Sustainability Report 2022

VP BANK

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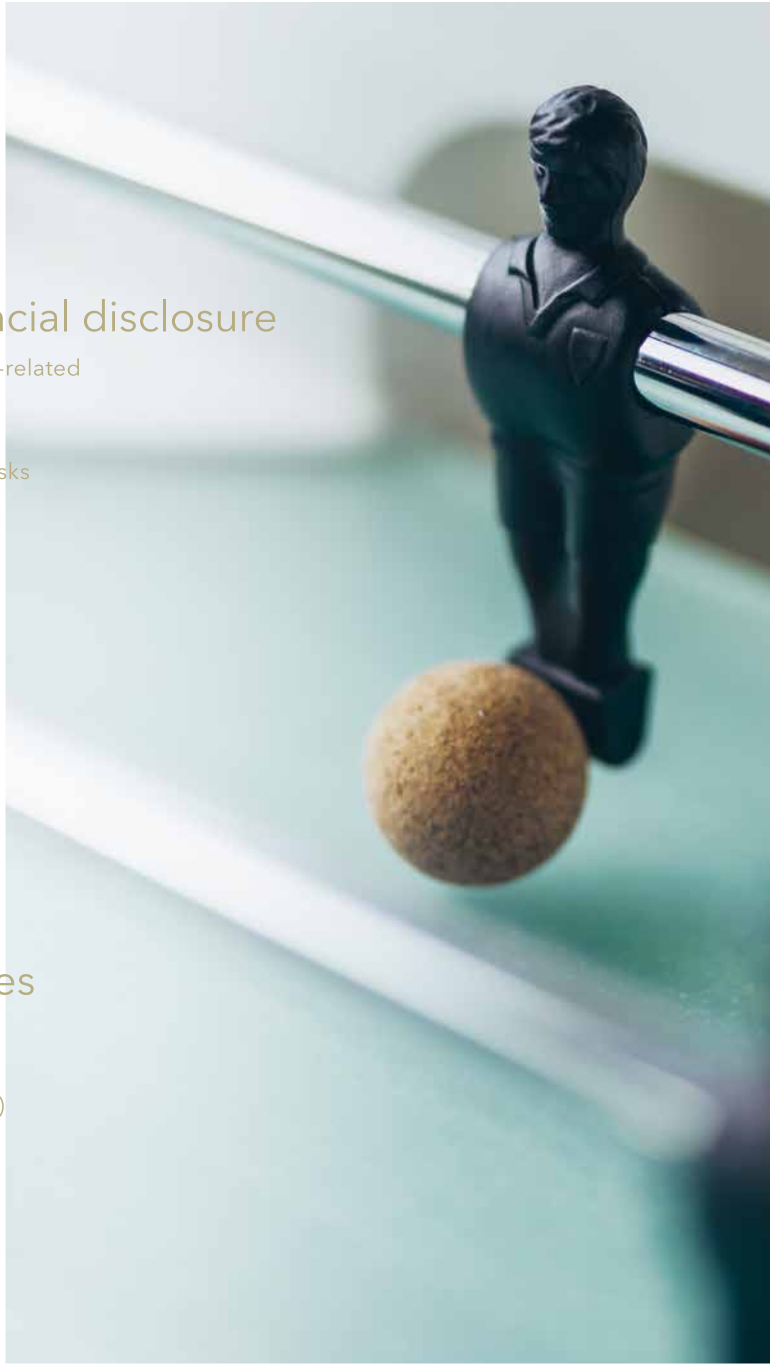


Key facts and figures

An international banking group with six locations.

1

Liechtenstein

- founded in 1956
- 652 employees
- Location management: Paul H. Arni
- Market responsibility: Tobias Wehrli
- VP Bank Ltd
- VP Fund Solutions (Liechtenstein) AG

2

Zurich

- founded in 1988
- 107 employees
- Location management: Dr Mara Harvey
- Market responsibility: Dr Mara Harvey
- VP Bank (Schweiz) Ltd

3

Luxembourg

- founded in 1988
- 141 employees
- Location management: Claus Jørgensen
- Market responsibility: Dr Mara Harvey
- VP Bank (Luxembourg) SA
- VP Fund Solutions (Luxembourg) SA

4

Tortola

- founded in 1995
- 15 employees
- Location management: Nicholas Clark
- Market responsibility: Tobias Wehrli
- VP Bank (BVI) Ltd

5

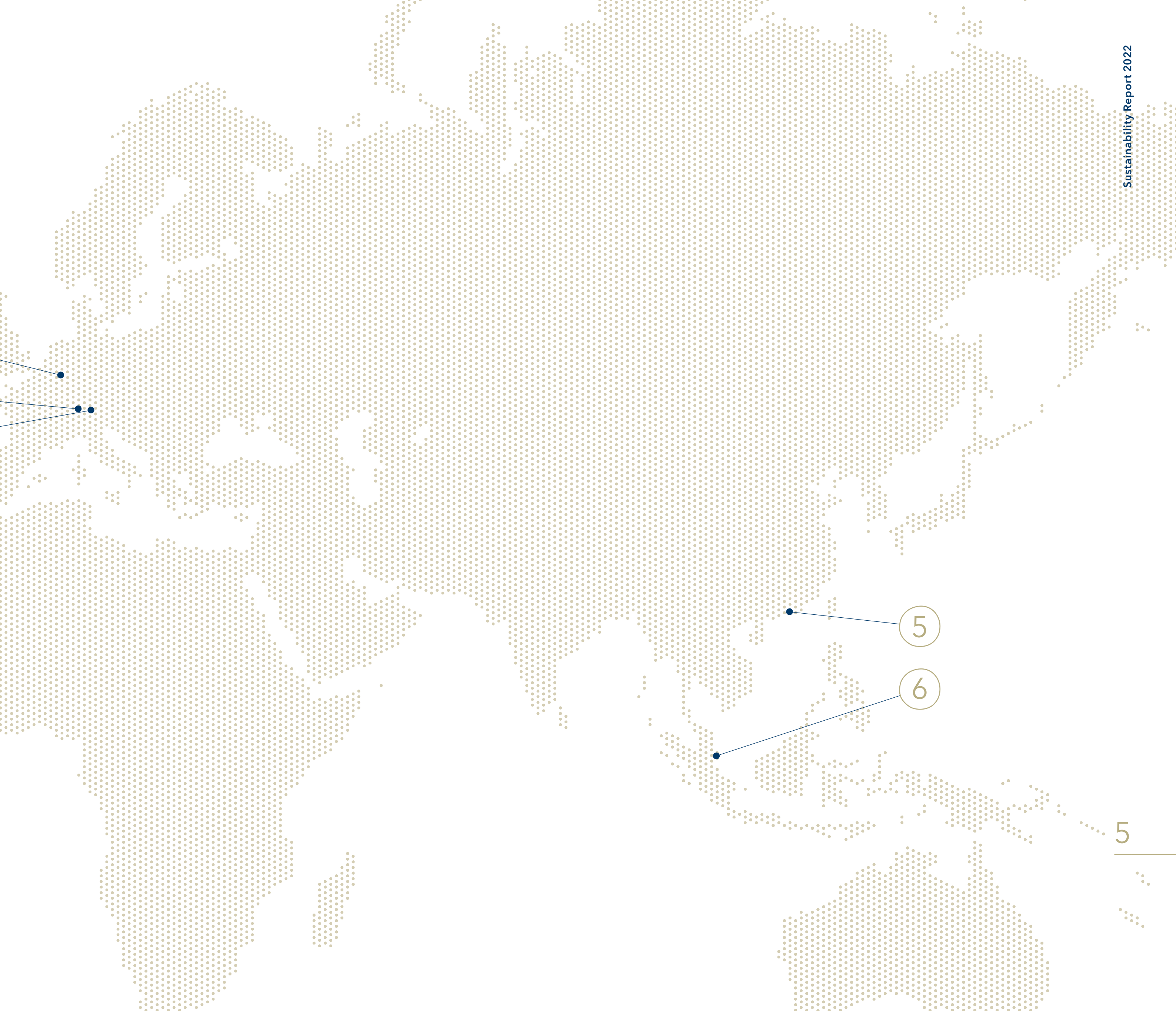
Hong Kong

- founded in 2006
- 17 employees
- Location management: Reto Marx
- Market responsibility: Pamela Phua
- VP Bank Ltd Hong Kong Representative Office
- VP Wealth Management (Hong Kong) Ltd

6

Singapore

- founded in 2008
- 79 employees
- Location management: Johnny Heng
- Market responsibility: Pamela Phua
- VP Bank Ltd Singapore Branch



Client assets

CHF 46.4

billion

Ratio of women

40.5%

Standard & Poor's rating

"A"

1,011

employees

Core competencies

- Partner for financial intermediaries
- Wealth management
- Investment consulting
- Wealth planning
- Financing
- Access to private market investments
- Centre of Excellence for Funds

Sustainability target

CO_2-

neutral operational business until 2026

Letter from Chairman and CEO

Dear Clients, Stakeholders and Friends

This is our second Sustainability Report, which has been prepared in accordance with the international GRI Standards and Sustainability Accounting Standards Board (SASB) indicators. The standards of the independent Global Reporting Initiative (GRI) are internationally recognised as the best set of rules for public corporate reporting on economic, ecological and social topics and are also our guiding principles.

In 2022, important sustainability-related events took place. The Intergovernmental Panel on Climate Change (IPCC) and the World Organisation for Meteorology have published two landmark reports, which are concerned with the scientific fundamentals of climate change. The Sharm el-Sheikh Climate Change Conference (COP 27) was also accompanied by a great deal of media coverage. At the climate conference, the EU agreed to new climate protection targets for forests and soils by 2030, and by 2050, Europe is to become the first climate-neutral continent. The participants at the conference could not agree on a phase-out of oil and gas production, but the international community reaffirmed the goal of limiting global warming to 1.5 degrees Celsius.

On a local level, Liechtenstein presented its Climate Strategy 2050 towards the end of 2022. In this, Liechtenstein aims to achieve net-zero emissions by 2050 in accordance with the Paris Climate Agreement.

All these activities demonstrate the growing importance of combating climate change and striving for the highest possible resource efficiency. With its clear commitment to sustainability, VP Bank wants to make an active contribution to the sustainable development of our environment as well as the financial industry. This is evident on various levels.

In our Sustainability Report 2021, we announced that we would further expand our approach to responsible investments. We have consistently implemented this in 2022. Our goal of achieving CO_2-neutral business operations by 2026 and achieving a positive net effect with our product offering has not changed. In this context, the Sustainability Plan 2026 serves as a guide.

An important part of our sustainability strategy is our membership in major initiatives. In 2022, we reaffirmed our commitment to the UN Global Compact (UNGC), the UN Principles for Responsible Investment (UN PRI), the UN Principles for Responsible Banking (UN PRB) and the Net-Zero Banking Alliance (NZBA).

VP Bank Group is one of the first financial institutions whose Board of Directors and Group Executive Management (GEM) have decided to participate in the "Responsible Banking for Board Members & Executives" course offered by the Principles for Responsible Banking Academy (PRB Academy). By the end of 2022, over 50 per cent of the members of the Board and GEM successfully completed the course. This underscores the importance of the topic for VP Bank and lays an important foundation for the further development of VP Bank Group.

With our sustainable activities, we strive to bring about positive change while continuing to support the growth of VP Bank Group. We would like to thank our employees and stakeholders for their commitment and support on this challenging and important journey.

Dr Thomas R. Meier
Chairman of the Board of Directors

Paul H. Arni
Chief Executive Officer

Dr Thomas R. Meier and Paul H. Arni (left)

Interview with our Head of Group Sustainability

Dr Lars Kaiser, you joined VP Bank in 2022 as the new Head of Group Sustainability and are responsible for anchoring sustainability throughout the Group. What is your first conclusion?

Even before my arrival, VP Bank had already set the course by drawing up a Sustainability Plan 2026 and beginning to implement it – particularly in our product offering, as we outlined in last year's report. The task now is to further drive implementation of the plan to achieve the set targets. Part of my job is to keep the long-term goals in mind and to continuously work towards their achievement. To do this, I rely on the cooperation of the various departments. After all, like an orchestra, it is important that all the instruments work together to produce a harmonious sound.

What key lessons did you take away from 2022?

The UN Intergovernmental Panel on Climate Change (IPCC) published two new landmark reports. They show that net global emissions of all major groups of greenhouse gases have continued to rise. Future global greenhouse gas emissions, based on national climate change contributions made ahead of the 2021 UN Climate Change Conference (COP26), make it likely that warming will exceed 1.5°C and make it more difficult to limit warming to below 2°C. For us, this affirms our efforts to actively contribute to achieving the net-zero target.

What other topics are you concerned about?

As part of our social responsibility, we also want to ensure that we have a positive impact on our internal and external stakeholders. This includes strengthening employee satisfaction, increasing diversity in our workforce and offering our customers attractive products and services. At the same time, it is equally important to be a trustworthy business partner for our customers through responsible business practices and to create positive added value as an active member of society.

What are the most urgent sustainability challenges that banks are currently facing?

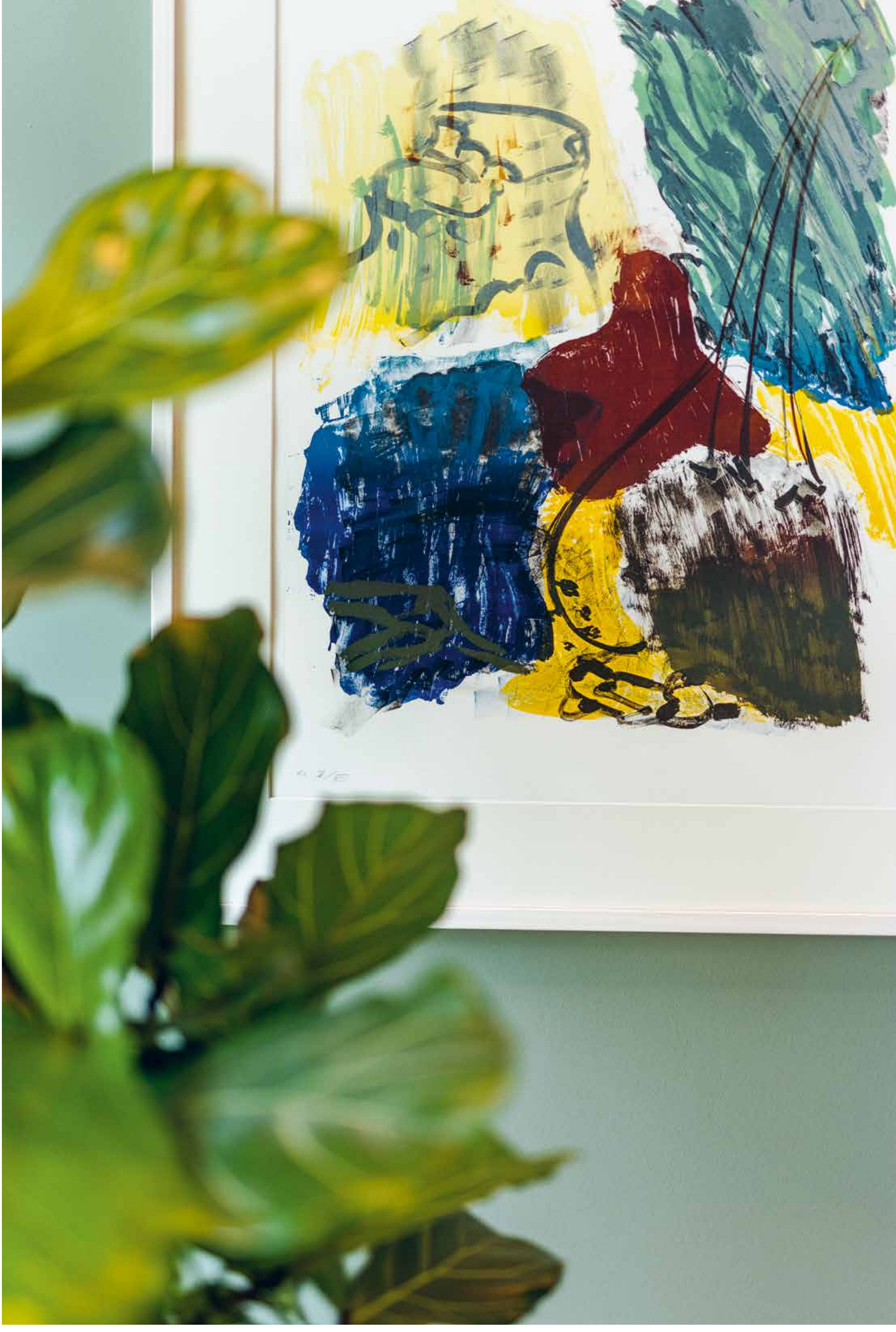
Banks are currently facing several challenges around sustainability. These include the need to reduce their energy consumption and CO_2 footprint, to increase transparency and disclosure of sustainability-related information, to better assess and actively manage risks associated with climate change, to integrate ESG risks and opportunities consistently into the product offering and to develop approaches that have a positive long-term environmental and social contribution.

