



# Annual Report 2022

## Focus on projects abroad



# Table of contents

1	Foreword	3
2	Carbon offset obligation in the area of motor fuels	4
3	Activities in Switzerland	5
3.1	Transportation Platform	6
3.2	Businesses Platform	8
3.3	Buildings Platform	11
3.4	Agriculture Platform	13
4	International activities	14
4.1	Transportation Platform	16
4.2	Businesses Platform	17
4.3	Buildings Platform	19
4.4	Agriculture Platform	20
5	Carbon offset obligation 2021 to 2030	21
6	Finances and administration	24
6.1	Income and expense	25
6.2	Foundation Council and Secretariat	26
7	Management and performance report	27
8	Financial report	28
9	Organisation	36

# 1 Foreword

While media coverage and to some extent the authorities were influenced by the Swiss electorate's rejection of the new CO<sub>2</sub> Act in 2021, the year 2022 saw a return to calm in the plethora of opinions on climate policy. Fortunately, the focus returned to non-partisan, issue-based policies again. We want to achieve economically viable, effective climate protection and not pursue projects and goals for ideological reasons that cannot be implemented from the outset.

The temporal limitation of the CO<sub>2</sub> Act, which will be in force until the end of 2024, remains a latent problem for our activities. How are we supposed to sign up to a portfolio of good CO<sub>2</sub> projects if we do not know for sure how carbon offsetting will continue from 2025? The short-term nature of the current system and the associated legal uncertainty is a major problem for project owners and investors. Simply hoping that things will "somehow turn out right" could ultimately end in an unpleasant surprise. Our democratic system is stretched to its limits when it comes to legislation that seeks to regulate processes too much. Where a great deal of expertise is required, our heterogeneous legislative institutions are no longer able to come up with effective and efficient solutions.

Just as the naïve European security policy was overtaken by reality in 2022, climate policy could soon be thwarted by the realities dictated by chemistry and physics. It may become apparent that reducing global warming by changing human behaviour is not at all possible, at least not in the lifetime of the current generations. This makes an efficient and affordable reduction of CO<sub>2</sub> levels, which still leaves funds available to improve protection against the conse-

quences of global warming, all the more important. What is needed to achieve this is in fact known; only the corresponding measures need to be tackled now. These include flood protection, cooling systems for conurbations and buildings, or water supplies for agricultural use. Such projects are few and far between in Switzerland. This will have to change quickly if the population in this country is to be protected from the consequences of global warming.

**Daniel Hofer**

President of the Foundation for Climate Protection and Carbon Offset KliK

## 2 Carbon offset obligation in the area of motor fuels

Since 1 January 2013, the CO<sub>2</sub> Act obliges mineral oil companies that use fossil motor fuels in Switzerland to compensate for part of the CO<sub>2</sub> emissions caused by the use of these fuels. Established in 2012 by the Swiss Petroleum Association (now Avenergy Suisse), the Foundation for Climate Protection and Carbon Offset KliK acts as a carbon offset grouping for fulfilling this carbon offset obligation on behalf of the affiliated mineral oil companies.

To this end, the KliK Foundation must provide evidence of sufficient greenhouse gas reductions from climate protection activities in Switzerland – and, since 2022, to a limited extent also abroad – that meet the legal requirements. For the years 2022, 2023 and 2024, the carbon offset rate is 17%, 20% and 23% respectively; at least 15% of the motor fuel emissions must be offset domestically.

Climate protection activities approved for offsetting are registered by the responsible federal agencies and are issued so-called “attestations” for verified emission reductions. By purchasing such attestations on contractually agreed terms, the KliK Foundation is making a financial contribution that facilitates the implementation of the respective carbon offset activities.

The participants in the carbon offset grouping pay the KliK Foundation a fee in the form of monthly payments on account, which has been five centimes per litre of motor fuel since 1 April 2022. The fee serves to cover all costs incurred by the Foundation in connection with the fulfilment of the carbon offset obligation. By law, when allocated to the quantity of motor fuel sold during the carbon offset period, these costs may not exceed 5 centimes per litre.

In its draft revision of the Swiss CO<sub>2</sub> Act submitted to parliament in September 2022, the Swiss Federal Council proposed reducing Switzerland's greenhouse gas emissions by 35% on average for the

years 2021 to 2030 and by 50% in 2030 compared to the 1990 levels. One of the central measures to achieve this is to continue the carbon offset obligation for motor fuels.

More specifically, the carbon offset rate could reach up to 90%, with an indicative minimum of 15% of domestic motor fuel emissions still having to be offset. Around 20 million national attestations would therefore probably be necessary for the period 2021 to 2030. Abroad, more than 40 million international attestations could be necessary. However, it will only be possible to finance a limited number of these via the carbon offset scheme. Since the cost of fulfilling the carbon offset obligation is to remain at a maximum of 5 centimes per litre of motor fuel sold, the scope is limited and the carbon offset volume that can be financed depends on the costs per attestation.

In order to provide a better overview of the carbon offset activities it supports in Switzerland and abroad, the KliK Foundation organises them across the four platforms Transportation, Businesses, Buildings and Agriculture. In the following, the activities are presented according to these platforms.

### 3 Activities in Switzerland

Transportation Platform	Businesses Platform	Buildings Platform	Agriculture Platform
Biofuels BioFuels Schweiz	Carbon sequestration in Swiss wood products Senke Schweizer Holz	Heating networks KliK Foundation	Reducing laughing gas emissions from nitrogen fertilisation First Climate
Electric and hybrid buses myclimate	Climate-friendly cooling KliK Foundation	Warm water savings myclimate Sinum	Biogas facilities Ökostrom Schweiz
Freight shift from road to rail EnAW	Methane reduction in wastewater treatment plants South Pole	Mobile heaters KliK Foundation	Alternative heating for greenhouses myclimate
Electric heavy utility vehicles EnAW	Landfill gas KliK Foundation	Optimised facility management energo	Electric agricultural loaders KliK Foundation
Optimised tyre pressure AGVS	Laughing gas reduction in wastewater treatment plants INFRAconcept	Heat pumps myclimate Energie Zukunft Schweiz	
Hydrogen mobility KliK Foundation	Plastics recycling InnoRecycling	Wood heaters Energie Zukunft Schweiz myclimate	
Electric ships Società Navigazione del Lago di Lugano		Heating control ECCO2	
Electric construction vehicles KliK Foundation		Biocombustibles BioFuels Schweiz	
		District heating densification Energie Zukunft Schweiz	Programmes in planning

## 3.1 Transportation Platform

### Programmes in operation

#### **Biofuels**

The programme promotes the import and domestic production of biodiesel, hydrogenated vegetable oils (HVO) and bioethanol, provided they meet the requirements for exemption from the mineral oil tax. Operated by Bio-Fuels Schweiz, the programme was registered by the Swiss Federal Office for the Environment in 2014.

315'799 attestations were issued for the year 2021. We expect the delivery of a total of 1.35 million attestations for the production years 2021 to 2024.

According to the Federal Council's specifications, CO<sub>2</sub> emissions from land transport are to be reduced by 5 to 10 per cent annually on a mandatory basis from 2025 onwards through the use of renewable motor fuels. At most, any overfulfilment of this quota could then be used to fulfil the carbon offset obligation.

#### **Electric and hybrid buses**

The programme covers the replacement of fossil-fuelled buses by purely electrically powered buses without overhead wires (electric buses) and hybrid buses. Only new vehicles are admitted to the programme. Operated by the myclimate Foundation, the programme was registered by the Swiss Federal Office for the Environment in 2014 and successfully revalidated in 2020.

In the year under review, 5'396 attestations were issued for the years 2020 and 2021. We expect the delivery of a total of 215'000 attestations for the production years 2021 to 2030.

#### **Freight shift from road to rail**

Operated by the Energie-Agentur der Wirtschaft (the Swiss business community's energy agency, EnAW), the programme covers the shift of freight transport from road to rail. The programme was registered by the Swiss Federal Office for the Environment in 2014 and successfully revalidated in 2020.

134'635 attestations were issued for the year 2021. We expect the delivery of a total of 820'000 attestations for the production years 2021 to 2030.

#### **Electric heavy utility vehicles**

Operated by the Energie-Agentur der Wirtschaft (EnAW), the programme covers the replacement of fossil-fuelled heavy commercial vehicles by purely electric-powered ones. The programme was registered by the Swiss Federal Office for the Environment in 2014 and successfully revalidated in 2020.

1'011 attestations were issued for the year 2021. We expect the delivery of a total of 6'600 attestations for the production years 2021 to 2030.

