulation and internal directives. Depending on the severity, a breach may result in disciplinary measures or an intervention by the law enforcement agencies and supervisory authorities. To prevent violations, new employees complete mandatory training modules on rules of conduct and compliance during the first three months after starting employment. This is followed by periodic refresher training sessions. The bank's internal structural and process organisation helps employees to comply with the Code of Conduct and risk management.

In 2024, there were no cases of severe fines or non-monetary sanctions for non-compliance with laws or regulations in the social and economic area. Nor has there been any case brought as a part of dispute settlement proceedings arising from such non-compliance.

### **Risk management**

BLKB maintains an integral risk management system which, in addition to financial risks, also encompasses compliance and reputational risks as well as operational and strategic risks. The Group-wide principles for managing and controlling risks are set out in the "[BR Regulations on Risk Control](#)" and detailed in the "[BR Risk Policy](#)". As a central management instrument, a risk catalogue presents the main risks for the bank. Every year, the Board of Directors assesses the risks and their probability of occurrence (see "[Risk management and risk control principles](#)" in the [Annual Report 2024](#), p. 74, and the [Climate Report](#)).

### **Money laundering**

When entering into business relationships, BLKB is legally obliged to identify the contracting party and, among other

things, to verify the beneficial ownership of the assets and to clarify unusual business and transactions. Questions about the contracting party and the contractual relationship are clarified on the basis of a standardised questionnaire. To combat money laundering and terrorist financing, BLKB performs a risk classification of its clients. Various rule-based parameters help with this risk assessment, which for example makes use of the country classification of the Financial Action Task Force (FATF).

### Conflicts of interest

The avoidance and handling of conflicts of interest are addressed in the Code of Conduct and regulated in an internal directive. Should conflicts of interest arise, they are dealt with as part of a structured compliance process. In doing this, particular attention is paid to the arrangement of incentive and remuneration schemes and the performance of auxiliary activities. Outside of their professional work, employees must also refrain from doing anything that would conflict with their duty of care and loyalty towards the bank.

### Whistleblowing desks

BLKB set up a whistleblower desk in 2022. Employees can use a specially designed process to give anonymous details of incidents that are potentially relevant under existing regulations or criminal/civil law and/or violate the Code of Conduct or BLKB policies. The anonymous information is received by the Head of the Board of Directors Secretariat, which, in terms of organisation, is separate from the bank's operational units. BLKB's General Terms of Employment contain a provision stating that any such notifications will have no employment or job-related consequences. The whistleblower desk contributes to the development of the bank and to the punishment of improper conduct.

### radicant bank ag

In the event of disputes relating to financial services, clients of radicant bank ag can contact the Swiss ombudsman service for financial service providers (FINOS), to which radicant bank ag is affiliated. A whistleblowing platform is also being planned. This should allow employees to anonymously report (suspected) violations of the Code of Conduct, guidelines or the law. The Code of Conduct guarantees that such a report will not result in any retaliatory measures.

### Procurement

BLKB places the utmost emphasis on compliance with environmental and social standards in relation to procurement and operations management. Before entering into a business relationship, the bank screens potential service providers and

suppliers with respect to fundamental aspects such as regionality ([see Regional procurement](#)).

A [Sustainability agreement](#) forms an integral part of BLKB's contractual arrangements with its service providers and suppliers. In addition to environmental obligations (relating to compliance with environmental laws, reducing climate impact, etc.), this agreement also encompasses social obligations in particular. For example, it must be ensured that foreign service providers and production companies comply with at least the eight core conventions of the International Labour Organisation (ILO). These include the effective abolition of child labour, the elimination of discrimination in employment and occupation, the elimination of forced labour, freedom of association and the right to collective bargaining. BLKB's suppliers also undergo a risk analysis with regard to child labour, as required by the "Ordinance on Due Diligence and Transparency" (DDTrO). The analysis conducted based on UNICEF's Children's Rights in the Workplace Index did not reveal any indication of risk exposure in the year under review. Regarding the prevention of human rights violations in the precious metals sector, see the chapter "[Gold](#)".

Purchases with a value of CHF 3,000 or more are based on a structured decision-making process that complies with internal directives and work instructions which contain sustainability criteria. The criteria include: Durability, reparability, recyclable materials and packaging material. Products such as ATMs or IT and construction services, which are classed as critical to BLKB's business model, are excluded. The process also stipulates that several quotes must be obtained once the expenditure exceeds a certain volume.

### radicant bank ag

radicant bank ag has incorporated regulations on sustainability aspects in procurement in various internal directives ([see Responsible products and services](#)). It publishes an overview of key business partners in its [Sustainability Report](#). Basic information on procurement practices can also be found in the [Code of Conduct](#) and on the [website](#). The analysis of suppliers conducted based on UNICEF's Children's Rights in the Workplace Index did not reveal any indication of risk exposure.

# People

## Integrative and motivational management and work culture

The employees of the parent company and the subsidiaries are employed in Switzerland. Exceptions to this are the radicant innovation hub based in Lisbon, a subsidiary of radicant bank ag. There is also the radicant service hub based in Pristina, a subsidiary of radicant business services ag.

### Principles and priorities

BLKB can only implement its strategy and achieve long-term success with a motivated, healthy and competent team. This requires a responsible, forward-looking HR regime as well as an integrative and motivational management and collaboration culture at all business locations.

As a responsible employer, BLKB regards the applicable laws relating to working conditions as minimum standards. It is therefore a matter of course for them to act in compliance with fundamental human rights in the working environment, which are wholly or partly the responsibility of an employer. These include, in particular, freedom from discrimination (including equal pay) and equal opportunities, the right to just, safe and healthy working conditions, to recreation and leisure time (including paid holidays), the rights to social security and maternity or paternity leave, as well as the rights to freedom of association, the formation of trade unions and strikes.

BLKB also attaches importance to the professional and personal development and employability of its staff. The increasingly digitalised and rapidly changing working environment strongly influences the required skills and competencies. This change in the world of work requires BLKB to develop in equal measure with its employees. Clients also benefit from this – in the form of high-quality products and services as well as comprehensive and professional advice.

The parent company's HR strategy for the current strategy period 2023–2027 focuses on further development in the following areas: data management, collaboration models and leadership development, recruitment and employer branding, employee centricity, skills development and employability.

### Work culture

Human Resources (HR) is based on the internal HR strategy. This underscores the bank's aspiration to be a forward-looking employer that systematically manages the skills of its employees and cultivates a strong corporate culture.

Employees assume responsibility in line with their role and make targeted use of the creative and decision-making scope accorded to them. An important building block is the practical application of the corporate value "We work together" as well as the six leadership and collaboration principles:

- Freedom to make decisions
- Active feedback culture
- Output-oriented performance orientation
- Active involvement as the role model
- Empowerment that confers self-assurance
- High degree of loyalty and integrity

The four-member Personnel Commission is elected by the employees for a three-year term of office. It handles employee enquiries confidentially, participates in discussions on personnel-related issues and represents employees' interests vis-à-vis HR & Organisational Development and the Executive Board.

### Leadership culture

Managers strive to ensure optimal framework conditions for good and goal-oriented collaboration. In the Leadership Academy, they take an active interest in the leadership principles and BLKB tools. Regular training sessions take place, whereby participation in at least one annual follow-up session is mandatory. In the Leadership Dialogue, managers can exchange on a regular basis and discuss current issues and embed them in practice.

### Equal opportunities

BLKB firmly believes that diversity is a central component of its corporate culture and a key factor in the bank's success. BLKB focuses on gender and age diversity as well as inclusion. BLKB has set itself the goal of employing at least 30% women in functional levels five to eight (including the Executive Board) by 2025. The bank is making progress in recruitment with a deliberate, selective choice of words and differentiated, realistic requirements in job advertisements.

BLKB offers work placements for people with impairments in cooperation with the social integration scheme Eingliederungsstätte Baselland (ESB). Those affected should be able to gain work experience in the primary labour market. Two people from ESB are currently working in the company. In the reporting year, BLKB also hired a trainee as part of the Powercoder programme for the first time.

### radicant bank ag

During the reporting year, in collaboration with the Department of Economic Affairs of the City of Zurich, radicant bank ag offered people involved in reintegration the opportunity to get to know the working world of a fintech start-up. In doing so, radicant bank ag is promoting the development of market-relevant skills and contributing to increasing employability in the long term. The commitment is part of the goal of assuming social responsibility and supporting professional integration through specific measures.

### Non-discrimination

The prerequisite for diversity is an inclusive and non-discriminatory environment. BLKB therefore sets clear boundaries when it comes to safeguarding personal integrity. Discrimination, bullying and sexual harassment are not tolerated. The latter is explicitly set out in the General Terms of Employment. They are binding for all employees. There was a workshop on the topic of unconscious bias in the reporting year.

The Executive Board is firmly committed to ensuring that employees treat one another in a respectful and considerate way (see [Code of Conduct](#)). It endeavours to ensure that personal boundaries are respected at all times. People in difficult life situations can contact an external social counselling service free of charge and confidentially, or anonymously if desired. Possible situations include conflict at work, health problems, family challenges, social insurance and pension issues. A whistleblower desk is also available to employees for (anonymously) reporting potential irregularities (see [Whistleblowing](#)).

### Onboarding, offboarding

On the special welcome day, new employees receive an introduction to the company and the collaboration and leadership culture. Managers introduce them to their respective roles using comprehensive tools and checklists. The personalised onboarding programme also includes internship opportunities in other areas of BLKB. Admission interviews are also held as standard – as are exit interviews. The feedback from the systematic onboarding and offboarding surveys is analysed to optimise processes, obtain information

on work culture and conditions, and identify improvement measures. Managers are made aware of the importance of organising the exit phase in a way that is appreciative of employees. In the reporting year, the exit process was optimised and complemented by the addition of new tools for managers.

### radicant bank ag

radicant bank ag communicates transparency and a deep understanding of its principles and products from the outset through structured onboarding sessions with an introduction to all areas of the company. New employees undergo specific training that emphasises values and the [Code of Conduct](#) in the context of social responsibility and sustainability. This not only promotes identification with the objectives of radicant bank ag, but also forms the basis for sustainable action in day-to-day work. Close feedback opportunities during the first three months support seamless integration of new team members.

### Flexible working

BLKB offers flexible working models: Employees can choose between longer or shorter working days, additional days of leave with reductions in working hours or additional unpaid days of leave. In principle, all positions are offered with the option of part-time, i.e. a workload of 80% or lower.

In accordance with the internal conditions, remote working is possible for up to 50% of working hours. Guidelines regulate how to handle e-mails and promote a positive, efficient meeting culture. At the request of the employees, BLKB has created framework conditions that allow them to work from abroad for short periods.

In the reporting year, BLKB announced that its head office in Liestal would be extensively renovated. This will result in the temporary relocation of the workforce. From autumn 2025, around half of the employees at head office will work in the Spenglerpark in Münchenstein and in the new Liestal station building. The return is expected to take place in 2030. The new headquarters will be designed as a modern and flexible working environment.

**radicant bank ag**

radicant bank ag attaches great importance to a good work-life balance. Flexible working conditions support employees in reconciling personal and professional tasks. The working time model adapts to the specific requirements of the respective tasks and promotes location-independent working. In this way, radicant bank ag aims to minimise its environmental impact and attract qualified professionals at the same time.

**Balancing work and private life**

Employees who (temporarily) have to provide care for a family member due to illness may take three paid working days per illness. Given that such exceptional circumstances are an enormous burden, BLKB makes every effort to find tailored solutions to support those affected. In many cases, a temporary reduction in working hours can already be of help. In the reporting year, the emergency nanny service was launched by Profawo. Employees can also take advantage of the support services offered by the social counselling service Proitera. BLKB requires no doctor's certificate when children are sick.

Depending on the number of years of service, maternity leave amounts to 16 or 24 weeks on full pay. BLKB allows mothers to return to work in stages following maternity leave. Fathers are allowed to take unpaid leave in addition to the fully paid, two-week statutory paternity leave.

Parents (or parents-to-be) are given free access to the services of the external Profawo counselling centre and/or the Proitera social counselling service, for example in the form of consultations or specialist events. Among other things, a Profawo workshop was held in the reporting year. It addressed, for example, the division of private tasks within couples in different family models to improve the work-private life balance.

**radicant bank ag**

radicant bank ag actively promotes balancing work and family life and supports its employees in combining professional and family obligations – for example through flexible working time models and work locations. radicant bank ag offers expectant mothers 16 weeks of maternity leave with continued payment of full salary.

**Retirement**

The option of staggered retirement offers flexibility to older employees. They may continue to work beyond the normal reference age. BLKB thus retains the expertise of its experienced employees for longer, and the employees can retire on a step-by-step basis. BLKB supports employees and their partners in preparing for retirement with courses on issues relating to retirement. In the reporting year, two internal seminars were held in cooperation with Loopings, the centre of competence for employment for people over the age of 45.

**Remuneration system**

At BLKB, attractive and fair contractual benefits for its employees are an integral part of being a forward-looking employer. Within the normal range for the region and sector, the bank offers salary models with fixed and variable components. Roles and salary bands can be viewed transparently on the intranet for everyone. Uniform evaluation grids and criteria make the classifications of all roles comparable even across organisational units – a key prerequisite for equal pay. In 2024, BLKB received "fair-ON-Pay Advanced" certification. It requires a pay gap of less than 2.5% and underscores BLKB's long-term commitment to equal pay for men and women.

The remuneration system for the Executive Board of the parent company is geared towards the long term and stability; it is described in detail from [page 53 of the Annual Report 2024](#). Since 2023, the amount of variable compensation for the Executive Board has also been dependent on the achievement of ESG targets in accordance with the requirements of the Canton of Basel-Landschaft. These include external sustainability assessments and attractiveness as an employer. Employees benefit from preferential terms and conditions on the bank's own products and for various third-party products. The bank also takes responsibility for the well-being of its employees at retirement age or in the event of an unfortunate health-related event by insuring them for extra-mandatory benefits.

**radicant bank ag**

radicant bank ag assumes 60% of the contributions to the pension fund and bears the costs of non-occupational accident insurance (NBU) and occupational accident insurance (BU) in full. In addition, employees receive a Halbtax travelcard and special conditions for the bank's own products, which makes it easier to access financial services and strengthens their loyalty to the company.

### Assessments of working conditions and culture

The parent company assesses the working conditions and work culture using the following processes:

- Employee performance reviews: Cockpit dialogues allow for regular and structured development dialogue between the line managers and their employees. The exchange is documented and is an important channel for feedback.
- Surveys: BLKB gauges its performance as an employer, the satisfaction of its employees and the perception of the culture of collaboration twice a year by means of pulse surveys. They foster an open feedback culture within the company. The high and rising values of the 2024 Pulse survey confirm the strong management and collaboration culture. Between 75% and 79% of employees took part in the last three surveys and answered the ten or so questions with more than 5,500 comments.
- Admission and exit interviews, onboarding and offboarding surveys: BLKB receives pointers for optimisation in interviews and surveys that are standard practice when employees join or leave BLKB.
- Benchmarking: On the kununu corporate ratings platform, BLKB receives feedback from current and former employees on how it is viewed as an employer. With its overall score of 4.4 points and a recommendation rate of 91% (as of 31 December 2024), BLKB is among the top-rated employers in the financial services industry (sector average: 3.7 points).

### radicant bank ag

At radicant bank ag, working conditions and corporate culture are regularly evaluated and further developed using the following processes:

- Employee performance reviews: During the probationary period and as part of the annual performance process, structured discussions take place between managers and employees to promote individual development and performance.
- Surveys: Every year, radicant bank ag conducts an employer survey that collects, among other things, the Employee Net Promoter Score (eNPS). It currently stands at 18%, shows a high recommendation rate and confirms the strong retention and satisfaction of employees.
- Admission and exit interviews: New employees go through standardised onboarding and probationary period appraisals to ensure rapid integration and the initiation of potential optimisation measures. Tips for continuous improvement are also collected during exit interviews.

### Fixed-term employment

BLKB's business activities are generally carried out by employees with a BLKB contract. Only in exceptional cases or for specialist areas are temporary external workers appointed. Significant outsourcings are reported pursuant to the requirements of the supervisory authority (FINMA). Particularly in the area of IT, BLKB arranges for services to be provided by external experts on a long-term mandate relationship. At the end of 2024, the parent company had five people on a fixed-term contract – the same number as in the previous year. There was no employment without guaranteed working hours.

### Fluctuation

The employee turnover rate fell in 2024: Group-wide, natural fluctuation amounted to 6.1% in the reporting year (previous year 7.5%). Data collection is based on the IT program used internally to manage central HR processes. The data were processed by in-house experts in the HR & Organisational Development department.

Turnover rate 2024 (entire Group): 6.1%

New hires in 2024 (entire Group):

- Women: 43
- Men: 54
- Employees under 30 years of age: 26
- Employees aged 30–50: 58
- Employees over 50: 13
- New positions filled internally (parent company): 32.5%

## Employee development

BLKB believes in offering comprehensive training opportunities. It supports employees in their personal and professional development. The bank is an important training venue for apprentices within the region.

Developing and maintaining employee skills is one of the keys to the bank's success. To support life-long learning, BLKB relies on formal and informal training and further education opportunities. In the year under review, BLKB trained its employees, in particular, in advising clients on sustainable financial products and focused on data management/AI and client orientation in other courses.

### radicant bank ag

radicant bank ag attaches great importance to the continuous development of its employees and has set up an internal training academy for this purpose. It offers a variety of internal training courses, particularly in the area of soft skills, to promote personal and professional competence. In addition, targeted support is provided for individual further training programmes if they meet the professional requirements and objectives of the employees. Through these training opportunities, radicant bank ag not only promotes the further development of its employees, but also strengthens the innovative strength and long-term know-how within the company.

### Training

BLKB accords major importance to the training of apprentices and interns. In addition to commercial training in the "Bank" sector and "Dienstleistung & Administration" (service and administration), the bank offers apprenticeships in mediamatics as well as IT with a special focus on application development. The training concept for the youngest employees is optimised on an ongoing basis and reviewed for future orientation and suitability.

The new education and training ordinance was introduced for commercial apprentices in summer 2023. BLKB took the opportunity to strengthen the role and training of vocational and practical instructors. They support young people in their day-to-day work and are key to successful professional and personal development. BLKB also used the reform to strengthen training and skills development in the area of sustainability. In the second year of their apprenticeship, all apprentices take part in a sustainability project week ([see Topics in](#)

[focus](#)). It is carried out in collaboration with Forstbetrieb Frenkentaler forest management association, the Schweizer Tafel food bank, Ökozentrum and denkstatt sarl.

As at 31 December 2024, BLKB employed 31 apprentices and 12 interns. BLKB also facilitates internal training to enable employees to qualify as financial advisors (IAF). In 2024, 14 employees graduated successfully. This makes BLKB a pioneer in its industry.

At the start of 2024, a clearly presented intranet page detailing training offers was set up. A newsletter is issued quarterly with information on training priorities and upcoming training courses. Quarterly orchestration meetings were used to coordinate the training resources and capacities of all those involved.

### radicant bank ag

In 2024, radicant bank ag welcomed several interns on board. These internships offer talented young people the opportunity to gain valuable insights into the dynamic world of a fintech start-up and gain their first professional experience.

### Development management

BLKB's competency model maps skills required for a specific role and serves as a decision-making aid for the recruitment of new employees or the further development of existing employees.

The bank has established strategic workforce planning as a central management tool for filling roles within the bank. This is consistently oriented towards the implementation of the business strategy. The line managers familiarise themselves with strategic workforce planning in the Leadership Academy and ensure that this is firmly rooted in everyday management practice through staff planning and cockpit discussions.

At BLKB, line managers conduct appraisal interviews with permanent employees at least twice a year. Since 2021, this cockpit has been used as a tool to support structured dialogue and to record the set performance and development goals. At the start of 2024, the cockpit form was optimised as a discussion guide, more closely aligned with the bank's role architecture and supplemented, among other things, with questions on the health and stress situation. More than half of the managers took part in the corresponding training and exchanged their experiences in the Leadership dialogue.

This was an expression of their strong belief in the new development management. They undertook to conduct and document at least two cockpit meetings per year with their employees.