How does VP Bank meet these challenges and how do you succeed in achieving your sustainability goals?

It is important to have a clear and consistent understanding of the subject matter, credible implementation and transparent communication, and to carefully manage expectations. We use the concept of double materiality as the foundation of our sustainability approach and thus want to anchor a distinction between the consideration of ESG risks and opportunities (outside-in perspective) and the achievement of positive environmental and social change (inside-out perspective). The holistic implementation of this approach is an ongoing process that will be further advanced in 2023.

Which initiatives has VP Bank joined to promote sustainability?

Since 2016, VP Bank has participated in the UN Global Compact, a framework for companies that voluntarily commit to responsible and sustainable practices. In 2021, we signed the UN Principles for Responsible Investing (PRI) and UN Principles for Responsible Banking (PRB), committing ourselves to taking more responsibility for climate protection and sustainability. Additionally, by joining the Net-Zero Banking Alliance (NZBA), we have made a clear voluntary commitment to reduce our on-balance-sheet credit and investment positions to net-zero by 2050.



01

Introduction

VP Bank at a glance

VP Bank is a private group with international operations. Its core competencies include advisory services and the development of customised financial solutions for intermediaries and private individuals. In addition, the Group has a Centre of Excellence for Funds.

VP Bank is one of the largest banks in the Liechtenstein financial centre. In addition to its headquarters in the Principality of Liechtenstein, VP Bank Group is present with offices in five other locations: Switzerland, Luxembourg, Singapore, Hong Kong and the British Virgin Islands. VP Bank Group has a sound balance sheet and a strong capital base. An "A" rating from Standard & Poor's vouches for its financial strength. The bearer shares are listed on the SIX Swiss Exchange.

VP Bank pursues a dividend policy that is balanced in the long term. As a benchmark, 40 per cent to 60 per cent of Group net income is paid out to shareholders. A large proportion of its share capital is in the hands of three anchor shareholders: "Stiftung Fürstl. Kommerzienrat Guido Feger" foundation, "U.M.M. "Hilti-Stiftung" foundation and "Marxer Stiftung für Bank- und Unternehmenswerte" foundation – all of whom guarantee continuity, independence and sustainability. VP Bank has over 1,000 employees and managed client assets (incl. custody investments and client securities accounts) of CHF 52.3 billion as of 31 December 2022.

Commitment and pioneering spirit for more than 65 years

Founded in Vaduz, Liechtenstein, in 1956, VP Bank has grown steadily from a friendly local bank to become an internationally active financial services enterprise. The Bank's founder, Guido Feger, was a successful entrepreneur and one of Liechtenstein's most important trustees. Right from the outset, he demonstrated innovation, competence and courage while never veering from the fundamental principles of client orientation and financial security. These basic principles have been upheld consistently for almost seven decades. In the process, VP Bank has demonstrated that it is not only able to manage fundamental changes in the prevailing framework conditions, but can also exploit them for strategic purposes. It has continuously developed innovations and has even been a trailblazing pioneer. For instance, in 1983, VP Bank became the first company in Liechtenstein to be listed on the stock exchange, writing a piece of Liechtenstein financial centre history in the process.

Entrepreneurial agility still characterises the Bank today, which is also reflected in the current corporate strategy: combining traditional banking with the advantages of digital ecosystems. The philanthropic activities of VP Bank's founder have also been continued by the "Stiftung Fürstl. Kommerzienrat Guido Feger" foundation. Moreover, the VP Bank Foundation supports projects, institutions and persons that are prominent in the fields of the environment, arts, education, science and culture as a result of their outstanding efforts. The VP Bank Art Foundation provides support to mostly local talented artists who have yet to gain a foothold on the market.

Expertise and consulting

VP Bank Group is the right size to offer top-notch solutions with a personal touch. It relies on short decision-making paths and independent and sustainable solutions.

In line with its DNA emanating from fiduciary business, VP Bank has proved itself to be an experienced, preferred partner for financial intermediaries over the years. By intermediaries, VP Bank means professional financial service providers such as trustees, external asset managers and family offices. These entities value the Bank's international orientation, with its personal, customised services across multiple locations and modern infrastructure.

Private clients also benefit from the Bank's many years of experience in customised consultation, and at the same time, owing to the Bank's international presence, they also receive access to an expansive network of specialists.

Its core competencies consist of customised wealth management, investment consulting, wealth planning and financing. An international Centre of Excellence for Funds, which manages business with third-party funds, private label funds and the Bank's own investment funds, rounds out the offering by VP Bank Group.

Our value chain

Our value creation is underpinned by both our product offering and our business operations that are based on the following core competencies:

- Asset management
- Investment solutions
- Wealth planning
- Financial intermediary services
- Access to private market investments
- International Open Wealth Service Provider
- Serving as an international fund competence centre

As a bank, our greatest potential for having a positive impact comes from our client offering through our "Investing for Change" initiative. More details can be found in the → "Investing for Change" section. To ensure good business conduct, remain an employer of choice and lead by setting a good example, we are also committed to investing in change in our business operations. As such, we create a positive impact for all our stakeholders. In → Figure 2, "Our value creation", you will find more details on this, and in the → Chapter "Our business activities" you can learn more about our business operations, including our People Strategy and philanthropic efforts.

Sustainable Development Goals (SDGs)

Figure 1

The financial industry has one of the biggest opportunities to create positive and lasting change by directing the flow of capital towards sustainable solutions. Through our strategy, we strive to contribute to the achievement of the SDGs as defined by the UN and to the Paris Agreement. Some of our material topics directly link to various SDGs (see → "Materiality analysis" chapter). In addition, we have defined the SDGs integrated into the methodology of our VP Bank Sustainability Score (VPSS) (see → "Investing for Change" section).

For further information on how our business strategy is aligned with the SDGs, see → Table 3 "Material Issues", which indicates how our material topics are aligned with specific SDGs.

Our value creation

Investing for change with our product offering

- Asset management
- Investment solutions
- Wealth planning
- Partner for financial intermediaries
- International Fund competence centre
- Open Wealth Service provider

Investing in change in our business activities

Our impact highlights

Integration of ESG risks and climate-related financial risks into group-wide risk policies and governance.

Participation of the Board of Directors (BoD) and the Executive Management (GEM) in the course "Responsible Banking for Board Members & Executives" of the PRB Academy.

Starting data collection on the exposure of mortgages to natural hazards as well as calculation of financed emissions in investment and credit portfolios.

Integration of ESG criteria for own investments, based on the VP Sustainability Score (VPSS).

92% of our total energy consumption is renewable.

For our stakeholders

Our clients

Our environment

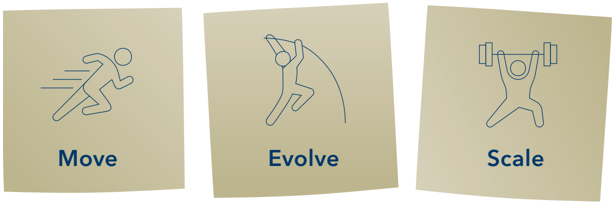
Our people

Our communities

Figure 2

Group strategy

In 2021, we started with the implementation of our Group Strategy 2026, based on our business model and value-creation capabilities. The strategy follows the motto "Seize opportunities" and is based on three strategic pillars:



- Move: building expertise in the area of asset digitalisation, creating added value from data analysis and the development of private market solutions, expanding our wealth management platform for our clients, developing new business opportunities and expanding our sustainable investment solutions
- Evolve: profitable growth and the strategic and targeted development of the operating business in the core segments
- Scale: process optimisation through standardisation and automation, ensuring the flexibility of our operational platform and consideration of sourcing services

Building on these three strategic pillars, our goals for 2026 are as shown in Figure 3 below.

Acting responsibly, sustainably and with foresight are key elements in the implementation of our business strategy. We strongly believe that in order to seize opportunities we must look to the future, continue what works and adds value, transform what does not and actively embrace change. In 2021, we progressed on all three pillars.

For more information on our Group Strategy 2026 and our progress in 2022, refer to section "Corporate strategy" of our Annual Report 2022.

VP Bank's commitment to sustainability

VP Bank supports the Paris Climate Agreement, the UN Sustainable Development Goals and respects human rights. We will work to actively contribute to achieving these goals by embedding sustainability into our business in line with our ambition.

Our decisions and actions will be guided by the following principles:
- Focusing on the topics where we have an impact and set targets accordingly
- Integrating sustainability into our investment decisions and advisory processes to identify long-term risks and opportunities
- Supporting our clients in the achievement of their sustainability goals through investments and philanthropy
- Partnering and engaging with stakeholders to drive industry-wide improvements
- Communicating our activities and progress towards our targets

Through these actions we will contribute to a more sustainable economy for the benefit of all our stakeholders. For more on this, see → section «Sustainability plan 2026».

VP Bank's strategic goals 2023–2026

Growth		Profitability	Stability
Net new money (in % AUM)	Revenue growth	Cost/income ratio[2]	Tier-1 ratio
4% p.a.[1]	**4–6%[1]**	**<75%**	**>20%**

[1] Over the cycle 2023–2026
[2] Operating expenses / operating income

Figure 3

An integrated approach

We believe that progress is only possible if all operational and strategic elements fit together. As such, our Group Strategy 2026, product offering, Sustainability Plan 2026, adherence to regulatory requirements and Philanthropy & Impact offering are all part of the bigger picture that ensures the success and positive impact of our business.

Figure 4

Our sustainability approach

02

Sustainability Plan 2026

We operate with the mindset that the way we invest today determines our future. As a bank, our duty is to ensure growth, profitability and stability for our clients. This goes hand in hand with having a positive impact on our natural and social environment. By integrating sustainability criteria into all our business processes, we aim to create a positive impact on society and the environment and actively contribute to the sustainable development of the financial sector.

To ensure that our collective future is not only safe and stable, but ever-improving and prosperous, we have developed our Sustainability Plan 2026, which supports our core ambitions (see → table 1) and presents what we want to achieve by 2026. On 1 January 2021, the Sustainability Plan 2026 came into action. The progress we made in 2021 is considered the baseline on which we will continue to build to achieve our goals.

The plan encompasses our efforts in investing for change with our product offering and investing in change in our business activities. We are convinced that by consistently implementing this approach we can create positive change as well as drive our Group's sustainable growth.

In 2021, the UN Intergovernmental Panel on Climate Change (IPCC) published a report (Working Group I) generally referred to as "Code Red for Humanity." It states that human activities are changing the climate in all regions of the world. Many of these changes are irreversible and we will soon reach the global upper limit of a 1.5 °C temperature rise. In February and April 2022, the IPCC's continuing reports (Working Group II + III) were released, reporting that funding to reduce net greenhouse gas emissions and improve resilience to the impacts of climate change is a critical factor in the transition to a low-carbon economy. It is apparent that the alignment of capital flows with low greenhouse gas emission pathways is slow, and, consequently, there is a climate finance gap that reflects a persistent misallocation of global capital.

Given the importance of this topic, VP Bank has set itself two specific goals to contribute to the Paris Agreement: achieving CO_2-neutral business by 2026 and reducing material on-balance-sheet credit and investment positions to net-zero by 2050. You can find detailed information on our climate-related measures in the → Chapter "Climate-related financial disclosure".

Our sustainability targets 2026

We strive to simultaneously grow as a company and make a positive contribution

To this end, we offer our customers the opportunity to make targeted thematic investments as part of the "Investing for Change" initiative.

The consistent incorporation of sustainability into our everyday business is important to us and underpins our credibility.

With this ambition, we are well positioned to seize the opportunities of today and tomorrow.

Our Sustainability Plan 2026

Investing for change with our product offering	Investing in change in our business activities
Integrate sustainability into our investment process	Integrate sustainability into our business activities
Create a net positive impact through our offering	Achieve CO_2-neutral operations
Grow assets under management in sustainable investment solutions	Improve gender diversity in our workforce
Achieve "AA" MSCI ESG rating	

Table 1

Progress report

Over the course of 2022, we made great progress in further embedding sustainability criteria in our product offering and business operations. We have incorporated ESG risks and climate-related financial risks in the risk framework of VP Bank Group and expanded our risk taxonomy accordingly. In parallel, we are continuously expanding our control and monitoring mechanisms. We have started to collect data to calculate our financed emissions based on the Partnership for Carbon Accounting Financials (PCAF) methodology and will disclose these in the future. In this way, we can define actions and track our progress towards achieving our net-zero target for material on-balance-sheet lending and investment positions by 2050. We are also in the process of adding building-specific characteristics to our mortgage portfolios to calculate and disclose our financed emissions. In addition, we identify the greatest physical climate risks as well as other natural hazards (e.g., earthquakes, landslides) for the properties in our mortgage portfolio.

Table 2 provides an overview of the progress made in 2022 towards achieving our targets. Progress made in previous years is publicly available and can be reviewed as part of our past sustainability reports.

From the outset, our aim with the Sustainability Plan 2026 was to set ambitious targets for ourselves, and 2021 is the baseline year from which we will measure progress. We have seen some achievements already, but acknowledge some objectives are challenging. Our goal of improving gender diversity is particularly challenging. Measures to promote diversity are not just part of our 2026 Sustainability Plan – under our integrated approach, they are also incorporated in our People Strategy. We are committed to our goal of filling 25% of management positions with women. Several measures have been put in place to facilitate this goal (Succession Plan, Talent Management, Leadership Curriculum and Flexible Workforce). For more on our People Strategy, see → section "Our people approach (S)".

To measure the net positive impact across our offering, we take active steps – for example through our membership to the UN PRB. Next, we are developing our methodology and evaluating potential solutions for creating an overall positive impact. In the area of climate, we are working on estimating the greenhouse gas (GHG) exposure of our investments and developing strategies to achieve net-zero carbon emissions.

Moving forward, we will continue to diligently monitor our progress and work towards achieving our goals. We will draw attention to those areas where we may not be on track and develop actions in response. Throughout this journey, we will be transparent to our stakeholders on the progress achieved.

Our outlook

We will continue to work on achieving the goals formulated in our Sustainability Plan 2026.

We will ensure that we meet all relevant regulatory requirements.

We will continue to contribute to the SDGs and the Paris Agreement.

We will also continue our internal training programmes and work with partners to progress towards a sustainable future.