#### **Optimised tyre pressure**

The programme encourages adjusting the tyre pressure by 0.3 bar above manufacturer recommendations when servicing a vehicle and/or changing tyres in a garage. This reduces rolling resistance and improves fuel consumption. Operated by the Auto Gewerbe Verband Schweiz (Swiss Automobile Trade Association, AGVS), the programme was registered by the Swiss Federal Office for the Environment in 2016.

2'848 attestations were issued for the year 2021. We expect the delivery of a total of 19'800 attestations for the production years 2021 to 2026.

### **Hydrogen mobility**

Especially in the case of heavy commercial vehicles and buses, the combination of fuel cells and hydrogen presents advantages compared to other types of propulsion, provided that the hydrogen is produced from renewable sources and renewable electricity. The KliK Foundation developed two programmes that were registered by the Swiss Federal Office for the Environment in 2021. The first promotes the purchase or rental of heavy commercial vehicles, the second promotes the purchase of buses for use in public transport and tourist travel. No projects have been signed up yet.

### **Electric ships**

Operated by Società Navigazione del Lago di Lugano, the programme was registered by the Swiss Federal Office for the Environment in 2021. It plans the conversion of diesel-powered ships to electric propulsion. We expect the delivery of a total of 2'000 attestations for the production years 2021 to 2030.

### **Electric construction vehicles and electric agricultural loaders**

The programme developed by the KliK Foundation to promote the use of electrically powered construction vehicles and agricultural loaders was registered by the Swiss Federal Office for the Environment in June 2022. A first project has been signed up. We expect the delivery of a total of 23 attestations for the production years 2022 to 2030.

## Individual projects

Two projects involving the import of biodiesel and bioethanol exempt from mineral oil tax delivered a total of 146'847 attestations for the year 2021. We expect the delivery of a total of 620'000 attestations for the production years 2021 to 2024.



## 3.2 Businesses Platform

### Programmes in operation

#### **Carbon sequestration in Swiss wood products**

Until 2021, carbon sequestration in wood used for construction was the only carbon sink to qualify for the issuance of attestations. The issuance of such attestations is based on the additional production of Swiss wood products compared to the overall sector's expected baseline production trend. Operated by the association Senke Schweizer Holz (Swiss Wood as a Carbon Sink), the programme was registered by the Swiss Federal Office for the Environment in 2014 and successfully revalidated in 2020.

551'836 attestations were issued for the year 2021. We expect the delivery of a total of 4.51 million attestations for the production years 2021 to 2030.

#### **Climate-friendly cooling**

In Switzerland there is a large number of stationary cooling units for industrial and commercial use, such as retail cold chains. Over the course of their life cycle, these cooling units produce significant amounts of refrigerant emissions with a high greenhouse impact. Notwithstanding the existing regulation set out in the Swiss Chemical Risk Reduction Ordinance, significant amounts of emissions can be avoided by providing specific incentives to convert cooling units to climate-friendly refrigerants such as CO<sub>2</sub> or ammonia ahead of schedule.

The KliK Foundation currently operates three programmes, registered by the Swiss Federal Office for the Environment between 2015 and 2019: (i) Early replacement of stationary HFC cooling units; (ii) construction of new climate-friendly units in small retail formats such as petrol station shops; (iii) refrigerant switch in HFC units.

No attestations have yet been issued for the year 2021. We expect the delivery of a total of 177'000 attestations for the production years 2021 to 2030.

#### **Methane reduction in wastewater treatment plants**

Wastewater treatment plants emit considerable quantities of methane. The main sources are methane slip during biogas processing and emissions from the draining and stacking sewage sludge. Methane concentrations in these waste air flows are typically too low for energetic use. The revenue from the sale of attestations provides an incentive to capture the methane and destroy it in existing sludge incinerators or cogeneration plants. Operated by South Pole, the programme was registered by the Swiss Federal Office for the Environment in 2014 and successfully revalidated in 2021.

15'753 attestations were issued for the year 2020. We expect the delivery of a total of 153'000 attestations for the production years 2021 to 2030.

#### **Landfill gas**

There are numerous landfill sites in Switzerland that leak methane-containing landfill gas into the atmosphere because methane concentrations are by now so low that the gas can no longer be burned using conventional flares. In most cases, there is no direct requirement to destroy methane emissions any further; yet it is possible to further eliminate emissions using lean gas flares. This can be coupled with in-situ aerobisation, in which methane formation is prevented within the landfill body through oxygenation. The programme, operated by the KliK Foundation, was registered by the Swiss Federal Office for the Environment in 2015 and successfully revalidated in 2021.

13'010 attestations were issued for the year 2021. We expect the delivery of a total of 83'000 attestations for the production years 2021 to 2030.



### **Nitrous oxide reduction in wastewater treatment plants**

Considerable emissions of nitrous oxide (N<sub>2</sub>O) can occur in wastewater treatment plants. These can be specifically avoided by reducing the nitrogen load in the wastewater. Operated by INFRAconcept, the programme was registered by the Swiss Federal Office for the Environment in 2019.

A first project went into operation in 2021. We expect the delivery of a total of 17'000 attestations for the production years 2021 to 2030.

### **Plastics recycling**

The programme establishes a logistics chain for the separate collection of plastic fractions in household waste that are currently disposed of in waste incineration plants, their processing in a sorting plant and their recovery for use in new products. Mixed fractions are used as substitute fuel in the cement industry, where they replace conventional fossil combustibles. Operated by InnoRecycling, the programme was registered by the Swiss Federal Office for the Environment in 2021.

8'938 attestations were issued for the year 2020. No further purchase of attestations from the programme has been agreed to date.

## **Individual projects**

### **Landfill gas**

822 attestations were issued for the year 2021 for a project in Ticino. We expect the delivery of a total of 6'500 attestations for the production years 2021 to 2030.

### **Methane reduction in natural gas transmission**

At the Wolhusen site, methane emissions are produced during the operation of valves and four turbo compressors to maintain the pipeline pressure. This methane is channelled into a collector pipeline and transported at a minimum pressure of 0.3 bar into the storage pipeline of the compressor station, from where it is fed back into the supply infrastructure as natural gas. The measure was implemented in autumn 2022. We expect the delivery of a total of 6'400 attestations for the production years 2022 to 2028.

### **Laughing gas reduction in sewage sludge incinerators**

The incineration of sewage sludge generates significant amounts of nitrous oxide, which can be thermally destroyed. Two such projects have been registered by the Swiss Federal Office for the Environment. 13'647 attestations were issued for the year 2021. We expect the delivery of a total of 131'000 attestations for the production years 2021 to 2030.

### **Ecovalor**

Three energy-intensive businesses in Lyss, as well as the local district heating provider, are supplied with heat by a cogeneration plant operated with the climate-neutral combustible "MBM (meat and bone meal) C1". We expect the delivery of a total of 133'000 attestations for the production years 2021 to 2030.

### **Ecotube**

The project aims to largely shift the production of steam used by Cimo SA in Monthey: rather than generating it on site using natural gas, it is to be produced 3.3 km away at Satom SA via the incineration of household waste. The steam will be transported via a new pipeline. We expect the delivery of a total of 150'000 attestations for the production years 2022 to 2030.

### **CO<sub>2</sub> capture**

In the existing processing plant for raw biogas in Nesselbach, CO<sub>2</sub> is separated from the methane so that it can be fed into the natural gas grid. The separated CO<sub>2</sub> is now liquefied in an additional plant and sold as a product. At the same time, the residual methane in the flue gas flow is filtered out and returned to the treatment plant so that it can also be fed into the natural gas grid. The previous methane slip is completely avoided. The measure was implemented in November 2022. We expect the delivery of a total of 22'000 attestations for the production years 2022 to 2030.

## Overfulfilment of target agreements

From 2013 to 2021, businesses exempted from the CO<sub>2</sub> levy by means of an emissions target were able to convert underruns of their target trajectory by more than 5% (2021: 10%), so-called overfulfilment, into attestations upon request. At the end of the year under review, 375 businesses had signed an agreement with the KliK Foundation for an unlimited number of premium-free put options for the delivery of such attestations.

Over the course of the year under review, 155'307 attestations were delivered at an average unit price of CHF 96.08 for overfulfilments achieved in the years 2013 to 2021, of which 24'323 attestations were delivered under spot contracts. In total, by 2024, when the final accounts have been drawn up for the target agreements of exempted businesses, we expect the delivery of a further roughly half a million attestations from the production years 2013 to 2021.

## 3.3 Buildings Platform

### Programmes in operation

#### Heating networks

The KliK Foundation has developed seven programmes to promote heating networks: (i) use of waste heat from wastewater; (ii) use of ambient heat from ground water, drinking water, rivers and lakes; (iii) industrial high-temperature waste heat; (iv) low temperature waste heat; (v) waste heat from domestic waste incineration plants; (vi) heat production using biomass furnaces; (vii) extensions of existing heating networks. The programmes were registered by the Swiss Federal Office for the Environment between 2015 and 2017. No attestations have yet been issued for the year 2021. We expect the delivery of a total of 720'000 attestations for the production years 2021 to 2030.