The internal seminar “Beruflicher Zwischenhalt” (“Intermediate professional stopover”) for employees aged 40+ held in the reporting year and the new “MyCockpit” training course were aimed at employees who explicitly want to address their development.

### **Development opportunities**

The training and development programme is open to all employees. It serves to develop specialist, methodological, behavioural and leadership skills. To supplement the internal offering, BLKB generally also provides staff with financial support or time to participate in third-party training opportunities.

To promote individual learning, BLKB launched the online learning portal “Goodhabitz” in March 2024. It offers over 250 learning modules on various topics and personal skills, is available to all employees and can be used at any time. Regular evaluations show that the range of online modules is widely used.

Further information on promoting employability can be found in the [Topics in focus](#).

### **Leadership Academy**

In the Leadership Academy, BLKB imparts leadership principles and practices to its managers. It takes place for new managers in the form of basic training and for experienced managers in the form of regular training units, in which participation in an annual follow-up unit is mandatory. The following topics were addressed in the reporting year: the optimised cockpit and associated development dialogue, emergency mental health assistance and the recruitment licence. In addition, the pilot “Development Days and Impulse Sessions” was carried out to evaluate and prepare potential new managers.

### **Board of Directors**

The Board of Directors undertakes regular training to extend its knowledge of specific subjects. This also covers aspects of the BLKB’s material sustainability topics. In the reporting year, HR trained the members of the Board of Directors and

the Executive Board on labour market developments and their impact on recruitment and applicant behaviour. The training involved new recruitment methods, the importance of an attractive candidate experience and a strong employer brand.

### **Sustainability skills**

In order for BLKB’s alignment to be consistently sustainable, all areas of the company must be aware of the relevant topics and support these in their day-to-day work. Building up and expanding these competencies is a central theme of the bank’s sustainability strategy.

In the reporting year, the focus was on training client advisors on sustainable products and services in the mortgage and investment business.

## Workplace health

With their knowledge and skills, employees are BLKB's most important resource. The bank attaches great importance to their physical and mental well-being. The risk of injury at the workplace is significantly lower in the financial sector compared to other sectors. However, there is a risk of being involved in threatening situations, such as robbery. In addition, mental health can suffer if the working environment is perceived as stressful. For this reason, BLKB focuses on prevention and clear processes in its occupational health management so it can react quickly and effectively to incidents. Good employee health promotes satisfaction, motivation and performance and is in the interests of employees as well as those of BLKB and society.

### Occupational health and safety standards

The safety of its employees is central to BLKB. It strictly follows recognised standards in the area of occupational health and safety. These are based on guidelines from SUVA (Swiss National Accident Insurance Fund), the Swiss Council for Accident Prevention (BFU) and the Federal Coordination Commission for Occupational Safety (FCOS). Security officers at all BLKB locations monitor the implementation of these guidelines, identify any new hazards or report deficiencies. In addition, selected employees at all locations are trained in first-aid.

### Threatening situations

Threatening situations such as robberies can pose an acute threat to the physical and mental integrity of the bank employees concerned. The bank's security concept includes numerous preventive measures such as building monitoring systems, automatic police alerts and targeted employee training. If a threatening situation proved unavoidable despite all precautionary measures, an external care team is called in.

### Campaigns and initiatives

Voluntary programmes and initiatives for promoting the health of employees include bike to work and other sporting and social leisure activities. With its internal blog campaign "Zämme gsund" ("Stay healthy together"), BLKB regularly raises awareness among its employees of topics such as health, relationships, optimism and self-care.

In 2023, managers were made aware of the need to recognise signs of high mental strain and stress in their teams. In the reporting year, BLKB supplemented the training with the offering from Ensa, a programme run by the Pro Mente Sana Foundation to promote mental health, and held an event on the topic of mental load. Apprentices also benefit from resilience training and one-on-one coaching during their training.

### Evaluation and measures

BLKB measures absences and other key figures relevant to health and occupational safety on a quarterly basis. Important findings are incorporated into the planning of measures and the risk analysis of the bank as a whole.

### Absences (entire Group)

- Absences due to sickness 2024: 6,170 days
- Absences due to occupational accidents 2024 (headcount): 56 days
- Absences due to non-occupational accidents 2024 (headcount): 499 days

## Quality and customer satisfaction

### Responsible advice

Financial products can be very complex and hard to understand. At the same time, they have an impact on the financial security and economic well-being of those affected. Responsible advice is therefore essential. BLKB advises its clients in a trustworthy and holistic way on all financial matters. This is also in the interest of the bank, as good advice contributes to satisfaction, long-term client relationships and reputation strengthening.

In the reporting year, BLKB was named as providing the best customer service in Switzerland in the banking and financial service provider area in the "Top Kundenservice 2025" (top customer service 2025) survey conducted by Statista and "Blick". It also took first place twice in the "Top Banken 2025" ("Top Banks 2025") survey conducted by Statista in collaboration with the "Handelszeitung" newspaper – in the "Top Banken für Privatkunden - Nordwestschweiz" ("Top Banks for Private Clients – Northwestern Switzerland") and "Kredit- & Hypothekenangebot - Privatkunden" ("Lending & Mortgage Offering – Private Clients") categories.

### Guidelines and principles for financial products

BLKB adheres to stringent requirements in terms of its products and services and advisory quality. The legal requirements and advertising guidelines form the minimum standard for product development and advice. For private individuals, the advisory processes are geared towards life events such as the purchase of residential property or retirement. For companies along the value chain or life cycles. In doing so, BLKB aims to meet or surpass its clients' wishes for comprehensive financial services in all stages of life. It adopts a client-centric approach and involves clients at an early stage when developing its financial products. It strives to keep its offers as simple as possible.

### Avoidance of greenwashing

Products and services with sustainability criteria have continued to gain in importance in recent years at BLKB and in the financial sector. BLKB provides its clients with transparent information and promotes the correct use of terms and product descriptions by means of regular employee training to prevent greenwashing. ESG criteria have been a fixed component of investment products and advice in asset management since 2014. Since the start of the reporting year, clients have also been provided with comprehensive

information on ESG preferences and risks and can choose between two ESG preference options with corresponding product characteristics.

### radicant bank ag

radicant bank ag only offers sustainable financial products and services. It positions itself as a digital sustainability and financial objective. The investment products pursue a sustainability and financial objective. An SDG impact rating developed in-house is used to evaluate the invested companies. The selected companies must have a (net) positive impact on nature and society. The investment products are SDG-oriented or impact-aligned according to the Eurosif classification of sustainable financial assets.

### Client contact and handling complaints

BLKB strives to offer companies and private individuals first-class services and to enable positive experiences across all points of contact. The aim is to reduce the number of complaints and process complaints quickly. Verbal and written feedback from clients is systematically recorded and evaluated. A new feedback tool was sent to the pilot phase in the reporting year.

Findings from complaint management are incorporated into the improvement processes in a targeted manner. BLKB also conducts client satisfaction measurements and surveys (e.g. in the Customer Centre, in e-banking or on-site in branches) and regularly reviews the training level of its employees.

No relevant violations were reported to BLKB in the reporting year. Neither against regulations nor voluntary codes of conduct in connection with product and service information and its labelling nor in connection with marketing and communication.

### radicant bank ag

radicant bank ag pursues a mobile-first strategy and offers products and services via its own app. Clients can contact the Client Service if they have any questions. In addition, radicant bank ag regularly conducts client satisfaction surveys. The feedback is analysed and incorporated as part of the continuous improvement of products and services.

## Data protection and data security

### Sensitive data as a risk

Data security and data protection are an inherent part of BLKB's business model. Data security is about protecting sensitive data from unauthorised access (online and offline, internal and external). Data protection includes the responsible handling of critical and personal data.

The bank holds sensitive information from its clients and is subject to Swiss bank-client confidentiality. Data security, data protection, compliance with regulatory requirements and reputation are very important to BLKB.

### Policies

The Swiss Federal Act on Data Protection (DGS), the Banking Act and the FINMA guidelines on operational risks in banks and regarding bank client data constitute the regulatory basis for data protection. The protection of the entire IT infrastructure and a high level of data security thanks to clear management are becoming increasingly important for the secure operation of the bank. The Data Governance Board was established at the end of 2023. This enables all data security efforts to be coordinated centrally and promotes employee awareness of how to handle data securely.

Internal directives on data protection, IT and information security, the protection of bank client data and the classification of information govern employee conduct. All employees and external service providers with access to IT systems and data are responsible for their compliance and received training in this regard in the reporting year. The core content of the directives is available on the intranet and is part of the [Code of Conduct](#).

### Data security

In order to protect itself against unwanted access and ensure the necessary data security, BLKB uses technical protective measures that report conspicuous behaviour. BLKB regularly initiates awareness-raising measures for employees and external service providers and operationalised a corresponding concept in the reporting year. The internal specialist office checks reports of data loss or unauthorised access based on a response plan and initiates the immediate measures required to deal with the incident. Emergency operations ensure business continuity.

### Data protection

Sensitive information is divided into three categories for which different security precautions apply: secret, confidential and internal. At the workplace and when working remotely, the clear desk policy applies, which prevents confidential documents from being accessed unprotected. Clients must be clearly identified on the phone. Electronic communication channels at the interface between the bank network and external networks are particularly critical in terms of data protection.

BLKB uses client data in accordance with the statutory requirements for corporate, segment and product development. It provides transparent and comprehensible information on the use and processing of personal data. Clients can request information about their stored personal data and request that incorrect data be amended. Standardised processes ensure that data that is no longer required is deleted after the retention period has expired.

The data privacy statement applies to all units of the bank and is published on the [website](#). BLKB's goal is to ward off attacks on online services such as e-banking and the bank's internal network. It thus protects client data, assets and transactions in the best possible way.

### Monitoring of security measures

The protective measures are constantly reviewed and adapted by Integral Security. Various instruments are used for that purpose: An external provider monitors BLKB's IT system, which improves security measures. Penetration tests and security analyses for end devices are used for technical testing. Servers and applications such as Avaloq (central banking system), e-banking and mobile banking check the effectiveness of BLKB's IT security mechanisms.

Every year, the external auditors carry out targeted audits of selected areas of BLKB's IT and IT security; Internal Audit supplements this exercise with checks on specific topics. The management approaches in the area of data security and data protection can also be monitored by FINMA through reviews. Simulated phishing e-mails are sent several times a year to raise awareness among employees. Integral Security reports regularly on security topics in its risk report.

In the reporting year, there were no substantiated complaints relating to breaches of the protection of client data, nor were there any cases of data theft or loss in connection with client data.

**radicant bank ag and BLKB Fund Management AG**

radicant bank ag meets the data protection and security requirements of the supervisory authorities. These are set out in the corresponding regulations and directives.

BLKB Fund Management AG complies with the statutory and supervisory provisions on data protection. The most important principles are set out in its system of directives and in the BLKB Code of Conduct.

# Society

## Transparency towards stakeholders

### Transparent and honest communication

BLKB's communication is based on honesty of content and openness to questions addressed to the bank by relevant internal and external stakeholder groups (see "[Information policy](#)" on the website and in the [Annual Report 2024](#), p. 39).

### Dialogue with stakeholders

Stakeholder involvement is reflected in various activities:

- Clients: in client interviews, in feedback and complaint management, in events with corporate and retail clients, on social media or in surveys to determine the needs of existing and potential clients
- Employees: through employee appraisals and surveys, in exchange forums of the ESG network (see [Corporate governance](#)), at town hall events or via the Personnel Commission
- Owners: in discussions with the Canton of Basel-Landschaft, with publications such as the annual and sustainability report
- Industry: through memberships of associations and commitments (see [website](#))
- Public: via social media, media relations or publications such as the annual and sustainability report
- All stakeholders: through the process for determining material topics described below

### radicant bank ag

radicant bank ag attaches importance to clear and active public communication. It publishes its own sustainability report voluntarily as well as regular posts on its blog, social media and other channels. radicant makes a targeted effort to teach its employees about sustainability. radicant bank ag also participates actively in associations and initiatives such as Swiss Sustainable Finance and, since 2024, in the Green Fintech Network.

### Determination of material topics

BLKB has regularly conducted a materiality process since 2014 and has reported on focal points and improvements in its sustainability report since 2001. The last revision took place in 2022 and the next one is planned for 2025. The process and the stakeholders involved are described in detail from page 6 of the [Sustainability Report 2023](#). A list of the

current material topics can be found in the chapter "[Forward-looking approach](#)".

## Responsible products and services

### Principles

Products and services play a key role in terms of the forward-looking approach in general and climate protection in particular. External stakeholders also pay particular attention to this. Integral consideration of environmental, social and governance aspects in the core business is therefore not only important for BLKB to be able to offer more robust products and services, but also for protecting and strengthening the bank's reputation.

BLKB strives to offer its clients products that incorporate sustainability aspects in all business areas. In its financing and investment decisions, the bank systematically integrates ESG criteria (companies' exposure to environmental, social and governance risks) as well as financial criteria. The inclusion of these aspects in the review processes of the investment and lending business aims to achieve more comprehensive risk management and a more stable orientation of the portfolios.

For financed greenhouse gas emissions, see [Climate Report](#).

### Lending operations

BLKB must meet the lending needs of the regional economy and population to the best of its ability. In the year under review, mortgage lending in Northwestern Switzerland accounted for 90.3% of all mortgage lending. At the same time, it may only accept risks for which it is compensated and the eventual occurrence of which does not pose a risk to its continued existence. These requirements determine the processes, instruments and principles of lending operations.

Before granting a loan, BLKB checks the intended purpose, assesses the collateral and the integrity of the applicant. A detailed analysis of the business model and the entire value chain of corporate clients is also part of the process. For information on the management of credit portfolio risks, see [p. 79 of the Annual Report 2024](#). ESG criteria are also

taken into account due to risk considerations and, in part, on the basis of legal and regulatory requirements. To this end, BLKB has defined exclusion and risk sectors that trigger an in-depth ESG analysis.

Excluded sectors in the lending business:

- Manufacture of weapons and military combat vehicles
- Promotion of fossil energy sources
- Mining of coal and lignite and certain other mining activities

According to BLKB's assessment, these exclusion sectors have very high ESG risks, including some human rights' violations.

Risk sectors in the lending business:

- Operation of fossil power plants
- Nuclear energy
- Manufacture of aircraft/airlines
- Tobacco
- Genetically modified seeds
- Gambling
- Adult entertainment

Loan applications from companies operating in risk sectors are thoroughly reviewed by an internal bank credit committee in order to differentiate between the risks, in particular reputational risks.

### **Mortgage business**

When it comes to financing residential, commercial and operational properties as well as development projects, BLKB helps clients operate their properties in a more energy-efficient manner and thus reduce costs.

BLKB's "Energie-Hypothek" ("Energy Mortgage") is a bespoke solution that enables mortgage clients to invest in improving their property's energy efficiency at attractive financing terms. The offer is not only available for refurbishments, but also for new builds with environmentally friendly certifications or wood structures.

As part of the self-regulation "Guidelines for mortgage providers on the promotion of energy efficiency" of the Swiss Bankers Association (SBA), BLKB has introduced sustainability and renovation advice for private single-family and holiday homes. Client advisors help to identify a property's need for renovation, increase its energy efficiency and thus ensure long-term value retention. To this end, the "Spezialberatungen Immobilien (SI)" (special real estate advisory) department was expanded in the reporting year. With the launch scheduled for 2025, this advisory offering will be transferred to the new department.

BLKB also promotes energy-efficient building renovations via the home2050 online platform, which it operates with EBL and Primeo Energie. This offers homeowners a fast and straightforward means of ordering customised energy advice complete with tailored offers for the installation of a replacement heating system, a photovoltaic system or an electric car charging station.

BLKB is a strategic partner of Energiepaket Baselland, the cantonal development programme for energy efficiency and renewable energy in the building sector. As part of this commitment, the bank holds several events per year on the topic of energy-efficient buildings for property owners and SMEs. Through this initiative, BLKB is supporting the drive towards energy-efficient refurbishment in the Northwestern Switzerland region. Above all, BLKB provides its clients with comprehensive support through forward-looking financial planning – also with a view to future regulations and possible subsidies related to buildings' climate-related impacts.

For information on BLKB Fund Management AG's real estate offering, see [Innovations offered by the subsidiaries](#).

### **Investment and asset management business**

BLKB invests its clients' money on the financial market while safeguarding their interests and with a focus on an optimised risk/return ratio. For the past ten years, this has also included the systematic consideration of relevant ESG topics. This is based on the belief that companies that are solidly positioned from an ESG perspective will achieve better corporate success in the medium to long term and that they will be less exposed to future financial risks. They are therefore preferable from a risk-return perspective.

In December 2024, BLKB joined the industry organisation Asset Management Association Switzerland (AMAS). Membership makes it possible to participate in a strong and renowned network within the Swiss and international asset management industry and to help shape the regulatory framework. In the reporting year, BLKB also summarised its sustainable investment strategy in the Sustainable Investment Policy and published it on its website.

The Sustainable Investment Committee plays a key role in the area of investment and asset management in accordance with the Sustainable Investment Policy and the applicable directives. It is responsible for the sustainability strategies of BLKB's investment solutions. These include, in particular, sustainability-related criteria in the investment process

(definition of the exclusion criteria and the sustainable investment universe), active ownership with voting rights and engagement, and reporting.

All investment products and asset management mandates for private individuals offered by BLKB take account of ESG criteria. BLKB issues its “Nachhaltiges Anlageuniversum” (NAU) (“Sustainable Investment Universe”) every month based on ESG data from MSCI and other data providers. This is a list of equities and bonds from issuers classified as investable according to BLKB’s sustainability criteria. This selection process begins with the exclusion of sectors by means of a negative analysis in order to minimise material sustainability risks in particular.

Exclusion sectors in the investment business are:

- Promotion of fossil fuels
- Fossil power plants
- Nuclear energy
- Air traffic
- Tobacco
- Genetically modified seeds
- Gambling
- Weapons

Furthermore, all companies that expose controversial business practices, i.e. violate UN Global Compact principles or Swiss basic standards, are excluded from the investment universe. The materiality of the exclusion criteria is regularly reviewed and adjusted if necessary.

The next step in rule-based portfolio management is to underweight or overweight ESG. In active asset management, the shares of the 45% of companies with the highest ratings are selected in a positive analysis in accordance with the MSCI ESG ratings (best-in-universe strategy). The Equity Research team subjects this selection by the NAU to its own assessment of business practice with regard to ESG topics. For bonds, companies and countries with an ESG rating of at least BBB are selected. Third-party funds are also subjected to an analysis including ESG criteria. Most BLKB portfolios have an ESG rating of AA from MSCI.

### BLKB’s investment products

The resulting investment solutions cover varying client needs with their different risk profiles. As these needs evolve, BLKB is expanding its range of investment products. In the year under review, it successfully launched the public tranches of its bond funds. The total volume of the

two funds already exceeded CHF 1 billion in autumn 2024.

In addition to investment funds, the portfolio consists of asset management mandates and thematic equity baskets with a focus on the Basel region, solution providers in the areas of climate protection, the digital future and demography. The varied investment solutions, the wide range of funds and the different service models offer suitable solutions for different client segments and make it possible to participate in financial market developments even with small amounts and to invest money sustainably. In e-banking and through their client advisors, BLKB clients also have access to the bank’s share recommendations in the “Duo” and “Trio” custody account services, while systematically taking sustainability aspects into account.

BLKB offers another opportunity to invest money in a sustainable manner as part of its partnership with Geneva-based private bank Lombard Odier: The asset management mandate “Future Shift” available through BLKB and managed by Lombard Odier and the joint fund “BLKB-LO Future Shift Global Equities” invest globally in companies whose products and services can benefit from the global efforts to combat climate change or which support the transition to a sustainable economy, in particular the circular economy.

### Recording clients’ ESG preferences

Since the start of the reporting year, BLKB has been systematically recording the ESG preferences of new custody account clients and, since mid-2024, also of existing clients. In doing so, it implements the SBA self-regulation “Guidelines for financial service providers on the integration of ESG preferences and ESG risks into investment advice and asset management”. The preferences determined allow investment solutions to be aligned with the ESG needs of clients. In parallel to the active discussion of ESG aspects, the advisory team’s need for expertise on sustainability in the financial sector has also increased. Employees have been trained accordingly (see [Sustainability competencies](#)).