Goal	Progress 2022	Status
Integrate sustainability into our investment process	• We have applied the VPSS to all discretionary mandates and all recommendations for our advisory clients since 01.01.2021	Completed
Create a net positive impact through our offering	• Participation in the PACTA Climate Test Switzerland 2022 and the PACTA Climate Test Liechtenstein 2022 to assess the overall alignment of our portfolios with different climate scenarios and the Paris Agreement • Data collection on physical risks from natural hazards in the mortgage portfolio • Data collection to calculate financed emissions in the investment and credit portfolio	On track
Grow assets under management in sustainable investment solutions	• Comprehensive implementation of sustainability-related regulatory requirements (e.g. MiFID II, SFDR, EBA LOaM) • Launch of the new "Responsibly Sourced Gold" certificate • Launch of VP Bank's thematic funds under consideration of ecological and social criteria: "Future Citizen", "Future Industry" and "Future Infrastructure"	On track
Integrate sustainability into our business activities	• Revision of risk management governance: consideration of ESG risks, in particular the risk appetite statement, risk policy and risk strategies (financial risks, operational and compliance risks, business risks) • Expansion of the VPB risk taxonomy to include ESG risks and climate-related financial risks • New Product Process now includes ESG risks in the new product assessment and as part of the periodic review • Integration of ESG criteria in own investments based on the VP Sustainability Score (VPSS), including a specification of minimum thresholds at the individual asset and portfolio level	On track
Achieve CO_2-neutral operations	• Raising employee awareness on resource consumption and energy saving potential • Collaboration with local car dealer to promote and accelerate the switch to electric vehicles by our employees in Liechtenstein and Switzerland • Initiative launched to revise our mobility concept	On track
Improve gender diversity in our workforce	• 30% women on the Board of Directors, 40% women in the entire workforce, 0% women in the first management level • Entry into force of the "Diversity and Inclusion Policy" regulations	Challenging
Improvement of our ESG rating	• VP Bank participated for the first time in the S&P Corporate Sustainability Assessment. Compared to our peer group, we scored above average. Participation in the S&P Assessment has yielded important insights for the implementation of our sustainability plan	On track

Table 2

Materiality analysis

In developing our Sustainability Plan 2026, we assessed where we can have the greatest impact and conducted a comprehensive stakeholder engagement process in 2020, which included a materiality assessment of ESG topics that are most important to our business and to our stakeholders. In the stakeholder assessment, we were committed to integrating as many diverse experiences and perspectives into the conversation as possible.

Together with the stakeholders (see → Stakeholder Engagement; Table 4), we identified the focus areas (see → Materiality matrix; Figure 5), matched them with VP Bank's core competencies and discussed opportunities and challenges in our business activities and offering. The investor perspective was integrated by considering disclosure expectations from MSCI[2] and SASB[3]. The Group Executive Management (GEM) and the Strategy & Digitalisation Committee of the Board of Directors (BoD) participated in dedicated workshops to define the role of sustainability in the overall Group Strategy and VP Bank's ambition based on the results of the consultations. The Sustainability Plan 2026 was formulated and approved accordingly.

When considering what topics are important for VP Bank to focus on, we continue to take into account the double

Materiality matrix

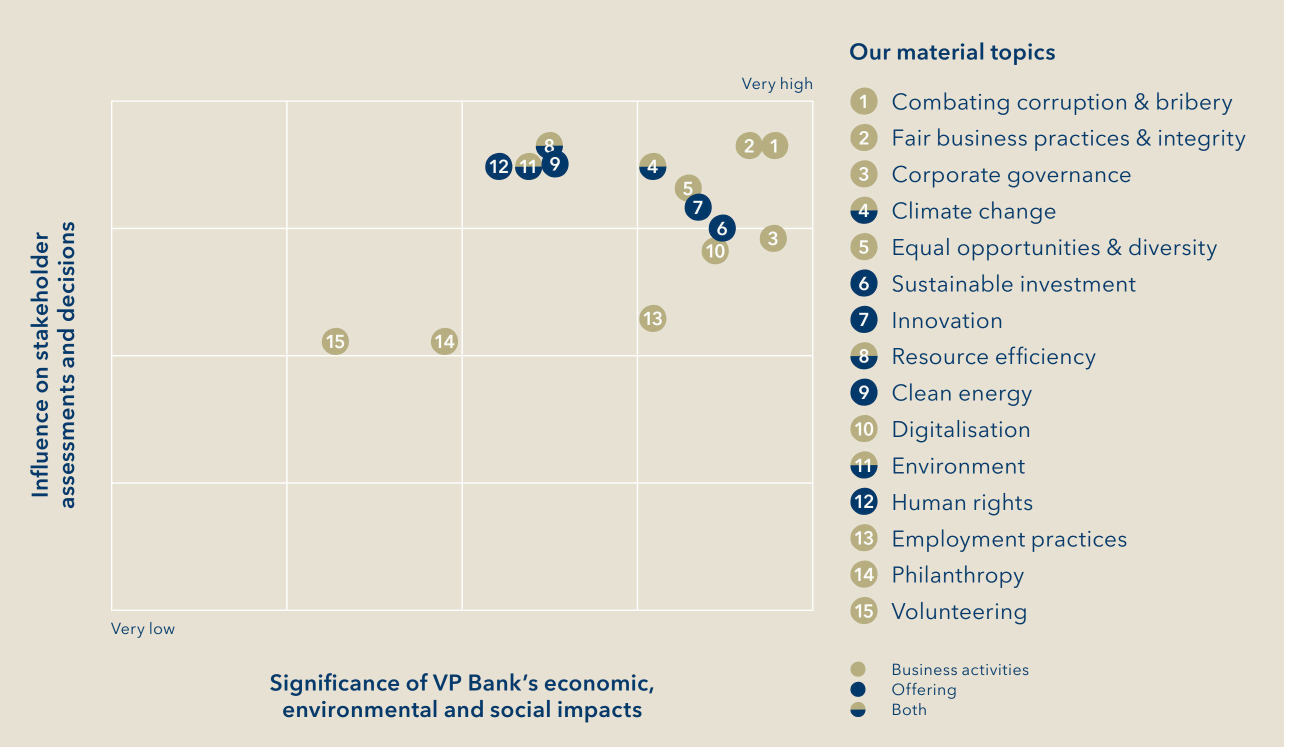


Figure 5

[2] MSCI Environmental, Social and Governance (ESG) Ratings include industry-specific, financially relevant factors with the aim of measuring a company's resilience to long-term sustainability risks.
[3] The Sustainability Accounting Standards Board (SASB) is an independent non-profit organisation that provides industry-specific sustainability accounting standards that help public corporations disclose material and decision-relevant information to investors.

materiality of these topics: what risks/opportunities do sustainability issues pose to our business and what impact do we have on sustainability issues?

In terms of generating a positive impact, we believe that the biggest impacts can be generated through our product offering and continuously working on reducing the CO_2 exposure of our client and VP Bank assets. In addition, we are also convinced that everyone needs to do their part in reaching CO_2 neutrality. As such, we are committed to reducing as much of our own emissions as possible and compensating only as a last resort.

Mitigating potential negative impacts on our social and natural environment starts with integrating sustainability into everything we do – from our product offering to our business operations and our adherence to international standards and guidelines. Similarly, we avoid potential risks in our business operations by integrating sustainability into our risk management processes.

How we generate a positive impact on society and environment:

- Through our "Investing for Change" strategy and our sustainable investing client offering
- By reducing the CO_2 footprint of customer portfolios and the bank's own investments
- By working towards CO_2 neutrality in our operations

How we mitigate potential negative impacts on society and the environment:

- Through our integrated approach to sustainability
- By selecting investments with high VP Bank Sustainability Scores
- By identifying principal adverse impacts based on industry-specific ESG factors
- By integrating sustainablility in our risk management process
- Through our compliance with international standards, such as the UN Global Compact, United Nations Guiding Principles for Business and Human Rights and the International Labour Organization Standards

Potential risks due to non-compliance or failure to adequately address sustainability issues:

- Transitional risks related to reputation, market changes and policy
- Physical risks (acute or chronic) related to disruption in banking operations, damage to private and business properties, and reduced asset values

Figure 6

Material issues definition table

Material topic	SDG alignment where relevant	Definition
1. Corruption and bribery	**Target 16.5:** "Substantially reduce corruption and bribery in all their forms"	We refer to our own actions against any misuse of power for private gain within our own value chain.
2. Fair business practices and integrity	**Target 16.6:** "Develop effective, accountable and transparent institutions at all levels"	We refer to our own integrity and responsible business practices that are in no way deceptive, fraudulent or cause injury to any stakeholders.
3. Corporate governance	**Target 16.6:** "Develop effective, accountable and transparent institutions at all levels"	We refer to the framework of rules and practices to ensure accountability, fairness and transparency in our relationship with all stakeholders.
4. Climate change	**Target 13.3:** "Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning"	We refer to our efforts in both our business activities and product offering to reduce climate-related risks and contribute to the goals of the Paris Agreement.
5. Equal opportunities and diversity	**Target 5.5:** "Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life" **Target 10.2:** "By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status"	We refer to our efforts to promote a diverse workforce and celebrate the value of individual differences while making sure that none of our employees are in any way discriminated against on the grounds of their sex, race, age, ethnicity, religion, sexual orientation, physical abilities and political beliefs.
6. Sustainable investment	Through sustainable investing, VP Bank and our clients can contribute to various SDGs.	We refer to the integration of ESG criteria into our investment decisions and thematic investments for the lasting benefit of both clients and society at large.
7. Innovation		We refer to our client offering where innovation offers solutions to the sustainability challenges.
8. Resource efficiency	**Target 12.2:** "By 2030, achieve the sustainable management and efficient use of natural resources" **Target 12.5:** "By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse"	We refer to both our own activities and our product offering by identifying opportunities in the efficient use of resources.
9. Clean energy	**Target 7.2:** "By 2030, increase substantially the share of renewable energy in the global energy mix"	We refer to our product offering and opportunities in companies providing clean energy solutions.
10. Digitalisation		We refer to our efforts to increase user-friendliness and accessibility to products and services as well as to ensure an improved client experience.
11. Environment	This refers broadly to **SDGs 12**, **14** and **15** to protect and restore the environment.	We refer to our efforts to operate in an environmentally friendly manner as well as its consideration in our product offering.
12. Human rights	**Target 8.7:** "Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms"	We refer to our adherence to human rights principles in our product offering.
13. Employment practices	**Target 8.5:** "By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value"	We refer to our efforts to maintain a safe, diverse and innovative working environment that values and supports its people. This topic relates to "equal opportunities and diversity".
14. Philanthropy		We refer to the support and donations that VP Bank provides to organisations promoting social and environmental topics.
15. Volunteering		We refer to the opportunities for our employees to give their time to support various social and environmental causes.

Table 3

Stakeholder engagement

A crucial part in the implementation and monitoring of our Sustainability Plan 2026 is the stakeholder engagement. VP Bank engages with internal and external stakeholders on a regular basis. This allows us to identify trends at an early stage, integrate the knowledge gained from them into our activities, and foster a culture of responsible banking throughout the Group through training and awareness-raising measures.

Our stakeholder engagement includes the following activities:

Stakeholders	Form of engagement	Reason for engagement and results
Authorities	• Direct dialogue • Engagement through industry associations	**Reason:** updating authorities on our activities to implement requirements and manage ESG risks **Result:** creating transparency and confirmation that VP Bank is complying with what is required and implementing the necessary measures to ensure financial stability
Clients	• Client discussions and feedback management • Client events	**Reason:** informing clients of the benefits of sustainable investing **Result:** providing transparency to help clients make informed decisions
Board of Directors, Group Executive Management and employees	• Employee discussions • Training events • Internal communications and engagement	**Reason:** internal stakeholders need to be aware of our sustainability priorities, progress made and raise awareness where we encounter challenges **Result:** successful achievement of our objectives requires participation of all
Shareholders, investors and financial analysts	• Investor events • Sector-specific information sharing	**Reason:** identification and management of sustainability risks and opportunities is essential to attract investors and credit providers **Result:** enhancing the value proposition of the Group
Partners	• Cooperation with institutes and universities	**Reason:** staying abreast of emerging topics and best practices **Result:** integrating lessons learned into our own actions and contributing to driving change in the industry
NGOs and other stakeholders	• Direct dialogue • Engagement through industry associations	**Reason:** ensuring our objectives are aligned with stakeholder expectations **Result:** responding to the needs and concerns of stakeholders

Table 4

Client engagement

Engagement with our clients is of the utmost importance to us. Our investment philosophy includes providing our clients with transparency on the sustainability performance of their portfolios so they can make informed decisions. Therefore, beginning in early 2021, VP Bank included the VPSS of their investments in their asset statements. This provides the basis for dialogue between clients and their advisors. In addition, VP Bank held client events on the topic of sustainability in 2022, including the “Purpose Investing” roundtable with our CIO and guests from the Center for Sustainable Finance and Private Wealth at the University of Zurich and the elea Foundation for Ethics in Globalization. In Luxembourg, we held a “Mingle on the Top” client event with our Head of Group Sustainability on “Is ESG really an outrageous scam?” many more events helped to embed sustainability in our day-to-day business and in our dialogue with clients.

Sustainability training for BoD and GEM

In November 2022, the Principles for Responsible Banking Academy (PRB Academy) launched its course offering. The goal is to support PRB signatories in the implementation of the Principles for Responsible Banking and strategic alignment with the UN Sustainable Development Goals as well as the Paris Agreement. VP Bank Group is one of the first financial institutions whose entire BoD and GEM have decided to participate in the course “Responsible Banking for Board Members & Executives”. By the end of the year, i.e. within two months, more than 50% of the members of the BoD and GEM had already successfully completed the course. This underscores the importance of the topic for VP Bank and lays an important foundation for the further development of VP Bank Group.

Employee satisfaction

For VP Bank, it is of central importance that employees feel connected to and involved in the company to master the challenges ahead and lead the company into a successful future. For this reason, VP Bank regularly measures employee satisfaction through surveys. The goal of the Group-wide survey is to identify potential for improvement and to maintain our strengths. Such an employee survey was conducted in 2022 with a response rate of 85%. Based on the feedback, measures are defined and implemented in individual teams, focusing on leadership, corporate values and cooperation. In connection with the review of the corporate values, employees were given the opportunity to participate in workshops. The newly defined values will be communicated and rolled out in 2023.

Cooperation with partners

Once more, we were active as a practice partner in the "Sustainable Finance Workshop" at the University of Liechtenstein. Staff from the CIO Office and Group Sustainability participated in the critical discussion of ten scientific working papers, thus making a positive academic contribution to the further development of the work. We were also able to keep abreast of the latest research in the field of sustainable finance and investment. By participating in and contributing to the workshops on "Circular Economy in the Construction Sector" initiated by the Stiftung Lebenswertes Liechtenstein, we were able to deepen our knowledge as a bank in an exchange with other experts from the construction industry, as well as contribute our perspective as a credit institution.

Engagement through industry associations

VP Bank supported Swiss Sustainable Finance (SSF) to produce an educational video on sustainable investing for private investors. This commitment involved a working group of representatives from Wealth Management and Retail Banking. The short video explains the key objectives and characteristics of sustainable investments in easy-to-understand language, thus laying the foundation for an informed dialogue in investment advice. As part of the public consultation, Group Sustainability dealt with the "Liechtenstein Climate Strategy 2050" and made concrete proposals within the framework of the statements of the Liechtenstein Chamber of Commerce and Industry (LCCI) and the Liechtenstein Bankers Association (LBV). Among other things, VP Bank is an active member of the working group "Sustainability" of the Liechtenstein Chamber of Commerce and Industry (LCCI) as well as the "Sustainability" committee and the "Sustainable Finance" working group of the Liechtenstein Bankers Association (LBA).