#### Warm water savings

Water-saving nozzles in shower heads and taps help reduce the use of fossil fuels for the production of hot water. Operated by the myclimate Foundation, the programme promotes the use of water-saving nozzles in hotels, care homes, collective housing and large residential buildings, as well as the subsidised distribution of efficient shower heads. The programme was registered by the Swiss Federal Office for the Environment in 2015 and successfully revalidated in 2022.

8'105 attestations were issued for the year 2021. We expect the delivery of a total of 69'000 attestations for the production years 2021 to 2030.

#### Mobile heaters

Mobile heaters are used widely on building sites to speed up drying times or in the events industry for heating tents. Without the programme, which promotes the purchase of state-of-the-art devices designed to operate with wood pellets, mobile heaters would almost exclusively be fossil fuelled. The programme, operated by the KliK

Foundation was registered by the Swiss Federal Office for the Environment in 2015 and successfully revalidated in 2022.

No attestations have yet been issued for the year 2021. We expect the delivery of a total of 159'000 attestations for the production years 2021 to 2030.

#### Optimised facility management

Operated by energo, the programme promotes the use of energy management systems in rental buildings and was registered by the Swiss Federal Office for the Environment in 2016.

701 attestations were issued for the year 2020. We expect the delivery of a total of 32'000 attestations for the production years 2021 to 2030.

#### Wall-mounted shower heads

Operated by Sinum, the programme promotes the distribution of water-saving, wall-mounted shower heads in sports facilities and was registered by the Swiss Federal Office for the Environment in 2016.

No attestations have yet been issued for 2021. We expect the delivery of a total of 1'100 attestations for the production years 2021 to 2030.

#### Heat pumps (myclimate)

Operated by the myclimate Foundation, the programmes promote the replacement of fossil-fuelled heating installations by heat pumps within a power range of up to 400 kW and were registered by the Swiss Federal Office for the Environment in 2017 and 2020 respectively.

In the year under review, 2'774 attestations were issued for the years 2020 and 2021. We expect the delivery of a total of 37'000 attestations for the production years 2021 to 2030.

#### **Pellet heaters (myclimate)**

Operated by the myclimate Foundation, the programme promotes the replacement of fossil-fuelled heating installations by pellet heaters within a power range of up to 70 kW and was registered by the Swiss Federal Office for the Environment in 2020.

In the year under review, 106 attestations were issued for the years 2020 and 2021. We expect the delivery of a total of 8'000 attestations for the production years 2021 to 2030.

#### **Wood heaters (Energie Zukunft Schweiz)**

Operated by Energie Zukunft Schweiz, the programme promotes the replacement of fossil-fuelled heating installations with wood-fired heaters and was registered by the Swiss Federal Office for the Environment in 2020.

In the year under review, 3'436 attestations were issued for the years 2020 and 2021. We expect the delivery of a total of 67'000 attestations for the production years 2021 to 2030.

#### **Heat pumps (Energie Zukunft Schweiz)**

Developed by Energie Zukunft Schweiz, the programme promotes the replacement of fossil-fuelled heating installations with heat pumps and was registered by the Swiss Federal Office for the Environment in 2021.

413 attestations were issued for the year 2021. We expect the delivery of a total of 12'000 attestations for the production years 2021 to 2030.

#### **Heating control**

Registered by the Swiss Federal Office for the Environment in 2021 and operated by ECCO2 Solutions AG, the programme promotes the product developed by the company to optimise the operation of existing fossil-fuelled heating systems in multi-dwelling units. We expect the delivery of a total of 28'000 attestations for the production years 2021 to 2030.

#### **Building automation**

The programme, phased out at the end of 2017, promoted the upgrading of buildings heated with fossil fuels from building automation

efficiency classes C or D of the Swiss SIA standard 386.110 to classes A or B.

No attestations have yet been issued in the year under review. We expect the delivery of a total of 5'500 attestations for the production years 2021 to 2030.

#### **Danfoss electronic heater thermostats**

Registered by the Federal Office for the Environment in 2016 and operated by South Pole, the programme was phased out in 2019. In total, it subsidised the sale of around 19'500 electronic heater thermostats supplied by Danfoss, reducing their retail price by CHF 15 per unit. No attestations have yet been issued in the year under review. We expect the delivery of a total of 6'000 attestations for the production years 2021 to 2030.

### Programmes in planning

#### **Biocombustibles**

The programme developed by BioFuels Schweiz to promote the use of biofuel heating oil produced from waste was still being evaluated by the Federal Office for the Environment at the end of 2022.

#### **District heating densification**

The programme, planned by Energie Zukunft Schweiz to promote connection to heating networks, is not expected to be implemented.

### Individual projects

At the end of 2022, 68 projects and one project bundle were still under contract. These are heating networks and individual heating systems that use renewable energy sources and waste heat and replace fossil fuel heating systems (oil or gas) in the connected buildings. 44'012 attestations were issued for the year 2021. We expect the delivery of a total of 1.44 million attestations for the production years 2021 to 2030.

## 3.4 Agriculture Platform

### Programmes in operation

#### **Reducing nitrous oxide emissions from nitrogen fertilisation**

The programme promotes the addition of nitrification inhibitors to fertilisers. These compounds reduce nitrous oxide emissions indirectly by limiting the volatilisation of nitrogen as ammonia, and directly by lowering the necessary amounts of nitrogen fertilisers. Operated by First Climate (Switzerland) AG, the programme was registered by the Swiss Federal Office for the Environment in 2016. 6'328 attestations were issued for the year 2021. We expect the delivery of a total of 73'000 attestations for the production years 2021 to 2030.

#### **Biogas facilities**

Manure produced in livestock farming releases methane emissions, which can be prevented through the controlled collection and fermentation of the manure in biogas facilities. In addition to avoiding methane emissions, the resulting biogas can then be processed in a cogeneration plant to produce electricity and heat. However, such biogas processing schemes are usually already funded via fixed feed-in tariffs and are therefore not covered by the carbon offset programme. Operated by Ökostrom Schweiz, the programme was registered by the Swiss Federal Office for the Environment in 2017. 4'690 attestations were issued for the year 2020. We expect the delivery of a total of 118'000 attestations for the production years 2021 to 2030.

#### **Alternative heating for greenhouses**

Developed and operated by the myclimate Foundation in collaboration with DM Energieberatung AG, the programme promotes the installation of renewable heating systems (heat pumps and wood-fired heating) in greenhouses. The programme was registered by the Swiss Federal Office for the Environment in 2021. We expect the delivery of a total of 93'000 attestations for the production years 2021 to 2030.

### Individual projects

Prior to registering the "Biogas facilities" programme, 21 biogas facilities had been set up in the context of three project bundles. In the year under review, these delivered 18'682 attestations from the production years up to 2020. We expect the delivery of a total of 145'000 attestations for the production years 2021 to 2030.

## 4 International activities

Transportation Platform	Businesses Platform	Buildings Platform	Agriculture Platform
Electric mobility Thailand	Loan guarantees for renewable energies Ghana	Improved cook stoves Peru	Biogas facilities in dairy farms Malawi
Electric mobility Dominica	Integrated waste management Ghana	Energy efficiency measure in buildings Georgia	Biogas facilities Senegal
Electric mobility Senegal	Climate-friendly refrigerants Ghana	Improved cook stoves in rural areas Ghana	
	Production of unbaked bricks Malawi	Biomass briquettes Ghana	
	Industrial biomass fermentation Morocco	Improved cook stoves Malawi	
	Energy efficiency in businesses Morocco		
	Loan guarantees for energy efficiency in SMEs Peru		
	Photovoltaics for businesses and households Peru		
	Integrated waste management Senegal		
			with ITMO purchase agreement

Based on Article 6 of the Paris Convention, international attestations, so-called “Internationally Transferred Mitigation Outcomes” (ITMOs), can be issued for emission reductions abroad. Switzerland currently only issues attestations for ITMOs from countries with which it has settled the modalities for the recognition of emission reductions in a bilateral agreement under international law. Such bilateral agreements form the basis that allows Switzerland to acquire the emission reductions achieved in the partner country as ITMOs and to count them towards its own target achievement.

As of the end of the year under review, Switzerland had concluded such bilateral agreements with the following 11 countries (in chronological order): Peru, Ghana, Senegal, Georgia, Vanuatu, Dominica, Thailand, Ukraine, Morocco, Malawi, Uruguay. In eight of these countries, the KliK Foundation is currently developing a portfolio of 19 programmes with the prospect of issuing international attestations.

