

Principles for Responsible Banking

# Progress Statement 2025

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## 01 Introduction

# UNEP FI Principles for Responsible Banking






In August 2021, the LLB Group signed the Principles for Responsible Banking (UN PRBs). The UN PRBs are an initiative of the United Nations that sets global standards for responsible banking. By adhering closely to six basic principles, signatory companies are to bring their business operations into alignment with the Paris Agreement and with the United Nations Sustainable Development Goals (UN SDGs).

This document contains all the relevant information on the LLB Group's sustainability initiatives and represents the third progress report since signing the UN PRBs.

## 02 Overview

### Principles

 <b>Principle 1: Alignment</b>	 <b>Principle 2: Impact &amp; Target Setting</b>	 <b>Principle 3: Clients &amp; Customers</b>
<p>The LLB Group pursues an <b>ambitious sustainability strategy</b>, which is an integral part of the ACT-26 corporate strategy. <b>The goal is to achieve net zero greenhouse gas emissions by 2040</b> – ten years earlier than stipulated in the Paris Agreement. The strategy is guided by:</p> <ul style="list-style-type: none"> <li>▪ <b>scientific findings</b></li> <li>▪ <b>international frameworks</b>, such as the Paris Agreement</li> <li>▪ the <b>Sustainable Development Goals (SDGs) of the United Nations</b></li> <li>▪ the <b>European Green Deal</b> and the EU climate targets</li> </ul> <p>Furthermore, we have identified <b>Financial Health and Inclusion as another strategic focus</b></p> <p><b>We did not make any fundamental changes to our strategic direction</b> in 2024.</p>	<p>The LLB Group conducted a <b>double materiality assessment</b> in the 2024 reporting year to identify its most significant impacts, risks and opportunities. The topics classified as important include <b>climate protection, diversity and equal opportunities, as well as corporate management and integrity</b>.</p> <p>The <b>climate strategy is focused</b> on the goal of achieving net zero emissions Group-wide by 2040. The objective will be achieved incrementally:</p> <ul style="list-style-type: none"> <li>▪ reduction of GHG emissions from <b>own investments and banking products</b> by at least <b>30 per cent by 2026</b></li> <li>▪ reduction of GHG emissions in <b>banking operations</b> by at least <b>20 per cent by 2026</b></li> <li>▪ overall reduction of Group-wide GHG emissions by <b>55 per cent by 2030</b></li> </ul> <p><b>The absolute trend in GHG emissions</b> in own investments, asset management and LLB's own funds <b>from 2019 to 2024 was remarkable</b>; Scope 1 (-18.6 %), Scope 2 (-31.9 %), Scope 3 (-27.9 %); excluding third-party funds/government bonds.</p> <p>The strategy is being implemented through a <b>Group-wide transition plan</b> that is closely linked to the ACT-26 strategy. We will revalidate this in 2025 as part of an ongoing ESG risk management project.</p> <p>At the centre of <b>Financial Health and Inclusion</b> is our willbe offering:</p> <ul style="list-style-type: none"> <li>▪ <b>increase in the number of young adults</b> (age 18 to 30) <b>by at least 100 per cent by the end of 2030</b> – with the aim of private pension provision and early asset accumulation</li> </ul> <p>The reference year for all <b>climate targets is 2019</b>, while <b>1 January 2025 serves as the basis for the Financial Health and Inclusion area</b>. <b>A detailed list of climate protection measures</b> can be found in our Sustainability Statement 2024 and was reviewed by an external auditor.</p>	<p>In connection with providing advice and support, the LLB Group works with its clients to <b>promote sustainable practices</b>. In the area of asset management (fund management and wealth management), <b>advisory/support media have been updated</b>. Furthermore, an <b>internal ESG database</b> has been created to increase transparency. It is being gradually expanded for strategic and regulatory GHG / ESG management. In the 2024 reporting year, for example, our <b>environmental mortgage</b> was also expanded. It offers corporate clients more favourable conditions if they take energy efficiency into account when building or renovating. To support clients, we introduced a <b>new CO<sub>2</sub> and renovation calculator</b>, which provides <b>information on energy-efficient renovations and funding programmes</b>.</p> <p>All advisers in Liechtenstein and Switzerland have received <b>training in sustainable construction and energy-efficient renovations</b>. This allows them to provide information on funding opportunities and the effects on market value and rental prices, and to promote sustainable decisions.</p>
<p><b>LLB Sustainability Statement 2024:</b></p> <ul style="list-style-type: none"> <li>▪ Page 93–97 (sustainability in the business model and strategy)</li> <li>▪ Page 119–128 (climate protection transition plan)</li> </ul>	<p><b>LLB Sustainability Statement 2024:</b></p> <ul style="list-style-type: none"> <li>▪ Page 105–109 (double materiality assessment)</li> <li>▪ Page 119–128 (climate protection transition plan)</li> </ul>	<p><b>LLB Sustainability Statement 2024:</b></p> <ul style="list-style-type: none"> <li>▪ Page 129 (lending, asset management and own funds)</li> <li>▪ Page 119–128 (climate protection transition plan)</li> </ul>

