



SUMMARY SUSTAINABILITY REPORT 2019

MINDFUL BUSINESS

HYPO VORARLBERG BANK AG

SUSTAINABILITY AT HYPO VORARLBERG

A bank for the people in its core markets, an integral part of the domestic economy and a major employer – this is what Hypo Vorarlberg has been ever since it was founded in 1897. Together with its employees, customers and business partners, the bank wants to build a sustainable future.

MINDFULNESS

With its core brand value “mindful”, Hypo Vorarlberg conveys that it also takes account of social and environmental aspects while working towards economic success. It is important to achieve the best possible balance between these three dimensions: the economy, society and the environment.

Economy

In its business activities, Hypo Vorarlberg pays particular attention to the security and conservation of the value of customer funds – instead of speculation and maximising profits. Negative effects on the climate and society are reduced, particularly in the bank’s core business.

Society

As a major employer, Hypo Vorarlberg offers all employees the same opportunities and pays attention to diversity in its workforce. The Group shares its economic success with the people in its core markets.

Environment

As a founding member of the Klimaneutralitätsbündnis 2025 (Climate Neutrality Alliance 2025), Hypo Vorarlberg has voluntarily set itself the goal of reducing its CO₂ emissions by 1 % each year in comparison to the previous year. Since 2016, the entire Hypo Vorarlberg Group has been climate-neutral according to the criteria of this alliance.

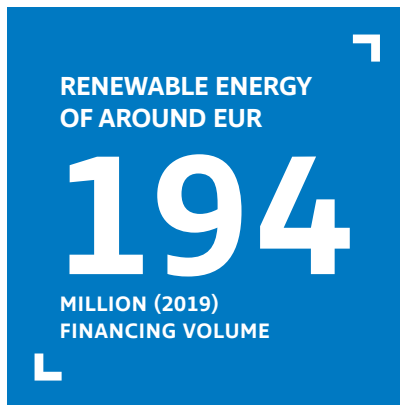
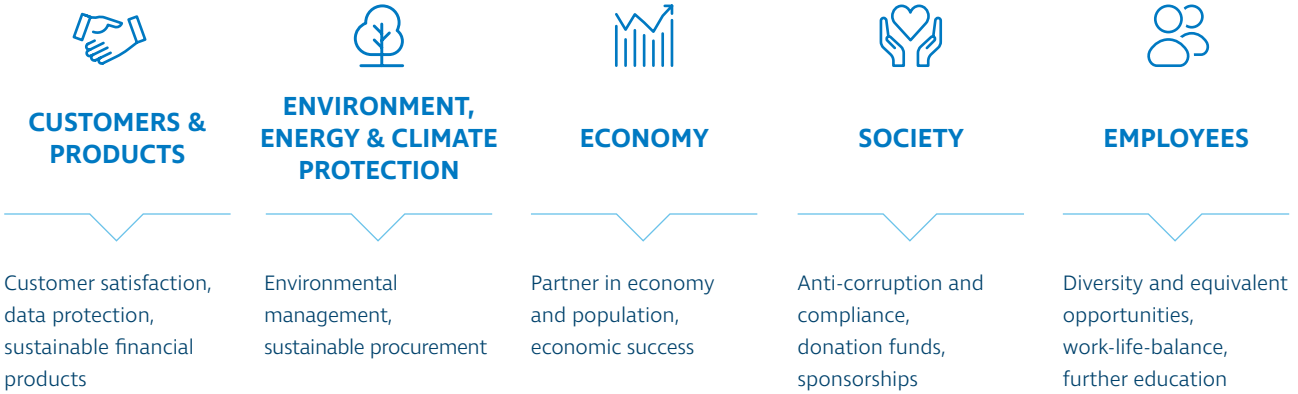


For us, being mindful means:
We are attentive, have a genuine interest and ensure a stable environment thanks to our forward-looking approach. We only do business that we can present to the outside world.



KEY TOPICS

The following topics are particularly important for Hypo Vorarlberg’s stakeholder groups.



MINDFULNESS IN CORE BUSINESS

Hypo Vorarlberg reduces the impact of its own business activities on society and the environment by way of mindfulness in its core business. To this end, the bank has defined operational principles and core topics for day-to-day business.

