Non-Financial Reporting Directive (NFRD) Report

For the financial year ending
31 December 2025

Banking Circle S.A.

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Message from the CFO

Banking Circle occupies a specific position in the global financial system: the infrastructure layer that sits between institutions and the markets they need to reach. That position carries real responsibility. This report sets out how we discharge it across the environmental, social, and governance dimensions of our business.

2025 was a year of disciplined growth. Our workforce grew to 806 employees representing 64 nationalities, operating across eight offices in Luxembourg, Copenhagen, London, Munich, Regensburg, Singapore, Sydney, and Liechtenstein. As the Bank extends its direct access to additional clearing systems and expands its geographic reach, it is positioning itself to serve a broader institutional client base while maintaining the operational standards that define our platform.

Governance remains our most material ESG consideration, and rightly so. In a business where institutions depend on a single infrastructure partner to move funds reliably across jurisdictions, the quality of controls, compliance, and decision-making is inseparable from the product itself. During 2025, 100% of employees completed anti-corruption and AML training. No incidents of bribery, corruption, harassment, discrimination, or human rights violations were recorded. ISO 27001 certification was maintained. The Board comprises 50% independent members, with a dedicated director responsible for ESG oversight.

Our people are engaged and stable. Employee satisfaction reached 8.0 out of 10, above the industry benchmark of 7.8, and our employee Net Promoter Score of 42 is double the sector average. We maintain inclusive hiring practices, internal development pathways, and long-standing programmes that support retention and professional growth across all locations.

Our direct environmental footprint is limited, a natural consequence of a B2B payments model with no retail customers, no traditional lending, and no exposure to environmentally sensitive assets. Total GHG emissions in 2025 were 2,732 tCO_2e, or 3.39 tonnes per employee, below sector benchmarks, with 63% of electricity sourced from renewables. We implemented a new emissions methodology aligned with the GHG Protocol, increased activity-based data coverage to 71%, and designated FY2025 as our measurement baseline for future reporting.

New EBA guidelines and CSSF requirements on ESG risk management take effect in 2026. We are enhancing our data governance, refining our risk assessment methodologies, and formalising a transition plan consistent with climate neutrality by 2050. The standards now being formalised across the industry are ones this Bank has already chosen to hold itself to.

We enter 2026 with the operational discipline, the governance framework, and the ambition to meet those expectations.

Michael Hansen

Chief Financial Officer, Banking Circle S.A.

About the report

This Non-Financial Reporting Statement has been prepared in accordance with the requirements of Directive 2014/95/EU of the European Parliament and of the Council, commonly referred to as the Non-Financial Reporting Directive ("NFRD"), as transposed into Luxembourgish regulation.

As a public-interest entity with more than 500 employees, NFRD requires Banking Circle S.A. ("BCSA", "the Bank"), to disclose relevant information relating to environmental, social and employee matters, respect for human rights, anti-corruption and bribery issues, and diversity on company boards.

This report presents an overview of the policies, outcomes, risks, and performance indicators associated with these areas, providing stakeholders with transparent insight into BCSA's non-financial impacts and how they are managed.

This statement supplements the BCSA Financial Report for 2025 and covers the operations and initiatives of the Bank and, where applicable, its branches and subsidiaries.[1]

Standards

This report has been drafted in accordance with EC Guidelines on non-financial reporting (2017), EC Supplement on reporting climate-related information (2019), and European common enforcement priorities for 2019 annual financial reports (2019).

The report covers the period for the financial year ending 31 December 2025[2] and has been approved by the Board of Directors on 24 June 2026.

Regulatory Framework in Luxembourg

In addition to requirements of the NFRD, BCSA is subject to complying with the following regulations:

- EU Global Human Rights Sanction Regime (2020/1998/EU)
- Diversity on Management bodies (Luxembourg Law on Financial Services, EBA/GL/2021/06)
- CSSF Circular 21/773 on the Management of Climate-related and Environmental Risks
- Modern Slavery Act 2015 (UK)
- The EU Taxonomy Regulation (2020/852/EU)
- Green House Gas protocol[3]
- EC Guidelines on non-financial reporting (2017)[4]
- EC Supplement on reporting climate-related information (2019)
- EBA guidelines on ESG Risk Management (EBA/GL/2025/01)

[1] In cases where data for subsidiaries or branches is not included, it will be noted in the specific section.

[2] The financial year of 2025 covering the period from January 1st, 2025, to December 31st, 2025.

[3] https://ghgprotocol.org/

[4] EC guidelines and supplement on non-financial reporting

PART I. GENERAL INFORMATION

1. BCSA's vision and mission

BCSA's vision is to deliver global financial infrastructure that institutions can rely on - scalable, resilient, and designed to enable seamless payments across markets, today and as the dynamics of value transfer continue to evolve.

Its mission is to build and operate a next-generation correspondent banking network that simplifies how financial institutions access clearing, liquidity, and payment capabilities globally. In 2025, the platform supported the movement of over €1.5 trillion in value and served more than 850 regulated financial institutions - evidence of both its scale and the trust placed in it by the industry.

This is underpinned by a global expansion strategy focused on securing direct access to central banks and clearing schemes - instant where available, across major currencies. The aim is to deliver real-time, always-on payment capabilities through a single, integrated infrastructure that not only meets the demands of modern payment flows but is built to support new and emerging forms of financial interaction as they scale. In doing so, BCSA enables institutions to future-proof their payment capabilities while maintaining the highest standards of reliability, regulatory robustness, and operational performance.

2. Business model and ESG approach

BCSA offers next generation treasury and liquidity management services. The Bank offers cutting-edge physical and virtual accounts in multiple currencies. The Products and Services include Accounts, Payments, Foreign Exchange, Deposits, Liquidity Management Funds, Request to Pay (RTP), Agency Banking, and Direct Debit.