### Transparency in the investment business

BLKB attaches importance to a high level of transparency in its investment business. In the reporting year, it was able to present several new information products in this regard: Since the end of 2024, it has made its own [ESG factsheets](#) on its investment funds publicly available, which provide information on ESG characteristics and disclose the Swiss Climate Scores defined by the federal government on the climate compatibility of the funds.

In addition, BLKB launched new company factsheets on listed companies in 2024, which present ESG-related aspects on an equal footing with financial aspects. Together with Company News, the factsheets are used in advisory meetings and in e-banking. It is standard practice for all investment clients to receive a sustainability overview of the ESG rating and climate orientation of their portfolios as part of their personal financial reports. On request, they can also be provided with reports containing more detailed ESG-related information at portfolio level and on selected individual holdings.

In order to strengthen the investment expertise of its clients, BLKB publishes further information such as physical and digital specialist events and the video series CIO Update.

### Active ownership

For BLKB, a responsible investment approach involves systematically exercising its voting rights and engaging in a targeted dialogue with the companies in its investment portfolio. To this end, BLKB entered into a partnership for active ownership with Ethos in the reporting year and is now also a member of the Climate Action 100+ climate initiative. As a result, BLKB has been safeguarding the interests of its investment clients even more systematically since the year under review, with the aim of ensuring long-term value retention of the investments. BLKB has set out the most important principles of its active ownership activities in its [Active Ownership Policy](#).

### radicant bank ag

radicant bank ag formulated and implemented its own active ownership strategy in 2024 (see [Products and services of radicant bank ag](#)).

### Basic banking business

Since 2020, BLKB has been one of the first banks in Switzerland to offer an account product with sustainability components: the "Zukunftskonto" ("Future Account"). Linked to the "Wald von morgen" ("Forests of tomorrow") project in cooperation with WaldBeiderBasel (association of local forest owners), this savings account enables account holders to support a regional project that contributes to climate protection. The interest on the account is currently being used to plant climate-resistant trees in the Basel region.

The "Geschenksparkonto Zukunft" ("Gift Savings Account Future") is a further addition to the range of sustainable products in BLKB's basic banking business. It provides children, grandchildren and godchildren with a nest egg for their adult life while also supporting the "Wald von morgen" project.

With the BLKB "Jobs for Juniors" debit card, clients donate CHF 10 as an additional annual contribution to integrating young people into the labour market. BLKB supplements this donation with a proportion of the transactions made with the card. The total amount, CHF 582,710 in the reporting year, goes to Job Factory Basel AG and SME Lehrbetriebsverbund AG. Both institutions offer and arrange apprenticeships and internships for young people.

### Gold

Clients can also purchase precious metals from BLKB, in particular gold. Since gold is one of a group of "conflict minerals", it could potentially be linked to the financing of armed conflicts. According to the "Ordinance on Due Diligence and Transparency" (DDTrO), companies that "source, prepare and process" conflict materials have special due diligence and transparency obligations as a result. The ordinance does not apply directly to BLKB, however, as it purchases gold directly from other Swiss banks. It is also LBMA-certified (London Bullion Market Association), which guarantees its origin outside conflict zones. Moreover, the Swiss refinery where the banks source the gold has signed the Code of Practice of the Responsible Jewellery Council and is ISO-14021 certified.

### radicant bank ag and BLKB Fund Management AG

Risk analyses at radicant bank ag and BLKB Fund Management AG did not reveal any exposure to precious metals.

### Products and services of radicant bank ag

radicant bank ag's sustainability efforts are most evident in the design of its products and services. The financial sector plays an important role in achieving the 17 United Nations Sustainable Development Goals (SDGs). radicant bank ag focuses its sustainable investment products on companies, which make a positive contribution to society and the environment. It offers clients the opportunity to invest in individual SDG impact investment themes and thus benefit from interesting investment opportunities. These are based on eight actively managed certificates related to SDG topics such as gender equality, water supply, healthy ecosystems and climate stability and are also listed on the Swiss Stock Exchange (SIX).

radicant bank ag identifies the companies invested in a structured and multi-stage investment process: Investable companies' impacts on the environment, society and the economy are measured using a specially developed SDG Impact Rating based on the 17 SDGs. Each company receives a rating (SDG Impact Score) between minus 100 and plus 100. Positions with a total value of more than 20 are "net positive". In the next step, the bank checks the so-called do-no-significant-harm criteria. These require that a company, even with an overall "net positive" rating, must not have a significantly negative impact on any individual SDG in the ratings. Finally, radicant bank ag analyses whether the company is a solution provider and thus makes a positive contribution to the SDGs and checks that none of the strict standards-based or sectoral exclusion criteria apply.

These evaluations and selections are based on impact data from third-party providers, but are further processed and validated internally in accordance with the company's own methodology. The rating is verified and checked for plausibility by the Sustainability team of radicant bank ag.

As a result, the portfolio managers of radicant bank ag have access to a differentiated selection of equities and bonds from investable companies. It is on this basis that they actively manage the abovementioned eight SDG impact investment themes as well as the three sub-funds "Swiss Sustainable Equities", "Global Sustainable Bonds" and "Global Sustainable Equities" of the "radicant SDG Impact

Solutions" investment fund. The fund is domiciled in Liechtenstein and is classified as "SFDR Article 9" or "dark green" under the "Sustainable Finance Disclosure Regulation" (SFDR) of the European Union. In addition to a financial objective, it pursues a sustainability target. The investment fund is authorised for distribution in Switzerland and Germany. It forms the cornerstone of the sustainable investment mandate that radicant bank ag offers its clients. In addition, clients can select two of the eight SDG impact investment themes.

In the radicant app, clients can view at any time in which companies with which SDG impact ratings and which contribution to the SDGs their money is invested. radicant bank ag considers this transparency to be important and fundamental to its ability to set itself apart on the market.

When it comes to banking services, radicant bank ag promotes sustainability in three ways: Firstly, it invests part of its clients' money in sustainable investments that are highly liquid, such as green bonds. Secondly, the bank uses a portion of debit card fees to support projects with a sustainability impact, such as the reforestation of mangrove forests in Kenya. Thirdly, the bank wants to raise its clients' level of sustainability awareness. For example, it only issues virtual debit cards as standard. A physical card made from recycled plastic can be ordered for an additional fee. The app also features a function that assesses the environmental footprint of debit card transactions. Through this transparency, radicant bank ag hopes to make its clients aware of how their consumption impacts the environment.

In the reporting year, radicant bank ag introduced the MyImpact function in the app to show clients the impact of their bank account and investments. For example, support for the reforestation of mangrove forests in Kenya is presented. Positive effects of selected companies are also described for the various investment products of radicant bank ag.

radicant bank ag implemented an active ownership strategy in the reporting year and adopted a corresponding policy based on the Swiss Stewardship Code. The aim is to systematically exercise voting rights and enter into direct dialogue with invested companies. In doing so, it pursues not only financial goals, but also sustainability goals. In addition to exercising its voting rights, radicant bank ag called on the companies in its Swiss investment fund to set themselves science-based climate targets in the reporting year. It is also involved with other investors in the Pesticides Working Group of ShareAction, Nature Action 100 and Access to Medicine Foundation.

# Environment

## Environmental management

For climate-related information, see the [Climate Report](#). Figures and other information relating to BLKB Fund Management AG are included in those relating to the parent company in this chapter.

BLKB endeavours to keep the environmental footprint of its banking operations as low as possible. Its environmental management focuses on ensuring the careful use of natural resources. In terms of energy management, the bank attaches particular importance to improving energy efficiency, switching to renewable energies and ensuring a secure energy supply (electricity, heating, cooling).

As a minimum, the bank complies with the legislation pertaining to environmental protection and energy. Over and above this, BLKB wants to be a role model and to strengthen its reputation as a sustainable company. To this end, BLKB seeks regular dialogue within the industry and is part of the Energy Model Group for Banks ([EnAW](#)).

### Energy management

Through [EnAW](#), BLKB concluded a target agreement with the federal government in 2013 to improve its energy efficiency to 108.6% by 2024 and reduce its CO<sub>2</sub> intensity to 79.3%. The energy-saving measures implemented and energy consumption had to be reported annually for the eight properties monitored by [EnAW](#), ensuring BLKB's compliance with the requirements governing large-scale consumers stipulated in the cantonal Energy Act. As a result, BLKB was able to increase its energy efficiency to 127.2% by 2024 and reduce its CO<sub>2</sub> intensity to 52.9%. To this end, 73 measures were evaluated in the period under review, with 55 being successfully implemented. A renewal of the target agreement will be considered in the context of medium-term property planning in 2025.

To reduce the heating requirement, insulation is improved when buildings are refurbished; at the same time, the systems are fine-tuned and consumption is monitored constantly. BLKB uses district heating wherever possible. Using this heating source, it covered 83% of its total heating requirements in the reporting year.

Greenhouse-gas-free heat production, insofar as it is possible, is essential where district heating is used. Group and district heating networks in the region are operated with wood-fired, heat pump, combined heat and power, and fossil-fuel systems. BLKB supports efforts to decarbonise these

heating plants even further. Wherever possible, BLKB equips properties that cannot be served by district heating networks and still need gas- or oil-fired heating systems with fossil-fuel-free heat-generating equipment such as heat pumps.

At virtually unchanged climatic conditions (number of heating degree days: 2.2% higher than in 2023) the consumption for the parent company's building heating system increased by 3.5% in the reporting year. The increase per full-time equivalent (FTE) is also 3.5% (see [Key data on the forward-looking approach](#)). Energy purchased by third parties from BLKB's energy plants is not included. This relates, for example, to the consumption of tenants in BLKB's bank properties who obtain heat from the bank's heating.

To reduce power consumption, BLKB systematically deploys high-efficiency technologies such as LED lighting and presence detectors. Energy efficiency is further enhanced through the operation of buildings services systems on an "as-needed" basis and the use of IT equipment meeting current energy-saving requirements.

Since 2012, BLKB has sourced 100% of its electricity from Swiss hydroelectric power stations. The bank's own photovoltaic system on the roof of its head office also produces solar power (2024: 71,887 kWh) for its own use and for charging e-vehicles at public charging stations.

Despite energy efficiency measures, total electricity consumption for the parent company's banking operations (2,258,234 kWh) increased slightly year-on-year by 0.8% per full-time equivalent. The reason for the increase in electricity consumption can be attributed in part to the replacement of oil heating systems with heat pumps, as was the case at the Gelterkinden branch. Around 25,000 kWh of electricity were used annually for this purpose, with 28 tonnes of greenhouse gases (CO<sub>2</sub> equivalent) being avoided.

BLKB uses 152,926 kWh of electricity for various charging stations at its head office and branches. The stations are available to employees and clients alike. This electricity consumption is not included in BLKB's consumption figures. Electricity consumption for the bank's own vehicles (37,251 kWh) is included in the business trip KPI. The electricity consumption of the data centre, which BLKB shares with third parties, is not taken into account. The same applies to radicant bank ag, where the electricity consumed by the cloud solutions is not reported.

In the reporting year, BLKB announced that its head office in Liestal will have to be extensively renovated over the coming years. This will mean that well-preserved building structures can continue to be used. The building will be refurbished in a manner that both conserves resources and meets stringent requirements in terms of energy efficiency and circular construction.

The energy intensity (building energy, including electricity and heating energy) totalled 15,545 MJ/FTE in the reporting year, or 17,023 MJ/FTE for the parent company and 2,823 MJ/FTE for radicant bank ag. As radicant bank ag does not have large-scale counter halls and logistics rooms, its energy intensity is significantly lower than that of the parent company.

#### Business travel

In the area of business travel, BLKB seeks to use eco-friendly transportation and generally boost energy efficiency, for example through the use of electric vehicles: Since 2024, BLKB has been exclusively using electric vehicles. At the same time, employees receive SBB vouchers in the value of a half-fare travelcard and, since 2024, have been able to purchase the Job subscription of TNW Tarifverbund Nordwestschweiz as an incentive to use public transport. Moreover, by implementing awareness-raising measures, BLKB motivates its employees to further reduce the bank's footprint through their mobility behaviour. The average distance driven per head office employee for all business trips during the reporting year increased by 7.5%, while greenhouse gas emissions fell by 17% at the same time. A reassessment of railway emissions also contributed to this development.

For business trips undertaken by employees in private vehicles, GHG emissions are calculated on a flat-rate basis for vehicles with combustion engines. The increasing share of private electric vehicles is not taken into account.

#### Material and paper

BLKB also wants to reduce its material requirements. It purchases items made with the highest possible proportion of recyclable, recycled or eco-efficient materials. BLKB provides drinking water in refillable glass bottles that can be refilled at water dispensing stations. Drinks are only purchased in PET bottles in exceptional cases. Dishes are provided to employees in the kitchenettes. The different types of waste are systematically sorted and disposed of in accordance with current environmental standards.

Paper consumption at the parent company was reduced to 68 kg/FTE (-12%) in the year under review. Of this figure, 95% of the paper consumed was recycled paper. That figure was still at 205 kg/FTE ten years ago. The same applies to the generation of waste: In 2024, 95 kg/FTE of waste had to be disposed of. Some 46% of this went to recycling, with the rest going to incineration. Ten years earlier, this figure was 240 kg/FTE with 67% recycled. In 2024, water consumption, which depends partly on climatic conditions, was 13% lower than in the previous year.

#### Greenhouse gas emissions

In the reporting year, the parent company's greenhouse gas (GHG) emissions from the annually recorded areas of building energy, business trips, paper, water and waste totalled 471 tonnes of CO<sub>2</sub> equivalents. These is 11% less than in the previous year (523 kg CO<sub>2</sub>e). The intensity of GHG emissions also fell by 11% per full-time employee, from 616 kg CO<sub>2</sub>e/FTE to 555 kg CO<sub>2</sub>e/FTE. The main factors contributing to this were the replacement of petrol- or diesel-powered company cars with electric vehicles, the further reduction of paper consumption and waste, and the more precise recording and allocation of electricity consumption. Ten years ago, BLKB's banking operations still caused greenhouse gas emissions of 1,204 kg CO<sub>2</sub>e/FTE, i.e. 2.2 times more.

At 67 kg CO<sub>2</sub>e/FTE, Scope 1 (direct emissions) now only covers the GHG emissions caused by BLKB's remaining on-site gas and oil heating systems. Some of the emissions from district heating are allocated to Scope 2 (indirect emissions). Together with the low share of emissions attributable to electricity consumption by electric vehicles, this resulted in 137 kg CO<sub>2</sub>e/FTE in the reporting year. The majority (352 kg CO<sub>2</sub>e/FTE) is accounted for by other indirect emissions (Scope 3).

Compared to the previous year, a shift in emissions from Scope 1 to Scope 3 can be observed. This is due to the rebooking of business trips undertaken with employee vehicles from Scope 1 to Scope 3. This has no impact on the overall result.

The greenhouse gas intensity of radicant bank ag is 171 CO<sub>2</sub>e/FTE and is thus significantly lower than that of the parent company. Some 519 kg CO<sub>2</sub>e/FTE are emitted by the parent company and radicant bank ag.

### Employee commuting patterns

In the reporting year, BLKB analysed the commuting patterns of its parent company employees for the first time and extrapolated the data using figures from the microcensus. In 2024, it is estimated that around 5.8 million kilometres were covered by employees commuting to work, i.e. around 26 km per person per day, which corresponds to around 1,300 kg CO<sub>2</sub>e/FTE. Emissions from commuting fall under Scope 3 and are around 2.5 times higher than those of the banking operations reported above. The measures aimed at promoting environmentally friendly transport mentioned under the topic of business trips therefore chiefly apply to journeys to work.

### Evaluation

BLKB assesses its environmental impact based on the following mechanisms:

- Key figures: For the calculation of key operational ecological figures, BLKB uses the key figures system published by the Association for Environmental Management and Sustainability in Banks (VfU). With the VfU key figures tool, GHG emissions are calculated on the basis of Ecoinvent's life cycle database in accordance with the Greenhouse Gas Protocol (see [Key data on the forward-looking approach](#)).
- Consumption data: Energy consumption is recorded at least once a month and recorded and evaluated in a monitoring tool. Some 98% of heating consumption is recorded, with the remainder extrapolated based on employee numbers. The other key energy and ecological figures reported are recorded in full.
- Internal exchange of experience: In an annual exchange of experience, property managers compare consumption data from individual branches and discuss causes and measures.
- Benchmarking: The data submitted in connection with EnAW are compared with the benchmark of the participating companies.
- Federal government/EnAW agreement on targets: In the annual consultation with EnAW, BLKB receives feedback on its progress and recommendations for improving energy efficiency.
- Dialogue with civil society: BLKB discusses its climate and environmental strategy with civil society organisations and receives valuable feedback. This occurred most recently in the broad-based stakeholder dialogue in 2022.

### Nature conservation activities

BLKB is committed to preserving the region's forests and local recreational areas. In the reporting year, together with Theater Basel and the Frenkentaler Forestry Association, it launched the "Paradiesli" project to promote biodiversity in the area of the same name in Langenbruck. The parent company's operational CO<sub>2</sub> emissions are offset as part of a climate protection research project with the Ebenrain Centre for Agriculture, Nature and Nutrition. The bank offers its clients the opportunity to participate in WaldBeiderBasel projects through the "Future Account" and the "Gift Savings Account Future".

### radicant bank ag

In response to a FINMA consultation on nature-related financial risks, radicant bank ag joined the Taskforce for Nature-related Financial (TNFD) in the reporting year as one of two financial institutions and a total of eight companies in Switzerland. As an early adopter of the associated disclosures, it will publish an initial report on nature-based financial risks and impacts. In the reporting year, radicant bank ag also actively contributed to the TNFD exchange in the working group between Swiss Sustainable Finance and the UN Global Compact Switzerland and Liechtenstein.

# About this Report

# About this Report

## Methods and standards of the sustainability report

In this Sustainability Report, BLKB reports in accordance with the GRI Standards for the period 1 January 2024 to 31 December 2024. The publication date is 13 March 2025 (English version: 27 March 2025). The Sustainability Report is published annually. The Sustainability Report 2024 was not externally assured. No corrections or additions were made to the information. Contact: [medien@blkb.ch](mailto:medien@blkb.ch); [investoren@blkb.ch](mailto:investoren@blkb.ch).

The [GRI index](#) in the appendix to the Sustainability Report refers to the text passages with the content of the individual GRI Standards. The contents of the Sustainability Report are based on BLKB's 13 material topics, which were determined by means of a materiality analysis and stakeholder dialogue (see [Forward-looking approach](#)). BLKB describes key opportunities and risks, management approaches, evaluation mechanisms and measures for social, environmental and economic issues. Objectives and performance indicators are disclosed wherever possible. The [Climate Report](#) was written on the climate-related content (see Transparency on non-financial matters on the right).

On 30 December 2024, radicant bank ag and Numarics AG completed the announced merger. This gave rise to radicant holding ag. This holds radicant bank ag, which was previously wholly owned by BLKB, and radicant business services ag. Due to the late timing of the merger, reporting on radicant business services ag has not been included in this Sustainability Report. You can find out more about the Group structure under "[Portrait of the BLKB Group](#)" and in the [Annual Report 2024](#) on page 32.

Unless indicated otherwise, the content of the Sustainability Report and the name "BLKB" refer to the parent company. BLKB Fund Management AG and radicant bank ag and their activities are mentioned in those chapters that are relevant for non-financial reporting in accordance with Article 964a et seq. CO or for which they have relevant differences in practice compared to the parent company. Further information on radicant bank ag can be found in its [Sustainability Report](#).

## Transparency regarding non-financial matters

By publishing this detailed Sustainability Report for the Group, BLKB complies with the transparency requirements for non-financial matters in accordance with Article 964a et seq. CO. The [Swiss Code of Obligations Index](#) refers to the passages concerning the five non-financial matters. In accordance with the Ordinance on Climate Disclosures, BLKB also publishes a detailed [Climate Report](#) in the appendix to this Sustainability Report in keeping with the established TCFD (Task Force on Climate-related Financial Disclosures) framework for the Group.