As of the end of the year under review, comprehensive programme documentation (Mitigation Activity Design Document [MADD]) was available or in preparation for all 19 programmes, in each case financed to a limited extent by the KliK Foundation. The MADD forms the basis for the approval of programmes by Switzerland and by the partner country under the respective bilateral agreement. As of the end of the year under review, however, no such approval had yet taken place.

A contract for the acquisition of ITMOs exists for two of the 19 programmes. In addition, a contract was concluded with the United Nations Development Programme (UNDP) in the year under review under which the Foundation is to receive up to 4 million ITMOs from programmes yet to be specified.



## 4.1 Transportation Platform

### **Electric mobility, Thailand**

The programme will enable the introduction of electric buses on numerous existing and new privately operated public transport bus routes in the Bangkok metropolitan region. The Thai programme owner “Energy Absolute” produces the e-buses, which will replace diesel- and natural gas-powered buses. It also installs and operates a network of charging stations.

The electrification of privately operated buses in public transport is not part of the measures planned by Thailand to achieve its climate goals. This is due in particular to the currently much higher overall costs of electric buses compared to those of fossil-fuelled buses. The funding from the KliK Foundation will be used to compensate for the cost difference, which will allow prices for journeys by e-bus to be kept at the current level. By 2030, we expect the delivery of 500’000 ITMOs from the contract signed in June 2022.

### **Electric mobility, Dominica**

The programme aims for a rapid transition of the Caribbean island state of Dominica to electric mobility. The aim is to promote the widespread use of electric vehicles, including road vehicles, as well as electric and hydrogen-powered ships. From 2025 onward, imports are to be restricted to electric vehicles. The resulting electricity requirements are to be met exclusively from renewable sources (geothermal and photovoltaic energy).

The programme plans to establish a distributed charging infrastructure and a leasing scheme for electric vehicles including battery charging by a private leasing company with the involvement of local and external shareholders. Proceeds from the sale of ITMOs make it possible to lower the leasing rates for electric vehicles, making them competitive compared to combustion vehicles. We expect the delivery of 37’000 ITMOs by 2030.

### **Electric mobility, Senegal**

The programme aims to convert a third of the ornately painted diesel-powered “Cars Rapides” in Senegal’s capital Dakar to solar power. The minibuses currently account for about 60% of public transport in Dakar and, as low-emission “Cars Solaires”, can contribute to a significant improvement in air quality. For this purpose, a charging infrastructure with solar stations is being built where the vehicles can charge or change their batteries.

The programme is based on the existing and well-established “Cars Rapides” system and will cover the transport needs of the population and secure around 30’000 jobs. The funds of the KliK Foundation will primarily serve to reduce the additional costs associated with the new system. We expect the delivery of 160’000 ITMOs by 2030.

## 4.2 Businesses Platform

### **Loan guarantees for renewable energies, Ghana**

This nationwide programme aims to promote renewable energies with a high share of self-consumption. In a first step, the programme supports the development of photovoltaic installations of up to 1 MW on the rooftops of private and commercial buildings whose occupants consume a large part of the electricity themselves. The implementation of the PV projects is supported by loan guarantees, under which the KliK Foundation secures the loans granted by Ghanaian financial institutions by means of guarantees. This promotes a variety of business models in the renewable energy sector, which operate in a market niche that is currently not served in Ghana's energy market. We expect the delivery of 290'000 ITMOs by 2030.

### **Integrated waste management, Ghana**

The programme aims to reduce methane emissions in Ghana's waste sector. On the one hand, composting facilities will be set up to prevent organic waste from being disposed of in landfills. On the other hand, landfill gas escaping from landfills will be destroyed by channelling it through a pipe system to a flare or generator where it is burnt. We expect the delivery of 160'000 ITMOs by 2030.

### **Climate-friendly refrigerants, Ghana**

The programme has three main components that will accelerate the introduction of climate-friendly refrigerants in Ghana and at the same time speed up the destruction of climate-damaging refrigerants. To this end, the introduction of new air conditioners with climate-friendly refrigerants is being supported by a discount mechanism and an awareness campaign. At the same time, technical staff will be trained in the maintenance of existing and new air conditioning systems to minimise leakages from these systems. The programme is complemented by the establishment of a system that ensures the environmentally and climate-friendly disposal of the old units, including the greenhouse gases they contain. We expect the delivery of 650'000 ITMOs by 2030.

### **Production of unbaked bricks, Malawi**

Clay bricks are a typical building material in Malawi. Their production, especially the firing of the bricks, requires large quantities of biomass, mostly wood from non-sustainable sources. The programme enables the production of bricks that are not fired but dried in the sun. The necessary stability is achieved by adding 5–10% cement, as well as sand and water. The bricks are waterproof and withstand pressure. Developed in collaboration with Holcim Lafarge, this production method contributes to reducing deforestation in Malawi. We expect the delivery of 280'000 ITMOs by 2030.

### **Industrial biomass fermentation, Morocco**

The programme aims to take Morocco's waste sector a significant step forward in establishing a circular economy. It plans to divert organic waste streams (originating, for example, in markets or slaughterhouses), which are currently disposed of in landfills, to industrial biogas facilities. Reducing waste in this way firstly lessens the quantity of methane generated in and escaping from landfills. Secondly, the produced biogas replaces fossil energy carriers used to produce electricity and heat. 10 to 15 biogas plants are to be built and operated in various Moroccan cities and communities. We expect the delivery of 100'000 ITMOs by 2030.

### **Energy efficiency in businesses, Morocco**

The programme plans to set up an energy efficiency fund (FAEE) in Morocco, to be capitalised with private investments of up to CHF 32 million to fund energy efficiency measures in the industrial and tertiary sectors. Potential measures include the retrofitting of indoor lighting and cooling systems, the improvement of distribution systems, the retrofitting of electric motors in production facilities and solar powered water heating systems. The fund will focus on leveraging emission reductions not addressed by domestic climate policies. The FAEE provides energy service providers with funds for

investments to improve energy efficiency, thereby removing various existing barriers. We expect the delivery of 200'000 ITMOs by 2030.

#### **Loan guarantees for energy efficiency in SMEs, Peru**

The programme establishes a guarantee facility to secure loans granted by Peruvian financial institutions to fund green investments in low-carbon technologies. The facility is in turn secured in the long term through the financial remuneration of emission reductions by the KliK Foundation. This mechanism is results-based and rewards SMEs for over-fulfilling their emission targets. Businesses benefit from improved profitability and financial institutions from accordingly lower default rates. The green credit line complements Peru's strategies to achieve its national climate targets and thus reduces greenhouse gas emissions beyond the level pledged by Peru under the Paris Agreement. Until 2023, we expect the delivery of 150'000 ITMOs.

#### **Photovoltaics for businesses and households, Peru**

The programme creates renewable electricity generation capacities in Peru by expanding off-grid photovoltaic facilities. Among other things, the focus is on small, self-sufficient power grids in remote areas of Peru, which until now supplied local households, mainly via diesel-powered generators. These generators are to be replaced by a combination of PV installations and battery storage. The programme also covers small industrial concerns that source their electricity from diesel-powered generators rather than from the grid. We expect the delivery of 320'000 ITMOs by 2030.

#### **Integrated waste management, Senegal**

The programme aims to reduce methane emissions from municipal waste in Senegal by composting the organic waste in eight composting facilities to be built for this purpose. For this purpose, the organic waste is separated, treated and processed into compost and organic fertiliser for agricultural use. This prevents organic waste from being deposited of in landfills and avoids the resulting methane emissions. We expect the delivery of 240'000 ITMOs by 2030.

## 4.3 Buildings Platform

### **Improved cook stoves, Peru**

The programme promotes the installation and maintenance of up to 60'000 improved cook stoves in remote and poverty-stricken areas of Peru. They reduce deforestation, which helps to keep the sequestration of CO<sub>2</sub> in biomass constant. Under the programme, calls for tenders are carried out to select Peruvian businesses to install the cook stoves in the agreed quality.

The contract concluded with the programme owner Microsol S.A.S. in November 2021 is the world's first commercial purchase agreement for the acquisition of ITMOs. The Climate Cent Foundation, which has been supporting the programme since 2017, will prefinance the scaling of the programme and in particular the construction of the cook stoves with over half of the contract value. We expect the programme, whose authorisation by Switzerland and Peru under their bilateral agreement is still pending, to deliver 750'000 ITMOs by 2030, 270'000 of which will be for the KliK Foundation.