### Principles

 <b>Principle 4: Stakeholders</b>	 <b>Principle 5: Governance &amp; Culture</b>	 <b>Principle 6: Transparency &amp; Accountability</b>
<p>The LLB Group engages in regular dialogue with <b>internal and external stakeholder groups</b>. Stakeholders were actively involved in the <b>double materiality assessment</b> in 2024, including:</p> <ul style="list-style-type: none"> <li>▪ <b>employees</b></li> <li>▪ <b>owners and investors</b></li> <li>▪ <b>partners and NGOs</b></li> </ul> <p>The <b>involvement of these stakeholder groups</b> took place through <b>focus interviews, stakeholder workshops and internal expert groups</b>. The results were incorporated, among other things, into the evaluation of significant impacts, risks and opportunities. <b>Stakeholder concerns are also integrated into due diligence processes</b>.</p> <p>Based on feedback, the sustainability strategy did not change in the reporting year; however, further measures (e. g. from employee surveys) were derived and implemented.</p>	<p>The LLB Group has its own <b>governance structure for sustainability</b>. The central steering committee is the <b>Sustainability Council</b>, in which all members of the Group Executive Board, as well as the CEOs of LLB Schweiz and LLB Österreich, are represented. The Council defines the sustainability strategy, monitors its implementation and delegates tasks to eleven <b>sustainability streams</b> (e. g. HR/social, banking operations, risk management, etc.).</p> <p><b>The Group Executive Board regularly informs the Group Board of Directors</b> about progress, risks and conflicting objectives. The <b>Group Board of Directors, along with specific managers and Stream Leads, have received training</b> on current sustainability issues. The implementation of the sustainability strategy is regulated in the <b>Group Sustainability Directive</b>. To promote a responsible corporate culture, <b>employees have received training on sustainability issues</b>. The Code of Conduct was revised in 2024 and addresses topics including sustainability human rights and sanctions.</p> <p>A part of the <b>Group CEO's variable compensation is tied to the sustainability strategy</b> in order to achieve net zero emissions.</p>	<p>The LLB Group publishes its sustainability information in the <b>Sustainability Statement as part of the management report in the annual report</b>. Reporting takes place in accordance with the <b>requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS)</b>. The sustainability statement was created for the <b>first time in the 2024 reporting year based on a double materiality assessment</b>. <b>An external audit of the Sustainability Statement was conducted</b>. The audit report is included in the annex to the annual report.</p>
<p><b>LLB Sustainability Statement 2024:</b></p> <ul style="list-style-type: none"> <li>▪ Page 102–103 (dialogue with stakeholder groups)</li> <li>▪ Page 105–108 (double materiality assessment)</li> <li>▪ Page 143 (employee survey)</li> </ul>	<p><b>LLB Sustainability Statement 2024:</b></p> <ul style="list-style-type: none"> <li>▪ Page 97–101 (sustainability governance)</li> <li>▪ Page 103 (sustainability-related remuneration policy)</li> <li>▪ Page 156–159 (corporate culture)</li> </ul>	<p><b>LLB Sustainability Statement 2024:</b></p> <ul style="list-style-type: none"> <li>▪ Page 89–90 (general information)</li> <li>▪ Page 103–105 (risk management in connection with reporting)</li> </ul>