BCSA´s significant customer groups are Non-Bank Financial Institutions (NBFIs), Banks, and Corporates.

2.1 Business model

Banking Circle operates a business-to-business (B2B) payments bank and financial infrastructure provider, focused on enabling financial institutions, payment service providers, and marketplaces to move money efficiently across borders. It does not serve retail customers directly; instead, it acts as an intermediary platform that supports its clients in delivering banking and payment services to their own end customers.

The Bank's core business model is built around providing a technology-enabled banking infrastructure, combining regulated banking services with modern payment technology. As a fully licensed bank with access to central bank clearing systems, Banking Circle offers a suite of services including multi-currency accounts, cross-border payments, foreign exchange, deposits, and correspondent banking solutions, all delivered through a single platform supported by APIs and digital integration.

A key feature of the model is its role as a payment "backbone", enabling clients to access global payment rails without needing to establish their own international banking network. Through tools such as virtual IBANs, direct clearing access (e.g. SEPA and SWIFT), and connections to multiple local clearing schemes, Banking Circle allows institutions to send and receive payments globally in a faster, more cost-efficient and transparent manner.

The Bank primarily serves regulated financial institutions, payment companies, banks, marketplaces and investment firms, supporting them in offering their own end-to-end financial services. Its platform enables clients to maintain their customer relationships while outsourcing the underlying banking infrastructure, thereby expanding their global reach and capability without the need for multiple correspondent banking arrangements.

The Bank positions itself as a next-generation financial technology platform for global commerce, combining real-time clearing and settlement capabilities with a scalable, API-driven architecture. This model is designed to overcome the limitations of traditional banking infrastructure - particularly the cost, speed and complexity of cross-border payments - by providing modern, interoperable payment rails that support high-volume, multi-currency transactions.

Overall, the Bank's activities centre on acting as a regulated infrastructure provider rather than a traditional lending bank, with revenue primarily generated from transaction-based services such as payments, FX and account servicing. This aligns with its strategic objective of enabling faster, more efficient global payment flows for institutional clients operating in the digital economy.

2.2 Approach to ESG

BCSA recognises that operating in financial services involves exposure to ESG risks. While these cannot be fully eliminated, the Bank aims to manage them proactively. Materialisation of ESG risks can have reputational, regulatory, and financial consequences and the Bank views ESG risk management as a component of its long-term resilience.

2.2.1 Our ESG Policy

The Bank's Environmental, Social, and Governance (ESG) Policy applies to the Bank, including its branches and subsidiaries. It sets out the commitments, principles, and overall responsibilities regarding the identification, measurement, assessment, monitoring, and management of ESG matters, and aligns with the relevant regulatory requirements.

Thus, the ESG Policy:

- sets the principles for identification, measurement, assessment, monitoring and management of all ESG matters, including the risks over short, medium, long-term horizons
- enables to production of non-financial disclosures consistent with NFRD-style requirements (the Business model, policies in relation to ESG and the outcome of these, material risks in core processes, due diligence processes, and key performance indicators in these areas)
- sets expectations for transition planning and to manage risks from the shift toward climate neutrality
- defines governance expectations aligned to central administration, internal governance, risk management, internal control principles (CSSF 12/552)

2.2.2 Implementation of the ESG Policy

Material ESG risks are integrated into the Bank's strategy, risk appetite and risk management framework, including relevant decision-making processes ensuring the Bank's business model remains financially resilient and aligned with regulatory expectations.

The Bank recognises that the materiality of ESG risks may evolve over time due to changes in the business model, regulatory expectations, market conditions, or external environmental and social developments. Where ESG risks are assessed as non-material at a given point in time, or where their materiality is subject to potential future change, such risks are monitored and, where relevant, will be reflected within the Bank's transition planning. The transition plan will be used as a forward-looking tool to capture emerging ESG risks, outline mitigating actions, and ensure that changes in risk materiality are appropriately addressed through strategy, risk management and capital planning over time.

2.2.2.1 Credit & Treasury Process

ESG considerations are integrated into the Bank's credit and counterparty risk assessments to identify and mitigate potential environmental and social related risks. The Bank leverages on risk scores extracted from credit rating agencies, when available, to ensure its sufficiently covered. The Bank may consider the ESG risk scores as part of the onboarding and monitor the development as part of the periodic credit reviews to assess the exposure at risk.

2.2.2.2 Third Party Risk Management Process

The Bank has integrated a "Supplier Code of Conduct" (SCoC) and requests all suppliers acknowledge and adhere to its contents. The SCoC consist of both "zero tolerance" sections – to which all suppliers should adhere to, as well as sections that could be accepted under "partial and non-compliance" sections. Repeated failure or intentional negligence in meeting these standards may result in termination of the relationship.

The Bank avoids establishing business relationships with stakeholders that do not nor have any intention to meet the standards.

2.2.2.3 Client Onboarding Process

Targeted ESG related questions have been integrated to the client on boarding and due diligence process. Over time, the Bank may use this data to assess and provide client risk scores to determine how its client portfolio is impacted by ESG.

Through this process, the Bank may engage clients that are not initially meeting ESG standards, to ensure alignment in the future. Consistent non-compliance or failure to meet these standards may result in the reassessment of the relationship, including the potential termination of the relationship.

2.2.2.4 Product Approval Process

The Bank considers ESG risks into the development and approval process for new products (NPAP), as well as in the periodic risk review process. As part of NPAP, proposed products are assessed, in a proportionate manner, to identify whether their design, target client base, intended use, geographic scope or operational setup may give rise to material ESG risks.

3. Materiality Assessment

The Bank recognises that ESG risks have gained increased prominence in recent years, driven by heightened regulatory expectations, evolving market standards and increased societal awareness.

The Bank's annual ESG materiality assessment, as part of its broader risk identification framework, reflects the principle that ESG risks are not assessed as standalone risk types, but rather as risk drivers that may transmit into traditional financial and non-financial risk categories, including credit, operational, liquidity and reputational risk.