### **Energy efficiency measure in buildings, Georgia**

The programme provides for the nationwide promotion of measures to increase energy efficiency measures in buildings, such as the insulation of façades and roofs, the use of multi-glazed windows and the installation of heating systems based on renewable energies. The building sector is responsible for around 20% of Georgia's greenhouse gas emissions and has a correspondingly high potential. Which specific measures the programme will support, and for which segment of buildings, is currently still being determined. In any case, the programme will go beyond government support programmes in the area of energy-efficient buildings and will have an additional impact. We expect the delivery of 350'000 ITMOs by 2030.

### **Improved cook stoves in rural areas, Ghana**

The programme promotes the sale of two high-quality cook stove models among rural households in Ghana. The stoves significantly reduce firewood and charcoal requirements and reduce the extremely

harmful indoor air pollution with exhaust gas and particles. Switching to improved cook stoves allows programme beneficiaries to increase their financial leeway and reduces the time spent sourcing combustible fuels. The programme aims to make 180'000 improved cook stoves affordable for households. We expect the delivery of 2.63 million ITMOs by 2030.

### **Biomass briquettes, Ghana**

Organic waste from cocoa, coconut, groundnut and rice farms currently rots unused in many rural areas of Ghana. The programme aims to collect this waste directly from the farmers in the vicinity of the production site and to press it into biomass briquettes at a central location. The briquettes produced in this way will then be then sold in two different sizes to large industrial customers and, via intermediaries, to households. For these end consumers, the biomass briquettes will replace conventional, CO<sub>2</sub>-intensive fuels such as diesel or natural gas, as well as charcoal and firewood in households. We expect the delivery of 390'000 ITMOs by 2030.

### **Improved cook stoves, Malawi**

The programme complements an existing scheme set up by the Malawian government in rural areas and focuses on the roughly 200'000 urban and peri-urban households within 50 km of the capital city Lilongwe, as well as its food market. Participants in the programme benefit from subsidised retail prices for improved cook stoves, which for example use fan-assisted combustion powered by solar panels. Instead of charcoal, pellets and small briquettes made from woody biomass and crop residues are used as fuel. We expect the delivery of 3.10 million ITMOs by 2030.

## 4.4 Agriculture Platform

### Biogas facilities in dairy farms, Malawi

The programme aims to set up 10'000 biogas facilities on dairy farms nationwide, converting cow dung into valuable biogas. The open storage of manure leads to methane emissions, which can be avoided by converting the manure into biogas. Around 60% of the greenhouse gas reductions resulting from the programme are due to the avoidance of methane emissions.

The remaining 40% result from the gas cookers operated with the biogas produced, which replace non-sustainably sourced wood or charcoal. The by-product of the conversion process is an organic fertiliser that is used in agriculture. We expect the delivery of 360'000 ITMOs by 2030.

### Biogas facilities, Senegal

The programme plans to almost double the number of agricultural biogas facilities installed by 2030, from the Senegalese government's pledge of 27'500 to 50'700 digesters. This will provide smallholder farmers across the country with a clean and renewable alternative to firewood and charcoal traditionally used for cooking. The sale of the organic fertiliser produced in the biogas facilities creates a source of income that can cover the operating cost. A guarantee fund will further enable local commercial banks to grant loans to vetted technology suppliers for installing biogas facilities. We expect the delivery of 460'000 ITMOs by 2030.

### Expected impact abroad (million t CO<sub>2</sub>)

	In development	Under contract	Total
Transportation programmes	0.20	0.50	0.70
Businesses programmes	2.39	-	2.39
Buildings programmes	6.47	0.27	6.74
Agriculture programmes	0.82	-	0.82
Not assigned	-	4.00	4.00
<b>Total</b>	<b>9.88</b>	<b>4.77</b>	<b>14.65</b>

### Expected impact abroad (million t CO<sub>2</sub>)

	In development	Under contract	Total
Dominica	0.04	-	0.04
Georgia	0.35	-	0.35
Ghana	4.12	-	4.12
Malawi	3.74	-	3.74
Morocco	0.30	-	0.30
Peru	0.47	0.27	0.74
Senegal	0.86	-	0.86
Thailand	-	0.50	0.50
Other	-	4.00	4.00
<b>Total</b>	<b>9.88</b>	<b>4.77</b>	<b>14.65</b>

## 5 Carbon offset obligation 2021 to 2030

Based on the offset rate of 12% applicable for 2021, the carbon offset volume for the 42 participants in the carbon offset grouping in that year was 1'759'487 tonnes of CO<sub>2</sub>. The carbon offset obligation was completely fulfilled by the KliK Foundation through its existing national attestations from the period 2013 to 2020, which can still be used for this purpose until 2024. This also applies to the 4'776 national attestations sold by the KliK Foundation to several mineral oil companies outside the carbon offset grouping to fulfil their carbon offset obligation.

In addition to the 5'858'236 national attestations from the years 2013 to 2020 available at the end of 2021, a further 195'128 were added in the year under review. After fulfilment of the aforementioned carbon offset obligations, the number of national attestations from the previous period was still 4'289'101 at the end of 2022.

For the years 2022, 2023 and 2024, the carbon offset rate is 17%, 20% and 23% respectively; at least 15% of the motor fuel emissions must be offset domestically. This means that for the period 2021 to 2024, a total of at least 8.1 million national attestations and a maximum of 2.1 million ITMOs are expected to be required.

In the year under review, only a few new Swiss projects and programmes were added to the portfolio and two additional contracts for the acquisition of ITMOs were concluded. Overall, we expect the delivery of 5.9 million national attestations and 0.6 million ITMOs from the years 2021 to 2024 from contracts concluded by the end of 2022. An additional 0.3 million national attestations can probably be acquired as part of the operation of the KliK Foundation programmes and programmes of third parties under contract. We also expect another 0.3 million ITMOs from the programmes currently being pursued abroad. Furthermore, a number of national attestations for overfulfilments from the period 2013 to 2020 will be delivered, although this is still highly uncertain.

For the period 2021 to 2024, the following results are expected:

The domestic portion of the carbon offset obligation will be met by national attestations from the period 2013 to 2020, with the exception of a difference of 1.7 million. The quota for the foreign portion of the carbon off-set obligation of 2.1 million ITMOs cannot be used to the full because only 0.9 million ITMOs are generated. The difference of 1.2 million t CO<sub>2</sub> must therefore be demonstrated in the form of national attestations. Of the 6.2 million national attestations expected to be produced in the period 2021 to 2024, 3.3 million can therefore be saved for the period 2025 to 2029.

The revision of the law, which aims to extend the obligation to partially offset emissions from motor fuels to the period 2025 to 2030, is currently being discussed in parliament. The KliK Foundation expects that parliament will essentially follow the Federal Council's proposal. However, the actual carbon offset rate for the years 2025 to 2030 will only be determined by the Federal Council after the law has been passed. There is therefore considerable uncertainty regarding both the absolute carbon offset volume and the minimum share of carbon offsetting to be realised in Switzerland.

It is estimated that the KliK Foundation will require a cumulative minimum of 10.0 million national attestations and a maximum of 15.8 million ITMOs in the period 2025 to 2029. For the year 2030, as was already the case for 2020, the carbon offset obligation will have to be fulfilled with attestations generated in that year; we expect a requirement of at least 1.9 million national attestations and a maximum of 6.0 million ITMOs.

From the contracts concluded as of the end of 2022, we expect the delivery of 4.6 million national attestations and 3.4 million ITMOs for the years 2025 to 2029, as well as 0.8 million national attestations and 0.6 million ITMOs for the year 2030. Therefore, 2.1 million national attestations still need to be acquired in the period 2025 to 2029.

in order to fulfil the domestic portion of the carbon offset obligation (including the national attestations saved as of the end of 2024). This quantity can probably just about be procured within the framework of the operation of the KliK Foundation's programmes and the programmes of third parties under contract.

There is a significantly larger discrepancy in terms of the foreign portion of the carbon offset obligation. Here, 12.4 million ITMOs still need to be acquired for the period 2025 to 2029. Given the current pipeline of programmes abroad, which are being further developed with the help of the KliK Foundation, this does not appear impossible. The carbon offset obligation in 2030, on the other hand, appears to be practically unattainable. A penalty of several hundred million Swiss francs is to be expected.

If the currently existing contracts are fulfilled, the expenditure for the acquisition of attestations for the years 2021 to 2030 will amount to a total of 1.67 billion Swiss francs. Based on fossil motor fuel sales in this period, this corresponds to costs of around 3 centimes per litre. The acquisition of the number of attestations needed to fulfil the carbon offset obligation by 2030 would cost an additional 800 million Swiss francs at the current prices, which would mean a further 1.5 centimes per litre.