In accordance with Article 964c CO, the Sustainability Report is approved by the Board of Directors as the highest management or administrative body together with the Annual Report and signed by the Chairman of the Board of Directors. The Sustainability Report is also approved by the Basel-Landschaft cantonal council, as the body responsible for approving the annual financial statements, together with the Annual Report.

# Climate Report

# Contents

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## About this Climate Report

In this Sustainability Report, BLKB documents its commitment to the sustainable development of people, society and the environment. The report was prepared in accordance with the GRI Standards. In addition, BLKB implements the transparency requirements for non-financial matters in accordance with Article 964a et seq. CO for the Group (see [About this Report](#)).

In accordance with the Ordinance on Climate Disclosures, BLKB publishes this Climate Report in its Sustainability Report 2024 in keeping with the TCFD framework (Task Force on Climate-related Financial Disclosures). The Climate Report focuses on the activities of the parent company, as the subsidiaries reported insignificant on-balance-sheet transactions during the reporting year. Their current impact on the climate risk at Group level was also classified as low. Where relevant, the activities of the subsidiaries were integrated.

Current and further information can be found [online](#). An overview of the climate-related initiatives and standards mentioned in the Climate Report can be found on [page 66](#), as can the list of abbreviations.

# Introduction

BLKB is a cantonal bank whose primary public service mandate is to provide financial services to the population and companies in Northwestern Switzerland. For over 160 years, the bank has taken responsibility for the region, and it is committed to ensuring sustainable development for people, society and the environment.

BLKB's activities have an impact on climate change and the bank is also affected by its impact. BLKB directly causes greenhouse gas emissions (GHG emissions) through its operational activities. Through its financing and investment activities, it also finances activities in the real economy that trigger climate-damaging GHG emissions. As a forward-looking bank, BLKB enables its clients to contribute to a more sustainable future with their financial decisions. Through its climate protection measures, BLKB makes an economic, environmental and social contribution. BLKB firmly believes that opportunities can be exploited and risks reduced at the same time and that better performance figures can thus be achieved in the long term.

The Earth's ecological limits have been exceeded, especially in the areas of biodiversity and climate change.<sup>1</sup> According to business leaders and politicians, five of the ten biggest risks of this decade lie in the area of environmental risks.<sup>2</sup> Climate protection and adaptation are therefore of strategic importance and part of the bank's corporate responsibility. This is also confirmed by feedback<sup>3</sup> from key stakeholders, including clients, employees and partners.

Voluntary commitments and increasing regulatory requirements regarding the role of banks in climate protection are developing rapidly. BLKB is actively involved in various initiatives and benefits from dialogue with industry representatives and organisations.

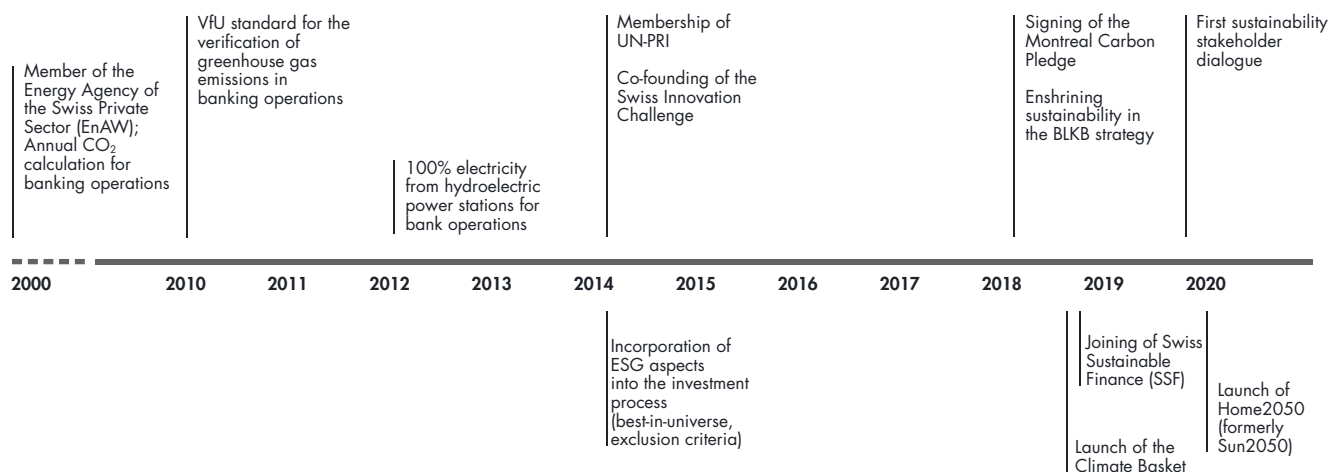
BLKB set out on its path help protect the climate more than 20 years ago. The chart "[BLKB's efforts with regard to sustainability and climate](#)" on the following page shows the measures taken during this time.

<sup>1</sup> Source: [www.stockholmresilience.org/research/planetary-boundaries.html](http://www.stockholmresilience.org/research/planetary-boundaries.html)

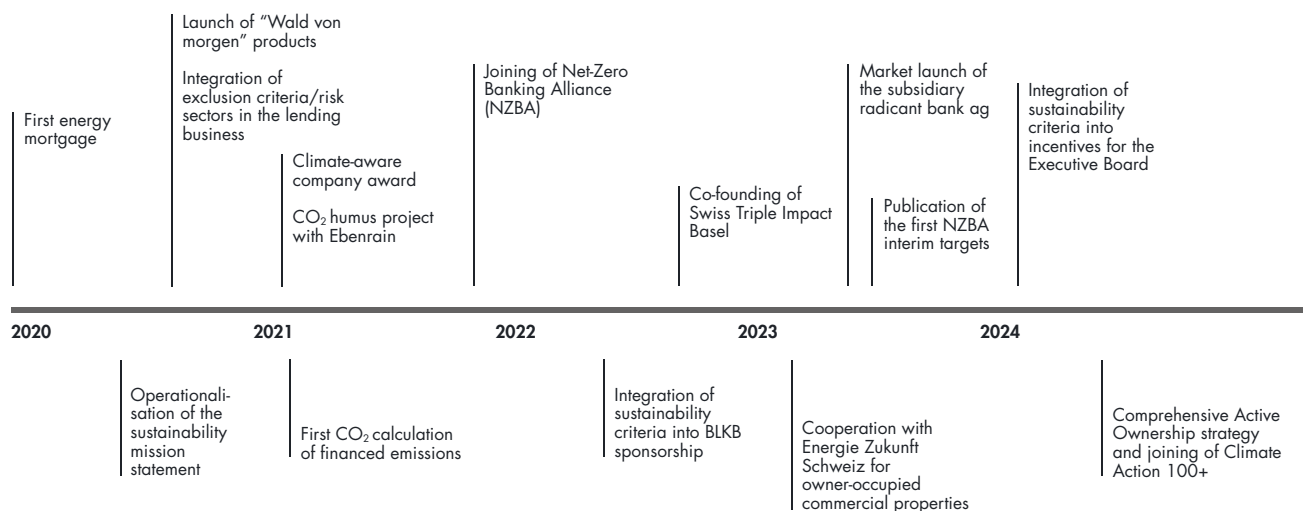
<sup>2</sup> Source: [www3.weforum.org/docs/WEF\\_The\\_Global\\_Risks\\_Report\\_2024.pdf](http://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2024.pdf)

<sup>3</sup> In its 2022 materiality analysis, BLKB asked relevant stakeholder groups about what they saw as material issues for the bank ([see Sustainability Report 2023, p. 6](#)).

### Efforts with regard to sustainability and climate (2000–2020)



### Efforts with regard to sustainability and climate (2020–2024)



# Governance

BLKB has enshrined the topic of sustainability – and climate protection as a part thereof – in its strategy and mission statement (see [Forward-looking approach](#)). At the end of 2022, the internal BLKB Net Zero project was launched with the objective of, among other things, comprehensively analysing the existing governance structures with regard to climate risks and opportunities and deriving additions to internal regulations, directives, processes, responsibilities and other management instruments. The work was carried out in close coordination with the Risk Control department, the Executive Board and the Board of Directors.

The [Organisational and Business Regulations \(OBR\)](#) of BLKB set out the powers and obligations of the Board of Directors and the Executive Board. As part of the implementation of the Ordinance on Climate Disclosures, the OBR were explicitly supplemented: They now set out the responsibility of the Board of Directors and the Executive Board with regard to climate risks and opportunities in terms of governance, strategy and risk management as well as with respect to BLKB's key figures and targets. The amount of the variable remuneration of the Executive Board depends on the achievement of the company objectives, which include both objectives at a business level and in the area of ESG (see [Annual Report 2024, p. 53](#)). The contribution to achieving BLKB's climate targets has been part of the ESG targets since 2024. For the other employees of the bank, the responsibilities, objectives and incentives within the business areas are defined with the respective Executive Board member.

## Board of Directors: responsible for strategic climate issues

As at 31 December 2024, governance at BLKB is organised as follows: Within the Board of Directors, the Strategy and Executive Committee (SEC) is responsible for strategic climate issues and receives an update from the Sustainability department at least once a year and as necessary with respect to the progress made towards achieving the climate targets. The Audit and Risk Committee (ARC) is responsible for risk topics and during 2024 received information on climate opportunities and risks from the Sustainability department. The Nomination and Compensation Committee (NCC) is responsible for the remuneration policy and ensures that climate issues are adequately taken into account in the specific requirements profiles of the members of the Executive Board and that these criteria are incorporated into the ["Requirements specification for the Board of Directors"](#) issued by the cantonal council.

## Executive Board: implementing the corporate and sustainability strategy

For the Executive Board and the Sustainability and Risk Control departments, governance was amended as follows in November 2024: The Executive Board is responsible for the operational implementation of the corporate strategy, including the sustainability targets (including the climate targets), and reports to the Board of Directors (see [chart "Governance structures in climate matters"](#)). It implements the requirements of Group-wide risk management, including the management of climate-related financial risks and reports to the Board of Directors.

As Chief Sustainability Officer (CSO), the Head of the Wealth Management business area, to which the Sustainability department belongs, is responsible for the issue of sustainability within the Executive Board. The Sustainability department ensures the implementation of and compliance with the sustainability targets set out in the corporate strategy and coordinates the relevant activities. The Chief Financial Officer (CFO) is responsible for risk control and the Risk Control department and from 2025 will ensure risk control – including the control of climate-related financial risks – for the entire Group.

## Sustainability and Risk Control: implementing and monitoring climate issues

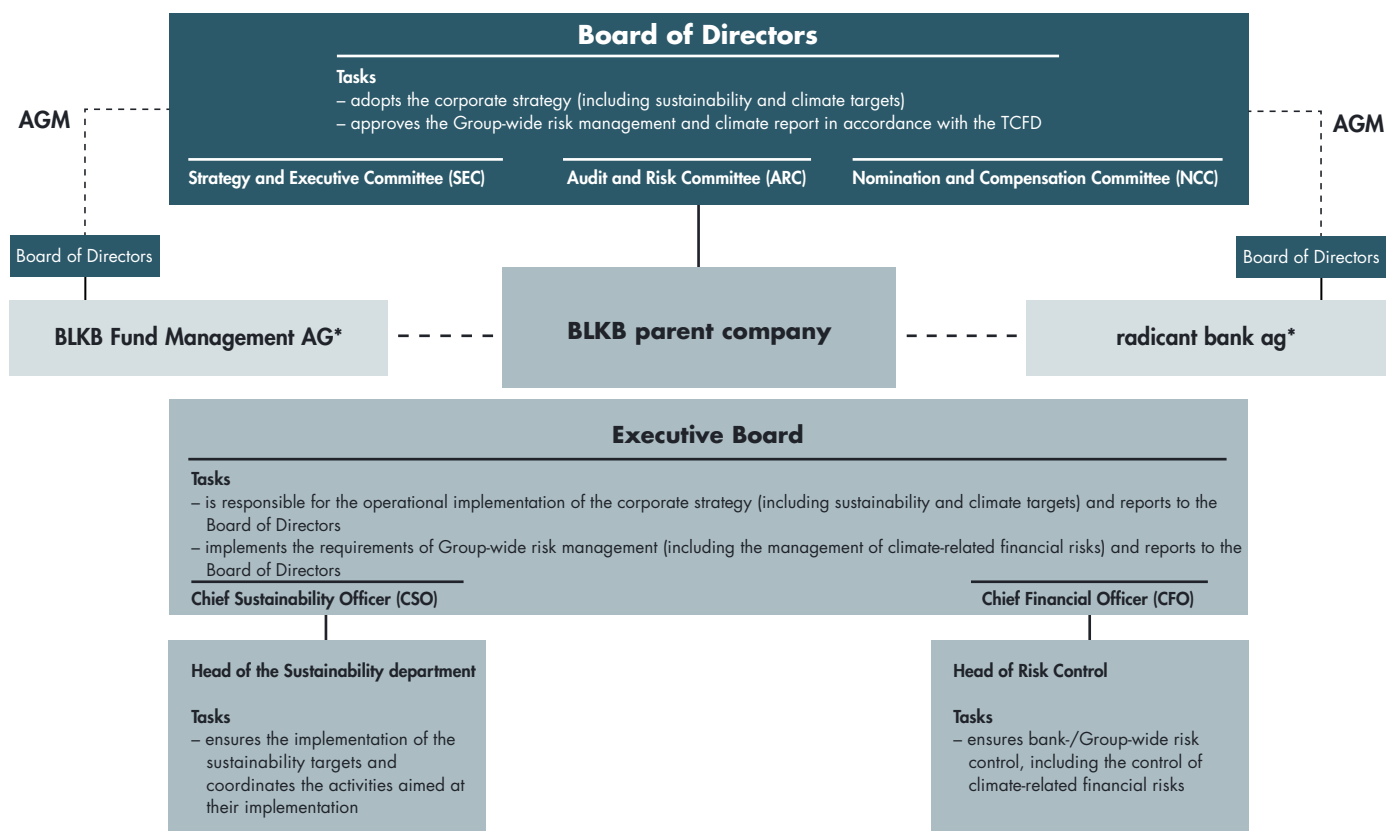
With climate issues having been managed as part of the Net Zero project since 2022, the responsibilities for the Sustainability and Risk Control departments were defined as follows in November 2024: Primary responsibility for implementing and monitoring climate issues at BLKB lies with the Sustainability and Risk Control departments. The Sustainability department plays an implementing role here and assumes responsibility for designing and integrating climate issues into BLKB's specialist departments as part of the Net Zero project. The Sustainability department also acts as a central point of contact for all operational issues relating to climate issues, including the coordination of environmental management and operational climate topics.

From 2025, the Risk Control department, which reports to the Chief Risk Officer (CRO), will be responsible for continuously monitoring the level of risk, taking climate-related risks into account. In future, its duties will include regulatory reporting on climate risks, which will be integrated into

existing risk reporting. Working closely with the Net Zero project management team, Risk Control will be responsible for anchoring the monitoring and control of climate risks conceptually and methodically within the risk control framework.

Efforts to mitigate and adapt to climate change – including measurements and metrics, measures assessments or regulations – are subject to constant change. This means that individuals and teams have to constantly adapt their skills and knowledge to new circumstances. BLKB therefore regularly reviews the adjustment of roles and the creation of new tasks and competence profiles.

### Governance structures in climate matters



- Co-determination under stock corporation law
- - - - Regulatory reporting line
- Direct reporting line

**Strategy and Executive Committee (SEC):** The SEC reviews and assesses the appropriate consideration and management of climate issues in the banking business and the impact of banking business on the climate. In particular, this includes strategy, medium-term and annual planning, budgeting and resource planning with regard to climate issues.

**Audit and Risk Committee (ARC):** The ARC reviews and assesses the appropriate consideration and management of climate risks and opportunities in the banking business as well as the impact of the banking business on the climate. In particular, this includes risk management, governance and reporting on climate issues.

**Nomination and Compensation Committee (NCC):** The NCC ensures that future-oriented topics such as sustainability and climate as well as cyber risk are also adequately taken into account in the specific requirements profiles of the CEO and other members of the Executive Board and that these criteria are also reflected in the issued “requirements specification for the Board of Directors”.

CSO = Chief Sustainability Officer, Head of Wealth Management  
 CFO = Chief Financial Officer, Head of Finance & Risk Management

\* The chart “Governance structures in climate matters” shows the structure prior to the merger of Numarics AG and radican bank ag, which was previously wholly owned by BLKB, on 30 December 2024. This gave rise to radican holding ag. In addition: The Climate Report focuses on the activities of the parent company, as the subsidiaries reported insignificant on-balance-sheet transactions during the reporting year. Their current impact on the climate risk at Group level was also classified as low. Where relevant, the activities of the subsidiaries were integrated.

## Significance of subsidiaries for climate-related financial risks

The BLKB Group's balance sheet and income statement are largely shaped by the parent company. Companies outside the parent company have only a very small influence on the assessment of the Group's climate risks. This Climate Report therefore focuses primarily on the activities of the parent company and, where relevant, is supplemented by elements of the subsidiaries.

The subsidiaries comprise:

- radicant holding ag: The merger of radicant bank ag and Numarics AG was completed on 30 December 2024, giving rise to radicant holding ag domiciled in Liestal. This holds radicant bank ag, which was previously wholly owned by BLKB, and radicant business services ag. radicant bank ag is a digital financial services provider with its own banking licence. As a fiduciary fintech company, radicant business services ag specialises in the automation of administrative processes for SMEs in the Swiss market. Due to the late timing of the merger, reporting on radicant business ag has not been included in the Climate Report – as in the entire Sustainability Report (see [About this Report](#)).

- BLKB Fund Management AG: A fund management company supervised by FINMA and active in the fund business for collective investment schemes. The company also provides individual asset management and investment advisory services in the real estate sector for third parties.

Details on risk management in connection with climate risks can be found in the chapter [“Risk management”](#).

## Training and knowledge building

BLKB has firmly anchored the topic of climate protection in its relevant internal training courses. Since 2024, the Infrastructure department has been building up GEAK (the cantonal energy certification for buildings) expertise in order to strengthen internal know-how in the areas of energy analysis and consulting for energy-efficient building renovation. Awareness-raising measures were also implemented for employees and managers, including the integration of the topic of sustainability in the Leadership Dialogue 2024. In addition, all employees have access to a web-based learning platform and can complete learning units on sustainability-related topics.

## Reporting on climate matters in the context of overall reporting

Report	Frequency of publication	Competent bodies	Target audience
Sustainability Report incl. Climate Report in accordance with the TCFD	Annually	– Executive Board – ARC and SEC – Board of Directors	Public
Annual Report of the Group	Annually	– Executive Board – ARC and SEC – Board of Directors	Public
Report on the implementation of climate targets	Annually, or more frequently as required	– Executive Board – ARC, SEC, Board of Directors	Internal
	As required	– NCC	
Group risk report Parent company risk report	Quarterly Monthly	– Executive Board and Board of Directors – Executive Board	Internal (to be developed in 2025)
Information about the latest developments and insights into bank-relevant climate issues	Ad hoc	– Board of Directors	Internal
	Ad hoc	– Committees of the Board of Directors	
	Ad hoc	– Executive Board	

# Climate strategy

Climate protection is anchored in BLKB’s sustainable mission statement under the environmental parameter. Sustainability targets (including climate targets) form an integral part of the corporate strategy and thus of the bank’s responsible actions. In 2021, BLKB became the first regional bank in Switzerland to join the international Net-Zero Banking Alliance (NZBA), thereby reaffirming its commitment to achieving net-zero emissions by 2050 at the latest across all three scopes, including financed emissions. In terms of the bank’s on-balance-sheet business, initial reduction pathways were defined (where deemed material and appropriate) in order to allow BLKB to pursue the target in a systematic fashion.

BLKB prioritises climate protection in areas where its effective impact is greatest. The level of effectiveness is dependent on the interplay between feasibility, the bank’s ability to yield influence and the achievable reduction in emissions. The services that are key to reducing emissions include the granting of mortgages and corporate loans and as well as the management of investments.