Ethical and sustainable criteria

The bank has defined clear ethical and sustainable criteria for new financing and investment transactions (for asset management and selected funds at the level of individual securities) and for the bank’s own issues. These criteria help identify undesirable transactions at an early stage.

Sustainable investments and financing

Hypo Vorarlberg also lives up to its ethical and social responsibilities when it comes to its products. For example, it has developed special financing solutions such as the “Hypo-Klima-Kredit” and “Hypo-Lebenswert-Kredit” loans.

As of the end of 2019, the financing volume for sustainable and renewable energy came to approximately EUR 194 million.

Asset Management at Hypo Vorarlberg took key steps towards sustainable investment again in 2019. Gradual divestment – i.e. deliberate withdrawal of funds from CO₂-intensive industries – plays an increasingly important role in this context. Following targeted divestment and reallocation, some of the bank’s funds were awarded the yourSRI transparency seal.

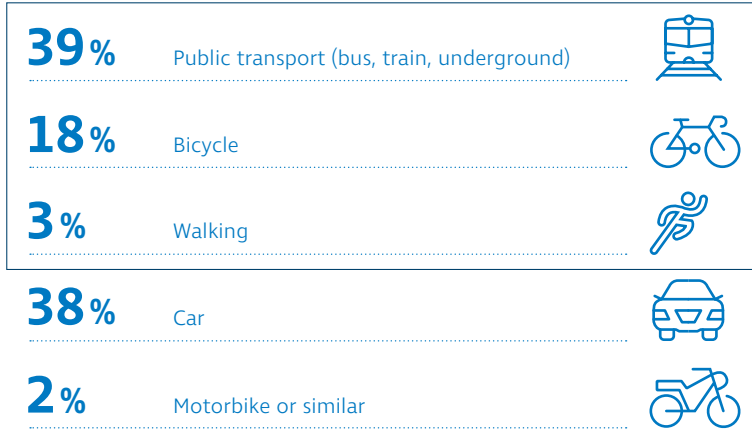
Hypo Vorarlberg is also including sustainable investments in its proprietary investment to a growing extent. Since 2016, the bank has kept a “green investment book” for which it acquires bonds that comply with the Green Bond Principles and have been classified as ESG investments by a recognised sustainability rating agency. The volume in the green investment book came to more than EUR 48 million as of the end of 2019.



SHARE OF MAIN MODES OF TRANSPORT FOR GETTING TO WORK

(2018 survey)

60 % OF EMPLOYEES USE ENVIRONMENTALLY FRIENDLY MODES OF TRANSPORT



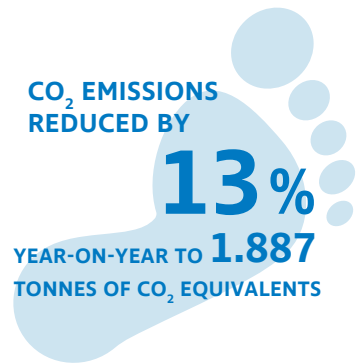
SUPPLY CHAIN AND PROCUREMENT

In procurement, Hypo Vorarlberg is committed to the principle of choosing the best provider rather than the cheapest. The majority of its suppliers are based in Austria and there are generally long-term, trust-based business relationships.

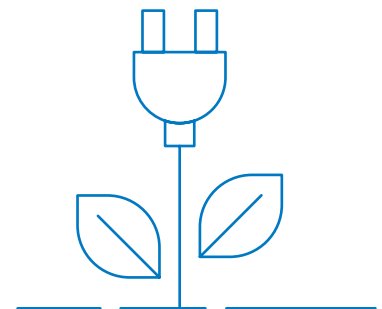


ENVIRONMENTAL AND CLIMATE PROTECTION

Hypo Vorarlberg endeavours to reduce its CO₂ emissions and minimise the impact of its business activities on the climate. By means of various internal measures, its managed to reduce these emissions by almost 13 % year-on-year to 1,887 tonnes of CO₂ equivalents in 2019. The company compensates for emissions that cannot be completely avoided by purchasing top-quality certificates.

