



**Sustainability
Report 2023**



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Editorial

Dear Readers

The “BLKB town hall” in June was my highlight of 2023 with regard to sustainability. In the spirit of raising awareness and promoting further education, over 500 employees met with top-notch experts from the fields of climate research, sustainable financial investments and architecture to discuss the specific steps to achieve net zero. The event was part of our internal programme, with which we strengthened competencies and processes in all areas of the bank in 2023 and launched the practical application of comprehensive sustainability measures in the core business. We thus heralded the next stage of our “forward-looking approach”.

For more than 150 years, we have taken responsibility for what is close to our hearts: the region of Northwestern Switzerland with its people, society and environment. As one of the most secure regional banks in Switzerland and Europe, we ended the year under review with a pleasing result. At the same time, we promoted innovation with the *100 fürs Baselbiet* (“100 for Basel Region”) initiative and supported over 300 institutions, events and associations with a total sum of CHF 1.7 million. Among other things, we launched the *BLKB-Zukunftsbatzen* (“BLKB Money for the Future”) and a new form of certificate meeting: *BLKB bei uns* (“BLKB with us”). The three public festivals in Pratteln, Sissach and Laufen attracted a good 10,000 guests and created added value for the region.

Net zero in core business and banking operations by 2050

As a financial institution, we have a major leverage effect when it comes to climate protection and worked in 2023 intensively on our strategic target: to reduce greenhouse gas emissions in the core business and banking operations to net zero by 2050 at the latest. To that end, we expanded our services which promote sustainable real estate development. We have launched new investment solutions such as the “Equity Switzerland Focus” action fund. We invested in our clients’ investment expertise and in building up employees’ knowledge of topics such as ESG and greenwashing. In addition, as part of our membership of the United Nations *Net-Zero Banking Alliance*, we published initial interim targets for 2030.

In this sustainability report, we provide information on the other focal points and measures of our engagement, for which we again received an AA rating from MSCI, the world’s leading ESG rating agency, in 2023. In accordance with the non-financial reporting requirements in Article 964a et seqq. of the Swiss Code of Obligations (CO), it encompasses for the first time the entire scope of consolidation of BLKB consisting of the parent company and the subsidiaries *radicant bank ag* and *BLKB Services AG*. We thus want to further increase the transparency of sustainability reporting and promote open dialogue with our stakeholders.

If you, dear readers, have any suggestions or questions about our commitment to sustainability, I look forward to communicating with you.



Alexandra Lau

Member of the Executive Board, Head of Corporate Development & Sustainable Asset Management



Forward-looking approach

BLKB is Switzerland's forward-looking bank. This forward-looking approach expresses the bank's proactive attitude and is emblematic of its comprehensive sustainability efforts. These form an integral part of its business strategy and the foundation of its operational activities in all business areas.

The mission statement serves as a compass (see [Mission statement](#)). With "people", "society" and "the environment" as the focal points, BLKB shows where it intends to have a positive impact and take responsibility: in relation to employees, customers, business partners, the region and the environment. It shows that BLKB is committed to creating added value for its stakeholders. Today and tomorrow.

As a trustworthy partner, BLKB maintains an open dialogue with its stakeholders. This is done both in its daily exchange of ideas and via systematically developed feedback channels such as surveys and stakeholder dialogues (see [Materiality analysis](#)). The BLKB is convinced that a fruitful dialogue requires integrity, honesty and transparency. This report makes an important contribution to this.

Methods and standards of the sustainability report

BLKB publishes this report in accordance with the *GRI Standards*, an internationally recognised set of rules for sustainability reporting. The content is derived from a materiality analysis (see [Materiality analysis](#)). 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 reporting covers BLKB's scope of consolidation, consisting of the parent company and the subsidiaries radicant bank ag (radicant) and BLKB Services AG. Unless indicated otherwise, the content of the sustainability report and the name "BLKB" refer to the parent company. The subsidiaries and their activities are addressed in particular in the chapters "[Economic performance](#)," "[Responsible products and services](#)" and "[Key data on the forward-looking approach](#)". This is also partly explained in the chapters "[Climate risks and opportunities](#)" and "[Environmental topics](#)". BLKB Services AG is also included in reporting on the parent company if not explicitly stated. This is because it was still under development in the reporting year.

The methods used to prepare non-financial key figures are explained in the "[Key data on the forward-looking approach](#)" chapter and in the *GRI Standards* [302](#), [305](#) and [306](#).

Non-financial reporting in accordance with Article 964a et seqq. CO

In compliance with the provisions on non-financial reporting pursuant to Article 964a et seqq. CO, BLKB reports on the following matters according to their relevance in the business model:

- Environmental issues ([Climate risks and opportunities](#), [GRI 302](#), [305](#) and [306](#), [Responsible products and services](#), [Key data on the forward-looking approach](#))
- Social issues ([GRI 2-27](#) to [2-29](#) and [417](#) to [419](#))
- Employee issues ([GRI 401](#) to [406](#), [Key data on the forward-looking approach](#))
- Respect for human rights ([GRI 204](#), [401](#), [Responsible products and services](#))
- Anti-corruption ([GRI 205](#) and [419](#))

The sustainability report is approved in accordance with Article 964a et seqq. CO.

Action areas

With regard to stakeholder groups, BLKB derives the following action areas that it wishes to manage and promote as a future-oriented bank.

Employees

- The bank sees development as an investment in the future. It offers employees a setting in which they can develop continuously and helps them improve their employability regardless of age.
- The bank does not tolerate any discrimination and systematically encourages diversity within the organisation.
- The bank has a fair and transparent remuneration system and creates attractive framework conditions for a healthy work-life balance.
- The bank does its utmost to ensure the physical and mental safety and integrity of its employees.
- Employees play an active role in helping shape the bank's sustainability commitment. The bank creates the requisite framework and encourages internal dialogue.

Customers

- The focus is on customers. The bank helps them make the right financial decisions at the right time.
- The bank enables its customers to contribute to a more sustainable future with their financial decisions.
- Sustainability is an integral component of the products and services offered.
- Social and environmental impacts are made transparent for products and services.

Business partners

- The bank promotes innovative business partnerships and encourages its partners in their commitment to sustainability.
- The bank prefers regional service providers or suppliers and those who assume their responsibility for sustainable development and make their commitment in this area transparent.

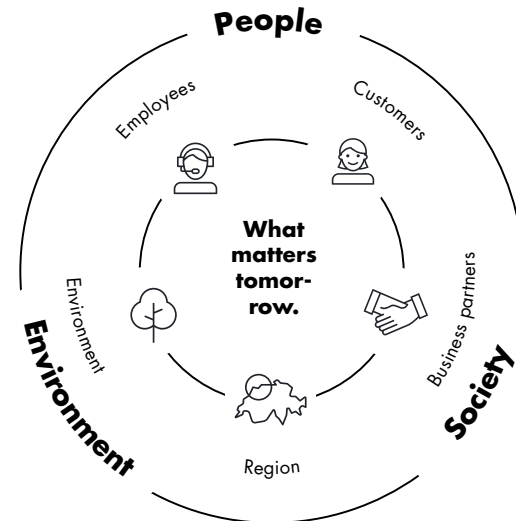
Region

- The bank contributes to the economic, social and environmental development of the region and creates added value for its owner.
- The bank makes an active contribution to financial literacy, encouraging a responsible, conscientious approach to financial topics, e.g. in relation to (young people's) debt, retirement provision, the intergenerational contract or estate planning.
- The bank is committed to culture, social issues and the region.
- The bank is actively involved in relevant sustainability associations, initiatives and/or interest groups.

Environment

- The bank contributes to the 2015 Paris Agreement and is continuously reducing its direct and indirect CO₂ emissions (Scope 1–3 of the *Greenhouse Gas Protocol*).
- The bank integrates environmental criteria into its business activities.
- The bank contributes to environmentally friendly development of the region and encourages the circular economy as well as the sustainable use of resources.
- The bank uses only energy from renewable sources and uses them efficiently.

Mission statement



BLKB – 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 customers 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.

Materiality analysis

In addition to the action areas derived from the mission statement, BLKB's forward-looking approach is based on 13 sustainability topics. They are particularly decisive for a positive impact on people, society and the environment and for the sustainability of the bank's business model. The topics were identified based on relevant sector and reporting standards such as those of the *Global Reporting Initiative* (GRI) and the *Sustainability Accounting Standards Board* (SASB). They also take into account external sustainability ratings and studies as well as international developments in connection with the United Nations, specifically the *Sustainable Development Goals* (SDG).

The bank's stakeholders' priorities are shaped by ecological, societal and economic change. BLKB seeks to identify key developments at an early stage and implement appropriate forward-looking measures. That is why the material topics are re-examined and discussed with stakeholders at regular intervals (see [GRI 2-29](#)).

In 2022, a specific dialogue took place with representatives of key stakeholder groups on the topics listed below. In this context, BLKB requested assessments of the relevance of the material topics, the bank's performance and the impact of its business activities on the individual topics. The three topics on which BLKB's business activities (could) have the greatest impact were discussed in detail at the subsequent stakeholder dialogue in the spring of 2022: quality and customer satisfaction, responsible products and services, and regional value creation. The discussions produced a great deal of appreciative feedback, along with some critical voices, as well as a wealth of new ideas and recommendations. Measures and approaches – to be retained, initiated or halted – were identified and examined. The insights gained were incorporated into the strategy for 2023–2027.

BLKB devotes particular attention to those topics in which, as the internal and external stakeholders see it, the bank can have a very strong positive or negative impact on people, society and the environment:

- Quality and customer satisfaction
- Risk management, compliance and integrity
- Responsible products and services
- Regional value creation
- Economic security
- Corporate governance

The stakeholder consultation once again demonstrated the relevance of all issues to stakeholder groups and confirmed BLKB's intention to consciously manage and promote these issues. BLKB believes it is important to communicate fully and transparently, and to foster an ongoing dialogue with its stakeholders and the general public. The [GRI index](#) thus includes all 13 sustainability topics as per the materiality analysis and provides a comprehensive description of what makes BLKB Switzerland's forward-looking bank.

Topic of sustainability	Brief description	GRI Standards
1. Economic security	<ul style="list-style-type: none"> – Stability of the financial system as a key element of a modern economy – Ensuring solvency – Balanced risk/return ratio 	GRI 201: Economic performance (2016) GRI 2-6 to 2-8: General disclosures on activities and workers (2021)
2. Corporate governance	<ul style="list-style-type: none"> – Supervisory role of Board of Directors – Ensure independence and responsibilities of Board of Directors – ESG criteria in remuneration 	GRI 2-9 to 2-21: General disclosures on corporate governance GRI 419: Socio-economic compliance (2016)
3. Risk management, compliance and integrity	<ul style="list-style-type: none"> – Conformity with regulatory requirements – Ethical principles of business activity – Risk policy and management (incl. in upstream and downstream parts of value chain) 	GRI 205: Anti-corruption (2016) GRI 206: Anti-competitive behaviour (2016) GRI 419: Socio-economic compliance (2016) GRI 204: Procurement practices (2016)
4. Data protection	<ul style="list-style-type: none"> – Data security – Protecting the IT system – Confidentiality in dealing with sensitive data of third parties 	GRI 418: Customer privacy (2016)
5. Transparency towards external stakeholders and dialogue with them	<ul style="list-style-type: none"> – Honest communication – Dialogue with officials, associations, media and other interest groups 	General disclosures (2021): GRI 2-26: Procedure for seeking advice and reporting concerns GRI 2-28: Memberships of associations and interest groups GRI 2-29: Approach to stakeholder engagement
6. Climate change, use of resources and emissions	<ul style="list-style-type: none"> – Internal environmental management – Consumption of natural resources (in particular energy and waste) – Climate protection (greenhouse gas emissions) 	GRI 302: Energy (2016) GRI 305: Emissions (2016) GRI 306: Waste (2020)
7. Integrative and motivational management and work culture	<ul style="list-style-type: none"> – Behaviour and working together – Relationship between employees and managers – Employment conditions – Integrative corporate culture – Promotion of equity and equal treatment of employees in terms of all diversity criteria (incl. age, education, background and gender) – Observance of human rights and due diligence 	GRI 2-6 to 2-8: General disclosures on activities and workers (2021) GRI 401: Employment (2016) GRI 402: Labour/Management relations (2016) GRI 405: Diversity and equal opportunity (2016) GRI 406: Non-discrimination (2016)
8. Employee development	<ul style="list-style-type: none"> – Recruitment – Training and development – Staff employability 	GRI 401: Employment (2016) GRI 404: Training and education (2016)
9. Workplace health	<ul style="list-style-type: none"> – Physical and mental integrity – Safety at work 	GRI 403: Occupational health and safety (2018)
10. Digital innovation and transformation	<ul style="list-style-type: none"> – Business model innovation – Innovativeness – Strategic partnerships – Ensuring long-term success of the business 	GRI 201: Economic performance (2016)

Topic of sustainability	Brief description	GRI Standards
11. Quality and customer satisfaction	<ul style="list-style-type: none"> - Compliance with statutory requirements for product design - Product intelligibility - Financial stability and financial well-being of customers - Customer interviews on sustainability preferences - Measurement of customer satisfaction and resulting action; continuous optimisation of the tailoring of processes, systems and new developments to customer requirements 	GRI 417: Marketing and labelling (2016)
12. Responsible products and services	<ul style="list-style-type: none"> - Impact of core business on economy, society and environment - Promotion of sustainability through financing (e.g. mobility, infrastructure, real estate and projects contributing to the circular economy) - Measurement of CO₂ footprint of products - Integrity of loan and investment recipients - Risk management in lending operations and investment business - Human rights due diligence in products 	Additional material topic
13. Regional value creation	<ul style="list-style-type: none"> - Providing financial services for the region - Contributing to development of regional economy and society - Creating and ensuring local jobs - Sponsorship and charitable activities beyond the core business - Employees' commitment to wider society 	GRI 201: Economic performance (2016) GRI 203: Indirect economic impacts (2016) GRI 204: Procurement practices (2016) GRI 308: Supplier environmental assessment (2016) GRI 413: Local communities (2016) GRI 414: Supplier social assessment (2016)

Climate risks and opportunities

Non-financial reporting in accordance with Article 964a et seqq. CO:
– Environmental issues (climate risks and opportunities)

BLKB's business activities influence climate change and the effects of climate change in turn have an impact on the bank's business activities. BLKB not only wants to better understand and actively manage these effects, but also to provide transparent information about the findings and its management approaches. In doing so, it is guided by the internationally recognised methodology of the *Task Force on Climate-Related Financial Disclosures* (TCFD), which also forms the basis for the "Verordnung über die Berichterstattung über die Klimabelange" (Ordinance on the Reporting on Climate-Related Issues) of the Federal Council.

Based on existing knowledge and established structures, BLKB systematically develops its governance, processes and strategies within the framework of an internal project. The Sustainability department in the Corporate Development & Sustainable Asset Management business unit has overall responsibility for the project. It involves various specialist departments, in whose areas of expertise changes are designed and implemented. In the reporting year, BLKB developed the foundations and prerequisites for the future management of climate risks and opportunities. In doing so, it focused on the TCFD areas of governance, strategy, risk management, key figures and targets. They also form the structure of the subsequent disclosure.

Governance

BLKB has enshrined the topic of sustainability – and climate protection as a part thereof – in its strategy and mission statement. The Sustainability department is responsible for recording and managing climate risks and opportunities at a strategic level. As part of the aforementioned project, it analysed the status quo of governance in the reporting year and identified areas for optimisation in the existing structures. BLKB derived the need for amendments to regulations, directives, processes, responsibilities and other control instruments.

The work was carried out in close coordination with the risk management functions, the Executive Board and the Board of Directors. Project progress and climate issues in general were repeatedly discussed in Executive Board meetings and were the subject of various bilateral discussions with members of the Executive Board. The Board of Directors and its committees were also briefed on the work and performed an in-depth analysis of the relevant climate-related regulations, established processes and ongoing measures as well as BLKB's objectives. In addition, the members of the two top management bodies underwent training on climate-related topics, including on greenwashing (see [GRI 2-17](#)). By

systematically building up knowledge, the Executive Board and Board of Directors are empowered to take account of related risks and opportunities even more consistently when defining, reviewing and managing the strategy as well as in business and resource planning. This is of particular relevance in connection with the Bank's net zero target (see [Key figures and targets](#) and the following chapter).

Strategy

As a forward-looking bank, BLKB aims to continuously reduce greenhouse gas emissions in its core business and banking operations and to reduce them to net zero by 2050 at the latest. It should be noted that the so-called financed emissions account for over 99% of BLKB's direct and indirect climate footprint (see [Key figures and targets](#)).

In order for the bank to manage its action plan effectively and provide transparent and truthful information about its climate impact, emissions must be measured reliably and regularly. In the reporting year, BLKB further expanded its data management for accounting for greenhouse gas emissions in its core business and banking operations. On this basis, the transition plans – where tangible and meaningful – can be quantified with a reduction pathway and intermediate targets.

The quantitative principles make it possible to assess the impact of measures in a more substantiated manner and to prioritise climate-related projects. For many years now, BLKB has taken climate protection and other environmental aspects into account in its core business independently of greenhouse gas accounting, for example in the form of exclusion criteria and best-in-universe selections in the investment business, risk sectors with ESG analysis in the lending business or the promotion of energy-efficient building renovations for commercial and private customers (see [Responsible products and services](#)). These approaches are based on the belief that integrating sustainability promotes a holistic view and helps to better address opportunities and risks across all business areas.

The specific opportunities and risks associated with climate change are multifaceted and complex. In addition, a long-term view of the opportunity and risk landscape is associated with uncertainties and unsureness. For this reason, BLKB has spent the past few months examining in great detail the underlying data and possible systems as well as tools for efficient use in risk and opportunity analysis. The risk analysis includes physical and transitory climate risks, which can be both acute and chronic in nature. To that end, climate

events were integrated into the existing risk inventory as risk drivers and quantitatively analysed as part of initial scenario analyses. The investigations focused on the question of whether BLKB should expect increased financial risks in its lending business, for example in the form of default or impairment risks, due to the looming climate change. Initial indicators showed that BLKB is not exposed to any significant climate risks in the short to medium term. Due to various methodological limitations that affect all banks equally, these findings are still of limited significance.