Since 2014, BLKB has defined investment exclusion criteria, including with respect to investments in the extraction of fossil fuels, fossil-fuel power plants, aviation and the tobacco industry. These exclusion criteria also have a risk-reducing effect in terms of climate risks.

## The pillars of the transition to net zero

### Disclosure

#### Standards and regulations

Federal Council Ordinance on Climate Disclosures  
TCFD recommendations  
GRI Standards

Trade fairs	Reduce and avoid	Compensate	Engage
<p><b>Description</b></p> <p>BLKB records its emissions across all material scopes and business areas.</p>	<p>BLKB avoids greenhouse gas emissions wherever possible and justifiable. Where avoidance is not yet feasible, it reduces emissions in order to achieve its climate targets. Where available, it uses science-based reduction pathways.</p>	<p>Remaining operational emissions are offset through a project that sees CO<sub>2</sub> stored in agricultural soils, while emissions from sponsorship activities are offset through sequestration in a forest project.</p>	<p>BLKB advocates a climate-friendly Switzerland as part of various political and business commitments.</p>

#### Organisations/methods

- |  |  |  |  |
|--|--|--|--|
| <ul style="list-style-type: none"> <li>– GHG Protocol</li> <li>– PCAF</li> <li>– MSCI</li> <li>– TCFD recommendations</li> </ul> | <ul style="list-style-type: none"> <li>– CRREM</li> <li>– NZBA requirements</li> <li>– Science-based objectives</li> </ul> | <ul style="list-style-type: none"> <li>– Regional climate protection projects</li> </ul> | <ul style="list-style-type: none"> <li>– Swiss Climate Foundation</li> <li>– NZBA</li> <li>– CEO4Climate</li> <li>– Swis cleantech</li> <li>– SSF</li> <li>– öbu</li> <li>– Lignum</li> <li>– SBA</li> <li>– ASCB</li> <li>– Baselbieter Energiepaket</li> </ul> |
|--|--|--|--|

When granting commercial loans, ESG criteria are also taken into account due to risk considerations and, in part, on the basis of legal and regulatory requirements. In 2020, for example, BLKB defined risk sectors<sup>4</sup>. Financing applications from companies operating in these sectors are thoroughly reviewed by the bank's internal Credit Committee. At the end of 2021, exclusion criteria were also introduced for the extraction of fossil energy sources, the manufacture of weapons and military combat vehicles, as well as for certain mining sectors such as coal, iron ore and uranium extraction.

### **Avoidance and reduction of greenhouse gas emissions in banking operations**

BLKB systematically records its energy consumption and operational greenhouse gas emissions in accordance with the Greenhouse Gas Protocol and signed an emissions reduction target agreement with the Energy Agency of the Swiss Private Sector (EnAW) for the first time in 2000. Based on this data, BLKB defines measures aimed at reducing its energy consumption and emissions and regularly reviews their effectiveness. Where it is not possible to completely avoid environmental pollution, the bank utilises climate-friendly alternatives such as using electricity from 100% renewable sources, including the bank's own photovoltaic system and the systematic purchasing of electricity from hydropower. Since 2024, the BLKB fleet has consisted entirely of electric vehicles.

BLKB is involved in regional CO<sub>2</sub> offsetting projects to compensate for its remaining emissions. These projects include the "Climate protection through humus build-up" project of the Ebenrain Centre for Agriculture, Nature and Nutrition as well as with climate protection and biodiversity projects of the Frenkentäler Forestry Association and the Swiss Forest Climate Protection Association (WKSS). In doing so, BLKB specifically supports local measures aimed at capturing and offsetting CO<sub>2</sub>.

### **Avoidance and reduction of greenhouse gas emissions in the lending and investment business**

BLKB records the greenhouse gas emissions resulting from its financing and investment business in accordance with the requirements of the Greenhouse Gas Protocol. The emissions associated with corporate loans are estimated on the basis of the emission factors of the Partnership for Carbon Accounting Financials (PCAF). The emissions generated in the real estate sector, on the other hand, are based on an emissions

calculation prepared by Wüest Partner. These methods allow the bank to record and analyse the CO<sub>2</sub> footprint of its financed emissions from its banking business in a structured manner. Based on these findings, BLKB develops measures for its financing and investment portfolio. In addition to recording greenhouse gas emissions and defining corresponding measures, the bank attaches great importance to transparency in disclosing climate information.

radicant bank ag took part in the climate compatibility test (PACTA) conducted by the Federal Office for the Environment in 2024 and had its sustainable investment products tested. PACTA assesses the compatibility of investment products with different climate scenarios and assesses any climate-related risks and associated losses. The investment products are characterised by a low CO<sub>2</sub> footprint, a high proportion of the invested companies' use of renewable energies and their generally high level of compatibility with net-zero climate scenarios.

## **The opportunities and risks of climate change**

While climate change is a long-term phenomenon, the time horizons for banking in Switzerland are much shorter. In order to do justice to both aspects, BLKB has chosen a middle course and defined its time horizons as follows: in the short term up to three years, in the medium term of four to ten years and in the long term from ten years. Where possible, particularly for qualitative analyses, very long periods beyond 2050 were also taken into account. In quantitative models, a comprehensive consideration of these long periods has so far only been possible to a limited extent. Further details can be found in the chapter "[Risk management](#)".

<sup>4</sup> The risk sectors for corporate loans include the operation of fossil-fuel power plants, the manufacture of aircraft/airlines, genetically modified organisms, gambling, tobacco, nuclear energy and the production of adult entertainment.

## Time horizon for assessing climate-related opportunities and risks

Time span	Number of years
Short term	0–3 years
Medium term	4–10 years
Long term	10–30 years

Over the past five years, BLKB's largest sources of income have been interest income and the fee and commission business.

For the 2023–2027 strategy period, BLKB is focusing on expanding its holistic advisory services with the aim of becoming the region's leading investment, pension and entrepreneur bank. BLKB is expanding its asset management services for all client segments. Together with regional partners, the range of consulting offerings, products and services in the area of sustainability is being expanded for private individuals and companies. Clients are provided with a platform to contribute to sustainable development through their financial decisions.

Based on BLKB's current earnings situation, main expenses and strategic priorities, it can be seen that the bank is striving to seize the opportunities presented by climate change. At the same time, it is pursuing a diversification strategy in order to increase its resilience to potential risks and position itself for the future.

## Opportunities presented by climate change for BLKB's banking business

In the Canton of Basel-Landschaft, around 64% of the roughly 66,000 residential buildings were still heated using fossil fuels in 2022, equating to approximately 42,000 buildings.<sup>5</sup> These fossil-fuel heating systems must be replaced by renewable energies by 2050. This corresponds to around 1,500 renovations per year. In addition, many buildings need to be renovated if they are to achieve the climate targets. Estimates<sup>6</sup> suggest that achieving climate neutrality will require a renovation rate of at least 2% per year, necessitating annual investments in the millions. Through its sustainable financing and advisory services, BLKB can

actively contribute to the energy-efficient renovation and transformation of existing properties.

Companies in Northwestern Switzerland, the majority of which are SMEs, are increasingly having to deal with sustainable transformation. According to one study<sup>7</sup>, many of them have already taken initial steps towards integrating sustainability developments, but often require support in implementing and developing a long-term strategy. The figures from another study<sup>8</sup> conducted by the Swiss Bankers Association also reveal that the Swiss economy will need to invest around CHF 13 billion per year in order to meet the net-zero targets. A large part of this investment requirement can, in principle, be financed by banks.

The expansion of renewable energies will play a key role in achieving the net-zero targets in Switzerland. In the Canton of Basel-Landschaft, investments in photovoltaics, wind energy and hydropower will be especially relevant as a means of making the regional energy supply more sustainable and reducing the need for fossil fuels. The canton is aiming for a significant increase in electricity production from renewable sources in order to support net zero by 2050. According to the Energy Perspectives 2050+ issued by the Swiss Federal Office of Energy (SFOE), this will require a massive increase in energy efficiency and a significant expansion of the infrastructure for renewable energies.

To speed up the implementation of renewable energy projects, the Canton of Basel-Landschaft has initiated, among other things, the Baselbieter Energiepaket (Basel Region Energy Package) funding platform, in which BLKB is a strategic partner. This allows the bank to promote the expansion of renewable energies through targeted financing and advisory services.

In order to seize the opportunities presented by the climate transition, BLKB and other stakeholders are also putting their faith in the provision of individual advice and awareness-raising measures such as the public information events of the Baselbieter Energiepaket. These initiatives strengthen companies' understanding and capacity to act with respect to climate-friendly strategies and contribute to the region's economic resilience.

<sup>5</sup> Source: [www.baselland.ch/politik-und-behorden/direktionen/finanz-und-kirchendirektion/daten-statistik/abteilung-statistik/publikationen-und-statistiken/energie/webar-tikel-vom-27-06-2024-energiestatistik-2022](http://www.baselland.ch/politik-und-behorden/direktionen/finanz-und-kirchendirektion/daten-statistik/abteilung-statistik/publikationen-und-statistiken/energie/webar-tikel-vom-27-06-2024-energiestatistik-2022)

<sup>6</sup> Source: [www.swissbanking.ch/\\_Resources/Persistent/0/1/0/7/0107d9f329d8762cb9c3ec57b23716283d9a6a67/SBVg\\_Nachhaltige%20Hypothen%20Diskussionspapier\\_DE.pdf](http://www.swissbanking.ch/_Resources/Persistent/0/1/0/7/0107d9f329d8762cb9c3ec57b23716283d9a6a67/SBVg_Nachhaltige%20Hypothen%20Diskussionspapier_DE.pdf)

<sup>7</sup> Source: [www.bak-economics.com/studien-analysen/detail/sustainability-gap-der-nordwestschweiz-2023](http://www.bak-economics.com/studien-analysen/detail/sustainability-gap-der-nordwestschweiz-2023)

<sup>8</sup> Source: [www.swissbanking.ch/en/topics/sustainable-finance/financing-switzerland-s-climate-transition](http://www.swissbanking.ch/en/topics/sustainable-finance/financing-switzerland-s-climate-transition)

In its banking operations, BLKB focuses on measures aimed at increasing its energy efficiency in order to reduce operating costs and protect the climate. The main factors are mobility (especially commuting), construction and renovation measures on buildings, the energy consumption of building technology and the IT infrastructure.

BLKB is reducing its energy consumption and thus also operating costs through the energy-efficient refurbishment of its properties. Where possible, fossil-based heating systems are being replaced by fossil-free fuels. In addition, the bank focuses on generating its own electricity, which also enhances its independence from rising electricity prices. BLKB also uses only electric vehicles in its own fleet. The use of resources, such as paper and water, is systematically monitored and optimised through targeted measures. Further details can be found in the Sustainability Report under [“Greenhouse gas emissions”](#).

## Climate change risks for the banking business and the Group

Climate change entails a variety of risks that pose major challenges for society and life on our planet. These include physical climate risks, which can be acute (e.g. floods and storms that cause damage to real estate), as well as chronic risks such as long-term temperature increases and droughts. Transition risks, on the other hand, arise from the transition to a net-zero economy and include legislative changes, technological innovations and changes in market dynamics such as changes in client behaviour or stricter emission regulations.

BLKB has identified and comprehensively researched the central risks posed by climate change for the bank, and has assessed their potential impact on the banking business.

### Summary of climate risks

BLKB views climate risks as a driver of risk for the bank's traditional risk categories. The result of the in-depth risk assessment shows that climate-related financial risks only have a minor impact on BLKB's risk profile. In the short and medium term, the most important risk drivers for BLKB are transition risks such as regulatory changes and macroeconomic upheavals, which would lead to a significant increase in CO<sub>2</sub> prices. Such price increases could result in

significantly higher operating costs for emission-intensive properties or companies, thus increasing the risk of credit default.

In the long term, however, physical risks such as heavy rain, river floods and storms are potentially more significant risk drivers for the bank. Such acute events, which are increasing in terms of both their frequency and intensity, could have an impact on the recoverability of individual properties in the mortgage portfolio and in the Group's own banking operations, and significantly increase clients' liquidity requirements in the short term.

### Risk assessment overview

Qualitative and quantitative analyses were conducted to assess the impact of climate change on BLKB.

As part of its risk assessment, BLKB reviewed all existing risk categories in its risk inventory and analysed how climate risks affect the respective sub-risk categories ([see definition from page 75 in the Annual Report 2024](#)). Physical risks and transition risks were considered and a distinction was made with regard to their acute or chronic nature. For each sub-category, short-, medium- and long-term assessments were developed according to the risk factors and transmission mechanisms described by the TCFD.<sup>9</sup> The assessment was made on a four-point scale ranging from “not material” to “low”, “medium” and “high” based on the economic importance of the business area and the qualitative assessment of the expected loss.

This analysis shows that of all the key risk drivers impacting BLKB's credit risks (e.g. rising CO<sub>2</sub> prices, heavy rainfall, floods, droughts, the commitment to adopt cleaner technologies, rising regulatory costs), an increase in CO<sub>2</sub> prices and extreme weather events are likely to have the greatest impact in both the short and long term. It should be noted here that this analysis always takes place in a geopolitical and economic context that can change and could therefore also have an impact on the results of future analyses.

BLKB applied scenario analyses in line with the recommendations of the TCFD. To this end, it conducted two macroeconomic top-down stress tests based on the scenarios of the Network on Greening the Financial System (NGFS) in order to assess the potential impact of climate risks on the loan portfolio. A bottom-up stress test based on Climada Technolo-

<sup>9</sup> BLKB's time horizons, defined as short term (up to three years), medium term (four to ten years) and long term (>ten years), differ from the usual periods of physical climate scenarios (short term up to 2035, medium term up to 2050 and long term beyond 2050). In the banking sector, strategies tend to be planned over shorter periods of up to five years, with stress tests typically covering a maximum of ten years.

gies was also performed for physical risks in the mortgage portfolio. Details on these analyses are provided in the chapter “Resilience”. The results of the risk analysis in the various risk categories are discussed below.

### Detailed analysis of credit risks

Physical risks and transition risks as drivers of the bank’s traditional risks are explained in detail below.

#### Physical risks

While BLKB rates the physical climate risks for its loan portfolio as low in the short and medium term, it expects an increase in the long term. Acute risks such as floods and storms as well as chronic risks such as droughts can negatively impact property values and the stability of companies. Due to its location on the Rhine and other rivers, Northwestern Switzerland is potentially at risk of flooding. In addition, storms at higher altitudes, such as those found in the Jura, could lead to infrastructure damage. These risks are usually localised and affect only parts of the loan portfolio at a time.

#### Effects of physical risks on mortgages

Floods and heavy rainfall can cause damage to residential buildings, reducing property values and causing renovation costs. An increase in storms could also lead to a greater financial burden for homeowners. Such damage is largely<sup>10</sup> covered by the mandatory natural hazard insurance. However, it is to be expected that insurance benefits could be reduced as extreme weather events increase in terms of both their intensity and frequency. At the same time, BLKB assumes that preventive adaptation measures, including flood protection against extreme weather, will have a mitigating effect on the damage. The overall risk therefore remains low in the short and medium term.

Commercial real estate is exposed to similar physical risks as private real estate, with the difference that rental losses can have additional financial consequences. Although these claims are also covered by natural hazard insurance, there are long-term risks from rising insurance premiums and more frequent extreme weather events.

#### Impact of physical risks on corporate loans

Physical climate risks can endanger the infrastructure and operations of companies and cause interruptions to their business activities. Climate-related risks can also give rise to

supply chain problems. Prolonged droughts could also negatively impact water-intensive businesses. In the short and medium term, however, these risks can be classified as low due to the insurance cover and the limited share of agricultural and industrial companies contained in the portfolio.

#### Transition risks

Transition risks arise as a result of the transition to a net-zero economy and encompass a number of areas, including increased CO<sub>2</sub> prices. CO<sub>2</sub> prices fluctuate greatly and, as in previous years, volatility may be triggered by various factors, including geopolitical upheavals, macroeconomic changes and movements in related markets such as the electricity market or emissions trading. This volatility not only affects direct levies, but also other market dynamics.

The transition to a low-emission economy is being accompanied by technological innovation. This relates to the use of new or improved technologies that change existing standards and require adjustments. Examples here include more efficient heating systems and modern building materials. Regulatory changes, in turn, include new or more stringent laws and regulations that place increased demands on the environmental standards of real estate and companies, potentially resulting in higher costs.

#### Effects of transition risks on mortgages

An increase in CO<sub>2</sub> prices can significantly increase the operating costs of properties with fossil-fuel heating systems. For households with limited income or real estate with a high lending value, these costs could lead to financial burdens and increase the risk of credit default. In addition, a possible fall in value of these properties is to be expected. While technological innovations (e.g. modern heating systems and improved insulation materials) can increase the need for refurbishment and investment costs in the medium to long term, they also reduce the rate of depreciation.

Commercial real estate may also be affected by higher operating costs due to rising CO<sub>2</sub> prices, which would lead to reduced demand for buildings with fossil-fuel heating systems. As around two-thirds of properties in Northwestern Switzerland are still equipped with fossil-fuel heating systems, the pressure in terms of the credit burden increases if the prices of fossil fuels rise.

<sup>10</sup> Natural hazards insurance covers a large part of the damage. However, this is not always sufficient to cover the full purchase price of the property.

In the short and medium term, an increase in the CO<sub>2</sub> price means an increased transition risk. However, due to the adjustment options, this risk is classified as low in the long term. Risks with respect to bans on existing technologies and the marketability of technological innovations, on the other hand, are rated as low in the short and medium term, while medium in the long term.

#### Impact of transition risks on corporate lending

An increase in CO<sub>2</sub> prices and other regulatory requirements can increase production costs and affect the competitiveness of companies, especially in CO<sub>2</sub>-intensive industries. However, as they only make up a small proportion of BLKB's portfolio, the risk for the bank is classified as low. In the long term, it is expected that companies will adapt their business models and invest in more efficient technologies, potentially further reducing risk.

#### Market, liquidity and other risks

The impact of climate risk drivers on market and liquidity risk as well as other risks is described below.

#### Market and liquidity risks

Physical risks can reduce the market valuation of affected assets and thus increase the degree of market price risk. Climate-related damage to key infrastructure or supply bottlenecks can also negatively affect the liquidity position if access to necessary resources or services is restricted as a result. Transition risks such as stricter environmental regulations could lead to the insolvency of companies due to an increasing need for investment and influence BLKB's liquidity position. In terms of market risks in the banking and trading book, it should be noted that the trading book per se is not material for BLKB and that the risk driver of climate change is therefore not decisive. With regard to market risk, the impact of climate risk as a driver can be classified as low or insignificant, with the exception of the credit rating effect, which is classified as medium. With regard to liquidity risk, the impact of climate risk on the level of refinancing and market liquidity risk is assessed as medium over the medium and long term.

#### Other risks

Climate-related physical events such as floods or storms may tend to increase over time. This could result in damage to bank buildings and infrastructure, which could disrupt business operations and lead to high repair costs. For this reason, the risk drivers "Physical security and protection" and "Business continuity management/technology" are rated as medium to long term. All other climate-related risk drivers are currently assessed to have a low or insignificant impact on operational risks.

With the marketing claim "What matters tomorrow," BLKB positions itself as a forward-looking bank. "Forward-looking approach" describes its holistic understanding of sustainability (see "[Forward-looking approach](#)"). The topic of greenwashing is closely monitored by both the Swiss Financial Market Supervisory Authority (FINMA) and the media. This is due to rapidly changing regulations and a lack of market standards in various areas. In the long term, BLKB expects regulatory requirements to stabilise and legal certainty to increase, for example through more precise definitions of what is considered sustainable. Due to the establishment of clear processes and sound training within BLKB, as well as the development of a market standard within the industry, BLKB assesses the level of reputational risk as low in the long term.

According to the risk inventory, none of the climate risk drivers were rated as high in terms of operational, strategic and compliance risks, including reputational and legal risks.

## Impact of climate-relevant risks and opportunities on the business, strategy and financial planning

While the opportunities identified above offer potential for growth, this is considered to be low in the short and long term. The costs associated with further developing product and advisory offerings in order to meet regulatory requirements and client needs have a negative impact on costs for the bank. Currently, however, these cannot yet be reliably estimated.