## 03 Principle 1

# Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the 17 Sustainable Development Goals of the United Nations (SDGs), the Paris Agreement, and relevant national and regional frameworks.

### Business model

**LLB Sustainability Statement 2024:** Page 91–92 (our business model)

The LLB Group offers a wide range of banking products and services tailored to the needs of its clients. Business activity is primarily focused on Liechtenstein, Switzerland, Austria, Germany and the United Arab Emirates. The business model is based on two profitable market divisions:

- **Private & Corporate Clients:** this division covers the universal banking business in the home markets of Liechtenstein and Switzerland. It offers the full range of banking and financial services, including savings and mortgage business, private financial planning and occupational pensions, as well as investment advisory services and asset management for various client groups. It also serves locally oriented private banking clients in the German-speaking countries (Liechtenstein, Switzerland and Germany).

- **International Wealth Management:** this division focuses on private banking clients, as well as institutional and fund clients. The main markets are Austria, the rest of Western Europe, Central and Eastern Europe, and the Middle East. It offers investment advisory services, asset management, asset structuring and financing, as well as financial and pension planning. Client groups include fiduciaries, asset managers, insurance companies, pension funds and public-sector institutions. The LLB Group **incorporates sustainability as a strategic priority in its ACT-26 corporate strategy.**

### Strategy alignment

**LLB Sustainability Statement 2024:** Page 93–97 (sustainability in the business model and strategy), Page 97–101 (sustainability governance), Page 119–128 (climate protection transition plan)

In October 2021, the LLB Group presented its corporate strategy ACT-26. In addition to traditional economic components, i.e. growth and efficiency, **sustainability is now embedded as a core strategic element** for the first time in the company's history. The LLB Group aligns its strategy with international, regional and national frameworks. **It explicitly commits to the goals of the Paris Agreement and has pledged to achieve net zero emissions by no later than 2040 – ten years earlier than internationally agreed.** Furthermore, LLB is guided by **the Sustainable Development Goals of the United Nations (SDGs), the European Green Deal and the EU climate targets.**

It is a member of the following international initiatives:

- **UN Principles for Responsible Banking (PRBs)**
- **Net-Zero Banking Alliance (NZBA)**
- **UN Principles for Responsible Investment (PRI)**
- **UN Global Compact (UNGC)**
- **Partnership for Carbon Accounting Financials (PCAF)**
- **The Climate Pledge**

LLB supports the implementation of the ten principles of the UN Global Compact, which include, human rights, labour standards, environmental protection and anti-corruption. Furthermore, the LLB Group complies with the Partnership for Carbon Accounting Financials (PCAF).

**The sustainability strategy is an integral part of the ACT-26 corporate strategy and is managed through a dedicated governance structure.** Implementation is based on clearly defined targets and measures, which are regularly reviewed and further developed.

## 04 Principle 2

# Impact & Target Setting



We will continuously increase our positive impacts on people and the environment resulting from our activities, products and services. At the same time, we will reduce the negative impacts and manage the risks. To this end, we will set and publish targets where we can have the most significant impact.