However, it appears that climate-related changes will primarily impact the future viability of corporate customers' business models or the change in value of financed properties. Due to its business model, BLKB is also affected by this. It therefore sees its task – from a risk management perspective and as a forward-looking financial partner – above all to sensitise clients to the effects that affect them and to provide competent support as they transition to a low-emission future. Accordingly, building up internal expertise in sustainability in general and climate change in particular is a focal point of the bank's sustainability management (see [Responsible products and services](#)).

Comprehensive consideration of climate risks and opportunities makes it clear that commitment to climate protection is a continuous learning process. In doing so, it is crucial to keep abreast of the latest scientific findings and apply tried-and-tested approaches. It is therefore part of BLKB's strategy to engage with like-minded people and experts via relevant networks such as the *Net-Zero Banking Alliance* (see [GRI 2-28](#)).

Risk management

Climate impacts should become part of the established risk management processes in order to manage climate risks consistently and sustainably. In the year under review, BLKB made significant progress in integrating climate aspects in the risk management framework (see [Responsible products and services](#)). The physical and transition risks associated with climate change are not considered as a separate risk category, but are incorporated into the existing models as drivers of already recorded risks (e.g. credit risks, operational risks or market risks).

In the year under review, BLKB examined whether there were any gaps in the risk management frameworks and how these could be closed. It also examined how the individual risks in the financing business, which are monitored by the bank's risk functions, change in the medium and long term, taking

account of climate changes. Specific climate parameters were added to the existing stress tests for this purpose. On the one hand, BLKB gained important insights into its methods. On the other hand, it is clear that climate change is becoming a key issue in future-oriented customer care ([see Strategy](#)), as climate adaptation measures are likely to become necessary in various sectors of the economy.

A similar evaluation of climate aspects in risk management is also planned for the investment business. In 2022, the external analysis in the PACTA climate test conducted by the Federal Office for the Environment (FOEN) once again confirmed that BLKB's exposure to greenhouse gas-intensive industries and the associated risks is comparatively low thanks to the systematic integration of ESG criteria in its investment business ([see Responsible products and services](#)).

Key figures and targets

BLKB aims to achieve net zero emissions by 2050 at the latest. As part of the *Net-Zero Banking Alliance*, it has also committed to developing intermediate targets for its balance sheet business. BLKB (parent company) published its interim targets for the mortgage portfolio for 2030 in the reporting year:

Emission intensity of privately used properties:

- Base year 2022: 37.4 kg CO₂/m²
- Minimum target (with 40% reduction): 22.4 kg CO₂/m²
- Maximum target (with 60% reduction): 15.0 kg CO₂/m²

Emission intensity of commercially used properties:

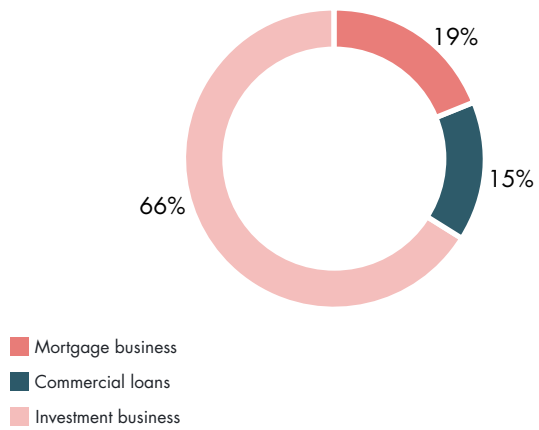
- Base year 2022: 38.2 kg CO₂/m²
- Minimum target (with 40% reduction): 22.9 kg CO₂/m²
- Maximum target (with 60% reduction): 15.3 kg CO₂/m²

In this context, BLKB has further expanded and refined its data management for measuring its climate impact. BLKB publishes relevant indicators, in particular greenhouse gas emissions, in this report in accordance with the standards of the *Greenhouse Gas Protocol – Corporate Standard*. It does so not just for the parent company, but for the entire scope of consolidation (see [GRI 305](#) and [Key data on the forward-looking approach](#)).

Non-financial reporting in accordance with Article 964a et seqq. CO:
– Environmental issues (climate risks and opportunities)

The indicators clearly show that emissions from banking operations account for only a fraction of all direct and indirect greenhouse gas emissions of BLKB and its subsidiaries. According to current calculations, emissions are primarily generated in the investment business (66% or 440,846 t CO₂e), in the mortgage business (19% or 130,146 t CO₂e) and in commercial loans (15% or 97,204 t CO₂e). Consequently, the core business is at the heart of BLKB's and its subsidiaries' decarbonisation efforts.

CO₂ emissions in banking business (entire scope of consolidation)



GRI index

General disclosures

The organisation and its reporting practices (2021)

CO₂ = carbon dioxide
 CO₂e = carbon dioxide equivalents
 ESG = environmental, social and (corporate) governance
 FTE = full-time equivalent
 HC = head count (actual number of employees)
 HGT = heating degree days
 MJ = megajoules

GRI	Description	Data/reference
2-1	Organisational details	The Basellandschaftliche Kantonalbank (BLKB) is a public-law entity of the Canton of Basel-Landschaft. Its headquarters is located at Rheinstrasse 7, 4410 Liestal, Switzerland.
2-2	Entities included in the organisation's sustainability reporting	<p>The reporting covers BLKB's scope of consolidation, consisting of the parent company and the two subsidiaries radicant bank ag (radicant) in Zurich and BLKB Services AG in Liestal.</p> <p>Unless indicated otherwise, the content of the sustainability report and the name "BLKB" refer to the parent company. The subsidiaries and their activities are addressed in particular in the chapters "<u>Economic performance</u>," "<u>Responsible products and services</u>" and "<u>Key data on the forward-looking approach</u>". This is also partly explained in the chapters "<u>Climate risks and opportunities</u>" and "<u>Environmental topics</u>". BLKB Services AG is also included in reporting on the parent company if not explicitly stated. This is because it was still under development in the reporting year.</p>
2-3	Reporting period, frequency and contact point	<ul style="list-style-type: none"> – BLKB prepared the report in accordance with the <i>GRI Standards</i> for the period 1 January 2023 to 31 December 2023. – The reporting period corresponds to that of the <u>annual report</u>. – It is published annually. – Publication date: 13 March 2024 (English version: 27 March 2024) – medien@blkb.ch, investoren@blkb.ch
2-4	Restatement of information	None.
2-5	External assurance	The Sustainability Report 2023 was not externally assured.

Activities and workers (2021)

GRI	Description	Data/reference
2-6	Activities, value chain and other business relationships	<p>As a universal bank, BLKB distributes banking products and financial services in Switzerland under the "BLKB" brand and with the marketing claim of "What matters tomorrow". Its market area is focused on Northwest Switzerland with complementary, cross-regional business activities, in particular via digital channels. At Group level, radicant operates as a digital bank throughout Switzerland. In addition, BLKB Services AG, which was still under development in the year under review, will in future include strategic real estate consulting and a sustainable real estate fund. BLKB is represented locally by 24 branches (including 20 in the Canton of Basel-Landschaft, one in the Canton of Basel-Stadt, one in the Canton of Solothurn and two in the Canton of Aargau). Via state-of-the-art direct channels, customers have straightforward access to financial products and services – regardless of time or location.</p> <p>BLKB offers a broad-based financial advisory capability as well as a wide range of financial products and services for private individuals, companies, institutional customers and external asset management firms. These include account products for saving, investment and retirement, as well as payments with debit and credit cards. The credit products comprise mortgages, loans including construction loans, current account loans and fixed advances, as well as trading products. On the investment advisory and management side, the bank offers all common types of investment products in the leading currencies as well as associated, supporting products and services such as comprehensive financial planning. BLKB does not engage in investment banking.</p> <p>To meet its obligations in respect of its offerings, BLKB obtains products and services from various suppliers. IT services, IT licences and communications technology account for the lion's share of expenditure. Other key third-party services cover the handling of payment transactions, procurement of information on the financial markets and processing in relation to securities management. Accommodation-related expenses include rents for third-party properties, heating costs, service charges and expenditure on building maintenance, physical safety/security and energy.</p> <p>The bank's product portfolio in the "Private customers" and "Corporate customers" categories can be viewed on the BLKB website.</p> <p>The radicant offerings can be found in the section "Responsible products and services" and on the website. Further information on the value chain and business relationships can be found in radicant's Sustainability Report.</p>
2-7	Employees	<p>The employees of BLKB (including BLKB Services AG) and radicant are employed in Switzerland. The <i>radicant innovation hub</i> in Portugal, a subsidiary of radicant for the provision of IT development services, is an exception.</p> <p>The Key data on the forward-looking approach comprise Group-wide relevant indicators on the number of employees, gender distribution and part-time quotas.</p> <p>As at the reporting date, there were five men at BLKB (parent company) (2022: 5) and five women (2022: 8) who had a temporary employment contract. All persons employed by BLKB had guaranteed working hours. The turnover rate in the reporting period was slightly up on the previous years, this being largely attributable to the more buoyant labour market and organisational restructuring. Across the Group, the natural employee turnover in the reporting year was 7.5%.</p> <p>BLKB's 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.</p>
2-8	Workers who are not employees	<p>BLKB's business activities do not give rise to any significant seasonal variations in headcount and are largely performed by employees who have a BLKB employment contract governed by the current terms of employment. Only in exceptional cases or for specialist areas, temporary external workers are appointed via recruitment agencies. Significant outsourcings are reported pursuant to the requirements of the supervisory authority (FINMA). Particularly in relation to IT, BLKB commissions services from external experts under a long-term mandate relationship.</p>

Governance (2021)

GRI	Description	Data/reference
2-9	Governance structure and composition	<p>The Board of Directors with its committees and BLKB's Executive Board are presented in the corporate governance section of the Annual Report 2023 (from page 42 onwards); the Executive Boards and Boards of Directors of radicant and BLKB Services AG are presented on page 38. The Board of Directors is responsible for the overall management, supervision and control of the parent company and the subsidiaries. It supervises the bank's business activities in general and the activities of the Executive Board in particular. The members of the Board must fit a specific requirements profile. BLKB complies in particular with the FINMA provisions on corporate governance in banks as set out in Circular 2017/1. In addition to the minimum requirements for the composition and background of members of a bank's Board of Directors, it also defines the structuring of the bank's internal control system. These requirements are complemented by the Public Corporate Governance Act (PCGA), the Kantonbank Act and the associated ordinances.</p> <p>The PCGA defines the requirements placed on the Board of Directors as a strategic management body, including limits on the members' ages and terms of office, an appropriate gender split and the independence of the management bodies in terms of their personnel. Double mandates on the Board of Directors and the Executive Board are precluded, thereby guaranteeing a strict separation of powers. The responsibilities, competencies and functioning of the Board of Directors and the Executive Board are further specified in the Organisational Guidelines and Regulations (see corporate governance section of the Annual Report 2023, from page 37 onwards).</p> <p>Sustainability forms part of the bank's overall strategy and is clearly expressed in its mission statement. The strategy and mission statement have been approved by the Board of Directors. The Executive Board is responsible for implementing them for the parent company. The Board of Directors supervises the means adopted to put the strategy and sustainability efforts into practice in accordance with the mission statement.</p> <p>The Executive Board and other appointed units (see GRI 2-13) 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.</p>
2-10	Nomination and selection of the highest governance body	<p>The members of the Board of Directors are elected by the Basel-Landschaft cantonal council. With due regard for the regulatory and legal provisions specified in GRI 2-9, the cantonal council sets out a requirements specification for the Board of Directors as a whole, for individual members of the Board of Directors and for the Chair. This is publicly available for inspection. This requires expertise in the following sustainability topics or their sub-aspects: Economic security, corporate governance (including members' Independence), risk management, compliance and integrity, digital innovation and transformation, and quality and customer satisfaction.</p> <p>Two members of the Board of Directors stepped down in the reporting year. Including the former representative of the canton, thus completing the depoliticisation of the BLKB Board of Directors. The individual members of the Board of Directors as at 31 December 2023 are introduced in the corporate governance section of the Annual Report 2023 (from page 43 onwards).</p>
2-11	Chair of the highest governance body	See corporate governance section of the Annual Report 2023 (p. 42).
2-12	Role of the highest governance body in overseeing the management of impacts	<p>See GRI 2-13, GRI 2-14, GRI 2-28 and GRI 2-29.</p> <p>The Canton of Basel-Landschaft, as main owner, specifies an owner strategy with targets for BLKB. The bank maintains an institutionalised dialogue with the canton. As part of regular owner meetings, a representative of the bank, consisting of members of the Board of Directors and the Executive Board, reports to the responsible Finance and Church Departments on the implementation of the owner strategy, including on aspects of sustainability.</p> <p>In connection with the BLKB's annual and sustainability reports, consultations take place at least once a year between the cantonal parliament's Finance Committee and representatives from the Board of Directors and Executive Board, which include a discussion of sustainability topics. In addition, the Cantonal Government approves BLKB's sustainability report in accordance with Article 964a et seqq. CO.</p>

Governance (2021)

GRI	Description	Data/reference
2-13	Delegation of responsibility for managing impacts	<p>Through its organisation, BLKB seeks to facilitate effective sustainability management. The Sustainability department of the Corporate Development & Sustainable Asset Management business unit, in close consultation with the CEO and Executive Board, is responsible for pressing ahead across the board with the bank's forward-looking approach. It develops and coordinates measures and is the first point of contact for queries and suggestions. As a member of the sustainability team, a sustainable finance manager specifically focuses on the integration of sustainability criteria for products and services. In addition, the team is implementing a multi-year project on BLKB's net-zero targets, which includes implementing the recommendations of the <i>Task Force on Climate-Related Financial Disclosures</i> and the <i>Net-Zero Banking Alliance</i> (see Climate risks and opportunities).</p> <p>To enshrine the forward-looking approach in the various business units, BLKB works with theme owners, a group of 15 or so employees from various specialist areas. Working in sometimes cross-functional teams, they assume responsibility for one or more sustainability topics. Measures are implemented by flexible work and project groups.</p> <p>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.</p> <p>Over and above this, BLKB has an external Sustainability Advisory Committee consisting of three members. Led by the sustainability officer, these three experts support BLKB on strategic and operational issues as well as 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, products and services, processes, corporate culture, as well as internal and external communications.</p>
2-14	Role of the highest governance body in sustainability reporting	The Board of Directors is informed about the concept and structure of the sustainability report during the development process and the Chairman of the Board of Directors approves these on behalf of the Board. The Board of Directors approves the sustainability report together with the annual report, whereby specifically the members of the Audit and Risk Committee critically analyse the content in advance.
2-15	Conflicts of interest	The code of conduct and the internal policy "Conflicts of interest" govern how conflicts of interest can be avoided and how existing conflicts of interest are to be dealt with.
2-16	Communication of critical concerns	The Board of Directors is notified of any incidents concerning regulated financial limits as part of Risk Control's normal in-house escalation process. In line with standard practice, the Board of Directors expects to be advised immediately of any other high-risk incidents and issues which, in particular, might threaten the bank's reputation.
2-17	Collective knowledge of the highest governance body	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, all members of the supervisory body underwent sustainability training on the focus topic of climate as well as training on preventing greenwashing and the associated risks.
2-18	Evaluation of the performance of the highest governance body	See compensation report in the Annual Report 2023 (p. 62).
2-19	Remuneration policies	See compensation report in the Annual Report 2023 (from page 57 onwards), Compensation Rules as well as description of management approach for employment in GRI 401 .
2-20	Process to determine remuneration	See compensation report in the Annual Report 2023 (from page 62 onwards).
2-21	Annual total compensation ratio	See compensation report in the Annual Report 2023 (from page 61 onwards).