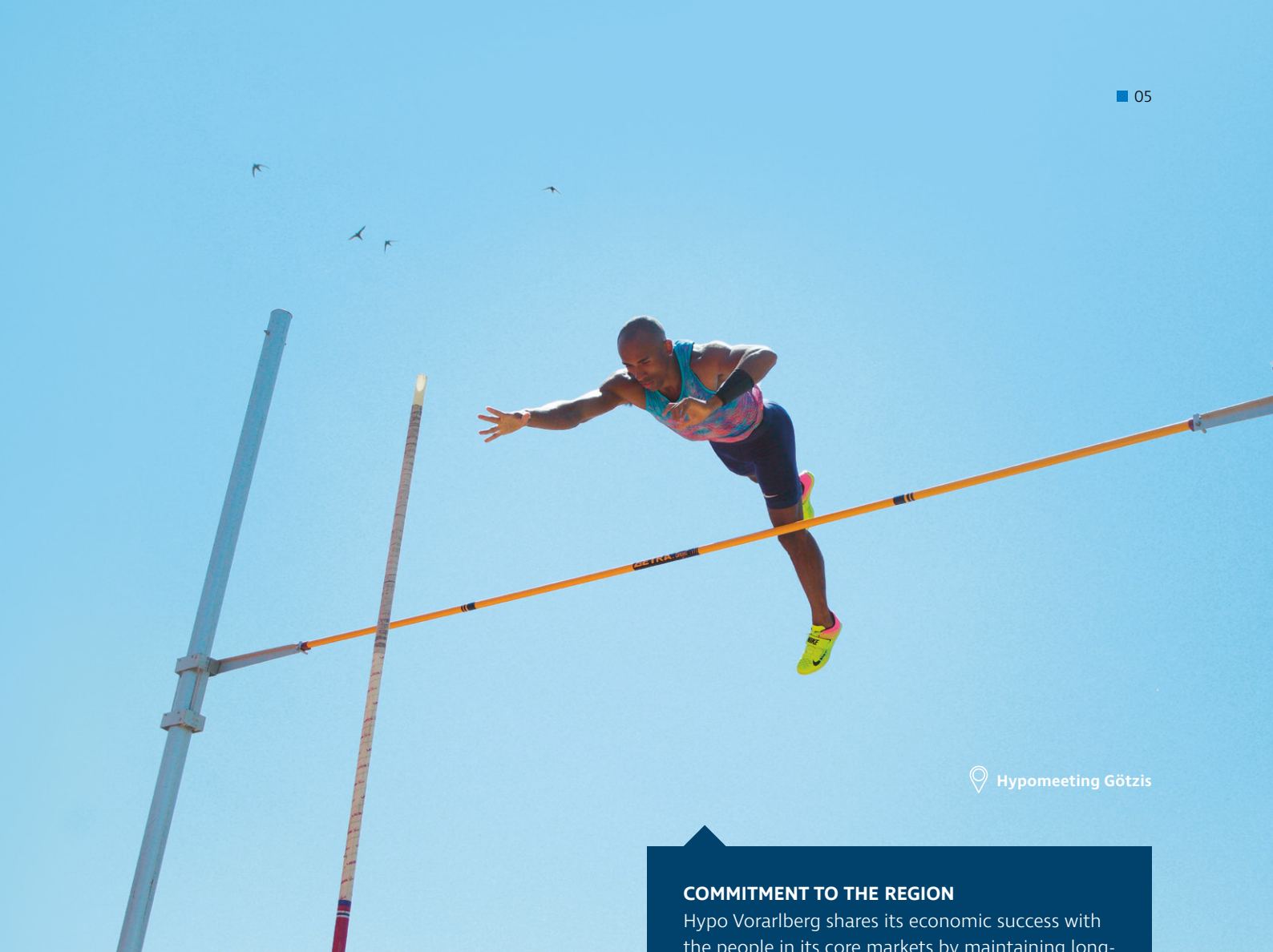


Around three quarters of the Group's power consumption is covered by renewable energy sources. Hypo Vorarlberg also continuously raises awareness among its employees with regard to resource consumption, waste separation and environmentally friendly mobility. The bank promotes the use of public transport with a travel costs subsidy.



3/4 of Group-wide power consumption is covered by green electricity





Hypomeeting Götzis

COMMITMENT TO THE REGION

Hypo Vorarlberg shares its economic success with the people in its core markets by maintaining long-term partnerships and sponsorships in culture and sports and supporting individuals and non-profit projects with its own charitable fund. Sponsorships and donations amounted to more than EUR 1 million in 2019.