Memberships and voluntary commitments

We consider our voluntary commitments in various initiatives (see → Table 5) to be important for sharing experiences, making a positive impact and actively assuming social responsibility. Accordingly, we actively participate in organisations where we can contribute to progress, learn from experts and colleagues, share knowledge and experience, keep abreast of emerging issues and support our strategy and commitment. All listed memberships and related participations are coordinated by Group Sustainability.

Membership	Abbr	Commitment/Purpose	Member since
Net-Zero Banking Alliance	NZBA	We are committed to achieving net-zero emissions for material on-balance-sheet credit and investment positions by 2050 or earlier.	2021
UN Principles for Responsible Banking	PRB	We are committed to taking more responsibility for climate protection and sustainability.	2021
UN Principles for Responsible Investing	PRI	We are committed to responsible investment.	2021
UN Global Compact	UNGC	We are committed to fulfilling our responsibility in four areas: human rights, labour, environment and anti-corruption.	2016
Swiss Sustainable Finance	SSF	Exchange of experience and knowledge transfer	2016
Climate Foundation Switzerland	–	Support for climate protection measures in Liechtenstein and Switzerland	2012
Liechtenstein Bankers Association	LBA	Member of the "Sustainable Finance" working group Member of the "Sustainability" Committee	
Liechtenstein Chamber of Commerce and Industry	LCCI	Member of the "Sustainability" expert group	

Table 5

Climate-related financial disclosure

03

Strategic assessment of climate-related risks and opportunities

In order to classify climate-related risks, i.e. physical risks and transition risks, VP Bank has adopted the risk terminology proposed by the TCFD framework and reports in four areas: governance, strategy, risk management and metrics & targets. The assessment and disclosure of the actual and potential material impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning is presented below.

Short-, medium- and long-term climate-related risks and opportunities

For VP Bank, sustainability risks, and in particular climate risks, do not represent new risk categories, but are integrated into the risk taxonomy under the existing categories (see → chapter "Management of sustainability risks"). This approach is consistent with the "FMA Fact Sheet 2021/1 – Dealing with ESG risks" published in 2021. VP Bank has identified physical and transition risks and their potential effects, which are presented in Tables 6 and 7.

Climate-related transition risks and opportunities arise primarily in connection with the transition to a low-carbon economy. They result from changes in policy and legislation, technological innovation, a changing market environment as well as the reputation and stigmatisation of companies and sectors. Opportunities arise from the willingness to adapt to the new environment, identify new trends early and invest in new technologies.

Physical risks arise from climate change and deteriorating environmental conditions. A distinction is made between acute and chronic risks. Acute risks relate to extreme weather events (e.g. heat waves, floods and storms), while chronic risks relate to long-term, persistent changes in climate variables (e.g. precipitation, temperature and sea level rise).

Transition risk	Risks and opportunities in connection with the transition to a lower-carbon economy	Financial risks
Political and legal risks	• New regulatory requirements FMA/EBA • Expanded obligations for emissions reporting (Scope 3)	• Rising costs for meeting regulatory requirements • Fines resulting from non-compliance with regulatory requirements
Technology risks	• The higher productivity resulting from the use of new technologies leads to competitive advantages • New competitors • Costs for the adoption/introduction of new procedures and processes	• Credit risk (e.g., probability of default and loss given default increases, lower valuations of collateral). • Market risk (e.g., unexpected adjustment of market prices, increase in stranded assets)
Market risks	• Rising demand for environmentally friendly financial products and services • Sudden and unexpected changes in energy costs • Revaluation of assets (valuation of securities, fossil fuel reserves)	
Reputational risks	• Too slow to adapt the product and service range to changing customer preferences • Changed preferences of consumers (avoidance of stigmatised sectors)	Decline in sales due to lower demand for products and services

Table 6

Physical risks	Risks associated with the physical impacts of climate change	Financial risks
Acute	• Disruption of bank operations • Damage to private and business property (loan collateral) • Supply chain disruptions	Operational risk, credit risk, market risk
Chronic	• Changes in precipitation patterns could lead to a decline in assets (real estate in danger zones)	Credit risk

Table 7

We strive to continuously develop and adapt our risk framework while simultaneously identifying and seizing opportunities. In the short term, we are focused on transitional risks arising from regulatory changes and adapting to customer needs and preferences. We consider physical risks to be primarily long-term risks, although it should be noted that, depending on the scenario that materialises, the effects of a disorderly or hot-house scenario will also be felt more strongly in the short to medium term. To better understand the potential adverse impacts and economic consequences resulting from physical risks, we have started to assess the exposure of our mortgage portfolio to natural hazards.

Impact of climate-related risks and opportunities on our business activities, strategy and financial planning

In line with our commitment to a climate-friendly future and to reaffirm our net-zero ambition, we joined the Net-Zero Banking Alliance (NZBA) in 2021. The UN-initiated global alliance of banks has committed to moving their on-balance-sheet credit and investment positions to net-zero emissions by 2050 or earlier. With currently 126 members from 41 countries and total assets of USD 73 trillion, the alliance represents around 41% of global banking assets and is a key player in mobilising the financial sector for climate action. Financial market participants have an important signalling and leadership role to play in the global transition to a low-carbon economy. Members of the Net-Zero Banking Alliance are committed to:

- establishing interim targets for 2030 or earlier for material sectors;
- prioritising of GHG-intensive sectors;
- publishing emissions and emissions intensity annually as a means of documenting progress;
- considering of the best available scientific knowledge;
- setting goals and periodic reporting;
- disclosing of progress against a transition strategy reviewed at board level.

We have started to develop sector-specific targets and measures for the decarbonisation of our on-balance-sheet credit and investment positions, which will be published in 2023. We focus on those areas where we can have the largest influence and sectors that are most material to the contribution of our financed emissions.

Scenario planning and robustness of our strategy

We will continue to develop our approach to dual materiality and plan to conduct a thorough impact analysis and scenario planning. In this context, we participated in this year's biannual Paris Agreement Capital Transition Assessment (PACTA) for Switzerland and Liechtenstein. PACTA compares the engagement of financial institutions in climate-relevant sectors with what needs to be done to minimise the rise in global temperature. PACTA covers eight sectors that are among the most carbon-intensive in the economy and therefore likely to be more exposed to transition risks. These key sectors are oil and gas, coal, power generation, automotive, steel, cement and aerospace. In each sector, PACTA focuses on the part of the value chain that is responsible for the largest contribution to CO_2 emissions and where the potential impact on emissions can therefore be largest. In our case, the analysis for listed shares and corporate bonds shows that the largest share of emissions is attributable to the gas & oil, energy and cement sectors. The results of this analysis will serve as input for the process of setting targets and metrics to achieve the net-zero goal by 2050, as well as the definition of interim targets for 2030.

Sustainability governance

Efficient and effective sustainability governance is essential to ensuring that we continue to embed sustainability into our business, stay on track with our sustainability goals and recognise potential opportunities and challenges at an early stage. As such, we have put into place a straightforward governance structure and a comprehensive support mechanism by way of our Sustainability Board. The integration of sustainability into the investment and advisory processes is governed by relevant Group policy frameworks, including our investment policy and related compliance and monitoring systems. GEM members are informed on the status and progress of sustainability measures.

Group Sustainability

The Group Sustainability department is responsible for setting strategic priorities, developing and implementing the Sustainability Plan 2026 and monitoring progress. This includes supporting different departments with relevant sustainability topics and raising awareness among all employees. The topic of sustainability is firmly anchored in our core business, with the Head of Group Sustainability reporting directly to the Chief Investment Officer (CIO), who in turn reports to the Chief Executive Officer (CEO). Regular updates are provided to the GEM and annually to the Strategy & Digitalisation Committee of the BoD.

Group Sustainability works directly with business units to inform them of Group-wide priorities and objectives, and to provide input on the actions to be taken in their area of responsibility. Group Sustainability also supports the development and implementation of specific proposals. Examples include working with Facilities Management to develop a plan for carbon-neutral operations, developing risk frameworks with colleagues from Risk and Compliance, applying our investment philosophy to financial investments, integrating sustainability considerations into our internal audit activities and surveying our internal auditors.

Currently, three sustainability indicators are included in the regular monitoring of the roadmap for the Group's overall strategy to inform the GEM of the status and progress made. The three metrics are: CO_2 neutral operations, net positive environmental and social impact of our product offering, and improvement of our ESG rating.

The Sustainability Board supports the implementation of the 2026 Sustainability Plan and ensures a consistent approach across VP Bank. It is chaired by the Chief Investment Officer. The Sustainability Board also includes representatives from various departments (see → Figure 8). The Sustainability Board meets as needed to review progress, discuss any issues and develop further suggestions for improvement. Meetings are organised by the Head of Group Sustainability. Our sustainability governance has been instrumental in setting our strategy, monitoring progress and addressing potential challenges in achieving our goals, including meeting our voluntary commitments.

Governance structure

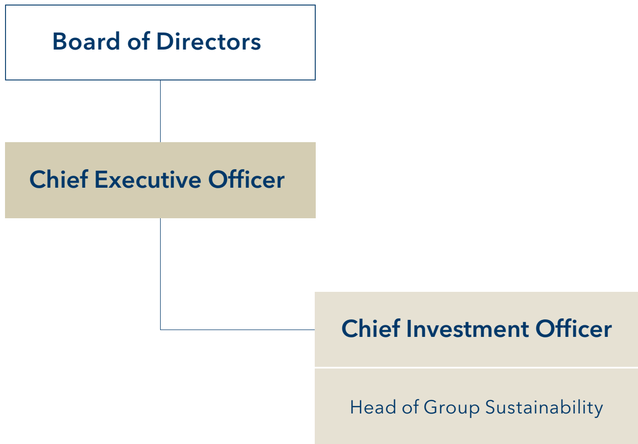


Figure 7

Sustainability Board

Figure 8

Monitoring of climate-related risks and opportunities by the Board of Directors

The Board of Directors (BoD) has ultimate oversight of climate-related risks and opportunities. The BoD, which is responsible for the ultimate management, supervision and control of VP Bank Group, bears overall responsibility for risk management, including ESG risks and climate-related financial risks. This includes, among other things, the establishment and maintenance of a suitable organisational and operational structure as well as an internal control system for risk management in order to ensure the long-term risk-bearing capacity of VP Bank. This is reflected in VP Bank's risk policy.

The role of management in assessing and managing climate-related risks and opportunities

The GEM is responsible for the implementation of and compliance with the risk policy (framework and risk strategies) approved by the BoD and has the following responsibilities:

- Operationalising and monitoring compliance with the "Risk Appetite Statement" approved by the BoD
- Ensuring the operational functionality of the risk management process and internal control systems
- Establishing committees for effective risk management and defining roles, competencies and responsibilities
- Periodic review of the risk policy, risk framework and risk strategies

The Chief Risk Officer (CRO) heads up the risk management function and is responsible within GEM for the independent risk oversight of VP Bank and the individual Group companies. The working group formed in the previous year, comprising experts from various disciplines, deals with the necessary implementation of change processes in the risk framework and continuously reviews any necessary adjustments.

Outlook

- The integration of ESG-related "Key Risk Indicators" (KRI) into risk monitoring/reporting is to be implemented in the second line
- Development of a climate risk strategy and a definition of CO_2 indicators because of our NZBA commitment
- Expand risk reporting to include ESG and climate-related financial risk KRI
- Establish and expand training on ESG risks and opportunities and climate-related financial risks

Management of sustainability risks

In this chapter, we report how we identify, assess and manage ESG and climate-related financial risks. We continuously strive to improve and expand the integration of climate risk management into our business processes. In 2022, we carried out, among other things, a comprehensive non-financial risk assessment from which we derived key areas of action. Furthermore, we have incorporated ESG and climate-related financial risks into the architecture of our New Product Process.

In addition to the previously described climate-related risks (see → chapter "Strategic assessment of climate-related risks and opportunities"), we also consider social and governance risks in our risk management. Social risks represent negative impacts on social factors related to the rights, well-being and interests of people and society, such as (in)equality, inclusion, labour relations, health and safety at work or human capital. Governance risks manifest as negative impacts from corporate governance, which defines how companies incorporate environmental and social factors into their policies and procedures. Such negative impacts can arise in the context of overall remuneration policies, audits, internal controls, tax avoidance cases, conflicts of interest and in connection with shareholder rights, corruption and bribery.

Processes for identifying and assessing climate-related risks

They can take the form of both financial and non-financial risks. In considering ESG risks, VP Bank focuses on financial materiality (outside-in perspective[1]). Accordingly, ESG risks and climate-related financial risks are integrated into the risk management of VP Bank Group. Figure 9 illustrates the expansion of the risk taxonomy to include ESG risks and climate-related financial risks.

Processes for dealing with climate-related risks

The risk management process includes comprehensive risk monitoring, which is functionally and organisationally independent of the risk-taking units. Risk monitoring includes risk control and risk reporting. As part of its risk inventory,

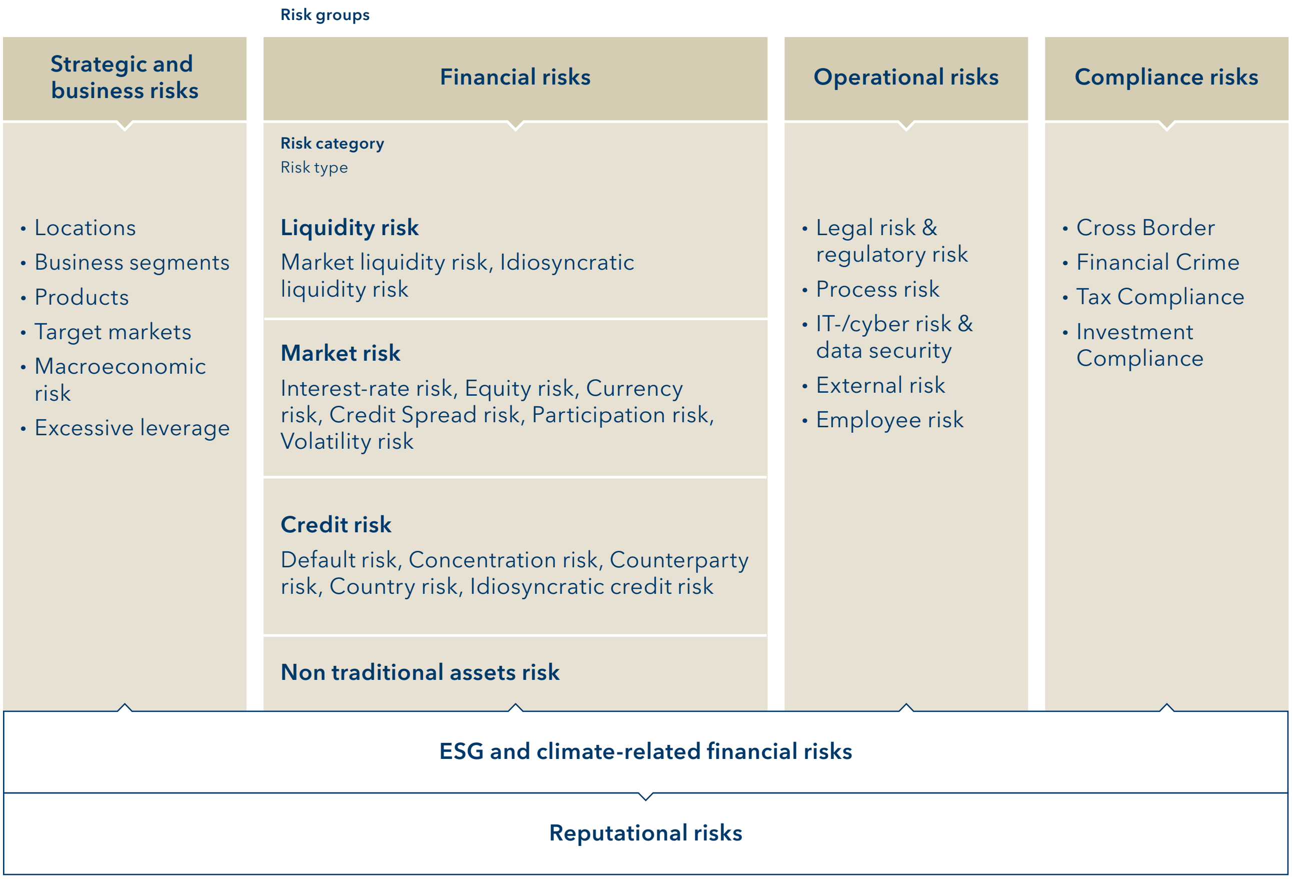


Figure 9

[1] The concept of double materiality includes two perspectives: outside-in (impact of ESG factors on the financial performance of VP Bank) and inside-out (impact of VP Bank's business activities on society and the environment).