Strategy, policies and practices (2021)

Non-financial reporting in accordance with Article 964a et seqq. CO:
– Social issues (GRI 2-27, 2-28)

GRI	Description	Data/reference
2-22	Statement on sustainable development strategy	See introductory section of this sustainability report , the management report in the Annual Report 2023 (from page 16 onwards) and information on the website .
2-23	Policy commitments	<ul style="list-style-type: none"> – Mission statement and action areas in the introductory sections of this report – Code of conduct – Sustainability agreement for service providers and suppliers – Various obligations and commitments in external memberships and initiatives, and in particular membership of the <i>Net-Zero Banking Alliance</i> (see GRI 2-28) <p>Information on radicant's sustainable corporate governance can be found under Responsible products and services, on purpose, vision and values in the Sustainability Report and code of conduct. You can find an overview of memberships with corresponding obligations on the website.</p>
2-24	Embedding policy commitments	<p>See GRI 2-13.</p> <p>BLKB implements various strategies, processes and measures to promote the various topics of its forward-looking approach and continuously improve its impact on people, society and the environment. Further details are presented in the relevant descriptions of the management approaches (see sustainability topics).</p>
2-25	Processes to remediate negative impacts	<p>BLKB adopts different approaches, depending on the topic, to mitigate negative impacts. Further details are presented in the relevant descriptions of the management approaches (see sustainability topics).</p> <p>BLKB employees can anonymously report any suspected irregularities to the whistleblower desk (see GRI 419).</p> <p>Employees of radicant can report (suspected) violations anonymously via the <i>radicant observer</i> (see Code of conduct and GRI 419).</p>
2-26	Mechanisms for seeking advice and raising concerns	<p>See GRI 2-29, GRI 2-13 and a description of the internal whistleblowing process via the whistleblower desk GRI 419.</p> <p>See radicant's code of conduct and GRI 419 for rules of conduct at the subsidiary.</p>
2-27	Compliance with laws and regulations	<p>See GRI 419-1.</p> <p>BLKB provides information on compliance with laws and regulations in line with its banking and business confidentiality requirements.</p>
2-28	Membership associations	<p>BLKB is a member of key sustainability associations, where it plays an active role. BLKB's active contribution is illustrated, among other things, by the involvement of Alexandra Lau, member of the Executive Board and head of Corporate Development & Sustainable Asset Management, in <i>Swiss Sustainable Finance</i>. As Board member, she campaigns for a sustainable, responsible banking sector. Together with the sustainability officer, she is also a member of the advisory committee of the <i>Swiss Climate Foundation</i>. BLKB is a member of <i>swisscleantech</i>, an association that champions a climate-compatible economy in Switzerland. BLKB is also a founding member of the Basel region <i>Swiss Triple Impact</i> platform. It thus supports the implementation of the <i>Sustainable Development Goals</i> by Swiss SMEs. BLKB was also the first regional bank to become a member of the <i>Net-Zero Banking Alliance</i> (NZBA) in 2021.</p> <p>All present BLKB memberships can be viewed on the website, with further commitments listed in GRI 201. The relevant memberships of radicant (e.g. of <i>Swiss Sustainable Finance</i>) are listed online.</p>

Stakeholder engagement (2021)

Non-financial reporting in accordance with Article 964a et seq. CO:
– Social issues (GRI 2-29)

GRI	Description	Data/reference
2-29	Approach to stakeholder engagement	<p>A central principle in relation to stakeholder management is to maintain a transparent, clear and honest dialogue with the various stakeholders. BLKB prepares information in line with its branding and communication strategy.</p> <p>Stakeholder involvement is reflected in various activities: Memberships of associations and commitments (see GRI 2-28), media activities, complaints and feedback management (see GRI 417), events with corporate and private customers, employee surveys and discussions (see GRI 401), owner meetings (see GRI 2-12), materiality process, networking meetings of the theme owners or blog contributions in the Sustainability category on the BLKB website. By means of surveys, the bank also identifies the needs of (prospective) customers on a thematic and/or segment-specific basis.</p> <p>BLKB has regularly conducted a materiality process since 2014 and has reported on the focal points and improvements in sustainability management since 2001. The last evaluation and revision took place in 2022. As a first step, an online survey was conducted involving customers, partners, members of the Executive Board, the Board of Directors and the Sustainability Advisory Committee, theme owners as well as representatives from politics, the Chamber of Commerce of the two Basel cantons, associations and other NGOs. The survey covers the following aspects: relevance of material topics, BLKB's performance and impact of the bank's business activities on society, the environment and the economy. Based on the results, the second step involved holding a workshop during which in-house and external participants held in-depth discussions on the topics of "Quality and customer satisfaction", "Responsible products and services" and "Regional value creation", and developed ideas for possible measures and commitments.</p> <p>Not only did this allow the materiality matrix to be updated, it also provided BLKB with valuable feedback on its focal points in sustainability management and useful suggestions for further developments. At the same time, this reflected the bank's efforts to cultivate relations with the people around it.</p> <p>radicant's business model is based on the 17 <i>Sustainable Development Goals</i> (SDGs) of the United Nations – amongst other things in terms of clear positioning and active public communication (advocacy). This includes active participation in associations and initiatives such as <i>Swiss Sustainable Finance</i> as well as regular posts on blogs, social media and other channels.</p>
2-30	Collective bargaining agreements	<p>BLKB formulates its own terms of employment, which are based on Swiss legislation, standard conditions for the sector as well as ethical principles and BLKB's corporate values. None of its employees are subject to collective bargaining agreements.</p>

Material topics

Disclosures on material topics (2021)

GRI	Description	Data/reference
3-1	Process to determine material topics	See Materiality analysis and GRI 2-29 .
3-2	List of material topics	See Materiality analysis and GRI 2-29 .

Economic topics

GRI 201: Economic performance (2016)

GRI	Description	Data/reference
3-3	Management approach for economic performance	<i>The following section focuses on the sustainability topics of "Economic security", "Commitment to wider society", "Digital innovation and transformation" and, up to a point, "Regional value creation". The latter is also discussed in GRI 204 in relation to the topic of procurement (see Sustainability topics).</i>

Description of topics and impacts

The owner strategy of the Canton of Basel-Landschaft states that: "The purpose of BLKB is to contribute, within a competitive framework and in accordance with its financial means, to the balanced economic and social development of the canton and of Northwest Switzerland." This is founded on a healthy business performance with a good, long-term economic track record. BLKB works continuously to seize opportunities arising from changing customer requirements in a dynamic environment. At the same time, through its business activities, it is able to support companies, indirectly create jobs and contribute to the attractiveness of Northwest Switzerland as a business location. Due to the pivotal role played by banks in an economy, their business activities and the manner in which they go about these activities have potentially far-reaching consequences for society's well-being. BLKB acts in a sustainable way in accordance with high ethical standards, as prescribed in the owner strategy: "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."

Policies, management tools and processes

The owner strategy defines BLKB's clear public service mandate. Its most important principles are: stability, sustainability, risk awareness and regional focus. The owner strategy specifies a clear commitment to the Northwest Switzerland region. According to that strategy, its primary mission is to deliver basic banking services in the canton. BLKB provides these services through a dense and well-managed branch network as well as continuously optimised digital channels that enable easy access to financial services and advice at any time and from any location. The bank also contributes to the availability of basic banking services by granting mortgages and loans to companies and public-sector institutions. In return, the canton guarantees BLKB's liabilities in the event of a crisis should the latter's own means not be sufficient (state guarantee; see [GRI 201-4](#)). Provided the requirements of the owner strategy are not infringed, and no extraordinary risks are entered into, the bank is permitted to do business outside the region and abroad. In compliance with these framework conditions and with a solid equity ratio that significantly exceeds the minimum legal requirements, BLKB pursues its strategy and, in doing so, contributes to the economic stability of the region.

BLKB is convinced that partnerships will have a positive impact on the further development of its business model and its capacity for innovation. The bank has systematically expanded its collaboration with strategic partners in recent years, such as with the private bank [Lombard Odier](#) in the field of sustainable investment services, with the digital asset manager True Wealth AG for "[Digifolio](#)", with NNH Holding in the [real estate sector](#) and with [swispeers](#) in the SME financing segment. This development approach also resulted in the establishment of the wholly owned subsidiaries [radicant bank ag](#) ([radicant](#)) in 2021 and BLKB Services AG in 2022. A strategy has been drawn up for the 2023 to 2027 strategy period that includes both the parent company and the strategic orientations of the two subsidiaries. At the heart of this strategy are the three strategic objectives of sustainable growth, diversification, as well as efficiency and the advisory experience.

BLKB Services AG, which was founded in 2022, was still under development in the reporting year. In mid-January 2024, the Swiss Financial Market Supervisory Authority FINMA approved it as a FINMA-regulated fund management company. It is expected to be launched on the market in the first quarter of 2024 with its strategic real estate advisory services, Real Estate Advisory. The sustainable BLKB real estate fund is currently under development.

[radicant](#) completed its full market launch in the reporting year. The bank operates as an independent subsidiary in the Swiss financial centre and positions itself as a digital sustainability bank. It is intended to contribute to the diversification of BLKB's earnings and target customer markets. It also expresses the Group-wide strategic importance of sustainability. [radicant](#) offers its products and services via its own mobile banking app. A team of developers in Portugal is responsible for the front-end and back-end development of the app. This *radicant innovation hub* is a wholly owned subsidiary of [radicant](#).

GRI 201: Economic performance (2016)

GRI	Description	Data/reference
		<p>Beyond its core business, BLKB sees itself as a partner to the region and has sponsorship commitments to promote regional, cultural and social issues. In order to be considered for support, projects must be able to demonstrate that they have a link with Northwest Switzerland, benefit the community and meet BLKB's sustainability criteria (see Sponsorship guidelines). BLKB's multi-faceted commitment comprises long-standing as well as new projects. As a future-oriented bank, BLKB is committed to reducing the environmental footprint of the events and projects it supports. Together with Theater Basel, for example, efforts are being made to reduce the environmental footprint of theatre performances. The CO₂ emissions of events that take place within the scope of their sponsorship commitments are offset through their commitment to regional biodiversity projects of the Forstbetrieb Frenkentäler forest management association. Offsetting took place for the first time in 2022 for sponsorship activities in connection with the Swiss Wrestling and Alpine Festival (ESAF) in the Basel region.</p> <p>A selection of BLKB's commitments:</p> <ul style="list-style-type: none"> – <i>100 fürs Baselbiet</i> ("100 for Basel Region"): In cooperation with the University of Applied Sciences and Arts Northwestern Switzerland and the Basel-Landschaft regional development agency, BLKB promotes innovative SMEs and start-ups with links to the region. – <i>BLKB bei uns</i> ("BLKB with us"): In the reporting year, BLKB refashioned the certificate meeting as <i>BLKB bei uns</i>. Three public events were held in Pratteln, Sissach and Laufen, attracting a good 10,000 visitors. The programme featured local and regional artists and celebrities, as well as associations and restaurateurs. BLKB certificate holders received food vouchers. Anyone who was unable to attend could alternatively obtain a Baselland Card or have a donation made. BLKB also makes relevant information about the bank's business performance available online. The event in Pratteln was something special: It took place one year after the Swiss Wrestling and Alpine Festival (ESAF) in 2022, which BLKB had supported as main partner. There, BLKB featured a revival of the ESAF, which rounded off its enormous commitment to this very unique regional festival. As an additional expression of gratitude, BLKB subsequently presented each of the three host communities with a donation of CHF 5,000. In 2024 – the bank's 160th anniversary – BLKB will be bringing its <i>BLKB bei uns</i> event to the municipalities of Liestal BL and Aesch BL. – BLKB Foundation for Culture and Education: The foundation fosters cultural events and projects as well as professional and scientific talent in mathematics, information technology, natural sciences and technology. Every year, it awards the Kantonalbank Prize to individuals or institutions who make an outstanding contribution to the Canton of Basel-Landschaft. Since 2019, the foundation has also promoted the volunteer work done in clubs and associations throughout the canton every year through its BLKB sponsorship award. Both prizes are endowed with CHF 10,000 each. – <i>BLKB-Zukunftsbatzen</i> ("BLKB Money for the Future"): With its <i>BLKB-Zukunftsbatzen</i>, BLKB has been providing targeted support to promote the participation of children and young people in regional sporting events since mid-2023. This joint effort with the Office of Sport of Baselland aims to encourage both a love of sport and an active commitment to club life in the region. – Caritas beider Basel: Through this partnership, BLKB gives people hit by poverty in the Basel region access to the Caritas advisory services. – <i>FinanceMission</i>: Via <i>FinanceMission</i>, BLKB supports an innovative learning game to enhance the financial skills of secondary schoolchildren (financial literacy). – "Jobs for Juniors" card: With the "Jobs for Juniors" debit card, BLKB has long supported a private initiative for improving the prospects of young people on the regional job market – to the tune of CHF 571,540 in the year under review. The sum donated is split equally between Job Factory Basel AG and KMU-Lehrbetriebsverbund AG (SME apprenticeship association). – <i>Jugendbudget.ch</i>: <i>Jugendbudget.ch</i> is a joint initiative of all the Swiss cantonal banks aimed at promoting financial expertise among young people. – Pro Senectute beider Basel: BLKB supports the Pro Senectute beider Basel foundation, thus emphasising its commitment to the well-being of seniors and intergenerational solidarity in Northwest Switzerland. – Swiss Innovation Challenge: In cooperation with the University of Applied Sciences and Arts Northwestern Switzerland and the Baselland Chamber of Commerce, BLKB promotes innovative start-ups and SMEs. – <i>Tag der Wirtschaft</i> ("Business Day"): BLKB is the main sponsor of this one-day conference at which representatives from the worlds of business, politics and society in Northwest Switzerland meet to exchange views on relevant topics. – Club and event sponsorship: BLKB supports local clubs, organisations and events, thereby promoting active participation in clubs and events in Northwest Switzerland.

GRI 201: Economic performance (2016)

GRI	Description	Data/reference
		<p>Evaluation</p> <ul style="list-style-type: none"> – Key figures: BLKB’s performance is reviewed continually on the basis of relevant key data (see key financial data in the Annual Report 2023). The Executive Board communicates the business developments to employees and the Board of Directors, to external stakeholders such as customers, investors and regulators, as well as to the general public (see Investor relations). – Strategy controlling: Once a year, the strategy is reviewed centrally with a view to the status of strategy implementation, the strategic risks, the market and competition as well as current trends in the bank’s environment. The Executive Board decides whether to make any adjustments based on the results obtained. – Risk management: The bank has an integrated risk management and an independent risk control system headed by the Chief Risk Officer (CRO). The CRO is subordinate to the CFO but reports directly to the Executive Board and the Board of Directors. – Audit: On behalf of the Board of Directors, Internal Audit examines, assesses and advises with regard to the bank’s efficiency and to the effectiveness of risk management and the internal control functions. Furthermore, the external auditors conduct a yearly assessment of the correctness of BLKB’s annual financial statements, comprising the balance sheet, income statement, statement of cash flow, statement of equity, and notes. This also covers the correct presentation of its financial situation and earnings in the annual report. – Ratings: BLKB is regularly assessed by external experts from the financial market and civil society. These ratings are in many cases published and used by stakeholders – and also by the bank itself – as a source of information (see “Guidelines, management instruments and processes” above).
201-1 a-b	Direct economic value generated and distributed	<p>See income statement and profit appropriation and the notes to the financial statements in Annual Report 2023 (from page 68).</p> <p>The economic value of BLKB and its subsidiaries is generated and distributed in Switzerland (exceptional cases: cross-border commuters among employees; employees of individual partners or suppliers abroad; <i>radicant innovation hub</i> in Portugal, a subsidiary of radicant).</p>
201-2 a	Financial implications and other risks and opportunities due to climate change	See Climate risks and opportunities , “ Management approach for Responsible products and services ” and “ Management approach for energy ” in GRI 302 .
201-4 a	Financial assistance received from government	<p>The Kantonbank Act of 1 January 2018 determines the state guarantee for BLKB. Article 4 stipulates that the canton guarantees the bank’s liabilities should the latter’s own means not be sufficient. In return for the state guarantee, BLKB pays the canton a fee calculated on the basis of the risk amount and the probability of default. Moreover, in its capacity as a public-law entity, BLKB is exempt from direct federal taxes as well as taxes in the Canton of Basel-Landschaft.</p> <p>In 2023, BLKB distributed the sum of CHF 68.7 m to the Canton of Basel-Landschaft.</p>

GRI 203: Indirect economic impacts (2016)

GRI	Description	Data/reference
3-3	Management approach for indirect economic impacts	See description of management approach for economic performance in GRI 201 .
203-1 a-c	Infrastructure investments and services supported	<p>As part of its lending business, BLKB supports companies from a wide range of sectors (including infrastructure) throughout Switzerland, but especially in Northwest Switzerland. In the year under review, BLKB entered into various cooperative ventures in the area of infrastructure or continued to foster existing ones, such as Baselbieter Energiepaket and home2050.</p> <p>For more information, see "Management approach for economic performance" in GRI 201 as well as the management approach to Responsible products and services and the information contained in Key data on the forward-looking approach.</p>
203-2 a	Significant indirect economic impacts	<p>BLKB's economic impact is shown in the "Management approach for economic performance" in GRI 201 as well as in the management report and income statement in the Annual Report 2023. In addition, BLKB discloses the volumes of mortgage and other types of lending in Northwest Switzerland and other parts of Switzerland (see Key data on the forward-looking approach).</p> <p>Indirect (socio-)economic impacts are not specifically quantified.</p>
BLKB	Further information on indirect economic impacts	<ul style="list-style-type: none"> – Employee compensation: Total compensation paid by the parent company in the year under review amounted to CHF 108,256,019. – Profit appropriation: See the income statement and the profit appropriation as well as the management report in Annual Report 2023 (p. 68 and 9). – Purchasing volume: See GRI 204-1.