The carbon offset obligation could thus be fulfilled in the decade 2021 to 2030 at a cost of less than the legal upper limit of 5 centimes per litre – but only if the costs for acquiring the attestations from the period 2013 to 2020, which are currently being used, are not included. Applied to fossil motor fuel sales from 2013 to 2020, these costs amounted to around 1.0 centime per litre and were paid by consumers during that period.

The previous analysis ignores the fact that it cannot be assumed that the contractually promised number of attestations will actually be delivered. In order to ensure that the required number of attestations are actually received, a sufficiently high risk buffer must be created. The Foundation must therefore contractually secure considerably

more attestations than are necessary for the complete fulfilment of the carbon offset obligation. Depending on how high the risk of default is estimated to be, the financing of such a risk buffer will cost between 1.5 and 2 centimes per litre of fossil motor fuel sold in the period 2024 to 2030.



**Expenditure for national and international attestations for  
the years 2021 to 2024: Situation at the end of 2022**

	Contractual expenditure (million CHF)	Attestations under contract (million tonnes CO <sub>2</sub> )	Cost per attestation (CHF/t CO <sub>2</sub> )
Programmes Transportation	334	1.88	178
Programmes Businesses	291	2.32	125
Programmes Buildings	46	0.37	124
Programmes Agriculture	13	0.08	157
Projects	186	1.24	150
<b>Switzerland</b>	<b>870</b>	<b>5.89</b>	<b>148</b>
<b>International</b>	<b>14</b>	<b>0.60</b>	<b>23</b>

**Expenditure for national and international attestations for  
the years 2025 to 2030: Situation at the end of 2022**

	Contractual expenditure (million CHF)	Attestations under contract (million tonnes CO <sub>2</sub> )	Cost per attestation (CHF/t CO <sub>2</sub> )
Programmes Transportation	87	0.56	155
Programmes Businesses	354	2.70	131
Programmes Buildings	70	0.79	89
Programmes Agriculture	29	0.20	145
Projects	129	1.12	115
<b>Switzerland</b>	<b>669</b>	<b>5.37</b>	<b>125</b>
<b>International</b>	<b>81</b>	<b>4.00</b>	<b>20</b>

**Carbon offset rate 2013 to 2030**  
(in % of fossil motor fuel emissions)

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Domestic	-	2	2	5	5	8	8	10	12	15	15	15	15	15	15	15	15	15
Abroad	-	-	-	-	-	-	-	-	-	2	5	8	12	17	23	30	38	47

Presumptive values from 2025 onward.

## 6 Finances and administration

## 6.1 Income and expense

As of 1 January 2023, the KliK Foundation had concluded agreements with 38 mineral oil companies to handle the fulfilment of their carbon offset obligation. The composition of the carbon offset grouping changed compared to the previous year due to the takeover of one participant by another.

In the year under review, the participants in the carbon offset grouping paid the KliK Foundation a fee of CHF 275'415'392. The collection of these payments by Carbura, the Swiss organisation for the compulsory stockpiling of liquid fuels and combustibles, cost CHF 33'600.

Since the annual accounts for mineral oil tax receipts is not prepared by the Swiss Directorate General of Customs until May of the following year, supplementary payments to the KliK Foundation or reimbursements by the KliK Foundation to participants in the carbon offset grouping may occur after closing of the KliK Foundation's accounts. Such payments are entered as extraordinary income resp. extraordinary expense. For the year 2021, supplementary payments to the KliK Foundation exceeded its reimbursements by CHF 379'518.

Further extraordinary incomes of CHF 716'400 resulted from the sale of 4'776 national attestations to third parties also subject to the carbon offset obligation but not affiliated to the carbon offset grouping. In addition, the Foundation received an earmarked donation of CHF 796'145.

Since 2014, the KliK Foundation has been recognised as a carbon offset grouping in the Principality of Liechtenstein, where the carbon offset obligation also applies. The Principality of Liechtenstein dispenses with carrying out carbon offset activities; in return, it receives a share of the payments made to the KliK Foundation, determined anew each year. In the year under review, this share amounted to CHF 1'216'818 for the year 2021.

Income from interest and securities amounted to CHF 3'634'563. Losses on securities and expenditures for bank charges and other fees stood at CHF 26'583'243, yielding a net financial result of CHF 22'948'681.

In the year under review, the KliK Foundation received delivery of attestations and verified emission reductions worth CHF 201'465'322. It also has contractual commitments of around CHF 1.389 billion for expected deliveries until 2030, of which CHF 222 million should become due for payment in 2023.

Indirect costs for external consulting services, project brokerage and programme-specific communication amounted to CHF 2'026'639 (a year-on-year decrease of -3%). Operating expenses for the Secretariat and general communication expenses amounted to CHF 3'769'420 (a year-on-year increase of +43%).

## 6.2 Foundation Council and Secretariat

At the end of the year under review, the Secretariat of the KliK Foundation employed 17 members of staff. The annual average stood at 1'349 % full-time equivalent positions. The Secretariat mainly concerned itself with expediting the development of activities abroad and operating its proprietary programmes in Switzerland.

In the year under review, the Foundation Council convened on four occasions. It approved three contracts for the purchase of international attestations as well as a few contracts for the purchase of national attestations until 2030. Furthermore, it allocated additional funds for the further development of climate protection programmes abroad and approved the strategy for the regional representation of the KliK Foundation in partner countries.

The deliberations on the revision of the CO<sub>2</sub> Act until 2030, the upcoming referendum on the Climate Act (Parliament's indirect counterproposal on the Glacier Initiative), and the Swiss elections will continue to ensure an ongoing social debate on how to deal with manmade climate change in 2023. The political climate and the accompanying discussions about the security of Switzerland's energy supply will play their part.

Although politicians have clearly taken the emission reduction effect of the carbon offset instrument into account, they do not adequately appreciate how much its workability depends on the existence of a long-term perspective. The emission reduction projects – especially those abroad – require a very long lead time; they cannot be conjured out of thin air as and when required – at least not in the quality that Switzerland is justifiably striving for.

The challenge for the KliK Foundation in the current year will therefore be to anticipate political developments and reconcile its assessment of these developments with the Foundation's limited entrepreneurial leeway and its limited risk capacity.

## 7 Management and performance report

### **Purpose of the Foundation**

The Foundation aims to perform the duties of a carbon offset grouping or “compensation pool” in compliance with Article 27 of the Swiss Federal Act on the Reduction of CO<sub>2</sub> Emissions (Swiss CO<sub>2</sub> Act), specifically fulfilling the carbon offset obligation on behalf of affiliated parties responsible for the sale of fossil motor fuels and subject to the carbon offset obligation. To do so, the Foundation directly or indirectly funds, supports, plans and carries out carbon offset activities in Switzerland and abroad that are allowable under the provisions of the Swiss CO<sub>2</sub> Act, namely also within the framework of national and international emissions trading schemes.

The Foundation is an entirely non-profit organisation and pursues neither commercial nor self-help objectives. It also does not pursue any commercial purposes and does not seek to make a profit. The use of even parts of the Foundation’s assets for any aim other than to achieve the Foundation’s dedicated purpose is strictly prohibited.

### **Bodies**

The Foundation Council numbers six members, the Managing Director is also a body.

### **Staff**

The annual average stood at 1'349 % full-time equivalent positions.

### **Internal control system**

The KliK Foundation operates an internal control system, which provides the basis for all essential operations. The Foundation Council periodically assesses financial and operational risks at its meetings. Considerations on risk and its limitation are set out in the risk register.

## 8 Financial report

Balance sheet at 31 December	Explanatory notes	2022	2021
Assets		CHF	CHF
Cash and cash equivalents		38'605'885.50	32'072'306.52
Securities	2.1	151'014'319.32	127'708'084.37
Receivables from goods and services from third parties		79'269'712.50	64'379'834.85
Other short-term receivables from third parties		39'633'493.01	20'013'757.85
Prepayments and accrued income		5'000.00	118'552.15
<b>Total current assets</b>		<b>308'528'410.33</b>	<b>244'292'535.74</b>
Emission credits	2.2	1.00	1.00
Movable tangible fixed assets		68'800.00	82'500.00
<b>Total non-current assets</b>		<b>68'801.00</b>	<b>82'501.00</b>
<b>Total assets</b>		<b>308'597'211.33</b>	<b>244'375'036.74</b>
<b>Liabilities and capital of the organisation</b>			
Payables from goods and services to third parties		42'012'604.95	21'535'446.80
Other short-term payables to third parties		6'500.00	6'100.00
Short-term provisions for projects	2.3	221'736'251.00	190'627'945.00
Accrued liabilities and deferred income		2'323'600.00	1'655'880.00
<b>Total current liabilities</b>		<b>266'078'955.95</b>	<b>213'825'371.80</b>
Long-term provisions for projects	2.4	1'211'966'200.00	1'044'150'078.00
<b>Total non-current liabilities</b>		<b>1'211'966'200.00</b>	<b>1'044'150'078.00</b>
<b>Total liabilities</b>		<b>1'478'045'155.95</b>	<b>1'257'975'449.80</b>
Capital of the foundation		50'000.00	50'000.00
Unrestricted capital – generated unrestricted capital carried forward		-1'013'650'413.06	-435'441'720.00
Unrestricted capital – foundation result		-155'847'531.56	-578'208'693.06
<b>Total capital of the organisation</b>	2.5	<b>-1'169'447'944.62</b>	<b>-1'013'600'413.06</b>
<b>Total liabilities and capital of the organisation</b>		<b>308'597'211.33</b>	<b>244'375'036.74</b>