Line of defence	Function	Description	Status
First	Risk management	Maintain effective internal controls and implement ESG risk and control procedures in day-to-day operations.	Implemented in the areas of own investments, VP Bank's own funds as well as discretionary and advisory mandates (see → "VP Bank Sustainability Score"). In the lending business, implementation in the areas of mortgages and lombard loans is currently being prepared.
Second	Risk monitoring and compliance	Assistance in establishing first line of defence controls. Independent monitoring and reporting.	The development of second-line monitoring processes and risk reporting is underway.
Third	Internal audit	Internal Audit provides independent and objective assurance and consulting services.	Group Internal Audit performs appropriate audits based on its risk assessment and audit planning.

Table 8

VP Bank identifies and assesses ESG risks and climate-related financial risks by means of bottom-up and top-down analyses. This forms the basis for risk identification and risk strategy. The results of the risk assessments form the basis for future controlling and reporting activities.

Integration into our general risk management

We have established a process to identify, assess and prioritise climate risks. Overall, we prioritise according to financial materiality, i.e. areas with high volume and direct impact first. We support and promote education and awareness of climate risks as part of our risk management. Knowledge has been developed and disseminated through the implementation of the EU Action Plan and the EBA guidelines on lending and credit monitoring.

Climate change and related climate-related risks are financial risks that need to be integrated into existing risk management frameworks. Risk management includes measures at all organisational levels to actively influence material risks. The Bank's Risk Appetite Statement and other frameworks have been expanded to include ESG risks and climate-related financial risks. The development of first-line guidelines on ESG and climate-related financial risk KRIs is underway. At the same time, the corresponding second-line monitoring processes and risk reporting are being expanded.

In line with the Group's overall approach to risk management, which is based on the three lines of defence framework, we have applied the same principles to climate risks, with the lines of defence playing different roles, as described in Table 8.

To strengthen ESG risk management across the entire product universe of VP Bank Group, ESG criteria have been integrated into the architecture of the New Product Process (NPP) and the Product Review Process. (PRP). The results of the initial analysis are used in the Product Review Process and are continuously updated in line with the adjustments. The assessment in the NPP is carried out by the Head of Group Sustainability or representatively by the CIO as member of the Product and Pricing Committee (PCC). As part of the PRP, ESG criteria are incorporated into the scoring model as an additional risk type.

Outlook

- Completion of the data set for natural hazards of financed properties in Liechtenstein regarding condominium ownership
- Completion of the data set for calculating financed emissions by properties in Switzerland and the rest of the world
- Recording of natural hazards for properties of the mortgage portfolio in Switzerland and the rest of the world
- Conduct an analysis of the extent to which additional explicit consideration of ESG risks is required in the existing Lombard LTV Framework
- Development of a "Supplier Code of Conduct" considering ESG criteria
- Conducting stress tests based on sectoral and/or regional scenario analyses in the context of risk management, as well as impact analyses around sustainable investments

Metrics and targets

Key figures for assessing climate-related risks and opportunities in line with our strategy and risk management process

VP Bank has defined various key performance indicators to assess and monitor climate-related risks and to ensure the sustainability of VP Bank's business model. Regarding CO_2 equivalent emissions from our own business activities, we are focused on reducing our energy and paper consumption, increasing the share of renewable energy and reducing emissions from air travel.

In the investment business, we are currently focusing on the VP Sustainability Score (VPSS) and have defined minimum thresholds for asset management mandates, depending on the level of sustainability preference, at individual security and portfolio level. All mandates are subject to a minimum standard regarding the avoidance of negative impacts. The VPSS is also applied to our own investments. On emissions, we will consider absolute and intensity-based CO_2 metrics for carbon-intensive sectors. Sector-specific targets and metrics will be published in 2023 as part of our net-zero strategy.

Disclosure of Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas emissions and the associated risks

To achieve our goal of carbon neutrality by 2026, we are continuously improving the quality of our data and disclosing our emissions in a transparent manner. On this basis, we measure the effectiveness of the measures implemented and adjust them if necessary. As part of our business ecology, we have been collecting detailed data on energy, water, paper and waste consumption and the resulting CO_2e emissions for the Liechtenstein site for years. We are constantly expanding this database across all locations and plan to disclose detailed information around Scope 3 categories 1–14 in the future. Further information can be found in the chapter "Our environmental approach (E)".

In line with our commitment to a climate-friendly future and to reaffirm our net-zero ambition, we joined the Net-Zero Banking Alliance (NZBA) in 2021. The UN-initiated alliance of banks around the world has committed to moving their on-balance-sheet lending and investment positions to net-zero emissions by 2050 or earlier. To achieve this goal, we have started to measure our financed emissions (Scope 3, Category 15) based on the Partnership for Carbon Accounting Financials (PCAF) methodology. For more information on our targets and actions, see Table 9.

Targets used by the Group to manage climate-related risks and opportunities, and performance against targets

VP Bank has set targets that relate to its investment activities as well as its operational business. As part of its voluntary commitment, VP Bank Ltd has joined the Net-Zero Banking Alliance (NZBA) and thus pledged to reduce financed emissions of its on-balance-sheet credit and investment positions to net-zero by 2050 or earlier. This is consistent with a maximum temperature increase of 1.5 °C above pre-industrial levels by 2100. A detailed strategy in line with the NZBA requirement will be published in 2023.

Business division	Targets	Metrics
Operational	A CO_2-neutral business operation by 2026	• Reduction of energy consumption • Reduction of paper consumption • Reduction of CO_2 emissions resulting from business travel • Increasing the share of renewable energy
Own investments/Treasury	Net-zero emissions by 2050	• Increase VPSS at the portfolio level • Survey of financed CO_2 emissions • Development of a strategy to reduce financed CO_2 emissions in carbon-intensive sectors
Asset management and investment advice	Reduction of financed emissions	• Increase the proportion of sustainable mandates • Customer training to increase awareness of climate change
Credit	Net-zero emissions by 2050	• Survey and evaluation of physical climate risks and extended natural hazards in the mortgage portfolio • Collection of building-specific characteristics for the calculation of the financed issues in the mortgage portfolio using the PCAF Methodology
Overall bank	Improvement of the ESG rating	• Steadily increase ESG rating on the basis of increasingly better data and disclosure

Table 9

Our product offer

04

Investing for Change

Key topics:

Sustainable investment

Innovation

Human rights

Our "Investing for Change" approach

At VP Bank, we know that integrating ESG criteria into the investment process not only leads to better investment decisions and new investment opportunities, but also provides the greatest potential to achieve positive impact through our offerings, including around climate change.

In 2020, we launched our Investing for Change initiative to actively drive positive change through our investment offering. As part of this initiative, we developed responsible assessment methods as the basis for our investment decisions and launched products with an ESG focus. Since January 2021, we have been integrating ESG risks and opportunities into all investment decisions.

We use thematic investment methods to identify themes and companies that will offer pioneering solutions for social and environmental change in the future. Again, we consistently integrate ESG criteria into our investment processes and take them into account in portfolio construction for our discretionary and advisory mandates. This enables our clients to take advantage of opportunities in the financial markets and to benefit in the long run.

There are numerous approaches around sustainable investing. We apply the following:
- To guide our investment decisions and assess the factors that are important to us, we have developed our own VP Bank Sustainability Score (VPSS). This approach has many advantages because it takes into account our own philosophy as well as our values and criteria;
- focuses on integration instead of exclusion;
- creates transparency at portfolio level;
- enables the comparison of different asset classes and financial instruments;
- and gives customers the opportunity to determine their own sustainability profile.

In 2021, we included the SDG and impact exposure domains in the VPSS. For more information on the VPSS, as well as a detailed description of the methodology and the inclusion and exclusion criteria, please visit our website.

Watch our video with Tobias Wehrli, Head of Intermediaries & Private Banking at VP Bank Group, to learn more about the VPSS and what it means for our client advisory services.

In 2022, we launched the Responsibly Sourced Gold Note, a cost-effective way to access gold that meets high social and environmental standards. This innovative product solution strengthens our sustainability credentials. The investment product can be widely used by our asset management and investment advisory clients and is also accessible to intermediaries and third-party clients.

In addition, we launched our "VP Bank Thematic Funds" to better reflect current megatrends in society, science and the environment. In line with our sustainability plan, we launched the Sustainable Plus fund mandate in 2022 to also offer a discretionary investment solution with a sustainability focus for medium-sized assets (> CHF 250,000).

Our "Investing for Change" customer offer

The VPSS describes our approach to integrating sustainability into investment decisions. In addition, we strive to continuously optimise our product offering and provide our clients with relevant investment opportunities. In 2020, we launched our risk-optimised ESG equity funds and the Green City Basket. In 2021, we integrated sustainability criteria into all asset management mandates and launched our Sustainable Plus offering. In 2022, we extended our sustainable product offer and focused on the implementation of the Sustainable Finance Disclosure Regulation (SFDR) to increase sustainability-related transparency for the benefit of our clients.

VP Bank Sustainability Score (VPSS)

VP Bank systematically incorporates ESG risks and opportunities into the assessment of investments. The VP Bank Sustainability Score (VPSS) is broadly based and builds on the concept of double materiality. Accordingly, in addition to aspects of financial materiality, we also include indicators

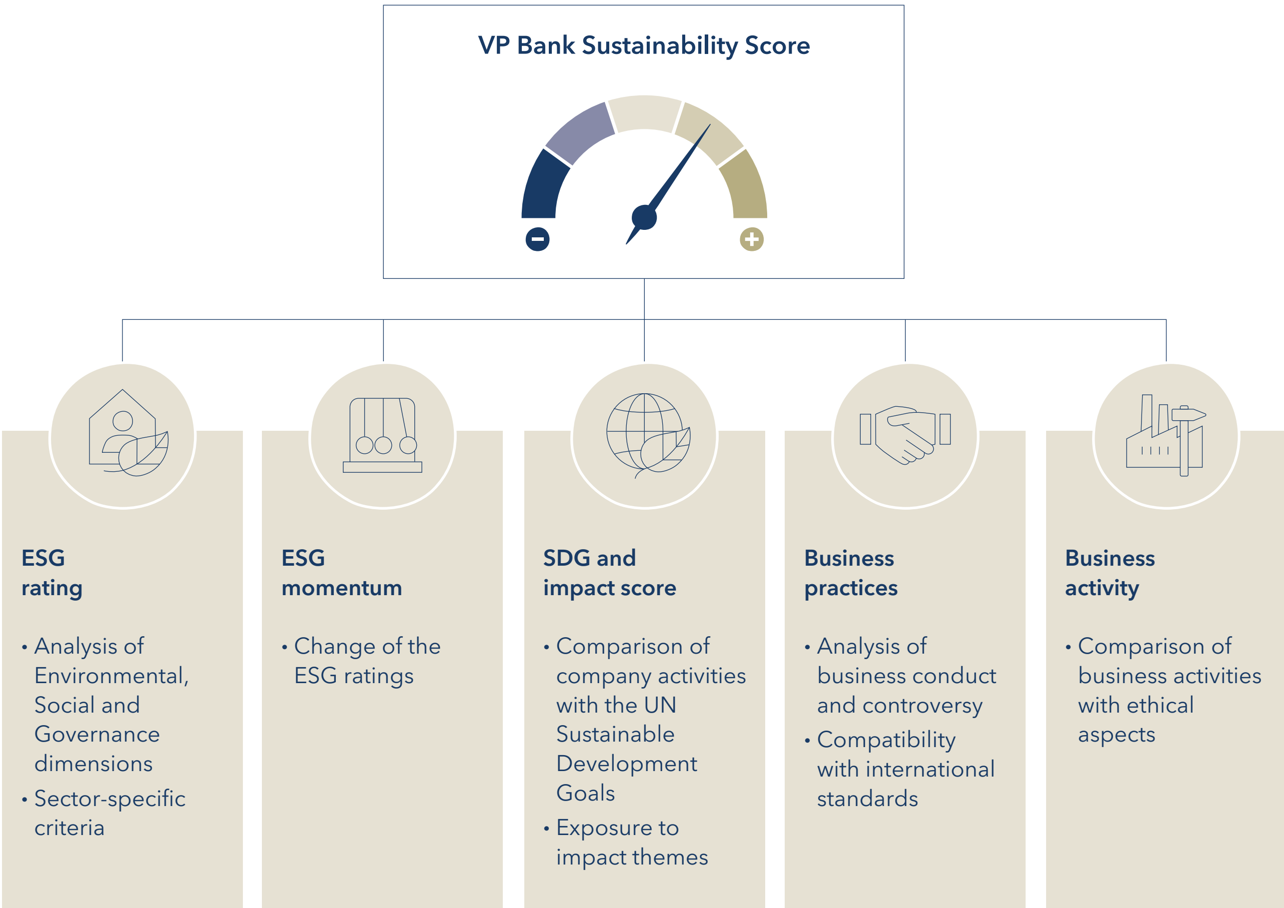


Figure 10

to capture impact-oriented materiality into the VPSS. Specifically, it consists of five subcomponents: ESG rating, ESG momentum, business practices, business operations and Sustainable Development Goals (SDGs). As part of a holistic implementation, the VPSS is applied to all discretionary and advisory mandates, our own investments and VP Bank's own funds. With VPSS, we ensure to the best of our ability that we do not invest in companies that violate the principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the SDGs or the Standards of the International Labour Organization (ILO).

The "Sustainable Plus" offer

In 2021, VP Bank launched a Sustainable Plus offering for clients. This allows us to integrate ESG criteria even more effectively into client portfolios. As part of a thematic approach, targeted investments can be made in companies whose products or services help to reduce emissions or otherwise protect the environment and/or benefit society. These include investments that can make a measurable difference, such as green bonds, social bonds and microfinance investments.

Customers can choose from five sustainability themes to make their investments according to their preferences:
- Environment and climate protection
- Health and demographic change
- Renewable energies and circular economy
- Equal opportunities, education and safety
- Sustainable infrastructure

For more information on our thematic investment ideas, please visit our website.

VP Bank thematic funds

In 2022, we launched VP Bank Thematic Funds. Our new thematic funds offer the opportunity to invest in global trends. To identify the relevant trends, it is important to determine whether they are shaped by one or more structural growth drivers. The most important are social change, the consequences of demographic developments and technological progress. In addition, there is environmental change, which has been the subject of intense social and political debate since the 1980s. The latter can be seen as a result of excessive growth and wasted resources. As there can be no "business as usual", industrial and social changes are necessary. Based on the structural growth drivers, we identify the corresponding trends for the following three thematic funds (see → Table 10).

Stock selection and portfolio construction are based on VP Bank's sustainability approach. When selecting individual stocks, companies with a low VP Bank Sustainability Score (VPSS) are excluded. By taking environmental and social criteria into account, the funds also meet the requirements of Article 8 of the Sustainable Finance Disclosure Regulation (SFDR).