### Impact analysis

**LLB Sustainability Statement 2024:** Page 105–108 (double materiality assessment)

The LLB Group conducted a **double materiality assessment for the first time in 2024 in accordance with ESRS requirements**. The starting point was a long list of potentially significant sustainability aspects, supplemented by regulatory requirements (including ESRS, GRI and SASB), internal documents, market observations and stakeholder feedback. The assessment included both the impact on the environment and society, as well as financial risks and opportunities (double materiality). The assessment was based on criteria such as scale, scope, irremediable character and likelihood of occurrence. We assigned the identified **material topics to four sustainability aspects**:

- **economic role and regional employer**
- **climate protection**
- **diversity and equal opportunities**
- **governance and integrity**

The double materiality assessment also considered sustainability aspects in relation to the four PRB priorities (climate change; nature and biodiversity; healthy and inclusive economies, and human rights).

The assessment covered the **entire value chain** (upstream, own operations and downstream), **as well as direct and indirect business relationships**. In the downstream value chain, we analysed the impact, risks and opportunities related to our financing, LLB funds, asset management, private label funds and own investments.

To measure the impact, we used qualitative and quantitative indicators, such as financed GHG emissions, personnel metrics and principal adverse impact indicators. In future, the results will be used systematically for the management of sustainability aspects.

### Targets, target implementation and action plans

**LLB Sustainability Statement 2024:** Page 103–105 (risk management in connection with reporting), Page 119–120 (climate protection transition plan), Page 130–136 (greenhouse gas emissions)

#### SMART targets: Reduction of greenhouse gas emissions

Our ambition to reduce GHG emissions:

- **own investments and banking products** by at least **30 per cent by 2026**
- **banking operations** by at least **20 per cent by 2026**
- **overall reduction of Group-wide GHG emissions** by **55 per cent by 2030**

**Baseline:** year 2019 (last full year before COVID-19)

**Monitoring:** the achievement of targets is monitored by the Group Executive Board and the Group Board of Directors. With regard to climate protection, we distinguish between banking operations (Scope 1, 2 and 3.1 to 3.7 pursuant to the definition of the Greenhouse Gas Protocol) and banking products and own investments (Scope 3.15).

**KPIs:** the primary KPI for the stated SMART targets is absolute CO<sub>2e</sub>. Also measured on an annual basis are CO<sub>2</sub> per invested CHF 1 million for the investment portfolio and CO<sub>2</sub> per m<sup>2</sup> for the mortgage portfolio. As part of a current ESG risk management project, further potential metrics and qualitative indicators are being validated.

#### Measures:

- introduction of an ESG database to improve data quality
- development of a transition plan to achieve net zero by 2040
- implementation of a mobility and lending concept
- consistent implementation of the sustainability approach for our investments (asset management and LLB funds)
- integration of targets into the governance structure (Sustainability Council and streams)
- portfolio reallocations and almost complete phase-out of fossil fuels in the area of own investments



## The LLB Group's GHG emissions

	Retrospective				Milestones and target years		
	2024	2023	2019	Change 2023–2024	2026 <sup>1</sup>	2030	2040
<b>Scope 1 GHG emissions in tonnes of CO<sub>2e</sub></b>							
Gross Scope 1 GHG emissions	106	125	391	- 15 %			
Percentage of Scope 1 GHG emissions from regulated emission trading schemes							
<b>Scope 2 GHG emissions in tonnes of CO<sub>2e</sub></b>							
Gross location-based Scope 2 GHG emissions	313	277	602	13 %			
Gross market-based Scope 2 GHG emissions	211	159	493	32 %			
<b>Significant Scope 3 GHG emissions<sup>2</sup> in tonnes of CO<sub>2e</sub></b>							
Total gross indirect (Scope 3) GHG emissions	652'512	656'142	815'368	- 1 %	- 20 %	- 55 %	Net zero
1 Purchased goods and services	401	386	374	4 %			
2 Capital goods	198	208	32	- 5 %			
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	293	238	299	23 %			
4 Upstream transportation and distribution	75	67	61	12 %			
5 Waste generated in operations	1	29	32	- 97 %			
6 Business travel	767	452	590	70 %			
7 Employee commuting	1'953	1'945	2'218	0 %			
15 Investments <sup>3</sup>	648'824	652'817	811'762	- 1 %	- 30 %		
<b>Total GHG emissions in tonnes of CO<sub>2e</sub></b>							
Total GHG emissions (location-based)	652'931	656'545	816'361	- 0.6 %			
Total GHG emissions (market-based)	652'829	656'427	816'253	- 0.5 %			

<sup>1</sup> The LLB Group's medium-term target year is based on the ACT-26 strategy period, which runs until 2026. The 20 % reduction target applies exclusively to banking operations (excluding Scope 3.15).