GRI 204: Procurement practices (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:
– Respect for human rights
(GRI 204)

GRI	Description	Data/reference
3-3	Management approach for procurement practices	<p><i>The following information relates to the sustainability topics "Risk management, compliance and integrity" and "Regional value creation" or sub-aspects thereof (see Sustainability topics).</i></p> <p>Description of topics and impacts The procurement of goods and services by BLKB involves financial, environmental and social impacts in the value chain both upstream and downstream (see GRI 2-6). BLKB aims to prevent compliance or reputational risks through its approaches and to have the most positive impact on society, people and the environment through its sphere of influence.</p> <p>Policies, management tools and processes 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 and ownership. One of BLKB's principles is to favour regional suppliers and service providers as a means of supporting the local economy and reducing risks.</p> <p>Purchases of goods worth CHF 3,000 or more are based on a structured decision-making process that complies with internal directives and work instructions and incorporates sustainability criteria. These criteria include: shelf life, replacement parts/replacement parts guarantee, device exchanges/replacements during repairs, interchangeability of individual components, 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.</p> <p>A sustainability agreement has been an integral part of agreements that BLKB makes with external service providers and suppliers since 2021. In addition to environmental obligations (relating to compliance with environmental laws, reducing climate impact, etc.), the agreement also encompasses social obligations in particular. For example, it must be ensured that services and foreign production 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. In the year under review, BLKB's suppliers also underwent 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 <i>Children's Rights in the Workplace Index</i> did not reveal any indication of risk exposure.</p> <p>radicant has incorporated sustainability aspects in various internal procurement directives (see Responsible products and services). The subsidiary also publishes an overview of its 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.</p> <p>Evaluation</p> <ul style="list-style-type: none"> – Internal Audit: BLKB's procurement process is reviewed as part of the internal audit. Its results are discussed and, if any issues are identified, remedial measures are implemented. – Monitoring in partner management: As part of BLKB's partner management approach, key figures are also used to monitor business relationships on an ongoing basis.
204-1 a-c	Proportion of spending on local suppliers	<p>See Key data on the forward-looking approach.</p> <p>In the reporting year, 85% of the goods and services procured by the bank in the infrastructure area – including construction and trade contracts – were procured in the region. "Region" means the Cantons of Basel-Landschaft, Basel-Stadt, Aargau and Solothurn.</p>

GRI 205: Anti-corruption (2016)
GRI 206: Anti-competitive behaviour (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:
 – Anti-corruption (GRI 205)

GRI	Description	Data/reference
3-3	Management approach for anti-corruption	See description of management approach for socioeconomic compliance in GRI 419 .
205-1 a-b	Operations assessed for risks related to corruption	<p>Compliance risks, including corruption risks, affect all BLKB employees. Corruption encompasses active and passive bribery as well as the acceptance and granting of benefits. In executing its function, Legal & Compliance accords top priority to ensuring that business activities are consistent with current laws and standards (see the notes to the financial statements in Annual Report 2023, p. 82). Beyond the established processes (training and control), there have not been any grounds for specific corruption checks to date. Nor were any significant corruption risks identified.</p> <p>For information on dealing with corruption risks at radicant, see GRI 205-2 a-e below.</p>
205-2 a-e	Communication and training about anti-corruption policies and procedures	<p>BLKB's code of conduct is an integral element of the terms of employment of all bank employees. Among other things, it includes anti-corruption provisions. Training and awareness-raising in the form of mandatory e-learning programmes are also provided, generally every two to three years. The e-learning programmes cover topics such as anti-corruption, money laundering legislation, fraud prevention and general rules of conduct. New employees are trained in corresponding modules within their first three months as part of their induction.</p> <p>All members of the Board of Directors (highest supervisory body) are aware of the rights and duties in connection with their office. BLKB does not provide specific training on the topic of anti-corruption for the Board of Directors, since expertise regarding compliance issues within the financial industry is a prerequisite for holding such office. For more information about the Board of Directors and action taken in relation to conflicts of interest, see the corporate governance report in Annual Report 2023 and GRI 2-15.</p> <p>The sustainability agreement has been a fundamental part of all of BLKB's new contracts with service providers and suppliers since 2021. It states that they must comply with legal provisions and fulfil the social and environmental obligations that apply in Switzerland and abroad (see description of management approach for procurement practices in GRI 204).</p> <p>As a universal bank licensed by FINMA, radicant also meets all the requirements of the supervisory authorities with regard to combating corruption and money laundering (see Responsible products and services). Information on dealing with legal risks can be found in the code of conduct and under "Risk management and risk control principles" on the website.</p>
205-3 a-d	Confirmed incidents of corruption and actions taken	Total number of confirmed incidents of corruption in the 2023 reporting year: none.
3-3	Management approach for anti-competitive behaviour	See description of management approach for socioeconomic compliance in GRI 419 and in particular the code of conduct of BLKB and the code of conduct of radicant, which oblige all employees to use fair and responsible business practices.
206-1 a-b	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Number of legal actions regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in the 2023 reporting year: none.

Additional material topic:
Responsible products and services

Non-financial reporting in accordance with Article 964a et seqq. CO:
 – Environmental issues (Responsible products and services)
 – Respect for human rights (Responsible products and services)

GRI	Description	Data/reference
3-3	Management approach for responsible products and services	<p>Description of topic and impacts</p> <p>BLKB strives to offer its customers products that incorporate sustainability aspects in all business areas. In its financing and investment decisions, the bank systematically integrates ESG (environmental, social and governance) criteria in addition to financial criteria. Integrating these aspects into the analysis processes for investment and lending operations leads to more comprehensive risk management and a forward-looking orientation of the portfolio. 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. Taking social and environmental aspects into account in its core business is therefore not only important in terms of BLKB's ability to offer better products and make a positive contribution to people, society and the environment, but also with respect to protecting and strengthening the bank's reputation.</p> <p>Policies, management tools and processes Sustainability skills and knowledge transfer</p> <p>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 addition to training sessions accompanying the implementation of the two directives of the Swiss Bankers Association (SBA) on the integration of ESG preferences in investment advice and on the topic of energy efficiency in building financing (see below), BLKB conducted in-depth training sessions on ESG in the investment sector and greenwashing in 2023. The greenwashing training sequence was developed in collaboration with the Lucerne University of Applied Sciences and Arts. All employees in management positions and relevant departments such as product management and marketing have received mandatory training. BLKB also uses a training video to raise awareness of greenwashing among all other employees, including customer advisors (see description of management approach for marketing and communication in GRI 417).</p> <p>At the same time, BLKB uses its memberships in relevant initiatives and associations to further develop its commitment to sustainability. The Association of Swiss Cantonal Banks, the <i>Net-Zero Banking Alliance</i>, <i>Swiss Sustainable Finance</i> and the UN PRI (United Nations <i>Principles for Responsible Investment [PRI]</i>) are of the utmost importance for the bank's efforts to anchor sustainability in its core business and expand its knowledge accordingly (see GRI 2-28).</p> <p>The transfer of knowledge and the development of expertise in the field of sustainability are also important to BLKB in its broader sphere of influence. In addition to its involvement in the above-mentioned networks, BLKB is a founding partner of the <i>Swiss Triple Impact</i> platform for the Basel region. This enables the bank to offer its corporate clients additional advisory services aimed at gearing business activities toward sustainability. As part of this programme, companies are aided in their efforts to develop sustainability targets and subsequently achieve them. The aim is to act as partner to SMEs, in particular, gain access to services offered under the programme.</p> <p>Lending operations</p> <p>The most important framework for BLKB's lending business is the risk policy, which is defined by the Board of Directors (see GRI 201 and 419). It ensures that only risks for which the bank will be compensated and whose occurrence does not jeopardise BLKB's continued existence are accepted. At the same time, the bank must meet the credit needs of the local economy and population to the best of its ability. These requirements determine the processes, instruments and principles of lending operations. Compliance with risk tolerance is reported on in the aggregate risk report (see GRI 419). The Risk Control department also reports regularly on the development of the loan portfolio to the Credit Committee, to the Executive Board and to the Audit and Risk Committee of the Board of Directors. The internal policy on credit approval processes sets out the decision-making powers in this business area. The levels involved range from the sales units through to the Credit Committee appointed by the Executive Board itself.</p> <p>Prior to lending, BLKB checks the proposed use, and evaluates the collateral and the integrity of the credit recipient in line with the know-your-customer principle. In the case of corporate clients, a detailed analysis of the business model is also part of this process. When granting commercial loans, the company's entire value chain is considered: Information on procurement, transformation, production, sales and disposal serves as an important basis for decision-making. Lending transactions which do not meet the bank's requirements, or for which the necessary transparency is unavailable, are rejected.</p>

Additional material topic: Responsible products and services

Non-financial reporting in accordance with Article 964a et seqq. CO:

- Environmental issues (Responsible products and services)
- Respect for human rights (Responsible products and services)

GRI	Description	Data/reference
		<p>BLKB has defined exclusion and risk sectors for the lending process. This classification is based on the following risks: damage to health, ethical risks, climate change and decline in biodiversity. To establish whether a company operates in exclusion sectors or risk sectors or has material links with them, BLKB customer advisors follow a corresponding guideline and use an ESG questionnaire.</p> <p>Exclusion sectors:</p> <ul style="list-style-type: none"> – Mining of coal (anthracite/lignite) and iron ore – Uranium and thorium ore extraction – Extraction of crude petroleum and natural gas – Manufacture of weapons – Manufacture of military combat vehicles <p>Risk sectors:</p> <ul style="list-style-type: none"> – Tobacco – Gambling – Nuclear energy/operation of fossil power stations – Manufacture of aircraft – Genetically modified organisms in agriculture – Production of adult entertainment <p>BLKB defines exclusion sectors as being those with very high ESG risks, which also includes risks in the area of human rights. Any companies active in exclusion sectors that apply for financing must be turned down without any further assessment. Loan requests from companies that operate in risk sectors or have material links to an exclusion and/or risk sector are examined in detail to obtain a nuanced appraisal of the risks. This assessment is performed by the bank's internal Credit Committee. This is BLKB's ultimate credit authorisation body, and its members include the head of Credit Risk Management, the head of Financial & Risk Management and the member of the Executive Board responsible for corporate clients. If necessary, the Credit Committee may also involve the Sustainability department and the external Sustainability Advisory Board (see GRI 2-13). To identify reputation risks, structured financing is subject to a specific internal review process commensurate with the size and risks of the transaction in question.</p> <p>When financing commercial real estate, BLKB helps corporate clients operate their properties more energy-efficiently to reduce costs. To that end, BLKB and Energie Zukunft Schweiz have developed an offer that includes a building analysis.</p> <p>BLKB's "Energie-Hypothek" ("Energy Mortgage") is a bespoke solution that enables mortgage customers to invest in improving their property's energy efficiency at attractive financing terms. Since the year under review, the offer has not only been available for refurbishments, but also for new builds with environmentally friendly certifications and wood structures. BLKB has additionally introduced sustainability and renovation advice for private single-family and holiday homes as part of the SBA self-regulation "Guidelines for mortgage providers on the promotion of energy efficiency". Customer advisors assess a property to help identify which renovations are needed, increase its energy efficiency and ultimately ensure that it retains its value in the long term. To this end, BLKB adapted the documents and principles of the advisory process accordingly and provided training sessions prior to rollout.</p> <p>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 counselling complete with tailored offers for the installation of a replacement heating system, a photovoltaic system or an electric car charging station. BLKB continues to participate in the Baselbieter Energiepaket ("Basel Region Energy Package"), the canton's development programme for energy efficiency measures and renewable energy in buildings. As part of this commitment, BLKB organises several events per year for property owners and SMEs on the topic of energy-efficient buildings.</p> <p>Through this initiative, BLKB is supporting the drive towards energy-efficient refurbishment in the Northwest Switzerland region. Above all, BLKB provides its customers with comprehensive support through forward-looking financial planning – also with a view to future regulations and possible subsidies related to buildings' climate-related impacts.</p>

Additional material topic: Responsible products and services

Non-financial reporting in accordance with Article 964a et seqq. CO:

- Environmental issues (Responsible products and services)
- Respect for human rights (Responsible products and services)

GRI	Description	Data/reference
		<p>Investment and asset management business</p> <p>BLKB's investment business is based on its investment philosophy. BLKB invests its customers' money on the financial market while safeguarding their interests and with a focus on an optimised risk/return ratio. For BLKB, this includes not only a routine financial analysis, but also the systematic consideration of relevant ESG topics.</p> <p>In the actively managed portfolios, the Investment Centre evaluates equities and bonds in a multi-stage analysis process: A negative analysis excludes in full certain sustainability risks that are particularly problematic from a risk/return perspective (damage to health, climate change, loss of biodiversity or human rights, etc.) or certain areas of activity. This is the starting point for the positive analysis, which involves making a selection on the basis of continually reviewed ESG evaluations (best-in-universe strategy). In a final step, a renewed financial analysis is undertaken, with due consideration to the relevant ESG criteria. Usable third-party funds likewise undergo an analysis incorporating ESG criteria.</p> <p>In terms of active asset management, the resulting investment solutions notably include the "BLKB Next Generation Strategy" funds and the newly launched "BLKB Selection (CH) – Equity Switzerland Focus". In addition, in the passive investment field, BLKB offers funds such as "BLKB iQ Responsible World ex. Switzerland," which also systematically incorporate ESG factors. These offerings are supplemented by asset management mandates and structured products, i.e. tracker certificates for equity baskets.</p> <p>BLKB's diverse investment solutions, wide range of funds and different service models offer just the right solutions for different customer segments and enable private investors to participate in financial market developments, even with small amounts, and to invest their money sustainably. In addition, the "Duo" and "Trio" custody account services in e-banking give customers access to a research recommendations list with equity recommendations that systematically factor in sustainability criteria.</p> <p>BLKB attaches importance to improving the transparency of its investment business. The financial report contains sustainability summaries that show investment customers – simply and in an easy-to-understand manner – how portfolios are classified in terms of sustainability. Further background information can be found in a separate section of the website. BLKB will also systematically record the ESG preferences of new custody account customers from 2024 and those of existing customers from mid-2024. This is being done to implement the SBA self-regulation "Guidelines for the financial service providers on the integration of ESG preferences and ESG risks into investment advice and portfolio management". To this end, BLKB has developed a customer-friendly approach in order to accurately document sustainability needs. Investment solutions can be better aligned with clients' ESG needs based on the preferences identified those preferences can be taken into account when recommending and implementing investment decisions.</p> <p>For BLKB, a responsible investment approach also involves systematically exercising its voting rights and engaging in targeted dialogue with the companies in the portfolio. To that end, the bank drew up an active ownership concept in the year under review that will substantially strengthen its existing approach from 2024 onward, thereby enabling BLKB to represent the interests of its investment customers even more systematically going forward. The bank's goal is to bolster the positive and sustainable long-term results of the invested companies, which ultimately helps safeguard the investments' sustainability and value of on behalf of its customers.</p> <p>Basic banking business</p> <p>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 <i>Wald von morgen</i> ("Forests of tomorrow") project in cooperation with <i>WaldBeiderBasel</i> (association of local forest owners), this savings account enables account holders to support a regional project that contributes to climate protection. The interest from this account is currently being used to plant climate-resistant trees in the Basel region.</p> <p>The "Geschenkspar konto 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 <i>Wald von morgen</i> project.</p> <p>Customers can also purchase precious metals from BLKB, particularly 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</p>

Additional material topic: Responsible products and services

Non-financial reporting in accordance with Article 964a et seqq. CO:
 – Environmental issues (Responsible products and services)
 – Respect for human rights (Responsible products and services)

GRI	Description	Data/reference
		<p>special due diligence and transparency obligations as a result. The ordinance does not apply to BLKB, however, as it purchases gold directly from other Swiss banks. The gold has also been accredited by LBMA (<i>London Bullion Market Association</i>), which ensures that it originates 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.</p> <p>radicant's products and services radicant, a wholly owned subsidiary of BLKB, has a mobile banking app through which it offers digital asset management to private customers in Switzerland, along with account management, payment processing, debit cards and payment services such as Apple Pay, Google Pay and Twint. radicant's business model is based on the 17 <i>Sustainable Development Goals</i> (SDGs) of the United Nations – in terms of operations and governance, clear positioning and active public communication (advocacy) as well as, in particular, products and services.</p> <p>Sustainable corporate governance not only means that radicant measures its financial performance, but also that it develops sustainability-relevant targets. Sustainability aspects are also enshrined in internal directives governing procurement, business travel and partner management, and the bank voluntarily publishes a sustainability report. As a universal bank licensed by FINMA, radicant additionally 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 the combating of corruption and money laundering. For this, the most important principles and principles are set out in radicant's <u>code of conduct</u>, which is binding for all employees. radicant makes a targeted effort to teach its employees about sustainability through its SDG Academy. As part of its focus on advocacy, it also invites customers and partner companies to attend the courses on offer. Moreover, radicant is actively involved in associations and initiatives such as <i>Swiss Sustainable Finance</i>.</p> <p>radicant's sustainability efforts are most clearly reflected in the design of its products and services. The sustainable investment products focus on companies making a positive contribution to society and the environment, which radicant identifies in a multi-stage investment process. Investable companies' impacts on the environment, society and the economy are measured using a specially developed <u>SDG Impact Rating</u> based on the 17 SDGs. Every company receives a score (SDG Impact Score) between -100 and +100. Anything with a total score of >20 is a "net positive". As the next step, the bank checks something referred to as do-no-significant-harm criteria. These criteria state that, even if a company's overall rating is "net positive", it must not have a significantly negative impact on any individual SDG in the ratings. Finally, radicant analyses whether the company is a solutions provider (see #raditags) and therefore makes a positive contribution to the SDGs. It also checks whether none of the standards-based or sectoral <u>exclusion criteria</u> applies. 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.</p> <p>Once this process is complete, radicant's portfolio managers will have access to a differentiated selection of equities and bonds of investable companies. It is on this basis that they actively manage the three sub-funds "Swiss Sustainable Equities", "Global Sustainable Bonds" and "Global Sustainable Equities" that comprise the "radicant SDG Impact Solutions" investment fund. The fund is domiciled in Liechtenstein and pursues both a sustainability objective and a financial objective. It is classified as <i>SFDR Article 9</i> or <i>dark green</i> under the European Union's <i>Sustainable Finance Disclosure Regulation</i> (SFDR).</p> <p>The investment fund is authorised for distribution in Switzerland and Germany. It forms the cornerstone of the sustainable investment mandate that radicant offers its customers. Customers can use the bank's app at any time to see which companies their money has been invested in and why based on the SDG Impact Rating and a description of each company's contribution to the SDGs. radicant considers this transparency essential and essential to its ability to set itself apart on the market.</p> <p>The financial sector plays a fundamental role in achieving the SDGs. radicant offers its customers the possibility of investing in individual SDG impact themes to take advantage of 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).</p>

Additional material topic: Responsible products and services

Non-financial reporting in accordance with Article 964a et seqq. CO:

- Environmental issues (Responsible products and services)
- Respect for human rights (Responsible products and services)