Statement of operations	Explanatory notes	2022	2021
		CHF	CHF
Fees received from carbon offset grouping		275'415'391.96	224'992'276.50
Revenue reductions		-1'250'418.00	-980'190.30
Sales from goods and services - revenue from services to third parties		192'100.00	159'200.00
<b>Operating income</b>		<b>274'357'073.96</b>	<b>224'171'286.20</b>
Expense for programmes	2.6	-402'540'161.33	-809'981'732.00
Expense for third-party services	2.7	-2'026'639.46	-2'095'590.50
Personnel expense		-2'175'484.94	-1'557'326.45
Other operating expense	2.8	-1'593'935.56	-1'078'925.15
Depreciation on movable tangible fixed assets		-13'700.00	-13'609.15
<b>Operating expense</b>		<b>-408'349'921.29</b>	<b>-814'727'183.25</b>
<b>Operating result</b>		<b>-133'992'847.33</b>	<b>-590'555'897.05</b>
Financial income	2.9	3'634'562.55	12'643'325.23
Financial expense	2.10	-26'583'243.31	-1'583'687.09
<b>Financial result</b>		<b>-22'948'680.76</b>	<b>11'059'638.14</b>
Extraordinary income	2.11	1'186'394.38	1'325'637.55
Extraordinary expense	2.12	-92'397.85	-38'071.70
<b>Extraordinary result</b>		<b>1'093'996.53</b>	<b>1'287'565.85</b>
<b>Annual result (before allocation to capital of the organisation)</b>		<b>-155'847'531.56</b>	<b>-578'208'693.06</b>
Allocation / use - unrestricted capital		-155'847'531.56	-578'208'693.06
		0.00	0.00



Cash flow statement	2022	2021
	CHF	CHF
Annual result	-155'847'531.56	-578'208'693.06
(Decrease)/Increase of provisions	198'924'428.00	607'155'206.00
Decrease/(Increase) of securities	-23'306'234.95	-6'402'811.00
Depreciation	13'700.00	13'609.15
Decrease/(Increase) of receivables from goods and services	-14'889'877.65	-22'263'634.00
(Decrease)/Increase of payables from goods and services	20'477'158.15	14'908'780.70
Decrease/(Increase) of other short-term receivables and prepayments and accrued income	-19'506'183.01	-14'630'359.34
(Decrease)/Increase of other short-term payables and accrued liabilities and deferred income	668'120.00	916'650.00
<b>Cash flow from operating activities</b>	<b>6'533'578.98</b>	<b>1'488'748.45</b>
Cash flow from investing activities	0.00	-55'909.15
Cash flow from financing activities	0.00	0.00
<b>Change in cash and cash equivalents</b>	<b>6'533'578.98</b>	<b>1'432'839.30</b>
Balance of cash and cash equivalents as per 1.1.	32'072'306.52	30'639'467.22
Balance of cash and cash equivalents as per 31.12.	38'605'885.50	32'072'306.52
<b>Reconciliation of change in cash and cash equivalents</b>	<b>6'533'578.98</b>	<b>1'432'839.30</b>

Statement of changes in capital 2022	Balance 1.1.	Allocation	Use	Total change	Balance 31.12.
	CHF	CHF	CHF	CHF	CHF
<b>Capital of the organisation</b>					
Capital of the foundation	50'000.00	0.00	0.00	0.00	<b>50'000.00</b>
Unrestricted capital	-1'013'650'413.06	0.00	155'847'531.56	-155'847'531.56	<b>-1'169'497'944.62</b>
<b>Total capital of the organisation</b>	<b>-1'013'600'413.06</b>	<b>0.00</b>	<b>155'847'531.56</b>	<b>-155'847'531.56</b>	<b>-1'169'447'944.62</b>

Statement of changes in capital 2021	Balance 1.1.	Allocation	Use	Total change	Balance 31.12.
	CHF	CHF	CHF	CHF	CHF
<b>Capital of the organisation</b>					
Capital of the foundation	50'000.00	0.00	0.00	0.00	<b>50'000.00</b>
Unrestricted capital	-435'441'720.00	0.00	578'208'693.06	-578'208'693.06	<b>-1'013'650'413.06</b>
<b>Total capital of the organisation</b>	<b>-435'391'720.00</b>	<b>0.00</b>	<b>578'208'693.06</b>	<b>-578'208'693.06</b>	<b>-1'013'600'413.06</b>

## Notes

### I. General remarks

#### Name, legal form and head office of the organisation

**Name:** Foundation for Climate Protection and Carbon Offset KliK

**Legal form:** Foundation

**Head office:** Zurich

The Foundation for Climate Protection and Carbon Offset KliK was established on 7 December 2012 (commercial register entry) and launched its operations on 1 January 2013.

The KliK Foundation was established by the Swiss Petroleum Association (now Avenergy Suisse) and aims to perform the duties of a carbon offset grouping or "compensation pool" pursuant to Article 27 of the Swiss CO<sub>2</sub> Act. On behalf of affiliated mineral oil companies subject to the carbon offset obligation, it is tasked with fulfilling this obligation by directly or indirectly funding, supporting, planning and carrying out carbon offset activities in Switzerland that are allowable under the provisions of the Swiss CO<sub>2</sub> Act. Participants in the carbon offset grouping pay the KliK Foundation a cost-covering fee. In view of the foreseeable extension of the carbon offset obligation until 2030, participants in the carbon offset grouping have tasked the KliK Foundation with ensuring the continued fulfilment of their carbon offset obligation.

## 1. Principles underlying the establishment and valuation of accounts

The present financial statements have been drawn up in compliance with the financial reporting standard Swiss GAAP FER incl. FER 21. They further provide the information required under Swiss financial reporting law (Title 32 of the Swiss Code of Obligations).

### 1.1 Securities

Current assets securities have been recognised at market value as per balance sheet date. No fluctuation reserve was created.

### 1.2 Emission credits

As of 31.12.2022, the Foundation's account with the Swiss Emissions Trading Registry holds a total of 7'344'878 emission credits. Every year, the amount of emission credits required to fulfil the annual carbon offset obligation is handed over to the Swiss Confederation without compensation.

### 1.3 Carbon offset obligation

For 2022, the carbon offset obligation is set at 17% of fossil motor fuels released for consumption in Switzerland in the year under review. 1'759'487 of the emission credits available according to section 1.2 must be used toward fulfilling the carbon offset obligation for 2021.

### 1.4 Minimal value for the capitalisation of investments in tangible fixed assets

Acquisitions are recognised above a threshold of CHF 10'000 in item value and when of long-term character. Valuation takes place at acquisition costs minus accumulated depreciation and value adjustments. Tangible fixed assets are depreciated in a straight line over a useful life of 8 years.

### 1.5 Fees received from carbon offset grouping

Mineral oil companies on whose behalf the KLIK Foundation fulfils the carbon offset obligation pay the Foundation a fee. This fee covers all costs incurred by the Foundation in fulfilling their carbon offset obligation. Sales recognition is based on notification by Carbura (the

Swiss mineral oil industry's organisation for compulsory stockpiling) of the amount of motor fuels released for consumption in Switzerland by participants in the carbon offset grouping and subject to the carbon offset obligation.

### 1.6 Provisions

By signing project agreements for the purchase of emission credits, the Foundation has incurred short and long-term payment obligations. Provisions have been made for the sum of short and long-term payment obligations from agreements signed as per balance sheet date.

## II. Information on balance sheet and statement of operations positions

2.1 Securities	2022	2021
Swiss bonds	41'159'379.00	20'641'744.00
Foreign bonds	42'806'620.00	49'978'728.00
Swiss stocks and shares	20'301'167.00	16'507'789.00
Foreign stocks and shares	29'239'366.00	24'276'406.00
Swiss real estate	17'507'787.32	16'303'417.37
<b>Total market value of securities</b>	<b>151'014'319.32</b>	<b>127'708'084.37</b>
Price adjustments to market value	13'075'901.13	36'510'731.92
<b>Total acquisition costs of securities</b>	<b>137'938'418.19</b>	<b>91'197'352.45</b>

The securities portfolio is managed according to investment rules and regulations last amended and approved by the Foundation Council on 04.12.2017.