The Bank applies a risk-based and proportionate approach to ESG risk assessment, taking into account its business model, size, complexity and overall risk profile. In particular, the Bank's activities are characterised by a limited physical footprint, the absence of lending activities and relatively low exposure to long dated or environmentally sensitive assets. As a result, ESG risks are assessed in the context of their relevance to the Bank's specific operating model.

Based on the outcome of the ESG materiality assessment, ESG risks, when considered on an aggregate basis, are not currently assessed as a material risk over the planning horizon. However, ESG risks are recognised as relevant risk factors that may crystallise through established risk channels - particularly governance, conduct and reputational drivers - and therefore require appropriate identification, monitoring and oversight.

Within the ESG components, governance risk is assessed as material given its direct linkage to regulatory compliance, internal control effectiveness and decision-making structures, which are critical in a multi-jurisdictional and highly regulated operating environment.

By contrast, environmental and social risks are currently assessed as non-material from a financial and operational risk perspective, reflecting the Bank's limited direct exposure that could lead to severe financial impact in the short to medium term.

Notwithstanding the current non-material assessment of environmental and social risks, the Bank acknowledges that these risks may evolve over time, particularly through indirect or secondary effects. These may arise through counterparties, third-party service providers, infrastructure dependencies and changing stakeholder expectations, as well as through regulatory developments at EU and national level.

Accordingly, ESG considerations are embedded, where relevant, into existing governance and risk management processes, including client onboarding, counterparty assessment, third-party risk management, product approval processes and internal policies. Monitoring remains primarily qualitative and aligned with regulatory expectations, supported by governance oversight and management information.

3.1 Looking ahead

The Bank recognises that the regulatory and supervisory landscape for ESG risks is evolving rapidly, with increased expectations regarding risk identification, integration into core risk frameworks, governance, and disclosure. In particular, the Bank is closely building towards the implementation of the EBA Guidelines on ESG risk management and the corresponding expectations set out by the CSSF, including those becoming effective from 1 April 2026.

In this context, the Bank expects to progressively enhance its approach to ESG risk management in a manner that remains proportionate to its business model and risk profile.

The Bank will also continue to monitor developments in sustainability reporting requirements, including the phased implementation of the Corporate Sustainability Reporting Directive (CSRD). While the Bank expects to fall within scope at a later stage, it remains committed to maintaining transparent ESG-related disclosures through existing reporting frameworks e.g. Pillar 3 disclosures.

PART II. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE

1. Governance

Governance remains our most material ESG consideration. In a business where institutions depend on a single infrastructure partner to move funds reliably across jurisdictions, the quality of controls, compliance, and decision-making is inseparable from the product itself.

1.1 Governance Framework

The management bodies of the Bank are constituted of the Board of Directors, management body in its supervisory function and the Executive Committee, management body in its executive function, with support from the relevant sub-committees.

Please refer to the Pillar 3 Report, for a detailed description of the organisation and Executive & Operational committees, which is publicly available on the BCSA website.

1.1.1 Board of Directors

The Board of Directors of the Bank has the overall responsibility for the organisation and the management of the Bank's operations, including its foreign subsidiaries and branches. It has the broadest powers for making decisions regarding the Bank and acts under the delegated authority of and is accountable to the shareholders of the Bank.

The Board of Directors has the ultimate responsibility for limiting and monitoring the Bank's risk exposures, for setting the capital targets and for defining the risk appetite. The Board approves the Bank's risk management strategy and overall risk tolerance level. It is also responsible for ensuring the Bank's compliance with all applicable regulatory requirements.[5]

First and last name (as per passport or ID)		Position (any managing position)	Number of other directorships held
Wolfgang	Gaertner	Chairman	6
Tomas Leonardo	Mendoza -Gutfreund	Vice-chairman	9
Mads Munkholt	Ditlevsen	Member until 21 October 2025	6
Marie-Anne	Van Den Berg	Member until 21 October 2025 (ESG responsible)	23
Jesper	Johansen	Member since 21 October 2025	4
Kathrin	Kerls	Member since 21 October 2025 (ESG responsible)	0

1.1.2 Suitability assessment of the Management Body and Key Function Holders

BCSA has defined a Suitability Assessment Policy the primary objective of which is to ensure suitability of members of both the Board of Directors and the Authorised Management as well as the key functions holders both when they are initially appointed but also on an ongoing basis. Suitability assessment ensures the management body is collectively diverse, experienced, and knowledgeable.

The Suitability Assessment Policy governs the elements of the requirements for the position, recruitment, initial and ongoing assessment of skills, as well as the notification to and approval (where applicable) of the Supervisory Authority.

1.1.3 Remuneration

BCSA has a Remuneration Policy in place which sets out the remuneration practices and procedures applicable to the Bank. The Policy promotes sound and effective risk management, through measures that do not induce excessive risk taking. Furthermore, it ensures alignment with, and support of, BCSA's corporate culture and values, as well as with its long-term interests, including environmental, social, and governance risks[6].

[5] https://www.bankingcircle.com/management-body/

[6] Detailed description of Renumeration in BCSA can be found in the Pillar III report

1.1.4 Policies and procedures

BCSA has a robust Risk Management and Governance Framework in place which encompass and form part of the wider ESG initiatives, these include (but are not limited to):

ESG Policy
Supplier Code of Conduct
Anti Bribery and Corruption (ABC) Policy
AML&CTF Policy
AML&CTF Risk appetite Policy
AML CTF related Procedures
Client Due Diligence Procedure
Client Risk Assessment Procedure
AI Policy
Credit Risk Policy
Code of Conduct
Conflicts of Interest Policy
Diversity and Inclusion Policy
Renumeration policy
Operational Risk Policy
Risk Appetite policy
Risk Strategy
Project and Change Management Policy
Third Party Management Policy
Modern Slavery Act Statement
Whistleblowing Policy

Scope and Maintenance of Policies

BCSA's Policies are applicable to all members of staff of BCSA, including the employees of the branches and subsidiaries, and external personnel acting on behalf of the Bank, e.g. directors, employees, working students, consultants, and contractors.