GRI	Description	Data/reference
		<p>When it comes to <u>banking services</u>, radican promotes sustainability in three ways: Firstly, radican invests some of its customers' 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 customers' level of sustainability awareness. One way it does this is by issuing virtual debit cards as the standard rather than physical cards. 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, radican hopes to make its customers aware of how their consumption impacts the environment.</p> <p>Targets BLKB (parent company) has committed to achieving net zero emissions by 2050 at the latest (see <u>Climate risks and opportunities</u>).</p> <p>Evaluation</p> <ul style="list-style-type: none"> – Internal Controls system: Processes in lending operations and investment business are subject to continuous review by the Internal Controls system, the results of which are presented to the Executive Board and the Board of Directors. – Internal Audit: Conducted at regular intervals, the reviews by Internal Audit cover structural and process organisation in lending operations and investment business. – External auditors: The external auditors review compliance with the legal and regulatory requirements, in particular regarding risk tolerances in the lending area. – Investment compliance: Automated functionalities in investment compliance ensure the highest possible degree of quality control in relation to investment. – PACTA study by the Federal Office for the Environment (FOEN): BLKB voluntarily participated in the most recent climate compatibility tests conducted by the Federal Office for the Environment as part of the PACTA studies (<u>Paris Agreement Capital Transition Assessment</u>) in 2022 (see indicator below).
BLKB	Volume of sustainably managed in-house investment funds	See <u>Key data on the forward-looking approach</u> .
BLKB	Financed emissions	<p>As part of an entity's direct emissions, Scope 3 of the <i>Greenhouse Gas Protocol</i> also measures emissions resulting from the use of the entity's products and services. In the case of banks, these are primarily financed emissions (category 15 under the <i>Greenhouse Gas Protocol</i>) (see <u>Climate risks and opportunities</u>). These emissions arise from the financing customers' activities in the real economy (e.g. by granting loans to) and from investments (e.g. via the purchase of equities in investment funds). These emissions are allocated to the bank on a pro-rata basis. BLKB aims to reduce these financed emissions to net zero by 2050.</p> <p>Financed emissions from the investment business</p> <p>As the results of the FOEN's 2022 PACTA climate test show, the products (funds and equity baskets) of BLKB (parent company) have a very low exposure to the carbon-intensive activities defined under PACTA (coal mining, upstream oil and gas business, oil and gas power stations, and combustion engine vehicles). The exposure for both equities and bonds averages out at 2% – a very low figure compared to the portfolios (investment products and, in some cases, own financial investments) of the other 30 banks assessed.</p> <p>The internal analysis of financed emissions linked to the Group-wide investment business in 2023 revealed a figure of 440,846 t CO₂e*. The year-on-year increase of 12% was attributable to growth in the parent company's investment volume and the consolidation of investment products from its subsidiary, radican.</p>

* BLKB: taken from the MSCI database with coverage of 57%; radican: taken from the ISS ESG database with coverage of 98%; each as at 31 December 2023

Additional material topic:
Responsible products and services

Non-financial reporting in accordance with Article 964a et seqq. CO₂:

- Environmental issues (Responsible products and services)
- Respect for human rights (Responsible products and services)

GRI	Description	Data/reference
		<p>Financed emissions of private and commercial mortgages</p> <p>Financed emissions of mortgages amounted to 130,146 t CO₂ in the reporting year (reporting date for calculations related to the financing business: 31 October 2023). The significant reduction compared to 2022 (218,023 t CO₂) is due to effective decarbonisation of the portfolio, an improvement in data quality and methodological changes. Around 10% of the CO₂ reduction in the mortgage portfolio resulted from the switch from fossil fuel-based heating systems to renewable heating systems. The rest of the reduction is attributable to more comprehensive and more valid data and methods: While the calculations are based on current building data from the Federal Register of Buildings and Dwellings (RBD), information regarding refurbishment years would make it possible to more accurately depict of the actual emission figures of older buildings. Lower emission factors for fossil fuels and adjustments to the reference period of climate data used have also resulted in a reduction of the calculated emissions.</p>

As the methods and standards for calculating emissions (see GRI 305-3 a-g) are being improved on an ongoing basis, corresponding fluctuations in the results can also be expected in the future.

Financed emissions in the mortgage portfolio

	2023		2022	
	Financed emissions (t CO ₂)	Weighted emission intensity (kg CO ₂ /m ²)	Financed emissions (t CO ₂)	Weighted emission intensity (kg CO ₂ /m ²)
Private mortgages	75,376	26.4	172,111	37.4
Commercial mortgages	54,770	23.0	45,912	38.2
Total mortgage portfolio	130,146	24.8	218,023	37.6

Additional material topic:
Responsible products and services

Non-financial reporting in accordance with Article 964a et seqq. CO:
 – Environmental issues (Responsible products and services)
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GRI	Description	Data/reference
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Financed emissions of commercial loans

BLKB's membership in the *Partnership for Carbon Accounting Financials* (PCAF) has resulted in a change to the calculation methodology used for commercial loan emissions in 2023: The figure of 357,000 t CO₂e used for 2023 did not include clear boundaries between Scopes 1 to 3. These can now be reported separately by using the emission factors of the *PCAF* data platform.

The total emissions from commercial loans in the year under review amounted to 97,204 t CO₂e (Scopes 1 and 2). If last year's portfolio is recalculated using the new calculation methodology, this results in 97,529 t CO₂e. In 2023, 2.6% of the commercial lending portfolio related to carbon-intensive sectors. These sectors account for 7.9% of the total emissions (Scope 1 and 2) in the corporate loan portfolio. Compared to the previous year, this figure has fallen by around 10%.

Carbon-intensive sectors according to the *Net-Zero Banking Alliance* (Scopes 1 and 2) of commercial loans*

Key figures	2023	2022
Share of credit volume	2.6%	4.5%
Absolute emissions (t CO ₂ e)	7,700	8,700
Share of financed emissions	7.9%	8.9%

Carbon-intensive sectors according to the *Net-Zero Banking Alliance* (Scopes 1 and 2) of commercial loans in 2023*

Sector	Share of credit volume	Share of financed emissions
Agriculture	0.016%	0.76%
Cement	0.009%	0.18%
Iron and steel	0.151%	2.64%
Oil and gas	0.281%	0.86%
Power generation	0.084%	0.01%
Transportation	2.02%	3.49%
Total	2.6%	7.9%

*According to the *Net-Zero Banking Alliance*, carbon-intensive sectors include the private and commercial real estate included in the mortgage portion. Neither the aluminium nor coal sector is represented in the BLKB portfolio.

Environmental topics

GRI 302: Energy (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:
– Environmental issues (GRI 302)

GRI	Description	Data/reference
3-3	Management approach for energy	<p><i>The following information describes BLKB's approaches in relation to the material topic of "Climate change, conservation and climate protection" (see Sustainability topics). The impacts of the bank's core business on the environment are discussed in detail in the description of the management approach in Responsible products and services and under Climate risks and opportunities.</i></p> <p>Description of topics and impacts</p> <p>As a forward-looking bank, BLKB is committed to the well-being of people, society and the environment. Climate protection is one of its key concerns. Operational environmental management at BLKB implements resource efficiency and climate protection measures. Energy management is focused on greenhouse gas emissions (GHG emissions), energy efficiency and the secure supply of energy (electricity, heat, cooling), which is immensely important for operating a bank. The bulk of the GHG emissions generated outside the banking business stem from the bank's heating requirements and business travel as well as from the consumption of paper. A smaller proportion is attributable to power demand, waste and water consumption.</p> <p>Policies, management tools and measures</p> <p>BLKB's environmental management is based on the objective of keeping the environmental footprint of the bank's operations as small as possible. This includes minimising GHG emissions and the consumption of natural resources. Compliance with the CO₂ Act as well as Swiss environmental protection, energy and CO₂ legislation is the minimum requirement and a matter of course. Over and above this, BLKB wants to be a role model and to strengthen its reputation as a sustainable company. That makes environmental management an important part of the bank's forward-looking approach.</p> <p>BLKB already reached an agreement with the federal government in 2000 regarding initial targets for reducing its CO₂ emissions and increasing the energy efficiency of its banking operations. This applied to the period from 2000 to 2012. A further target agreement followed for the period from 2013 to 2024 (see Targets). BLKB is therefore contributing to the voluntary measures taken by business to reduce CO₂ emissions, which the Swiss Confederation signed up to with its ratification of the Kyoto Protocol. BLKB is part of the Energy Model Group for Banks, through which the Energy Agency of the Swiss Private Sector (EnAW) fosters experience-sharing within the industry and reviews target achievement each year.</p> <p>To meet the targets agreed with EnAW, BLKB maintains a detailed action list. It checks this annually and enters the completed measures in the EnAW monitoring tool. A total of 70 measures were defined for the eight properties covered by the EnAW agreement on targets. These properties are responsible for around 60 to 70% of the emissions from banking operations. Similar action lists are also kept for the other properties.</p> <p>In its energy management, BLKB focuses on reducing energy demand, improving efficiency and using energy from renewable and environmentally compatible sources. 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 also uses district heating wherever possible, which covered 83% of its total heating requirements in the reporting year.</p> <p>GHG-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.</p> <p>At virtually unchanged climatic conditions (number of heating degree days: 1.53% lower than in 2022), heat consumption for heating the parent company's buildings fell by 5% overall. Calculated on a per-employee basis, the decline was as high as 10.5%. Greenhouse gas emissions per employee for building heating were reduced by 16.3%; this encouraging result was due not only to lower consumption, but also the conversion from oil-fired heating systems to heat pumps. After the Ettingen BL branch was equipped with a heat pump in 2022, the Grellingen BL branch has now also been using this environmentally friendly heating technology since autumn 2023.</p>

GRI 302: Energy (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:
– Environmental issues (GRI 302)

GRI	Description	Data/reference
		<p>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 purchased 100% of its electricity from Swiss hydroelectric power stations – the power source with the lowest GHG emissions. The bank’s own photovoltaic system on the roof of its head office also produces solar power (2023: 90,525 kWh/a) for its own use and for charging e-vehicles at public charging stations.</p> <p>Total electricity consumption for the parent company’s banking operations fell by 6% year-on-year and by 12.5% per employee. BLKB also uses 189,671 kWh of electricity for various charging stations at its head office and branches. The stations are available to employees and customers alike. Electricity consumption for the bank’s own vehicles (2023: 24,747 kWh) is included in the business trip KPI in the energy and environmental balance sheet.</p> <p>In the area of business travel, BLKB seeks to avoid unnecessary journeys, use eco-friendly transportation and generally boost energy efficiency, e.g. through greater use of electric vehicles. In recent years, BLKB has gradually expanded both its fleet of electric vehicles and its charging stations. At the same time, employees receive SBB vouchers in the value of a half-fare travelcard 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 conduct.</p> <p>Over the course of the reporting year, all of the bank’s own passenger cars were replaced by electric vehicles. From 2024, BLKB will rely purely on e-mobility. The average distance driven per head office employee for all business trips fell by 17.2%. When calculating greenhouse gas emissions for distances driven by private vehicles, it is still assumed that fuel-powered vehicles are used. As the number of employees driving their own electric vehicles on BLKB business is on the rise, this will result in an overestimation of the amount of greenhouse gas emissions. They still declined from a total of 259 kg/FTE to 205 kg/FTE.</p> <p>With respect to material management, BLKB aims to reduce its consumption. It purchases items made with the highest possible proportion of recyclable, recycled or eco-efficient materials (see GRI 204). 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 to further reduce waste. The different types of waste are systematically sorted and disposed of in accordance with current environmental standards.</p> <p>Paper consumption at the parent company was reduced to 76 kg/FTE (-22.4%) in the year under review. Of this, 92% was recycled paper. That figure was still at 205 kg/FTE ten years ago. The same applies to the generation of waste: 127 kg of waste per employee had to be disposed of in 2023, 46% of which was recycled and the rest incinerated. Ten years earlier, this figure was 240 kg/FTE with 33% recycled. Water consumption also depends on climatic conditions and in 2023 was in line with the previous year.</p> <p>In the year under review, the parent company reduced its greenhouse gas emissions per employee substantially by 19.6% to 616 kg/FTE. Reductions were achieved in all areas, meaning in Scope 1, Scope 2 and Scope 3. Direct greenhouse gas emissions (Scope 1) were reduced by 29.5%. The reduction in heating oil consumption was not only due to lower heating requirements (-5%) and a higher headcount (+5%), but also to the use of heat pumps.</p> <p>BLKB has been offsetting its operating emissions (GHG emissions from Scope 1 and 2 as well as sub-aspects of Scope 3 such as business travel, energy production, water treatment, waste disposal and purchased goods) since 2021 through a joint climate protection project with the Ebenrain Centre for Agriculture, Nature and Nutrition. In this programme, soil in the Canton of Basel-Landschaft is enriched with humus so that it serves as a CO₂ sink. Only in 2024 will it be possible to measure the effective CO₂-binding capacity and its contribution to offsetting.</p> <p>Targets</p> <p>Through its membership in the <i>Net-Zero Banking Alliance</i>, BLKB has undertaken to achieve net zero emissions in its financing business by 2050. To this end, the bank also develops targets for both its own operating emissions and GHG emissions in its core business. Intermediate targets are developed and communicated on an ongoing basis (see Climate risks and opportunities).</p>

GRI 302: Energy (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:
– Environmental issues (GRI 302)

GRI	Description	Data/reference
		<p>Under the agreement on targets with federal government, BLKB pledged to achieve the following targets for selected properties by 2023 versus the base year of 2013:</p> <ul style="list-style-type: none"> – Increase in energy efficiency to 108.6% (2023: 126.8%) – Reduction in CO₂ intensity to 79.3% (2023: 59.7%) <p>This agreement on targets complies with the requirements governing large-scale consumers, as set out in the cantonal Energy Act; these requirements had to be met by 2022.</p> <p>Evaluation BLKB assesses its management approach based on the following mechanisms:</p> <ul style="list-style-type: none"> – Key figures: Key operational ecology figures are obtained at least monthly. This allows the environmental footprint to be tracked. BLKB has been using the KPI system published by the <u>Association for Environmental Management and Sustainability in Financial Institutions</u> (VfU) to calculate its key operational ecology figures since 2003. GHG emissions are calculated on the basis of the Ecoinvent lifecycle database in accordance with the <i>Greenhouse Gas Protocol</i>. The key figures are examined by external experts on an annual basis, compared with the previous years' figures and the reasons for the changes identified. The analysis also includes an appraisal of the impact of improvement measures. The findings are used to assess action areas for further improvements. – 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 the 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 and reducing its CO₂e intensity. – Dialogue with civil society: BLKB discusses its climate and environmental strategy with civil society organisations and receives valuable feedback from them – most recently during the broad-based stakeholder dialogue in 2022.
302-1 a-g	Energy consumption within the organisation	<p>See <u>Key data on the forward-looking approach</u> and VfU key data tool for quantitative information and explanation of the applied standards, methods and conversion factors.</p> <p>Energy purchased by third parties is not included. This relates, for example, to the consumption of tenants in BLKB's bank properties who obtain heat from BLKB's heating systems.</p>
302-2 a-c	Energy consumption outside of the organisation	<p>The disclosed energy consumption outside the organisation is confined to business travel (car, rail, plane). The electricity consumed by the data centre, which BLKB shares with third parties, is not included. The same applies to radicant, where the electricity consumed by the cloud solutions is not reported.</p> <p>Information on the applied standards, methods and conversion factors can be found in the <u>Key data on the forward-looking approach</u> and the VfU key data tool.</p>
302-3 a-d	Energy intensity	<p>During the year under review, the energy intensity for the entire scope of consolidation was 15,036 MJ/FTE or 16,682 MJ/FTE for the parent company and 1,868 MJ/FTE for radicant.</p> <ul style="list-style-type: none"> – The number of full-time equivalents (FTE) corresponds to the organisation-specific metric (the denominator) used to calculate the ratio. – The calculation of the intensity quotient includes the following types of energy: energy consumed in buildings (electricity and heating energy). – The fact that the offices of the subsidiary <i>radicant innovation hub</i> in Portugal were only used in the second half of 2023 contributed to radicant's comparatively low energy intensity. Unlike the parent company, radicant also does not have any large-scale service counter areas.

GRI 305: Emissions (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:
– Environmental issues (GRI 305)

GRI	Description	Data/reference
3-3	Management approach for emissions	See description of management approach for energy in GRI 302 as well as Responsible products and services and Climate risks and opportunities .
305-1 a-g	Direct (Scope 1) GHG emissions	<p>During the year under review, the intensity of direct GHG emissions for the entire scope of consolidation was 178 kg CO₂e/FTE or 193 kg CO₂e/FTE for the parent company and 57 kg CO₂e/FTE for radicant.</p> <ul style="list-style-type: none"> – Information on the gases included in the calculation, as well as on the standards, methods and conversion factors used, can be found in the VfU key data tool. The key data are calculated in accordance with the requirements of the VfU. – Data on biogenic CO₂e emissions are not collected. – The EnAW report for the period 2013 to 2022 shows the GHG emissions for the building heating systems of eight bank locations. These are direct GHG emissions in the case of gas and heating oil, and also indirect in the case of district heating. In the context of the targets agreed with EnAW, the figures for the calculation of the bank's CO₂e intensity are used. These are not included in the Key data for the forward-looking approach. – The VfU key figures, which are shown in the Key data on the forward-looking approach, were first recorded and calculated for the bank as a whole in 2003. This means that the GHG emissions for all bank locations are disclosed. The change versus the preceding years is evaluated and analysed. In each case, the data are adjusted in line with the current version of the VfU key figures tool. – The environmental data from the Ecoinvent database are used to calculate GHG emissions (CO₂ equivalents). – The equity share approach is applied for consolidation purposes, i.e. all emissions that arise in connection with the bank's operations are taken into account. Energy consumption/GHG emissions for BLKB properties let to tenants (commercial undertakings or households), for example, are excluded.
305-2 a-g	Energy indirect (Scope 2) GHG emissions	<p>The intensity of indirect energy-related GHG emissions in the year under review amounted to 119 kg CO₂e/FTE for the entire scope of consolidation or 133 kg CO₂e/FTE for the parent company and 11 kg CO₂e/FTE for radicant.</p> <ul style="list-style-type: none"> – Information on the gases included in the calculation, and on the standards, methods and conversion factors used, can be found in the corresponding footnotes. BLKB purchases district heating from a range of suppliers at its various sites. To calculate these GHG emissions, the effectively used energy sources were applied for 77% of total consumption while the emission value of the Swiss district heating mix was applied for 23%. – The purchase of 100% of electricity from Swiss hydroelectric power stations is factored in. This corresponds to market-based values. – The EnAW report for the period 2013 to 2023 shows the CO₂ emissions for the building heating systems of eight bank locations. These are direct GHG emissions in the case of gas and heating oil, and also indirect in the case of district heating. – The VfU key figures, which are shown in the Key data on the forward-looking approach, were first recorded and calculated for the bank as a whole in 2003. This means that the GHG emissions for all bank locations are disclosed. The change versus the preceding years is evaluated and analysed. In each case, the data are adjusted in line with the current version of the VfU key figures tool. – The environmental data from the Ecoinvent database are used to calculate GHG emissions (CO₂ equivalents). – The equity share approach is applied for consolidation purposes, i.e. all emissions that arise in connection with the bank's operations are taken into account. The electricity consumption of the data centre, which BLKB shares with third parties, is not included in the indirect GHG emissions.
305-3 a-g	Other indirect (Scope 3) GHG emissions	<p>During the year under review, the intensity of other indirect operational GHG emissions was 276 kg CO₂e/FTE for the entire scope of consolidation or 290 kg CO₂e/FTE for the parent company and 162 kg CO₂e/FTE for radicant.</p> <ul style="list-style-type: none"> – Besides energy provision (preliminary stages and distribution) and passenger transport (car, rail, plane), emissions in connection with paper and water consumption as well as the volume of waste are considered. – Information on the gases included in the calculation, and on the standards, methods and conversion factors used, can be found in the corresponding footnotes. – Data on biogenic CO₂ emissions are not collected. – The VfU key figures, which are shown in the Key data on the forward-looking approach, were first recorded and calculated for the bank as a whole in 2003. This means that the GHG emissions for all bank locations are disclosed. The change versus the preceding years is evaluated and analysed. In each case, the data are adjusted in line with the current version of the VfU key figures tool. – The environmental data from Ecoinvent are used to calculate GHG emissions (CO₂ equivalents).