## 2.2 Emission credits

As described in sections 1.2 and 1.3, emission credits needed to fulfil the carbon offset obligation up to the end of 2030 are handed over to the Swiss Confederation without compensation. They are therefore recognised pro memoria at a value of CHF 1.-.

<b>2.3 Short-term provisions for projects</b>	2022	2021
Individual projects	57'019'439.00	47'713'198.00
Transportation Platform	82'325'436.00	60'252'530.00
Businesses Platform	68'441'612.00	71'965'654.00
Buildings Platform	10'833'057.00	8'195'195.00
Agriculture Platform	2'843'707.00	2'501'368.00
Projects abroad	273'000.00	0.00
<b>Total short-term provisions for projects</b>	<b>221'736'251.00</b>	<b>190'627'945.00</b>

<b>2.4 Long-term provisions for projects</b>	2022	2021
Individual projects	236'159'632.00	250'409'077.00
Transportation Platform	268'973'400.00	225'458'240.00
Businesses Platform	478'749'096.00	414'107'399.00
Buildings Platform	90'674'985.00	116'802'379.00
Agriculture Platform	36'938'308.00	34'129'204.00
Projects abroad	100'470'779.00	3'243'779.00
<b>Total long-term provisions for projects</b>	<b>1'211'966'200.00</b>	<b>1'044'150'078.00</b>

### Statement of changes in provisions

<b>Provisions 01.01.</b>	<b>1'234'778'023.00</b>	<b>627'622'817.00</b>
Creation	421'754'736.85	809'981'732.00
Utilisation	-203'615'733.00	-202'826'526.00
Release	-19'214'575.85	0.00
<b>Provisions 31.12.</b>	<b>1'433'702'451.00</b>	<b>1'234'778'023.00</b>
of which short-term provisions	221'736'251.00	190'627'945.00

## 2.5 Capital of the organisation

As at 31 December 2022, the total capital of the organisation shows an accounting over-indebtedness. This is due firstly to the fact that provisions have already been made for all payment obligations arising from project agreements up to 2030, while revenue from fees contractually guaranteed by participants in the carbon offset group-ing until 2030 has only been taken into account for the period currently under review. Secondly, emission credits purchased from programmes and projects are only recognised under non-current assets pro memoria at a value of CHF 1.-, since emission credits required for the yearly fulfilment of the carbon offset obligation are handed over to the Swiss Confederation without compensation. The Foundation's rolling-wave cashflow planning shows that it is able to meet its obligations up to the end of the carbon offset obligation in 2031. The Foundation Council has therefore abstained from drawing up an interim balance sheet under Article 84a of the Swiss Civil Code.

<b>2.6 Expense for programmes</b>	2022	2021
Individual projects	23'450'197.63	69'651'875.35
Transportation Platform	130'941'228.21	186'817'330.95
Businesses Platform	164'854'228.34	485'380'378.40
Buildings Platform	-19'214'575.85	64'482'524.30
Agriculture Platform	5'009'083.00	405'844.00
International certificates	97'500'000.00	3'243'779.00
<b>Total expense for programmes</b>	<b>402'540'161.33</b>	<b>809'981'732.00</b>

The reduction in expense in 2022 pertains to the Buildings Platform and is due to the release of no longer required provisions.

<b>2.7 Expense for third-party services</b>	2022	2021
Third-party consultancy expense	1'405'978.37	993'721.25
Third-party communication expense	188'712.57	309'810.25
Third-party implementation expense	431'948.52	792'059.00
<b>Total expense for third-party services</b>	<b>2'026'639.46</b>	<b>2'095'590.50</b>

<b>2.8 Other operating expense</b>	2022	2021
Rent and occupancy expense	169'495.14	110'548.85
Transport expense	97'470.48	16'037.90
Maintenance, repair and replacement of movable tangible fixed assets	35'979.34	10'151.40
Administration and IT expense	797'196.86	530'088.75
Communication expense	463'195.84	387'439.35
Other expense	30'597.90	24'658.90
<b>Total other operating expense</b>	<b>1'593'935.56</b>	<b>1'078'925.15</b>

<b>2.9 Financial income</b>	2022	2021
Interest income (bank, post)	4.47	2.80
Income from securities (dividends, interest)	3'049'538.19	2'496'183.90
Realised gains from securities price changes	8'753.41	2'305.59
Unrealised gains from securities price changes	576'266.48	10'144'832.94
<b>Total financial income</b>	<b>3'634'562.55</b>	<b>12'643'325.23</b>

<b>2.10 Financial expense</b>	2022	2021
Interest expense	6'598.42	480.25
Bank and postal account charges	1'514.88	2'579.46
Securities charges (fees/commissions)	342'114.52	332'432.36
Realised losses from securities price changes	323'941.55	3'067.95
Unrealised losses from securities price changes	25'909'073.94	1'245'127.07
<b>Total financial expense</b>	<b>26'583'243.31</b>	<b>1'583'687.09</b>

<b>2.11 Extraordinary income</b>	2022	2021
Extraordinary income	1'186'394.38	1'325'637.55

Supplementary fees paid by participants in the carbon offset grouping according to Carbura's final account of motor fuels released for consumption in the previous year; also, in 2022, CHF 716'400 in revenue from the sale of attestations to third parties toward fulfilling their carbon offset obligation. The previous year's extraordinary income also pertains to supplementary fees paid by participants in the carbon offset grouping according to Carbura's final account of motor fuels released for consumption in 2020; as well as CHF 81'750 in revenue from the sale of attestations to third parties toward fulfilling their carbon offset obligation. Furthermore, 1 million no longer needed CER2 were sold on the free market for a total amount of CHF 648'000 and one no longer value-carrying obligation of CHF 10'500 was derecognised.

<b>2.12 Extraordinary expense</b>	2022	2021
Extraordinary expense	92'397.85	38'071.70

As it did last year, the extraordinary expense mainly concerns the repayment of fees to participants in the carbon offset grouping according to Carbura's final account of motor fuels released for consumption in the previous year.

### III. Further disclosures

#### 3.1 Contingent liability

In the event of failure to comply with the legal carbon offset obligation, a penalty payment of CHF 160 is due to the Swiss Confederation for each missing tonne of CO<sub>2</sub>.

#### 3.2 Remuneration of members of the governing body

	2022	2021
Foundation Council	175'000.00	168'750.00

Only one person is in charge of managing operations.

#### 3.3 Remuneration of the auditing body

	2022	2021
Auditing	32'700.00	29'250.00
Other services	4'500.00	0.00

#### 3.4 Full-time equivalent positions

The annual average number of full-time equivalent positions did not exceed 50 in the year under review and 10 in the preceding year.

#### 3.5 Restriction on disposal

	2022	2021
Restriction on disposal of cash and cash equivalents for the benefit of UBS Inc.	15'000.00	15'000.00
ZKB rental guarantee deposit "Streulistrasse 19"	44'000.00	44'000.00

#### 3.6 Events after the balance sheet date

No significant events that may impair the informative value of the financial statements have occurred after the balance sheet date.

#### 3.7 Approval of accounts for 2022

The accounts have been approved by the Foundation Council at its meeting on 5 June 2023.

## 9 Organisation

### Foundation Council

**Daniel Hofer**  
President  
Avenenergy Suisse

**Daniel Bischof**  
Member  
Agrola AG

**Sébastien Cwidak**  
Member  
Oel-Pool AG

**Andreas Flütsch**  
Member  
Migrol AG

**Barbara Mühlemann**  
Member  
Varo Energy Marketing AG

**Martin Osterwalder**  
Member  
Osterwalder Gruppe

### Secretariat

**Dr Marco Berg**  
Managing Director

**Darja Aepli**  
Head Switzerland

**Sandrine Brunet**  
Programmes Switzerland

**Laura Schiff**  
Programmes Switzerland

**Andreas Brügger**  
Project Controlling

**Yannick Michaelsen**  
Head of Communications  
Switzerland

**Olivia Guler**  
Communications Switzerland

**Michael Brennwald**  
Head International

**Dr Jacqueline Jakob**  
Director International Relations

**Dr Ursula Flossmann-Kraus**  
Carbon Procurement Manager

**Andrea Thurner**  
Carbon Procurement Manager

**Yannick Träris**  
Carbon Procurement Manager

**Dr Andrea Reiter**  
Director International  
Communications

**Denise Gartmann**  
Director Finances

**Peter Janser**  
Web Applications

**Flavio Audino**  
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**Title picture**  
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