As a rule, all BCSA Policies shall be followed by each legal entity as a minimum standard in the absence of any or stricter local requirements concerning the topic of the individual Policy.

It is the responsibility of each manager within the Bank to ensure that all Policies are known and adhered to within his/her respective area of responsibility.

Each Policy is reviewed at least on an annual basis or when any significant change occurs, including changes in relevant laws or regulations, and is subject to approval of the Board of Directors of BCSA. All Policies are available to all employees via internal communication channels.

1.2 Governance risks

The Bank is committed to maintain high standards of ethics, integrity, and accountability, and maintain a robust governance structure to oversee its integration of ESG risks, including climate and social risks, into the risk management framework in compliance with the EBA guidelines.

Strong governance practices are central to the Bank's operations, ensuring integrity, accountability, and alignment with stakeholder expectations. The governance risk appetite reflects the importance of transparency and ethical conduct.

1.2.1 Our Commitments

- The Bank shall ensure regular reviews and align its governance framework with evolving regulations and stakeholder priorities. Thus, monitoring mechanisms, including KPI/KRI reporting where appropriate, and materiality assessments, must effectively address ESG-related risks and opportunities.

- The Bank has zero appetite for unethical practices, including corruption, bribery, and data breaches. It strives to reduce the risks related to employee misconduct, reinforcing this through mandatory training and adherence to robust policies.

- The Bank aspires to ensure its stakeholders, including third-party suppliers and clients, meet the standards and ambitions set out by the bank, through its Supplier Code of Conduct and Client Due Diligence processes, and will take corrective actions as necessary.

- The Bank must ensure it has robust controls for security, reliability, and trustworthiness of its payment solutions. It commits to rigorous security measures and continuous updates to safeguard client data and financial assets.

- The Bank has committed to provide adequate and reliable ESG disclosures. ESG reporting will align with recognized standards and regulations – NFRD, CSSF Circulars and others if necessary – and will be externally audited to validate accuracy and performance if required. Continuous improvement initiatives will incorporate stakeholder feedback to enhance governance processes to meet the regulatory requirements.

- The Bank commits to transparent dialogue and addressing key ESG risks and opportunities through regular materiality assessments and surveys, in various stakeholder engagements.

1.3 Outcome and metrics

Each employee has a mandatory training plan which must be finalised on an annual or biennial basis. The training is also mandatory for employees and consultants within the first weeks of their onboarding.

The Bank is closely following up on changes in regulations in this area and has had no violations of the laws in 2025.

In 2025 all employees[7] completed their training on Anti-corruption and bribery as well as the AML training.

Anti-corruption	KPI (2025)	KPI (Target)
% employees who have completed training on anti-corruption	100%	100%
% employees to complete yearly AML training	100%	100%
Number of convictions for violation of anti-corruption and anti- bribery laws	0	0
Number of fines for violation of anti-corruption and anti- bribery laws	0	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	0	0

1.4 Governance topics

1.4.1 Data Security

BCSA maintains a comprehensive, dynamic, and robust privacy protection framework under the control of a designated Data Protection Officer to ensure compliance with all legal obligations pertaining to data privacy across all jurisdictions where the organisation operates.

Full details are provided in the Bank's privacy notice and maintained in the Privacy Protection Policy.

1.4.2 Anti-Bribery and Corruption (ABC)

It is of utmost importance to the Bank to have a clear anti-bribery and -corruption awareness throughout the entire organisation. This is ensured through mandatory yearly training courses, applicable to all employees, and by reviewing the policies at least on annual basis and making them available to all staff on the intranet.

- Every member of staff shall meet their personal obligations to bribery prevention as appropriate to their role and position in the organisation, and breaches of this policy will lead to disciplinary action;

- All members of staff shall refer issues involving potential bribery offences to Banking Circle's Chief Compliance Officer ("CCO") / Compliance's department, including any knowledge or substantiated suspicion of bribery offences arrived at in the course of their work, whether or not Banking Circle is directly involved; and the CCO / Compliance department shall be provided every assistance and cooperation by all employees in carrying out their duties in respect of bribery prevention.

How BCSA prevents, detects, and addresses allegations or incidents of corruption or bribery:

- By requesting all employees to complete a mandatory training on annual basis, and
- By providing gift/hospitality reminders on regularly basis.
- By compliance with the policy

Risks associated with bribery or corruption

Risk: Failure to detect and protect against bribery and corruption in relation to employees, associated parties and client base (i.e., by receiving or demanding payments or gifts in exchange for preferential treatment, the acceptance of gifts meant to influence third parties).

Consequences: Corruption scandals can severely damage the Bank's reputation, leading to loss of trust among clients, partners, and stakeholders. This can result in decreased business opportunities, loss of contracts, and difficulties in attracting new clients or investors.

Risk mitigation measures: BCSA has policies and procedures in place for how much gift and entertainment can be received from clients and vice versa. In addition, bribery of civil servants is illegal and in the UK the UK Bribery Act is broader in scope. As consequence if BCSA or one of its employees is associated with bribery or corruption, and BCSA are seen not to have any effective framework in place, the Bank could potentially be penalised/fined.

[7] All employees, means all employees who worked throughout the year and not colleagues on longer leaves.

2. Environment

The materiality of Climate change is considered *low or immaterial* for BCSA, supported by the Bank's low direct environmental impact, and the nature of stakeholder concerns that prioritise financial and governance-related disclosures over specific environmental ones.