GRI 305: Emissions (2016)
GRI 306: Waste (2020)
GRI 308: Supplier environmental assessment (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:
 – Environmental issues (GRI 305, 306)

GRI	Description	Data/reference
		<p>Standards and methods used for indirect emissions from the core business</p> <p>Various methods were used to calculate the financed emissions from the banking business (Scope 3, Category 15 of the <i>Greenhouse Gas Protocol</i>). In the mortgage business, energy demand is calculated based on standardised calculations for heating demand in accordance with SIA 380/1:2016, supplemented with benchmark data from SIA 2024. It includes heating, hot water and electricity. Emission factors are used to convert final energy demand into GHG emissions. The emission factors used are based on national and international sources. Emissions were calculated based on emission factors for the building sector as defined by <i>Intep/REIDA</i>. These were specifically generated to reconcile the accounting rules of KBOB (Coordination Conference for Public Sector Construction and Property Services) with the reporting rules of the <i>GHG Protocol</i>.</p> <p>The financed emissions in the corporate client portfolio have been measured using the PCAF standard since 2022. Where possible, emissions were calculated using the PCAF data quality score 4 and the Score 5 methodology was used for the remaining customers. Exiobase emission factors provided by the PCAF emission factor database were used for the calculation.</p> <p>The MSCI emissions database was used to determine the financed emissions of the investment business.</p>
305-4 a-d	GHG emissions intensity	<ul style="list-style-type: none"> – During the year under review, the intensity of operational GHG emissions for the entire scope of consolidation was 573 kg CO₂e/FTE or 616 kg CO₂e/FTE for the parent company and 230 kg CO₂e/FTE for radicant. – The number of full-time equivalents (FTE) corresponds to the organisation-specific metric (the denominator) used to calculate the ratio. – The scope of the gases included in the calculation corresponds to the definitions in the <i>Ecoinvent</i> database. – Information on the types of GHG emissions (Scope 1-3) included in the intensity ratios can be found in the corresponding footnotes.
305-5 a-e	Reduction of GHG emissions	See "Management approach for energy" in GRI 302 and the key figures in the corresponding GRI indicators.
3-3	Management approach for effluents and waste	See description of management approach for energy in GRI 302 .
306-4 c, e	Waste diverted from disposal	<p>Waste based on type of disposal is disclosed for the parent company in the Key data on the forward-looking approach.</p> <ul style="list-style-type: none"> – The key data are calculated in accordance with the requirements of the VfU. Information on the applied standards, methods and conversion factors can be found in the VfU key data tool. – The <i>Ecoinvent</i> database is used to calculate the key data. <p>Information on the waste disposal method: BLKB transfers part of the waste (documents, etc.) directly to the incinerators where it is weighed. Domestic waste is weighed by BLKB and collected by the public waste disposal service for incineration. The remaining waste is collected by other service providers and recycled. The waste disposal firm notifies BLKB about the weight of the waste.</p>
306-5 c, e	Waste directed to disposal	See GRI 306-4 .
3-3	Management approach for the supplier environmental assessment	See description of management approach for procurement practices in GRI 204 .
308-1 a	New suppliers that were screened using environmental criteria	BLKB implements a sustainability agreement that applies to suppliers and service providers. It was introduced in this form in 2019. Partner management ensures systematic monitoring/management (see description of the management approach in GRI 204).

Social topics

GRI 401: Employment (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:
 – Employee issues (GRI 401)
 – Respect for human rights (GRI 401)

GRI	Description	Data/reference
3-3	Management approach for employment	<p><i>The following information covers the sustainability topics of “Integrative and motivational management and cooperation culture” and “Employee development”. For more information on employees, see GRI 2-8 and 2-9.</i></p> <p>Description of topics and impacts BLKB can only implement its strategy and achieve long-term success if it has motivated, healthy and professional employees. This requires a responsible, forward-looking HR regime as well as an integrative and motivational management and collaboration culture at all business locations. In its actions, BLKB respects 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 fair, safe and healthy working conditions, to recreation and leisure time (including paid holidays), the rights to social security and parental leave, as well as the rights to freedom of association, the formation of trade unions and strikes.</p> <p>BLKB sees many of these issues as a matter of course. Employee diversity and inclusion are the key to a holistic understanding of customer needs. This openness is crucial when it comes to offering suitable solutions for a diverse customer base and making a fundamental contribution to social inclusion. BLKB also attaches great importance to the professional and personal development and employability of its staff. The increasingly digitalised and rapidly changing work environment strongly influences the type of skills and competencies that BLKB staff need to have. This change in the world of work requires BLKB to develop in equal measure with its employees. This ultimately benefits customers too, in the form of high-quality products and services as well as a comprehensive, professional advisory capability.</p> <p>Policies, management tools and processes Management and collaboration culture at BLKB Personnel management (Human Resources – HR) at BLKB is based on the internal HR strategy. This underlines the bank’s claim to be a forward-looking employer with systematic management of its employees’ competencies (see GRI 404) and a strong corporate culture.</p> <p>Employees assume responsibility in line with their role and make targeted use of the creative and decision-making scope accorded to them. Key to this philosophy is the practical application of the corporate value “We work together” as well as the six leadership and collaboration principles:</p> <ul style="list-style-type: none"> – Freedom to make decisions – Active feedback culture – Output-led performance – Active involvement as the role model – Empowerment that confers self-assurance – High degree of loyalty and integrity <p>At its Leadership Academy, BLKB trains staff in these leadership principles and develops its managers’ skills in a targeted manner. Regular training modules and the sharing of experience are central to the Leadership Academy. In the Leadership dialogue, managers regularly exchange ideas and discuss current issues in order to anchor the aforementioned principles in the long term.</p> <p>The managers ensure optimal framework conditions in order to achieve the bank’s ambitious targets and foster good collaboration. All employees assume responsibility for themselves personally, for their role and for their team. The <i>Pulse</i> surveys in 2023 showed that BLKB embraces a strong management and collaboration culture.</p> <p>BLKB also maintains systematic communication and open dialogue through the Personnel Commission. It contributes to the discussion on current personnel-related topics and represents the employees’ interests vis-à-vis HR & Organisational Development and the Executive Board. The three to five members of the Commission work independently on behalf of the employees, who elect them for a three-year term of office. Requests received by the Personnel Commission from employees are treated with absolute discretion and confidentiality.</p>

GRI 401: Employment (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:

- Employee issues (GRI 401)
- Respect for human rights (GRI 401)

GRI	Description	Data/reference
		<p>Training and Education (see GRI 404-2)</p> <p>In recent years, BLKB has established strategic workforce planning as a central management tool for filling roles within the bank. Workforce planning is consistently oriented towards the implementation of the business strategy. Broken down further, BLKB's competency model maps the skills required for a specific role and serves as a decision-making aid for the recruitment of new employees and the further development of existing employees. In the Leadership Academy, the people leaders familiarise themselves with strategic workforce planning and, through targeted development and cockpit discussions (i.e. employee performance reviews), ensure that this is firmly rooted in everyday management practice. All employees can also view the roles and pay bands on the intranet. This transparency reveals development opportunities and enables employees to develop in a targeted and role-specific manner.</p> <p>The training and development programme, with its various role- and subject-specific courses, training sessions and workshops, is open to all employees. It is based on the changing skills requirements of the role profiles and is thus aligned with strategic workforce planning. The programme fosters the development of specialist, methodological, behavioural and leadership skills. An in-house training initiative enabling financial advisors to gain certification has been running for several years. To supplement the internal offering, BLKB also provides staff with financial support or time to avail themselves of third-party training opportunities.</p> <p>In addition, BLKB gives employees the opportunity to attend its own CAS study programme <i>Future Banking</i>, which includes a module on sustainability and prepares participants for the banking world of tomorrow. In June 2023, nine employees successfully completed the programme. Thanks to the flexible structure of the CAS, other employees were able to complete a selection of the modules. BLKB has also been supporting interdisciplinary innovation and change skills since 2022 with the in-house CAS <i>Growth and Transformation</i> delivered by the University of Lucerne.</p> <p>The bank accords major importance to the in-house training of apprentices and interns. Besides commercial training, BLKB offers apprenticeships in the specialist areas of IT (with a focus on application development), operational maintenance (building services systems) and mediamatics. 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 used 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 the key to success for their professional and personal development. BLKB used the reform to focus even more on training and skills development in the area of sustainability. The trainees' project week also plays a part in this. In the second year of the apprenticeship, all BLKB apprentices take part in a sustainability project week in the region together with the apprentices from Basler Kantonalbank and Bank Cler. This is carried out in cooperation with the Forstbetrieb Frenkentäler forest management association, the Schweizer Tafel food bank, Ökozentrum and <i>denkstatt sarl</i>.</p> <p>Flexible working</p> <p>Another way in which BLKB strives to be a forward-looking, modern and attractive employer is by offering flexible working models. It firmly believes that this flexibility not only fosters individual responsibility and initiative, but also boosts employees' motivation and productivity.</p> <p>Employees can choose between different working time models with longer or shorter working days as well as additional days of leave with reductions in working hours. It is also possible to buy additional days of leave. In principle, all positions are advertised on a part-time basis. In accordance with the internal conditions, mobile working is possible for up to 50% of employees' working hours.</p> <p>Having formulated "New Work" principles, BLKB supports hybrid working. At the suggestion of the employees, BLKB drew up guidelines on the topics of dealing with e-mails and a positive, efficient meeting culture. BLKB employees also increasingly expressed a desire to be able to work from abroad for individual days – during business trips, for family matters or to extend stays abroad. In the reporting year, BLKB carried out a pilot project with a start-up that examines social security and tax issues for BLKB, while BLKB sets out clear rules for compliance with cross-border regulations. In 2023, employees submitted 28 requests and worked a total of 86 working days in ten different countries.</p>

GRI 401: Employment (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:
 – Employee issues (GRI 401)
 – Respect for human rights (GRI 401)

GRI	Description	Data/reference
		<p>The option of staggered retirement, in which working hours are gradually reduced, offers greater flexibility for older employees. It is also possible to continue working for BLKB beyond the regular retirement age. Thanks to these options, BLKB retains the expertise of its experienced employees for a longer period of time, and the employees can retire on a step-by-step basis. BLKB also supports its employees in preparing for the “third phase of their lives” with courses on issues relating to retirement.</p> <p>Balancing work and family life By law, employees who (temporarily) have to provide care for a family member due to illness can take up to ten days’ paid absence per calendar year, or up to three 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. Staff can also request assistance from the Proitera social counselling service. Contrary to statutory regulations, BLKB requires no doctor’s certificate when children are sick.</p> <p>Depending on the number of years of service, maternity leave amounts to 16 or 24 weeks on full pay. Furthermore, 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 also given free access to the services of the external AMIE Familie und Beruf counselling centre and/or the Proitera social counselling service, for example in the form of consultations or specialist events.</p> <p>Equal opportunity and non-discrimination (see GRI 405 and 406) BLKB firmly believes that diversity is an asset that helps the bank to advance. 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. These are binding for all employees.</p> <p>The Executive Board is firmly committed to ensuring that employees treat one another in a respectful and considerate way. It endeavours to ensure that personal boundaries are respected at all times. Employees who are experiencing a difficult time (conflict at work, health problems, family challenges, social insurance and pension issues) can consult an external social counselling service free of charge and confidentially – on an anonymous basis if required. A whistleblower desk is also available to employees for (anonymously) reporting potential irregularities (see GRI 419).</p> <p>Discriminatory behaviour often happens unintentionally and can be an expression of unconscious bias. In order to develop a diverse culture, it is important to recognise and break down these barriers. BLKB therefore launched an Unconscious Bias Campaign in the year under review to raise awareness among employees and encourage self-reflection. Building on this, BLKB focuses on gender and age diversity as well as the inclusion of people with physical or mental disabilities. Through amendments to job advertisements (in relation to wording and requirements), BLKB is also making progress in terms of gender-neutral recruitment, for example. It also promotes the exchange of ideas on issues relating to work and careers among women. BLKB offers work placements for people with impairments in cooperation with the the social integration scheme Eingliederungsstätte Baselland ESB with the aim of enabling them to gain work experience in the primary labour market.</p> <p>Services for employees For BLKB, attractive and fair contractual benefits for employees are an integral part of being a forward-looking employer. Within the normal range for the region and sector, the bank offers attractive salary models with fixed and variable components. As part of its strategic workforce planning (see “Training and Education” section), BLKB has revised its function models and pay bands and redefined all roles. Uniform evaluation grids and criteria make the classifications of all roles comparable even across organisational units – a key prerequisite for equal pay. All employees can also view the roles and pay bands on the intranet, which provides them with a transparent picture of the available development opportunities.</p> <p>Employees benefit from preferential terms and conditions on the bank’s own products as well as when purchasing Kantonbank certificates or 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.</p>

GRI 401: Employment (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:
 – Employee issues (GRI 401)
 – Respect for human rights (GRI 401)

GRI	Description	Data/reference
		<p>The Executive Board's compensation system is geared towards long-term stability. The overall compensation of the Executive Board was adjusted as of the 2023 financial year: members receive higher fixed and, therefore, lower variable compensation, which is now fully paid in the form of Kantonbank certificates. The amount of variable compensation depends, among other things, on the achievement of ESG targets (climate targets, equal pay, promotion of diversity, strengthening staff employability). In addition, the fringe benefits of the Executive Board no longer include company vehicles.</p> <p>Targets BLKB has set itself the goal of employing at least 30% women in functional levels five to eight (including the Executive Board) by 2025. Moreover, a minimum target of 1%, to be achieved by 2025, has been set for the number of employees with impairments.</p> <p>The HR strategy for the current strategy period focuses on the following areas: data management, collaboration models and leadership development, recruitment and employer branding, employee-friendly processes, and skills development and employability.</p> <p>Assessment of management approach</p> <ul style="list-style-type: none"> – Key figures: Across its organisation, BLKB assesses its HR management using key metrics (e.g. turnover rate or years of service; see <u>Key data on the forward-looking approach</u>). – Surveys: BLKB gauges its performance as an employer and the satisfaction of its employees by means of <i>Pulse</i> Surveys, which promote an open feedback culture in the company. – Employee performance reviews: The <i>Cockpit</i> dialogues allow for regular and structured dialogue between the people leaders and their employees. They are documented and are an important channel for feedback. (See <u>GRI 404-3</u>). – Admission and exit interviews: BLKB also receives suggestions for optimisation in the standard interviews that the bank conducts when new employees join or leave. – Internal Audit: HR management processes are evaluated by Internal Audit on a regular basis. – <i>Fair-ON-Pay</i> certification: This external certification system regularly evaluates and confirms compliance with the requirement for equal pay between women and men based on a <i>Logib</i> analysis in compliance with federal government rules. BLKB was most recently awarded the <i>Fair-ON-Pay</i> certification in the summer of 2022. – Benchmarking: On the <i>kununu</i> 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 82% (as per 31 December 2023), BLKB is among the top-rated employers in the financial services industry (sector average: 3.7 points). – Employee market: Job applicants are surveyed on how satisfied they are with BLKB's approach in the recruitment process. – Awards: In the <i>skillaware</i> campaign run by Arbeitgeber Banken (the Swiss Association of Bank Employers), the Swiss Bank Employees Association (sbpv) and the Swiss Commercial Association (Kaufmännischer Verband), BLKB won the category <i>Competence Development team project</i> in 2023. The initiatives <i>Beruflicher Zwischenhalt</i> and <i>Preparation for Retirement</i> were recognised in particular for their commitment to the skills-related and professional development of older employees.
401-1 a-b	New employee hires and employee turnover	<ul style="list-style-type: none"> – Fluctuation rate in the reporting year (entire scope of consolidation): 7.5% – Key figures on new hires in the reporting year (entire scope of consolidation): <ul style="list-style-type: none"> – New hires, women: 66 – New hires, men: 138 – New hires of employees below age 30: 74 – New hires of employees aged 30–50: 110 – New hires of employees aged 50-plus: 20

GRI 402: Labour/Management relations (2016)
GRI 403: Occupational health and safety (2018)

Non-financial reporting in accordance with Article 964a et seqq. CO:
 – Employee issues (GRI 402, 403)

GRI	Description	Data/reference
3-3	Management approach for labour/Management relations	See description of management approach for employment in GRI 401 .
402-1 a-b	Minimum notice period regarding operational changes	BLKB notifies its employees as soon as possible about significant operational changes, such as changes to the organisational structure. In the case of changes to their contract, the notice period stated in the contractual agreements is adhered to as a minimum.
3-3	Management approach for occupational health and safety	<i>The focus of the following descriptions is on the material topic of "Workplace health" (see sustainability topics). More information on prevention and assistance with well-being can be found in the management approach for employment in GRI 401.</i>

Description of topics and impacts

With their knowledge and abilities, employees are the bank's most important resource, and it attaches great importance to their physical and mental well-being. Few of the bank's business activities harbour any risk of injury. However, there is a risk of being involved in threatening situations, such as robberies. In addition, mental health can suffer due to a highly stressful work environment. Therefore, one of BLKB's key tasks is to implement appropriate preventive measures and to define systems and processes that permit a rapid response in the event of an incident. Good health impacts positively on satisfaction, motivation and performance. Effective employee health management and health-promoting measures are therefore in the interests of BLKB, its employees and society as a whole.