Topic	Motivation	Sub-topics
Future citizen	Technological progress and demographic change continue to shape demand for goods and services, but in different ways. This transformation is leading to new social structures based on education and equal opportunities. People's lifestyles will change, and issues such as health or the digitalisation of many areas of life will play an increasingly central role, but in different ways.	• Demographics • Modern society • Future lifestyle • Digital consumption
Future industry	Innovation is the source of every future industrial trend, changing existing business models for the better or creating new industrial potential. The importance of research and development is increasingly recognised. The ever-increasing spending on R&D is an indication that companies are creating the basis for future corporate profits and tomorrow's prosperity.	• Circular economy • Future of the health care system • Industrial revolution • Digital transformation • Security
Future infrastructure	By 2050, global economic growth will double, and one billion people will move to metropolitan regions. The enormous demand for resources poses a major challenge to the supply of households and businesses. The enormous demand for resources poses a major challenge to the supply of households and businesses with spatial and resource planning, infrastructure adaptation and digitalisation. The transformation of global infrastructure will trigger historically high levels of investment.	• Environment and climate protection • Future energy • Sustainable infrastructure • Modern mobility

Table 10

Philanthropy

The "Move" pillar of our Strategy 2026 relates to tapping into new business opportunities. The importance of this issue is reflected in the topic of innovation, which we have identified as material. We are convinced that sustainability and innovation are inextricably linked and form a kind of symbiosis. With this in mind, we strive to continuously improve our customer offering, not only around sustainable investment products, but also in relation to our philanthropy offering.

For more information on the "Move" pillar of our Group Strategy 2026 and our innovative customer offering, please refer to the → "Strategic focus" section of our Annual Report 2022.

Our philanthropy approach

Our clients increasingly want to invest their assets in a purpose-driven way, combining philanthropy with meaningful sustainable investments. Our approach helps our clients achieve this goal. In doing so, we help support those causes that align with their values and goals of creating a legacy or continuing their life's purpose in the form of a trust or foundation. Our goal is to promote collaboration worldwide to offer our customers the best possible service. Our goal is to further promote worldwide collaboration to offer our customers as well as our employees with the best possible service and to help them give meaning to their donations.

Next-generation philanthropy

For decades, global social and environmental problems have often been at the root of political conflicts, resulting in enormous economic and moral challenges. Most of the world's population is struggling to gain access to essential products and services that would enable them to meet their basic human needs. We see a lack of access to basic health care, education and energy. For this reason, it is one of the Bank's core beliefs that our philanthropic work should help to create such access. Our aim is to develop a mutual understanding of how an applied methodology can lay the foundations for improving the lives of disadvantaged communities – specifically, how we can build a self-sustaining, continuously improving, healthy ecosystem that can lead communities to prosperity.

Cooperation

During the World Economic Forum 2023, we spoke with many international foundations. All the foundations concluded that it is not only about the effective allocation of capital, but also about collaboration between organisations that together can drive effective, innovative and scalable solutions to address global social and environmental challenges. This will directly contribute to the UN Sustainable Development Goals.

Transparency

Another common finding is that there is a focus on an objective-driven, efficient and transparent use of funds. Many proven funding models have a track record of successful application to funds that are measured against proven outcomes. It would be beneficial if these models could be shared, or even set as industry standards, to ensure that outcome-based investment, management and process control are seamless and transparent.

Our business activities

05

Our business approach (G)

Governance

Key topics:

- Fair business practices and integrity
- Corruption and bribery
- Digitalisation

Our approach

Corporate governance stands for responsible corporate management and control. The "Swiss Code of Best Practice for Corporate Governance" defines corporate governance as a set of principles that are oriented toward the interests of shareholders, to ensure transparency and a balanced relationship between management and control while maintaining decision-making ability and efficiency at the highest corporate level. VP Bank Group strives to earn the trust of all stakeholders. For this reason, it always acts fairly, transparently, with integrity and responsibility and provides its stakeholders with insight into its decision-making and control processes.

Ad-hoc publicity

Companies that are primarily listed on the Swiss Stock Exchange have important information obligations towards their investors and the public. These obligations are designed to ensure ongoing transparency about the company. Ad-hoc publicity is a process by which companies provide the public with information on price-sensitive matters (e.g. material changes in earnings, restructurings, takeover bids). This information can be financial, operational or strategic and is often event-specific. Data from Strique GmbH was used to assess the three indicators. The service includes the evaluation of ad-hoc flagging practices and ex-ante price sensitivity for companies. The indicators are considered in the context of good governance and provide an assessment of transparent communication with shareholders. The results of the analysis are shown in Table 11.

Human rights

By voluntarily aligning our actions with fundamental ethical values and creating a sustainable basis for action, we promote client proximity and trust. The Code of Conduct, which has a long tradition at VP Bank, as well as the values and management principles of VP Bank, underscore the commitment to ethically correct corporate management and serve as a guideline for good business conduct.
VP Bank's business relationships are consistent with the principles of the Universal Declaration of Human Rights and the standards of the International Labour Organization (ILO). This includes the prohibition of forced and child labour at all locations where VP Bank is active. Violations of the Code of Conduct or the regulations of VP Bank will be subject to disciplinary measures and consequences to the extent permitted by labour law.

Corruption and bribery

VP Bank actively combats bribery as the origin of corruption, the granting and acceptance of advantages and financial crime in the banking business. This is done through regular training of client advisors on the one hand and through internal monitoring and control measures on the other.

Indicator	Interpretation	Assessment
Ad-hoc classification	As of 1 July 2021, ad-hoc announcements are to be classified as "ad-hoc notification pursuant to Art. 53 LR." Incorrect classifications in the sense of too many ad-hoc announcements can be used to dilute the price effect of negative reports.	Messages were classified correctly, four of which were classified as ad-hoc announcements in 2022.
Ad-hoc marketing	Ad-hoc marketing describes the labelling of a non-price-relevant fact as an "ad-hoc announcement" and can be sanctioned according to the provisions of the SER. Misclassification in the sense of too many ad-hoc disclosures can, for example, be used to dilute the price impact of negative news. In addition, improper flagging suggests artificial relevance and gives the report an unjustified reach through distribution via ad-hoc channels.	There was no ad-hoc marketing.
Management transactions	When senior executives buy or sell shares in their own company, it can be an indication of how the company is performing. Therefore, executive transactions must be disclosed and published.	In 2022, no management transactions took place.

Table 11

Tax compliance

The fulfilment of tax requirements and compliance with legal principles are determined by the business activities of VP Bank Group. VP Bank pursues a tax strategy that is geared to long-term value creation and refrains from structures that are motivated by tax considerations. The effectiveness and compliance of the tax strategy are reviewed annually and approved by the Board of Directors.

Increasing transparency and documentation requirements as well as heightened public awareness of tax issues necessitate a constant focus on the tax function within companies. In this regard, VP Bank Group focuses not only on fulfilling tax compliance requirements, but also on comprehensive and active tax risk management by sensitising the business units of VP Bank Group to tax compliance issues and providing the Executive Board with relevant information on tax positions for decision-making purposes.

VP Bank pursues a strategy of tax-compliant asset management and attaches great importance to compliance with all applicable requirements arising from national and international tax regulations. These include, for example, the Qualified Intermediary (QI) provisions of the US Foreign Account Tax Compliance Act (FATCA) and the Automatic Exchange of Information (AEOI). It does not assist clients or employees in activities designed to evade their tax obligations.

Transfer prices for intragroup services are based on the arm's length principle in accordance with international guidelines, in particular those of the OECD. VP Bank Group conducts business activities in all its entities. VP Bank Group accepts its responsibility as a global organisation and is aware that the payment of taxes plays an important role in our social and economic relationships. Compliance with local laws as well as the timely payment of taxes and duties also reflect our commitment to promoting sustainable, fair and cooperative dealings within the scope of VP Bank Group's business activities.

Within the framework of tax planning, VP Bank Group assumes a responsible role and structures its transactions in accordance with the law and based on the actual substance of the transactions. VP Bank Group strives to establish and maintain good and professional working relationships with the tax authorities and to deal with them in a proactive, transparent, courteous and timely manner. It cooperates with the tax authorities in tax assessments and tax audits. Group Tax is involved in various committees for the active management of tax issues in the interests of VP Bank Group and its locations.

Fair business practices and integrity

VP Bank is committed to ensuring fair business practices and integrity in all areas of its business activities. This includes compliance with all relevant laws and regulations as well as adherence to industry-accepted standards and codes of conduct. This commitment is also made public in VP Bank's Code of Conduct, which is published on the Bank's website.

To achieve compliance with these requirements, the Bank has implemented comprehensive guidelines and procedures. These include, among other things, a robust framework, annual training for all employees as well as members of the Executive Board and the Board of Directors, the performance of risk analyses for the areas concerned and the careful monitoring of the business relationships of its employees.

Employees who become aware of a suspected violation of the Code of Conduct or the regulations of VP Bank are obligated to report this immediately to their immediate supervisor or to the Group Compliance & OpRisk or Group Internal Audit departments or to the whistleblowing unit responsible for the respective region. Employees who in good faith inform the competent authorities of a suspected violation need not fear any personal disadvantages as a result. This also applies if it is subsequently determined that no violation has occurred. Confidentiality is guaranteed within the framework of the applicable legal provisions.

The training that all VP Bank employees must complete annually covers all relevant aspects of conflicts of interest as well as anti-bribery and anti-corruption. If VP Bank identifies violations of the relevant internal guidelines, Group Investment Compliance, together with the respective supervisor, determines the measures to be taken. The spectrum of measures ranges from a written reprimand to dismissal, claims for damages and reports to the supervisory authority.

Supply chain and procurement

In 2022, VP Bank invested in the establishment of a professional, centralised purchasing function and will continue to do so in 2023. The priorities of this function are cost savings and quality improvements. At the same time, in the medium term, VP Bank will be able to intensify the governance of direct suppliers as well as the supply chain. All our suppliers are already required to comply with the relevant regulations and international standards. As a significant portion of our procurement consists of locally provided services, we do not face the same significant supply chain challenges as other industries.

Digitalisation

VP Bank continues to focus on the digitalisation of banking services, expanding various services and introducing new tools to improve the quality of its services and the client experience. The top priority remains transparency and accessibility for our clients. In advising its clients, VP Bank continues to rely on personal contact with advisors and specialists.

InvestCloud's new WM Advisory platform, developed in 2022, has laid the foundation for the future integration of internal and external services into our investment advisory offering. The tool offers many important benefits for our advisory business. The simple user interface and flexible presentation make it much easier for our client advisors to create structured and customised investment proposals for the benefit of our clients. ESG criteria are integrated into all investment proposals. This allows clients to set individual sustainability preferences in their portfolio, such as the level of carbon footprint, to incorporate the UN Sustainable Development Goals, or to incorporate personal values into their business activities.

The possibilities for interaction are constantly being expanded. With the help of the research portal, not only employees but also clients of VP Bank can benefit from current macroeconomic analysis or investment ideas. In this setting, the concept of sustainability is not neglected. For example, the VP Bank Sustainability Score tool offers the possibility of filtering for specific products and investment opportunities tailored to the client's sustainability needs.

With the continuous reduction of physical paper consumption, VP Bank is making further progress in the areas of digitisation and sustainability. In addition to an efficient waste disposal concept that saves many tons of paper each year, the launch of e-Bill is another example. This enables our clients to receive and pay their bills digitally via VP Bank e-Banking as of 2023 – without having to send any paper. Along these lines, another project enables formal changes, such as address changes, to be submitted to the bank digitally rather than on paper.

The outsourcing of our core systems to Swisscom was probably the most important IT milestone in 2022. Thanks to the close collaboration with Swisscom, VP Bank no longer needs its own data centres or IT infrastructure for the systems transferred. Our systems will be 100% hosted by Swisscom. The data centres are operated on a climate-neutral basis. We will also benefit from Swisscom's strong expertise in digital solutions.

Our social approach (S)

Social

Key topics:

- Equal opportunities and diversity
- Employment practices
- Philanthropy
- Volunteering

Our approach

For VP Bank, a management approach that embraces sustainable corporate leadership plays an essential role in its overall success. Leadership for us means going beyond compliance and good governance and extends beyond our product offering. True sustainability includes the well-being of our employees and the communities in which we operate. As such, we are committed to continuously improving our employment practices and social conduct.

VP Bank provides modern and appealing working conditions. As motivation and health affect individual performance, we also promote a working atmosphere in which all employees feel comfortable and can develop their skills. VP Bank encourages its employees to develop and implement their own ideas and offers them training and continuing education opportunities.

Responsible business conduct

Our Code of Conduct defines VP Bank's ethical principles in a binding document that serves as a guide for proper conduct. The Board of Directors and the Group Executive Board are fully committed to this Code of Conduct. The Code of Conduct applies to the entire VP Bank Group, and the members of the BoD, the members of the GEM and all employees are expected to strictly adhere to its provisions.

In order to maintain objectivity and avoid conflicts of interest, a comprehensive conflict of interest policy and supporting processes (e.g. regarding donations) are in place. VP Bank acts in the best interests of its clients. To this end, there is a strict segregation of duties between the areas of asset management, investment advisory, trading, financial analysis, financing, risk monitoring and settlement. In addition, internal barriers (Chinese walls) are in place to prevent the exchange of sensitive information.

To raise awareness of the above guidelines among employees, mandatory Group-wide training sessions were held on the Code of Conduct and Basic Training on Market Conduct and Conflicts of Interest in 2022.

In 2002, the Board of Directors adopted the Diversity and Inclusion Policy, which describes VP Bank Group's efforts to ensure and promote diversity and inclusion in practice. It forms the basis for effective diversity and inclusion management throughout the VP Bank Group. Further information on this topic can be found in the section "Equal Opportunities and Diversity".

Employment practices

Remuneration: VP Bank's remuneration policy creates a Group-wide binding framework for remuneration practices and thus ensures that VP Bank employees are compensated in accordance with uniform guidelines and that the principle of equal pay for equal work is systematically applied. VP Bank Group's remuneration policy and practices are simple, transparent and includes ESG aspects. The total remuneration of employees of VP Bank Group comprises the fixed salary and possible additional compensation elements: e.g. variable compensation elements, employee

Excite talents
We attract and retain exceptional employees by -creating employee experiences that motivate and inspire.

Grow for future
We know what unique skills our employees bring to the table and work to develop them in a variety of ways.

Love to empower
Our leaders inspire and guide our employees to use change as the basis for growth.

Connect to collaborate
Our inclusive culture makes our employees feel welcome and encourages them to work together in a collaborative and agile manner.

Figure 11

shareholdings and fringe benefits. The compensation policy in general as well as the appropriateness of the fixed salary are reviewed annually and, if necessary, adjusted accordingly.

VP Bank promotes the identification of its employees with the VP Bank Group through a long-term employee stock ownership plan. Within the framework of the employee stock ownership plan, eligible employees may subscribe annually for a fixed number of class A registered shares of VP Bank AG, Vaduz, at a preferential price. These shares are subject to a three-year vesting period.

All employees are covered by insurance against the financial consequences of illness and accident, as well as a pension plan that meets at least the legal requirements.

Employee representation: Freedom of association is guaranteed throughout VP Bank Group in accordance with the applicable legal provisions. Employees in Liechtenstein are represented by the Employee Representative Council (ANV). The ANV acts as a point of contact for employees and mediates in various matters, such as dismissals or the protection of employee interests. The ANV's tasks and powers are described in a set of participation rules agreed with GEM. In the event of changes to the general employment conditions or a planned reduction in the number of employees, the ANV must be informed and involved by executive management. Regular meetings are held between the ANV president and HR division management to discuss current personnel issues. VP Bank (Luxembourg) SA and VP Fund Solutions (Luxembourg) SA have a joint works council that represents the interests of the employees of both companies. The Council is committed to protecting and improving working conditions and defending employment relationships and jobs.