While BCSA does rely on third-party providers for cloud infrastructure and related services, its supplier risk management processes ensure partners intentions to adhere to regulatory and operational standards.[8]

2.1 Environmental Framework

The environmental framework is an integrated part of our ESG Policy.

2.2 Environmental and climate risks

The Bank's commitment to sustainability is central to its mission to promote responsible operations, financial inclusion, and long-term value creation for its stakeholders.

The Bank acknowledges that environmental risks, while not currently material to its core business operations, may pose long-term challenges to its strategy. The risk appetite for environmental factors reflects a commitment to compliance, operational sustainability, and proactive risk management.

The Bank must ensure that climate-related risks are considered as part of its core processes, including but not limited to, credit and counterparty risk assessments, third party risk management, product approvals, client onboarding and internal HR processes. This will ensure that the risks are managed and monitored.

2.2.1 Our Commitments

- The Bank maintains its commitment to comply with environmental regulations across its jurisdictions and will ensure it adheres to the applicable laws.
- Align the institution with the EU transition toward a sustainable, climate-neutral economy by 2050.
- Reduce the Bank's environmental footprint by improving data collection, emissions measurement, and moving towards sustainable operations.
- This includes any acute and chronic risks that could disrupt economic activities or impact business value, and mitigation measures shall be adopted to minimize vulnerability.
- The Bank strives to reduce the risks for systemic changes related to climate transition, provided these risks align with strategic opportunities for long-term sustainability and growth.

2.3 Outcome and metrics

BCSA's environmental metrics cover energy usage and GHG emissions for scope 1,2, and 3.

BCSA is currently not able to determine the exact amount of waste produced in all its locations. However, as the waste produced is mainly in the category of "household waste", this is not currently considered a major issue. The emission from waste is calculated based on number of employees, country indices etc[9]. Only our biggest location which counts for 369/806 employees can provide exact amount of waste with sort codes.

The Bank is taking reasonable action to sort and recycle waste in all its location.

2.3.1 GHG emissions

Sources and categories

Scope 1 - Direct emissions	Scope 2 - Indirect (Energy)	Scope 3 - Indirect (Other)
1.1 Generation of electricity, heat or steam	**2.1** Electricity related indirect emissions	**3.1** Purchased goods & Services
1.2 Transportation of materials, products, waste, and employees	**2.2** Steam, heat and cooling related indirect emissions	**3.2** Capital goods
1.4 Fugitive emissions		**3.3** Fuel & Energy-Related Activities
		3.4 Upstream transportation and distribution
		3.5 Waste generated in operations
		3.6 Business travel
		3.7 Employee Commuting
		3.8 Upstream leased assets

[8] Supplier-Code-of-Conduct.pdf and ISO27001-Certificate.pdf.

[9] Done by external provider

Methodology

BCSA´s GHG emissions are calculated by an external provider. The Bank provides data either activity based (usage) or spend based (costs). The GHG emissions are calculated in line with the requirements of the GHG Protocol[10] which is the industry recognised standard for calculating GHG emissions.

Total GHG emissions

In 2025, BCSA has continued to improve the data collection for calculating the GHG emissions.

Metrics (2025)	Value[11] FY25
GHG emissions – Scope 1 (tons CO_2e)	52
GHG emissions – Scope 2 Market Based (tons CO_2e)	51
GHG emissions – Scope 2 Location Based (tons CO_2e)	102
GHG emissions – Scope 3 (tons CO_2e)	2.578
Total GHG emissions (Scope 1, 2 and 3) (tons CO_2e)	2.732
Total GHG emissions (Scope 1, 2 and 3) (tons CO_2e) per employee (total of 806 employees in FY25)	3,39

CO_2 emissions	ValueFY25
Absolute tCO2e	2.732
Per revenue	7,23
Total emissions tCO2 per employee	3,39
Per transaction kgCO2	0,0073

Given the business model of the Bank our emissions are minor in the scope 1 and 2 and concentrated in the upstream categories of scope 3.

In 2025, we changed provider for our emission calculations and thereby enhanced our methodology. As the emissions for 2024 is not directly comparable with the 2025 numbers, FY2025 emissions is our new baseline. The emissions were calculated with a share of activity-based data of 71%. We are continuously working on increasing the share of activity-based data.

The Bank has introduced a new KPI related to our core business: kg/CO2e per transaction processed. Our total GHG emissions per employee remains low and below sector standard.[12]

10 GHG Protocol was developed by the World Business Council for Sustainable Development (WBCSD) in collaboration with the World Resources Institute (WRI)

11 The numbers for 2025 are calculated by an external service provider

12 The Banks emissions are compared against companies within the same sector of activity. The benchmark is built from finalized greenhouse gas (GHG) assessments of organizations with similar profiles in this selected sector. This sector-based comparison helps position the Banks emissions relative to peers operating in comparable activities and environments. The results are indicative and should be interpreted as an order of magnitude rather than exact sector averages.

2.3.2 Electricity Consumption

The Bank is continuously monitoring the electricity consumption in its offices and acquiring renewable energy whenever possible.

Electricity consumption (MWh)[1]	FY 2025
Total electricity consumption	372,3
Total electricity consumption from renewable sources	233,0
% Electricity consumption from renewable sources	63%

2.4 Environmental topics

2.4.1 EU Taxonomy

For the financial year ended 31 December 2025, the Bank considered its disclosure obligations under Article 8 of Regulation (EU) 2020/852 (the EU Taxonomy Regulation) and Commission Delegated Regulation (EU) 2021/2178, as amended by Commission Delegated Regulation (EU) 2026/73. For the reporting cycle covering FY2025, the Bank has elected to apply the amended EU Taxonomy disclosure framework[13].

Having regard to the nature of the Bank's activities and revenue profile, the Bank has concluded that the Annex V KPIs are not material for FY2025 within the meaning of the amended disclosure regime. Accordingly, the Bank has not included the detailed KPI tables and related detailed templates otherwise referred to in Annex V for FY2025. This presentation reflects the Bank's assessment of the limited relevance of Taxonomy-covered activities to its current business model and the application of the amended disclosure framework for the reporting cycle covering FY2025.