<sup>2</sup> Scopes 3.8 to 3.14 are immaterial for the LLB Group.

<sup>3</sup> For data quality reasons, only Scopes 1 and 2 are included in the listed equity and debt. Scope 3.3 is also included for mortgages.

### SMART target: Financial Health and Inclusion

In 2024, we defined a second SMART target, which we will continuously develop and transparently disclose. **Our ambition:** in line with the LLB Group's DNA, we promote financial health and inclusion – through targeted products, as well as financial education and services. This is achieved, among other things, through offerings such as the basic payment account and our LLB Financial Coach initiative, with which we promote the financial literacy of children and young people in Liechtenstein. Our employees are involved in corporate volunteering to provide practical financial education. Furthermore, we have set ourselves the goal of increasing the number of young adults (aged 18 to 30) with retirement or fund investments by at least 100 per cent by the end of 2030. The focus is our digital asset management offering willbe, which provides this group of clients with easy access to investment opportunities.

**Baseline:** 1 January 2025

**Key KPIs:** percentage change in the number of young adults (aged 18 to 30) via willbe

**Monitoring and measures:** the achievement of targets is monitored through existing governance structures in sustainability. The management and associated derivation of specific measures will take place gradually until the end of 2030.

## 05 Principle 3

# Clients & Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

### Client and customer engagement

**LLB Sustainability Statement 2024:** Page 126–127 (asset management and own funds), Page 127 (loans), and Page 128–129 (measures related to climate strategies)

The LLB Group pursues a **clear strategy for promoting sustainable practices and actively involving its clients in the transformation**. This basic idea is also embodied in our guidelines and reflected in concrete measures. For example, the following measures were implemented in 2024:

- In 2024, all **client advisers in Liechtenstein and Switzerland received training on sustainable construction and energy-efficient renovation**.
- Additionally, a **CO<sub>2</sub> and renovation calculator** supports advisory services with information on renovation measures and funding programmes.
- Moreover, a **concept was introduced for avoiding stranded assets in lending**, which identifies GHG-intensive real estate projects at an early stage.
- With the environmental mortgage, LLB offers a **sustainable financing product that supports energy-efficient construction and renovation with attractive conditions** – including for corporate clients since 2024.
- In the **investment area, clients are routinely asked about their sustainability preferences**. If they have any, suitable investment solutions are offered. The

advisors are trained to implement them in the best interests of the clients.

- **The advisory media on the subject of sustainability have been further professionalised**. Among other things, in the area of private banking, we improved and further developed the materials used in client advisory and support services in a targeted manner. Our clients benefit here from a **professionally structured, sustainable investment portfolio that, in addition to risk and return, does not neglect sustainability components (e. g. reduced carbon footprint)**. In combination with our ESG database, which features an integrated «Management» cockpit that displays the sustainability situation more transparently, more informed solutions can be found regarding the reduction of greenhouse gas emissions. Overall, this leads to an improvement in the quality of advice and in comprehensibility. Furthermore, we promote financial health and inclusion – through targeted products, as well as financial education and services. This is achieved, for example, through offerings such as the basic payment account and our LLB Financial Coach initiative, with which we promote the financial literacy of children and young people in Liechtenstein (see Principle 2).

### Business opportunities

**LLB Sustainability Statement 2024:** Page 126–127 (asset management and own funds), Page 127 (loans), Page 137–139 (EU Taxonomy)

The LLB Group **supports sustainable transformation** through targeted product development and advisory services – in accordance with regulatory requirements and recognised sustainability standards. In the context of sustainable financial products, we are guided by international standards such as the **EU Taxonomy, SFDR, PCAF** and the **UN PRIs**.