These two employee representative bodies cover approximately 80% of the entire workforce. All suggestions, complaints and personal concerns are handled with the utmost discretion in regular meetings.

Equal opportunities and diversity

Employees are hired irrespective of gender, race, skin colour, ethnic or social origin, genetic characteristics, religion or worldview, membership in a national minority, wealth, birth, disability, age or sexual orientation. VP Bank is committed to diversity at all levels of the company and offers all employees equal employment and promotion opportunities. The evaluation of employees' work performance is fair, objective and comprehensible. Those on long-term sick leave are reintegrated into the work process with professional support wherever possible.

To embed diversity and inclusion of the workforce as an integral part of the corporate culture, we adopted and published a Diversity and Inclusion Policy in 2022.

Specifically, it lays down the following key principles:
- We are committed to avoiding any discrimination of employees.
- We are committed to increasing diversity across all characteristics and levels.
- We are committed to ensuring that employees and candidates are provided with equal opportunities.
- We are committed to ensuring fair and equal pay.
- We do this to increase diversity of thought, which we believe will enhance our competitiveness and level of innovation, and because we believe it is the right thing to do. We see improving gender diversity in our workforce as one of our key sustainability goals.

Table 12 shows the current employee statistics of VP Bank Group. Employee data for the entire VP Bank Group is stored in a central data system. Only authorised personnel can extract information and generate reports. As of December 31st, 2022, VP Bank Group employed 1,011 people, 162 of whom are client advisors. The fluctuation rate for 2022 was 13.4% (2021: 11.5%). For further information, please refer to the "Employees" section of our Annual Report 2022.

Employees statistics

	Total 2022	Total 2021	Men 2022	Men 2021	Women 2022	Women 2021	Men 2022 in %	Men 2021 in %	Women 2022 in %	Women 2021 in %
Number of employees	1,011	1,012	602	600	409	412	60%	59%	40%	41%
Permanent	984	952	585	571	399	381	59%	60%	41%	40%
Temporary employees	57	60	36	29	21	31	63%	48%	37%	52%
Full-time employees	788	809	532	545	256	264	68%	67%	32%	33%
Part-time employees	223	203	70	55	153	148	31%	27%	69%	73%
Voluntary fluctuations	13.4%	11.5%	12.6%	12.2%	14.6%	10.5%	–	–	–	–

Table 12

Diversity data

	Total 2022	Total 2021	Men 2022	Men 2021	Women 2022	Women 2021	Men 2022 in %	Men 2021 in %	Women 2022 in %	Women 2021 in %
Board of directors	7	8	5	5	2	3	71%	63%	29%	38%
1st management level	6	6	6	6	–	–	100%	100%	0%	0%
2nd management level	31	29	29	26	2	3	94%	90%	6%	10%

Table 13

Table 13 provides information on gender diversity and again shows that further measures are needed to achieve a more balanced representation of women and men in the upper management levels.

Training and education

Targeted promotion of young talent

VP Bank is committed to the professional training of commercial and IT apprentices. In addition to vocational school and the acquisition of industry knowledge, highly qualified practical instructors ensure that the apprentices can apply their knowledge in practice and get to know the various areas of work and application. This lays the foundation for further career steps after the apprenticeship. For VP Bank, the development of apprentices within the dual education system will continue to be a strategically important component of talent management.

The development programmes for students and university graduates are an important component in the promotion of young talent. With the Career Start programme for university graduates and the Master Support Model for students, VP Bank offers attractive entry opportunities for young talent. In the Support Model, Master's students can combine theory and practice and gain valuable experience over a period of 12 to 18 months. In the Career Start Model, bachelor and master graduates can deepen their knowledge in selected areas of activity as well as in individual specialist and international assignments, take on a defined target function after 18 months and make their first career move.

With its graduate programs (bachelor/master) as well as the training of apprentices, VP Bank specifically promotes potential junior staff and thus fosters growth from within. At the end of 2002, VP Bank had trained 14 (prior year: 15) young people to become commercial clerks and another 2 to become IT specialists. In the summer of 2002, 6 (prior year: 6) apprentices successfully passed their final examinations. Moreover, 1 student (prior year: 1) was enrolled in the study-accompanying Support Model, 5 (prior year: 6) were enrolled in the Career Start programme and 2 (prior year: 1) were enrolled in the Graduate on Assignment programme.

Ongoing development and talent promotion

2022 was also influenced by various change and transformation events. The focus was on supporting employees and managers in the new digital working world and in dealing with constant change. This starting point requires continuous development, particularly in terms of leadership culture and Group-wide collaboration.

Leadership curriculum

To provide VP Bank's managers with the best possible support in this regard, various modules of the Leadership Curriculum were held between September and November under the motto "Agile Change Leadership". Via videoconference, all 204 managers across the Group met in cross-hierarchical, cross-location and cross-divisional teams to exchange ideas on the opportunities and experiences associated with change and leadership approaches, and to gain useful tips for their daily work. This management training tool will be further expanded in 2023 to ensure the continuous, qualitative and long-term development of management at VP Bank.

Talent Academy

In addition, VP Bank invests in the development of its talent. Each year, 20 employees can be nominated for the VP Bank Talent Academy based on an annual evaluation process. In 2022, 5 women and 15 men were selected for the Talent Academy. The Academy offers the opportunity to work on personal strengths through various modules, to expand one's own network, to develop new skills and to participate in a hackathon, thus broadening one's own action and methodological skills. The highlight of the Talent Academy is the final concept presentation to the GEM and the Board of Directors of VP Bank. The goal is to integrate the developed concepts into the operational business of VP Bank.

SAQ certification

In addition to leadership, social and methodological skills, VP Bank continuously invests in the professional development of its client advisors. In addition to individual development measures, they undergo a certification process in accordance with the SAQ standard. To keep this certification up to date, client advisors participate in a recertification process in which they take part in targeted training courses to ensure sustainable quality assurance and the professionalisation of their advisory skills.

External training programmes

In addition, employees attend external training courses to enhance their knowledge and skills on an ongoing and targeted basis. An individual development plan is used to determine each employee's development steps, and appropriate training is provided as needed.

In Liechtenstein, 30 people (previous year: 27) completed an in-service training course with a recognised diploma in the year under review, and a further 29 people (previous year: 34) were in training at the end of the year. The average amount spent on external training was approximately CHF 10,000.

	2022	2021	2020
Successfully completed continuing education	30	27	26
Currently in a continuing education training (as of 31.12.)	29	34	38

Table 14

Social commitment and volunteering

Acting in the public interest and giving back to the communities in which we operate is a matter of course for us. Our social commitment is therefore another area where we are committed to sustainability and where we put our values into practice.

VP Bank Foundation

In accordance with its bylaws, VP Bank Foundation supports projects, institutions and individuals in the areas of environment, arts, education, science and culture. In 2022, the foundation awarded grants amounting to approximately CHF 210,000. The distribution across key areas is presented in Figure 12. Sustainability also means taking responsibility for future generations. With its dedicated "Philanthropy & Impact" unit, VP Bank aims to help its clients achieve new perspectives and goals around philanthropy.

Distribution of VP Bank Foundation grants

1. Environment and sustainability **8%**
2. Education and science **24%**
3. Social and society **52%**
4. Art and culture **16%**

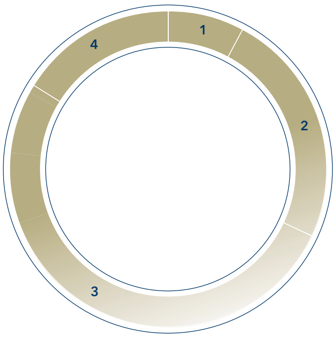


Figure 12

VP Bank Experience Family Day

As a result of our fundraising efforts for the non-profit "Fondation Hëllef fir d'Natur" in May 2022, employees of VP Bank (Luxembourg) SA met with their families to visit and explore the Foundation's "Water Adventure Center" and "Nature Garden". The acquisition and maintenance of nature reserves, information and awareness-raising campaigns for the protection of nature and biodiversity, scientific work, forest protection and the implementation of national, interregional and European nature conservation projects are important areas of activity for the Foundation. All participants – especially the young family members – were fully engaged and gained many valuable insights on issues around nature and water.

Volunteering Day

The Volunteering Day programme was initiated by VP Bank in 2015. It enables employees to make a social contribution to non-profit organisations. Participation is voluntary and open to all permanent employees in Liechtenstein and Switzerland. Employees are allotted 1 day per calendar year. The assignments take place in the following areas: social institutions, educational programmes and ecological/environmental organisations.

The number of employees who participated in the Volunteering Day is shown in Table 15.

	2022	2021	2020	2019
Total	6	21	5	30

Table 15

Participation in volunteer work or community service activities is an excellent opportunity for companies to demonstrate their social responsibility. The implementation takes place partly as individual assignments but also in the form of team events. The assignments are diverse, ranging from clearing alpine pastures to assisting at charity events such as Pink Ribbon or volunteering at soccer tournaments with people with and without disabilities. Table 15 shows how many employees at the locations in Switzerland and Liechtenstein participated in the Volunteering Day. In 2023, we will communicate the programme more intensively internally and aim to increase the charitable commitment of our employees.

Our environmental approach (E)

Environment

Key topics:

- Climate change
- Clean energy
- Environment
- Resource efficiency

Our approach

The Paris Agreement has set the course for mitigating and adapting to climate change. All agreeing parties have committed to achieving net-zero CO_2 emissions by 2050. VP Bank's goal is to achieve CO_2-neutral business operations by 2026. Our stakeholders agree on the importance of this issue and have ranked climate change and resource efficiency as two of the most important topics within the scope of our business activities. To ensure that we achieve our goals, we will regularly engage with our stakeholders and monitor our progress.

Climate change and clean energy

To achieve our goal of CO_2-neutral business operations, we are guided by the hierarchy of climate protection measures:

- Reducing emissions as much as possible: e-charging stations in Liechtenstein garages (eleven stations currently installed) help promote electric vehicles; installation of energy-saving office equipment: LED lighting, more efficient printers.
- Use of clean energy where available: installation of a photovoltaic system in Liechtenstein for more than 25 years, clean electricity where available, mix of renewable energy use at various sites, use of groundwater heat pumps, switch from oil to natural gas heating in Liechtenstein.
- Offsetting as a last resort: at locations where we have no influence on the energy source, we purchase offset certificates (e.g. in Singapore).

VP Bank Group has a long history of using renewable energy. A photovoltaic system on the roof of the Giessen building in Vaduz has been providing environmentally friendly energy for 25 years. Table 16 shows the total energy consumption of our locations in Liechtenstein. In 2022, we were able to generate a total of 205 MWh of our own energy with our photovoltaic system. This represents an increase of 16.3% compared to the previous year. Other technologies used at our sites include LED lighting, motion-activated lighting systems and various renewable energy sources, such as the use of geothermal energy.

Total energy consumption of the sites in Liechtenstein decreased by 5.1% in 2022 compared to the previous year. This was accompanied by a 22.0% reduction in CO_2 equivalent emissions, mainly due to measures to reduce the use of gas in anticipation of the expected gas shortage. This corresponds to a per capita energy consumption of 5.7 MWh in 2022.

The collection of Scope 2 CO_2 emissions for the entire Group is challenging. At our sites outside Liechtenstein, we are mostly tenants in office buildings, which means that energy consumption must be allocated on a pro rata basis. The reported data is largely based on information provided by the landlords and can only be verified by us to a limited extent. Table 17 shows the total energy consumption at

Energy consumption at the locations in Liechtenstein

	Unit	2022	2021	2020	2019
Energy purchases					
Total purchase of electricity	MWh	2,846.4	2,861.4	2,826.3	3,004.6
Renewable energy	%	100.0	100.0	100.0	100.0
CO_2 equivalents	tCO_2e	59.9	60.3	59.5	63.3
Total purchase of gas	MWh	493.1	716.3	645.8	479.4
CO_2 equivalents	tCO_2e	92.9	135.7	122.5	90.9
Energy self-production					
Total purchase of photovoltaics	MWh	196.4	171.3	192.2	–
Photovoltaic production	MWh	205.6	176.8	202.8	50.1
Return delivery overproduction	MWh	9.2	5.5	10.6	–
Energy consumption					
Total	MWh	3,535.9	3,749.0	3,664.3	3,534.1
Δ previous year	%	–5,1	2.3	3.7	3.1
Per FTE	MWh	5.7	6.2	6.1	6.2
Total (CO_2 equivalents)	tCO_2e	152.9	196.0	182.0	154.2
Δ previous year	%	–22.0	7.7	18.0	9.1
Per FTE	tCO_2e	0.25	0.32	0.30	0.27
FTE (Liechtenstein locations)	FTE	623	604	605	571

Table 16

Group level and the percentage of renewable energy. For 2022, the share of renewable energy in the Group's total consumption was 91.8% and emissions were 304.1 tCO_2e. Wherever possible, we have reported our emissions for 2022 as CO_2 equivalents, while comparisons with previous years are purely CO_2-based.

Total energy consumption VP Bank Group

	Unit	2022	2021
Total energy consumption	MWh	4,407.3	4,662
Non-renewable energies	MWh	883.2	1,062
Renewable energies	MWh	3,524.0	3,600
Share of renewable energies	%	91.8	77.0
CO_2 equivalents	tCO_2e	304.1	292.0

Table 17

Business travel (Scope 3)

We are using digital tools more than ever. This helps to reduce the number of business trips, while ensuring a first-class service for our clients. Employees in Liechtenstein, Switzerland and Luxembourg are required to make their bookings through a dedicated travel agency. The travel agency has provided us with the travel volumes reported in Table 18.

Air travel from the Liechtenstein, Switzerland and Luxembourg locations

	Unit	2022	2021
Flight distance	km	432,562	680,580
Δ previous year	%	-36.5	-
CO_2 equivalents	tCO_2e	104.2	164.0

Table 18

Environment and resource efficiency

Our internal environmental efforts are not limited to clean energy and reducing our carbon footprint. We have also introduced strict waste management policies and resource-efficient solutions. This includes an increased focus on digitalisation and reducing our paper consumption. Our waste management policy ensures that we reduce and recycle waste wherever possible. Table 19 provides an overview of resource consumption at the Liechtenstein site over the last four years.

At our sites in Liechtenstein, for example, paper consumption fell from 68.0 metric tons in 2004 to 17.6 metric tons in 2022, a reduction of 30.3% in the past year alone. Paper consumption per employee was 28.3 kilograms in 2022, compared to 154.3 kilograms in 2004.

The total amount of waste at the Liechtenstein location amounted to 132 tonnes, which is 5.8% more than in the previous year. The waste paper disposed of by VP Bank is shredded in an internal recycling plant and pressed into briquettes. In 2022, approximately 13.9 tons of paper briquettes were produced in this way. These were collected by a local recycling company and reused.

Resource consumption at the locations in Liechtenstein

	Unit	2022	2021	2020	2019
Water consumption					
Total	t m^3	5.0	4.9	5.1	5.6
Δ previous year	%	1.4	-2.9	-9.2	-3.2
Per FTE	m^3	8.0	8.2	8.4	9.8
Paper consumption					
Total	t	17.6	25.3	32.7	35.8
Δ previous year	%	-30.3	-22.7	-8.7	-2.6
Per FTE	kg/FTE	28.3	41.8	54.1	62.8
Waste consumption					
Total	t	132.0	124.8	150.3	183.0
Δ previous year	%	5.8	-17.0	-17.9	-24.4
Per FTE	kg/FTE	211.9	206.6	248.4	320.4
Recycled	%	6.5	3.3	7.6	5.3

Table 19

Environmental engagement

Since 2017, we have been supporting the Drink & Donate organisation as part of our sustainability commitments. In 2022, we renewed our collaboration for another three years. We provide an annual amount of CHF 42,000 to support these projects. This amount is based on the number of 700 employees in Liechtenstein and Switzerland and includes a donation of CHF 60 per person per year. This equates to a donation of CHF 5 per month per employee.