The Bank's business model remains focused on payment, account, treasury and related financial infrastructure services. Consistent with the Bank's prior Taxonomy assessment, the Bank does not conduct traditional lending activities beyond exposures to credit institutions, its investments are primarily in government bonds and intra-group arrangements, and its fees and commissions do not give rise to material Taxonomy-reportable activity for the relevant reporting period.

[13] Commission Delegated Regulation (EU) 2021/2178, as amended by Commission Delegated Regulation (EU) 2026/73, Article 4(1f) (permitting a credit institution to omit reporting the KPIs referred to in Annex V where the cumulative value of the net turnover generated by the activities covered by those KPIs is below 10% of the total net turnover of that credit institution) and Article 10(5) (providing that Sections 1.2.3 and 1.2.4 of Annex V apply only from 1 January 2027). See also European Commission, Questions and answers on EU Taxonomy simplifications to cut red tape for companies (4 July 2025), confirming that undertakings may apply the revised rules for the 2026 reporting cycle covering FY2025 and that financial companies are allowed to no longer report detailed taxonomy information and KPIs under the condition that they do not claim, through any communication or representation to external stakeholders and the public at large, that their activities are associated with environmentally sustainable activities under the Taxonomy Regulation.

3. Social

3.1 Social Framework

Social risks form part of the Bank's wider business and HR strategies and include focus on equality, social integration and diversity matters. These are managed through the various policies already in existence, as well as the Bank Employee Handbook and Code of Conduct.

3.2 Social risks

Social factors are material to the Bank's business and integral to fostering a sustainable, inclusive, and ethical operating environment. The risk appetite prioritises equity, ethical practices, and overall focused on stakeholder alignment. The Bank is committed to continue to invest in its workforce and ensures staff are supported, both in personal and career ambitions, within the HR policies, including its Diversity and Inclusion (DEI) Policy.

3.2.1 Our commitments

- The Bank strives to fully mitigate the risks related to inequitable practices or exclusion.
- Recruitment, promotion, and engagement initiatives must support performance-based decision making and create an inclusive culture.
- The Bank has zero appetite towards risks to employee health and safety. Comprehensive programs and feedback programs shall be used to ensure that employee satisfaction and well-being are continuously monitored and enhanced.
- The Bank has zero appetite for violations of global human rights and labour standards, including forced labour, child labour, or unsafe working conditions, and has been reflected across our core processes.

3.3 Social Outcomes and Metrics

At end of year 2025, BCSA had a total of 806 employees across all locations. The Bank continuously works on having a good environment for its employees for the benefit of the well-being among its colleagues. The Bank ensures that its employees always can raise their concerns either to management or anonymously through its whistleblowing channel.[14]

The Bank has included its corporate stand about harassment in the Employee handbooks. The local handbook was part of the biennial training in 2025 as well as at onboarding of new colleagues. The Banks zero appetite target was also fulfilled in 2025 as we had no cases of harassment.

In 2025, the Bank experienced no cases of employee health and safety was compromised. In the Bank we promote training and awareness in the areas of health and safety, fire safety and first aid.

Employee survey

The Bank conducts the employee engagement survey on an annual basis to ensure it gets information on, and can assess, the general state as voiced by its employees. The survey conducted in February 2025 showed that the Bank has an overall score of 8.0 on a 1-10 scale which is above the Industry Benchmark of 7,8.[15]

Reporting	Feb/25	Feb/24
Employee Net Promotor Score (eNPS)	42.0	37.0
Industry Benchmark (eNPS)	*21*	*23*
Satisfaction score (Engagement)	8.0	7.9
Industry Benchmark (Engagement)	*7.8*	*7.8*

The Bank's overall Employee Net Promoter Score (eNPS)[16] from the survey conducted February 2025 gave a result of 42 which is also above the Industry Benchmark of 21. The high eNPS indicates that the Bank has a satisfied and loyal workforce in a positive workplace culture with highly engaged employees who act as promoters for BCSA as employer.

The average employment time for the Bank's employees at the end of 2025 is 37 months (3,1 years).

3.4 Social topics

3.4.1 Corporate Social Responsibility

In BCSA's Code of Conduct, the Bank describes its due diligence related to Corporate Social Responsibility and respect of human rights.

BCSA strives to be a good and reliable corporate citizen and contribute to a sustainable development. BCSA supports universally recognised human rights and is accountable for ethical and environmental issues within the business. BCSA

[14] This is informed via information on the intranet webpage and in the yearly mandatory training.

[15] The next Employee Engagement Survey will be launched in Q2 2026, and the results will be disclosed in the Bank's NFRD report for the financial year 2026.

[16] The eNPS is calculated by subtracting the percentage of Detractors from the percentage of Promoters
Survey Question: Employees are asked, "On a scale of 0 to 10, how likely are you to recommend the organisation as a place to work?"

- Scoring: Based on their responses, employees are categorised into three groups:
  - Promoters (score 9-10): Highly engaged and satisfied employees.
  - Passives (score 7-8): Moderately satisfied but not enthusiastic.
  - Detractors (score 0-6): Unhappy employees who may negatively impact the company's reputation.

seeks to contribute to sustainable economic growth, avoiding any unnecessary negative impact on the environment.

BCSA has been engaged in the OPU program[17] for more than 10 years. The Bank is not only proud of offering this program that gives young people engaging in this an opportunity to work and live abroad in their first year after high school – the Bank has certainly experienced this as a mutual win-win. The OPU's are employed in the Bank's offices in Luxembourg and Munich. Beside this, the Bank has hired student assistants at its locations in Australia, Germany, Denmark, UK, and Luxembourg.