**In the reporting year, strategic opportunities were utilised** to expand sustainable financing such as green mortgages and ESG-compliant investment solutions. Clients are systematically asked about their sustainability preferences and receive suitable financing and investment offers. These are transparently disclosed in accordance with SFDR and the EU Taxonomy.

**A more comprehensive presentation of the opportunities can be found in the Sustainability Statement 2024.**

The general business opportunities of the LLB Group include:

- supporting clients on the path to a carbon-neutral future
  - providing support in bringing to an end the activities that are most harmful to the climate
  - increased regional and international cooperation
  - efficiency increases in banking operations
- In recent years, the LLB Group has **significantly expanded its range of environmentally and socially responsible products**. These include:
- LLB funds with ESG integration and exclusion criteria (e. g. controversial weapons)
  - impact funds in line with Art. 9 SFDR that invest in companies with a credible decarbonisation strategy or in green bonds
  - environmental mortgage with interest benefits for energy-efficient construction and renovation, also available for corporate clients since 2024
  - CO<sub>2</sub>/renovation calculator to support sustainable construction projects

## 06 Principle 4

# Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve societal goals.

### Stakeholder identification and consultation

**LLB Sustainability Statement 2024:** Page 97 (membership in industry initiatives), Page 102–103 (dialogue with stakeholder groups), Page 105–109 (double materiality assessment)

The LLB Group maintains **continuous and open dialogue with internal and external stakeholders** – in person, digitally, at information events or in relevant work meetings. Our most important stakeholder groups are:

- employees
- clients
- the public
- owners and investors
- partners and NGOs

The involvement of select stakeholder groups in the context of the double materiality assessment was carried out through **focus interviews, stakeholder workshops and internal expert groups**. Qualitative assessments of impacts, risks and opportunities were collected, consolidated and integrated into the strategic action planning. Stakeholder concerns are also incorporated into due diligence processes. A fundamental adjustment of the sustainability strategy was not necessary in the reporting year. However, concrete measures were derived from employee surveys.

The LLB Group is **in close contact with its majority owner, the Principality of Liechtenstein**, and promotes dialogue with its clients – particularly regarding the growing importance of sustainability.

**Furthermore, LLB is actively involved in industry initiatives and networks** to work together with partners on sustainable solutions. These include

- local platforms such as the Liechtenstein Bankers Association
- the Liechtenstein Chamber of Commerce and Industry
- the Swiss Climate Foundation and
- the Austrian Bankers' Association

**Internationally, the LLB Group is a member of**

- the United Nations Principles for Responsible Banking (UN PRBs)
- the Net-Zero Banking Alliance (NZBA)
- the UN Principles for Responsible Investments (PRI)
- the United Nations Global Compact
- the Partnership for Carbon Accounting Financials (PCAF) and
- the initiative The Climate Pledge



07 Principle 5

# Governance & Culture

We will implement our commitment to these principles through effective governance and a culture of responsible banking.

### Governance structure for implementation of the principles

LLB Sustainability Statement 2024: Page 97–101 (sustainability governance)