In addition, rising energy prices would result in higher operating costs. This is not critical for BLKB, however, as the refurbishment of the bank's operating properties has been completed and the entire vehicle fleet has been converted to exclusively electric drives. As explained in the chapter "[Climate change risks for the banking business and the Group](#)", the increase in potential impairments would only have a minor impact on the operating results.

## Resilience of the bank's strategy to climate change

For BLKB, dealing consciously with the effects of climate change is a strategic issue. The financial business opportunities are considered holistically. Integrating climate-related financial risks into risk management makes the bank more resilient, while its active commitment to climate protection (see [BLKB's initial transition plan](#)) strengthens BLKB's position as a responsible financial services provider. Developments relating to climate risks are monitored on an ongoing basis and the strategy and range of products and services are adapted, if necessary, in line with the changing requirements of the regulator and the needs of clients.

### Importance of different climate scenarios

The impact of climate change will largely depend on when and how measures are taken to mitigate it. The longer there is no coordinated action, the more global warming will intensify and the more physical risks will increase. The transition risks for the economy and society will also increase if the transition to net zero is pursued in an abrupt and

## Impact of climate-related risk drivers on existing risks and opportunities

Impact on opportunities	short-term	medium-term	long-term
Products, services and markets	low	low	low
Energy efficiency in operations	low	low	low
Investments for utilisation of opportunities	low	low	low
<b>Impact on risks</b>			
<b>Credit risks</b>			
Physical risks	low	low	low
Transition risks	low	medium	low
<b>Market and liquidity risks</b>			
Operational risks	low	low	low
Compliance risks (including legal and reputational risks)	medium	medium	low

uncoordinated manner. In order to do justice to this uncertainty, we need to think in terms of scenarios.

The Network on Greening the Financial System (NGFS) has developed various climate scenarios along the axes of physical and transition risks. Each of these scenarios involves specific macroeconomic developments (deviations from the forecast standard development) and describes different intensities of the various climate risks.

**Net Zero 2050 scenario (best case)**

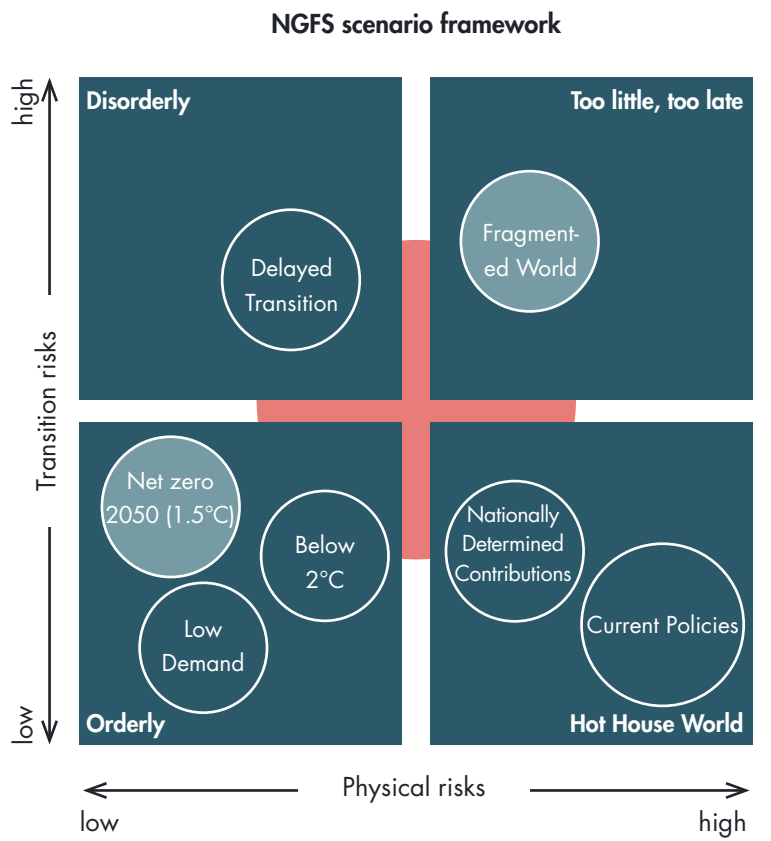
In the first step, the Net Zero 2050 scenario was modelled, which assumes that global warming remains below 1.5 degrees Celsius and that the net-zero emission targets are met by 2050. This scenario, which also underpins

Switzerland’s climate strategy and BLKB’s reduction pathways, involves a significant increase in CO<sub>2</sub> prices as part of the transition.<sup>11</sup>

**Fragmented World scenario (worst case)**

In the second step, a stress test was carried out for the Fragmented World scenario, which assumes that transition risks and physical risks accumulate as a result of insufficient measures being taken to combat climate change for too long.

Analyses of the two scenarios did not reveal any significant risks for BLKB. However, the results are only reliable to a limited extent, as several limitations mean that the top-down stress test has only a certain degree of validity. For example,



Please note: BLKB bases its best-/worst-case assessments on the two scenarios “Net Zero 2050 (1.5°C)” and “Fragmented World” (see text above).  
 Legend: Net Zero 2050 (1.5°C): according to the Paris Climate Agreement; below 2°C: as per the Paris Climate Agreement; Low Demand: economic slowdown; Fragmented World: no coordinated climate policy; Nationally Determined Contributions: the Paris Climate Agreement requires every country to make a commitment to NDCs (Nationally Determined Contributions), which, taken together, result in the promised global efforts to reduce CO<sub>2</sub> emissions; Current Policies: target path if no measures other than those already in place are implemented. Source: ngfs.net.

<sup>11</sup> Source: <https://www.ngfs.net/ngfs-scenarios-portal/explore>

the simulation is limited to a maximum time horizon of ten years, meaning that it does not fully cover long-term risks. Forecasts for macroeconomic variables such as gross domestic product (GDP), inflation and unemployment are only made available by the State Secretariat for Economic Affairs (SECO) over a period of two years. The development of real estate prices has to be estimated independently for Switzerland. In addition, certain deviations from the forecast standard development under the NGFS scenarios were only recently identified for Switzerland and were not available at the start of the analysis.

BLKB does not use climate-related stress tests with the expectation of gaining a precise quantitative assessment of the risks, but rather to identify the materiality of individual scenarios. This makes it possible to draw well-founded strategic conclusions, allowing for flexible, learning-oriented planning.

BLKB carried out an additional bottom-up stress test for its mortgage portfolio to assess the most relevant physical climate risks. The physical climate scenarios (RCP 2.6, RCP 4.5 and RCP 8.5), which were also used by the Intergovernmental Panel on Climate Change (IPCC), were included for the periods 2030, 2050 and 2080 to analyse the risks of flooding and wind storms for each asset held in the portfolio.

The results reveal that in the worst-case scenario (RCP 8.5) for the individual assets, the physical risks from river flooding and winter storms will only increase marginally. Nevertheless, the number of assets with a heightened level of risk will increase significantly over the years.

In the case of storms, all assets are exposed to medium risk, with the exception of the Canton of Basel-Stadt, where no increased exposure has been identified. Over time, a very slight increase in risk can be observed for all cantons. The level of risk associated with winter storms will only increase slightly for the assets in the Canton of Basel-Landschaft during the period up to 2050. This is lower than in other cantons. In the event of river flooding, the assets are exposed to different levels of risk on a regional basis. Most cantons have a high percentage of assets in the lower risk categories (very low or low), as the risk of river flooding depends

heavily on the topography and only affects assets located near a river. The relative increase in the risk of river flooding is assessed as very low or low in all relevant regions over the coming years.

#### **Further analyses on climate change**

In addition to carrying out stress tests, BLKB, as a member of the Net-Zero Banking Alliance (NZBA), analysed its loan portfolio in climate-intensive sectors. This analysis came to the conclusion that such sectors make up only a small share of BLKB's corporate loan portfolio. In this report, the evaluation of the credit allocation to the various sectors is based on the requirements of the NZBA (see table ["Presentation of greenhouse gas emissions from high-emission sectors in accordance with NZBA 2024"](#)).

#### **Summary of the results of the various risk analyses**

Based on its qualitative and quantitative analyses, BLKB has come to the conclusion that, according to its findings to date, climate change has only had a minor impact on the bank.

In order to strengthen the bank's long-term resilience and steer it on its reduction pathway, BLKB worked intensively on integrating climate parameters into its lending activities in 2024. This should help both corporate and private clients in mitigating risks and seizing opportunities to adapt to climate change.

# Risk management

Climate risks are integrated into BLKB's existing risk management system as a key risk driver. This process follows the classic steps of risk handling: Identification, evaluation, management, monitoring and reporting.

## Identification and evaluation

An interdisciplinary working group was set up to identify these risks, which included various climate parameters as risk drivers in the bank's existing risk inventory. The focus here is on environmental developments, political and regulatory changes, technological evolution and general market sentiment. The aim is to identify risks to which BLKB is exposed at an early stage and to counter them.

All of the available internal and external data on emissions, risk positions and climate change are used for the qualitative assessment. In addition, resilience has to date been quantitatively tested within stress tests with two top-down scenarios and one bottom-up scenario for the loan portfolio (see [Resilience of the bank's strategy to climate change](#)).

## Control and management

The control of risks is defined and documented within the framework of the integral set of rules. This includes the sustainability targets as well as exclusion criteria and risk sectors in the lending business.

As part of its commitment to achieving its net-zero targets, BLKB illustrates in its [initial transition plan](#) and in the table in the chapter "[Transition plan](#)" of this Climate Report how it intends to actively reduce potential risks through targeted climate protection measures. This is despite the fact that there is currently only little need for action in terms of both the reduction pathway and the risk analysis. Nevertheless, BLKB is continuously strengthening its risk management capabilities.

In the area of private mortgages, the emission intensity will be visualised by a traffic light indicator for client advisors from mid-2025 onwards. In the event of very high emission intensities for individual properties, an in-depth analysis and overall assessment of the property needs to be carried out by Credit Risk Management. In addition, financing of this kind will only be possible to a limited extent in the outer area<sup>12</sup>.

## Monitoring and reporting

In the monitoring of climate-related financial risks, BLKB attaches particular importance to ensuring that volumes do not increase significantly in business areas that are more affected by climate change and are at a higher risk. To this end, metrics and key risk identifiers (KRIs) have been evaluated for all business areas. The bank currently estimates its emissions on an annual basis and monitors risk developments. One aspect on which we focus is continuously improving data quality. Monitoring includes updating the qualitative analysis of the impact of climate parameters on the risk inventory at least once a year.

As part of the reporting on the progress made in the Net Zero project, the committees of the Board of Directors and the Executive Board were informed of the new monitoring and reporting requirements.

<sup>12</sup> BLKB operates its lending business primarily in Northwestern Switzerland in the following area: Canton of Basel-Landschaft, Canton of Basel-Stadt, Canton of Solothurn (districts of Dorneck and Thierstein), Canton of Aargau (districts of Rheinfelden and Laufenburg, Fricktal). Areas outside this area are considered to be part of the outer area.

# Key figures and targets

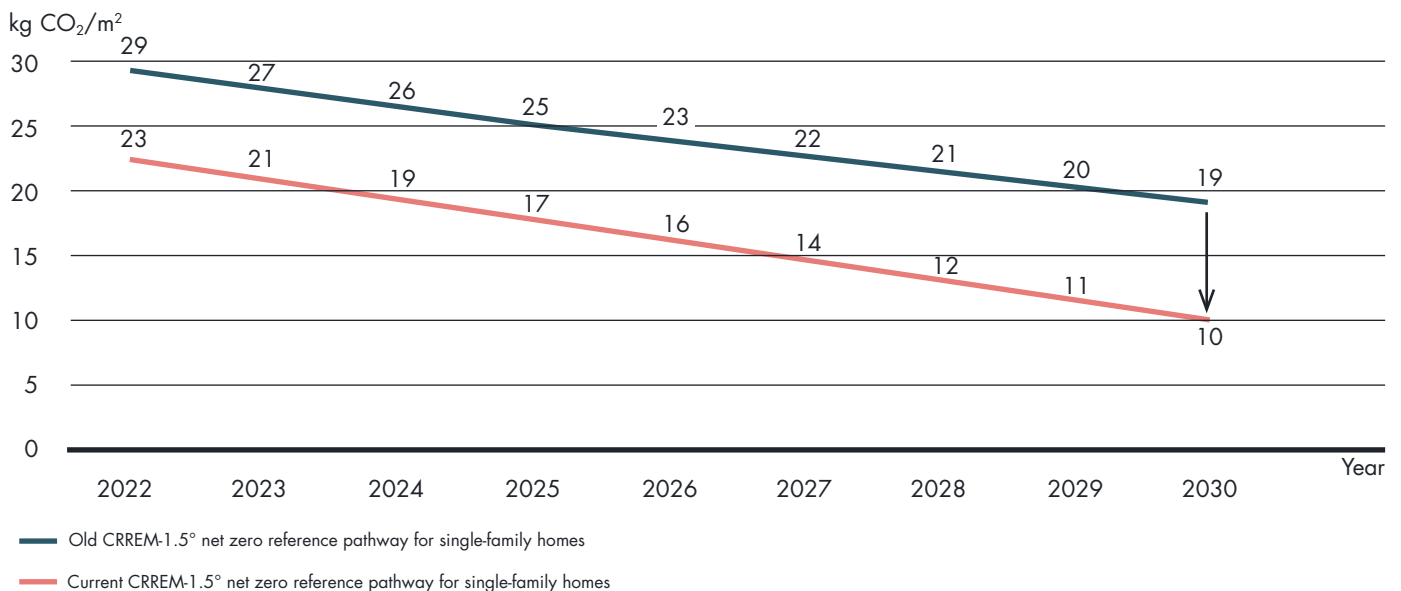
BLKB joined the Net-Zero Banking Alliance (NZBA) in October 2021, thereby pledging to set reduction targets for all on-balance-sheet assets where material and feasible. The first targets for the mortgage portfolios were published in spring 2023 and were based on the Carbon Risk Real Estate Monitor (CRREM) reference pathways applicable at the time. CRREM has since tightened the 1.5° net-zero reduction pathways. This made it necessary to adjust the reduction pathways in 2024.

BLKB has adjusted its reduction pathways accordingly in order to comply with current scientific requirements and subsequently comply with both regulatory requirements and its self-imposed obligations (see [Targets](#)). These reduction targets are comparable with the cantonal targets for the building sector, even if different bases and metrics are used for calculation in the respective canton.

The CO<sub>2</sub> calculation methodology used utilises models and estimates to estimate building emissions based on known variables such as building age, heating type and the number of floors. Unknown values are estimated using statistical methods. In 2022, the emission values of the mortgages were estimated for the first time using the described methodology. Due to the methodology and underlying data developed in the meantime, the base year was changed from 2022 to 2023 (see [Targets](#)).

Details of operational emissions (Scopes 1, 2, 3) can be found in the ["Environment" chapter of the Sustainability Report](#).

Reference pathways for single-family homes in accordance with CRREM, old and current



## Targets and metrics

### Calculation of greenhouse gas emissions

Information on greenhouse gases is collected in accordance with the requirements set out in the Greenhouse Gas Protocol and emissions are calculated together with specialist providers. BLKB has been a member of the Partnership for Carbon Accounting Financials (PCAF) since 2023. This gives the bank access to the current emission factors required to calculate the financed emissions of commercial loans (see table [“Greenhouse gas emissions for the corporate loan portfolio”](#)). The general calculation requirements of PCAF were adhered to for all portfolios. Only Scopes 1 and 2 are reported for financed emissions in 2024. The data quality for Scope 3 of financed emissions is currently still rated as unsatisfactory. Further improvements in data quality will be targeted in 2025 to ensure the publication of Scope 3 emission estimates from 2026 onwards.

As shown in the table [“Greenhouse gas emissions for the mortgage portfolio”](#), the total emissions in the mortgage portfolios have decreased over the past three years. The confirmed number of fossil heating systems in the reporting year was lower than in 2023 and stood at 56%. In just under 10% of the properties, the heating system in place has not been disclosed and is therefore not known, which does not allow for any clear conclusions to be made about the decline in the number of fossil-fuelled heating systems. Both the financed emissions and the footprint, i.e. the CO<sub>2</sub> emissions per franc of the loan, have been declining over the years. The emission intensity for investment and commercial properties remained practically the same in the reporting year versus 2023. Due to the area corrections (see notes to the table [“Greenhouse gas emissions for the mortgage portfolio”](#)), the emission intensity for both mortgage portfolios in 2023 was changed retroactively. In the coming years, the aim is to further improve the data quality of all input data.

### Greenhouse gas emissions for the mortgage portfolio (Scope 3 C15) since 2022

Owner-occupied residential property	Real estate financing volume (CHF million)	Coverage (%)	Financed emissions in t CO <sub>2</sub> (Scopes 1 and 2)	Emission intensity in kg CO <sub>2</sub> /m <sup>2</sup> (Scopes 1, 2)	Footprint t CO <sub>2</sub> /million CHF financing volume (Scopes 1 and 2)	Weighted data quality score in accordance with PCAF
2024	16,195	100	84,224	27.5	5.2	4.07
2023	16,014	100	88,413	28.6	5.5	4.08
2022	17,957	100	172,111	37.4	9.6	4.15
<b>Investment and commercial properties</b>						
2024	6,298	100	42,222	22.0	6.7	4.23
2023	6,051	100	41,733	21.9	6.9	4.25
2022	3,376	100	45,912	38.2	13.6	4.33

Notes: In 2022, the calculation was based on BLKB's input data (address, year of construction, heating system, energy reference area, number of floors, renovation data). In the subsequent years, the Basel-Landschaft Register of Buildings and Dwellings (GWR) was defined as the priority source of information for the input data for the heating types because it is more up-to-date. Bank details were used for all other input data, where available. For observations with missing input data, the area-weighted average of all portfolio observations with the same use was used to calculate relative emissions. If the details about the area were not provided, the average of the area of all portfolio observations with the same use was used. According to Wüest Partner, this estimated energy reference area value was too high in 2023 and was corrected in 2024. For the area weighting, the corrected area values from 2024 (entire portfolio) were also applied for 2023. Monte Carlo simulations were carried out for missing heating types, whereby the emissions of the property were calculated 50 times, always with a randomly selected energy source. The heating source is taken randomly from the distribution of the energy sources in the canton in which the property is situated (data source: GWR). The average of the 50 calculations is then calculated and reported for this property. This method was applied to 1,122 properties in 2024.

Wüest Partner (WP) uses its own data quality model. In the interests of comparability, the model was translated into the Partnership for Carbon Accounting Financials (PCAF) data quality score (value 0 WP = value 5 PCAF; values 1–3 WP = value 4 PCAF). The classification into owner-occupied residential property or investment and commercial property was carried out in accordance with PCAF specifications. When it comes to investment properties, BLKB distinguishes between two- to-three-family houses and larger residential properties. The former have been classified as owner-occupied residential property. The reference dates for the calculations were 30 November in 2022, 31 October in 2023 and 30 June in 2024. The selection of the cut-off date of 30 June allows for consistency with BLKB's Half-Year Report 2024 and sufficient lead time for quality assurance in terms of data evaluation. As the changes during the year are not subject to any particular cyclicity, the different reference dates can be compared with each other. The marginal deviations between the financing volumes in BLKB's Half-Year Report 2024 and this Climate Report are due to appropriate exclusions in the Climate Report. Mortgage-backed corporate loans are included in both real estate financing volume as well as the financing volume for corporate loans.

## Greenhouse gas emissions for the corporate loan portfolio (Scope 3 C15) since 2022

	Financing volume (CHF million)	Coverage (%)	Financed emissions in t CO <sub>2</sub> (Scopes 1 and 2)	Footprint t CO <sub>2</sub> /million CHF Financing volume (Scopes 1 and 2)	Weighted data quality score in accordance with PCAF
2024	3,255	98.5	87,114	27.2	4.58
2023	3,187	98.1	88,159	28.2	4.66
2022	3,283	100	91,991	28.0	4.72

Notes: Financed emissions (total and footprint) refer to the percentage of the volume of loans covered (financing volume in CHF million x coverage percentage). Corporate loan issues were calculated using country- and sub-category-specific emission factors from the PCAF database based on their NOGA categorisation. Some specific loans to public-sector institutions without a clear sector allocation, such as nurseries, were excluded from

the calculations. The marginal deviations between the financing volumes in BLKB's Half-Year Report 2024 and this Climate Report are due to appropriate exclusions in the Climate Report. Mortgage-backed corporate loans are included in both real estate financing volume as well as the financing volume for corporate loans.