3.5 Diversity, Equality, and Inclusion

3.5.1 Policy Framework

As laid out in the DEI policy, the Bank is committed to encourage and promote equality, diversity, and inclusion in the workplace and will create and support a working environment free of bullying, harassment, victimisation, and discrimination, promoting dignity and respect for all, and where individual differences and the contributions of all employees are recognised and valued.

The Bank is committed to recruiting, promoting, and compensating employees based on merit and performance only. Equal opportunity for all employees and applicants is deemed critical to successful recruitment and career development. The Bank consequently strives to develop an organisation where employees with different background, knowledge, experience, perspective, and belief can all realise their full potential. Hence, the Bank ensures that the language in its job adverts is gender-neutral and strive for balanced shortlists and interview panels also regarding internal promotion and succession planning to promote gender diversity on management levels and across the organisation.

The Bank expects all BCSA leaders to be role modelling inclusive leadership behaviours by being committed to building diverse teams of complementary strengths, valuing diverse perspectives and creating a psychologically safe space where all employees can contribute fully and feel free to speak up.

All staff should understand that they can be held liable for acts of bullying, harassment, victimisation, and unlawful discrimination, in the course of their employment, against fellow employees, customers, suppliers, and the public. Such acts will be dealt with as misconduct, and appropriate action will be taken and managed by the People Department in accordance with internal processes and procedures.

[17] The OPU program originates from Denmark ("Oplæring I Udlandet"/Stay abroad) and is for young people that wishes to use a gap year after high school on living, studying and working abroad.

Particularly serious complaints could amount to gross misconduct and lead to dismissal without notice.

BCSA will make sure that opportunities for training, development, and progress are available to all employees, who will be helped and encouraged to develop their full potential, so their talents and resources can be fully utilised to maximise the efficiency of the organisation.

3.5.2 DEI risks

The Bank identifies the following principal DEI-related risks:

- Risk of unequal opportunities or unconscious bias in recruitment or promotion
- Risk of insufficient diversity at senior management or Board level
- Risk of workplace misconduct (e.g. discrimination or harassment)

These risks are mitigated through:

- Formalised HR procedures and internal controls
- Ongoing monitoring of diversity metrics
- Mandatory training and strong internal governance
- Zero-tolerance policies for misconduct

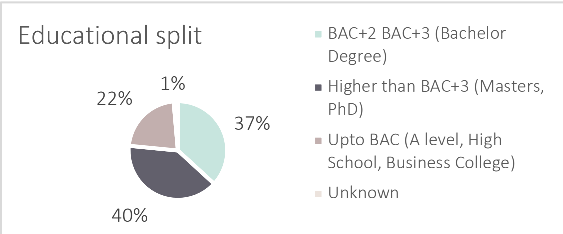
3.5.3 DEI Outcomes and Metrics

BCSA follows its commitments laid out in its DE&I Policy by monitoring certain central indicators related to Diversity, Equality, and Inclusion.

The overall gender split of the Bank, across all the seniority levels, is shown in the table.

Gender split - Overall		
Year	2025	2024
Female	38%	37%
Male	62%	63%
Other	0%	0%

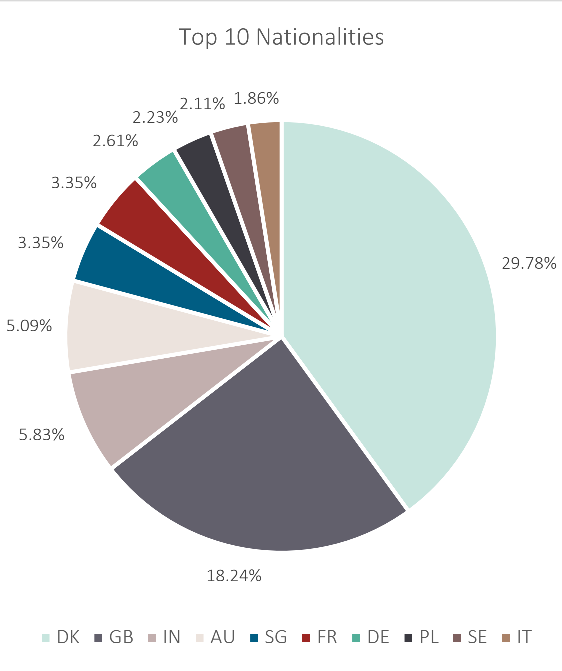
Diverse cultural and educational background and age split The Bank aims to have a balanced workforce in terms of age and education level. The Bank will always hire the best candidate for the position.



Age Split (%)	FY25	FY24
<30	25,4%	25,0%
30-50	65,5%	66,8%
>50	9,1%	8,2%

BCSA is proud to have a truly diverse workforce with employees from all around the world. At the end of the year 2025, the Bank had employees from 64 different nationalities.[18]

No. of different nationalities	
FY25	64
FY24	58



Promotions
Promotions of both genders follow the same percentual split that the overall split on managerial level.

Gender split - Promotions		
Year	2025	2024
Female	33%	31%
Male	67%	69%
Other	0%	0%

New Hires and Leavers
In the past few years, the Bank has ensured its job advertisements are gender neutral. In 2025, there was an increase in number of women hired by 5 percentage points.

New joiners %		
Year	2025	2024
Female	42%	37%
Male	58%	63%
Other	0%	0%

Leavers %		
Year	2025	2024
Female	43%	36%
Male	57%	64%
Other	0%	0%

Internal Hiring
BCSA has an established internal procedure which outlines specific guidance and expectations on internal hiring and mobility. The Bank wants to cater for internal growth and career opportunities across the organisation and engages employees in seeking new career opportunities internally.