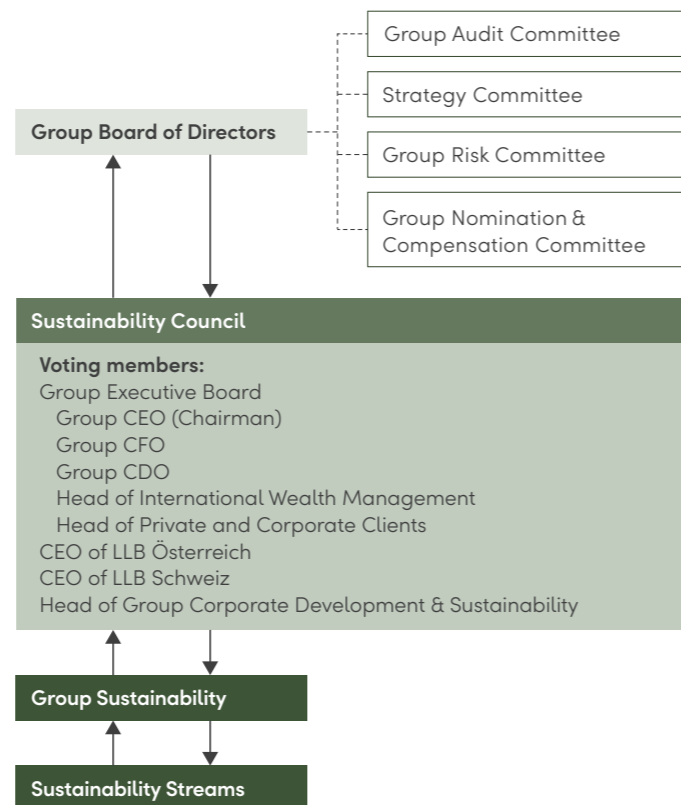
Since 2022, the LLB Group has had a dedicated **governance structure for sustainability**, which is set down in Group Sustainability Directive. It ensures that sustainability aspects are systematically considered at all levels. The central steering committee is the **Sustainability Council**, which includes all members of the Group Executive Board, the CEOs of LLB Schweiz and LLB Österreich, and (since 2025) the Head of Group Corporate Development & Sustainability. The Council defines the sustainability strategy, monitors its implementation and delegates tasks to **eleven sustainability streams**. It generally meets quarterly and at least three times a year.

The **Group Executive Board** is responsible for operational implementation and reports at least once a year to the **Board of Directors**, which addresses issues relevant to sustainability at least biannually and is supported by specialised committees.

The **organisational unit Group Corporate Development & Sustainability** coordinates communication between the Council and streams, providing regular information about the implementation status.

For the purpose of operational implementation, **eleven**

### Sustainability and climate governance structure



**interdisciplinary sustainability streams** have been established, which bear primary responsibility for implementing the sustainability and climate strategy. The **sustainability streams** are responsible for implementing the strategy and regulatory requirements in their respective areas within the LLB Group and report to the Council.

In addition, **green teams** have been established – a voluntary initiative where employees can contribute their own ideas for a more sustainable LLB and actively participate during regular working hours. **In this way, the LLB Group emphasises its conviction that sustainable transformation can only succeed in close collaboration with the entire talent pool.**

**Promoting a culture of responsible banking:** LLB Sustainability Statement 2024: Page 150 (training and competence development), Page 156–159 (corporate culture)

The LLB Group promotes a **corporate culture based on the values** of integrity, respect, passion and excellence. Two key instruments support the anchoring of this culture:

- **Cultural journey:** since 2017, this programme has motivated employees to reflect on their actions and initiate change processes. The current focus is on client and results orientation (CRO). In workshops, a common understanding was developed, and individual CRO targets were integrated into target agreements. Managers were given targeted training as part of a CRO camp.

- **Mandatory training:** all employees regularly attend training seminars on ethical and legal issues such as due diligence obligations, conflicts of interest, market abuse and sustainability. New employees must complete relevant training sessions within the first three months.

Furthermore, an **ESG target has been integrated into the variable compensation of the Group CEO** to also anchor sustainability in the performance evaluation. In addition, the LLB Group promotes a culture of responsible banking through targeted measures to develop skills. This includes continuous training offers, management communication on sustainability issues, the integration of ESG aspects into individual target agreements and the promotion of open dialogue about responsible action in everyday life (e.g. through measures to raise awareness on the topic of diversity and inclusion).