BLKB uses PCAF emission factors for corporate loans. Following an in-depth analysis, BLKB has decided to calculate the emission values using the country-specific emission factors at the sub-sector level. Although PCAF does recommend the use of aggregated emission factors for advanced economies at a sector level, country-specific emission factors are more suitable for BLKB's strongly regionally focused portfolio.

As PCAF emission factors are based on figures recorded in 2019, the subsequent years need to be adjusted for inflation. The figures for the reporting year as well as for 2022 and 2023 were adjusted for inflation for the first time in 2024. The adjusted figures are therefore slightly lower than those reported in the Sustainability Report 2023.

Absolute emissions have fallen slightly since the first instance in which data was collected, and the footprint is also on a downward trend. However, the data quality for corporate loans still needs to be improved. As of the reporting date of 30 June 2024, total assets and transaction values were only available for around 35% of the commercial loan portfolio. BLKB strives to further improve data quality and the availability of data points for corporate loans.

To estimate the CO<sub>2</sub> emissions generated by its investments, BLKB's parent company obtains investment portfolio-related ESG data, primarily from MSCI ESG, including emissions data. It currently relies on the calculation aids provided by MSCI ESG for the calculations. The subsidiary radicant bank ag uses the calculation aids provided by ISS. The quality of the data and the coverage are gradually being improved through continuous further development.

## Greenhouse gas emissions from the investment business (Scope 3 C15) since 2022

	Investment volume (CHF million)	Coverage (%)	Financed emissions in t CO <sub>2</sub> (Scopes 1 and 2)	WACI t CO <sub>2</sub> / CHF million revenue (Scopes 1 and 2)	Footprint t CO <sub>2</sub> /million CHF financing volume (Scopes 1 and 2)	Weighted data quality score in accordance with PCAF
2024	7,664	97	336,581	96.1	45.2	2.12
2023	6,308	95.5	380,574	99.7	63.3	2.13
2022	5,693	94.3	334,458	123.7	62.3	2.12

Notes: The financed emissions (total, WACI and footprint) refer to the percentage of volume (investment volume in CHF million x coverage percentage). The data in the table above includes both the assets managed by the parent company (sustainable asset management) (i.e. the BLKB investment and retirement funds and asset management mandates, adjusted for double counting) and the assets managed by radicant bank ag. The emissions of companies are analysed on the basis of the emissions data they report or on the basis of sector-specific estimates of emissions data for both direct and, where available, indirect investments. Government bond data is not included for methodological reasons. For the parent company's data, the emission data is extrapolated to the assets covered, based on the data available for this purpose (86.3% in 2024).

Liquidity and liquidity-related investments are not taken into consideration. The reference date for the portfolio data is 31 December; the issue data may be older. The figures for 2022 and 2023 disclosed in the table differ slightly from the reports published in previous years. The reason for this is to improve the underlying data. The figures have been adjusted accordingly to ensure comparability over the years. Further information on MSCI and its underlying data: [www.msci.com](http://www.msci.com) and ISS ESG, 2024 (for the parent company calculation), [www.issgovernance.com/esg/climate-solutions](http://www.issgovernance.com/esg/climate-solutions) (for the radicant bank ag calculation).

## Identification of sectors with a special climate impact

As part of their climate responsibility, banks are required to declare their lending to CO<sub>2</sub>-intensive sectors. There are different requirements with respect to how these sectors are to be identified. Due to its membership of the NZBA, BLKB uses its classification for the Climate Report 2024.

The table [“Presentation of greenhouse gas emissions from high-emission sectors in accordance with NZBA 2024”](#) shows the percentages of the on-balance sheet banking business in high-emission sectors, as defined by the NZBA. According to the NZBA, these are to be addressed as a priority in terms of the decarbonisation strategy. The NZBA sectors focus heavily on the sectors of the economy with a very high dependence on fossil fuels. BLKB has barely any loan commitments in these emission-intensive sectors. This is thanks to the industry landscape of Northwestern Switzer-

land, the long-standing lending practice and the institutionalised exclusion criteria.

The low credit ratio in agriculture is striking. BLKB has almost exclusively mortgage-backed loans with agricultural companies. These therefore appear to be subsumed in the emission calculations for investment and commercial properties (as mortgages) and not for corporate loans.

PCAF expects the publication of Scope 3 emissions for the high-emission sectors it defines. However, due to the very low data quality, BLKB has decided to wait and see if there is a better basis for the publication of corporate loans in 2025. From 2025 onwards, or no later than 2026, BLKB will publish all Scope 3 emissions of the financed emissions in accordance with the PCAF requirements.

### Presentation of greenhouse gas emissions from high-emitting sectors in accordance with NZBA 2024

Sector	Analysed financing volume (CHF million)	Weight in portfolio (%)	Financed emissions in t CO <sub>2</sub> (Scopes 1 and 2)	Share of financed emissions (%)	Footprint t CO <sub>2</sub> /million CHF financing volume (Scopes 1 and 2)	Weighted data quality score in accordance with PCAF
Transportation	51.9	1.62	2,450	2.8	47.2	4.5
Power generation	4.8	0.15	26	0	5.4	4.2
Agriculture	0.3	0.01	489	0.6	1,550.5	4.9
Cement	1.5	0.05	255	0.3	174.2	4.1
Oil and gas	-	0	-	0		
Iron and steel	-	0	-	0		
Aluminium	-	0	-	0		
Coal	-	0	-	0		
Other (non-high emission sectors)	3,149.2	98.2	83,894	96.3	26.6	4.6
Total/average	Σ = 3,207.6	Σ = 100	Σ = 87,114	Σ = 100	Ø = 27.2	Ø = 4.6

Please note: The analysed financing volume corresponds to the percentage of volume of loans covered (financing volume in CHF million x coverage percentage) from the table [“Greenhouse gas emissions for the corporate loan portfolio”](#) for 2024.

Reading aid: If the unrounded values for 2024 are offset against the coverage (source data from the data for 2024 in the table [“Greenhouse gas emissions for the corporate loan portfolio”](#)), this results in CHF 3,207.6 million, which corresponds to the effectively analysable volume of the corporate loan portfolio.

## Metrics

BLKB has chosen to use absolute emissions in tonnes of CO<sub>2</sub> (t CO<sub>2</sub>) and emission intensity in kilograms of CO<sub>2</sub> per square metre (kg CO<sub>2</sub>/m<sup>2</sup>) of energy reference area as metrics for mortgages (owner-occupied residential property as well as investment and commercial properties). The published footprint serves to improve comparability with other banks, but is not used internally as a metric.

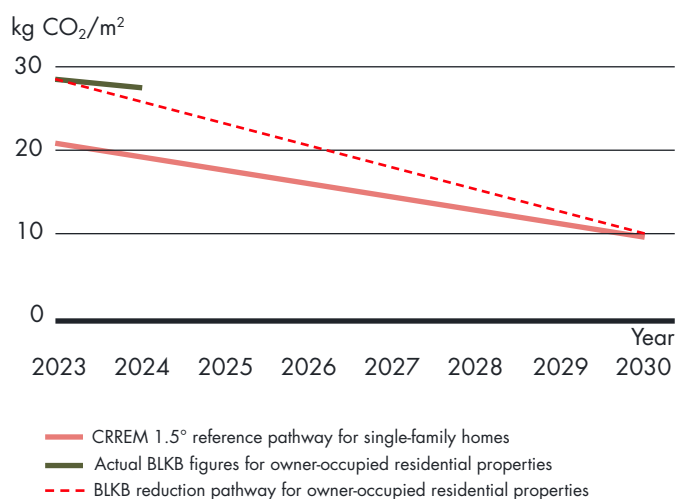
The absolute metric serves as an overall control towards achieving net zero. The relative metric – which is based on emission intensity – is used for management at individual property levels and allows the mortgage portfolio to grow. Both the absolute metric of tonnes of CO<sub>2</sub> equivalents (t CO<sub>2</sub>e) and the relative metrics of tonnes of CO<sub>2</sub> equivalents per CHF million loan (footprint) (t CO<sub>2</sub>e/CHF million loan) and tonnes of CO<sub>2</sub> equivalents per CHF million revenue (t CO<sub>2</sub>e/CHF million revenue) are used to measure the emissions of corporate loans. At the moment, only the footprint is published. Once revenue and balance sheet figures are available for more companies, the additional metric should also be used.

For its investments, too, BLKB uses the metric of absolute emissions in t CO<sub>2</sub>e and the weighted average carbon intensity (WACI), which is widespread in the industry and uses to t CO<sub>2</sub>e/CHF million revenue. Own investments recorded in the balance sheet by the NZBA with interim targets are not material due to the low volume at BLKB. Accordingly, they have not been prioritised so far, but are being developed in step with the asset management metrics.

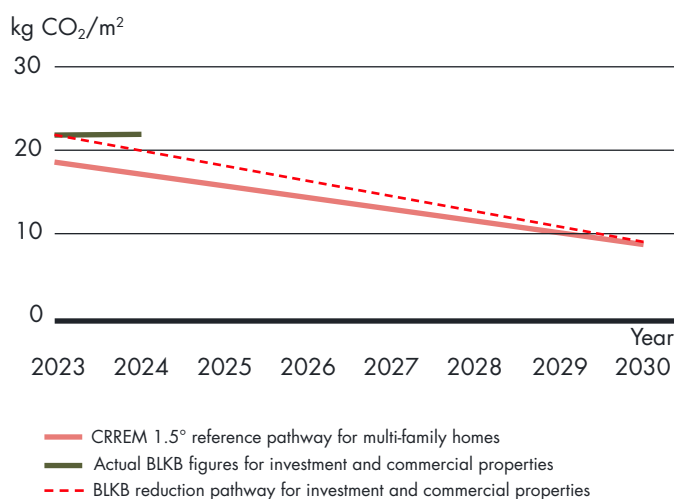
Operational emissions (Scopes 1, 2 and 3) are measured in absolute tonnes of CO<sub>2</sub>e and in the relative metric of tonnes of CO<sub>2</sub>e per full-time equivalent (t CO<sub>2</sub>e/FTE).

## Reduction pathways for owner-occupied residential property as well as for investment and commercial properties

### Reduction pathway for owner-occupied residential property



### Reduction pathway for investment and commercial properties



## Targets

The intermediate targets for mortgages are derived from the requirements of the Carbon Risk Real Estate Monitor (CRREM) reference pathways and the calculated CO<sub>2</sub> portfolio data.

The base year of 2023 was defined for the recalculations of the reduction pathways, as the results for 2022 showed excessive deviations from subsequent years (see also [“Greenhouse gas emissions for the mortgage portfolio”](#)). These differences arose from changes to the calculation methodology by the provider, as well as from the use of heating source information from the Cantonal Register of Buildings and Dwellings instead of the bank’s own building database. The building register is almost complete and will be updated promptly. It therefore offers the best data quality with regard to the heating sources of buildings.

The bank plans to reduce owner-occupied residential property by 65% and investment and commercial properties by 59% by 2030. For owner-occupied residential property, BLKB follows the CRREM reduction pathway for single-family homes. For investment and commercial properties, it follows the CRREM-reduction pathway for multi-family homes. The pathways were chosen in favour of the object type that accounts for the largest share of the respective categories.

The targets for banking operations are shown in the table [“BLKB’s transition plan with key targets and interim targets”](#) on the next page. For its banking operations, the bank is aiming for a net-zero target for Scopes 1 and 2 by 2035. Given the long-standing focus on energy efficiency and sustainability in buildings, this is a realistic target. For 2030, a reduction of 58% compared to the base year 2023 has been planned in Scopes 1 and 2.

In terms of Scope 3 emissions (employee mobility, purchases of services, etc.), the bank is dependent on decarbonisation efforts across society as a whole and is therefore geared towards the net-zero targets of the Canton of Basel-Landschaft and Switzerland. For 2030, a reduction of 26% compared to the base year 2023 has been planned.

For corporate loans, the years 2022 to 2024 were used to improve data quality. The analysis of the input data on corporate loans as at 31 December 2024 will show whether a reduction pathway is appropriate and feasible with the data available at present. The analysis will be carried out in the first half of 2025. The situation is being clarified to determine whether a net-zero pathway should be defined for the investments.

## BLKB's transition plan with the main targets and interim targets for Scopes 1, 2 and 3 (including Scope 3 C15)

Area	Targets	Interim targets	Base year	Figures for 2024	Figures for 2023	Figures for 2022	Coverage (%)
Direct and indirect operational emissions (Scopes 1 and 2) Parent company	Net zero by 2035	2030: 58% reduction in absolute emissions in t CO <sub>2</sub> e	2023	172	284	325	100
Indirect operational emissions (Scope 3) Parent company	Net zero by 2050	2030: 26% reduction in absolute emissions in t CO <sub>2</sub> e	2023	298	263	271	n/a
Mortgages (owner-occupied residential properties, Scope 3 C15)	Net zero by 2050	2030: 65% reduction in emission intensity kg CO <sub>2</sub> /m <sup>2</sup>	2023	27.5	28.6	37.4	100
Mortgages (Investment and commercial properties, Scope 3 C15)	Net zero by 2050	2030: 59% reduction in emission intensity kg CO <sub>2</sub> /m <sup>2</sup>	2023	22.0	21.9	38.2	100

Notes: Scope 1 refers to the bank's direct emissions, e.g. from its own fleet of vehicles or the heating of bank buildings. Scope 2 includes indirect emissions from purchased energy such as electricity or district heating for branches. Scope 3 includes all other indirect emissions along the bank's value chain, including upstream and downstream activities. The main category for financial institutes is Category 15 in Scope 3. This

relates to emissions from bank investments and financing solutions. It thus includes greenhouse gas emissions caused by the projects and companies financed by the bank. The identification of the targets for the mortgages is based on the sectoral decarbonisation approach with the corresponding CRREM reference pathways. The targets for operations were calculated using the Absolute Contraction Approach.

## Transition plan

The [initial transition plan](#) of 30 April 2024 provides an initial overview of how the bank plans to shape its pathway towards achieving net zero. The two tables below outline the financing measures (mortgages and corporate loans). The

operational measures are described in the ["Environment" chapter](#) of the Sustainability Report.

### Measures in the investment business

BLKB has been systematically integrating ESG criteria into the investment process since 2014 (see the [website](#)). The aim

### Measurement parameters and measures for mortgages

Measurement parameters	Metrics	Operationalised targets for 2024	Measures
Emission intensity for owner-occupied residential properties and investment and commercial properties (Scopes 1 and 2)	kg CO <sub>2</sub> /m <sup>2</sup>	An additional 1,000 residential owners per year who are made aware of climate compatibility	<ul style="list-style-type: none"> <li>Support for the "Baselbieter Energiepaket" cantonal development programme and active presence at events.</li> <li>Promotion and raising awareness of the home2050.ch platform, which is operated together with the partners EBL and Primeo Energie.</li> <li>Integration of data on the energy efficiency of financed buildings into the core banking system.</li> <li>Development of advisory services on energy efficiency for private and commercial homeowners.</li> <li>Planned renewal of the energy mortgage with improved incentives for energy-efficient renovation.</li> </ul>

### Measurement parameters and measures for corporate loans (no reduction target)

Measurement parameters	Metrics	Operationalised targets for 2024	Measures
Emission intensity of loans (Scopes 1 and 2)	t CO <sub>2</sub> e/ CHF million revenue (where available)	<ul style="list-style-type: none"> <li>No investment in companies that extract coal, oil or natural gas or operate coal-fired power plants</li> <li>Discussions with companies regarding the availability of actual emissions data</li> </ul>	<ul style="list-style-type: none"> <li>Some management of climate risks in the portfolio by means of the existing exclusion criteria and defined risk categories.</li> <li>Benefits of SME events with the Baselland Chamber of Commerce and the "Baselbieter Energiepaket" cantonal development programme to raise awareness.</li> <li>New collaboration with the "Go for Impact" association to establish a website with CO<sub>2</sub>/ESG tools and evaluation criteria to provide SMEs with guidance.</li> </ul>

is to identify companies that work in a more environmentally and socially responsible manner and that have established good corporate governance factors and are thus more competitive. The topic of climate risks/protection is an important factor in many industries. At the same time, exclusion criteria are also applied (see [Responsible products and services](#)) in order to specifically reduce very high risks from an ESG perspective; climate risks play an important role in this. All BLKB investment products take such ESG criteria into consideration in different ways. This is explained transparently on ESG factsheets (including Swiss Climate Scores), among other things. Within the scope of the expanded regulatory requirements, BLKB's Sustainable Asset Management is analysing further options for managing climate risks. The audit is scheduled to be completed by the end of 2025. As part of the pilot programme of the Science Based Targets initiative (SBTi), radicant bank ag has developed a concept for investment products with the aim of achieving net zero by 2040.

### Outlook

On 30 April 2024, BLKB published its [initial transition plan](#), which outlines the pathway towards achieving the net-zero target by 2050. This plan will be continuously developed, adapted and refined in the coming months and years. The aim is to define a detailed, sustainable reduction strategy by the end of the current strategy period in 2027. BLKB will continue to align its products, services and decision-making processes with the net-zero target and in so doing will react flexibly to new developments and findings.

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# Abbreviations, initiatives and standards

## List of abbreviations

Abbreviation/term	Explanation
CO <sub>2</sub>	Carbon dioxide
CRREM	Carbon Real Estate Monitor
ESG	Environment, Social, Governance
GEAK	Gebäudeenergieausweis der Kantone (Cantonal building energy label)
GFANZ	Glasgow Financial Alliance for Net Zero
GHG Protocol	Greenhouse Gas Protocol
GRI	Global Reporting Initiative
KPIs	Key performance indicators
NGFS	Network on Greening the Financial System
NOGA	Nomenclatur Générale des Activités économique (General Swiss Classification of Economic Activities)
NZBA	Net-Zero Banking Alliance
PCAF	Partnership for Carbon Accounting Financials
RCP	Representative Concentration Pathway
SBTI	Science Based Targets Initiative
SDGs	Sustainable Development Goals
TCFD	Task Force on Climate-related Financial Disclosures
t CO <sub>2</sub> e	CO <sub>2</sub> equivalents in tonnes
GHG	Greenhouse gases

## Climate-related initiatives and standards

Initiative/standard	Importance for BLKB
Baselbieter Energiepaket	Cantonal development programme for energy efficiency and renewable energy in the building sector.
Carbon Risk Real Estate Monitor (CRREM)	CRREM is an organisation that defines Europe-wide net-zero reduction pathways for the building sector according to the building type.
Climate Action 100+	Climate Action 100+ (CA100+) is an investor-led initiative designed to ensure that the world's largest corporate emitters of greenhouse gases take the necessary action to combat climate change.
Greenhouse Gas Protocol	The GHG Protocol is a private transnational series of standards for the balancing of greenhouse gas emissions (carbon accounting) and the associated reporting format for companies and increasingly for the public sector.
Energy Agency of the Swiss Private Sector (EnAW)	EnAW advises companies from all industries and sectors of the economy on how to continuously improve their energy and resource efficiency by focusing on renewable energies. By implementing specific measures, they are supporting companies hoping to reduce CO <sub>2</sub> emissions, lower costs and increase energy and resource efficiency.
Climate Charter of the Intergovernmental Conference of Northwestern Switzerland	With the Climate Charter, the cantons of Northwestern Switzerland – Basel-Landschaft, Basel-Stadt, Aargau and Solothurn – agree to work together and in compliance with the federal government to find solutions and exploit synergies in the following areas of cooperation: Energy efficiency and the development of renewable energies, mobility, indirect emissions, spatial planning, promotion of innovation, monitoring and communication.
Climate strategy of the Canton of Basel-Landschaft	With the Canton of Basel-Landschaft as the main stakeholder, the exchange and mutual coordination of climate protection efforts are a matter of course for BLKB.
Network on Greening the Financial System	The network of central banks and financial market supervisory authorities with the aim of exchanging views and best practices and further developing risk management in the financial sector vis-a-vis environmental risks and the effects of global warming.
Net-Zero Banking Alliance (NZBA)	The NZBA is a banking alliance committed to aligning its on-balance sheet lending, investment and capital market activities to achieve net zero greenhouse gas emissions by 2050.
MSCI	MSCI Inc. is a US financial services provider based in New York City from which BLKB obtains CO <sub>2</sub> data for investment banking, among other things. It uses various sources to estimate the emissions of assets.
Partnership for Carbon Accounting Financials (PCAF)	PCAF is the global GHG accounting and reporting standard for financed emissions and is suitable for calculating financed emissions as part of Scope 3 emissions.
Task Force on Climate related Financial Disclosures (TCFD)	TCFD was an international working group in the field of finance that existed from 2015 to 2023. It provided information on what companies were doing to mitigate the risks of climate change and how they make this transparent in climate-related financial information. It dissolved in 2023. The International Financial Reporting Standard (IFRS) Foundation has since assumed responsibility for monitoring the progress of companies' climate-related disclosures.