SOCIAL ISSUES AND EMPLOYEES

As a responsible employer, Hypo Vorarlberg creates a suitable work environment that enables the nearly 900 employees in the Group to achieve great things together. This is regularly confirmed by external agencies.

Hypo Vorarlberg enables all its employees to contribute and develop to their full potential – regardless of their gender, nationality, ethnic origin, religion or ideology, disability, age, sexual orientation or identity. Nobody is disadvantaged, discriminated against or excluded.

With gender equality, flexible working time models and workplace health promotion, the bank provides positive conditions. In the interests of sustainable staff development, it sets store by ongoing training and development and also trains its own junior staff.



881

GROUP EMPLOYEES



56,98%

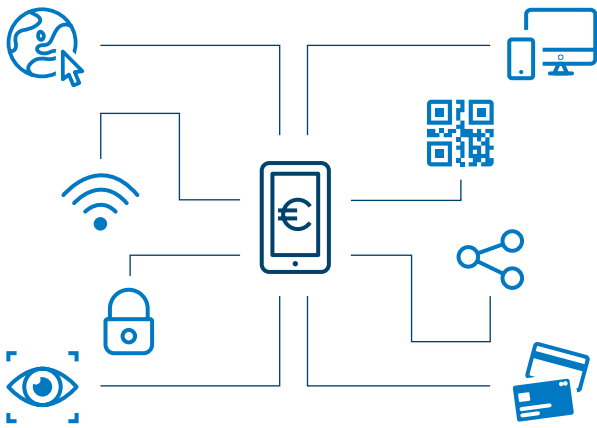
PROPORTION OF WOMEN



11

NATIONALITIES





DIGITALISATION

Hypo Vorarlberg sees ongoing digitalisation as an opportunity – without losing sight of the risks. The changeover to digital salary slips and account/securities account statements helps reduce paper consumption within the Group. Increased use of video conferences results in fewer business trips.

At the same time, Hypo Vorarlberg is dealing intensively with the issue of cybersecurity so that it can identify and counteract the negative effects of digitalisation.

GOVERNANCE

Hypo Vorarlberg is guided by the regulations of the Austrian Corporate Governance Code, which sets a benchmark for good corporate governance and supervision. The aim is to manage and supervise the company responsibly and sustainably, with a high degree of transparency.

The bank ensures that it follows the Standard Compliance Code and takes measures to avoid conflicts of interest between customers, the bank and employees. Complying with due diligence obligations to prevent corruption, money laundering and terrorist financing is a high priority.

The bank has a whistleblower system that gives employees the possibility to provide anonymous tips regarding infringements of legal requirements and internal regulations or general risks and deficiencies without having to fear negative consequences.

DATA PROTECTION

Hypo Vorarlberg strictly adheres to the applicable legal requirements for data protection. Employees are therefore instructed to check the legality of each data transmission in relation to both the General Data Protection Regulation/ the Austrian Data Protection Act and the Austrian Banking Act.

For Hypo Vorarlberg, compliance with all relevant legal provisions is axiomatic in all of its transactions. Financing and investment transactions that conflict with Hypo Vorarlberg’s compliance guidelines and business ethics are strictly rejected.





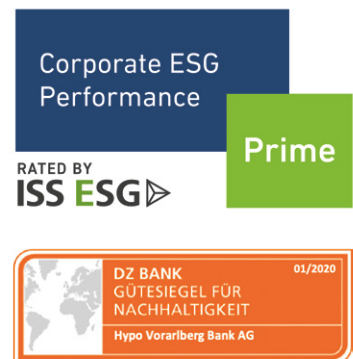
HUMAN RIGHTS

Hypo Vorarlberg is committed to the principles of the European Convention on Human Rights and the United Nations Universal Declaration of Human Rights. The ethical and sustainable criteria for financing therefore incorporate human rights issues.

In particular, the bank pays attention to the rights of people with disabilities. It has taken measures to facilitate access to its bank locations and services for customers and employees with disabilities.

RATINGS

Hypo Vorarlberg's efforts to promote sustainability are regularly acknowledged by independent parties. For example, ISS ESG – one of the leading rating agencies in the sustainable investment segment – has awarded Hypo Vorarlberg a "C" rating, thus putting the company within the Prime range.



Further information on sustainability issues can be found at: www.hypovbg.at

IMPRINT

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Legal information:

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