**Risk and due diligence processes and policies** LLB Sustainability Statement 2024: Page 96 (integration of sustainability into risk management), Page 122–123 (resilience of the business model), Page 124–128 (strategies for dealing with climate change)

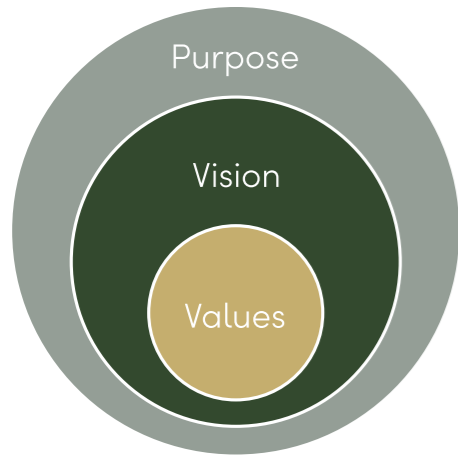
**Strategies for dealing with sustainability factors: Disclosure pursuant to Article 3 of Regulation (EU) 2019/2088:** Page 4 et seq. (our strategies for including sustainability risks)

As part of the double materiality assessment to be carried out on a regular basis, we also identify sustainability-related risks associated with our assets. Our internal teams of experts assessed potential risks from the aspects of likelihood and extent of financial impact. Furthermore,

### Sustainability streams

Stream no.	Content	Responsibility
1	Coordination of work streams and green teams	Group Sustainability
2	Banking operations	Logistics Services
3	Investment products	Asset Management
4	Treasury	Group Treasury
5	Investment consulting	Group Product Management
6	Loans	Group Product Management
7	ESG reporting and communications	Group Corporate Communications
8	Climate and sustainability risk management	Group Credit & Risk Management
9	Climate and regulatory requirements for sustainability	Group Legal & Regulatory
10	Social responsibility and HR	Group Human Resources
11	Marketing	Group Marketing

# Transparency & Accountability



**Purpose – Why we exist**  
With values-based banking we create a sustainable future.

**Vision – What we want to achieve**  
We are one of the most trustworthy banks in the world.

**Values – Who we are**  
Integrity, respectful, passionate, excellent

in 2024, we conducted a climate scenario analysis for our investment portfolio (LLB own funds, asset management mandates and own investments) using the Climate Value-at-Risk (CVaR) model. The aim was to test the resilience of our business model against climate risks. In asset management and fund management, we systematically take sustainability risks into account, particularly physical and transitory climate risks, but also social risks and governance risks. Control instruments include positive selection based on minimum ESG scores, as well as exclusions due to activities in controversial business areas (e.g. revenues from thermal coal, banned weapons, gambling, etc.) or due to violations of fundamental basic norms. The management instruments used may vary depending on the financial product. In our own investments, we use similar instruments. Furthermore, we have decided to withdraw almost completely from companies in the fossil fuels sector in our own investments by 2025.

We are further advancing the integration of ESG risks into the risk management process. As part of an ongoing project, we are ensuring that ESG risks will in future be systematically identified, assessed, managed and monitored to sustainably strengthen the LLB Group's resilience while simultaneously meeting all relevant regulatory requirements.

We continuously monitor the needs and interests of our employees and take these into account in our business decisions. A relevant tool in this context is the employee survey. The impacts on the sustainability aspects of diversity and equal opportunities are continuously monitored, such as with the HR or Diversity & Inclusion Cockpit, which analyses the key figures in this area. Moreover, the decision-makers in the company are in constant dialogue with the employee representative body (Liechtenstein) or the works council (Austria). With the whistleblowing tool and the Integrity Committee, employees have additional channels to communicate their concerns and needs.

The governance structure (Sustainability Council and streams) monitors the implementation and effectiveness of the measures.

The LLB Group has prepared its **Sustainability Statement 2024 in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS)**. The statement is an integral part of the management report in the annual report of the LLB Group.

Sustainability reporting is subject to a multi-stage review and approval process. Furthermore, this was **reviewed as part of a limited assurance audit by an independent external audit firm**. The corresponding audit report is published in the annex to the annual report.



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