# Indexes

# CO index

The content of this Sustainability Report 2024 (including the Climate Report) referenced in the following index includes reporting on non-financial matters pursuant to Article 964a et seq. CO as well as the associated Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO).

## Transparency regarding non-financial matters

CO 964b	Details	Reference
<b>Business model</b>		
Para. 2, point 1	Business model	"Portrait of the BLKB Group," p. 8 "Responsible products and services," p. 30
<b>Environmental issues</b>		
Para. 1	Impacts of business activities	"Environmental management," p. 36 Climate report: "Introduction," p. 43 "Responsible products and services," p. 30
Para. 2, point 2	Concepts	"Environmental management," p. 36 et seq. Climate report: "Climate strategy," p. 48; "Resilience of the bank's strategy to climate change," p. 54 "Responsible products and services," p. 30
Para. 2, point 3	Measures and efficacy	"Energy management," p. 36 "Business travel," p. 37 "Material and paper," p. 37 "Evaluation," p. 38 Climate report: "Avoidance and reduction of greenhouse gas emissions in banking operations/in the lending and investment business," p. 49 "Energy management," p. 36 "Responsible products and services," p. 30
Para. 2, point 4	Material risks and their management	"Risk management," p. 57 Climate report: "Governance," p. 45; "The opportunities and risks of climate change," p. 49; "Importance of different climate scenarios," p. 54 et seq.; "Risk management," p. 57; "Climate change risks for the banking business and the Group," p. 51 et seq. "Responsible products and services," p. 30
Para. 2, point 5	Key performance indicators	"Key data on the forward-looking approach," environment, p. 13 Climate Report: "Targets and metrics," p. 58 et seq.
<b>Social issues</b>		
Para. 1	Impacts of business activities	"Economy," p. 14 "Quality and customer satisfaction," p. 27 "Society," p. 30
Para. 2, point 2	Concepts	"Transparency towards stakeholders," p. 30 "Responsible products and services – principles," p. 30; "Guidelines and principles for financial products," p. 27 "Data protection and data security – guidelines," p. 28 "Compliance," p. 18 "Economic security," p. 14 "Regional value creation," p. 14
Para. 2, point 3	Measures and efficacy	"Transparency towards stakeholders," p. 30 "Responsible products and services," p. 30 "Quality and customer satisfaction," p. 27 "Data protection and data security," p. 28 "Integrity, compliance and risk management," p. 18 "Regional value creation," p. 14 "Economic security," p. 14

<b>CO 964b</b>	<b>Details</b>	<b>Reference</b>
Para. 2, point 4	Material risks and their management	"Avoidance of greenwashing," p. 27 "Sensitive data as a risk," p. 28 "Integrity, compliance and risk management," p. 18
Para. 2, point 5	Key performance indicators	"Key data on the forward-looking approach," society, p. 12 "Client contact and handling complaints," p. 27 "Monitoring of security measures," p. 28 "Compliance", p. 18
<b>Employee issues</b>		
Para. 1	Impacts of business activities	"Integrative and motivational management and work culture", p. 20 et seq. "Workplace health," p. 26
Para. 2, point 2	Concepts	"Integrative and motivational management and work culture – principles and priorities," p. 20 "Employee Development – introduction," p. 24 "Workplace health – people as the most valuable resources," p. 26 "Standards in occupational health and safety," p. 26
Para. 2, point 3	Measures and efficacy	"Integrative and motivational management and work culture", p. 20 et seq. "Employee development," p. 24 et seq. "Workplace health," p. 26
Para. 2, point 4	Material risks and their management	"Workplace health," p. 26
Para. 2, point 5	Key performance indicators	"Key data on the forward-looking approach," people, p. 12 "Absences," p. 26
<b>Respect for human rights</b>		
Para. 1	Impacts of business activities	"Equal opportunities," p. 20 et seq. "Non-discrimination," p. 21 "Integrity, compliance and risk management," p. 18
Para. 2, point 2	Concepts	"Equal opportunities," p. 20, "Non-discrimination," p. 21 "Compliance", p. 18 "Procurement," p. 19
Para. 2, point 3	Measures and efficacy	"Equal opportunities," p. 20, "Non-discrimination," p. 21 "Integrity, compliance and risk management," p. 18 "Lending business," p. 30 et seq. "Investment and asset management business," p. 31 et seq. "Gold," p. 33 et seq. "Procurement," p. 19
Para. 2, point 4	Material risks and their management	"Equal opportunities," p. 20, "Non-discrimination," p. 21 "Integrity, compliance and risk management," p. 18 "Lending business," p. 30 "Investment and asset management business," p. 31 "Gold," p. 33 et seq. "Procurement," p. 19
Para. 2, point 5	Key performance indicators	"Key data on the forward-looking approach," people, p. 12
<b>Combating corruption</b>		
Para. 1	Impacts of business activities	"Governance of radicant bank ag," p. 18 "Compliance", p. 18
Para. 2, point 2	Concepts	"Governance of radicant bank ag," p. 18 "Compliance", p. 18
Para. 2, point 3	Measures and efficacy	"Governance of radicant bank ag," p. 18, "Compliance", p. 18 "Whistleblowing desks," p. 19
Para. 2, point 4	Material risks and their management	"Governance of radicant bank ag," p. 18 "Compliance", p. 18 "Risk management," p. 18
Para. 2, point 5	Key performance indicators	"Governance of radicant bank ag," p. 18 "Compliance", p. 18

## Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO)

CO 964b	Details	Reference	Additional information and omissions
<b>Due diligence obligations</b>			
Para. 1, point 1	Supply chain policy for minerals and metals potentially originating from conflict-affected and risk areas		Not applicable; in accordance with the text in the "Gold" section (p. 33 et seq.), DDTrO does not apply for BLKB
Para. 1, no. 2	Supply chain policy for products or services with a well-founded suspicion of child labour		Not applicable; in accordance with the text in the "Procurement" section (p. 19); reference to "Exemption for low-risk undertakings" pursuant to Article 7 para. 2 DDTrO
Para. 1, point 3	System for tracing the supply chain		Not applicable; an exception or non-applicability of the DDTrO requirements is asserted for child labour as well as for gold
Para. 2	Risk assessment, risk management plan and measures		Not applicable; an exception or non-applicability of the DDTrO requirements is asserted for child labour as well as for gold
Para. 3	Inspection by independent specialist		Not applicable; an exception or non-applicability of the DDTrO requirements is asserted for child labour as well as for gold

# GRI index

This GRI index is based on the GRI Universal Standards 2021.

GRI Standard	Topic	Location <sup>1</sup>
<b>GRI 2: General disclosures 2021</b>		
2-1	Organisational details	AR 2024, <a href="#">p. 32 et seq.</a> : Group structure and shareholders SR 2024, <a href="#">p. 8</a> : Portrait of the Group SR 2024, <a href="#">p. 17</a> : Organisational details
2-2	Entities included in the organisation's sustainability reporting	SR 2024, <a href="#">p. 40</a> : Methods and standards of the sustainability report
2-3	Reporting period, frequency and contact point	SR 2024, <a href="#">p. 40</a> : About this Report
2-4	Restatements of information	SR 2024, <a href="#">p. 40</a> : About this Report
2-5	External assurance	SR 2024, <a href="#">p. 40</a> : About this Report
2-6	Activities, value chain and other business relationships	SR 2024, <a href="#">p. 8</a> : Portrait of the Group SR 2024, <a href="#">p. 14</a> : Regional value creation SR 2024, <a href="#">p. 30</a> : Responsible services and products
2-7	Employees	SR 2024, <a href="#">p. 12</a> : Key data on the forward-looking approach SR 2024, <a href="#">p. 23</a> : Fluctuation
2-8	Workers who are not employees	SR 2024, <a href="#">p. 23</a> : Fixed-term employment
2-9	Governance structure and composition	AR 2024, <a href="#">p. 35 et seq.</a> : Corporate governance <a href="#">Organisational and Business Regulations</a>
2-10	Nomination and selection of the highest governance body	AR 2024, <a href="#">p. 35</a> : Corporate governance
2-11	Chair of the highest governance body	AR 2024, <a href="#">p. 36</a> : Corporate governance
2-12	Role of the highest governance body in overseeing the management of impacts	AR 2024, <a href="#">p. 35 et seq.</a> : Corporate governance SR 2024, <a href="#">p. 40</a> : Transparency regarding non-financial matters CR 2024, <a href="#">p. 45</a> : Governance
2-13	Delegation of responsibility for managing impacts	AR 2024, <a href="#">p. 35 et seq.</a> : Corporate governance SR 2024, <a href="#">p. 17</a> : Corporate governance CR 2024, <a href="#">p. 45</a> : Governance
2-14	Role of the highest governance body in sustainability reporting	SR 2024, <a href="#">p. 40</a> : Transparency regarding non-financial matters
2-15	Conflicts of interest	SR 2024, <a href="#">p. 19</a> : Conflicts of interest <a href="#">Code of Conduct</a>
2-16	Communication of critical concerns	SR 2024, <a href="#">p. 19</a> : Whistleblowing desk
2-17	Collective knowledge of the highest governance body	SR 2024, <a href="#">p. 25</a> : Board of Directors
2-18	Evaluation of the performance of the highest governance body	AR 2024, <a href="#">p. 55</a> : Compensation Report
2-19	Remuneration policies	AR 2024, <a href="#">p. 50</a> : Compensation Report
2-20	Process to determine remuneration	AR 2024, <a href="#">p. 51 et seq.</a> : Compensation Report
2-21	Annual total compensation ratio	AR 2024, <a href="#">p. 54</a> : Compensation Report
2-22	Statement on sustainable development strategy	SR 2024, <a href="#">p. 9</a> : Forward-looking approach
2-23	Policy commitments	SR 2024, <a href="#">p. 9</a> : Forward-looking approach SR 2024, <a href="#">p. 14</a> : Sustainable and ethical principles SR 2024, <a href="#">p. 19</a> : Procurement SR 2024, <a href="#">p. 20</a> : Integrative and motivational management and work culture
2-24	Embedding policy commitments	SR 2024, <a href="#">p. 17</a> : Corporate governance
2-25	Processes to remediate negative impacts	SR 2024, <a href="#">p. 17</a> : Sustainability-related risk management SR 2024, <a href="#">p. 19</a> : Whistleblowing desk SR 2024, <a href="#">p. 27</a> : Client contact and handling complaints
2-26	Mechanisms for seeking advice and reporting concerns	SR 2024, <a href="#">p. 17</a> : Sustainability Advisory Committee

<sup>1</sup> AR 2024: [Annual Report 2024](#); SR 2024: [Sustainability Report 2024](#); CR 2024: [Climate Report 2024](#)

GRI Standard	Topic	Location <sup>1</sup>
2-27	Compliance with laws and regulations	SR 2024, p. 18: Compliance
2-28	Membership associations	AR 2024, p. 19: Memberships SR 2024, p. 17: Memberships
2-29	Approach to stakeholder engagement	SR 2024, p. 10: Stakeholder dialogue and material topics SR 2024, p. 30: Transparency towards stakeholders
2-30	Collective bargaining agreements	SR 2024, p. 22: Remuneration system
<b>GRI 3: Material topics</b>		
3-1	Process to determine material topics	SR 2024, p. 30: Determination of material topics SR 2023, p. 30: Materiality analysis
3-2	List of material topics	SR 2024, p. 10: Stakeholder dialogue and material topics
3-3	Management of material topics	SR 2024, p. 14: Economic security
	Management of regional value creation	SR 2024, p. 14: Regional value creation: Public service mandate
	Management of digital innovation and transformation	SR 2024, p. 15: Digital innovation and transformation: Strategic objectives
	Management of corporate governance	SR 2024, p. 17: Corporate governance
	Management of integrity, compliance and risk management	SR 2024, p. 18: Integrity, compliance and risk management
	Management of an integrative and motivational management and work culture	SR 2024, p. 20: Integrative and motivational management and work culture: principles and priorities
	Management of employee development	SR 2024, p. 24: Employee development: introduction
	Management of workplace health	SR 2024, p. 26: Workplace health
	Management of quality and customer satisfaction	SR 2024, p. 27: Responsible advice
	Management of data protection	SR 2024, p. 28: Sensitive data as a risk
	Management of transparency towards external stakeholders and dialogue with them	SR 2024, p. 30: Transparent and honest communication
	Management of responsible products and services	SR 2024, p. 30: Responsible products and services: Principles
	Management of climate change, use of resources and emissions	SR 2024, p. 36: Environmental management
<b>GRI 201: Economic performance 2014</b>		
201-1	Direct economic value generated and distributed	AR 2024, p. 61 et seq.: Income statement and profit appropriation and the notes to the financial statements SR 2024, p. 14: Contribution from the core activities
<b>GRI 201: Economic performance 2016</b>		
201-2	Financial implications and other risks and opportunities due to climate change	CR 2024, p. 50: Opportunities presented by climate change for BLKB's banking business CR 2024, p. 51: Climate change risks for the banking business and the Group
201-3	Defined benefit plan obligations and other retirement plans	AR 2024, p. 92: Information on the economic position of the social security institutions
201-4	Financial assistance received from government	AR 2024, p. 31: Legal form, mandate and state guarantee SR 2024, p. 14: A secure regional bank
<b>GRI 203: Indirect economic impacts 2016</b>		

<sup>1</sup> AR 2024: Annual Report 2024; SR 2024: Sustainability Report 2024; SR 2023: Sustainability Report 2023; CR 2024: Climate Report 2024

GRI Standard	Topic	Location <sup>1</sup>
203-1	Infrastructure investments and services supported	SR 2024, p. 31: Mortgage business
203-2	Significant indirect economic impacts	SR 2024, p. 14: Regional value creation
<b>GRI 204: Procurement practices 2016</b>		
204-1	Proportion of spending on local suppliers	SR 2024, p. 15: Regional procurement
<b>GRI 205: Anti-corruption 2016</b>		
205-1	Operations assessed for risks related to corruption	SR 2024, p. 18: Compliance
205-2	Communication and training about anti-corruption policies and procedures	SR 2024, p. 18: Compliance
205-3	Confirmed incidents of corruption and actions taken	SR 2024, p. 18: Compliance
<b>GRI 206: Anti-competitive behaviour 2016</b>		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	SR 2024, p. 18: Compliance
<b>GRI 302: Energy 2016</b>		
302-1	Energy consumption within the organisation	SR 2024, p. 13: Key data on the forward-looking approach SR 2024, p. 36: Energy management
302-2	Energy consumption outside of the organisation	SR 2024, p. 13: Key data on the forward-looking approach SR 2024, p. 36: Energy management SR 2024, p. 38: Evaluation (in the Environment chapter)
302-3	Energy intensity	SR 2024, p. 38: Evaluation (in the Environment chapter)
302-4	Reduction of energy consumption	SR 2024, p. 36: Energy management CR 2024, p. 41: Energy efficiency in banking operations
<b>GRI 305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	SR 2024, p. 13: Key data on the forward-looking approach
305-2	Energy indirect (Scope 2) GHG emissions	SR 2024, p. 13: Key data on the forward-looking approach
305-3	Other indirect (Scope 3) GHG emissions	SR 2024, p. 13: Key data on the forward-looking approach
305-4	GHG emissions intensity	SR 2024, p. 13: Key data on the forward-looking approach
305-5	Reduction of GHG emissions	CR 2024, p. 41: Climate strategy
<b>GRI 306: Waste 2020</b>		
306-3	Waste generated	SR 2024, p. 13: Key data on the forward-looking approach
306-4	Waste diverted from disposal	SR 2024, p. 37: Material and paper
306-5	Waste directed to disposal	SR 2024, p. 37: Material and paper
<b>GRI 308: Supplier environmental assessment 2016</b>		
308-1	New suppliers that were screened using environmental criteria	SR 2024, p. 19: Procurement

<sup>1</sup> AR 2024: Annual Report 2024; SR 2024: Sustainability Report 2024; CR 2024: Climate Report 2024

GRI Standard	Topic	Location <sup>1</sup>
<b>GRI 401: Employment 2016</b>		
401-1	New employee hires and employee turnover	SR 2024, p. 12: Key data on the forward-looking approach SR 2024, p. 23: Fluctuation
401-3	Parental leave	SR 2024, p. 22: Balancing work and private life
<b>GRI 402: Labour/ Management relations 2016</b>		
402-1	Minimum notice periods regarding operational changes	SR 2024, p. 20: Work culture
<b>GRI 403: Occupational health and safety 2018</b>		
403-1	Occupational health and safety management system	SR 2024, p. 26: Workplace health
403-2	Hazard identification, risk assessment, and incident investigation	SR 2024, p. 26: Workplace health
403-3	Occupational health services	SR 2024, p. 26: Workplace health
403-4	Worker participation, consultation, and communication on occupational health and safety	SR 2024, p. 26: Workplace health
403-5	Worker training on occupational health and safety	SR 2024, p. 26: Workplace health
403-6	Promotion of worker health	SR 2024, p. 26: Workplace health
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR 2024, p. 26: Workplace health
403-8	Workers covered by an occupational health and safety management system	SR 2024, p. 26: Workplace health
403-10	Work-related ill health	SR 2024, p. 26: Absences
<b>GRI 404: Training and education 2016</b>		
404-1	Average hours of training per year per employee	SR 2024, p. 24: Development management
404-2	Programs for upgrading employee skills and transition assistance programs	SR 2024, p. 24: Employee development
404-3	Percentage of employees receiving regular performance and career development reviews	SR 2024, p. 24: Development management
<b>GRI 405: Diversity and equal opportunity 2016</b>		
405-1	Diversity of governance bodies and employees	SR 2024, p. 12: Key data on the forward-looking approach SR 2024, p. 20: Equal opportunities
405-2	Ratio of basic salary and remuneration of women to men	SR 2024, p. 22: Remuneration system
<b>GRI 406: Non-discrimination 2016</b>		
406-1	Incidents of discrimination and corrective actions taken	SR 2024, p. 21: Non-discrimination
<b>GRI 413: Local communities 2016</b>		
413-1	Operations with local community engagement, impact assessments, and development programs	SR 2024, p. 14: Regional value creation
<b>GRI 414: Supplier social assessment 2016</b>		
414-1	New suppliers that were screened using social criteria	SR 2024, p. 19: Procurement

<sup>1</sup> AR 2024: Annual Report 2024; SR 2024: Sustainability Report 2024; CR 2024: Climate Report 2024

GRI Standard	Topic	Location <sup>1</sup>
<b>GRI 417: Marketing and labelling 2016</b>		
417-1	Requirements for product and service information and labelling	SR 2024, p. 27: Quality and customer satisfaction SR 2024, p. 33: Transparency in the investment business
417-2	Incidents of non-compliance concerning product and service information and labelling	SR 2024, p. 27: Client contact and handling complaints
417-3	Incidents of non-compliance concerning marketing communications	SR 2024, p. 27: Client contact and handling complaints
<b>GRI 418: Customer privacy 2016</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR 2024, p. 28: Monitoring of security measures

<sup>1</sup> AR 2024: [Annual Report 2024](#); SR 2024: [Sustainability Report 2024](#); CR 2024: [Climate Report 2024](#)

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