Policies, management tools and processes

BLKB does its utmost to guarantee the physical and mental safety of employees. The standards covering occupational health and safety apply to everyone and are based on the recognised guidelines of SUVA (Swiss National Accident Insurance Fund), the Swiss Council for Accident Prevention (BFU) and the Federal Coordination Commission for Occupational Safety (FCOS). The emphasis of these standards is on protecting employees at particular risk, e.g. in technical services.

Security officers support the implementation of relevant guidelines as well as further development of the management systems at all locations. They identify new risks or report shortcomings to the specialist internal department, which devises measures and reviews their implementation. In order to ensure a rapid response in medical emergencies, selected employees at all locations are trained as first-aiders.

It is important to bear in mind that bank employees can find themselves in high-risk situations in which their physical and mental integrity is under acute threat. BLKB's security concept includes numerous preventive measures such as building monitoring systems and automatic police alerts. In threatening situations, employee safety is the top priority. Specialised courses are provided so that employees know what to do in the event of an armed robbery or how to use fire extinguishers. In the difficult period after an incident, a professional external care team helps those affected to come to terms with what they have experienced.

BLKB regularly raises awareness of topics such as health, relationships, hope and optimism, self-management and self-care through its internal blog campaign "Zämme gsund" ("Stay healthy together"). The addressed issues may inspire a more detailed treatment, e.g. as the subject of workshops. BLKB also raises awareness among its managers of the issues of resilience and stress through targeted training sessions, enabling them to recognise signs of high mental stress. And so that employees are better able to deal with challenging situations, BLKB introduced a module on the topics of self-management and resilience in the *Future Banking CAS* programme (see [GRI 401](#)). Furthermore, since 2023, all apprentices in their second year of training have taken part in resilience training and benefit from one-on-one coaching from an external partner.

GRI 403: Occupational health and safety (2018)

Non-financial reporting in accordance with Article 964a et seqq. CO:
– Employee issues (GRI 403)

GRI	Description	Data/reference
		<p>Evaluation</p> <ul style="list-style-type: none"> – Key figures: BLKB measures absence rates and other key figures relevant to health and occupational safety on a quarterly basis. Meaningful KPIs are reported to the Security Committee, among others, and used to plan measures. – Analysis of risks in relation to occupational health and safety: The occupational health and safety risks feed into the risk analysis conducted by the bank as a whole (see GRI 419). – Internal Audit: Measures and processes relating to occupational health and safety are regularly reviewed by Internal Audit. – Feedback to Integral Security: Integral Security operates as an independent body to which potential irregularities can be reported. – Feedback from external counselling centre: Every year, HR & Organisational Development communicates anonymously with Proitera regarding issues that BLKB employees have contacted the external counselling centre about. – Evaluation with an external analysis tool: In 2020, the bank carried out the Swiss Foundation for Health Promotion's self-assessment of friendly workspace. BLKB achieved a good result.
403-1 a-b	Occupational health and safety management system	See "Management approach for occupational health and safety" in GRI 403 .
403-2 a-b	Hazard identification, risk assessment, and incident investigation	See "Management approach for occupational health and safety" in GRI 403 .
403-3 a	Occupational health services	See "Management approach for occupational health and safety" in GRI 403 .
403-5 a	Worker training on occupational health and safety	See "Management approach for occupational health and safety" in GRI 403 .
403-6 a-b	Promotion of worker health	<p>In accordance with the law, BLKB employees are insured against accident and illness.</p> <p>Voluntary programmes and initiatives for promoting the general health of employees include <i>bike to work</i>, <i>myChange</i>, the <i>Check-up Days</i> or the <i>Energy Days</i> (held every three years). Information on health promotion programmes is provided on the intranet.</p> <p>For further information, see "Management approach for employment" in GRI 401.</p>
BLKB	Extent and cause of absences	<ul style="list-style-type: none"> – Absences due to illness in the reporting year (entire scope of consolidation): 5,859 – Absences due to occupational accidents in the reporting year (headcount, entire scope of consolidation): 49 – Absences due to non-occupational accidents in the reporting year (headcount, parent company): 398 <p>radicant's "absences due to non-occupational accidents" for 2023 are included in "absences due to illness".</p>

GRI 404: Training and education (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:
– Employee issues (GRI 404)

GRI	Description	Data/reference
3-3	Management approach for training and education	See description of management approach for employment in GRI 401 .
404-2 a-b	Programs for upgrading employee skills and transition assistance programs	<p>See "Management approach for employment" in GRI 401.</p> <p>BLKB believes in offering comprehensive training opportunities. It supports all employees, irrespective of function level, age or other individual characteristics, with their personal and professional development. In addition, it is an important training venue for apprentices within the region. The programmes and measures to improve employee competencies are explained in detail in the "Management approach for employment" in GRI 401. To support life-long learning, BLKB makes use of formal training and development offerings while increasingly implementing personalised learning and development methods. It also supports forms of learning such as web-based training, mentoring and coaching programmes or participation in the <i>Skills 4.0</i> workshop to hone the skills required in the future.</p> <p>A special welcome day is organised for new employees to introduce them to the company. The event forms the basis for systematic and professional onboarding.</p>
404-3 a	Percentage of employees receiving regular performance and career development reviews	BLKB conducts appraisal interviews with all permanent employees several times a year. In addition, the bank fosters an open feedback culture. The principal content of the appraisals and discussion of goals is documented internally. The <i>Cockpit</i> has been in use since 2021 as an instrument to support structured dialogue between employees and managers. It covers the perspectives and interview content on the topics of <i>My role</i> , <i>My contribution</i> and <i>My development</i> . Employees and their line managers jointly note the performance and development goals. Operations managers have been coached specially in the use of the <i>Cockpit</i> .
BLKB	Proportion of positions filled by internal candidates	In the reporting period, 19.8% of new positions at the parent company were filled by internal candidates.
BLKB	Number of trainees	<ul style="list-style-type: none"> – Number of trainees (entire scope of consolidation as of 31.12.2023): 33 – Number of interns (entire scope of consolidation as of 31.12.2023): 16

GRI 405: Diversity and equal opportunity (2016)
GRI 406: Non-discrimination (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:
 – Employee issues (GRI 405, 406)

GRI	Description	Data/reference
3-3	Management approach for diversity and equal opportunity	See description of management approach for employment in GRI 401 .
405-1 a-b	Diversity of governance bodies and employees	<p>Diversity by function level as at 31.12.2023:</p> <p>Gender:</p> <ul style="list-style-type: none"> – Proportion of women (entire scope of consolidation): 41.5% – Proportion of women, Board of Directors (entire scope of consolidation): 28.6% – Proportion of women, Executive Board (parent company): 16.7% – Proportion of women in function levels 6–7 (parent company): 16.9% – Proportion of women in function levels 4–5 (parent company): 36.6% – Proportion of women in function levels 1–3 (parent company): 64.6% <p>Age:</p> <ul style="list-style-type: none"> – Proportion of employees under 30 (entire scope of consolidation): 22.2% – Proportion of employees aged 30–50 (entire scope of consolidation): 49.8% – Proportion of employees over 50 (entire scope of consolidation): 27.9%
405-2 a-b	Ratio of basic salary and remuneration of women to men	The ratio of the basic salary and remuneration of women and men is not disclosed for reasons of confidentiality. In this area, BLKB uses analyses and certifications by independent external experts: The <i>Fair-ON-Pay</i> certification was last conducted in 2022. It confirmed compliance with the requirement for equal pay between women and men at BLKB.
3-3	Management approach for non-discrimination	See description of management approach for employment in GRI 401 .
406–1	Incidents of discrimination and corrective actions taken	BLKB is not aware of any such cases during the reporting period.

GRI 413: Local communities (2016)**GRI 414: Supplier social assessment (2016)**

GRI	Description	Data/reference
3-3	Management approach for local communities	See description of management approach for economic performance in GRI 201 .
413-1 a	Operations with local community engagement, impact assessments, and development programs	<p>BLKB and its business model have a regional focus and have traditionally been closely linked with Northwest Switzerland. The bank sees its role as that of a partner to the region's society and economy. It is committed to protecting the environment and natural resources. BLKB maintains and nurtures a wide range of commitments with partners in Switzerland and especially in Northwest Switzerland.</p> <p>Memberships, commitments and measures are shown in detail in GRI 2-28 and 2-29 and in the description of the management approach for economic performance in GRI 201 and 203-1.</p>
3-3	Management approach for the supplier environmental assessment	See description of management approach for procurement practices in GRI 204 .
414-1 a	New suppliers that were screened using social criteria	BLKB implements a <u>sustainability agreement</u> that applies to suppliers and service providers. The agreement was introduced in 2019 and has been an integral part of agreements with external partners since 2021.

GRI 417: Marketing and communication (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:
– Social issues (GRI 417)

GRI	Description	Data/reference
3-3	Management approach for marketing and labelling	<p>Description of topics and impacts</p> <p>As financial products may be highly complex, both private and corporate customers may sometimes find it difficult to understand their functioning. At the same time, they affect the financial security and economic well-being of the affected persons in the short term and particularly the long term. Corporate and private customers rightly count on the provision of responsible advice in relation to financial matters. This is also in the interests of the bank. Inadequate advice can lead to dissatisfaction, loss of trust and reputational damage.</p> <p>In addition to the regulatory specifications applying to bank advisory services, the customers' individual financial and personal situations as well as their preferences also play a major role. The importance of responsible advice was also confirmed by the most recent stakeholder dialogue (see Materiality analysis).</p> <p>Policies, management tools and measures</p> <p>The legal requirements for the structuring of financial products and for the provision of advisory services as well as the currently applicable advertising guidelines constitute the minimum requirements for product development and labelling at BLKB. Here, BLKB adheres to the most stringent requirements in terms of its products, services and advisory quality. The advisory processes are structured along the lines of life events such as "buying residential property" and "protecting the family". BLKB thus seeks to meet or surpass its customers' wishes for comprehensive financial services in all stages of life.</p> <p>Specialist units contribute a consistently customer-centric approach to the further development of products and services. Customers are also involved in the processes at an early stage. For example, BLKB piloted an adapted advisory process on mortgages in the reporting year, in which customer advisors systematically address the issue of energy efficiency (for the implementation of the SBA self-regulation in the area of sustainable finance, see Responsible products and services). Overall, BLKB pays particular attention to reducing the complexity of its products and services to a minimum. This makes it easier for customers to understand and judge the mechanisms behind the services. BLKB regards an honest, open dialogue as its obligation and as the basis for trusting relationships (see GRI 2-29). This approach also applies in particular to information about products and services.</p> <p>With the expansion of sustainable products and services at BLKB and in the financial sector as a whole, the issue of greenwashing is becoming more important. BLKB wants to provide its clients with transparent information and pays attention to the correct use of terms and product descriptions, for example in the area of investing. As part of the implementation of the SBA self-regulation on the integration of ESG preferences and ESG risks into investment advice and asset management, the information provided to customers in this regard is being expanded further, in particular on the various ESG approaches used. In the reporting year, live seminars on the subject of greenwashing were held in the relevant specialist areas and customer advisors were made aware of the issue by means of a training video (see Responsible products and services). The seminars provided training on definitions, forms and avoidance of greenwashing, especially in corporate and product communication. All employees in the relevant positions should thus be able to prevent greenwashing by following the principle of "Know, recognise, avoid".</p> <p>Good employee training is fundamental to the provision of comprehensive, professional, high-quality advice. BLKB seeks continuous improvement in this area and strives to be a quality leader. All customer advisors are accredited in accordance with CertKB certification, which the bank has designed in collaboration with external experts. Certification is renewed every three years. BLKB also offers product-specific training. This includes a course on sustainable investing (see Responsible products and services). In addition, success is increased through hands-on training for customer advisors and individual coaching for managers. BLKB also provides for training to enable employees to become qualified financial advisors with a federal certificate of proficiency. The bank is thus strengthening its expertise and methodology, as well as guaranteeing uniform, binding qualification and quality standards. The <i>Marketing, brand and product development</i> module with its focus on customer-centricity is also part of the <i>Future Banking CAS</i> programme (see GRI 401). When individual targets are set for sales staff, they – like all other employees – are given behavioural targets but no sales targets. It is deliberate policy for the latter only to be set at the team level.</p> <p>BLKB works with advisory tandems for specific customer advice issues. To this end, employees from specialist areas, such as investment, accompany customer advisors to advisory consultations. This boosts both customer-centricity and cross-business cooperation.</p>

GRI 417: Marketing and communication (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:
– Social issues (GRI 417)

GRI	Description	Data/reference
		<p>In line with its business model, radicant attaches great importance to transparency in products and services. It provides comprehensive information in its sustainability report and in particular on its website. As a universal bank licensed by FINMA, radicant also meets all the requirements of the supervisory authorities with regard to investor and creditor protection and corporate governance. In addition, it complies with the requirements of membership of initiatives and associations such as <i>Swiss Sustainable Finance</i>.</p> <p>Targets BLKB wishes to provide its corporate and private customers with the best possible services and is therefore keen to reduce complaints to a minimum and to process the complaints as best possible. It strives to gain the best possible understanding of its customers and their needs, and to create a positive customer experience at all points of contact.</p> <p>Evaluation</p> <ul style="list-style-type: none"> – Complaints management: BLKB receives feedback from its stakeholders verbally, via the Customer Centre or in written correspondence via various channels. Feedback is systematically recorded and evaluated. Quarterly reports are made to Operational Risk Management. In the event of reports indicating significant risks or a threat to the bank's reputation, it responds immediately and, if required, contacts all affected customers. The findings from complaints management feed into the organisational flows to support the ongoing improvement process. – Measurement of satisfaction: Systematic satisfaction measurements are carried out at the relevant points of contact (e.g. Customer Centre, e-banking or bank branches). – Customer surveys: BLKB conducts quantitative as well as qualitative surveys of its customers on a regular and targeted basis. – External ratings and awards: BLKB obtains valuable feedback from the evaluations conducted by third parties such as Comparis. In 2023, the bank was awarded a good overall score of 5.4 in the Comparis survey on customer satisfaction in the mortgage business. – Level of education: HR & Organisational Development documents and checks the certification status of customer advisors as well as the training level of all employees.
417-2 a-b	Incidents of non-compliance concerning product and service information and labelling	BLKB is not aware of any related incidents of non-compliance with the regulations or voluntary codes in connection with product and service information and its labelling,
417-3 a-b	Incidents of non-compliance concerning marketing communications	Total number of violations of regulations and/or voluntary codes in connection with marketing and communication in the 2023 reporting year: none.