This year, as part of our commitment to sustainability, our employees were able to decide which project our Drink & Donate donation should go to. We held a vote in June. 61% of participants chose the Nim'dora project, which we also supported in 2021. The project focuses on access to water and sanitation and promoting good hygiene practices in health facilities and schools. The project aims to improve the living conditions of disadvantaged people in the West African state of Benin.

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Disclosure

About this report

The Sustainability Report is written in accordance with GRI Core and SASB asset management standards. The report addresses all material issues, the process for their identification and prioritisation within the context of our stakeholder engagement, the potential impacts, and a description of how material issues are managed can be found in → definition table 3.

This Sustainability Report can be read in conjunction with the Annual Report 2022 for additional information. Links to relevant policies and standards are included in this Sustainability Report and where further information is available.

This Sustainability Report refers to the reporting period from 1 January 2022 to 31 December 2022, and is published annually. The reporting period coincides with the Annual Report 2022 and is published simultaneously.

There were no corrections or restatements of information that were published as part of the Sustainability Report 2021.

This Sustainability Report has not been externally verified.

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Energy consumption

The table below provides information on the types of energy used and the basis for estimating CO_2 emissions for each site. Where information is available, CO_2 equivalents are used.

Location	Energy source and basis for emission estimation.
VPBCH	**Electricity:** 100% renewable, generated from water, wind and solar power. Emission factor (natural electricity): 0.01616 kg CO_2e/kWh.[2] **Heating:** 25% biogas, 75% natural gas.[3] Emission factor (natural gas): 0.202 kg CO_2e/kWh.[4] Emission factor (biogas): 0.198 kg CO_2e/kWh.[5] The consumption figures do not include the building at Talstrasse 62 because no data is available for it. However, it is a small building.
VPBLU	**Electricity:** 100% renewable, from hydroelectricity.
VPBSG	**Electricity:** 95% natural gas, 1% oil, 4% other.[6] Emission factor (average): 0.4057 kg CO_2e/kWh.[7]
VPWHK	**Electricity:** 71% coal & oil, 29% natural gas, 0.1% renewable energy. Emission factor: 0.71 kg CO_2e/kWh.[8]
VPBVG	Estimated emissions as no data available from supplier.[9] Electricity: generated from petroleum that is transported. Emission factor: 0.6943 kg CO_2/kWh
VPBLI	**Electricity:** 100% renewable, from hydropower and solar energy, including own photovoltaic system. Emission factor (natural electricity): 0.01616 kg CO_2e/kWh.[2] **Heating:** 100% biogas. Emission factor (biogas): 0.198 kg CO_2e/kWh.[5]

Table 11

2 3 5 6 7 8

[1] The emission factor for CO_2 equivalents for natural electricity was made available by Liechtenstein Kraftwerk (LKW) and is used in Liechtenstein and Switzerland.
[2] https://www.energie360.ch/de/energie-360/wissen/erdgas-biogas/
[3] https://www.bafu.admin.ch/dam/bafu/de/dokumente/klima/fachinfo-daten/CO2_Emissionsfaktoren_THG_Inventar.pdf.download.pdf/CO2_Emissionsfaktoren.pdf
[4] The emission factor for CO_2 equivalents for biogas was made available by Liechtenstein Wärme and is used in Liechtenstein and Switzerland.
[5] https://www.ema.gov.sg/statistic.aspx?sta_sid=20140802NEeM2zyMguvz
[6] https://www.ema.gov.sg/cmsmedia/Publications_and_Statistics/Statistics/18RSU.pdf
[7] https://www.hkelectric.com/en/CorporateSocialResponsibility/CorporateSocialResponsibility_CDD/Documents/SR2021E.pdf
[8] https://cambioclimatico-regatta.org/index.php/en/documents-and-tools?task=callelement&format=raw&item_id=2601&element=2465f230-db83-426f-8583-5fb3b4d8e19e&method=download&args[0]=0

EU Taxonomy Regulation

Article 8 of the EU Taxonomy Regulation 2020/852 aims to increase market transparency by providing investors with information on the environmental performance of assets and economic activities of financial and non-financial companies. Article 8(1) of the EU Taxonomy Regulation provides that all financial and non-financial companies falling within the scope of the Non-Financial Reporting Directive (NFRD) 2014/95/EU must report on the extent to which their economic activities are classified as environmentally sustainable according to the Taxonomy Regulation ("taxonomy-adjusted economic activities"). For the 2022 reporting year, financial companies must disclose the proportion of taxonomy-adjusted activities in relation to the total balance sheet assets covered as well as additional qualitative information.

Disclosure on Article 8 of the EU Taxonomy Regulation

	Description	Ratio
1	Proportion of taxonomy-eligible positions	40.0%
2	Proportion of non-eligible positions	13.0%
3	Proportion of positions to non-NFRD eligible entities	16.8%
4	Proportion of derivatives	0.6%
5	Proportion of trading portfolio and short-term interbank loans	15.3%
6	Proportion of risk positions to central governments, central banks and supranational issuers	25.6%

The disclosure was prepared according to the best-effort approach. The figures have not been audited. The following assumptions were made: Based on the FAQs (2022/C 385/01) in the Official Journal of the European Commission, mortgages are fully counted as taxonomy-eligible; and for financial assets, data from a third-party provider is used to determine non-NFRD-eligible positions and the share of taxonomy-eligible and non-taxonomy-eligible economic activities in turnover. Positions in our financial assets for which no data on taxonomy eligibility or NFRD eligibility is available are not included in the numerator.

The calculation underlying the denominator is based on the total assets of VP Bank Group, adjusted for the mandatory omissions pursuant to Art. 10 of Delegated Regulation (EU) 2021/2178. Thus, risk positions vis-à-vis sovereigns, central banks and supranational issuers are not included in the calculation of the denominator.

Indicator 1 refers to Art. 10(3) a) and indicates the share of risk positions in taxonomy-eligible economic activities in our total assets. The calculation basis for the numerator is mortgage loans, financial investments and property, plant and equipment. As at the reporting date on 31 December 2022, the share of taxonomy-eligible positions was 39.5%.

Indicator 2 refers to Art. 10(3) a) and indicates the share of risk positions in non-taxable economic activities in our total assets. The calculation basis for the numerator is financial assets. As of the reporting date of 31 December 2022, the share of tax-allowable positions was 13.0%.

Indicator 3 refers to Art. 10(3) c) and indicates the share of risk positions vis-à-vis companies in our total assets that are not obliged to publish non-financial information according to Art. 19a or Art. 29a of Directive 2013/34/EU (NFRD). The basis for calculating the numerator is financial investments. The share amounts to 16.8%.

Indicator 4 refers to Art. 10(3) b) and indicates the share of derivatives in our total assets. As at the reporting date of 31 December 2022, the share of tax-allowable positions was 0.6%.

Indicator 5 refers to Art. 10(3) and indicates the share of the trading portfolio and short-term interbank loans (maturity up to 1 year) in our total assets. As at the reporting date of 31 December 2022, the share of positions eligible for tax relief was 15.3%.

Indicator 6 refers to Art. 10(3) b) and indicates the share of risk positions vis-à-vis sovereigns, central banks and supranational issuers in our total assets. As at the reporting date of 31 December 2022, the share of positions eligible for tax relief amounted to 25.6%.

TCFD Reference Table

Area	TCFD Recommendations	Reference
Strategy		
	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	26–27
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	27
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	27
Governance		
	Describe the board's oversight of climate-related risks and opportunities.	29
	Describe management's role in assessing and managing climate-related risks and opportunities.	29
Risk Management		
	Describe the organization's processes for identifying and assessing climate-related risks.	30
	Describe the organization's processes for managing climate-related risks.	30–31
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	31
Metrics & Targets		
	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	32
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	32
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	32

UN Global Compact

Principle	Report Reference
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	14, 21–22, 24, 39; Code of Conduct; Diversity and Inclusion Strategy
Principle 2: make sure that they are not complicit in human rights abuses.	14, 21–22, 24, 35, 39
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	42–45
Principle 4: the elimination of all forms of forced and compulsory labour;	39–41; Code of Conduct
Principle 5: the effective abolition of child labour; and	22, 39; Code of Conduct
Principle 6: the elimination of discrimination in respect of employment and occupation.	22, 43–44
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	26–36
Principle 8: undertake initiatives to promote greater environmental responsibility; and	23, 26–36, 46–47
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	20–22, 36
Anti-corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	20–22, 39–41; Code of Conduct

SASB

Disclosure	Report Reference
FN-AC-270 – Transparent Information and Fair Advice to Customers	
FN-AC-270a.1: (1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	We do not currently keep a record of this issue and omit reporting.
FN-AC-270a.2: Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	We do not currently keep a record of this issue and omit reporting.
FN-AC-270a.3: Description of approach to informing customers about products and services	AR 57–59
FN-AC-330 Employee Diversity and Inclusion	
FN-AC-330a.1: Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	42–45
FN-AC-410: Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	
FN-AC-410a.1: Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	We do not currently keep a record on the breakdown of AuM per ESG strategy. A breakdown of AuM per asset class in general is provided as part of the 2021 Annual Report.
FN-AC-410a.2: Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	26–32, 34–37
FN-AC-410a.3: Description of proxy voting and investee engagement policies and procedures	AR 67
FN-AC-510 – Business Ethics	
FN-AC-510a.1: Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	AR 163, 174
FN-AC-510a.2: Description of whistleblower policies and procedures	40; Service Regulations

GRI Content Index

Standard	Disclosure	Location	Omission
GRI 1: Foundation			
	VP Bank Group has reported in accordance with the GRI standards for the period 1 January 2022 to 31 December 2022.		
	Used GRI 1: Foundation 2021		
	Relevant GRI sector standards are currently not available.		
GRI 2: General Disclosures 2021			
	The organization and its reporting practices		
2-1	Organizational details	4–5, 11	
2-2	Entities included in the organization’s sustainability reporting	U3	
2-3	Reporting period, frequency and contact point	49	
2-4	Restatements of information	49	
2-5	External assurance	49	
	Activities and workers		
2-6	Activities, value chain and other business relationships	11–12	
2-7	Employees	4, 43–44	
2-8	Workers who are not employees	–	Not considered. Only occurs with consultants and project managers who are employed in other companies.
	Governance		
2-9	Governance structure and composition	28–29; AR 75–95	
2-10	Nomination and selection of the highest governance body	AR 77–84	
2-11	Chair of the highest governance body	28–29	
2-12	Role of the highest governance body in overseeing the management of impacts	29; AR 84–86	
2-13	Delegation of responsibility for managing impacts	28–29	
2-14	Role of the highest governance body in sustainability reporting	20	
2-15	Conflicts of interest	30, 42, 40; Service Regulations	
2-16	Communication of critical concerns	AR 58	
2-17	Collective knowledge of the highest governance body	23, AR 84	
2-18	Evaluation of the performance of the highest governance body	20	
2-19	Remuneration policies	30, 42–43; AR 96–101	
2-20	Process to determine remuneration	AR 96–101	
2-21	Annual total compensation ratio		CEO-to-employee pay ratio is not disclosed.
	Strategy, policies and practices		
2-22	Statement on sustainable development strategy	6	
2-23	Policy commitments	39–40, 42–43	
2-24	Embedding policy commitments	39–44; AR 65–67	
2-25	Processes to remediate negative impacts	AR 58	
2-26	Mechanisms for seeking advice and raising concerns	23–24; AR 84	
2-27	Compliance with laws and regulations	AR 53–67, 140	
2-28	Membership associations	24	
2-29	Approach to stakeholder engagement	23–24; AR 53–67	
2-30	Collective bargaining agreements	42–43	
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	20–22	
3-2	List of material topics	22	

Standard	Disclosure	Location	Omission
GRI 205: Anti-corruption 2016			
3-3	Management of material topics	20–22, 30; Code of Conduct	
205-1	Operations assessed for risks related to corruption	AR 157–157	
205-2	Communication and training about anti-corruption policies and procedures	24, 30, 39–40; AR 58; Code of Conduct	
205-3	Confirmed incidents of corruption and actions taken		No incidents known.
GRI 206: Anti-competitive Behavior 2016			
3-3	Management of material topics	20–22; Code of Conduct	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	39–41	
GRI 207: Tax 2019			
3-3	Management of material topics	20–22, 30, 40; Code of Conduct	
207-1	Approach to tax	40; AR 85, 141; Code of Conduct	
207-2	Tax governance, control, and risk management	30, 40; AR 85, 141; Code of Conduct	
207-3	Stakeholder engagement and management of concerns related to tax	AR 65–67	
207-4	Country-by-country reporting	AR 65–67	
GRI 302: Energy 2016			
3-3	Management of material topics	20–22	
302-1	Energy consumption within the organization	46–47	
302-2	Energy consumption outside of the organization	46–47	
302-3	Energy intensity	46–47	
302-4	Reduction of energy consumption	46–47	
302-5	Reductions in energy requirements of products and services		Not specified. Not material for financial products.
GRI 303: Water and Effluents 2018			
3-3	Management of material topics	20–22; Code of Conduct	
303-1	Interactions with water as a shared resource		Not specified. Information unknown.
303-2	Management of water discharge-related impacts		Not specified. Information unknown.
303-3	Water withdrawal		Not specified. Information unknown.
303-4	Water discharge		Not specified. Information unknown.
303-5	Water consumption	47	

Standard	Disclosure	Location	Omission
GRI 305: Emissions 2016			
3-3	Management of material topics	20–22; Code of Conduct	
305-1	Direct (Scope 1) GHG emissions	46–47	
305-2	Energy indirect (Scope 2) GHG emissions	46–47	
305-3	Other indirect (Scope 3) GHG emissions	46–47	
305-4	GHG emissions intensity	46–47	
305-5	Reduction of GHG emissions	46–47	Partially fulfilled.
305-6	Emissions of ozone-depleting substances (ODS)		Not specified. Information unknown.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Not specified. Information unknown.
GRI 306: Waste 2020			
3-3	Management of material topics	20–22; Code of Conduct	
306-1	Waste generation and significant waste-related impacts		Not specified. Information unknown.
306-2	Management of significant waste-related impacts		Not specified. Information unknown.
306-3	Waste generated	47	
306-4	Waste diverted from disposal	47	
GRI 401: Employment 2016			
3-3	Management of material topics	20–22, 42–45; Service regulations	
401-1	New employee hires and employee turnover	43	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Not specified. Information unknown.
401-3	Parental leave	Service regulations. Parental leave is in accordance with the legal requirements at the respective location.	
GRI 405: Diversity and Equal Opportunity 2016			
3-3	Management of material topics	20–22, 42–43; Diversity and Inclusion Policy	
405-1	Diversity of governance bodies and employees	42–43	
405-2	Ratio of basic salary and remuneration of women to men		Not specified. Information unknown.
GRI 406: Non-discrimination 2016			
3-3	Management of material topics	20–22, 40, 43–44; Service Regulation; Code of Conduct; Diversity and Inclusion Policy	
406-1	Incidents of discrimination and corrective actions taken		No incidents known.
Material Topic (not covered by GRI): Sustainable Investment			
3-3	Management of material topics	20–22, 34–37	
Material Topic (not covered by GRI): Digitalisation			
3-3	Management of material topics	20–22, 41	
Material Topic (not covered by GRI): Innovation			
3-3	Management of material topics	20–22, 34–37	

VP Bank Group

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