Year	2025	2024
Total number of C-suite (FTE) employees	23	15
Number of women C-suite (FTE) employees	4	2
% women in C-suite positions	*17,4%*	*13%*
% men in C-suite positions	*82,6%*	*87%*
% other in C-suite positions	*0%*	*0%*

Diversity of Management
When the gender split is considered for managers, the representation is tilted towards higher number of men in the management positions. The statistics slightly change when gender diversity is considered on C-suite level.[19]

Males also hold more of the Executive level positions, both on the level Authorised Management and the Board of Directors. The above table details the current composition of the Authorised Management and Board of directors of BCSA.[20]

Year	2025	2024
Total number of employees in Authorised Management	3	3
% women/other in Authorised Management	*0%*	*0%*
Total number of Board of Directors	4	4
% independent members of Board of directors (target min 1 member)	*50% (25%)*	*50% (25%)*
Board members responsible for ESG matters	1	1
% women/other in Board of directors	*25%*	*25%*

[18] Considering Copenhagen office is the biggest office with 369 employees and London office on a 2nd place with 201 employees, 1st and 2nd place were as expected.

[19] In Banking Circle, the C-suite corresponds to a set of senior managers, not all of them necessarily with a "chief" title. There was a reorganisation in Banking Circle S.A. in February 2025, that increased the number of senior managers from 2024 to 2025.

[20] These statistics do not include the numbers for the subsidiaries of BCSA.

3.6 Human Rights

3.6.1 Policy Framework

The Bank is committed to respecting and upholding internationally recognised human rights standards, including:

- The principles underlying the UK Modern Slavery Act
- Fundamental labour and human rights standards

This commitment is reflected in:

- The Code of Conduct
- The Supplier Code of Conduct
- Internal governance and risk management frameworks

3.6.2 Human rights risks

As a credit institution, BCSA is mainly exposed to indirect risks in relation to Human Rights; discrimination, equality, and labour rights violations.

By adopting the UK Modern Slavery Act, BCSA is strengthening its position regarding the management of these risks, and BCSA adheres to the UK Modern Slavery Act in all its locations. The Act requires the disclosure by organisations, of the steps taken to prevent modern slavery and human trafficking from occurring in their own operations and in their supply chains and to reflect a drive to eradicate modern slavery in commercial organisations.[21] BCSA operates in an industry where the risk of modern slavery is mitigated by controls in place at onboarding and employee's awareness in line with the nature of the products and the services consumed. Nevertheless, the Bank recognises the prevalence of modern slavery and the importance of taking the necessary steps to combat it.

3.6.2.1 Our commitments

BCSA has a zero-tolerance approach to all forms of modern slavery and human trafficking, including ensuring there is no modern slavery or human trafficking in its supply chains, and thrives to ensure that BCSA:

- will not knowingly support and/or do business with suppliers who are involved in slavery.
- remains committed to continue improving the way it detects and addresses modern slavery risks.
- will continue its commitment to working with not just colleagues but also its suppliers, clients, and other stakeholders to continue to drive change and avoid modern slavery.

3.6.2.2 Value chain considerations

The Bank expects all suppliers and business partners to uphold minimum human rights standards, including:

- Prohibition of forced or child labour
- Non-discrimination and fair treatment
- Compliance with labour, wage, and health and safety laws

These expectations are formally documented and enforced through contractual and governance mechanisms.

3.6.3 Human Rights Outcomes and Metrics

Human Rights Metrics	2025
Number of severe human rights issues and incidents connected to own workforce	0
Amount of material fines, penalties, and compensation for damages as result of violations regarding social and human rights factors	0
Amount of material fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	0
Number of incidents of discrimination	0

[21] For BCSA's Annual Modern Slavery Statement see BCSA website: Modern Slavery Act Statement

4. Initiatives and looking ahead

4.1 Initiatives in 2025

In the governance area, the Bank, successfully maintained the ISO27001 security standard. In addition, the Bank has further improved its data collection process by implementing ESG data gathering in core processes

In the environmental area, the Bank's new Emission tool and data improvements have contributed to improved calculations of CO2 emissions.

The Bank has throughout 2025 continued to ensure whatever can be reused of IT equipment, mobile phones and furniture will be given to charity instead of ending as waste.

The Bank has continued the change towards renewable energy, whereas the London office is now running on 100% renewable energy.

On the Social part, the Bank has committees in place that came up with initiatives to create a good working environment for the Bank's employees.

These include:

- Locally appointed responsible for employee Health and Safety employees (In 2025, BCSA reported 0 work-related injuries).
- Fire safety and first aid training available for all employees.
- Several volunteer-run social clubs, e.g. running, walking, and biking clubs.
- Social committees that arrange social events at each location.

4.2 Looking ahead

In 2026, the Bank's key focus on the governance area will be to continue executing on the implementation of the ESG topics elaborated on the Bank's policies, with key focus on ensuring compliance with all local laws and regulations, AML, anti-corruption and bribery topics.

In the Environmental area as the ESG framework continues to evolve, the Bank acknowledges that it can further enhance its environmental impact and associated risks.

Although the current assessment identifies environmental factors as non-material, the Bank is committed to refining its approach to align with the dynamic nature of climate-related risks and regulations. BCSA remains committed to proactively identifying climate-related activities that could influence future materiality considerations. This includes refining risk assessments, adapting governance structures, and continuously monitoring regulatory developments to ensure alignment with evolving sustainability expectations.

The Bank notes that regulatory requirements under the EU Taxonomy are evolving and that additional requirements for credit institutions will apply from January 2028 (FY 2027).

The European Commission will with implementation of the Omnibus introduce simplification measures, expected to reduce reporting complexity going forward.

The Bank will continue to:

- Monitor regulatory developments closely
- Enhance its Taxonomy framework as required
- Assess future applicability as its activities and regulatory expectations evolve

As a part of the new EBA guidelines on ESG risks and the transposed CSSF 26/905 circular turns into force by April 1st, 2026, The Bank will include in its transition plan the commitment towards zero emissions latest 2050.

In general, the Bank is committed to aligning practises with emerging ESG and sustainability frameworks.

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