GRI 418: Customer privacy (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:
– Social issues (GRI 418)

GRI	Description	Data/reference
3-3	Management approach for customer privacy	<p>Description of topics and impacts</p> <p>Data security and data protection are an inherent part of BLKB's business model. Their high relevance is reflected, among other things, in the key issue of data protection (see Sustainability topics). The bank holds particularly sensitive information on its customers and is subject to Swiss banking confidentiality. Overall, data security is about protecting sensitive data from unauthorised access (online and offline and internally and externally). Data protection, in turn, encompasses the responsible handling of personal data. In this context, transparency regarding the purposes for which information is processed internally is of great importance. Data security and data protection are associated with reputational and regulatory risks for BLKB and involve the risk of business interruptions, for example in the event of breaches of applicable data protection regulations or asset outflows as a result of cyber attacks.</p> <p>Policies, management tools and measures</p> <p>The Swiss Federal Act on Data Protection, the Banking Act and the FINMA guidelines on operational risks in banks and regarding bank client data constitute the definitive regulatory basis for data protection. This, together with other requirements, is translated into various internal policies on the topics of data protection, IT and information security, protection of bank customer data or classification of information. These internal policies apply to all persons with access to IT systems and data. All employees and external service providers are responsible for compliance with these policies. The main content of the policies is also summarised in clear documentation and on the intranet, and forms part of the BLKB code of conduct.</p> <p>BLKB relies on state-of-the-art technology to protect against unauthorised access and afford the necessary degree of data security. Automated mechanisms report conspicuous behaviour within the IT landscape. However, not every incident occurs within the system and is recognised by it. This makes it all the more important for employees and external service providers to be alert. BLKB regularly implements awareness-raising measures and developed a relevant concept in the reporting year. Furthermore, everyone is required to report any loss of data or access by unauthorised parties to a specialist internal office immediately. Based on a defined response plan, this office checks the necessary immediate measures and ensures the involvement of other emergency organisations in order to deal with the incident promptly. As a result, business continuity is ensured thanks to efficient emergency operations.</p> <p>Sensitive information is classified into the categories of "secret", "confidential" and "internal", and is subject to differing security precautions in each case. This classification is an important guide in terms of the correct handling of the information upon receipt, processing, and disposing of/deleting the information. The clear desk policy applies irrespective of this classification. Essentially, the policy states that employees must protect sensitive data from easy access when they are away from their workstation for a short or long period – for example by activating the screen lock or storing documents in the office furniture provided for that purpose. Compliance with this policy was verified on site at the employees' workstations during the reporting year. The provisions also apply when employees work from home or during travel. Specific instructions are presented in the rules for home-working and are binding on all employees.</p> <p>In communications within and outside the bank, there is always a risk of sensitive customer data and other information falling into the hands of unauthorised parties. Employees therefore need to pay attention to their surroundings during discussions or when doing on-screen work. The Client-Identifying Data (CID) guidelines regulate the handling of bank client data across the board. During phone conversations with customers, the customers' identity must be established beyond doubt. Electronic communication channels at the interface between the bank's network and external networks are particularly critical in terms of data privacy. In an internal policy, BLKB sets out specific instructions regarding conduct on the internet, the definition and updating of passwords as well as secure e-mailing. All those persons (including external service providers) who have access to bank customer data must complete the mandatory e-learning module on IT and data security. The new Data Protection Act entered into force in the reporting year. In this context, all employees completed a new e-learning course. All new employees will also take this course in the future, and there will be regular repetitions for everyone.</p>

GRI 418: Customer privacy (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:
– Social issues (GRI 418)

GRI	Description	Data/reference
		<p>BLKB uses customer data in accordance with the statutory requirements for corporate, segment and product development. BLKB provides transparent and comprehensible information on the use of personal data. Customers can find out about the personal data that is stored on them and request that incorrect data be corrected at any time. Established processes enable BLKB to respond to requests from customers in this regard in compliance with the statutory deadlines. Standardised deletion 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 can be viewed on BLKB's website.</p> <p>As a universal bank licensed by FINMA, radican meets all the requirements of the supervisory authorities in terms of data protection and data security. The most important principles for protecting customer data are set out in radican's code of conduct.</p> <p>Targets BLKB seeks to ward off any attacks on the online services such as e-banking, and on the bank's internal network, and to protect customer data, assets and transactions as best as possible.</p> <p>Evaluation The protective measures are constantly reviewed by Integral Security and adapted in line with the changing internal and external environment. The following tools are used in relation to data protection and data security:</p> <ul style="list-style-type: none"> – Monitoring: an external provider monitors BLKB's IT system. The data collected is used to improve the security concept. – Technical checks: penetration tests and security analyses for devices, servers and applications such as Avaloq (central banking system), e-banking and mobile banking check the effectiveness of BLKB's IT security mechanisms. – Internal and external auditing: every year, the external auditors review BLKB's entire IT system and IT security. Internal Audit supplements this with annual audits on specific topics. – FINMA reviews: the management approaches to data security and data protection may be reviewed by the supervisory authority. FINMA defines the timing and topics of its reviews independently. A review of cyber risk management was carried out in the reporting year. – Sending of phishing e-mails: several times a year, BLKB intentionally sends out harmless phishing e-mails to raise awareness and monitor employee vigilance. – Reports: In the risk report on operating risks, Integral Security reports regularly on the bank's security issues (see GRI 419). <p>See explanations on data protection and IT security in the Annual Report 2023 (p. 28).</p>
418-1 a-b	Substantiated complaints concerning breaches of the protection of and losses of client data	<p>Total number of justified complaints received regarding violations of customer data privacy in the 2023 reporting year: none.</p> <p>Total number of identified cases of data theft and data loss in connection with customer data in the 2023 reporting year: none.</p>

GRI 419: Socio-economic compliance (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:
 – Social issues (GRI 419)
 – Anti-corruption (GRI 419)

GRI	Description	Data/reference
3-3	Management approach for socioeconomic compliance	<p data-bbox="478 674 1489 817"><i>The following information relates to the material topic of “Risk management, compliance and integrity”. Further information on risk management at the interface with service providers and suppliers are provided in GRI 204 and GRI 418. Risk-related in lending operations and investment are explained in the management approach to responsible products and services. Details of <i>climate opportunities and risks</i> can be found in the chapter of the same name.</i></p> <p data-bbox="478 840 1489 869">Description of topics and impacts</p> <p data-bbox="478 869 1489 1070">Compliance with financial market-specific and socio-economic rules is among the most fundamental duties in the banking industry. The business activities of financial institutions are governed by numerous legal provisions. The key legal frameworks for BLKB include the Kantonalbank Act, the Swiss Federal Banking Act, FINMA and Swiss Bankers Association provisions as well as the rules laid down by SIX Swiss Exchange. Any compliance breaches have an adverse effect not only on the reputation of the bank concerned but also on public opinion about the industry as a whole. Due to its economic importance to the Canton of Basel-Landschaft, incidents in this area would in BLKB’s case – depending on the severity – be highly likely to impact the canton and the entire Northwest Switzerland region.</p> <p data-bbox="478 1093 1489 1227">Besides the rules specific to the financial markets, the umbrella term “compliance” also covers labour-law topics (see GRI 401) as well as anti-competitive behaviour and corruption (see GRI 205 and GRI 206). With regard to money-laundering, banks are more exposed than other sectors due to the nature of their business; thus society and politicians have very high expectations of a bank’s internal risk management in general and with regard to corruption and money-laundering risks in particular.</p> <p data-bbox="478 1249 1489 1384">The identification, measurement, management and monitoring of risks are among BLKB’s core tasks. The assumption, management and control of financial risks are inextricably linked to the banking business. 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”. The risk functions serve to ensure the bank’s solvency for the benefit of all its stakeholders, including in a negative economic environment.</p> <p data-bbox="478 1406 1489 1435">Policies, management tools and measures</p> <p data-bbox="478 1435 1489 1464">Compliance and integrity</p> <p data-bbox="478 1464 1489 1765">BLKB is aware of its responsibility towards the economy and society. For BLKB, compliance goes beyond mere adherence to the law and forms the basis of its high standards of integrity in business conduct. The Executive Board must ensure that structures exist for a culture that is conducive to integrity and responsible behaviour. The code of conduct, which is issued by the Board of Directors and the Executive Board, describes the basic values of BLKB in this regard and states that BLKB is committed to combating money-laundering and the financing of terrorism as well as the avoidance of conflicts of interest and corruption. It also prohibits all types of anti-competitive behaviour, active assistance in the flight of capital and tax evasion. Other key legal frameworks include the Swiss banks’ Code of Conduct with Regard to the Exercise of Due Diligence and the policies on money-laundering, staff banking transactions and breaches of policies and rules. Active and passive bribery (corruption), as well as the granting and acceptance of advantages in dealings with Swiss public officials, constitute criminal offences under the Swiss Criminal Code (Study’s). BLKB employees are expressly obliged under their employment contracts to comply with the statutory provisions.</p> <p data-bbox="478 1787 1489 1883">These require employees to critically examine the plausibility of financial trades and transactions at all times. The codes of conduct are an integral element of the General Terms of Employment for all employees. Depending on the severity, a breach may result in various disciplinary measures or even in intervention by the law enforcement agencies and supervisory authorities.</p> <p data-bbox="478 1906 1489 2132">In order to prevent violations, new employees are required to complete a mandatory e-learning programme that will familiarise them with and give them a deeper understanding of the conduct and compliance rules within the first three months of their employment. Periodic refresher training sessions are held for existing employees. The bank’s internal structural and process organisation also helps employees to comply with the code of conduct and risk management. When entering into business relationships, BLKB is legally obliged to identify and verify the contracting party. Questions about the contracting party and the contractual relationship are clarified on the basis of a standardised questionnaire (Know Your Customer, KYC). This identification of the contracting party is further substantiated by the self-regulation approved by the supervisory authority FINMA (Swiss Bankers Association, “Agreement on the Swiss Banks’ code of conduct with regard to the exercise of due diligence” – CDB). Respon-</p>

GRI 419: Socio-economic compliance (2016)

Non-financial reporting in accordance with Article 964a et seqq. CO:
– Social issues (GRI 419)

GRI	Description	Data/reference
		<p>sibility for strict compliance with the CDB is expressly included in the terms of the employment contracts between BLKB and its employees. To combat money laundering and terrorist financing, BLKB also performs a risk classification of its customers. Various systems help with this assessment, which also takes into account a country corruption index. In addition, automated controls stored in the system indicate errors or discrepancies.</p> <p>BLKB set up a whistleblower desk in 2022. The bank's employees can use a purpose-developed software application 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 other 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. Staffed by a core team, it processes the reported incidents while remaining in contact with the reporting person, whose anonymity is safeguarded at all times by the deployed software.</p> <p>Protection of the reporting person is paramount. For that reason, 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.</p> <p>Risk management BLKB maintains an integral risk management system which, in addition to financial risks, also encompasses compliance, operational, strategic, systemic and reputational risks. As a key risk management tool, the risk catalogue describes the significant risks for the bank. Every year, the Board of Directors performs an assessment of the risks and their likelihood of occurrence (see "Notes on risk management and risk control" in Annual Report 2023, p. 81). The principles for managing and controlling risks are set out in the risk policy. In it, the Board of Directors defines risk tolerances that must not be exceeded in relation to various risk positions.</p> <p>Under the supervision of the Chief Risk Officer, independent risk controls use suitable tools to monitor the effectiveness of the management approaches. The results are prepared in standardised report format on at least a quarterly basis and in a form appropriate to the target audience. This ensures on the one hand that the bodies responsible for risk management (Security Committee, Credit Committee, Asset and Liability Committee, and Trade Committee) as well as the Board of Directors and its committees are notified of the bank's risk situation promptly and in an appropriate form and, on the other hand, ensures reporting to FINMA or the Swiss National Bank.</p> <p>As a universal bank licensed by FINMA, radicant 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 the combating of corruption and money laundering. Detailed information on risk management and risk control can be found in a separate section of radicant's website. Relevant principles are also set out in the radicant code of conduct, including the handling of suspected violations of the code of conduct, a radicant policy or the law. Questions or concerns can be reported anonymously via radicant Observer if desired. The code of conduct guarantees that individuals making reports will not suffer any retaliatory measures. The code of conduct applies to all employees, members of the Board of Directors, consultants, agencies and bidders as well as independent and temporary contractors.</p> <p>Targets BLKB's aim, with its compliance and risk management structure, is to avoid entering into disproportionate risks or breaching laws and standards.</p> <p>The objective of risk management and risk control is to strike a balance between risk and return and to ensure the bank's solvency, including in a challenging economic environment.</p>

GRI 419: Socio-economic compliance (2016)

GRI	Description	Data/reference
		<p>Evaluation</p> <ul style="list-style-type: none"> – Audit and Risk Committee: The Audit and Risk Committee consists of three members of the Board of Directors. As an independent and objective body, it supervises financial reporting, the integrity of the financial statements, the framework concept for institution-wide risk management and the approaches taken by the internal controls. – Internal Audit: Internal Audit monitors the quality and effectiveness of BLKB’s business processes on a continuous basis. Among other things, it focuses on risk aspects. – External auditors: The external auditors review compliance with external regulations as well as the handling of compliance matters and the functioning of the management approaches; this is performed both on a rolling basis and in the context of the regular annual audit. – Internal reports: Reports from employees via line managers, HR & Organisational Development, the Compliance department or the whistleblower desk highlight potential for improvement and possible misconduct. – Ratings: BLKB regularly commissions independent rating agencies to conduct an external assessment of its corporate governance.
419-1 a-c	Non-compliance with laws and regulations in the social and economic area	<p>Severe fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in the 2023 reporting year: none.</p> <p>Cases brought as part of dispute settlement proceedings arising from non-compliance with laws and/or regulations in the social and economic area in the 2023 reporting year: none.</p>

Key data on the forward-looking approach

Unless otherwise stated, the key figures for 2023 relate to the entire scope of consolidation.
As the key figures for 2022 and 2021 only cover the parent company, comparability is limited.

Key data for “society”

Factor	Data quality	GRI Standard	Unit	2023	2022	2021
Distribution to the Canton of Basel-Landschaft	High (3)	201-1	CHF m	68.7	60.3	60.2
Mortgage lending, total	High (3)	201	CHF bn	23.8	23.1	21.7
Mortgage lending, Northwest Switzerland catchment area	High (3)	201	Per cent	90	90	90
Other lending, Northwest Switzerland catchment area (incl. loans to companies)	High (3)	201	CHF bn	1.9	2	2.3
Other lending, Northwest Switzerland catchment area (incl. loans to companies)	High (3)	201	Per cent	44	48	47
Volume of in-house, sustainably managed funds ¹ and structured products ¹ (parent company)	High (3)	Supp.	CHF bn	2.8	2.2	2.4
Volume of sustainable asset management-mandates ¹ (parent company)	High (3)	Supp.	CHF bn	3.4	2.5	2.9
Contracts awarded in Northwest Switzerland	High (3)	204-1	CHF m	32.2	30.4	34.8
Sponsorship commitments (parent company)	High (3)	201	CHF m	1.7	2.1	2.3
Commitment via BLKB Foundation for Culture and Education	High (3)	413	CHF	470,000	480,000	340,000

Key data for “people”

Factor ²	Data quality	GRI Standard	Unit	2023	2022	2021
Headcount, incl. hourly-paid employees ³	High (3)	2-7	Number	1,089	936	901
Full-time equivalents (FTE) ³	High (3)	2-7	Number	953	809	774
Proportion of women	High (3)	405-1	Per cent	41.5	44.3	44.3
Proportion of women, Board of Directors	High (3)	405-1	Per cent	28.6	28.6	28.6
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 ⁴ (parent company)	High (3)	405-1	Per cent	16.9	11.4	10.2
Proportion of women in function levels 4–5 ⁴ (parent company)	High (3)	405-1	Per cent	36.6	37.4	35.0
Proportion of women in function levels 1–3 ⁴ (parent company)	High (3)	405-1	Per cent	64.6	67.9	67.5
Women in part-time positions ⁵ (rel. to total headcount)	High (3)	405-1	Per cent	20.5	22.7	22.4
Women in part-time positions ⁵ (rel. to all women)	High (3)	405-1	Per cent	46.0	51.3	50.5
Men in part-time positions ⁵ (rel. to total headcount)	High (3)	405-1	Per cent	6.2	5.4	7.0
Men in part-time positions ⁵ (rel. to all men)	High (3)	405-1	Per cent	10	9.7	12.6
Proportion of employees below age 30	High (3)	405-1	Per cent	22.2	21.9	22.8
Proportion of employees aged 30–50	High (3)	405-1	Per cent	49.8	47.5	45.0
Proportion of employees aged 50-plus	High (3)	405-1	Per cent	27.9	30.6	32.2
Number of trainees	High (3)	404	Number	33	32	35
Number of interns	High (3)	404	Number	16	11	12
New hires of women	High (3)	401-1	Number	66	56	55
New hires of men	High (3)	401-1	Number	138	85	59
Recruitment of employees below age 30	High (3)	401-1	Number	74	51	55
Recruitment of employees aged 30–50	High (3)	401-1	Number	110	77	52
Recruitment of employees aged 50-plus	High (3)	401-1	Number	20	13	17
Absences due to sickness ⁶	High (3)	403	No. of days	5,859	6,683	5,079
Absences due to accident at work (headcount)	High (3)	403	No. of days	49	8	36
Absences due to non-occupational accident (headcount) ⁶	High (3)	403	No. of days	398	630	436
Turnover ⁷	High (3)	401-1	Per cent	7.5	6.3	5.6

Key data for “environment”

Factor	Data quality	GRI Standard	Unit	2023	2022	2021
Number of heating degree days (parent company)	High (3)	302-1	HGT	2,457	2,495	3,058
Energy consumed in buildings (total) ⁸	High (3)	302-1	MJ/FTE	15,036	18,626	21,076
– Electricity	High (3)	302-1	MJ/FTE	8,512	10,706	11,187
– Heating energy	High (3)	302-1	MJ/FTE	6,524	7,920	9,889
Business travel	Good (2)	302-2	km/FTE	937	1,062	879
Direct and indirect greenhouse gas emissions (total) ^{8,9}	Good (2)	305	kg CO ₂ e/FTE	573	737	1,022
– Direct greenhouse gas emissions	Good (2)	305-1	kg CO ₂ e/FTE	178	250	247
– Indirect greenhouse gas emissions	Good (2)	305-2	kg CO ₂ e/FTE	119	152	380
– Other indirect greenhouse gas emissions	Good (2)	305-3	kg CO ₂ e/FTE	276	335	395
Financed emissions (total) ¹⁰	Good (2)	Supp.	t CO ₂ e	668,196	707,526	
– Mortgage business	Good (2)	Supp.	t CO ₂ e	130,146	218,023	
– Commercial loans	Good (2)	Supp.	t CO ₂ e	97,204	97,529	
– Investment business	Good (2)	Supp.	t CO ₂ e	440,846	391,974	
Volume of waste (total, parent company)	High (3)	306	kg/FTE	127	135	161
– Recycling (parent company)	High (3)	306-4	kg/FTE	58	63	93
– Incineration (parent company)	High (3)	306-5	kg/FTE	69	72	68
– 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	76	93	116
– Recycling (parent company)	High (3)	306-3	kg/FTE	70	82	103
– Fresh fibre ECF, TCF (parent company)	High (3)	306-3	kg/FTE	6	11	13

¹ According to description of the investment processes in [Responsible products and services](#).

² Key data for employees is based on the headcount (HC) as at 31 December of the reporting year.

³ In the Sustainability Report 2023, headcount and full-time equivalents for all years presented are reported for the first time as at 31 December. The previous sustainability reports presented the average values for the respective reporting year.

⁴ 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.

⁵ Working week of 85% or less

⁶ radicant's “absences due to non-occupational accidents” for 2023 are included in “absences due to illness”.

⁷ Turnover excludes termination by employer, retirement, pregnancy and death

⁸ Key operational ecology figures for energy used in buildings and greenhouse gas emissions based on headcount (FTE) as at 31 December of the reporting year.

⁹ 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 *GRI Standards*. Hence, not only the direct emissions of greenhouse gases (Scope 1) are recorded, but also those produced by power stations or 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 CO₂e. The previous year's values were retroactively aligned with the latest version of the VfU guidelines and are therefore not directly comparable with the figures published in previous sustainability reports.

¹⁰ Detailed information on direct and indirect greenhouse gas emissions can be found in the section “[Responsible products and services](#)” under “[Financed emissions](#)”.

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

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