

Thurgauer Kantonalbank

12 June 2024

Scope 1 and 2: Thurgauer Kantonalbank commits to reduce absolute scope 1 GHG emissions 42% by FY2030 from a FY2022 base year.

Thurgauer Kantonalbank commits to increase active annual sourcing of renewable electricity from 75% in FY2022 to 100% by FY2030.

Scope 3 Portfolio Targets

Headline target: Thurgauer Kantonalbank's portfolio targets cover 74% of its total investment and lending by total assets as of FY2023. As of that year, required activities made up 34% of Thurgauer Kantonalbank's total investment and lending by total assets while optional activities made up 42% and out of scope activities made up 24%.

Scope 3 asset class level targets

Asset class	Method	Target language
Residential Mortgages	Sector Decarbonization Approach (SDA)	Thurgauer Kantonalbank commits to reduce its mortgage portfolio GHG emissions 39% per square meter by FY2030 from a FY2023 base year.
Corporate loan: commercial real estate	SDA	Thurgauer Kantonalbank commits to reduce GHG emissions from the commercial real estate sector within its corporate loan portfolio 40.5% per square meter by FY2030 from a FY2023 base year.
Corporate loan: other long-term and short-term debt	Temperature Rating	<p>Thurgauer Kantonalbank commits to align its scope 1 + 2 portfolio temperature score by invested value within its other long-term and short-term debt from 2.66°C in FY2023 to 2.39°C by FY2028.</p> <p>Thurgauer Kantonalbank commits to align its scope 1 + 2 + 3 portfolio temperature score by invested value within its other long-term and short-term debt from 3.10°C in FY2023 to 2.78°C by FY2028.</p>



Corporate bonds	Temperature Rating	Thurgauer Kantonalbank commits to maintain its scope 1 + 2 portfolio temperature score by invested value within its corporate bonds at 1.69°C or below through FY2028. Thurgauer Kantonalbank commits to align its scope 1 + 2 + 3 portfolio temperature score by invested value within its corporate bonds from 2.31°C in FY2023 to 2.22°C by FY2028.
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Summary

Thurgauer Kantonalbank will implement the following strategy and actions to achieve its targets:

In order to actively approach its clients, Thurgauer Kantonalbank (TKB) has carried out a comprehensive training initiative on the topic of sustainability, specifically ESG, and sustainable finance, which all its advisors and sales-related staff were required to complete. This was done in cooperation with the Zurich University of Applied Sciences (ZHAW). Advisors therefore have the specialist knowledge to address, raise awareness of and advise customers on the topic.

In its real estate financing business, TKB raises awareness among its customers who own fossil-fuel-heated and energy-inefficient properties, among other things. It offers energy-saving checks for sustainable building renovation with the public and neutral Energy Advice Center of the Canton of Thurgau (eteam). For comprehensive renovation projects, TKB contributes to the certification costs of the cantonal building energy certificate (GEAK). In addition, it promotes sustainable construction and renovation with a financial product offering an interest discount (energy mortgage).

TKB applies an engagement strategy for its corporate clients. It integrates sustainability as a component of the advisory discussions and addresses the topic with customers. They are asked about their affinity for sustainability and the impact of climate change on their business model (opportunities and risks). TKB records these findings.

TKB selected these actions because they allow it to engage positively with its customers about sustainability, in particular the environment/climate, to show them opportunities and to activate latent potential for reducing emissions. TKB's contribution is to lower the barriers to implementing improvement measures as far as possible and to be a competent partner for its customers when it comes to making significant changes and accompanying them on the transformation path.



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About the SBTi

The Science Based Targets initiative (SBTi) is a corporate climate action organization that enables companies and financial institutions worldwide to play their part in combating the climate crisis.

We develop standards, tools and guidance which allow companies to set greenhouse gas (GHG) emissions reductions targets in line with what is needed to keep global heating below catastrophic levels and reach net-zero by 2050 at latest.

The SBTi is incorporated as a charity, with a subsidiary which will host our target validation services. Our partners are CDP, the United Nations Global Compact, the We Mean Business Coalition, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

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